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# NT Build - portable long service leave

Annual Report 2009-10

## Objective of the report

The objective of the report is to satisfy the requirements of section 68 of the *Construction Industry Long Service Leave and Benefits Act* by presenting the Minister responsible for NT Build with a summary of the activities of the Board during the 2009-10 financial year.

It also provides the Northern Territory Legislative Assembly, government agencies, stakeholders and other interested parties with an account of the performance of NT Build during the year in relation to the activities, achievements and operations of the portable construction industry long service leave scheme.

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# Letter of transmission

The Hon. Gerald McCarthy MLA  
Minister for Lands and Planning  
Legislative Assembly of the Northern Territory  
Darwin NT 0800

Dear Minister

RE: NT BUILD ANNUAL REPORT 2009-10

On behalf of the NT Build Board, I am pleased to present you with the fifth NT Build Annual Report, for the year ending 30 June 2010.

The report details the activities and achievements of NT Build during its fifth year of operation and has been prepared in accordance with the provisions of Section 68 of the *Construction Industry Long Service Leave and Benefits Act* (the CILSLB Act).

I advise that, to the best of my knowledge and belief, the system of internal control within NT Build provides reasonable assurance that:

- proper accounts and records of the Board's transactions and financial affairs are kept and the financial statements included in this report have been prepared from proper accounts and records and are in accordance with the CILSLB Act;
- there are adequate controls over the incurring of the Board's liabilities ;
- all payments out of the Board's money are correctly made and properly authorised;
- adequate control is maintained over the Board's property and property in the Board's custody, control and management;
- there is no indication of fraud, malpractice, major breach of legislation or delegation, or major error in or omission from the accounts and records;
- all employment matters have been handled in accordance with *Public Sector Employment and Management Act* and the CILSLB Act, as appropriate.

As required by section 69 of the CILSLB Act, you are advised that the Auditor-General has audited NT Build's financial statements for the year ending 30 June 2010 and his comments are contained in this report.

May I also draw your attention to section 68(5) of the CILSLB Act, which requires that a copy of this Report be tabled in the Legislative Assembly within six sitting days of receipt.

Yours sincerely

BARRY CHAMBERS  
Chairperson, NT Build Board

17 November 2010



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# Part 1: Introduction and overview

## Chairperson's and Registrar's report

The 2009-10 reporting period remained a time of continued consolidation for the scheme which has now completed five years of operation.

During the year the scheme continued to enjoy employer and worker support, achieving total registrations of 12 587 workers and 238 employers by 30 June 2010. A further 153 benefit claims were also processed as workers became eligible, largely due to the National Reciprocal Agreement.

Construction activity in the Territory declined slightly during this reporting period. Levy income received by the scheme subsequently decreased by \$3.5 million in comparison to the previous year. The NT Government's decision to apply a 20% reduction in the levy, from 0.5% to 0.4% for two years with effect from 1 July 2009, had an impact on the scheme's revenue during the 2009-10 reporting period. This impact was minor in comparison to the overall impact of the global financial crisis, particularly on construction activity undertaken in the resources sector.

Due to the continued economic volatility of the post-global financial crisis and the cyclical nature of the construction industry, the Board continued to monitor and refine its investment strategy to ensure exposure of its investments was minimised throughout the reporting period. The scheme's conservative investment portfolio remains well positioned to meet its growing liabilities.

The aging of the scheme and the steady increase in worker registrations also saw the estimated accumulated liabilities for the scheme grow to \$17.4 million as at 30 June 2010. While this represents an increase of \$3.8 million from the previous reporting period it is pleasing to note that, notwithstanding the decrease in levy revenue, the scheme's assets continue to exceed its estimated liabilities.

This reporting period saw the departure of one board member, Bob Wade and the re-appointment of four existing inaugural members. The board also welcomed one new member, Mick Huddy.

We thank the members of the Board and the staff of NT Build for the dedication and commitment shown throughout the year and look forward to their continued support.

