

Recommendations

OBJECTS, BOARD COMPOSITION AND FUNCTIONS 18

Recommendation 1 – The Act should include an Objects section so that the Board’s purpose and the priority for the Fund’s administration is clear. The section should include that the Fund is appropriately administered; that it is applied to deliver quality training that addresses skills shortages, entry level training and upskilling; and that Board decision-making is based on data and evidence. 18

Recommendation 2 – The Act be amended so that Board appointments collectively satisfy a skills matrix to ensure Board duties can be appropriately discharged. To ensure the Board also has the appropriate industry knowledge and representation, these appointments should be drawn from a balance of employee, employer and Ministerial nominations. There should be no increase in the total number of members. 20

Recommendation 3 – Stakeholder views and observations, as captured in this report, should guide the design of the Board’s skill matrix and knowledge requirements. 20

Recommendation 4 – When selecting Ministerial nominees the Minister should consider the objective of supporting intelligence and information sharing between government and the CITB, given that government is the major customer of the industry. 20

Recommendation 5 – Provisions in the Act regarding disclosure of interest and duties of honesty, care and diligence be reviewed when the Act is amended to ensure they remain current and appropriate to adequately deal with the situations that may arise for the CITB. The Minister should consider potential conflicts of interest when nominating appointees to the Governor. 20

Recommendation 6 – The Board provide and implement clear member induction and charter information so responsibilities are recognised and understood. 20

Recommendation 7 – Board members have access to contemporary data, research and intelligence for informed decision-making, including integrated whole of sector data modelling. 20

Recommendation 8 – As the Board is presently comprised, there is no need to appoint deputy Board members. The exception is if there is only one appointee fitting the criteria under s 5(1a)(a) and (b). However, if the Act is amended so that Board members meet skills matrix and sector representation, there may be reason to appoint deputy members to mirror the Board composition. 32

Recommendation 9 – Section 13 of the Act be amended to require the Board to consult with its Committees in the formulation or amendment of its training plan. 33

Recommendation 10 – Section 13(2) of the Act be amended to require a cross-sector workforce planning committee. 33

Recommendation 11 – Section 10 of the Act be amended to permit the Minister to approve allowances or expenses of Committee members. 33

LEVY	36
Recommendation 12 – The Minister investigate the benefits of a more robust, alternative levy collection model.	36
Recommendation 13 – The Act require for non-government projects the project owner be defined as the person/body engaged to deliver all, or substantially all, of the construction project. Only in circumstances where, at the time of levy payment, no person or body has been engaged to deliver substantially all of the project should the project owner definition default to the person benefiting from the construction project. For government projects, the project owner should always be the government agency responsible for delivering the project.	43
Recommendation 14 – The \$40,000 levy threshold be lifted to \$100,000, with no change to the levy rate of 0.25%.	44
Recommendation 15 – The threshold at which the levy is payable be adjusted for CPI every three years via the Regulations; and the reference under section 23 (Exemptions) to \$15,000 be removed.	44
Recommendation 16 – GST should be excluded from the calculation of the project value for the purposes of the levy.	44
Recommendation 17 – The methodology for calculating the value of building and construction work under clause 1 of Schedule 1A be reviewed and if anomalous results are found depending whether the project value is derived under Schedule 1A, clause 1(a) or (b), this be addressed through appropriate amendment.	44
Recommendation 18 – Investigate inclusion of a definition of “professional fees” for the purposes of Schedule 1A. In particular, clarify whether professional fees must solely relate to building and construction work or can also include project-related design work, project/contract management, or the supervision of construction work by in-house staff or consultants. The Board should work with relevant professional bodies to determine whether a definition is more appropriately inserted into the Act or developed as Board policy.	44
Recommendation 19 – The Board should consider undertaking a compliance and education campaign with local councils to ensure consistent awareness and application of the Act’s requirement that building approval is contingent on proof of levy payment.	50
Recommendation 20 – The Board’s functions include oversight and compliance of revenue collection for the Fund, supported through application of CITB resources.	50
Recommendation 21 – Government work with the CITB to introduce transparent reporting and reconciliation options for construction industry projects that are not captured by the usual building approvals process.	52

Recommendation 22 – The CITF Act and any other relevant legislation be amended to provide:	52
<ul style="list-style-type: none"> • that the levy for government building and construction projects is payable by the government agency responsible for its delivery (including those assessed by certifiers) • that the levy for State Planning Commission assessed projects is paid before approval is issued by the State Planning Commission; and • that any approving authorities for building and construction projects under other legislation should also require evidence of levy payment before issuing approval. 	
Recommendation 23 – Subject to consultation, remove the exemptions in:	56
<ul style="list-style-type: none"> • Regulation 13(3) relating to main or core turbines or generators installed at power stations involved in the generation of electricity for the State’s power system; and • Schedule 1, clause 2, that exclude maintenance or repair work by a self-employed person or their employee where their principal business is not in building and construction. 	
Recommendation 24 – Government review the exemption for civil works associated with mining that relate to:	56
<ul style="list-style-type: none"> • pipeline infrastructure used in the production and processing and the repair of such infrastructure • sealed haul roads and tracks • maintenance of airstrips and landing pads. 	
ALLOCATION OF THE FUNDS AND THE TRAINING PLAN	63
Recommendation 25 – The Act be changed to make it clear that the Fund can be applied to attraction and retention activities.	63
Recommendation 26 – The hypothecation requirement be removed.	63
Recommendation 27 – The annual planning cycle dictated by the Act should be replaced by three-year rolling reviews of the overall strategic direction developed through the CITB’s investment decisions, and include the ability to trigger annual adjustments and reallocation of funds.	71

FURTHER MATTERS

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Recommendation 28 – The Act be reviewed at least every five years. The Minister should be required to table a report of the review within the customary number of sitting days. The review should not be statutorily required to be completed within six months.

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Recommendation 29 – The Act be amended to separately identify the Board and the administration of the organisation.

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Recommendation 30 – In relation to the use of public service employees, the Act should reflect the *South Australian Skills Act 2008 (SA)* to enable more integrated and complementary connections between the Board and government.

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Recommendation 31 – When the Act is amended consideration should be given to enhancing the Board’s debt recovery powers.

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