

Form B

Commonwealth of Australia

Trade Practices Act 1974 — subsections 88 (1A) and (1)

AGREEMENTS AFFECTING COMPETITION OR INCORPORATING RELATED CARTEL PROVISIONS: APPLICATION FOR AUTHORISATION

To the Australian Competition and Consumer Commission:

Application is hereby made under subsection(s) 88 (1A)/88 (1) of the *Trade Practices Act 1974* for an authorisation:

- to make a contract or arrangement, or arrive at an understanding, a provision of which would be, or might be, a cartel provision within the meaning of Division 1 of Part IV of that Act (other than a provision which would also be, or might also be, an exclusionary provision within the meaning of section 45 of that Act); or
- to give effect to a provision of a contract, arrangement or understanding that is, or may be, a cartel provision within the meaning of Division 1 of Part IV of that Act (other than a provision which is also, or may also be, an exclusionary provision within the meaning of section 45 of that Act); or
- to make a contract or arrangement, or arrive at an understanding, a provision of which would have the purpose, or would or might have the effect, of substantially lessening competition within the meaning of section 45 of that Act; or
- to give effect to a provision of a contract, arrangement or understanding which provision has the purpose, or has or may have the effect, of substantially lessening competition within the meaning of section 45 of that Act.

(Strike out whichever is not applicable)

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

- (a) Name of Applicant:
(Refer to direction 2)

A91166

Australian Brick & Blocklaying Training Foundation Ltd on behalf of itself, Think Brick Australia, formerly the Clay Brick & Paver Institute, the Concrete Masonry Association of Australia and their members.

- (b) Short description of business carried on by applicant:
(Refer to direction 3)

Promotion and support for bricklaying training and employment to address the current and future skill shortage.

- (c) Address in Australia for service of documents on the applicant:

PO Box 4297

WISHART VIC 3189

2. Contract, arrangement or understanding

- (a) Description of the contract, arrangement or understanding, whether proposed or actual, for which authorisation is sought:
(Refer to direction 4)

The arrangement is an agreement between Think Brick Australia, Concrete Masonry Association of Australia and their members to apply a levy of \$2 per 1,000 clay bricks sold and 10 cents per square metre on concrete masonry walling products sold in Victoria, New South Wales, Queensland, Western Australia, South Australia, Tasmania and Australian Capital Territory.

The levy calculation and collection procedure is attached as Appendix A.

- (b) Description of those provisions of the contract, arrangement or understanding described at 2 (a) that are, or would or might be, cartel provisions, or that do, or would or might, have the effect of substantially lessening competition

(Refer to direction 4)

Refer 2(a) above.

- (c) Description of the goods or services to which the contract, arrangement or understanding (whether proposed or actual) relate:

The arrangement applies to clay bricks and concrete masonry products.

- (d) The term for which authorisation of the contract, arrangement or understanding (whether proposed or actual) is being sought and grounds supporting this period of authorisation:

The term being sought is five years. This is based on the success of the scheme over the past three years, and the commitment of contractors and the industry to support bricklayer training and employment beyond three years.

3. Parties to the proposed arrangement

- (a) Names, addresses and descriptions of business carried on by other parties or proposed parties to the contract or proposed contract, arrangement or understanding:

Members of Think Brick Australia, PO Box 6567, Baulkham Hills BC, NSW 2153 and members of Concrete Masonry Association of Australia, PO Box 572, St Leonards, NSW 1590.

The application for authorisation also applies to bodies corporate which are subsidiaries, within the meaning of section 4A or the Trade Practices Act, of the members of the Australian Brick and Blocklaying Training Foundation Ltd, Think Brick Australia and the Concrete Masonry Association of Australia, and are manufacturers of the clay brick and concrete masonry products to which the authorised levies will apply.

Letters of authorisation from Think Brick Australia and Concrete Masonry Association of Australia are attached.

- (b) Names, addresses and descriptions of business carried on by parties and other persons on whose behalf this application is made:
(Refer to direction 5)

See 3(a).

