



Australian Government

CPCCB5019 Manage building and construction business finances

Release: 2

CPCBC5019 Manage building and construction business finances

Modification History

- Release 2 Updated reference to general construction induction training program.
- Release 1 This version first released with CPC Construction, Plumbing and Services Training Package Release 5.0.
New unit.

Application

This unit of competency specifies the skills and knowledge required to manage and administer finances within a building and construction business. It includes managing business financial risks, revenue and expenditure and meeting statutory financial obligations.

This unit of competency applies to builders, site supervisors and related construction industry professionals responsible for managing organisational finance systems to ensure the financial viability of a building and construction business.

Completion of the general construction induction training program specified by the model Code of Practice for Construction Work is required for any person who is to carry out construction work. Achievement of *CPCWHS1001 Prepare to work safely in the construction industry* meets this requirement.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Pre-requisite Unit

Nil.

Unit Sector

Building and Construction

Elements and Performance Criteria

Elements describe the essential outcomes.	Performance criteria describe what needs to be done to demonstrate achievement of the element.
1 Identify requirements of the business.	1.1 Identify building and construction business legislation, regulations and operational and business requirements.

- 1.2 Recognise areas of the business requiring expert advice and assistance to meet compliance.
 - 1.3 Establish business systems and programs to manage business financial requirements and remain up to date and compliant with industry and business changes.
 - 1.4 Conduct a risk assessment to determine adverse outcomes and consequences.
 - 1.5 Interpret obligations and responsibilities of managing building and construction finances.
- 2 Manage business finances.
 - 2.1 Review project budgets and scheduled progress payments to schedule project expenses over the life of the project.
 - 2.2 Manage cash flow, pay supplier and contractor invoices and retain taxation records.
 - 2.3 Manage receipt of revenue and progress payments, and action processes for outstanding debt.
 - 2.4 Monitor financial health of the business regularly to identify potential problems and take appropriate action.
 - 2.5 Introduce options to improve the financial position of the business.
 - 2.6 Maintain and save accurate financial records.
- 3 Process taxation, insurance and payments.
 - 3.1 Lodge and pay taxes and employee liabilities that apply to a building and construction business.
 - 3.2 Review and adjust all insurance cover to accommodate business growth or changes to business operation.
 - 3.3 Process payments to employees on time and contractors and suppliers by the due date.
 - 3.4 Monitor loan and interest repayments.
 - 3.5 Review ongoing business finances against project budgets.

Foundation Skills

Foundation skills essential to performance are explicit in the performance criteria of this unit of competency.

Unit Mapping Information

No equivalent unit.

Links

Companion volumes to this training package are available at the VETNet website -
<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=7e15fa6a-68b8-4097-b099-030a5569b1ad>

Assessment Requirements for CPCBC5019 Manage building and construction business finances

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Performance Evidence

To demonstrate competency, a candidate must meet the elements and performance criteria of this unit by managing the business finances for a building and construction business over at least six months of business activity and including at least one building and construction project.

In doing this, the candidate must:

- manage business financial systems and processes
- schedule, monitor and process incoming and outgoing payments
- manage budgeting, cash flow and debt recovery
- lodge monthly, quarterly or annual statements and pay tax and workplace liabilities for the registered business
- conduct a business financial risk assessment.

Knowledge Evidence

To be competent in this unit, a candidate must demonstrate knowledge of:

- economic and industry trends
- financial concepts:
 - revenue streams
 - expenses
 - project costings
 - contingency planning
 - business overheads
 - profit
- key government sources for industry information
- Australian Consumer Law
- Competition and Consumer Act
- Australian Taxation Office (ATO) obligations for building and construction businesses:

- income tax
- capital gains tax
- payroll tax
- fringe benefits tax
- pay as you go (PAYG) instalments
- goods and services tax (GST)
- tax differences between a sole trader and a company
- registering for taxes
- methods of paying taxes
- maintaining business and taxation records
- accounting systems:
 - types of invoices
 - invoicing and collecting payments
 - budgeting and reporting
 - end of financial year
- payment methods:
 - credit and debit card
 - direct debit
 - cheque
 - cash
- analysing business finances:
 - financial health check
 - sales calculators
 - profit ratios
 - liquidity and finance ratios
- options to improve business financial position:
 - recover outstanding debt
 - reduce or rearrange expenses
 - sell assets
 - increase prices
 - consolidate debt
 - track and improve cash flow
- insurance policies:
 - public liability
 - builders' risk
 - income loss
 - workers compensation
 - commercial vehicles
- contractual financial arrangements:
 - payment subject to quality of work

- product quality and compliance
- terms and conditions of payment.

Assessment Conditions

Assessors must meet the requirements for assessors contained in the Standards for Registered Training Organisations.

Assessment can be undertaken in the workplace or in a simulated workplace environment.

A simulated environment is one that realistically replicates workplace conditions, materials and equipment, interactions with others and workplace irregularities, and which meets industry standards for safety and environmental practices.

Candidates must have access to:

- financial documentation and other quality documentation to undertake the performance criteria and assessment requirements
- digital devices, applications and software to monitor, manage and record business finances
- government business legislation.

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