**BARRY CHAMBERS**  
Chairperson

**THEO TSIKOURIS**  
Registrar

## 2009-10 Highlights

- Reduction in the levy by 20%, from 0.5% to 0.4%, for two years with effect from 1 July 2009.
- Reviewed the investment strategy and implemented short to medium term opportunities that support the ongoing financial viability of the scheme within the volatile global economic climate.
- Hosted the National Conference of Construction Industry Long Service Leave Schemes.
- Received approximately \$8 million in levy contributions (down by \$3.8 million from the previous reporting period), despite the economic challenges faced by the Territory construction sector during the reporting period.
- Continued to monitor, review and implement operational systems to maximise revenue collection and minimise administrative costs.
- Recorded total registrations of 12 587 workers, 238 employers and made benefit payments to 153 workers.
- The appointments of four inaugural Board Members, including the Chairperson, expired on 4 May 2010. All were reappointed for a further 5 year term.
- Welcomed the appointment of a new Board Member representing an employee organisation following the resignation of a Board Member during the reporting period.

## 2010-11 Priorities

- Adopt new administrative procedures and implement amendments to legislation resulting from recommendations posed in the report on the actuarial review of the scheme.
- Continue to monitor and review the investment program to identify appropriate opportunities to support the ongoing financial viability of the scheme.
- Identify and implement a suite of on-line and electronic business transaction services that improve processing interaction between stakeholders and NT Build.
- Continue to monitor, review and implement operational systems to maximise revenue collection and minimise administrative costs.

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## About the organisation

NT Build is a statutory corporation established by the *Construction Industry Long Service Leave and Benefits Act* (the CILSLB Act) which came into effect on 1 July 2005.

The purpose of the scheme as set out in the CILSLB Act is:

***To provide long service leave and long service leave benefits to Territory construction workers.***

The establishment of the scheme in the Northern Territory completed a network of similar schemes in all Australian jurisdictions. The Territory construction industry and its employees are therefore no longer at a disadvantage in respect of this form of benefit.

The scheme is administered by a Board, called NT Build, which comprises an independent Chairperson, a Ministerial nominee and four industry members.

NT Build is not an agency within the meaning of the *Financial Management Act* or the *Public Sector Employment and Management Act* and as such no general allocation of funding is provided to NT Build through the Territory Budget.

Following a Cabinet reshuffle in December 2009 the Administrative Arrangements Order was amended resulting in the principal responsibility for the general administration of the CILSLB Act being transferred from the Northern Territory Treasury to the Department of Lands and Planning. However, under the CILSLB Act, the Board holds the specific responsibility for the day-to-day management of the scheme and for providing advice and making recommendations to the Minister about the operation of the legislation.

The scheme, including staffing and operational expenses, is self funded through the collection of a levy imposed on eligible construction work undertaken in the Territory and investment earnings. This revenue is used to fund the payment of long service leave benefits accrued by construction workers while working on defined projects in the Territory.

The staff of NT Build are Northern Territory Public Sector employees who are made available to the NT Build Board under an agreed full cost recovery arrangement.

The NT Build Board is responsible for expending the scheme's money and has its own financial reporting requirements. The Board has therefore prepared this annual report on the performance of the scheme for submission to the responsible Minister.

## General overview – portable long service leave scheme

### *Key features*

The scheme enables workers in the construction industry to qualify for long service leave based on their service in the industry rather than service with the same employer. Workers can therefore work for any number of employers in the construction industry and continue to accumulate long service leave benefits.

Some key features of this scheme include:

- Long service leave coverage consistent with interstate arrangements. (The Northern Territory Government is party to the reciprocal arrangements agreement between all States and the Australian Capital Territory.)
- Benefits consistent with current building and construction industry and NT long service leave standards.
- The scheme is funded through a Ministerially determined levy.
- Administration through a local office, with the support of an established scheme administrator (contract with Construction Industry Long Service Leave Board, South Australia).
- Maintenance of a register recording the number of service days worked by each registered worker within the construction industry in the Northern Territory.
- A statute based scheme, governed by a board consisting of employer, employee and independent representatives appointed by the Minister to oversee the management of the scheme.

### *Workers*

The scheme enables the Territory's building and construction workers to benefit from the introduction of a portable long service leave scheme based on their service to the industry rather than service with the same employer. Workers can therefore work for any number of employers in the construction industry.

The portability also extends across state borders under the National Reciprocal Agreement.

A registered worker can be credited with a maximum of 260 days of qualifying service each financial year. A total of 6.5 days long service leave credit is accrued for each 260 days. Once a worker has accrued 65 days long service leave credit (i.e. 10 years service), they can apply for 13 weeks (i.e. 65 days) long service leave, or with the agreement of their

employer, take leave in separate periods of not less than 5 days. Workers need to accrue a further 32.5 days long service leave credit before they can apply for further leave.

