



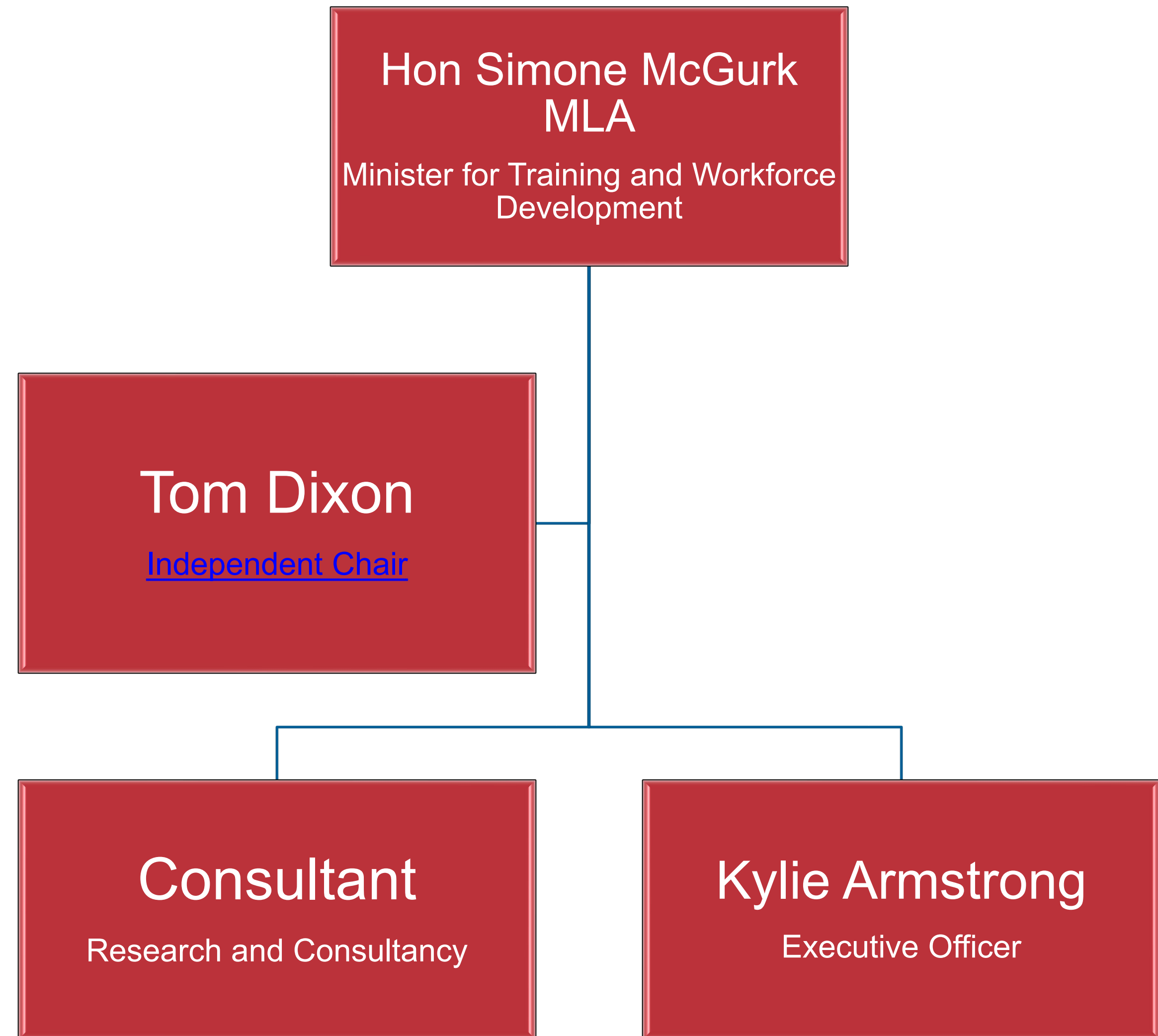
# 2024 Statutory Review

*Building and Construction Industry Training Fund and Levy Collection Act 1990*





# The Appointments



# 2024 Statutory Review

The *Building and Construction Industry Training Fund and Levy Collection Act 1990* (WA) ([Act](#)) is an Act to establish a fund to be used to improve the quality of training and to increase the number of skilled persons in the building and construction industry, to establish a Building and Construction Industry Training Board to administer the fund, and to collect the building and construction industry training levy.

The Building and Construction Industry Training Fund trades as the Construction Training Fund ([CTF](#)). The CTF operates under the Act and was established on the 1 July 1991 to collect a training levy on all construction projects where the total value of construction is over \$20,000. The CTF assists the construction industry to meet its demands for skilled workers by channelling revenue generated from the levy into structured programs that reduce the costs of training for eligible industry workers.

In accordance with section 32(1) of the Act, the Minister for Training and Workforce Development is required to carry out a review of the Act's operation and effectiveness ([Review](#)).



