

Application to pay the BCITF Levy in instalments

Under S 21A of the *Building and Construction Industry Training Fund and Levy Collection Act 1990* (the Act) a project owner may pay the BCITF Levy by instalments if the value of construction work (as estimated in accordance with Schedule 2 of the Act) is \$500m or greater.

The instalment amounts are to be paid to the Construction Training Fund (CTF) annually, on or before the anniversary of the due date of the first instalment payment.

A project owner is required to notify the Building and Construction Industry Training Board (the Board) of the intention to pay the BCITF Levy by instalments in an appropriate timeframe prior to commencement of the construction works. Information relating to the construction works must be provided for the Board's consideration in order for the payment period to be determined (please refer to p3).

If a project owner fails to notify the Board of its intention to pay the BCITF Levy by instalments prior to commencement of the construction work, the full amount of the levy payable for the construction work must be paid prior to the commencement of the construction work.

Application process

Project owners are encouraged to create a user account with CTF (ctf.wa.gov.au) or log into an existing account to notify the Board of such projects. Alternately, project owners should contact CTF on **9244 0100**.

CTF will endeavour to engage with potential project owners when and if information about construction works of \$500m or more in value is available publicly.

Project owners will be contacted by the CTF following the Board's receipt and review of an application to pay the BCITF Levy by instalments to confirm the payment period, instalment amounts and the schedule of payments.

Instalment amounts

The instalment amounts are calculated as per the following method

$$IA = LP/PP$$

IA = instalment amounts

LP = levy payable (in respect of the estimated value of construction work)

PP = payment period (in years, rounded down to the nearest whole number)

The **payment period** for the construction work means -

- (a) the estimated period during which the construction work is to be carried out as agreed to by the Board and the project owner; or
- (b) the period during which the construction work is to be carried out as estimated by the Board, if the Board and the project owner are unable to agree to an estimate; or
- (c) the period determined by the Minister over which the levy is payable for the construction work, following the Minister's consultation with the Board.

NOTES:

- Under S21A (4) of the Act, the Minister can determine a payment period after consultation with the Board. In all instances where a project owner is seeking to pay the BCITF Levy by instalment, the application must be submitted to the Board and not to the Minister. The Board will advise the Minister of all applications received and liaise with the Minister on payment periods.
- If the payment period as agreed is the estimated period of construction work, the final instalment must be paid in accordance with the agreed schedule, even when – due to unforeseen delays – the actual period of construction work exceeds the estimated period. In this instance, adjustments to the amount of levy to be paid (S22 of the Act) will be determined and settled with CTF upon completion of the actual construction work
- If the payment period as agreed exceeds the estimated period of construction work, adjustments to the amount of levy to be paid will be determined and settled with CTF together with the final payment of the scheduled instalments
- If the construction work is cancelled after an instalment has been paid and before any subsequent and/or final instalments are due, CTF will settle a final amount of levy to be paid based upon the project owner's provision, to the Board's satisfaction, evidence of the value of construction work completed
- Should there be a transfer of project ownership during the agreed payment period, the new project owner will assume responsibility for the schedule of payments as agreed. CTF will settle any outstanding amounts with the original project owner based on the provision of evidence, to the Board's satisfaction, of the value of construction work completed as of the date ownership of the project was transferred.
- S30 (1)(c) of the Act prescribes that it is an offence to commence construction work prior to payment of the levy in respect of that construction work. The penalty for such an offence is \$20,000 for a natural person or \$50,000 for a body corporate.
- Under S24 of the Act, penalties apply when the levy has not been paid prior to commencement of the construction work and also for late payment of instalments.
 - The penalty to be paid to the Board under Regulation 8 of the *Building and Construction Industry Training Fund and Levy Collection Regulations 1991* is 100% of the unpaid levy, per annum.
 - Where the BCITF Levy is paid by instalment, the penalty to be applied for late payment is calculated on the value of the instalment

Information required for payment of the BCITF Levy by instalment

Project owner details				
Company name				
ABN/ACN				
Address				
Suburb		Post code		
Main contact				
Email		Phone		
Project details				
Title				
Address				
Suburb/town				
Region				
Estimated construction value	\$			
Description of construction work				
Commencement date		Estimated completion date		
Estimated period of construction work (years)		Estimated construction workforce numbers		
Government contract	Y/N			
Category	Residential <input type="checkbox"/>	Commercial <input type="checkbox"/>	Civil engineering <input type="checkbox"/>	Resources sector engineering <input type="checkbox"/>
Head contractor (if appointed and/or different from project owner)				
Company name				
ABN/ACN				
Main contact				
Email		Phone		
Request for payment of BCITF Levy to exceed period of construction work				
Payment period (years)				
Reason for extended payment period				