

Media release

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Construction levy changes to reduce costs for smaller projects

The value of building projects subject to a levy which supports skills development in the construction industry will be raised, exempting small-scale construction work.

The state government has introduced a regulation to significantly increase the value of projects that are subject to the Construction Industry Training Fund levy, from \$15,000 to \$40,000.

This removes the need for a levy to be paid on small projects like pergolas and other smaller home owner dwelling improvements.

The change will streamline and simplify the levy system by reducing the number of projects that need to pay the levy by around 20 percent, or 4,000 each year. The minimum levy payable will increase from \$38 to \$100.

The proposal to change the levy threshold was an initiative of the CITB following a comprehensive internal review of the organisation last year. The change will commence on 1 July 2017.

Background

The levy is collected on building and construction activity in South Australia and is injected back into the industry in the form of discounts and subsidies for construction workers, apprentices and trainees to improve and encourage skills development in the industry.

Quotes attributable to Skills and Employment Executive Director John King, Department of State Development

The streamlined levy system and removal of the levy on low value projects will reduce the costs for people who are only planning small, often domestic projects such as pergolas and renovations.

Around 4000 businesses or households every year plan building and construction activity that is valued below the new levy threshold.

This change means they will no longer need to pay the levy or spend the time complying with levy payment processes.

Quotes attributable to Construction Industry Training Board CEO Marie Paterson

This is a positive measure to reduce 'red tape' for small building jobs, whilst enabling the CITB to continue to provide support funding to the industry.

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