



Levy Information

Get it right the first time – save time and money

Fact Sheet 6

NT BUILD COLLECTS A LEVY ON CONSTRUCTION PROJECTS IN THE NORTHERN TERRITORY TO FUND PORTABLE LONG SERVICE LEAVE FOR CONSTRUCTION WORKERS IN THE NT.

Pay no more and no less

The levy is a percentage of the total cost of construction and must be paid before a project starts. NT Build want to make sure developers pay no more and no less than they have to and there is a process in place to help get it right.

If you pay attention and take your time to estimate the right amount for the total cost of construction on the project notification form it will save you time and effort. NT Build understands the nature of the local industry and that the cost of construction can change over the life of a project.

Developers are given a second opportunity to make sure they pay the right levy amount on the final cost of construction by filling in a reconciliation form.

If the developer pays more levy than they need to NT Build will refund money or invoice developers who have under-estimated the total cost of construction and not paid enough levy.

NT Build routinely monitors construction projects across the NT and has a solid knowledge of the local construction industry backed up by field officers on the ground.

Random audits are also conducted to make sure developers pay the right amount of NT Build levy. Information gathered by NT Build is used only in relation to the portable long service leave scheme.

Pay attention – take it step by step

- Estimate total construction cost and fill in a project notification form
- Pay levy amount
- Start project
- Finish project
- Fill in reconciliation form to confirm or change cost of construction and levy amount
- Find out if you need to pay more levy or eligible for a refund
- Receive refund or pay additional levy amount to NT Build to avoid penalties

What happens if I get it wrong?

NT Build has specific powers under the *Construction Industry Long Service Leave and Benefits Act* to ensure developers pay the right NT Build levy amount. If the levy payer has provided the wrong cost of construction, an additional levy will need to be paid. A penalty interest charge can be applied to any amount of unpaid levy payment.

Any additional amount of levy payment, including penalty interest, is payable and will be recovered by the Board of NT Build.

If the developer doesn't get it right or does not notify NT Build of its project construction costs, NT Build has the power to determine the levy amount in accordance with *the Act*.

NT Build carries out routine audits on randomly selected construction projects to make sure developers pay the right levy amount.

What if I am audited?

The auditor, as a delegate of NT Build Registrar, has the powers under *the Act* to:

- access the site
- collect audit evidence by gathering information, observing and interviewing the levy payer.

Information the auditor might require includes:

- contracts between the levy payer and building contractors
- details of project managers, architects and engineers
- building consent documents
- job costing records
- progress payment certificates
- invoices
- balance sheet and income statements.

How do I estimate the total cost of construction?

Generally, the total cost of the work is determined by the total contract prices for all the construction contracts including:

- goods including materials and components (whether pre-fabricated or not), fittings and fixtures, furniture, furnishings and all plant and equipment related to the work
- all architectural, engineering, surveying, planning, testing, design, drafting and project management costs.

Get advice

If you are not sure how to calculate the cost of construction or the consequences of not paying the right amount of levy please get advice.

NT Build can advise what is included in the cost of construction and your accountant or finance administrator can help you estimate the figure. If you don't get it right you could miss out on a refund or face the hassle of an audit.

Contact NT Build on 1300 795 855 or via the website at www.ntbuild.com.au

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