

**BUILDING AND CONSTRUCTION INDUSTRY TRAINING FUND
AND LEVY COLLECTION AMENDMENT BILL 2020**

Second Reading

Resumed from 14 May.

HON DONNA FARAGHER (East Metropolitan) [12.34 pm]: I rise as the lead speaker for the opposition on the bill before us. I indicate that we will support the bill. By way of background, the Building and Construction Industry Training Fund levy of 0.2 per cent is applied to the value of all construction work as prescribed under the Building and Construction Industry Training Fund and Levy Collection Act 1990. The Construction Training Fund administers the levy to support various training initiatives in the construction sector, including employer incentives to employ new apprentices, rebates for short-course training and tutorials, occupational health and safety training and so on. Just a couple of weeks ago, the minister announced a support package utilising this fund of around \$24 million to support the construction workforce in response to the COVID-19 pandemic. Perhaps that will be the subject of my first questions to the minister. First of all, I appreciate that it changes, but what is the balance of the fund, as the minister knows it to be at this point? Has that \$24.5 million already been taken out, or will it be taken out progressively over time?

In 2019, a statutory review of the act was completed and 22 recommendations were made. The bill before us seeks to amend the existing act to provide for three of the 22 recommendations—they being recommendations 11, 14 and 15. Recommendation 11 is the main recommendation that this bill deals with. It proposes that the government explore the feasibility of allowing project owners to apply to pay the levy in instalments when it can be shown that payment of the full levy amount prior to the commencement of construction would negatively impact the project's viability. That was recommended through the review process, following concerns that were raised by stakeholders. I indicate that the issues raised are not new. They have certainly been raised with me and other members of the opposition both prior to and after the inclusion of the resources sector into the remit of the fund. Therefore, a key part of the bill seeks to amend the act to allow project owners to pay the assessed levy in yearly instalments, when the assessed levy is valued at \$1 million or more, on a pro rata basis, over the life of the construction work or over another period, as agreed to by the minister. As I understand it, the first instalment must be paid before construction commences. If it is not, a penalty will be applied, and then it will become null and void. Equally, it will apply only to construction work that has a value exceeding \$500 million. If it is under that value, the levy must be paid in full prior to the start of construction. That is in line with the current situation. From the briefing that was provided to us, I understand that there might be four projects that would fall within the scope of having an assessed levy of over \$1 million or more, but the minister might be able to confirm that for me.

In response to recommendations 14 and 15 of the review, the bill seeks to amend the composition of the Building and Construction Industry Training Board, including making changes to members' length of service. The bill will add two new members to the board to allow the appointment of one person with experience and/or expertise in mining construction work and one person with experience and/or expertise in petroleum construction work. These amendments specifically recognise the recent inclusion of the resources sector into the remit of the levy, which I mentioned before. It will enable the sector to have greater input into the board's decision-making. I think that is a very good thing and it is quite appropriate. Again, that was raised with me both prior to and after the changes back in October 2018. From the information that was provided to us most recently in the briefing, it is quite clear that resources construction now forms a significant component of the fund. I think that needs to be recognised in a general sense and also needs to be recognised in the context of ensuring that it has a place on the board. As I understand from the bill, the minister will now be required under the act to consult with the Chamber of Minerals and Energy, Association of Mining and Exploration Companies, and Australian Petroleum Production and Exploration Association on board appointments. That is no different to a range of other organisations already listed in the act. That is a good thing and something we support.

Recommendation 15 suggested that consideration be given to introducing a limit on the term of board members. The current act does not provide a limit on how long a member can continue in office after the expiry of their term, so in effect this has meant that a member could continue in office indefinitely until a new appointment is made. The bill seeks to introduce a limit of 10 years of continuous service for both the chairperson and members of the Building and Construction Industry Training Board. That better reflects contemporary standards, and this was reflected in the review, and again it is something we support.

