

# Construction Industry Training Board

Financial report  
for the year ended  
30 June 2018



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## To the Presiding Member Construction Industry Training Board

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 16(2) of the *Construction Industry Training Fund Act 1993*, I have audited the financial report of the Construction Industry Training Board for the financial year ended 30 June 2018.

### Opinion

In my opinion, the accompanying financial report gives has been prepared in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987*, Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, and Australian Accounting Standards including:

- a) giving a true and fair view of the financial position of the Construction Industry Training Board as at 30 June 2018, its financial performance and its cash flows for the year then ended, and
- b) complying with Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2013

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Presiding Member, a Board Member, the Chief Executive Officer and the Executive Manager, Finance and Business Services.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Construction Industry Training Board. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the

audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

### **Responsibilities of the Chief Executive Officer and members of the Construction Industry Training Board for the financial report**

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

The members of the Construction Industry Training Board are responsible for overseeing the entity's financial reporting process.

### **Auditor's responsibilities for the audit of the financial report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer

- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive Officer and the members of the Construction Industry Training Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

**Auditor-General**

9 October 2018

## Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Construction Industry Training Board:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian accounting standards;
- comply with Division 60 of the Australian Securities and Charities and Not-for-profits Commission Regulation 2013;
- are in accordance with the accounts and records of the Board; and
- present a true and fair view of the financial position of the Construction Industry Training Board as at 30 June 2018 and the results of its operation and cash flows for the financial year.

We certify that:

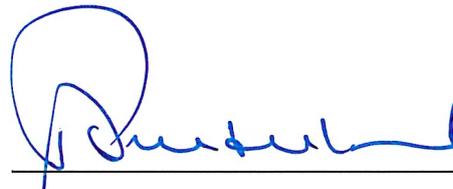
- the internal controls employed by the Construction Industry and Training Board for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period; and
- at the time of signing of this statement, there are reasonable grounds to believe that the Construction Industry Training Board will be able to pay its debts as and when they become due and payable.



**GAY THOMPSON**

Presiding Member

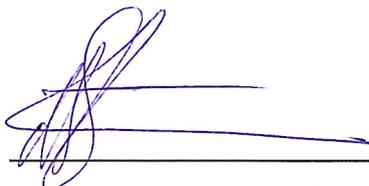
9 October 2018



**PHILLIP SUTHERLAND**

Board Member

9 October 2018



**MARIE PATERSON**

Chief Executive Officer

9 October 2018



**JOHN MORGAN**

Executive Manager Finance & Business Servi

9 October 2018



**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$'000	2017 \$'000
<b>Expenses</b>			
Employee benefits expenses	3	1,996	1,953
Supplies and services	5	673	768
Depreciation and amortisation expense	6	74	53
Training claims	7	16,409	13,493
Occupancy		173	174
Collection agent fees		97	93
Marketing		153	89
Research		27	48
Net loss on disposal of non-current assets	11	-	16
Training delivery		165	175
<b>Total Expenses</b>		<b>19,767</b>	<b>16,862</b>
<b>Income</b>			
Industry levies	8	23,723	19,587
Interest		470	411
Grants from SA Government	9	416	177
Other income	10	7	64
Net gain on disposal of non-current assets	11	2	-
<b>Total Income</b>		<b>24,618</b>	<b>20,239</b>
<b>Net Result</b>		<b>4,851</b>	<b>3,377</b>
<b>Total Comprehensive Result</b>		<b>4,851</b>	<b>3,377</b>

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018

	Note	2018 \$'000	2017 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	12	1,699	4,433
Receivables	13	874	713
Other financial assets	14	22,984	15,000
<b>Total Current Assets</b>		<b>25,557</b>	<b>20,146</b>
<b>Non-Current Assets</b>			
Plant and equipment	15	249	265
Intangible assets	16	49	72
<b>Total Non-Current Assets</b>		<b>298</b>	<b>337</b>
<b>Total Assets</b>		<b>25,855</b>	<b>20,483</b>
<b>Current Liabilities</b>			
Payables	17	1,753	1,427
Employee benefits	18	141	233
Provisions	19	2,932	2,682
<b>Total Current Liabilities</b>		<b>4,826</b>	<b>4,342</b>
<b>Non-Current Liabilities</b>			
Payables	17	10	8
Employee benefits	18	176	141
<b>Total Non-Current Liabilities</b>		<b>186</b>	<b>149</b>
<b>Total Liabilities</b>		<b>5,012</b>	<b>4,491</b>
<b>Net Assets</b>		<b>20,843</b>	<b>15,992</b>
Reserves		11,302	8,185
Retained earnings		9,541	7,807
<b>Total Equity</b>		<b>20,843</b>	<b>15,992</b>
<b>Unrecognised contractual commitments</b>	<b>20</b>		
<b>Contingent assets and liabilities</b>	<b>21</b>		