# Terms of Reference

## What is being reviewed?

Section [32](#) of the Act establishes the terms of reference identified in (a) to (c) below, plus any other matters that appear to the Minister to be relevant (listed in the dot points) ([Terms of Reference](#)):

### (a) Effectiveness of the Board

- Relationship with industry and effectiveness of communication.
- Structure of the Board and its effectiveness in meeting the needs of different industry sectors.
- Operation of the Board in strategic management of the Construction Training Fund.
- Efficiency of the Board in collection of levy and administration of programs.

### (b) Attainment of the objectives of the Act

- To improve the quality of training.
- To increase the number of skilled persons in the building and construction industry.

### (c) The need for this Act to continue in operation

- Review the operation of the Act with respect to the resources sector, including **four** recommendations referred from the 2019 statutory review to this review (set out below).
- Test **six** recommendations from the 2019 statutory review noted for further consideration (Stage 2 legislative change), including 3 recommendations arising from the 2014 review (set out below).
- Consider the benefits of a more diverse construction workforce and assess whether First Nations people participation and gender imbalances in training are being adequately addressed.



## Previous Recommendations carried over

### The Four Recommendations from the [2019 Review](#) relating to the Resource Sector

#### **Recommendation 10 – Introduce a capital value cap.**

Consider introducing a cap on the capital value of any single building and construction project for the purposes of calculating the levy to prevent the policy intent of the Levy from being undermined by large capital value projects, where the capital value of the project is driven solely by the high value of imported capital equipment.

#### **Recommendation 12 - Increase threshold at which the Levy applies.\***

Increase the following thresholds in line with an appropriate indexation factor (such as the Consumer Price Index or Construction Cost Index) and introduce an annual indexation process to adjust them:

- the threshold at which the Levy applies; and
- the threshold for application of adjustments to the value of construction projects on completion.

#### **Recommendation 21 – Resources integration.**

Carry forward the review of any legislative implications of the Levy on the resources sector, including [those matters raised by them](#) relating to the operation of the Act to the next statutory review to provide a longer timeframe over which the operation of the new policy can be assessed.

#### **Recommendation 22 – Review of levy revenue and CTF expenditure.**

Review the amount of revenue raised by the levy and the demand for CTFs programs in light of the removal of the exemption on resources engineering construction work undertaken by or on behalf of the resources industry as part of the next statutory review.



# Previous Recommendations carried over

## The Six Recommendations from the 2019 Review (including legacy items from the 2014 Review)

### **Recommendation 13 – Review of concessional expenditure threshold.**

- Review the concessional expenditure threshold of \$10 million for alterations and additions to resources facilities to ensure it is operating as intended.

### **Recommendation 16 - Consider the following legislative changes in the medium to long term to address issues with the definition of construction.**

- The [Act](#) is amended to include a definition of construction without reference to other legislation.
- The definition adopted in the Act is made more general and all-encompassing, rather than the current approach of seeking to define what is construction in great detail.
- The [Regulations](#) be the instrument which is used to define any and all exclusions from the Levy.
- Any reference to the difference between work being done on-site (and by implication off-site) is removed, with matters of applicability to be addressed by the current clause within the regulations of a person being engaged by an employer “whose primary activity is not related to the building and construction industry” being deemed not part of the construction industry.

### **Recommendation 17 - Streamlined definition of resources construction.**

Explore amending the definition of ‘resources operational work’ to imply that all work which does not meet the definition of construction on what is defined as a resources facility is considered operational work and so does not attract a levy liability.



# Previous Recommendations carried over

The Six Recommendations from the 2019 Review (including legacy items from the 2014 Review) (continued)

## **Recommendation 18 - Exemption for government work**

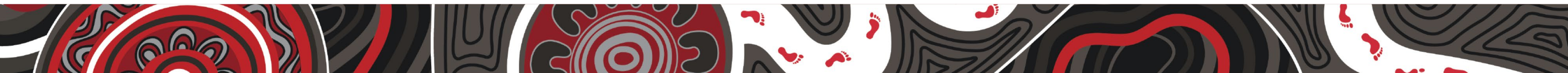
Consider removing the current exemption for “government work” in the regulations as there does not appear to be a rationale for why government work undertaken by government employees should be exempt from the Levy.

