

FACT SHEET

Building and Construction Industry Training Fund Amendment Bill 2016

This amended legislation is designed to modernise the functions of the Tasmanian Building and Construction Industry Training Board in line with a contemporary Tasmanian Training and Workforce Development System. The Board has moved from providing advice to the Minister for State Growth on training issues within the industry to broader workforce planning and development advice on the building and construction industry, businesses and their workforces. This new practice aims to address the ageing workforce, businesses' succession planning and making businesses more capable, efficient, productive and profitable.

There is some good news for the building and construction industry and for those agencies that collect the training levy, normally local councils. These amendments effectively increase the value of building work from \$12 000 to \$20 000 before invoking the training levy. This increase is achieved by exempting from the training levy, works not exceeding the value of \$20 000.

The increased value of works will be welcomed by industry as it means that there will be a reduction in red-tape as smaller building jobs will not attract the training levy. The other advantage for industry is that the \$20 000 limit aligns with the announced increase from \$12 000 to \$20 000 of the level at which the building permit levy, collected under the *Building Act 2000*, is payable. The increased threshold levels for the Training Levy and the Building Permit come into play on the same day, that is, 1 July 2016.

This, in turn, means less administrative burden for local councils who largely perform the role of 'collection agency' under the Act.

It's also good news for consumers undertaking relatively small building projects that will be exempt from the training levy.

With the increase in exemptions from the payment of the training levy, there will be a reduction in the amount of revenue that otherwise would have been collected. For example, during 2014-15, the amount of revenue collected under the levy was \$2.8 million. Hypothetically, applying the exemption increase to the levy collected in 2014-15, would have seen a reduction in revenue of \$42 000 but a reduction of 17% in the number of transactions for collecting it.

The new arrangements will come into effect on 1 July 2016.