4. Public benefit claims

- (a) Arguments in support of authorisation:
(Refer to direction 6)

Refer submission made on 15 April 2009, Clause 5 on Form FC.

- (b) Facts and evidence relied upon in support of these claims:

Refer submission made on 15 April 2009, Clause 5 on Form FC.

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (c) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):
(Refer to direction 7)

Refer submission made on 15 April 2009, Clause 6 on Form FC.

6. Public detriments

- (a) Detriments to the public resulting or likely to result from the authorisation, in particular the likely effect of the contract, arrangement or understanding, on the prices of the goods or services described at 2 (c) and the prices of goods or services in other affected markets:
(Refer to direction 8)

The levy on sales will add \$16 to the average sized house in all states, except WA, where double brick construction means that the levy represents \$40 for the average house.

This detriment is small in comparison to the benefits provided by the scheme.

- (b) Facts and evidence relevant to these detriments:

As above.

7. Contract, arrangements or understandings in similar terms

This application for authorisation may also be expressed to be made in relation to other contracts, arrangements or understandings or proposed contracts, arrangements or understandings, that are or will be in similar terms to the abovementioned contract, arrangement or understanding.

- (a) Is this application to be so expressed?

No.

- (b) If so, the following information is to be furnished:

- (i) description of any variations between the contract, arrangement or understanding for which authorisation is sought and those contracts, arrangements or understandings that are stated to be in similar terms:
(Refer to direction 9)

Not Applicable

- (ii) Where the parties to the similar term contract(s) are known — names, addresses and descriptions of business carried on by those other parties:

Not Applicable.

- (iii) Where the parties to the similar term contract(s) are not known — description of the class of business carried on by those possible parties:

Not Applicable.

8. Joint Ventures

- (a) Does this application deal with a matter relating to a joint venture (See section 4J of the *Trade Practices Act 1974*)?

No.

- (b) If so, are any other applications being made simultaneously with this application in relation to that joint venture?

Not Applicable.

- (c) If so, by whom or on whose behalf are those other applications being made?

Not Applicable.

9. Further information

- (a) Name and address of person authorised by the applicant to provide additional information in relation to this application:

Geoff Noble, General Manager, Australian Brick & Blocklaying Training Foundation Ltd, PO Box 4297, WISHART VIC 3189.

Dated: 22nd day of July 2009.

Signed by the applicant

A handwritten signature in black ink, appearing to read 'G. Noble', written over a light grey rectangular background.

Geoffrey Walter Noble

Australian Brick & Blocklaying Training Foundation Ltd

General Manager

DIRECTIONS

1. Use Form A if the contract, arrangement or understanding includes a provision which is, or might be, a cartel provision and which is also, or might also be, an exclusionary provision. Use Form B if the contract, arrangement or understanding includes a provision which is, or might be, a cartel provision or a provision which would have the purpose, or would or might have the effect, of substantially lessening competition. It may be necessary to use both forms for the same contract, arrangement or understanding.

In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission to take into account in assessing the application for authorisation.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

2. Where the application is made by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the application and the application is to be signed by a person authorised by the corporation to do so.
3. Describe that part of the applicant's business relating to the subject matter of the contract, arrangement or understanding in respect of which the application is made.

4. Provide details of the contract, arrangement or understanding (whether proposed or actual) in respect of which the authorisation is sought. Provide details of those provisions of the contract, arrangement or understanding that are, or would or might be, cartel provisions. Provide details of those provisions of the contract, arrangement or understanding that do, or would or might, substantially lessen competition.

In providing these details:

(a) to the extent that any of the details have been reduced to writing, provide a true copy of the writing; and

(b) to the extent that any of the details have not been reduced to writing, provide a full and correct description of the particulars that have not been reduced to writing.