More generally, I indicate to the minister that we support the bill. At this stage I do not intend to go into Committee of the Whole House, although others may well seek to do so. In a more general sense, I want to indicate that given this review with 22 recommendations and the fact that this bill deals with only three, I understand from the government's response to the review that the other recommendations will be dealt with in slightly different ways. Six recommendations will be further considered in 2020 with a report back to cabinet. Again, I am not asking to go into committee, so perhaps the minister might be able to respond in her summing up. I understand that there are many legislative changes, and I appreciate that in the timing of the review, the minister's response to that review

and where we are now, the minister has been taken up with some other matters, principally all matters relating to COVID-19, but I would appreciate an update about where those recommendations are at.

There are four recommendations to be referred to the next statutory review. Again, they mainly relate to the resources industry, and I will mention one in a moment. Nine recommendations relate to operational matters of the Construction Training Fund, and they have been referred back to the board for a response and report back to the minister. I have looked at those and they mainly relate to things such as marketing, annual report information and general day-to-day administrative-type activities. Again, I would be interested to hear whether the minister has received a response and a report back from the board about whether it has implemented those changes; and, if not, what time frame she has given it to do that.

I mentioned that a couple of matters had been referred to the next statutory review. In particular, I noted recommendation 10. The minister and others would be well aware of this, but it should be noted that the resources sector has previously recommended a cap on the capital value of any single building or construction project for the purposes of calculating the levy. The review looked at that and I want to refer to recommendation 10, which is under “Legislative changes”. I just want to read it in, because I think it helps identify the position more broadly. It says —

Resource industry stakeholders advised that some resource projects may have very large capital values due to the complex and highly specialised capital inputs required. These inputs may skew the capital-to-labour ratio of the project and lead to a levy payment that is disproportionately larger than the project’s construction skills requirement, which could undermine the intent of the Levy. The introduction of a cap on the capital value of any project is a simple way to address this risk and should not undermine the policy intent of the Levy nor the achievement of the CTF’s objectives. Queensland has adopted this approach through imposing a cap of \$5 billion on the capital value of a project. This addresses a recommendation from the 2014 statutory review to consider applying a tiered levy based on project value.

On page 8 of the review, under “Next Steps”, it says —

I suggest that the State Government considers the feasibility of recommendations 10 and 11 in an expedited timeframe, in view of resources projects of significance to the State commencing in the short term.

I am keen to get an understanding from the minister, although I have heard some comments, about why, when the review has recommended that this be dealt with in an expedited time frame, she has held that over to the next statutory review. Again, it has been raised with me and others, and Queensland is generally pointed to as the example of where it occurs. I am keen to hear the minister’s approach. I would also be keen to understand her position on a cap. I am not sure whether she will provide that to us, but I am going to ask anyway. With that, I indicate again that we support the bill. I appreciate that the minister was just seeking some advice. I asked another question about the cap and I am not sure whether she heard it. I asked whether the minister would be able to enlighten us about her position on the cap. I am not sure whether she will provide it, but I am asking for it. I conclude by indicating that we support the bill, albeit I feel I need to raise something. I note that another bill has been sitting on the notice paper since 2017—that is, the Building and Construction Industry Training Fund and Levy Collection Amendment Bill 2017. Again, a number of the matters raised in that bill are of a somewhat administrative nature. I have been a little perplexed about why that bill has not yet been brought on for debate. In concluding and recognising that we support this bill, as we do the 2017 bill, I invite the minister to inform us about why that bill has not progressed, whether it will be progressed and if it is not going to be progressed, whether she intends to discharge it from the notice paper. With that, the opposition will support the bill.

HON ALISON XAMON (North Metropolitan) [12.46 pm]: I rise as the lead speaker on behalf of the Greens on the Building and Construction Industry Training Fund and Levy Collection Amendment Bill 2020, and indicate from the outset that we will support it. Of course, the Greens continue to maintain that education and training are the cornerstones of a civil society, which is one of the reasons that we continue to advocate for all training and education to be available to everyone and free for all students. I have also spoken specifically on the Building and Construction Industry Training Fund on more than one occasion in this place, and I value the multiple roles that the fund plays in workforce development and the training space. I note that COVID-19 has severely impacted a number of sectors of our economy, and, as a result, the government is looking to bring forward a number of construction activities to boost our economic activity. I also note that this sector is still exempt from paying the levy. Recommendation 18 of the “Building and Construction Industry Training Fund and Levy Collection Act 1990: Statutory Review” for this exemption to be removed might be part of a package of legislative changes for later this year. I echo the comments of Hon Donna Faragher with my desire to find out what is anticipated as we move forward with additional legislative reform.

