



***Review of Building and Construction
Industry Training Fund and Levy
Collection Act 1990 (WA)***

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About CME

The Chamber of Minerals and Energy of Western Australia (CME) is the peak resources sector representative body in Western Australia. CME is funded by member companies responsible for over 90 per cent of the State's mineral and energy production and workforce employment.

In 2017-18, the value of Western Australia's mineral and petroleum industry was \$115 billion. Iron ore is currently the State's most valuable commodity at \$61 billion. Petroleum products (including crude oil, condensate, liquefied natural gas, liquefied petroleum gas and natural gas) followed at \$26 billion, with gold third at \$11 billion. Both commodities saw an increase in value of 39 and 5 per cent respectively from the previous financial year.

Contributing to a third of the State's total industry Gross Value Added,¹ the resources sector is a major contributor to both the State and Australian economy. The value of royalties received from the sector in 2018-19 totalled \$6.2 billion, accounting for 20 per cent of State Government revenue.^{2 3}

Summary of recommendations

CME appreciates the opportunity to contribute to the statutory review of the *Building and Construction Industry Training Fund (BCITF) and Levy Collection Act 1990 (WA)* (the Act).⁴ CME is committed to working with the Construction Training Fund (CTF) and State Government to ensure regulations which apply to the resources sector are equitable, efficient and effective to ensure continued certainty for the resources sector and the economic benefits it delivers to Western Australia.

CME is focused on ensuring Western Australia maintains this reputation through working collaboratively with government to focus on effective regulation that enables business to operate efficiently. It is important all parties ensure where regulation is reviewed it is done in a consultative and collaborative manner and it is implemented in a way which provides applicable certainty and clarity with regard to outcomes. Furthermore, it is critical effective regulation acknowledges the uniqueness of the resources sector and does not rely upon a one size fits all policy.

The Western Australian resources sector operates in a globally competitive market, and must remain focussed on ensuring safe, productive and efficient operations. This focus is supported through a commitment to local training and upskilling to meet the current and future demands of industry. With the inclusion of the resources sector to contributing into the BCITF, the sector is eager to ensure the application of the Act (and regulations) are agile, practical and future focused to delivering competitive and quality outcomes. CME believes there are opportunities to amend the Act (and regulations) to ensure these important objectives are equitably, efficiently and effectively achieved.

CME looks forward to the consideration of the following recommendations and methods of implementation to ensure the Act can deliver on its obligations and enable the resources sector to continue to productively operate and grow in Western Australia to the benefit of the community.

CME recommends:

- The application of a threshold for the application of the levy to projects over \$500 million to be consistent with the threshold incorporated in the *Australian Jobs Act 2013*⁵ and apply a differential rate of 0.1 per cent to Resources Sector Projects and include the application of a \$5 billion cap to the value of projects to which the levy applies.
- The Act is amended to enable project owners to make payment of the levy through instalments where the project cost is over \$1 billion.
- The Act shall include a list of specialised high cost items, developed in consultation with the resources sector which will be exempt from inclusion in the calculation of project value by the Project Owner.
- The Act is amended to specifically exclude application of the levy to construction projects undertaken within Commonwealth waters.
- The Act be amended to increase membership of the Building and Construction Industry Training Board (BCIT Board) from seven to ten and stipulate the additional three board members be

¹ Duncan, A., Kiely, D. and Salazar, S., *Quarterly Economic Commentary: March 2019*, Bankwest Curtin Economics Centre, Curtin University, April 2019, p. 4.

² Excludes monetary contributions via North West Shelf grants, State taxes and fund levies.

³ Government of Western Australia, *Budget Paper No. 3: 2019-20 Economic and Fiscal Outlook*, Western Australian State Budget 2019-20, Department of Treasury, May 2019, p. 68.

⁴ Also includes the *Building and Construction Industry Training Levy Act 1990 (WA)*.

⁵ Commonwealth Act.

reserved for resources sector representatives nominated by CME, Association of Mining and Exploration Companies (AMEC) and Australian Petroleum Production and Exploration Association (APPEA).