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018

	Operational Risk Reserve (Prudential Reserve)	Strategic Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2016</b>	<b>7,229</b>	<b>1,000</b>	<b>4,386</b>	<b>12,615</b>
Total Comprehensive Result 2016-2017	-	-	3,377	3,377
Transfer from Reserve	(44)	-	44	-
<b>Balance at 30 June 2017</b>	<b>7,185</b>	<b>1,000</b>	<b>7,807</b>	<b>15,992</b>
Total Comprehensive Result 2017-2018	-	-	4,851	4,851
Transfer from Operational Risk Reserve (Prudential Reserve)	3,117	-	(3,117)	-
<b>Balance at 30 June 2018</b>	<b>10,302</b>	<b>1,000</b>	<b>9,541</b>	<b>20,843</b>

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018	2017
		\$'000	\$'000
<b>Cash flows from Operating Activities</b>			
<b>Cash Inflows</b>			
Receipts from industry training levies		23,484	19,573
Interest received		631	302
GST recovered from the ATO		141	155
Grants from SA Government		416	177
Other receipts		39	65
<b>Cash generated from operations</b>		<b>24,711</b>	<b>20,272</b>
<b>Cash Outflows</b>			
Employee benefits paid		(2,074)	(2,014)
Training expenditure paid		(15,881)	(12,730)
Other payments		(1,473)	(1,421)
<b>Cash used in operations</b>		<b>(19,428)</b>	<b>(16,165)</b>
<b>Net Cash provided by / (used in) operating activities</b>		<b>5,283</b>	<b>4,107</b>
<b>Cash flows from Investing Activities</b>			
<b>Cash Inflows</b>			
Maturing term deposits		46,500	15,500
Proceeds from sale of plant and equipment		37	56
<b>Cash generated from investing activities</b>		<b>46,537</b>	<b>15,556</b>
<b>Cash Outflows</b>			
Purchase of investments		(54,484)	(17,500)
Purchase of plant and equipment and intangible assets		(70)	(263)
<b>Cash used in investing activities</b>		<b>(54,554)</b>	<b>(17,763)</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>(8,017)</b>	<b>(2,207)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(2,734)</b>	<b>1,900</b>
<b>Cash and cash equivalents at beginning of financial year</b>		<b>4,433</b>	<b>2,533</b>
<b>Cash and cash equivalents at end of financial year</b>	12	<b>1,699</b>	<b>4,433</b>

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

**1. BASIS OF FINANCIAL STATEMENTS**

**1.1 REPORTING ENTITY**

The Construction Industry Training Board (Board) is established under the *Construction Industry Training Fund Act 1993* (CITF Act).

The financial statements and accompanying notes include all the controlled activities of the Board and does not control any other entity and has no interests in unconsolidated structured entities.

**1.2 STATEMENT OF COMPLIANCE**

The Board has prepared these financial statements in compliance with section 23 of the *Public Finance and Audit Act 1987* (PFAA) and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the PFAA, and the requirements of the CITF Act.

The Board has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Board is a not-for-profit entity. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Board for the period ending 30 June 2018.

**1.3 BASIS OF PREPARATION**

The financial statements have been prepared based on a 12 month period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out in the notes.

**1.4 TAXATION**

The Board is exempt from Income Tax under subdivision 50-B of the *Income Tax Assessment Act 1997*. The Board is exempt from Payroll Tax in South Australia.

