GOVERNMENT OF
WESTERN AUSTRALIA

State Government Response

Statutory Review of the Building and Construction Industry Training Fund and Levy Collection Act 1990

State Government Response Summary

OPPORTUNITY FOR IMPROVEMENT	GOVERNMENT RESPONSE
Annual Operational Plan	
Introduce a Ministerial Statement of Priorities (Findings 1, 5; Opportunity 5.1.1)	**Support:** The Government has issued a Ministerial Statement of Expectations to guide preparation of the CTF Annual Operational Plan, including expectations for stakeholder consultation, alignment to Government priorities and reporting against outcomes.
Refocus the Annual Operational Plan (Findings 3, 6–8; Opportunity 5.1.2)	**Support:** The Government will request the Board strengthen evidence-based program design and target investment toward commencements, completions and training quality, including consideration of non-financial supports and improved use of data and evaluation.
Levy collection	
Develop a Levy Collection Strategy (Findings 4, 5; Opportunity 5.2.1)	**Support:** The Government will request the Board to develop and implement a Levy Collection Strategy, including compliance priorities, risk-based auditing, data-matching, resourcing and escalation pathways, and will require routine reporting on collection performance and compliance activity.
Governance	
Clarify Board expertise (Finding 2; Opportunity 5.3.1)	**Support in principle:** The Government will work with the Board to develop a skills and capability profile (including compliance, levy administration, labour market and program evaluation) to inform future appointments and professional development.

OPPORTUNITY FOR IMPROVEMENT	GOVERNMENT RESPONSE
Other review considerations	
Publish reductions and exemptions criteria under s.25A (Findings 10, 13; Opportunity 5.4.1)	**Support in principle:** The Government will consider publishing criteria under section 25A to support high-quality training commitments on large projects, subject to consultation, administrative feasibility and assurance mechanisms (including verification, monitoring and consequences for non-compliance).
Increase the threshold at which the Levy applies (Finding 11; Opportunity 5.4.2)	**Support:** The Government has progressed Regulations to increase the threshold at which the levy applies to the Review's recommended benchmark of $100,000, effective from 1 July 2026.
Remove the exemption for government work in the Regulations (Findings 18, 19; Opportunity 5.4.3)	**Support in principle:** Further work is required to assess scope, impacts and transition arrangements (including for local government), and to consider interaction with any section 25A criteria and broader funding and procurement settings.
Expand the range of diversity programs (Finding 20; Opportunity 5.4.4)	**Support:** The Government will request the Board to strengthen and evaluate measures that improve participation and completion outcomes for Aboriginal people and women, including mentoring and wrap-around supports, and integration of participation expectations into funding arrangements where appropriate.

State Government Response to Findings and Opportunities for Improvement

1. EFFECTIVENESS OF THE BOARD

Finding 1: The Review found that the Board has a positive relationship with industry and is committed to engaging with stakeholders. Stakeholders would like greater consultation on planning, programs, and achieving the objectives of the Act. There is opportunity for stakeholders contributing to the Fund to more directly have input to guide the programs prioritised in the CTF's annual operational plan.

Finding 2: The Review has found the BCITF Act provides a sound legislative framework for the Board to collect and administer the building and construction levy. The Act clearly defines the composition of the Board and consultation required with industry bodies under Section 10 for the Minister to appoint Board members. The Board composition could be strengthened through a skills matrix which defines the skills needed for effective levy collection and program development to realise the objects of the Act.

Finding 3: The Review found that the Board's allocation of resources has an over-reliance on untargeted wage subsidies. There is a considerable underspend of the Fund at a time when there are critical skills shortages in the sector and apprenticeship commencements are declining in key trade areas. There are opportunities for programs to be developed for greater impact with a sharper focus on the objectives of the Act, available evidence and data analytics.

Finding 4: There are systemic issues in the CTF's approach to levy collection, particularly regarding enforcement and compliance in large resource sector projects. The lack of robust enforcement mechanisms has led to significant revenue losses and risks undermining the integrity of the levy system.

Finding 5: There are opportunities to improve effectiveness of the levy collection and to strengthen the Minister's expectation for CTF's annual operational plan to reflect Government priorities, including investment in infrastructure, economic diversification, transition to net zero, meeting the State's housing target, and supporting priority cohorts.

Annual operational plan

Introduce a Ministerial Statement of Priorities (Findings 1, 5; Opportunity 5.1.1)	**Support:** The Government has issued a Ministerial Statement of Expectations to guide preparation of the CTF Annual Operational Plan, including expectations for stakeholder consultation, alignment to Government priorities and reporting against outcomes.
Refocus the Annual Operational Plan (Findings 3, 6, 8; Opportunity 5.1.2)	**Support:** The Government will request the Board strengthen evidence-based program design and target investment toward commencements, completions and training quality, including consideration of non-financial supports and improved use of data and evaluation.

Levy collection

Develop a Levy Collection Strategy

(Findings 4, 5; Opportunity 5.2.1)

Support: The Government will request the Board to develop and implement a Levy Collection Strategy, including compliance priorities, risk-based auditing, data-matching, resourcing and escalation pathways, and will require routine reporting on collection performance and compliance activity.

2. ATTAINMENT OF THE OBJECTS OF THE ACT

Finding 6: The Review found that the Act provides operational flexibility for the Board to allocate funds to priorities which improve the quality of training and increase the number of skilled persons in the building and construction industry. References to quality of training should be retained in the Act.

Finding 7: The Act does not confine interpretations of quality training to a narrow compliance-oriented view of quality against the RTO Standards. There is a large array of evidence that relates to improved outcomes through a holistic approach to a quality training experience, where the needs of the employer and apprentice are supported through non-financial measures like wrap-around supports and workplace culture. Taken together these measures improve the quality of the training experience for individuals and employers.