- The Act be amended to include the requirement for the BCIT Board to produce, in addition to the annual operational plan, a longer-term five yearly strategic planning cycle for development and implementation of its key objectives and to ensure effective and future focused utilisation of revenue.
- The Act be required to continue to deliver on its key objective to improve the quality of training outcomes through research and be required to develop appropriate metrics to achieve this.
- The BCIT Board be required to ensure the apprenticeships and courses it caters for are representative of all industries the BCITF applies to, including the resources sector.
- The CTF implement a Resources Sector Implementation Working Group to improve and manage implementation of the levy, address ongoing industry feedback and concern, and work towards the next five yearly Act review to recommend improvements.
- The Act be amended to include a requirement to identify and implement future skills sets and qualifications, ensuring appropriate skills growth and addressing future trends, as a function of the BCIT Board.
- The CTF to engage in research and consultation to identify ways to improve and measure increased participation of underrepresented groups in the community and those in regional and remote areas.
- The Act and Regulations be subject to review as part of StreamlineWA and associated reform processes to ensure effective and efficient regulation.

Context

The resources sector in Western Australia faces unique economic challenges with respect to capital-intensive project costs and the determination of long term investment decisions in a globally competitive market. Resources projects involve high-risk exploration outlays, large upfront capital commitments, long-life assets, sophisticated technologies and substantial lead times to profitability. The sector is highly competitive with other resource-rich economies, with whom it must compete for capital. The sector requires policy certainty and efficient regulation to generate further investment, jobs and training.

CME supports regulation which is equitable, efficient and effective to foster an environment which encourages growth and investment in Western Australia. Since the removal of the resources sector's exemption from paying into the fund from 1 October 2018, the industry's experience in practice has highlighted a number of areas for concern.

The cost of applying the levy to the resources sector can be estimated, in aggregate, at tens of millions of dollars in additional costs for resource projects in Western Australia. The levy is set at 0.2 per cent and applies to the total value of the construction project as per Schedule 2 of the Act.⁶ This has the potential to represent a significant increase to the regulatory cost burden faced by the sector. For example, the Department of Mines, Industry Regulation and Safety (DMIRS) has estimated \$81.5 billion of resources sector construction projects in Western Australia either announced or commenced since December 2018⁷. If the 0.2 per cent levy is applied to these projects in their entirety, it would result in the resources sector contributing \$168 million to the BCITF. CME is concerned the prospect of additional cost burden, the uncertainty and additional administrative burden inherent in applying Schedule 2, risks placing further barriers to investment in the sector.

The majority of resources sector construction projects face high capital expenditure with lower labour requirements when compared with the traditional domestic and commercial construction sectors. This is often due to the regions and environments in which proponents operate in and the technological requirements to construct substantial infrastructure and plant required to extract, store and transport the relevant resource. Applying a 'one size fits all' levy rate inequitably and negatively impacts the resources sector in Western Australia.

Since the removal of the exemption from 1 October 2018, the resources sector has experienced significant and time-consuming issues in relation to the administration and subsequent payment of the levy. Gaining clarification from the CTF in respect to how the levy applies to the sector has been considerably more onerous than anticipated. This is in part due to a general lack of understanding of the sector (including its construction, operational and maintenance practices) and the expedited nature of the implementation without the necessary resourcing and guidance to support it. This includes administrative requirements and time to determine the scope which applies and in turn the amount of levy payable, which it is acknowledged is made more challenging by the poor drafting of the pre-existing regulations.

The resources sector also faces a lack of clarity with respect to how the levy applies not only to new builds but existing works such as renovation and relocations where that work is over \$10 million. The inclusion of these latter activities has been done without sufficient understanding of how resources companies handle such work. Unlike a major construction project, which has a single team handling all contracts, for works which resources companies consider as 'business as usual', contracts and purchase orders may be raised by a range of people across multiple operational sites for existing planned works and/or 'break in' requirements.