The Board is liable for Goods and Services Tax (GST) and Fringe Benefits Tax (FBT), however, as a registered charity, is endorsed to access:

- GST concessions under Division 176 of A New Tax System (Goods and Services Tax) Act 1999
- FBT rebate (49%) under section 123E of the Fringe Benefits Tax Assessment Act 1986.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

## 2. OBJECTIVES

The Construction Industry Training Board's responsibilities include:

- management and administration of the Construction Industry Training Fund (the Fund);
- to act as a principal adviser to the Minister for Education and the Assistant Minister for Vocational Education and Skills for the Commonwealth and the Minister for Industry and Skills for the State on training related matters for the Building and Construction Industry in South Australia;
- preparation of training plans;
- promote increased productivity, career opportunities, personal satisfaction and occupational health and safety;
- to initiate, carry out, support or promote research into training and personal needs;
- to liaise with educational, professional and training bodies in relation to training and personnel development;
- co-ordination of training, review and evaluation of employment related training programs.

The Fund collects revenue by way of a levy of 0.25 percent of the value of building and construction work over \$40,000. This revenue is invested back into the industry in the form of expenditure on training.

## 3. EMPLOYEE BENEFITS

### 3.1 EMPLOYEE BENEFITS EXPENSES

	2018	2017
	\$'000	\$'000
Salaries and wages	1,437	1,435
Board fees	161	167
Annual leave	149	114
Employment on-costs-superannuation *	135	136
Long Service Leave	42	14
Employment on-costs-other	40	42
Personal Leave	32	45
<b>Total employee benefits expenses</b>	<b>1,996</b>	<b>1,953</b>

\*The superannuation employment on-costs charge represents the Board's contributions to superannuation plans in respect of current services of current employees.

### 3.2 KEY MANAGEMENT PERSONNEL

Key management personnel of the Board include the Minister, the Directors and the Chief Executive Officer who have responsibility for the strategic direction and management of the Board.

Total compensation for key management personnel was \$444,000 in 2017-18 and \$415,000 in 2016-17. Salaries and other benefits the Minister for Industry and Skills receives are excluded from this total.

3.3 REMUNERATION OF EMPLOYEES

	2018 Number of Employees	2017 Number of Employees
The number of employees whose remuneration received or receivable falls within the following bands:		
\$199 001 to \$209 000	1	-
\$209 001 to \$219 000	-	1
<b>Total</b>	<b>1</b>	<b>1</b>

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$206,000 (\$218,000).

4. REMUNERATION OF BOARD AND COMMITTEE MEMBERS

Directors of the Construction Industry Training Board

The Directors of the Construction Industry Training Board during the 2018 financial year were:

**Members**

Mary Gabrielle Thompson (Independent Presiding Member, re-appointed 14 August 2017)

Phillip Sutherland (re-appointed 4 August 2017)

Martin O'Malley (re-appointed 4 August 2017)

Natasha Hemmerling (re-appointed 4 August 2017)

Gary Henderson (re-appointed 14 August 2015)

Jessica Rogers (appointed 17 December 2015)

Sandra Jaffer (ceased 13 February 2018)

Denise Janek (re-appointed 4 August 2017)

Rebecca Pickering (re-appointed 14 August 2015)

Kylie Heneker (appointed 2 February 2017)

Christine Stone (appointed 4 August 2017)

In addition to the above members there were 11 deputies who attended meetings and accordingly were paid a fee. Not all deputies attended Board meetings.

The number of members whose remuneration received or receivable falls within the following bands:

	2018	2017
	Number of Directors	Number of Directors
NIL	4	4
\$1-\$9,999	8	10
\$10,000-\$19,999	9	8
\$20,000-\$29,999	1	1
<b>Total</b>	<b>22</b>	<b>23</b>

Remuneration of members reflects all costs of performing Board member duties including sitting fees, superannuation contributions, fringe benefits tax and any salary sacrifice benefits. Total remuneration received or receivable by members was \$161,000 (\$167,000).

During the year training funds were allocated to associated entities of the Directors of the Construction Industry Training Board. Such transactions were within terms and conditions no more favourable than those available on similar transactions with other parties.