Getting back to this bill, its purpose is obviously to implement three of the recommendations that have arisen from the statutory review of the Building and Construction Industry Training Fund, which was conducted in 2019, so that we amend the legislation to allow collection to be done in instalments when the levy amount is larger than \$1 million, amend the membership of the Building and Construction Industry Training Board to account for the

resource industry construction projects that are now being levied, and amend the membership rules of the BCITF board in line with the recommendations of the Australian Institute of Company Directors on term limits. That is obviously all sound. As I have said, I spoke at length about the Building and Construction Industry Training Fund and Levy Collection Act and the Construction Training Fund when we discussed removing the exemption on resource projects in debate on the motion moved by Hon Martin Aldridge. Currently, a levy of 0.2 per cent applies to construction projects that have a value of \$20 000 or more, and, again, I hope that we see legislation come before us later this year to amend the threshold amount.

In October 2018, the exemption for engineering and construction projects in the resources industry was removed. Those funds are administered by the Construction Training Fund. That fund uses that money to financially support employers of apprentices who are enrolled in a range of specified construction trade qualifications and to financially support construction tradespeople who are studying higher education qualifications and occupational safety and health qualifications. It also provides information and outreach to schools about construction trades and acts as the construction industry training advisory board to the State Training Board, as well as undertaking a range of industry projects and industry research and development.

I will make some comments about the most recent review, which was commenced by Mr John Kobelke, who sadly passed away, and was subsequently completed by Mr Jim Walker. I note that the review made 22 recommendations and 20 key findings, and some of the recommendations have been carried over from previous reviews, including elements of the Building and Construction Industry Training Fund and Levy Collection Amendment Bill 2017. I understand that these elements will be considered in the second stage of legislative changes later this year to implement six more of the recommendations made in the review. Those recommendations include that the government expedite recommendations 10 and 11. Recommendation 10 is that a capital value cap similar to that in Queensland be introduced. I, too, will be interested to hear the minister's response to the question that was asked about this. This element will be held over to be considered again in the next statutory review. Recommendation 11 is about the application for levy payment instalments. This bill addresses recommendation 11, but it also deals with recommendation 14, which is about board representation, and recommendation 15, which deals with the limit on board member terms.

The bill is very practical in nature but fairly limited in scope. Recommendation 11 responds to a concern that extremely large resource projects, such as those worth billions of dollars, could find the requirement for the up-front payment of the levy to be an imposition that could be sufficient to halt the progress of the project, which would defeat the purpose. Several clauses of the bill relate to the implementation of the ability to commence, vary and refund payments made under instalment plans. Recommendation 14 responds to the concern that the board does not currently carry expertise in those large engineering projects common to the resources sector and that the difference between petroleum and mining projects is sufficiently large that both new positions are required. Representation, of course, is important, but a substantial amount of the funds that are now flowing into the BCITF come from the resources sector. Recommendation 15 responds to the finding that the act provides no time limit on board memberships and how long a member can hold their seat past the end of their term. A number of the organisations that provide advice and recommendations on good governance have flagged that there is an issue with directors sitting on any board beyond 10 to 12 years. The chosen recommendations are fairly easy to implement. I note that they are reasonably widely supported. In the case of the make-up of the board membership, the bill addresses an obvious gap in representation from the resources sector.

