

WHO IS RESPONSIBLE FOR LEVY PAYMENT?

The Act refers to the 'Project Owner' which means:

- the person who is required to hold a building permit in respect to construction work; or in the absence of a building permit
- where the construction work is carried out by the State, or an agent of or instrumentality of the State, the person or organisation designated or engaged by the State or its agents or instrumentality is the project owner for that construction work.
- the person or body for whose direct benefit construction works exists upon its completion; or if the person referred to above has engaged another person or body, other than as an employee, to carry out all of the construction work, the person or body engaged is the project owner.

BUILDING AND CONSTRUCTION INDUSTRY TRAINING FUND LEVY INFORMATION



**CONSTRUCTION
TRAINING FUND**

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Building and Construction Industry Training Fund
2014



**CONSTRUCTION
TRAINING FUND**

THE CONSTRUCTION TRAINING FUND

The Construction Training Fund administers **The Building and Construction Industry Training Fund and Levy Collection Act 1990** to collect a levy on all residential, commercial and civil engineering construction projects undertaken in Western Australia.

The Training Fund is managed by an industry Board.

THE TRAINING LEVY

The training levy is calculated at 0.2% of the total value of construction, for all works valued at more than \$20,000. Payment is required to be made prior to the commencement of the project.

Payment can be made together with application for a building permit at a Local Government Authority. The Local Government Authority has to obtain proof of payment of the levy prior to issuing a building permit.

For works where a building permit is not required (e.g. engineering construction work such as bridges, roads), the person or organisation responsible for executing the project is required to notify the Board of the project, the estimated cost and at that time pay 0.2% of the total cost of construction to the Training Fund.

BENEFITS OF THE LEVY

Revenue raised from the training levy is used to support training in WA's building and construction industry, helping the industry to maintain productivity and a supply of skilled workers.

The three main areas of training support managed by the Training Fund are

- a) Apprenticeships - employers can receive incentives to employ new apprentices and trainees in construction qualifications
- b) Supplementary Skills - industry workers can receive rebates for short course training that is required for performing on-site work
- c) Occupational Safety & Health - industry workers can receive rebates for short course training ensuring on-site tasks are performed safely

The levy therefore enables the industry to continually improve the mix and the quality of people's skills.

THE MEANING OF CONSTRUCTION WORK

Construction work covers any works that are construction, erection, installation, reconstruction, re-erection, renovation, alteration, demolition, maintenance of or repairs to any structure.

Apart from residential buildings and commercial buildings and shelters and civil construction, the following works are specifically included:

- roads, railways, airfields or other structures for the passage of persons, animals or vehicles;
- breakwaters, docks, jetties, piers, wharves or works for improvement or alteration of any harbour, river or watercourse;
- works for the storage or supply of water or for the irrigation of land;
- works for the conveyance, treatment or disposal of sewerage or of the effluent from any premises;
- works for the extraction, refining, processing or treatment of materials or for the production or extraction of products and by-products from materials;
- bridges, viaducts, aqueducts or tunnels;
- pipelines;
- chimney stacks, cooling towers, drilling rigs, gas holders or silos;
- navigational lights, beacons or markers;
- works for the draining of land;
- works for the storage of liquids (other than water) or gases;
- works for the generation, supply or transmission of electric power;
- works for the transmission of wireless or telegraphic communications;
- pile driving works;
- works for the preparation of building sites;
- works for the fabrication, erection or installation of plant, plant facilities or equipment in buildings;
- works of the kind listed above that involve fabrication, erection or installation of plant, plant facilities or equipment for those buildings or works
- carrying out of work performed by employees engaged in any of the above work that is normally carried out on site but which is not necessarily carried out on site.

.....but does not include

- the carrying out of any work on ships;
- the installation or maintenance of or repairs to lifts, escalators; or
- the carrying out or maintenance or repairs of a routine or minor nature by employees for an employer who is not substantially engaged in the industry described in this interpretation.

VALUE OF CONSTRUCTION WORK

For the purpose of calculating the levy, the value of construction work is defined as including

- all goods (including manufactured goods) forming part of the construction work;
- labour;
- services necessary, fees payable, overheads to be met;
- profit margin; and
- GST

PENALTIES

Non payment of the levy before the commencement of construction is an offence. The penalty is 100% of the unpaid levy for the period that the levy is unpaid.

ADJUSTMENT OF THE LEVY

On completion of a project, if the value of construction work has varied by \$25,000 either up or down, the project owner may have to pay an additional levy or be eligible for a refund upon application.

If the project is cancelled, a refund will be paid upon application.

EXEMPTIONS

The following works are excluded from the definition of 'Construction Work' and are exempt from the training levy:

- Government work where the work is carried out by an officer or employee of a Government authority;
- mining and petroleum work, subject to their respective Acts, where the work is engineering construction, exploration or extraction of minerals or petroleum; residential and commercial construction work in the resources industry is subject to the levy.
- agricultural work where the work is directly associated with the care, conservation or rehabilitation of land or where some or all the work is performed by the owner but does not include work where a building permit is required.