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## **Statutory Review of the *Building and Construction Industry Training Fund and Levy Collection Act 1990* Issues Paper**

UnionsWA is the governing peak body of the trade union movement in Western Australia. As a peak body we strengthen WA unions through co-operation and co-ordination on campaigning and common industrial matters. UnionsWA represents around thirty affiliate unions, who in turn represent approximately 140,000 Western Australian workers.

UnionsWA welcomes the opportunity to provide a submission on the Statutory Review of the *Building and Construction Industry Training Fund and Levy Collection Act 1990* Issues Paper. This submission responds to the principal issues that emerged from the submissions on the Terms of Reference, to which UnionsWA also provided comment.

### **Threshold at which the Levy applies**

UnionsWA considers the mere fact that the threshold has not been increased in over 25 years is not in itself a justification for doing so and considers the current threshold to be appropriate. Should the threshold be increased, we are of the position that it should only be increased to the level necessary to result in savings associated with the collection and processing of levies while ensuring the least impact on the levies collected. Based on the impact analysis presented in the issues paper, UnionsWA does not consider that it would be prudent to also increase the adjustment threshold.

### **Introduction of a capital value cap**

UnionsWA is of the view that the Act already provides a sufficient basis for project owners to apply for levy reductions and exemptions. We do not consider there to be sufficient reason to expand the matters that the Board may take into account and instead this may result in unnecessarily increasing the complexity of administering the scheme.

### **Resource integration**

As above, UnionsWA is of the view that the Act already provides a sufficient basis for project owners to apply for levy reductions and exemptions. As noted by the issues paper, a reduction in the levy rate is likely to materially impact on CTF levy income due to the large size of those resource projects. UnionsWA considers that such a reduction would be an unacceptable outcome that undermines the policy intent of integrating the resource industry into the scheme.

### **The concessional expenditure threshold for resource**

It is unclear as to why the resources sector has such difficulty in determining whether operational work should be characterised as alternation and renovation work. Further, it is not apparent that increasing the concessional expenditure threshold from \$10 million clarifies the nature of that work. UnionsWA does not consider that this threshold requires amendment.

### **Issues with the current definition of construction work**

UnionsWA would be supportive of an amendment to the Act such that the power to allocate funds is extended to the support of activities relating to the building and construction industry where the funding of such activities is considered by the Board to be a necessary or appropriate means of achieving the Act's principal objectives. This could assist in ensuring that the operations of the Fund remain contemporary with changes in the nature of the construction industry without necessitating continuous legislative amendments to keep pace with developments in how construction work is conducted. UnionsWA notes that aspects of the definition of the construction industry are also being examined as part of the further consultation with respect to policy positions following the Review into the *Construction Industry Portable Paid Long Service Leave Act 1985*.

### **Remove 'improve the quality of training' from the Act**

UnionsWA remains of the position that 'improve the quality of training' should not be removed from the objectives of the Act. This objective remains critical to the strategic operation of the Building and Construction Industry Training Board and how it administers the fund.

The basis of this recommendation in the 2014 Review was that training quality authorities had been established since the original implementation of the Act. UnionsWA contends that there is a fundamental difference between ensuring a level of quality training standards for the purposes of accreditation and the objective of improving the quality of training. It is simply not the case that registered training organisations (RTOs) all provide training of the same quality, or that the training each RTO provides is appropriate and well-suited for local industry contexts.

The Board has an important role in providing for and supporting training and research to improve the quality of training, that goes beyond what quality training standards provide. Further, this objective establishes a critical consideration for the decision-making processes of the Board and the use of the allocated funds.

### **Effectiveness of the Board: collection of levy and administration of programs**

UnionsWA considers that it would be appropriate for the Board to utilise its enforcement mechanisms under the Act where it is identified that enforcement action is necessary to ensure payments are being made. A lack of enforcement not only can result in lower than appropriate levies being collected, but results in an inconsistent application of the levy across the industry.

### **Diversity**

UnionsWA strongly supports the allocating of CTF funds towards measures to address the lack of diversity in the building and construction industry. We note the comments from the CTF that a 'more prescriptive Act requiring the Board to deliver on a more diversified workforce through

programs and initiatives would not drive a different outcome than what is being achieved to date'. While it is not necessarily apparent that legislative change is needed to better assist the CTF address the lack of diversity in the building and construction industry, there is a clear need for funds to be allocated in such a way as to both promote diversity and address underlying barriers to accessing training for under-represented populations.

**Need for the Act to continue in operation**

UnionsWA agrees with the position of the Review that the Act should remain in place. The Construction Training Fund, as supported by the Act, is a critical mechanism to support the training of skilled building and construction workers by providing structured programs that reduce the costs of training for eligible industry workers.

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If you wish to discuss any matters raised in this submission further, please contact me at 6163 6000 or [kari.pnacek@unionswa.com.au](mailto:kari.pnacek@unionswa.com.au).

Yours sincerely,

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