



Portable Long Service Leave Benefits for the Construction Industry

November 2010

In February 2005 Parliament passed the *Construction Industry Long Service Leave and Benefits Act* (the Act) enabling building and construction workers in the Northern Territory to benefit from the introduction of a portable long service leave scheme. The Act was passed after consultation with industry.

The scheme came into effect on 1 July 2005. A Government appointed Board is responsible for administering the scheme. The Board called NT Build consists of industry members who represent organisations that represent the interests of both employees and employers

What is portable long service leave?

The scheme allows workers to qualify for long service leave based on their service to the industry rather than to the one employer. The portability extends across state borders under the National Reciprocal Agreement.

The scheme is funded by:

- A levy on construction work in the Northern Territory.
- Investment earnings.

Most employers will not have to make any financial contribution to the scheme, as this will be the obligation of project developers. However, in certain circumstances where an employee has been continuously employed by the one employer, employers may have to contribute or pay for long service leave that accrued before 1 January 2005.

Registration

If you are an employer, you will need to register with NT Build within one month of commencing to employ eligible construction workers in the Northern Territory.

You can obtain an Employer Registration Application Form by contacting NT Build's office on **1300 795 855** or by downloading one from our website www.ntbuild.com.au

Post Registration

Once a worker has been registered, employers will be required to:

- Keep adequate records to account for any eligible workers employed;
- Complete an employer return form twice a year advising NT Build of the number of days worked by all registered employees and any other information required by NT Build

Who is an eligible worker?

An eligible worker:

- Is employed to carry out construction work in the Northern Territory;
- Works on the construction site for greater than 50% of their time;
- Is employed full-time, part-time, as a casual or as an apprentice;
- Works in the private sector, i.e. not for the government;
- Is not working in an administrative, clerical, managerial or professional capacity; and
- Works a minimum of three days in any reporting period (six months).

Qualifying service?

The following is a day of service for the worker:

- A workday throughout which the worker carries out at least 6 hours of construction work during any work shift;
- A public holiday or a day of paid absence for the worker other than a day that is part of long service leave while the worker is employed or engaged to carry out construction work in the Territory

A worker is entitled to be credited with a maximum of 6 days of qualifying service per week, however they cannot accrue more than 260 days of service in a financial year

Construction Work

For the purposes of this scheme, construction work includes commercial, domestic, industrial and civil construction work. Construction work covers workers performing repair, maintenance, extension and demolition work.

50% Rule

NT Build either accepts the full liability for LSL or rejects it entirely. The employer must decide if the worker is likely to be on the balance of probabilities on site for more than 50% of their working time in any reporting period. If the answer is yes then NT Build will register the worker. The employer is not required to keep records of on site construction work versus any other work. The employer is simply required to record the total number of days worked on any work during the reporting period.

Workers working rotating rosters PTO

**NT
BUILD**
Portable long service leave

Calculation of service days for workers employed on rotating rosters

In circumstances where workers are employed on rotating rosters an average number of days worked over the roster period should be calculated using the following formula.

Formula:

$$\left(\frac{\text{Total number of hours worked for the roster period}}{\text{Number of hours in a standard work day}} \right) / \text{Number of weeks in the roster or return period}$$

Example:

A worker works 12 hour days for 3 weeks then has 3 weeks off. The workers normal work day is 8 hours. The roster period is 6 weeks.

$$\left(\frac{12 \text{ hrs} \times 21 \text{ days}}{8} \right) / 6 = 5.25 \quad \text{Average of 5.25 days per week over 6 weeks.}$$

Rounded down to **5**

For detailed information about the definition of construction work please visit our website – www.ntbuild.com.au or call us on **1300 795 855**.