I noted earlier that a substantial amount of funding is starting to flow into the fund from the resources sector. The minister's office has very kindly provided the advice that for the year to date as at 30 April 2020, there had been \$22.5 million from the traditional levied industries and an additional \$13.3 million from construction in the resources sector. I also note that it has been a relatively short time since the exemption for the resources sector was removed. I note that there has been some concern that the resources sector may have an impact on the activities and priorities of the BCITF, especially as more of the funds and more board members come from that sector, but when we originally discussed lifting the exemption for the resources sector, I noted that the government and the workforce advisory bodies widely recognised that the resources sector draws heavily on construction workers who are trained elsewhere and also that the resources sector advised that it regularly provides additional training to these workers to meet the sector's additional needs. I have asked whether the qualifications that are supported by the BCITF have changed or might change in response to the impact of that resources sector funding and I have been advised that a working group has already been formed and two apprenticeships and three short courses have been added to the list of supported courses. I have also been advised that this group is continuing to review qualifications and training courses that are relevant to the construction workforce in the resources sector. I ask the minister whether this is the case and whether my understanding of this is correct.

Of course, we are currently facing a period of uncertainty in how we are going to economically recover from the COVID-19 crisis. As mentioned previously, although we expect to see an uptick in government-sponsored construction, that sector is currently exempt from the levy. Like so many of us, in the face of COVID, the BCITF is facing a future

with many unknowns. I have asked about the BCITF's forecast income and activities given the COVID crisis and I understand that quite a lot of work is continuing in that area. I was pleased to learn about the volume of additional support that is being provided to ensure that employers can retain their apprentices and trainees; and, if the minister is able to give any additional information about that, I would be very pleased.

Hon Sue Ellery: Honourable member, can you just repeat that last bit?

Hon ALISON XAMON: I am talking about the BCITF's forecast income and the fact that there is so much uncertainty about what is going to happen. I have been told that additional supports are being provided and I would be keen to find out a little more about that and have that on the record.

Before I conclude my comments, I want to note that, as a Green, I am making these comments in the context of knowing that we also have to commit to decarbonising our industries. As the pace of transition picks up, a lot of construction skills will be required, particularly for the petroleum and gas industries to enable them to transition to a green hydrogen industry. I hope that some investigation of the skills gaps and training needs to assist workers to transition between these industries is underway. I certainly hope that the working group looking at construction training needs in the resources sector will also look to the future and consider the training needs for using green construction materials and building green infrastructure, because that would be an invaluable opportunity. However, I note that today we are looking at amendments to the act to allow changes to the board's membership and to enable all elements of a levy instalment plan. It is eminently sensible and the Greens are happy to support this bill.

HON SUE ELLERY (South Metropolitan — Minister for Education and Training) [12.58 pm] — in reply: I thank members for their support for the Building and Construction Industry Training Fund and Levy Collection Amendment Bill 2020. I do not know that I will be able to answer everything in three minutes, but I will give it my best shot! Hon Donna Faragher asked a couple of questions. On the balance of the fund, currently there is \$38 million in reserves and \$24.5 million will be expended over the balance of this financial year and into the next. That is the announcement that was made about providing extra assistance, with an estimate of \$10 million this financial year and the balance in the next financial year. The honourable member also asked us to identify what she thought were the four projects that might be over the \$1 million levy payment.

Hon Donna Faragher: It was just to confirm that there were four.

Hon SUE ELLERY: There are five that we are aware of. Who knows what COVID will do to the timing of those projects, but there are five.

On the other recommendations from the review, the board expects to get back to me in September on the proposal for legislative changes. COVID might cause that to be adjusted slightly. I have not been told that there is any hold-up with that. The other matters that came out have been sent to the board. The board has recently done a strategic planning exercise and is working through how it adopts those kinds of administrative arrangements. The cap, which both members raised, is a matter that has attracted some controversy, I guess. We have taken the approach that putting the exemption in place in the first place to bring the resources industry into the Construction Training Fund scope was a very significant step to take, and we are doing this slowly and cautiously. We will give consideration to the cap in the next statutory review. We want the opportunity to assess its implications. Other legislative things need to be considered in stage 2 of this work, including definitions around construction. Rather than doing one bit without considering the impact it might have on some of those potential definitional changes, we decided it was better to wait in considering whether to put in place a cap to see what the impact might be on all those other things that need to be considered.