## 5. SUPPLIES AND SERVICES

	2018	2017
	\$'000	\$'000
Telecommunication and IT expenses	185	195
Legal costs	157	122
Professional services	144	203
General administration and consumables	109	143
Other	55	41
Insurance	23	19
Consultants	-	45
<b>Total supplies and services</b>	<b>673</b>	<b>768</b>

The total supplies and services amount disclosed includes GST amounts not recoverable from the Australian Taxation Office due to the Board not holding a tax invoice or payments relating to third party arrangements.

### 5.1 OPERATING LEASES

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of benefits derived from the use of the leased assets. Total operating lease expense for the year was \$138,000 (\$134,000).

### 5.2 CONSULTANTS

The number of consultancies and the dollar amount paid/payable (included in supplies and services) to consultants that fell within the following bands:

	No	2018	No	2017
		\$'000		\$'000
Below \$10,000	-	-	3	10
Above \$10,000	-	-	1	35
<b>Total paid/payable to the consultants engaged</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>45</b>

No consultants were engaged in 2017-18.

## 6. DEPRECIATION AND AMORTISATION EXPENSE

	2018	2017
	\$'000	\$'000
Motor vehicles	32	23
Computer software	23	16
Computer equipment	14	11
Office machines	2	2
Leasehold improvements	2	-
Furniture and fittings	1	1
<b>Total depreciation and amortisation</b>	<b>74</b>	<b>53</b>

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Lease incentives in the form of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement, whichever is shorter.

### 6.1 USEFUL LIFE

Depreciation and amortisation of non-current assets is calculated on a straight-line basis for each class of depreciable assets over the estimated useful life. The depreciation and amortisation rates for each class of depreciable assets are set out as follows:

• Motor vehicles	15 percent
• Computer Software	25 percent
• Computer equipment	25 percent
• Office machines	20 percent
• Leasehold Improvements	35 percent
• Furniture and fittings	20 percent

The useful lives of intangible assets (eg. computer software) are assessed to be either finite or indefinite. The Board only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

### 6.2 REVISION OF ACCOUNTING ESTIMATES

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

During the year, the Board did not make any adjustments to the estimated useful life of any asset categories.

## 7. TRAINING CLAIMS

	2018	2017
	\$'000	\$'000
Housing sector	8,583	6,365
Commercial sector	4,753	4,293
Civil sector	2,493	2,313
Other	580	522
<b>Total training claims</b>	<b>16,409</b>	<b>13,493</b>

Training claims are recognised as expenses when training claims are submitted by training providers.

## 8. INDUSTRY LEVIES

	2018	2017
	\$'000	\$'000
Housing sector	9,093	8,636
Commercial sector	8,624	6,113
Civil sector	6,006	4,838
<b>Total industry levies</b>	<b>23,723</b>	<b>19,587</b>

Industry levies are recognised as income when the Board obtains control of the levies. Control is normally obtained when a levy application is lodged.

## 9. GRANTS FROM SA GOVERNMENT

	2018	2017
	\$'000	\$'000
D2C contributions/grants	416	177
<b>Total grants from SA Government</b>	<b>416</b>	<b>177</b>

Doorways2Construction™ (D2C) is South Australia's premier Vocational Education and Training in schools program for the building and construction industry with grants to assist in the funding received from the Department for Education (DfE) and the Department for Industry and Skills (DIS).

## Construction Industry Training Board Financial Statements

Payments received from DfE and DIS are made according to the payment schedule in the respective agreement. Income included in 2017-18 that relate to expenditure to be incurred by the Board in 2018-19 total \$66,000.

### 10. OTHER INCOME

	2018	2017
	\$'000	\$'000
Sale of publications	4	30
Sundry revenue	3	34
<b>Total other income</b>	<b>7</b>	<b>64</b>

### 11. NET GAIN/LOSS FROM THE DISPOSAL OF NON-CURRENT AND OTHER ASSETS

	2018	2017
	\$'000	\$'000
<b>Motor Vehicles</b>		
Proceeds from disposal	37	55
Less net book value of assets disposed	(35)	(70)
<b>Net gain/(loss) from disposal of motor vehicles</b>	<b>2</b>	<b>(15)</b>
<b>Computer Equipment</b>		
Proceeds from disposal	-	1
Less net book value of assets disposed	-	(2)
<b>Net gain/(loss) from disposal of computer equipment</b>	<b>-</b>	<b>(1)</b>
<b>Total net gain/(loss) from disposal of non-current assets</b>	<b>2</b>	<b>(16)</b>

Gain/losses on disposal are recognised at the date control of the asset is passed to the buyer and are determined after deducting the costs of assets from proceeds at the time.

