



THE SERVICE TRADES COLLEGE

AUSTRALIA (RTO) PTY LTD

Annual Report
2015-16



OVERVIEW

The Service Trades College (STC) Australia Limited is an industry based not-for-profit Registered Training Organisation (RTO) that delivers premium training in the fields of sanitary plumbing, fire protection and mechanical services.

The objective of STC is to lead the development and delivery of high quality, flexible, industry focused apprenticeship and post trade training for the service trades industries in Queensland. To achieve this, STC actively monitors industry trends to identify and respond to current and emerging training requirements of the specialist trades. The College also consults closely with employees, unions, employers and industry associations regarding their training needs.

STC delivers high quality trade and post-trade training at two campuses, Salisbury in the south and Brendale in the north of Brisbane.

The focus of STC's activities has been on building its capacity to deliver high quality plumbing and fire protection training that is not readily available elsewhere. STC has done this in part, by continuing to grow and develop its physical training infrastructure. In 2014 college opened a second campus at Brendale and developed a new training tower and drain laying facility at the Salisbury campus, with the addition of new classrooms and administration offices.

Since this expansion STC also developed its intellectual capital in terms of the skill of the training staff and the currency and industry relevance of course content for this reporting period. The College has employed two new trainers, in Fire Protection and Plumbing, to meet the growing demand for training.

To ensure that an effective and efficient operating model was in place, allowing the college to deliver the best outcomes for students and industry going forward, the operational arrangements and governance structures of STC were reviewed and as a result, some important structural changes were made.

Prior to December 2015, STC's member organisations comprised the Plumbing and Pipe Trades Employees Union Queensland (PPTEUQ), the Master Plumbers Association Queensland (MPAQ), the National Fire Industry Association Queensland (NFIAQ) and the Air Conditioning and Mechanical Contractors Association Queensland (AMCA).

Following the signing of an historic agreement on 15 December 2015, the Plumbing Industry Climate Action Centre (PICAC) became the sole member of STC when the two organisations merged operations. Representatives of the PTEUQ, MPAQ, NFIAQ and AMCA continue to actively serve on the STC Board.

PICAC is an Industry training partnership, a Centre of Excellence, a facilitator of training and an RTO. The high quality of PICAC's training has been well recognised, with the Centre being awarded the Victorian and Australian Small Training Provider of the Year (2015).

Established in 2010 PICAC is a unique industry collaboration between the Plumbing Trades Employees Union (PPTEU), the Master Plumbers and Mechanical Services Association of Australia (Master Plumbers), National Fire Industry Association (NFIA) and the Air Conditioning and Mechanical Contractors Association of Victoria (AMCA).

Like STC, PICAC is an industry owned, not-for-profit entity, run solely for the development of skills within the plumbing and fire protection industries. PICAC's facilities, delivery systems and proven business and governance arrangements have contributed to PICAC's growth and success.

The combined College footprint will now extend to a total of 5 campuses, located in Brunswick and Geelong in Victoria, Salisbury and Brendale in Queensland, and the currently under construction campus in Narre Warren in Victoria. To best service the needs of all stakeholders, further sites are under consideration across Australia and also to expand capacity in both Queensland and Victoria.

Amalgamating operations with those of PICAC significantly strengthens STC's financial position and governance, setting STC on sustainable operating footing. By using the best organisations to create a better delivery model, the new entity is well placed to deliver an expanded range of contemporary, needs based training.





HIGHLIGHTS

JANUARY 2015 TO JUNE 2016

Responding to changing industry needs and Regulatory requirements

There were several exceptional examples of the College adapting its training offerings to meet the changing needs of industry. STC, in consultation with Industry, developed a new one-day Responsible Person Course for fire protection, which will be rolled out in the second half of 2016.

The Fire Safety Responsible Person Course is designed to train and inform the Responsible Person on their legal obligations, relevant to the management of commercial and residential premises which are required to comply with fire safety legislation. This person will then be able to apply their knowledge of relevant legislation and fire safety procedures to ensure Fire Safety Compliance.

In addition to this, STC significantly progressed adjustments to the delivery of welding training and, as a result of industry feedback, extended the onsite assessment of the Certificate II in Fire Protection Inspection and Testing and the Back Flow Revalidation course to two days.

Feedback from the Industry indicated that there would be practical benefits for individual practitioners, consumers and the sector as a whole, if there was provision of a Restricted Electrical licence category for plumbing and fire professionals. The licence would allow practitioners to do limited electrical work relating to, for example, the electrical side of fire panels or the installation of heating and cooling systems or gas cooktops.

In 2015-16 the course materials for the Restricted Electrical licence were significantly progressed. The College is looking forward to offering Restricted Electrical training in the 2016-17 year.



THE SERVICE TRADES COLLEGE

AUSTRALIA

TRAINING CENTRE



Award winning training delivery

One of STC's key priorities is that students not only receive training in the required units of competency for their individual qualifications, but that each student's individual learning needs or skills gaps are identified and addressed. By dedicating time and resources to this objective, the College can guarantee better outcomes not only for students, but also for their employers.

To this end, the College trainers actively seek opportunities to tailor training packages, ensuring that they meet both the needs of individual students and the employers within the plumbing and fire protection Industries.

The high quality of STC's training was recognised when Head Trainer, Nathan Morgan, was selected as the winner of the 2015 NFIA John Luxford Award for Young Industry Leaders and the Construction Skills Queensland Construction Trainer of the Year Award. Nathan was also a finalist in the 2016 Plumbing & Gas Industry Awards for the Tradelink Industry Mentor of the Year and a Regional finalist in the QLD VET Teacher or Trainer of the Year category.

