

CITB Board Submission to the CITF Act Review, Issues Paper

1 February 2023

Board Members:	Role	Organisation
John Chapman	Presiding Member	CITB
Peter Russell	Employee Representative	Senior Industrial and Legal Officer, CFMEU
William Frogley	Employer Representative	Chief Executive Officer, Master Builders Association of SA
Mardi Conduit	Independent Representative	Barrister, Edmund Barton Chambers
Patrick Curran	Independent Representative	Principal, Curran Risk Management
Andrew Clarke	Industry Representative	Executive Officer, Master Plumbers South Australia
Maree Wauchope	Industry Representative	Chief Executive Officer, District Council of Barunga West
Pasquale Gerace	Industry Representative	Chief Executive Officer, Urban Development Institute of South Australia
Rebecca Pickering	Industry Representative	Chief Executive Officer, Civil Contractors Federation
Stephen Knight	Industry Representative	Regional Executive Director, SA Housing Industry Association

It is noted against each Board Response where Board members abstained or declared a Conflict of Interest and left the room.

Stephen Knight abstained from a number of responses, noting he was provided with insufficient time to consult with HIA members.

Peter Russell noted he abstained from all responses.

CITB composition, administration and operation

Concerning the amendments made to the Act by the Construction Industry Training Fund (Board) Amendment Act 2019:

How effective is the CITB, as currently comprised and administered, in attaining the objects of the CITF Act through the exercise of its functions and power (as outlined in Sections 11 and 12 of the CITF Act)?

1.

administration of the Fund is clearer. This should include that the Fund should be applied to addressing skills shortages, upskilling and entry level training as supported by data and evidence available to the Board.

Response:

Yes, supported.

The Board agree that the Act should include Objects as opposed to Functions. This would ensure that the Board's purpose is clearer and provides greater guidance.

4.

The Act should require the appointment of a Board member with extensive knowledge of training policy and the contemporary training landscape.

Response:

The Board believes that the Act should require the appointment of Board members that have the right skills to do the job as well as ensuring balance of diversity. There should be a skills matrix for the Board. Board members should include people from the industry to add value as well as training and other relevant expertise to bring different perspectives.

Abstained: Peter Russell, Stephen Knight.

8. The provision for a majority Board decision should

Is the current levy rate of 0.25 per cent of the estimated value of building or construction work (or such other percentage not exceeding 0.5 per cent of that value as may be prescribed in regulations) appropriate to meet the workforce needs of the sector?

20. In the absence of an alternative method of calculation than project value, the 0.25% levy remains as an appropriate rate for the Board to fulfil its role and functions under the Act.

Response:

The Board agrees the current rate remains sufficient to fulfil its role under the Act, subject to response to Question 21 and any further amendments to the Act that may increase or reduce the levy payable. The Board recommends that levy rate and value should be included within the Regulations.

Abstained: Maree Wauchope, Peter Russell, Stephen Knight.

21.

Response:

Yes, supported.

The Board agrees that the levy should apply to the project value excluding GST.

Abstained: Peter Russell.

22. If the levy remains calculated based on project value and exemptions are reduced resulting in an increase in revenue, the threshold of \$40,000 should be increased to reduce the administrative burden of payment and collection on low value projects.

Response:

Yes, supported.

Abstained: Peter Russell.

23. The levy threshold should be contained in the Regulations and reviewed periodically against CPI increases and other relevant data (such as expenditure from the Fund).

Response:

Yes, supported.

The Board believes that the levy threshold and the levy rate should be contained in the Regulations and reviewed periodically against CPI increases and other relevant data (such as expenditure from the Fund).

Abstained: Peter Russell.

Are there alternative collection methods that would improve levy collection?

24. The CITB should increase the resources devoted to education and compliance.

Response:

Yes, supported.

The Board agrees CITB should increase the resources devoted to education, governance and compliance, and have been working on a strategy in this regard.

Abstained: Peter Russell, Stephen Knight.

27.

The CITB should allocate funding to administration activities such as research, data analysis, education and compliance.

Response:

Yes, supported.

The Board agrees and are developing a strategy in this regard.

Abstained: Peter Russell.

Training plans

What impact does the requirement under Section 32(1) for the CITB to produce a training plan on an annual basis have on:

Additional Information

This is an opportunity to provide additional feedback on the CITF Act that has not been addressed in the Issues Paper and Terms of Reference.

Response:

- 1. The CITF Act currently references the use of a Common Seal (Part 2, 4 (2), Part 3, Div 1, 15) CITB do not use Common Seals currently. The Board recommends that reference to the Common Seal be removed from the Act.*
- 2. Board Expenses – Part 2, 10 – Allowances and expenses. The Act refers to the Board being entitled to receive allowances and expenses approved by the Minister. The Board recommends the Presiding Member be able to approve reasonable travel costs of any Board Member (particularly for Board Members located regionally) in line with the Determinations of the Commissioner for Public Sector Employment or similar - 3.2 Employment Conditions - Remuneration, Allowances and Reimbursement. To ensure transparency, it would be suggested that the Act also provide for such approvals for such cost reimbursements to be made public in a timely manner on the CITB website.*
- 3. The Board recommends an independent review of the Presiding Member's remuneration to better reflect the role and responsibilities.*

Conflict of Interest declared: John Chapman left the room whilst item 3 was discussed.

Abstained: Peter Russell.