5. Where authorisation is sought on behalf of other parties provide details of each of those parties including names, addresses, descriptions of the business activities engaged in relating to the subject matter of the authorisation, and evidence of the party's consent to authorisation being sought on their behalf.
6. Provide details of those public benefits claimed to result or to be likely to result from the proposed contract, arrangement or understanding including quantification of those benefits where possible.
7. Provide details of the market(s) likely to be effected by the contract, arrangement or understanding, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the authorisation.
8. Provide details of the detriments to the public which may result from the proposed contract, arrangement or understanding including quantification of those detriments where possible.

9. Where the application is made also in respect of other contracts, arrangements or understandings, which are or will be in similar terms to the contract, arrangement or understanding referred to in item 2, furnish with the application details of the manner in which those contracts, arrangements or understandings vary in their terms from the contract, arrangements or understanding referred to in item 2.

From: "Linda Ginger" <linda.ginger@thinkbrick.com.au>
To: "Geoff Noble" <geoffn@holmesglen.vic.edu.au>
Date: 22/07/2009 5:35 pm
Subject: ACCC AUTHORISATION

Dear Geoff

Please be advised that Think Brick Australia consents to the Australian Brick & Blocklaying Training Foundation Limited making application on behalf of the brick industry, represented by Think Brick Australia, to the ACCC to seek authorisation under Section 88 (1A) of the Trade Practices Act.

Yours sincerely

Linda Ginger

Chief Executive Officer

Think Brick Australia

PO Box 6567, Baulkham Hills BC, NSW, 2153

P: 02 9629 4922 M: 0416 166 903

E: <mailto:linda.ginger@thinkbrick.com.au> linda.ginger@thinkbrick.com.au

W: thinkbrick.com.au

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Message protected by MailGuard: e-mail anti-virus, anti-spam and content filtering.
<http://www.mailguard.com.au/mg>

From: "Concrete Masonry Association of Australia" <admin@cmaa.com.au>
To: "Geoff Noble" <geoffn@holmesglen.vic.edu.au>
Date: 23/07/2009 2:26 pm
Subject: RE: Consent for ACCC Application

CC: "Alan Pearson" <alan@cmaa.com.au>
Hello Geoff,

We consent to the Australian Brick & Blocklaying Training Foundation Limited making application on behalf of the Concrete Masonry Association of Australia Limited to the ACCC to seek authorisation under Section 88 (1A) of the Trade Practices Act.

Regards,

Tiere Morgan

Administration Manager | Concrete Masonry Association of Australia

PO Box 572, St Leonards NSW 1590 | Ph: 02 9903 7760 | Fax: 02 9437 9703

www.cmaa.com.au | admin@cmaa.com.au

Form FC

Commonwealth of Australia

Trade Practices Act 1974 — subsection 91C (1)

APPLICATION FOR REVOCATION OF A NON-MERGER AUTHORISATION AND SUBSTITUTION OF A NEW AUTHORISATION

To the Australian Competition and Consumer Commission:

Application is hereby made under subsection 91C (1) of the *Trade Practices Act 1974* for the revocation of an authorisation and the substitution of a new authorisation for the one revoked.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

(a) Name of applicant:

Australian Brick & Blocklaying Training Foundation Ltd on behalf of itself, Think Brick Australia, formerly the Clay Brick & Paver Institute, the Concrete Masonry Association of Australia and their members.

(b) Description of business carried on by applicant:

Promotion and support for bricklaying training and employment to address the current and future skill shortage.

(c) Address in Australia for service of documents on the applicant:

PO Box 4297

WISHART VIC 3189

2. Revocation of authorisation

(a) Description of the authorisation, for which revocation is sought, including but not limited to the registration number assigned to that authorisation:

Authorisation number A90993 in relation to levies on sales of clay bricks and concrete masonry products.

(b) Provide details of the basis upon which revocation is sought:

Revocation is sought to enable substitution of a new authorisation to apply a levy on the sale of clay bricks and concrete masonry to fund programs to address the skill shortage in bricklaying.