The requirement for the levy to be applied to existing work creates excessive "red tape" and a large administrative burden within companies. For example, as the current CTF system for payment of the levy is not configured in a way that easily allows individual contracts to be logged by many different stakeholders within the same company, the payment of the levy requires additional internal resourcing (outside of ordinary business as usual roles), reporting, compliance and legal oversight.

There is also a requirement under the current legislation that the levy be paid upfront prior to construction work commencing which is impractical for any non-major project expenditure, given operational and safety requirements will dictate the commencement of work. Often in day-to-day operations this means work is commenced prior to formal contractual paperwork and administration being completed. The strict requirement for the levy for this type of work to be paid into the CTF system before the work is underway is operationally impossible in many circumstances, particularly in areas where safety is the primary concern. These scenarios are representative that the regulations, and their application, are not fit for purpose for the resource sector.

The approach by the CTF has been to engage in one-on-one negotiations with proponents which has proved time consuming and does not support consistent industry-wide outcomes, which in turn

⁶ *BCITF and Levy Collection Act 1990 (WA)*, Schedule 2, p. 31.

⁷ Prospect Magazine, Department of Mines, Industry Regulation and Safety, December 2018 Page 32

hinders equity and efficiency. Furthermore, the imposition of the levy may also be counter-productive. The resources sector is currently at the forefront of workplace training, community involvement and education initiatives. Imposition of the BCITF levy almost inevitably disincentives companies to directly invest in certain training, development and social initiatives.

Discussion of recommendations

Application of Construction Training Funds to the Resource Sector

Queensland has a comparably large resources sector and similar fund to Western Australia, i.e. the Building and Construction Industry Training Fund (Qld) (BCITF Qld). The BCITF Qld applies a threshold, differential rate and cap to resources sector construction projects. The way in which the BCITF Qld is structured has worked to meet the construction training needs in Queensland without negatively targeting the Queensland resources sector, such as excluding the application of the levy to resources sector operational works and clearly defining this to provide industry with certainty⁸.

The Western Australian resources sector is committed to participating in and contributing to the BCITF however, the sector is eager to ensure the Act is able to be applied in an equitable and efficient manner and is appropriately structured to reflect the needs of the resources sector to enable continued growth and certainty in the sector. CME recommends **the application of a threshold for the application of the levy to projects over \$500 million to be consistent with the threshold incorporated in the Australian Jobs Act 2013, and apply a differential rate of 0.1 per cent to Resources Sector Projects and include the application of a \$5 billion cap to the value of projects to which the levy applies.**

This recommendation would streamline the application and administration of the levy to the sector as well as enable certainty for proponents on the regulatory costs with respect to investment decisions. In turn, this would provide the government with greater certainty to forecast CTF revenue. By removing time intensive processes industry applied to a larger number of smaller projects, and instead align them to major projects which inherently have the capacity and capability to clearly identify relevant scope and work parcels, and are better placed to absorb regulatory costs and make appropriate arrangements.

Unlike the traditional domestic and commercial construction sectors where the levy is required to be paid when a building approval is sought, there is no mechanism to trigger the application of the levy for the resource sector. Aligning the levy process with the approval process of the Australian Jobs Act, or similar State legislation, provides clarity to the sector.

Such an approach has the potential to provide greater certainty, improve efficiencies and streamline processes not only for industry but for the CTF as well. It is conceivable it would raise comparable payments of the levy.

Where one considers the upfront payment of the levy as it applies to the total cost of the resources construction project or contract, the amount to be paid upfront can represent a significant upfront cost to the organisation. It is noted with regard to BCITF Qld that proponents can seek approval from the BCITF Qld to pay the levy through instalments over the life of the project.

