

DRAFT SECOND READING SPEECH

HON. MATTHEW GROOM MP

Building and Construction Industry Training Fund Amendment Bill 2016

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Mr Speaker

I move that the Bill now be read a second time.

Tasmania's building industry is booming. Not only is this boom good for the building industry, but the state of the building industry reflects the health of the broader Tasmanian economy. The boom is not only about a significant increase in building activity currently underway, or on the drawing board, but the building and construction industry is beginning exciting and major technological and innovative change. These technological and innovative advances, coupled with State Planning Reforms, require a broader skills base within Tasmania's building industry if the industry is to embrace more efficient planning, development, licensing and building practices.

For example, the emergence of BIM, Building Information Modelling, is going to bring about major change to the way projects are designed, constructed and maintained into the future. BIM is a process involving the generation and management of digital representations of physical and functional characteristics of places. Buildings will be built twice, once in a virtual space and again on location. BIM offers productivity gains, improvements in materials purchasing including less waste and better modelling of sustainable buildings. As the industry gears up for these developments, technology and industrial manufacture of not only building components but whole structures offsite will change the skills mix and training needs of the industry.

The Building and Construction Industry Training Board is the principal adviser to me on skills and training matters relating to Tasmania's building and construction industry including the civil construction activity. A major purpose of this Bill is to more accurately reflect the current state of vocational education policy and delivery structures in the guiding functions of the Board to ensure that advice I'm receiving from the Board is able to broadly cover all the issues around training, skills and workforce development matters within the industry.

Trade apprenticeships remain the cornerstone of training within the building and construction industry and it is evident there's a revolutionary demand from within the industry for more broadly-based skills, including advanced manufacturing, information technology and management skills. This evidence is provided to me directly by the Chair and CEO of the Building and Construction Industry Training Board. The advice is also provided to my Department of State Growth through a formal Memorandum of Understanding it has with the Tasmanian Building and Construction Industry Training Board, as a major Strategic Industry Partner.

Amongst the major changes seen since these functions were first drafted is the emergence of a national training framework with nationally recognised training packages and qualifications. At the same time, I recognise the importance of local priority setting, local delivery and coordinated Tasmanian input into the national decision making, to ensure that the needs of the Tasmanian industry are taken into account. I am pleased to note that the Commonwealth Government has announced that Tasmanian company, Artibus Innovation, will be the Skills Support Organisation coordinating this important work nationally.

Over the past few years, Tasmania's training system has transformed from a system of accredited training to a system of skills and workforce development. This transformation means that training is one element of a broader and competitive system more focussed on the skills needs of a business' workforce rather than just the needs of an individual. This also extends to the needs of industry sectors, regional skills needs and those of the State. Tasmania is recognised as a leader in this modern workforce development approach, enabling businesses to plan their future and make them more productive and profitable.

The amendments contained in this Bill enable the Board to provide advice, act on and advocate on a broader range of skills and workforce development activities to shore up a skilled workforce for this critically important industry, both now and into the future. The word promote, meaning to support and actively encourage, is used four times in these revised functions to recognise that the Board has a key role in consulting with and providing advice to the industry and also representing it in national forums.

The amendments bring some good news for the building and construction industry. These amendments 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 modest 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.

It should be noted that the training levy is now in its 25th year of operation and five of the other states and territories have followed suit and now have a similar training levy. Since 2005, nearly \$28 million has been collected and used to improve the productivity, the safety and the individual skills of the industry. The work of the Board is held in high regard by the industry.

As the industry faces the increasing challenges of new technology and new knowledge and skills in an ever increasingly global and competitive market, the Tasmanian industry needs this support to remain competitive.

I commend this Bill to the House.