3. Substitution of authorisation

- (a) Provide a description of the contract, arrangement, understanding or conduct whether proposed or actual, for which substitution of authorisation is sought:

The arrangement is an agreement between Think Brick Australia, Concrete Masonry Association of Australia and their members to apply a levy of \$2 per 1,000 clay bricks sold and 10 cents per square metre on concrete masonry walling products sold in Victoria, New South Wales, Queensland, Western Australia, South Australia, Tasmania and Australian Capital Territory.

The levy calculation and collection procedure is attached as Appendix A.

- (b) Description of the goods or services to which the contract, arrangement, understanding or conduct (whether proposed or actual) relate:

The arrangement applies to clay bricks and concrete masonry products.

- (c) The term for which substitute authorisation of the contract, arrangement or understanding (whether proposed or actual), or conduct, is being sought and grounds supporting this period of authorisation:

The term being sought is five years. This is based on the success of the scheme over the past three years, and the commitment of contractors and the industry to support bricklayer training and employment beyond three years.

4. Parties to the contract, arrangement or understanding (whether proposed or actual), or relevant conduct, for which substitution of authorisation is sought.

- (a) Names, addresses and description of business carried on by those other parties to the contract, arrangement or understanding (whether proposed or actual), or the relevant conduct:

Members of Think Brick Australia, PO Box 6567, Baulkham Hills BC, NSW 2153 and members of Concrete Masonry Association of Australia, PO Box 572, St Leonards, NSW 1590.

The application for authorisation also applies to bodies corporate which are subsidiaries, within the meaning of section 4A or the Trade Practices Act, of the members of the Australian Brick and Blocklaying Training Foundation Ltd, Think Brick Australia and the Concrete Masonry Association of Australia, and are manufacturers of the clay brick and concrete masonry products to which the authorised levies will apply.

Letters of authorisation from Think Brick Australia and Concrete Masonry Association of Australia are attached.

- (b) Names, addresses and descriptions of business carried on by parties and other persons on whose behalf this application is made:

See 4(a).

- (c) Where those parties on whose behalf the application is made are not known - description of the class of business carried on by those possible parties to the contract or proposed contract, arrangement or understanding:

Members of Think Brick Australia and Concrete Masonry Association carry on a business which is the manufacture and sale of clay brick and concrete masonry products.

5. Public benefit claims

- (a) Arguments in support of application for substitution of authorisation:

The program of the ABBTF to address the skill shortage in bricklaying is providing the following public benefits:

1. Provide employment and career opportunities for young people.
2. Provide knowledge and hands on experience in bricklaying for school students to confirm career choices and improve retention rates in bricklaying apprenticeship training.
3. Provide opportunities for people to complete pre trade training to gain credit against an apprenticeship in bricklaying confirm their commitment to continued training and improve employment prospects as apprentice bricklayers.
4. Increase the future supply of skilled bricklayers by increasing apprentice numbers commencing their training and the numbers in training.
5. Increase the current supply of skilled bricklayers through an increase in apprentice completions.
6. Increase retention of apprentices in their apprenticeship which reduces waste in the delivery of training as well as the cost to industry for their on site employment and training.
7. Increase the number of mature age adult apprentices in training to secure work opportunities in the industry.
8. Increase skills in the bricklaying trade and lower the cost of installation with up skilling to improve efficiency and quality of tradespeople in the industry.

9. Assist skilled migration into Australia to add to the bricklaying workforce and create potential employers of new apprentices.

10. Reduction in delays of construction.

(b) Facts and evidence relied upon in support of these claims:

The evidence to support the above public benefit claim is listed in number order:

1. ABBTF promote the trade to schools, at careers expos and broad based advertising which assists young people in career choices and the benefits of bricklayer training as a step to a career pathway in the industry.

2. ABBTF's Step Out Program is a 40 hour hands on taster for Year 10 secondary school students. This program is delivered in the schools and completes a permanent brick project (ie. barbeque, garden wall, etc.), or in the TAFE/RTO training centre to experience the trade training environment. In the year to June 2008 3,667 students took part in the Step Out Program.