Noting for many project proponents, funding is either released on completion of stages or through Joint Venture arrangements, it would be proposed where a project of \$1 billion or more is required, levy payment can be paid over the life of the project as opposed to a total upfront payment when work commences. The ability to permit organisations to undertake this process in Western Australia would be beneficial for business operation through reducing the negative impact on cash flow. Furthermore, the ongoing levy payment over the life of sizeable resources construction projects would allow the CTF to plan and administer the revenue of the fund in a more stable and consistent manner to account for the highly cyclical nature of the resources sector. This averaging out would also see the CTF better able to manage funds to reflect training needs as projects often extend well beyond the yearly operational planning cycle. CME recommends **the Act is amended to enable project owners to make payment of the levy through instalments where the project cost is over \$1 billion.**

Strategic Sourcing

The resources sector is committed to engaging with local companies during construction and operation of its projects. The sector delivers economic and social benefits to many remote and regional areas within the State. However many resources sector projects are complex and require the application of specialised items of equipment. The highly specialised nature of some of these items requires their manufacture restricted to only a few specialised hubs dispersed across the world. In such selected instances, it is suggested that it would be inappropriate for the state to apply a construction training levy to the manufacture and importation of specialised equipment from overseas, which does not impact on the local construction sector's training requirements. The resources sector

⁸ Queensland Building and Construction Industry (Portable Long Service Leave) Regulation 2013 (QLD), Resources Operational Work.

encourages this review to recognise the high capital cost associated with resources sector projects and the unique, highly specialised technical equipment required by the sector in the calculation of project costs as defined in Schedule 2.

CME believes the Act should have in place a list of specialised high capital cost equipment, developed in consultation with the resources sector, to be exempt from calculation of the project cost. This approach is based on the principle of jurisdictional scope and fairness. Whilst the installation of the equipment will be covered by the levy, through the labour cost component under Schedule 2, the manufactured and importation cost of the specialised equipment itself should not be included. The sector is seeking the exemption of these specialised items to ensure application of the levy is applied to the activities undertaken in Western Australia and does not unreasonably impact the sector when compared to other jurisdictions internationally. As such, CME recommends **the Act shall include a list of specialised high cost items, developed in consultation with the resources sector which will be exempt from inclusion in the calculation of project value by the Project Owner.**

The resources sector is concerned the State Government may be exceeding its legislative powers under the Australian Constitution through applying a levy to equipment manufactured overseas as well as seeking to apply the levy to construction work undertaken within Commonwealth waters. As such, **CME recommends the Act is amended to specifically exclude application of the levy to engineering construction projects undertaken within Commonwealth waters.**

Representation and Governance

The inclusion of the resources sector represents a fundamental change to the BCITF. The scope and nature of the resources sector is complex and significantly different to the domestic building and construction sectors as outlined above. Equitable and effective implementation of the levy and use of the revenue requires a robust understanding of resources sector project requirements, including workforce and skills needs in the sector. Considering the BCIT Board sets the strategic direction and determines the operational plan for the CTF, it is critical for composition of the BCIT Board to include fair representation from the resources sector to provide ongoing and up to date intelligence regarding the skills and workforce requirements of the sector.

With the current BCIT Board membership totalling seven, increasing the number by a further three members, reserved for CME, AMEC and APPEA, will ensure the views of the resources sector are fairly represented, together with encouraging sector engagement in the administration of CTF to continue to drive innovation and improvement.

Effective engagement with the resources sector will assist with streamlining administration and management of the BCITF, together with sharing best practice and important learnings aiding continuous improvement in skills development.

CME is concerned the BCIT Board lacks any legislated representation of the Western Australian resources sector to reflect the issues and challenges faced by the sector. Increasing resources sector membership on the BCIT Board will go some way to address concerns, ensuring clear and direct communication between the resources sector and the CTF. To this end, CME recommends **the Act be amended to increase membership of the BCIT Board from seven to ten and stipulate the additional three board members be reserved for resources sector representatives nominated by CME, AMEC and APPEA.**

Strategic Planning

A key objective of the Act is to improve the number of skilled workers in the construction sector. It is of critical importance to the construction sector to have a clear medium to long term strategy to avoid future skills shortages and encourage training opportunities in future growth areas.