### 12. CASH AND CASH EQUIVALENTS

	2018	2017
	\$'000	\$'000
Cash at bank	1,196	617
Bank deposits at call	503	3,816
<b>Total cash and cash equivalents</b>	<b>1,699</b>	<b>4,433</b>

Cash and cash equivalents recorded in the Statement of Financial Position includes cash on hand, cash at bank and deposits held at call. Cash is measured at nominal value.

#### Interest rate risk

Cash at bank and deposits at call earn a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

### 13. RECEIVABLES

	2018	2017
	\$'000	\$'000
<b>Current</b>		
Trade debtors	655	349
Less allowance for doubtful debts	(9)	(9)
Less levy refund payable	(79)	(21)
Prepayments	141	43
Accrued interest	55	216
GST receivables	37	48
Sundry debtors	1	5
Accrued levy revenue	73	82
<b>Total current receivables</b>	<b>874</b>	<b>713</b>

#### 13.1 MOVEMENT IN THE ALLOWANCE FOR DOUBTFUL DEBTS

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (i.e. calculated on past experience and current and expected changes in client credit rating) that a receivable is impaired.

	2018	2017
	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	<b>9</b>	<b>18</b>
Increase/(decrease) in the allowance	7	(4)
Amounts written off	(7)	(5)
<b>Carrying amount at the end of the period</b>	<b>9</b>	<b>9</b>

#### 13.2 INTEREST RATE AND CREDIT RISK

Receivables in respect of accrued levy revenue and debtors are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Board will not be able to collect the debt.

### 14. OTHER FINANCIAL ASSETS

The short-term investments of the Board at balance date comprise:

	2018	2017
	\$'000	\$'000
<b>Current investments</b>		
Westpac term deposits	15,859	8,000
ANZ term deposits	4,014	4,000
Commonwealth Bank deposits	3,111	3,000
<b>Total other financial assets</b>	<b>22,984</b>	<b>15,000</b>

Other Financial Assets comprise term deposits held to maturity for periods of one month and greater.

The Board measures financial assets at historical cost. The carrying amount is equal to the net fair value.

**15. PLANT AND EQUIPMENT**

	2018	2017
	\$'000	\$'000
Motor vehicles at cost (deemed fair value)	231	243
Less: accumulated depreciation	(32)	(39)
	<b>199</b>	<b>204</b>
Computer equipment at cost (deemed fair value)	107	107
Less: accumulated depreciation	(77)	(63)
	<b>30</b>	<b>44</b>
Office machines at cost (deemed fair value)	67	67
Less: accumulated depreciation	(54)	(52)
	<b>13</b>	<b>15</b>
Furniture and fittings at cost (deemed fair value)	49	46
Less: accumulated depreciation	(45)	(44)
	<b>4</b>	<b>2</b>
Leasehold improvements at cost (deemed fair value)	396	391
Less: accumulated depreciation	(393)	(391)
	<b>3</b>	<b>-</b>
<b>Total plant and equipment</b>	<b>249</b>	<b>265</b>

In determining fair value, the Board has taken into account the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset) and the assets highest and best use (that is physically possible, legally permissible, financially feasible).

The Board's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible within the next five years. As the Board did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

**15.1 ACQUISITION AND RECOGNITION**

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at historical cost less accumulated depreciation. The Board capitalises all non-current assets with a value of one thousand dollars (\$1,000) or more.

**15.2 CARRYING AMOUNT OF PLANT AND EQUIPMENT**

All items of plant and equipment had a fair value at the time of acquisition that was less than \$1 million or had an estimated useful life that was less than three years, and have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value.

**15.3 IMPAIRMENT**

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. There were no indications of impairment of plant and equipment assets at 30 June 2018.