3. ABBTF provide support for pre entry training with payments of fees, support for TAFE/RTO's with course costs or incentives on completion and a commitment to an apprenticeship in bricklaying. Pre apprenticeship enrolments were 560 in 2008.

4. Apprentice commencements and in training numbers have increased over the past three years.

Apprentice commencements as reported by NCVET are:

2005	1,257
2006	1,268
2007	1,359
9 months to September 2008	1,121

Apprentice numbers in training as reported by NCVET are:

At December 2005	2,701
At December 2006	2,783
At December 2007	2,778

At June 2008

2,840

This increase has been achieved due to ABBTF subsidy support for employers signing on a new apprentice. Employment support is the major investment in the ABBTF strategy.

ABBTF support is \$6,000 for bricklayers directly employing apprentices, with \$2,000 on the completion of each of the first three years. In South Australia, the \$6,000 is paid over four years.

Host employers of apprentices through group training companies are also supported by ABBTF subsidies to group schemes to reduce their charge out rate. The total support varies across the states between \$6,000 and \$14,400.

ABBTF supported the employment of approximately 1,600 apprentices at March 2009. A schedule of the subsidies to bricklayers is attached as Appendix B.

5. Completions of apprenticeships in bricklaying nationally as per NCVER were:

2005	329
2006	473
2007	598
9 months to September 2008	515

ABBTF subsidies to bricklayers through Group Training Companies have been in place since 2003 in NSW and Victoria. This support has influenced apprentice training, retention and completions in later years as follows:

	<u>NSW</u>	<u>VIC</u>
2005	75	158
2006	106	177
2007	121	219
2008	127	233

6. ABBTF support for apprentice employment has seen an increase in retention rates and reduced attrition. Subsidy payments to direct employers are conditional on the completion of the current year and on evidence of satisfactory training. ABBTF subsidies to employers of direct employed apprentices commenced in 2007.

A comparison of the attrition of the 2007 apprentices over their first year with historical attrition from previous years from NCVET shows improved retention with ABBTF support in every state.

ATTRITION WITHIN 12 MONTHS FOR APPRENTICE BRICKLAYERS					
Start Year	NCVER Stats				ABBTF Supported
	2003	2004	2005	2006	2007
VIC	33.5	36.8	38.2	35.3	30.7
NSW	29.4	43.3	34.6	39.4	25.6
ACT	42.3	47.6	38.3	25.0	15.0
QLD	34.3	34.7	31.8	32.9	29.3
TAS	22.2	20.0	20.0	40.0	16.7
SA	30.4	16.2	25.3	31.0	20.4
WA	31.9	39.9	32.7	34.5	34.3
	32.2	37.7	34.8	35.1	29.0

7. ABBTF provides support for mature apprentices in Queensland, Western Australia (over 21) and Victoria (over 23). Incentives are paid in the early years of the apprenticeship to the employer in Queensland and Western Australia and to the apprentice in Victoria. This incentive encourages work and training opportunities and partly offsets the apprentice award rate impact.
8. The level of skills and the number of qualified bricklayers in the industry is being increased by higher apprentice completion rates and an increase in up skilling of existing workers. ABBTF is supporting Recognition of Prior Learning (RPL) assessment and training to existing workers with funding in Western Australia. Other states are being considered by ABBTF to support training and recognition of unqualified workers. Approximately 45% of the 26,000 bricklayer workforce has no formal qualifications according to a DEEWR estimate.
9. ABBTF have assisted skilled bricklayers to migrate to Australia under General Skilled Migration Visas 175 or 176 with promotion, advice, direction and part reimbursement of assessment and visa costs. This

support is paid to bricklayers after working in Australia as a bricklayer for three months. Twenty-four bricklayers have been financially supported to date.

10. There have been reductions in delays in construction. This is partly due to a lower level of building activity and also the increased availability of bricklayers as apprentice completions improve.

The three year term of the current authorisation is an insufficient time frame to see sustainable improvements in overcoming delays, when considering apprentices take three or four years to complete their training.