Currently the Act only requires the BCIT Board to produce an operational plan for a twelve month period. CME is concerned that the use of only a short term annual plan is not conducive to longer term strategic planning. CME believes a medium to long term approach is required when addressing future skills and training development. For example, given apprenticeships generally take four years to complete and traineeships to upskill can take twelve months or more lead time, it is critical that decisions made by the BCIT Board are done so with a view to the longer term.

In addition, it is important for strategic direction from the BCIT Board be supported to plan out for the cyclical nature of the economy, which is particularly relevant to the Western Australian economy which is reliant on commodity price cycles. Implementing a strategy which aims to plan for and respond to changes in the economic cycle by consistently supporting a pipeline of apprenticeship and trainees will help to avoid skills shortages when the economy recovers. A focus on future skills will also ensure that changes in technology and methods of work can be seamlessly integrated into the sector, rather than the current annual operational plan based on past trends and data with limited scope for forward planning. Furthermore, a longer term strategic plan will inform targeted research to guide future skills requirements will enable pathways for reskilling of the workforce to drive change and increase productivity.

CME notes the CTF does not have adequate resources to undertake workforce skills forecast modelling. The CTF should be able to utilise BCITF revenue it will gain from the inclusion of the resources sector to undertake modelling works for a five year strategic plan with an annual update as part of the operational plan process, thus enabling the BCITF to deliver its operational intent to improve the number of skilled workers in the construction sector. CME therefore recommends **the Act be amended to include the requirement for the BCIT Board to produce, in addition to the annual operational plan, a longer-term five yearly strategic planning cycle for development and implementation of its key objectives and to ensure effective and future focused utilisation of revenue.**

Outcomes and Objectives

CME notes that a number of recommendations from the statutory review in 2014 remain outstanding. CME is concerned with the outstanding recommendation to remove the reference to *'improve the quality of training'* in the Act and replace with vague wording *'promote and facilitate'*. While it is important to promote and facilitate training, the overriding role should be to ensure the CTF delivers quality training outcomes through research and continuous improvement. The resources sector strongly advocates that the Act should maintain the objective to *'improve the quality of training'* to ensure value for money and delivery of quality training outcomes for the construction industry.

CME is supportive of the important and complementary role that the CTF should play through conducting research to improve the quality of training. Whilst there are regulators tasked with improving the quality of training, such as the Training Accreditation Council and Australian Skills Quality Authority, these regulators are responsible for maintaining the quality of training only in respect to the accreditation of qualifications and ensuring compliant delivery by Registered Training Organisations and assessors. They do not manage the quality of the training outcome with respect to the individual completing the training.

With the recent move to incorporate the Construction Training Council into the CTF, it is now even more within the remit of the CTF to deliver quality training outcomes. With the CTF now fully funding the Construction Training Council, the CTF should be monitoring the quality of training outcomes in respect to the competency of individuals completing training, entering the workforce and collaborating with other agencies where issues are identified through research. The CTF has the ability to deliver well-reasoned research to drive improvements. The Act is very clear that its objective is to support training and research, the outcome of which is to improve the quality of training.

Currently, the CTF uses the number of apprenticeship commencements as a significant measure of success of the fund. Commencements by themselves should not be used as a marker of success nor as an indication of value for money. Instead, CME believes research should guide an evidence based approach with regard to how training is developed, delivered and measured, as well as the nature and effectiveness of incentives the CTF provides. CME strongly recommends **the BCITF be required to continue to deliver on its key objective to improve the quality of training outcomes through research and be required to develop appropriate metrics to achieve this.**

Applicability to the Resources Sector

The inclusion of the resources sector in the BCITF in turn means the inclusion of a number of new skill sets. It is imperative for the CTF to gain a thorough understanding the trades and skills required to undertake works in the resources sector covered by the levy and how they can be funded appropriately to ensure a skilled workforce is available into the future.