15.4 RECONCILIATION OF PLANT AND EQUIPMENT DURING 2017-18

	Furniture & fittings	Office machines	Computer equipment	Motor vehicles	Leasehold improvements	Total 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount as at 30 June 2017	2	15	44	204	-	265
Additions	3	-	-	62	5	70
Disposals	-	-	-	(35)	-	(35)
Depreciation and amortisation	(1)	(2)	(14)	(32)	(2)	(51)
<b>Carrying amount as at 30 June 2018</b>	<b>4</b>	<b>13</b>	<b>30</b>	<b>199</b>	<b>3</b>	<b>249</b>

15.5 RECONCILIATION OF PLANT AND EQUIPMENT DURING 2016-17

	Furniture & fittings	Office machines	Computer equipment	Motor vehicles	Leasehold improvements	Total 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount as at 30 June 2016	2	1	9	128	-	140
Additions	1	16	48	169	-	234
Disposals	-	-	(2)	(70)	-	(72)
Depreciation and amortisation	(1)	(2)	(11)	(23)	-	(37)
<b>Carrying amount as at 30 June 2017</b>	<b>2</b>	<b>15</b>	<b>44</b>	<b>204</b>	<b>-</b>	<b>265</b>

16. INTANGIBLE ASSETS

	2018	2017
	\$'000	\$'000
Computer software	1,773	1,773
Accumulated amortisation	(1,724)	(1,701)
<b>Total computer software</b>	<b>49</b>	<b>72</b>
<b>Total intangible assets</b>	<b>49</b>	<b>72</b>

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The Board only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$1,000. The internally developed computer software relates to the Board's training and levy administration system (TALAS) with a remaining useful life of 2 years and carrying amount of \$49,000.

16.1 IMPAIRMENT

There were no indications of impairment of intangible assets at 30 June 2018.

16.2 RECONCILIATION OF INTANGIBLE ASSETS DURING 2017-18

	\$'000
Computer software	
Carrying amount as at 30 June 2017	72
Amortisation	(23)
Carrying amount as at 30 June 2018	49

16.3 RECONCILIATION OF INTANGIBLE ASSETS DURING 2016-17

Intangible assets	\$'000	\$'000	\$'000
	Software	Work in Progress	Total
Carrying amount as at 30 June 2016	7	52	59
Additions	30	-	30
Transfer between asset classes	52	(52)	-
Disposals	(1)	-	(1)
Amortisation	(16)	-	(16)
Carrying amount as at 30 June 2017	72	-	72

17. PAYABLES

	2018	2017
	\$'000	\$'000
<b>Current:</b>		
Accrued training expenses	1,319	1,042
Accrued expenses	218	239
Trade creditors	150	58
Employment on-costs	66	88
<b>Total current payables</b>	<b>1,753</b>	<b>1,427</b>
<b>Non-current:</b>		
Employment on-costs	10	8
<b>Total non-current payables</b>	<b>10</b>	<b>8</b>
<b>Total payables</b>	<b>1,763</b>	<b>1,435</b>

*Employment on-costs* include superannuation contributions, ReturnToWorkSA levies, ReturnToWorkSA levies on long service/annual leave provisions and fringe benefit.

*Superannuation* - The Board has contributed 9.5% (2018), 9.5% (2017) of the employees' base salary into their prescribed superannuation fund. These contributions are treated as an expense when they occur. There is no liability for payment to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability at reporting date relates to any contributions due but not yet paid into the superannuation funds.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2017 rate (40%) to 41% and the average factor for the calculation of employer superannuation cost on-costs has also changed from the 2017 rate (10.1%) to 9.9%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$8,066 and employee benefits expense of \$8,066.

17.1 INTEREST RATE AND CREDIT RISK

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received.

**18. EMPLOYEE BENEFITS - LIABILITY**

	2018	2017
	\$'000	\$'000
<b>Current:</b>		
Annual leave	105	109
Long Service Leave	19	97
Accrued salaries and wages	13	2
Personal leave provision	4	25
<b>Total current employee benefits</b>	<b>141</b>	<b>233</b>
<b>Non-current:</b>		
Long service leave	176	141
<b>Total non-current employee benefits</b>	<b>176</b>	<b>141</b>
<b>Total employee benefits</b>	<b>317</b>	<b>374</b>

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

**18.1 SALARIES AND WAGES, ANNUAL LEAVE AND PERSONAL LEAVE**

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date. The annual leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

A provision has been made for the unused component of personal leave at balance date for employees who are party to the CITB Enterprise Agreement.

