

AUST. COMPETITION &  
CONSUMER COMMISSION  
CANBERRA  
15 OCT 2004

Building A  
488 South Road  
Moorabbin 3189  
Ph: 9209 5948  
Fax 9209 5880

POSTAL ADDRESS  
VBBTF LTD.  
P.O. Box 42  
Holmesglen 3148

12/10/04

Mr Scott Gregson  
Director, Adjudication Branch  
Australian Competition and Consumer Commission  
PO Box 1199  
Dickson, ACT 2602

FILE No:
DOC:
MARS/PRISM:

Dear Mr Gregson

**Re: Application for revocation and substitution lodged by the Victorian Brick and Blocklaying Training Foundation for itself and on behalf of the Clay Brick and Paver Association of Victoria (A90887)**

I refer to your letter dated 20 September 2004 and provide the following responses to your questions:

1. In the financial year 2003/2004 the amount of \$752,796 was raised by the VBBTF on the basis of a levy on brick and block sales of \$376,398 and a matching contribution from brick and block manufacturers of \$376,398.
2. The levy is collected by the manufacturing members using the agreed calculation formula and passed on to the VBBTF each month in accordance with the collection procedure. A copy of the levy calculation method and the levy collection procedure are attached.
3. The details of the levy funds remitted each month by members is strictly confidential and is provided to your office separately.
4. Provided as per 3 above.
5. a. There have been no payments made to training organisations to subsidise training of bricklaying apprentices. VBBTF has provided boots and overalls to students attending a VCAL course which includes the equivalent of first year apprenticeship in bricklaying. VBBTF also fund taster programs for secondary school students for a 40 hour bricklaying experience at TAFE. The course does not give credit towards a future apprenticeship.  
b. In the financial year 2003/2004 the VBBTF has subsidised the employment cost of apprentice bricklayers to host employers by \$179,306. The subsidy for the two months to August 2004 was \$48,502.

- c. There have been no payments for the benefit of group training companies, however subsidies for host employers are paid to group training companies and totally passed on by way of a reduced charge out rate for the apprentice.
  - d. There have been no payments to support a bricklayer training centre at Holmesglen TAFE.
  - e. In the financial year 2003/2004 the VBBTF has promoted bricklaying as a career to the extent of \$43,181. An additional \$11,458 has been incurred in the two months to August 2004.
  - f. In the financial year 2003/2004 the VBBTF spent \$400 on incentives for pre-apprentice training. A further \$2,400 has been incurred in the two months to August 2004. The budget for the financial year 2004/05 provides for \$30,000 to be paid to pre-apprentices who start an apprenticeship and complete the three months probation period.
  - g. In the financial year 2003/2004 the VBBTF spent \$3,000 on mature age apprentice support and no further payments to August 2004. The budget for the financial year 2004/05 provides for \$20,000 to support mature age apprentices.
6. In the 14 months to August 2004 the number of supported apprentices through group schemes has grown by 50 (ie from 44 to 94). This growth is net of departures of apprentices not continuing or completing their apprenticeship.

All bricklayers are not required to pay the levy as a majority of bricks and blocks are purchased by builders. In the housing market the levy is generally paid by builders who purchase bricks and separately engage bricklayers on contract. In the commercial market bricks and blocks are generally purchased by bricklayers who quote work for commercial builders on a supply and lay basis.

Apprentice numbers as of August 2004 are approximately 600. The break up and comparison is as follows:

	Aug04	Jun03	Growth
Apprentices employed through group schemes	94	44	50
Apprentices employed directly by bricklayers	506	482	26
Total apprentices	600	526	76

The VBBTF strategy to increase bricklayer numbers relies on the supported employment of apprentices through group schemes. The results to date have seen the employment through group schemes being the primary factor in influencing overall growth in apprentice numbers.

The above strategy is seen to be the most effective way of not only increasing numbers but ensuring that apprentices are provided with appropriate pay and conditions, have their development and working relationships monitored by field officer site visits and ensure they attend regular TAFE training. Wages support for the employment of the current 94 apprentices is channelled through 15 group schemes which minimises the VBBTF administration costs and improves the relationship and growth potential of the scheme.

Our ongoing promotion to raise the image and profile of bricklaying throughout Victoria together with support for taster programs, pre-apprenticeship training and mature age apprentices is providing all bricklayers with excellent prospects to employ greater numbers of better quality young people as apprentices. All bricklayers also have the option to engage apprentices through group schemes at subsidised rates.

I have provided confidential information in relation to the above under a separate letter. Please advise if further information is required.

Yours sincerely



Geoff Noble  
General Manager  
VBBTF

**MEMBERS**



**VICTORIAN BRICK AND BLOCKLAYING TRAINING FOUNDATION LTD**

**CALCULATION OF LEVY**

**CLAY BRICKS**

\$1.00 per thousand on bricks delivered

All bricks classed as one size

**CONCRETE MASONRY BLOCKS**

One cent per 10 units	76mm by 230mm All fractions
Two cents per 10 units	162mm by 230mm 162mm by 390mm
Four cents per 10 units	390mm by 190mm

**Includes:**

Ex yard pick ups  
Sales to all country and interstate agents

**Excludes:**

Pavers  
Landscape products  
Special shapes  
Export sales

Levy commences on 1 July 2003  
Invoiced as a separate line item  
GST is applicable to the levy

## VICTORIAN BRICK AND BLOCKLAYING TRAINING FOUNDATION LIMITED

### PROCEDURE FOR COLLECTION OF MONTHLY LEVY

- 1 The "Advice of Bricklayer Training Levy" is emailed to each brick and block manufacturer as a template for monthly returns.
- 2 Manufacturers complete the advice form using their Company Letterhead with the total levy amount for the month, this includes;
  - a. clay and concrete masonry products
  - b. matching contribution from the manufacturer

Total does not include GST collected from sales.

Advice form must be received but cut off date, the 10<sup>th</sup> of each month for the previous month claimed. Sent by Fax to VBBTF

- 3 VBBTF prepares tax invoices with GST added and sends to manufacturers
- 4 Manufacturer remits the levy amount (inc GST) to the VBBTF within 45 days of month claimed ie: July to be paid by 15<sup>th</sup> September  
Payment Details;

Electronic transfer to Commonwealth Bank  
Account "Victorian Brick and Blocklaying Training Foundation Ltd"  
BSB number: 063 243  
Account number 1017 5771

- 5 Levy collections are always reported in total with no disclosure of individual contributions.