In relation to the inclusion of maintenance work over \$10 million, as set out in the 2018 Amended Regulations below, the skills utilised in these activities and the upskilling required for these specialised works are not adequately covered by the BCITF, nor is the classification of which maintenance work is considered construction work and who will receive the benefit of training.

*"Replacement, alteration, reconfiguration refurbishment or relocation of 1 or more resources facilities or components of resources facilities where the value in aggregate of the works is \$10 million or greater – this includes pipelines, iron ore stackers, LNG trains or components of an LNG train, processing facilities and refineries"*⁹

CME would welcome the CTF to engaging with the resources sector more closely, to fully understand, acknowledge and fund those trades, qualifications and skills required by workers to undertake these activities. CME recommends **the BCIT Board be required to ensure the apprenticeships and courses it caters for are representative of all industries the BCITF applies to, including the resources sector.**

The incorporation of the resources sector through the removal of the exemption in the 2018 Amended Regulation sees a major structural change for the CTF and the WA resources sector. Noting both the WA resources sector and the CTF have already experienced challenges implementing the BCITF levy to resources sector projects, it may be beneficial for the CTF to establish a working group where by

⁹ BCITF Levy in WA's resources sector Fact Sheet 3 – Inclusions, Construction Training Fund, p.1.

issues with respect to implementation can be raised and addressed. The terms of reference for the group would benefit from being tightly set, and should encourage ongoing engagement and collaboration, and enable the CTF to improve its current knowledge base regarding the resources sector and address areas of key concern proactively and in a timely manner.

Establishing such a forum would form part of the ongoing commitment from the resources sector to work collaboratively with the CTF, to ensure the levy is equitable, efficient and effective with respect to its operation and implementation across the sector. The purpose of the group could be to convene for a period of five years until the next Act review, and work towards advising the CTF on the incorporation of the resources sector into the BCITF, including, but not limited to;

- The development of industry specific guidance material and industry specific interpretation of the Act and Regulations;
- Identify areas of the Act which could be amended to improve the application of the levy to the resources sector to promote efficient administration and beneficial training outcomes;
- Clearly define terms such as Project Owner and Maintenance Work to reflect actual practice, specific to the resources sector, noting ongoing feedback from industry indicating definitions lack clarity and applicability to the resources sector; and
- Identify ways to simplify processes to enable faster and more effective payment.

CME firmly believes that value would be achieved through an ongoing collaborative process to facilitate the resources sector's implementation and contribution to the levy. The current approach of individual engagement by industry operators with CTF to be able to gain clarity in respect to the applicability of the levy to proposed works is not functional nor is it reflective of best practice regulation.

CME is concerned with the lack of clarity on how the levy should operate and the level of uncertainty within the CTF with respect to how the resources sector functions. If this uncertainty and lack of clarity continues the WA resources sector will remain sceptical of the fairness and effectiveness of the BCITF to deliver against its key objectives. In addition, CME contends that the Act will continue to place an unreasonable administrative burden on the sector which ultimately impacts upon future investment decision making. Therefore, CME recommends **the CTF implement a Resources Sector Implementation Working Group to improve and manage implementation of the levy, address ongoing industry feedback and concern, and work towards the next five yearly Act review to recommend improvements.**

Future Skills:

In an increasingly technology-rich and innovative economy, the nature of work is rapidly changing. The State Government through the release of their *Future Jobs, Future Skills* strategy identify significant economic benefits can be realised through future focused training and upskilling members of the existing workforce. Growing future skill capabilities through education and training is a priority for both the Government and the resources sector. This focus will ensure participation in training today will meet the demands of industry tomorrow.

The Act is positioned to assist industry to meet their future skills requirements by identifying needs and delivering targeted funding to increase the number of skilled persons, whether they be new to the industry or in the current workforce. The resources sector has sought to be at the forefront of implementing of new technologies in all aspects of construction and operations. With the incorporation of new technologies, the training requirements in the sector continue to increase with technical knowledge. With the inclusion of the resources sector into the Act, it is therefore imperative the CTF is agile in how it can focus on future skills identification and meeting the requirements of technical skill not only in the resources sector but the construction sector more broadly.