The matters that arose in 2017 were rolled into this review. There were four matters, two of which this review made no comment about. The other two have been referred as part of the considerations of future work, so we will incorporate them into that. I may well discharge that bill. It may not be a bad thing to do.

Sitting suspended from 1.00 to 2.00 pm

Hon SUE ELLERY: Before we rose for lunch, I was responding to a couple of issues that were raised by Hon Alison Xamon. One of the questions was whether the qualifications that are supported by the training fund have changed or might change in response to the impact of the funding now coming in from the resources sector. She noted in her contribution to the second reading debate that a couple of new qualifications have been added already as a consequence of the resources sector contributing to the funds. The board is doing extra analysis of the issue now to help it determine how to sustain support for the construction workforce, in particular to ensure that we have a ready way of retaining those apprentices and trainees for the recovery phase of the COVID-19 pandemic.

The board is currently putting together industry working groups with representatives from the Chamber of Minerals and Energy, the Association of Mining and Exploration Companies and the Australian Petroleum Production and Exploration Association to look at those training requirements and the type of specialist construction work skills that might be required. It has already been mentioned that the government announced a \$24.5 million support package out of the fund to maintain a skilled workforce during the COVID-19 pandemic. That includes the fund

making immediate payments of \$2 000 for each existing apprentice or trainee, subsequent monthly maintenance payments to employers who are currently receiving other support from the Construction Training Fund and a \$1 000 grant to apprentices and trainees who seek to upskill during this period. Those payments are on top of the current subsidies provided to the employers by the CTF.

I announced late in 2018 what we called the disbursements working group to review the scope of the qualifications and training courses supported by the CTF to ensure that the requirements of the workforce engaged in the construction of resources facilities were met and how the funds should be disbursed. That working group included representatives from the traditional sectors of the construction industry, unions and the resources sector as well. The group noted that the majority of occupations and courses identified by stakeholders as applying to the resources sector were already supported by existing CTF programs and it recommended the inclusion of those two additional qualifications to which I referred and three additional short training courses. Consultation with companies and contractors to review qualifications and training courses to support the construction workforce in the resources sector is continuing.

The honourable member also raised a question about forecast income and activities given the COVID-19 pandemic. To a certain extent this is unknown, but, of course, it is something that the board is dealing with as a live issue. Preliminary work suggests a 30 per cent reduction in revenue for the 2020–21 financial year as a result of the COVID-19 pandemic. That would indicate approximately \$24.4 million for the year, but that is early work; that work is not concluded. Revenue from the levy as applied to the traditional residential, commercial and civil engineering construction sectors averaged about \$31.6 million per year between the financial years 2011–12 and 2017–18, prior to the inclusion of engineering construction in the resources sector within the scope of the levy. In 2018–19, the levy revenue from the resources sector was \$1.96 million, or seven per cent of the annual revenue of \$28 million, and as of 30 April this year, revenue from the traditional sectors was \$22.5 million and an additional \$13.3 million, I think as the member noted, from construction in the resources sector. The honourable member also raised the matter of whether government-contracted construction work was exempt. The work that is exempt is when government workers are performing the work. When the work is contracted to a third party, the third party is responsible for paying the levy.

I thank members again for their support. I have been advised behind the Chair that nobody is seeking to go into committee. I commend the bill to the house.

Hon Colin de Grussa: Mr Acting President, I have a few questions.

The ACTING PRESIDENT (Hon Martin Aldridge): That is okay; we will go into committee.

Question put and passed.

Bill read a second time.

Committee

The Deputy Chair of Committees (Hon Martin Aldridge) in the chair; Hon Sue Ellery (Minister for Education and Training) in charge of the bill.

Clause 1: Short title —

Hon COLIN de GRUSSA: As outlined by the minister and other members, a statutory review of the Building and Construction Industry Training Fund and Levy Collection Act 1990 was conducted, which was completed in October last year. Was there a government response to that review, and what is the status of that response?