Finding 8: Better targeting of incentives can be effective, and should be accompanied by other non-financial measures like wrap-around supports. Small to medium enterprises (SMEs) are more responsive to incentives than large employers and incentives can drive greater numbers of commencements in the sector.

Governance

Clarify Board Expertise

(Finding 2; Opportunity 5.3.1)

Support in principle: The Government will work with the Board to develop a skills and capability profile (including compliance, levy administration, labour market and program evaluation) to inform future appointments and professional development.

3. THE NEED FOR THE ACT TO CONTINUE IN OPERATION

Finding 9: The Review found that the continuation of the Act has broad support from stakeholders, and that the Act enables the Board to achieve the objects of the Act through the annual Operational Plan to lead the CTF's operations and delivery of programs.

Support: The Government notes support from stakeholders for the continuation of the Act and will progress opportunities for improvement in line with its response to the Review.

4. ANY OTHER MATTERS RELEVANT TO THE MINISTER

Finding 10: The review found that the Board should consult with the resources sector to develop suitable criteria for consideration by the Minister that provides for a reduction in levy obligations where a company can commit to meeting apprenticeship training targets in relevant trades.

Finding 11: The levy threshold in WA is low when compared to other States of similar size and should be increased to $100,000 to reduce the regulatory burden on the sector with minimal impact on revenue. The Regulations are a sufficient mechanism to make the adjustment and ensure its currency through regular review.

Finding 12: Removing the Resources sector exemption has worked as intended, contributing around 42% of 2023-24 levy receipts.

Finding 13: A differential levy for high-value projects in the resources sector will significantly reduce the amount of levies collected and limit the ability to achieve the objectives of the Act. There is an adequate basis for project owners to apply for levy reductions and exemptions on high-value projects if Section 25A is used in line with Finding 10.

Finding 14: Issues with interpreting the distinction between operations and alterations and renovations in the Regulations are best managed case-by-case based on legal advice and not through amendment of Regulations or the Act.

Finding 15: Alteration and renovation work valued at over $10 million is significant construction work and requires a skilled workforce to complete it and therefore the current concessional expenditure cap in the Regulations should remain in place.

Finding 16: The definitions of "construction work" and "building and construction industry" are now embedded as standalone definitions in the Act. Expanding the current definition risks extending the collection base beyond current limits and including off-site activities could result in double taxation and therefore is not recommended.

Finding 17: There is no cogent argument for a separate definition of resources operational work. A broadened and streamlined definition of construction work, although widely supported by stakeholders, runs the risk of double taxation.

Finding 18: 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.

Finding 19: The Board should consult with the Local Government sector to develop suitable criteria for consideration by the Minister that provides for a reduction in levy obligations where a Council can commit to meeting relevant and appropriate training targets.

Finding 20: The CTF currently has a number of diversity measures in place, but more could be done to improve outcomes for women and Aboriginal people. These are not matters that require legislative change and the capacity to do is within the present remit of the Board.

Other review considerations	
Publish reductions and exemptions criteria under s25A (Findings 10, 13; Opportunity 5.4.1)	**Support in principle:** The Government will consider publishing criteria under section 25A to support high-quality training commitments on large projects, subject to consultation, administrative feasibility and assurance mechanisms (including verification, monitoring and consequences for non-compliance).
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Expand the range of diversity programs (Finding 20; Opportunity 5.4.4)	**Support:** The Government will support the Board to strengthen and evaluate measures that improve participation and completion outcomes for Aboriginal people and women, including mentoring and wrap-around supports, and integration of participation expectations into funding arrangements where appropriate.

Legislative and regulatory considerations

The Review concludes that the Act is fit for purpose and does not identify an immediate need for amendment to the primary legislation, including to the definitions of construction work and the building and construction industry. The Government supports this approach and intends to prioritise improvements that can be achieved through governance, planning and administrative measures under existing provisions.

Where change is proposed to the *Building and Construction Industry Training Fund and Levy Collection Regulations 1991*, the Government will consider the Review's recommendations relating to the levy threshold and the exemption for government work, noting the need to balance reduced regulatory burden, levy integrity and the ongoing capacity of the Fund to invest in workforce development.

Consultation and engagement

The Government will work with the BCITF Board and key stakeholders to progress the actions outlined in this response. Engagement will include employer and worker representatives, group training organisations, registered training organisations, the resources sector, local government and relevant State agencies. The Government also expects the Board to strengthen routine communication with levy payers on priorities, program design, and performance, including by publishing clear guidance and reporting on outcomes.

Monitoring, reporting and evaluation

To ensure reforms deliver measurable improvements, the Government will seek stronger performance and evaluation arrangements through the annual Operational Plan cycle. This includes clearer performance indicators for levy collection effectiveness, program outcomes (including commencements, completions and training quality measures) and initiatives supporting under-represented cohorts. The Government expects regular reporting on progress, with findings used to refine programs and compliance strategies over time.

The Government is committed to ensuring the CTF continues to operate effectively and transparently, with strong levy integrity and an increased focus on outcomes that lift skills, participation and productivity across the building and construction industry.

Next steps

The Government will work with the BCITF Board, the Construction Training Fund, the Department of Training and Workforce Development and key stakeholders to progress the actions outlined in this response.

The BCITF Board will develop an Implementation Plan to present to the Minister for Skills and TAFE by the end of the year.

This Plan will outline the actions, governance, resourcing and indicative timeline required to progress the opportunities identified in this Review.