

Where the above does not apply, the project owner means

- 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.

EXEMPTIONS

The Act's regulations were amended in January 1995, to exclude from the definition of "Construction Work" the following

- 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 exploration or extraction of minerals or petroleum.
- 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 licence is required.

Project managers seeking exemption from the Construction Training Fund levy payment should refer to the fund for exemption.

TRAINING LEVY INFORMATION



Suite 3, 40 Hasler Road Osborne Park WA 6017
PO Box 746 Wembley WA 6913 Phone 9244 0100 Fax 9244 0199
Email inquiries@bcitf.org Web www.bcitf.org

Building and Construction Industry Training Fund



THE TRAINING FUND

The Western Australian Parliament passed legislation in 1990 to establish the Building and Construction Industry Training Fund and Levy Collection Act. The Construction Training Fund collects a levy of 0.2% on the total contract price of all residential, commercial and civil engineering construction projects undertaken in the state, as prescribed in the Act.

The Construction Training Fund Board oversees the management of the Fund and is committed to increasing training opportunities for people working in or wanting a career in the industry.

All project owners have a legal obligation to pay the levy before building and construction works commence.

THE BENEFITS FOR INDUSTRY

The funds raised from the training levy are used to support training for people working in the industry in this State.

The Construction Training Fund helps the industry to improve the mix and the quality of people's skills and provides employers with greater flexibility to counteract cyclical shortages. In this way the Construction Training Fund contributes to improved productivity and stability in the industry.

All the money collected through the training levy is directed to training within the industry which is approved by the Construction Training Fund Board.

THE TRAINING LEVY

Payment is to be made prior to the commencement of the project or upon application for a building license;

- the levy is to be paid in respect to all construction activity in Western Australia where the value of construction work exceeds \$20,000, whether or not a building license is required;
- the levy is paid by every project owner when an application for a building licence permit is made to a Local Government authority;
- where a building license 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 construction project, the estimated cost and at that time pay 0.2% of the total cost of construction to the Board.

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 amount or be eligible for a refund upon application.

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

VALUE OF CONSTRUCTION WORK

The value of construction work is the total contract price of the completed project, inclusive of all labour and manufactured goods (including the GST). Where there is no set contract price the value is estimated and must include the value of all goods (including manufactured goods) forming part of the construction; labour, services necessary, fees payable, overheads to be met, the GST and profit margin.

PENALTIES

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

THE MEANING OF "CONSTRUCTION WORK"

The definition of "construction" is wide. In general terms it includes the 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;
- carrying out of works on the site of the construction, erection, installation, re-construction, re-erection, renovation, alteration or demolition of any buildings or works of a kind referred to above for the 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 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.

WHO IS RESPONSIBLE FOR LEVY PAYMENT

The act refers to the "Project Owner" which means

- the person who is required to hold a building license in respect to construction work.
- where the construction work is carried out by the State, or an agent of 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.