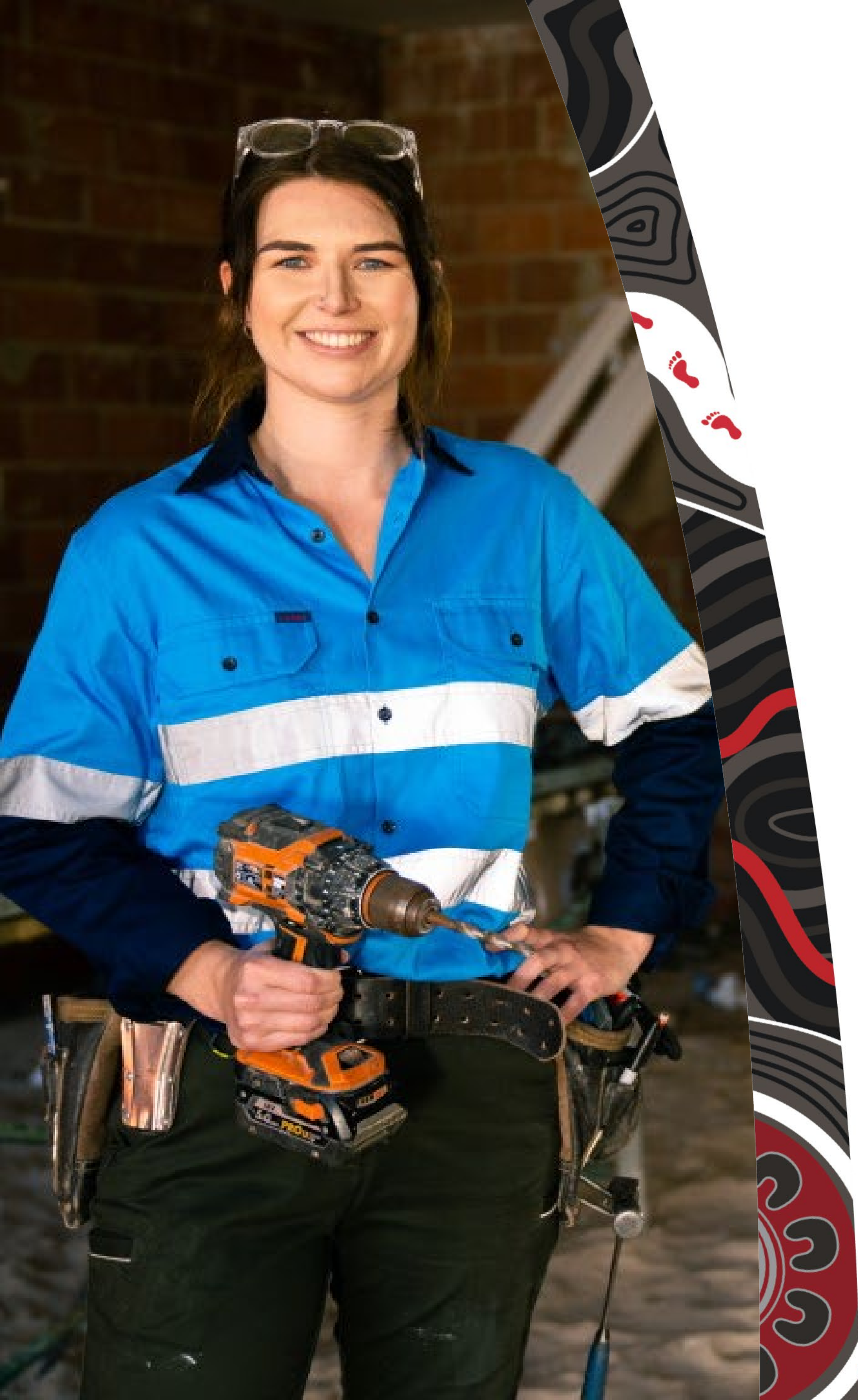
## **Recommendation 19 - Specify levy adjustments in regulations.\***

That Sections 21, 22 and 30 of the Act, providing for adjustment of amounts paid after completion of construction work, are amended by removing reference to the specific threshold value for adjustment of the Levy and that the threshold value be specified within the *Building and Construction Industry Training Fund and Levy Collection Regulations 1991*.

## **Recommendation 20 - Remove ‘improve the quality of training’ from the Act\***

\* Refers to recommendations from the [2014 Review](#)





# Review Process

## How will the Review be undertaken

The Review will be undertaken by the independent Chair with the assistance of the Executive Officer, with the assistance of consultant(s) to perform research in relation to certain terms of reference.

It is expected that the Review will take six months to complete and that a report will be presented to the Minister for Training and Workforce Development by 30 September 2024

The key stakeholders and interested parties will be able to lodge submissions that address the Terms of Reference.

The Review reserves the right to publish interim findings in a consultation draft, if appropriate, in order to seek further input from interested parties.

The progress of the Review can be followed on the CTF website: <https://ctf.wa.gov.au/about-us/2024-statutory-review>



# Submissions

Written submissions are invited to contribute to the Review and these contributions will be analysed and considered in the final report. Submissions should address the Terms of Reference.

Written submissions will be posted on the Statutory Review [webpage](#). The submitter can request redaction of any commercial in confidence information contained in the submission.

Submissions should be provided via email to:  
[statutoryreview@ctf.wa.gov.au](mailto:statutoryreview@ctf.wa.gov.au)

The closing date for submissions is **Friday 10 May 2024**.

Stakeholders may also be able to assist the Review via consultation sessions, or by arranging site visits. The Review would appreciate hearing from you.



# Thank you

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