(c) **Additional Information on the Market and ABBTF Operations.**

1. **Changes in ABBTF Operations**

Since the current ACCC authorisation was approved in 2006, ABBTF have implemented the scheme in Tasmania in 2006, South Australia and Western Australia in 2007. A number of new programs have been added to the scheme to improve the outcomes of apprentice training and employment. These include the introduction of subsidies to employers who directly employ new apprentice bricklayers, travel support for apprentices from remote areas attending training, visa support for bricklayers migrating to Australia and support for assessment and training of existing workers.

2. **Current Share of Expenditure**

The ABBTF expenditure on programs to address the skill shortage are apportioned in the following manner:

Step Out Program for school students	14%
Pre-entry training support	3%
Apprentice subsidies to employers - direct	28%
Apprentice subsidies via group training company	26%
Mature age allowance	2%
Skilled overseas migration	1%
Promotion	10%
Development	10%
Administration	6%
Total	100%

3. ABBTF Board Structure

The ABBTF board representation has changed in recent times with two new directors replacing replacing director's representing builders. The new directors bring additional skills and expertise to the board by their involvement and knowledge of bricklaying and industry training.

The first new director is Tim Murphy, a director of Fugen Builders. Fugen are also a major bricklaying contractor group operating in Sydney and Brisbane. Tim's extensive experience in bricklaying and construction adds a bricklaying perspective to the board.

Alan Waldron has joined the board and he is the training manager of Hutchison Builders. He is responsible for workforce development with a focus on apprentices and training in the construction industry. Alan was previously General Manager of Construction Training Queensland, overseeing training policy and planning in the construction industry in Queensland. Alan's experience in training strategy adds value to the board.

4. Aging Workforce

The aging workforce issue has been highlighted in a large number of industries and reflects the general aging population of Australia. The industries most immediately impacted by this trend will be those that are physically demanding and therefore less attractive to those in their latter years of working. There is no denying that bricklaying is an arduous job that relies primarily on the quantity of bricks and/or blocks laid each day.

In 2006, roughly 47% of bricklayers were over the age of 40 and 24% were over the age of 50 (per ABS statistics). This presents a very dramatic challenge for the industry in coming years. Many of these older bricklayers also retain a great deal of industry knowledge gained from years of experience. Further, many of these bricklayers have come from overseas and therefore provided a range of skills and knowledge that may not always be gained in the current building environment.

This aging of the workforce will also place extreme pressure on the apprenticeship training scheme. The current financial crisis will certainly have a negative impact on current industry work and thereby reduce the numbers of apprentices entering the industry.

At the same time information continues to highlight the current shortage of housing within Australia. All this points to a growing pent

up demand for housing that will eventuate after this current downturn. If the industry and Registered Training Organisation are not set to increase the number of apprentices and/or improve completion rates – currently around 50% - at the cycle turnaround, then industry revenue and capacity to meeting construction deadlines is very much at risk.

(National Bricklaying Apprenticeship Status Report 2009).

5. Current Market Impact on Bricklaying Apprenticeships

The current economy is experiencing a substantial downturn due to the worldwide economic crisis. The current market trends will have a dramatic impact on bricklaying apprenticeships and the future skills within the market.

As the current economic downturn reduces demand, there will be growing pressure on pricing as bricklayers compete for a share of the dwindling housing and construction starts. Quality will still be a distinguishing competitive advantage for many bricklaying contractors, but there is no denying that builders will have more contractors to choose from in the coming period, than has been the case during skill shortages of the past.

This does, and will, have an impact on current apprentices. A number of 1st year apprentices or those considering a bricklaying apprenticeship are already having difficulty maintaining or finding an employer. Employers are concerned with making a 3-4 year commitment to an apprentice in the current environment.

However, the risk within the current economic downturn lies in the ability of the industry to rebound for what appears to be a likely surge in housing starts that may occur as early as 2010, by some estimates. This resurgence will stretch the capacity of the current labour force – even if they all return to the trade. Further, the training system will need the capacity to expand quickly if the bricklaying service is to even maintain a level skill capacity.