Embracing technology and innovation

In order to achieve the strategic goal of equipping students with both technical and general workplace competencies, the College has incorporated a range of on-line educational tools.

Basic Key Skills Builder (BKSb) is an approved online testing tool that STC utilises to help determine students' reading and numeracy levels within the Australian Core Skills Framework (ACSF). The tool enables an assessment to be made of a student's competence against the Exit Level criteria set out in the ACSF.

The College supports the basic assessment function of the BKSb with additional diagnostic and analysis tools. The system allows for the identification of students who may be tracking below the required minimum L3 standard, and for appropriate additional training to be made available. It also allows the College and the student to "drill down" into each individual student's specific skills or understanding gaps related to literacy and numeracy. Students receive a subscription to the system when they enrol in any of the College's courses and can log in at any point during their studies or at any subsequent point throughout their career.

The e-profiling system is an innovative workplace skill monitoring tool that allows for the accurate reporting of the tasks that an apprentice undertakes in the workplace. It then reports back to STC and the employer on how this workplace evidence is mapped against the competency standard units found in the relevant training package.

Similar in concept to an electronic log book, the profile of an individual's skills, experience and competencies is developed during training. At a glance, the profile can identify areas of relative strength or weaknesses within a student's competency. Data can be entered remotely and importantly, a particular on-site task or requirement can be mapped directly to the relevant unit of training.



FINANCIAL PERFORMANCE



AUDITOR'S INDEPENDENCE DECLARATION




Auditor's Independence Declaration Under Section 307C of the *Corporations Act 2001* to the Directors of The Service Trades College Australia Limited

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2016 there has been:-

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.


Stannards Accountants & Advisors


Michael Shulman
Partner

Dated 

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2016

	6 months 2016	12 months 2015
	\$	\$
Revenue	1,480,216	2,164,644
Service provision expenses	(317,254)	(625,980)
Interest revenue	22	15,659
Employee benefits expenses	(493,786)	(1,424,183)
Depreciation expense	(60,514)	(129,142)
Finance costs	(4,981)	(21,310)
Other expenses	(299,575)	(671,441)
Current period surplus/(deficit) before income tax expense	304,128	(691,753)
Income tax expense relating to ordinary activities	–	–
Net current period surplus/(deficit)	304,128	(691,753)
Other comprehensive income	–	–
Total comprehensive income for the year	304,128	(691,753)

STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

	30 June 2016	31 December 2015
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	172,380	77,620
Trade and other receivables	321,345	186,097
Other assets	19,467	27,554
Total Current Assets	513,192	291,271
Non-Current Assets		
Property, plant and equipment	2,312,013	2,366,952
Intangible assets	20,254	21,965
Total Non-Current Assets	2,332,267	2,388,917
Total Assets	2,845,459	2,680,188
Liabilities		
Current Liabilities		
Trade and other payables	340,709	459,590
Borrowings	236,740	232,970
Provisions	35,889	25,259
Total Current Liabilities	613,338	717,819
Non-Current Liabilities		
Borrowings	22,343	57,290
Provisions	18,574	18,003
Total Non-Current Liabilities	40,917	75,293
Total Liabilities	654,255	793,112
Net Assets	2,191,204	1,887,076
Equity		
Retained surplus	2,191,204	1,887,076
Total Equity	2,191,204	1,887,076

STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

	6 months 2016	12 months 2015
	\$	\$
Cash Flows from Operating Activities		
Receipts from customers	1,344,968	2,178,092
Payments to suppliers and employees	(1,215,189)	(2,719,568)
Interest received	22	15,659
Net cash provided by/(used in) operating activities	129,801	(525,817)
Cash Flows from Investing Activities		
Payments for property, plant and equipment	(3,864)	(9,158)
Payments for intangibles	–	(5,607)
Net cash provided by/(used in) investing activities	(3,864)	(14,765)
Cash Flows from Financing Activities		
Drawing/(repayment) of borrowings	(31,177)	189,515
Net cash provided by/(used in) financing activities	(31,177)	189,515
Net increase/(decrease) in cash held	94,760	(351,067)
Cash at beginning of Financial Year	77,620	428,687
Cash at end of Financial Year	172,380	77,620

INDEPENDENT AUDIT REPORT



Independent Audit Report to the Members of The Service Trades College Australia Limited

Report on the Financial Report

We have audited the accompanying financial report of The Services Trades College Australia Limited (the Company), which comprises the Statement of Financial Position as at 30 June 2016, and the Statement Profit or Loss and other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors' declaration of the entity.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes implementing internal controls as deemed necessary by the Directors to enable preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1, the Directors also state, in accordance with Accounting Standards AASB 101: "Presentation of Financial Statements", that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the Independence Declaration required by the *Corporations Act 2001*, provided to the Directors of The Services Trades College Australia Limited would be on the same terms if provided to the Directors as at the date of this auditor's report.

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Auditor's Opinion

In our opinion:

- a) the financial report of The Services Trades College Australia Limited is in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the Company's financial position at 30 June 2016, and its performance for the 6 month period on that date; and
 - ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- b) The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.


Stannards Accountants & Advisors


Michael Shulman
Partner

Dated 2/11/16



THE SERVICE TRADES COLLEGE

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