Hon SUE ELLERY: I was asked this question by another member yesterday as well, so I think there might be some confusion. A government response in this place is normally tabled in response to a parliamentary report. This was a statutory review required under the act and was conducted by an independent person chosen by the chair. When I announced and tabled the review, I indicated in a short statement to the house how the government was responding to that review. I understood that a table was circulated to one of the member's colleagues that sets out the government's response recommendation by recommendation in the report. By way of a short explanation, because the elements before us today essentially go to the practical matter of getting representation on the board and adjusting the board to take account of the new sources of funding, it was deemed that this was the most urgent bit that needed to be done so that the new board could be established and the fund could then go forward with the appropriate governance. That needed to be done quickly and separately. That essentially was our response to those bits.

There are two other, if you like, tranches of work. One is the series of recommendations that are set out in the table, a version of which I will, for the sake of completeness, table now. Another is a set of work that needs further consideration by the board because it goes to some of the ways in which the board conducts itself. As I said in my response to the second reading debate, the board is considering those things and is expected to provide me with advice on those matters—that bundle of recommendations—in September. There is also another series of recommendations

that go to more complex matters, including the question of whether to cap, what the appropriate definition of “construction work” is, and some other elements that fall within that. That has been put off until the next review.

That is a general overview, but for the sake of completeness, I will table a document that I think was provided to Hon Martin Aldridge titled “2019 Statutory Review of the Building and Construction Industry Fund and Levy Collection Act 1990 — State Government Response to Recommendations”.

[See paper [3887](#).]

Hon ROBIN SCOTT: Does the Building and Construction Industry Training Fund have a list of all the apprentices in Western Australia?

Hon SUE ELLERY: The fund supports apprentices and trainees in the industries that it funds, so, yes, it has a list of all the apprentices it supports financially. For a total list of apprentices in every industry across Western Australia, the member could ask me that question in another forum, but that is a list that is held elsewhere because they are registered. The fund has the list of apprentices to whom it provides financial support.

Hon ROBIN SCOTT: Can the minister tell me how the fund informs the apprentices of the different training programs that are available to them for their chosen trade?

Hon SUE ELLERY: There is a variety of ways. One is through the fund’s relationship with schools and school guidance counsellors. Another is through the Construction Futures Centre. If the honourable member has not already visited it, I invite him to, and I can arrange that for him. The Construction Futures Centre is in Belmont and is like Scitech for trades. The member is welcome to visit that. There is also a range of other marketing programs in place, including social media and working through existing trade employer organisations, providing information to them. There is a variety of ways in which it markets the assistance it can provide.

Hon ROBIN SCOTT: So, there is no direct contact with the actual apprentice. It does not actually send them a letter saying, “Listen, Johnny, this is available for your trade”?

Hon SUE ELLERY: There is no direct communication with the apprentice; communication is with the employer.

Hon ROBIN SCOTT: Excuse my ignorance on this last question, but does the BCITF have to produce an annual income and outgoings statement?

Hon SUE ELLERY: There are two things. It is required to provide an annual operational plan, which is a forward-looking document that it provides to the minister, setting out its work plan and areas of priority for the forthcoming period. As a statutory body, it also produces an annual report that includes a statement of finances.

Hon DONNA FARAGHER: If I can clarify the previous answer with regard to the operational plan, can the minister remind me: when it is provided to the minister for the minister to sign off on it, can the minister vary or change it?

Hon SUE ELLERY: I am advised that I can—who knew I had that power! But I can assure the member that I have not.

Clause put and passed.

Clauses 2 and 3 put and passed.

Clause 4: Section 10 amended —

Hon COLIN de GRUSSA: This clause makes some changes to the make-up of the board. Why is it mandated under proposed section 10(2) that we must have on the board at least one member with experience or expertise in the construction of facilities associated with the mining industry, but that we need only consult with the other industries and sectors? For example, it is not mandated that there must be someone from the Master Builders Association or the Australian Constructors Association or others. Is there a reason that has not been prescribed in the bill?