(National Bricklaying Apprenticeship Status Report 2009).

6. Market definition

Provide a description of the market(s) in which the goods or services described at 3 (b) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):

The market in which clay bricks and concrete masonry products are supplied are:

- Commercial construction market
- Housing construction market

Other affected markets are:

- The supply of bricklayer services
- The supply of apprentice employment services through group training companies
- The supply of bricklayer training services

The housing and commercial construction markets are supplied clay bricks and concrete masonry by manufacturers. It is estimated that parties to this scheme represent at least 95% of the total supply nationally.

In the housing market, builders purchase the clay bricks and concrete masonry. The top 100 builders in Australia represent 34% of total houses constructed according to the Housing Industry Association 2008 report.

Supply of product is restricted by geographical breakdown due to the cost factor of transport over long distances.

The supply of bricklaying services generally can be segmented into housing and commercial markets. A small proportion of the trade may move between states where construction activity is higher for better employment prospects. ABBTF apprentice support programs are the same or similar for bricklaying contractors across the country.

Group training companies compete in a market of apprentice employment. All are entitled to the same ABBTF benefits within the state of operation. The market is defined as local or state based.

Bricklayer training is provided by TAFE colleges or private registered training organisations. Training delivery methods may vary as do assessments of apprentices, however, all assess competencies against a

national training package. ABBTF subsidies to employers require evidence of satisfactory training progress from training organisations recognised by ABBTF.

7. Public detriments

- (a) Detriments to the public resulting or likely to result from the substitute authorisation, in particular the likely effect of the conduct on the prices of the goods or services described at 3 (b) above and the prices of goods or services in other affected markets:

The levy on sales will add \$16 to the average sized house in all states, except WA, where double brick construction means that the levy represents \$40 for the average house.

This detriment is small in comparison to the benefits provided by the scheme.

- (b) Facts and evidence relevant to these detriments:

As above

8. Contracts, arrangements or understandings in similar terms

This application for substitute authorisation may also be expressed to be made in relation to other contracts, arrangements or understandings (whether proposed or actual) that are, or will be, in similar terms to the abovementioned contract, arrangement or understanding

- (a) Is this application to be so expressed?

No

- b) If so, the following information is to be furnished:

- (i) description of any variations between the contract, arrangement or understanding for which substitute authorisation has been sought and those contracts, arrangements or understandings that are stated to be in similar terms:

Not Applicable

- (ii) Where the parties to the similar term contract, arrangement or understanding(s) are known - names, addresses and description of business carried on by those other parties:

No Applicable

- (iii) Where the parties to the similar term contract, arrangement or understanding(s) are not known — description of the class of business carried on by those possible parties:

Not Applicable

9. Joint Ventures

- (a) Does this application deal with a matter relating to a joint venture (See section 4J of the *Trade Practices Act 1974*)?

No

- (b) If so, are any other applications being made simultaneously with this application in relation to that joint venture?

Not Applicable

- (c) If so, by whom or on whose behalf are those other applications being made?

Not Applicable

10. Further information

- (a) Name, postal address and telephone contact details of the person authorised by the parties seeking revocation of authorisation and substitution of a replacement authorisation to provide additional information in relation to this application:

Geoff Noble, General Manager, Australian Brick & Blocklaying Training Foundation Ltd, PO Box 4297, WISHART VIC 3189.

Dated this 7th day of April 2009.

Signed by the applicant



Geoffrey Walter Noble

Australian Brick & Blocklaying Training Foundation Ltd

General Manager

ABBTF FUNDING

LEVY CALCULATION

CLAY BRICKS

\$2 per thousand on bricks delivered

\$4 per thousand for double height in Western Australia

CONCRETE MASONRY

10 cents per square metre in the wall

(Including all fractions)

OTHER CONDITIONS:

Includes: Ex-yard pick ups
Sales to country and interstate agents

Excludes: Pavers
Landscape Products
Clay Special Shapes
Export Sales
Inter-company yard transfers

Levy is to be invoiced as a separate line item.