**18.2 LONG SERVICE LEAVE**

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

AASB 119 Employee Benefits contains the calculation methodology for long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds remains unchanged ie 2017 (2.5%) and 2018 (2.5%).

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$8,066 and employee benefits expense of \$8,066. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and 3% for annual leave liability. As a result, there is no net financial effect.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months based on previous experience, expected terminations and known applications for leave.

## 19. PROVISIONS

	2018	2017
	\$'000	\$'000
Provision for Training Claims	2,932	2,682
<b>Total provisions</b>	<b>2,932</b>	<b>2,682</b>

The Board has provided a training claim provision that represents the discounted value of the present obligation in relation to progressive training claims that fall within the financial year.

The discounted value reflects management's assessment of the cost of servicing the claims discounted by probability of claim and attrition rates based on historic empirical data.

Changes to the number of registrants, funding rate, and discount rates impact the carrying amount of the provision.

In 2017/18 a provision was recognised for progressive training claims that are likely to fall due within the year of balance date.

## 20. UNRECOGNISED CONTRACTUAL COMMITMENTS

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Unrecognised contractual commitments are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO). If GST is not payable to, or recoverable from, the ATO the commitments and contingencies are disclosed on a gross basis.

### 20.1 OPERATING LEASE COMMITMENTS

	2018	2017
	\$'000	\$'000
Within one year	142	138
Later than one year but not later than five years	13	155
<b>Total operating lease commitments</b>	<b>155</b>	<b>293</b>

The Board's operating lease is for office accommodation. The lease is non-cancellable and rent is payable monthly in advance.

## 21. CONTINGENT ASSETS AND LIABILITIES

The Board is not aware of any contingent assets and liabilities.

## 22. RELATED PARTY TRANSACTIONS

The Board is an independent statutory authority established pursuant to the Construction Industry Training Fund Act 1993 and is explicitly not an agency or instrumentality of the Crown. Related parties of the Board include all key management personnel and their close family members and any entities controlled or jointly controlled by them.

### 22.1 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND OTHER RELATED PARTIES

Compensation of Key Management Personnel is disclosed as note 3.2. There were no transactions or balances to disclose with key management personnel or related parties.

## 23. FINANCIAL RISK MANAGEMENT / FINANCIAL INSTRUMENTS

### 23.1 FINANCIAL RISK MANAGEMENT

Risk management is managed by the Board and Board risk management policies are in accordance with the Board's Risk Management Policy Statement.

The Board is exposed to a variety of financial risks, credit risk and liquidity risk. The Board has non-interest bearing assets (cash on hand and receivables) and liabilities (payables) and interest bearing assets (cash and cash equivalents and other financial assets).

The Board has no significant concentration of credit risk. Investments are in the form of term deposits with approved banking institutions. In relation to liquidity/funding risk, the continued existence of the Board in its present form, is dependent on Government policy.

There are no fair value differences as carrying values approximate fair values and there is minimal exposure to interest rate or market risk due to the nature of the financial assets and liabilities held.

### 23.2 CATEGORISATION OF FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted include the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

The carrying amounts of each of the following categories of financial assets and liabilities: receivables; and provisions measured at cost, are detailed below:

	Note	2018 Carrying Amount \$'000	2017 Carrying Amount \$'000
<b>Financial assets</b>			
Cash and cash equivalent	12	1,699	4,433
Receivables (1) (2)	13	56	221
Other financial assets	14	22,984	15,000
<b>Total financial assets</b>		<b>24,739</b>	<b>19,654</b>
<b>Financial liabilities</b>			
Payables (1)	17	1,643	1,305
Provision for Training Claims	19	2,932	2,682
<b>Total financial liabilities</b>		<b>4,575</b>	<b>3,987</b>

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables.

(2) Receivables amount disclosed here excludes prepayments.

## 24. EVENTS AFTER THE REPORTING PERIOD

There have been no events after the reporting period which would have a material effect on the Board's financial statements at 30 June 2018.