Hon SUE ELLERY: It is to ensure that the representatives from those peak bodies actually have experience in a specific area related to construction in the resources industry. I am sure that the member is aware that those bodies are large organisations with a range of people in them, including employees of those associations. This specifically requires the person they nominate and who is appointed by the minister to have explicit experience in the construction area of the resources sector rather than, for example, just being an advocate for the resources sector. They actually need to have this specific experience.

Hon COLIN de GRUSSA: Why is that specific experience also not required for plumbers, gasfitters or others in whatever relevant construction they do?

Hon SUE ELLERY: To be members of those organisations, plumbers must have experience in plumbing. To be a member of the Chamber of Minerals and Energy, a person can have a vast array of experience, none of which needs to be related to the construction element of the resources industry. That is why that is the case.

Clause put and passed.

Clause 5: Sections 21A and 21B inserted —

Hon COLIN de GRUSSA: This clause relates to the payment of the levy by instalments when the value of the construction work exceeds \$500 million or more. A formula is very helpfully provided in proposed section 21A(2). The minister will be given some discretion to determine the payment period. Can the minister foresee any occasions on which that payment period might be extended beyond the actual construction time frame for a project?

Hon SUE ELLERY: I am advised that the terms in the bill before us now have already been the subject of consultation and discussion with the relevant affected companies. What the member suggests is technically possible, but I have also checked, and the board is now doing work around a set of guidelines that might operate so that if the minister—whoever the minister is—is asked to contemplate doing that, the advice would be based on some established guidelines. The industries will have been consulted about the establishment of those guidelines.

Hon COLIN de GRUSSA: Who would the minister consult with in that situation? The minister said that the guidelines would be developed by the board, but would anyone else be included in that consultation?

Hon SUE ELLERY: I am advised that it is proposed that that consultation would be not only on the advice of the board, but also after consultation with the proponents. That would not be limited to the resources sector; it would apply across the traditional sector as well—for example, very big construction projects. It is anticipated that the guidelines will incorporate with whom that consultation should occur.

Hon COLIN de GRUSSA: In determining this aspect of the bill, was any consideration given to indexation of those instalments? If they are paid over a certain period, it could almost be argued that those companies are being given an interest-free loan essentially.

Hon Sue Ellery: A discount.

Hon COLIN de GRUSSA: It would be a discount. Was any consideration given to that being applied?

Hon SUE ELLERY: The adviser cannot recall whether that prospect was canvassed. I am trying to think back. When we started these discussions in 2017, everything was on the table. I have to say truthfully that I cannot recall whether it was canvassed early on, but it certainly was not canvassed as part of the ongoing considerations.

I might just make another comment, if I may. The approach taken by government is to do this slowly and to say to all the parties at every point that if it is not working and something needs to be adjusted, we will come back and look at it. The honourable member will know that the issue of removing the exemption has been the subject of hot debate for a very long time. With absolutely no disrespect to anybody involved, at various points it was like herding cats. It was important that we got everybody on board. We deliberately did it in chunks and kept saying along the way that if we needed to revisit something, we would. The processes in place for dealing with the traditional construction element of this have been developed over more than 20 years. Therefore, we thought that it would not be very clever to go from zero to 100 kays instantly by bringing in the resources industry. We needed time to see how this would work and what the pressure points would be. It remains the case that if we need to revisit any of the elements, we will, but right now, there is no proposal to change the arrangements that the member has described.

Hon COLIN de GRUSSA: In the rather unlikely, but nevertheless possible, circumstance in which an engaged entity in an instalment arrangement were to go bankrupt or into receivership, what will happen to the liability of the contribution to the fund?

Hon SUE ELLERY: There are two possible scenarios. If the project shifts ownership, the liability will go to the new owner. If the work is completed and no further work needs to be done, an analysis will be done of the money that is owed to that point. I assume that the board will become one of the creditors if, for example, the company goes into administration, or whatever.

Clause put and passed.

Clauses 6 to 9 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by **Hon Sue Ellery (Minister for Education and Training)**, and passed.