

## BCITF Levy in WA's resources sector Fact sheet 1 - General guidelines

The Construction Training Fund (CTF) administers *The Building and Construction Industry Training Fund and Levy Collection Act 1990 (the Act)*, which prescribes the application of the Building and Construction Industry Training Fund (BCITF) Levy to building and construction activity in Western Australia.

The BCITF Levy is 0.2% of the value of construction and applies to all works that meet the definition of construction as prescribed in *the Act*.

Amendments to Regulation 3 associated with *the Act* came into force on 1 October, 2018.

Amendments to the Regulations affect the way the BCITF Levy applies to construction works undertaken in Western Australia's resources sector.

Since 1995 and prior to the new Amendments, engineering construction works in the WA resources sector were excluded from the BCITF Levy; and all residential and commercial construction works were included in the scope of the BCITF Levy.

All construction activity commenced in the resources sector on or after 1 October 2018 is subject to the BCITF Levy, unless the works are excluded by terms outlined in the Regulations.

For more information on the BCITF Levy please refer to the Levy and Program Guidelines document available for download from the CTF website.

### Key terms

- **project owner** means the person or body responsible for payment of the BCITF Levy
- **residential or commercial facility** means a structure, fixture, works, plant or equipment used or intended to be used predominantly for or in connection with any of the following—
  - ◇ residential accommodation;
  - ◇ office accommodation;
  - ◇ a kitchen or dining facility;
  - ◇ a recreational facility;
  - ◇ a toilet or ablution facility;
  - ◇ a medical facility;
  - ◇ a laboratory;
  - ◇ a workshop;
  - ◇ a fuel depot;
  - ◇ a warehouse
- **resources facility** means
  - ◇ a structure, fixture or works for or in connection with a resources operation; and,
  - ◇ plant or equipment in, on, or associated with a structure, fixture or works for or in connection with a resources operation

that is not a residential or commercial facility

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- **resources operation** means
  - ◇ an operation to explore or drill for, extract, recover, process, treat or refine resources; or
  - ◇ an operation to handle, store or transport
    - \* resources; or
    - \* products of a resources operation
- **replacement, alteration, renovation, reconfiguration and relocation** relate to existing components, structures and facilities

### Key points to note

- a project owner must pay the BCITF Levy to the Construction Training Fund (CTF) prior to commencement of construction;
- the value of all manufactured goods, including; components; components of and/or complete modules; fixtures; and building materials that are to be **constructed, erected, installed, reconstructed, re-erected, renovated, altered, or demolished** on a site is to be included in estimating the value of construction, irrespective of the value of the component and/or its country of manufacture;
- where a construction project consists of multiple elements that are required in order to complete that project, then the BCITF Levy is to be calculated on the aggregate value of all the elements;
- the **threshold of \$20,000** applies to all construction works not excluded by terms outlined in the Regulations;
- the **threshold of \$10m** relates only to works for the replacement, alteration, renovation, reconfiguration or relocation of existing components, structures or facilities as outlined in the Regulations;
- there is no cap on the value of construction to which the BCITF Levy applies;
- where construction work is divided, contracted or sub-contracted to multiple entities, the project owner is the person or body for whose direct benefit all construction work exists upon its completion;
- upon completion of the construction works, the project owner must advise CTF of the final value of the works. If the final value varies by more than \$25,000, there will be an adjustment made to the amount of BCITF Levy that is to be paid for the completed works.

CTF will provide advice and support to project owners about the application of the BCITF Levy to works in the resources sector.

Employers and/or individuals directly engaged in on-site construction, erection, installation, reconstruction, re-erection, renovation, alteration or demolition activities under the definition of construction in the resources sector may be eligible for CTF training subsidies.

Employers and or/individuals engaged in operational works in the resources sector are not eligible for CTF training subsidies.