In the context of these rapidly evolving requirements, the CTF needs to be agile to include additional qualifications and skill sets beyond the current skill requirements they fund in respect to the traditional construction trades, as the industry moves and evolves. CME recommends **the Act be amended to include a requirement to identify and implement future skills sets and qualifications, ensuring appropriate skills growth and addressing future trends for new and existing employees, as a function of the BCIT Board.**

Workforce Participation:

The resources sector offers diverse and flexible work opportunities across Western Australia, and more specifically within the communities in which they operate. The sector has made significant investment over the past decade to increase participation of females, Indigenous people and disadvantaged groups, including in regional and remote areas. CME acknowledges the CTF offers incentives of cash payments to employers who engage female and Indigenous apprentices, although CME notes in its experience that increased cash payments to employers alone may not necessarily result in increased diversity. CME recommends for **the CTF to engage in research and consultation to identify ways to improve and measure increased participation and successful completion of programmes for underrepresented groups in the community and those in regional and remote areas.**

Regulatory efficiency

The current government has committed to the StreamlineWA initiative to ensure regulators' and government programs are efficient and effective in their implementation and useability. CME advocates for the Act be included as part of any review to ensure efficient and effective administration and operation especially in respect to its outcomes.

Given the potential impact on one of WA's most economically important sectors it is important for regulation be subject to continuous review and drive for improvement. It is imperative that the BCTIF is included in the cross-government review of regulation streamlining and red tape reduction opportunities to drive efficiencies and stimulate further investment. In relation to StreamlineWA, the Premier, Mark McGowan, has stated

*"It's not about removing regulation altogether – but rather about liberating business and industry from barriers, costs and complexity of ineffective regulation and bureaucracy, and bringing us into the modern era."*¹⁰

CME supports this objective and believes through inclusion in StreamlineWA, the BCITF and CTF will be operationally stronger. CME recommends **the Act and associated regulations be subject to review as part of StreamlineWA and associated reform processes to ensure effective and efficient regulation.**

Conclusion

CME and its members are committed to working in a collaborative manner with the CTF and State Government to ensure the levy can operate as intended and benefit the Western Australian construction sector.

The resources sector sees the Act's statutory review as an opportune time to put in place amendments which will enable the Act to effectively increase the number of skilled construction workers for the resources sector and allow efficient implementation of the levy while ensuring transparency and clarity for all stakeholders.

The incorporation of the resources sector under the Act presents the BCIT Board and CTF with a number of opportunities and also significant challenges, noting how the sector differs from the domestic and commercial sectors. CME and the resources sector would welcome further consultation in relation to necessary improvements to enable more equitable, efficient and effective implementation of the levy. The resources sector encourage the CTF and BCIT Board to facilitate this through structured engagement and collaboration focused on the unique issues resulting from the inclusion of the resources sector. This will allow for relevant amendments to be considered to the Act, associated regulations and administrative processes to ensure it is functional and meets its objectives.

The Western Australian resources sector continues to face strong international competition with regard to attracting new investment. For the sector to remain competitive and continue to grow, cohesive and fit for purpose regulation is required.

With regard to the Act this can be achieved with a focus on ensuring equity, efficiency and effectiveness, which in turn will support growing skills and upskilling the current and future workforce relevant to the future needs of our industry to the benefit of the wider community. It is further acknowledged that a balance is required to facilitate the delivery of real benefits underpinned by improved productivity and ongoing investment, whilst ensuring the burden placed on industry is minimised.

CME hopes the review will consider the recommendations made in this submission, on behalf of our members. If you have any further queries regarding the above matters, please contact Ms Susan Cull, Manager People and Communities, on (08) 9220 8500 or s.cull@cmewa.com.

Authorised by	Position	Date	Signed
Robert Carruthers	Director, Policy and Advocacy	28/06/2019	
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¹⁰ Streamline WA: Making it easier to do business in Western Australia, Premier Mark McGowan, 6 December 2018.