GST is applicable to the levy.

ACROSS STATE BORDERS

The bricklaying/blocklaying training levy is to include sales to customers with interstate addresses outside your state of despatch.

Sales to interstate clients (including the ACT) are determined by postcode and are to be advised separately to S J Canny Pty Ltd (Levy Collection Agency) to enable segregation of the funds for use in that state or the ACT.

The levy does not apply to stock transfers across state borders or sales to clients in the Northern Territory.

JOINT FUNDING

Your clients should be reminded that the scheme is jointly funded with manufacturers and they are contributing a 50% share of the investment.

SALES TO PARTICIPATING COMPANIES

If a sale is made to another Company who is participating in the scheme; no levy is applied as the levy will be applied with the final sale to the customer.

COLLECTION PROCEDURE

1. The “Advice of Brick & Blocklayer Training Levy” is emailed by ABBTF to each participating 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 sales of clay and concrete masonry products for the month plus the matching contribution from the manufacturer.
3. Advice form sent to SJ Canny Pty Ltd (Business and Taxation Advisors) who have been appointed as independent accountants for the levy collection. Advice must be received by the cut-off date, the 10th of each month, for the previous month’s sales.
4. SJ Canny prepare tax invoices with GST added and sends to each manufacturer by mail.
5. Manufacturer remits the levy amount as per the tax invoice (inc. GST) to the ABBTF Trust Account held by SJ Canny within 30 days of the month of reported sales.
6. SJ Canny send total levies received to the ABBTF General Account and a report showing total levies paid by state and total outstanding for the month with no disclosure of the individual company contributions.

CONFIDENTIALITY

The levy is collected by an independent accountant to ensure confidentiality. SJ Canny Pty Ltd (Business and Taxation Advisors) have been appointed to collect the levy and are bound by a confidentiality agreement.

Levy collections are always reported in total by state with no disclosure of individual contributions.

COMPLIANCE AUDIT

The collection and contribution process and calculations adopted by all participating companies is subject to a compliance audit. The audit is conducted at random by an independent auditor, TV Lant & Associates, to ensure the validity of the levy collections. The results of the compliance audit are reported to the board but will not disclose confidential levy amounts of individual companies.

Australian Brick & Blocklaying Training Foundation Ltd

ABBTF Apprentice Employment Schemes

		<u>From</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Total</u>
GROUP TRAINING COMPANIES							
(Reduced charge out rate)							
VIC	Claimed monthly		3600	2520	1800		
	Completion of year			1080	1800		
		Jul-05	3600	3600	3600		10800
NSW	Claimed monthly	May-07	3600	3600	3600	3600	14400
QLD	Claimed monthly	Jan-06	2000	3000	3000		8000
ACT	Claimed monthly	Jan-06	2000	3000	3000		8000
WA	Claimed monthly	Apr-07	2000	2000	2000		6000
SA	Claimed monthly	Apr-07	1500	1500	1500	1500	6000
DIRECTLY EMPLOYED							
VIC	Claim end of year	Jan-07	2000	2000	2000		6000
NSW	Claim end of year	Jan-07	2000	2000	2000		6000
QLD	Claim end of year	Jan-06	2000	2000	2000		6000
ACT	Claim end of year	Jan-06	2000	2000	2000		6000
WA	Claim end of year	Apr-07	2000	2000	2000		6000
SA	Claim end of year	Apr-07	1500	1500	1500	1500	6000
TAS	Claim end of year	Jan-07	2000	2000	2000		6000

QLD GTC bonus \$500 per apprentice on completion of year level, paid to GTC, not passed on QLD mature age (over 21) Additional \$2000 after one year and \$1000 after two years

WA mature age (over 21) Additional \$1000 after one year

VIC mature age (over 23) Additional \$2000 after one year to the apprentice.