Registered labour-only contractors can apply to cash out their leave benefits.

Special pro rata provisions are also contained in the CILSLB Act for workers who die, retire or cease to perform construction work.

Long service leave of registered workers is paid from the fund upon application by the employee.

To be eligible for registration under the scheme a worker must:

- be employed to carry out construction work on a site in the Northern Territory;
- work for the private sector, i.e. not for the government (including the Territory, local, interstate or Commonwealth governments);
- not be working in an administrative, clerical, office-based managerial or professional capacity;
- spend at least 50% of their work time at the construction site for the work; and
- work a minimum of three days in any reporting period (i.e. six months).

Workers employed either full-time, part-time, as a casual or as a labour only contractor (i.e. those who have an ABN) are eligible to register.

Work undertaken on both residential and commercial construction and maintenance jobs, whether big or small, is recognised as counting towards a long service leave benefit.

## ***Employers***

As noted previously, the scheme enables workers to qualify for long service leave based on their service to the industry rather than service with the same employer. Workers can therefore work for any number of employers in the construction industry.

The scheme is funded by:

- a levy on specified construction work in the Northern Territory; and
- investment earnings.

Most employers of construction workers will therefore 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 under the Northern Territory private sector *Long Service leave Act*.

Once a worker has been registered, employers are required to keep adequate records to account for any eligible workers employed and complete an employer return form twice a

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year advising NT Build of the number of days worked by all registered employees and any other information required by NT Build. The information provided by employers is used to update registered worker's records.

An eligible employer under the scheme is one:

- that employs an eligible construction worker to carry-out construction work;
- that is in the private sector (i.e. is not in the Territory, local, interstate or Commonwealth government sectors); and
- whose usual business is to carry out or offer to carry out construction work for reward.

An employer must register with NT Build within one month of commencing to employ a construction worker who is registered with NT Build.

Alternatively, an employer who employs one or more eligible workers may elect to register their workers with NT Build for the portable long service leave scheme at the same time they register their business.

For the purpose of this scheme, construction work covers commercial, domestic, industrial and civil construction. Construction work includes workers performing repair, maintenance, extension and demolition, and is recognised regardless of whether the work performed is subject to the levy liability.

### ***Long service levy***

The scheme is funded by a levy on specified construction work undertaken in the Northern Territory and from investment earnings.

Unless an exemption applies, the levy is payable on all construction projects of \$200 000 or more in value.

The levy is calculated as a percentage of the cost of the work, based on actuarial estimates of the anticipated level of expenses and income for the scheme and determined by the Minister responsible for the scheme.

The cost of construction work is the sum total of all contract prices for the work, covering aspects such as the cost of labour, materials (including prefabricated goods and installation), equipment, design, project management, consultancy and any other cost that directly or indirectly relates to the work.

While a 0.5% levy rate has been prescribed as applying to all projects started on or after 1 July 2005, the Northern Territory Government approved a 20% reduction in the levy amount for a period of two years, effective from 1 July 2009, and introduced a two tier levy regime on construction projects with construction costs in excess of \$1 billion.

This temporary reduction in the levy means that for construction projects that start:

- before 1 July 2005, regardless of completion date, the levy rate of 0.5% applies;
- on or after 1 July 2009 but before 1 July 2011, regardless of completion date, the levy rate of 0.4% applies; and
- after 30 June 2010, regardless of completion date, the levy rate of 0.5% will automatically be re-applied.

Unlike the levy rate changes above, the introduction of the two tier levy regime is a permanent amendment to the levy application provisions.

This two tier levy regime means the 'standard' prescribed levy rate, which applies to all eligible construction projects under the scheme, is applied to the first \$1 billion and a project's specific levy rate - determined by the Minister and based on actuarial advice - is applied to the project costs that exceed the \$1 billion threshold.

It is the responsibility of the person for whom the work is to be done to notify NT Build of the work, prior to commencement. Interest and fines may be imposed if the levy is not paid when required. NT Build also has the power to issue an order to stop work on the project until such time as the levy payer has met their statutory responsibility.

The levy does not apply to:

- Class 1a(i) and Class 10(a) buildings under the Building Code of Australia (being single detached dwellings, including related private garages, carports, sheds, or the like);
- work for which the total contract price for the construction work is less than \$200 000 in value; or
- work undertaken for not-for-profit organisations in respect of voluntary labour and donated materials.

# Statistical highlights

## Workers

### Registration numbers

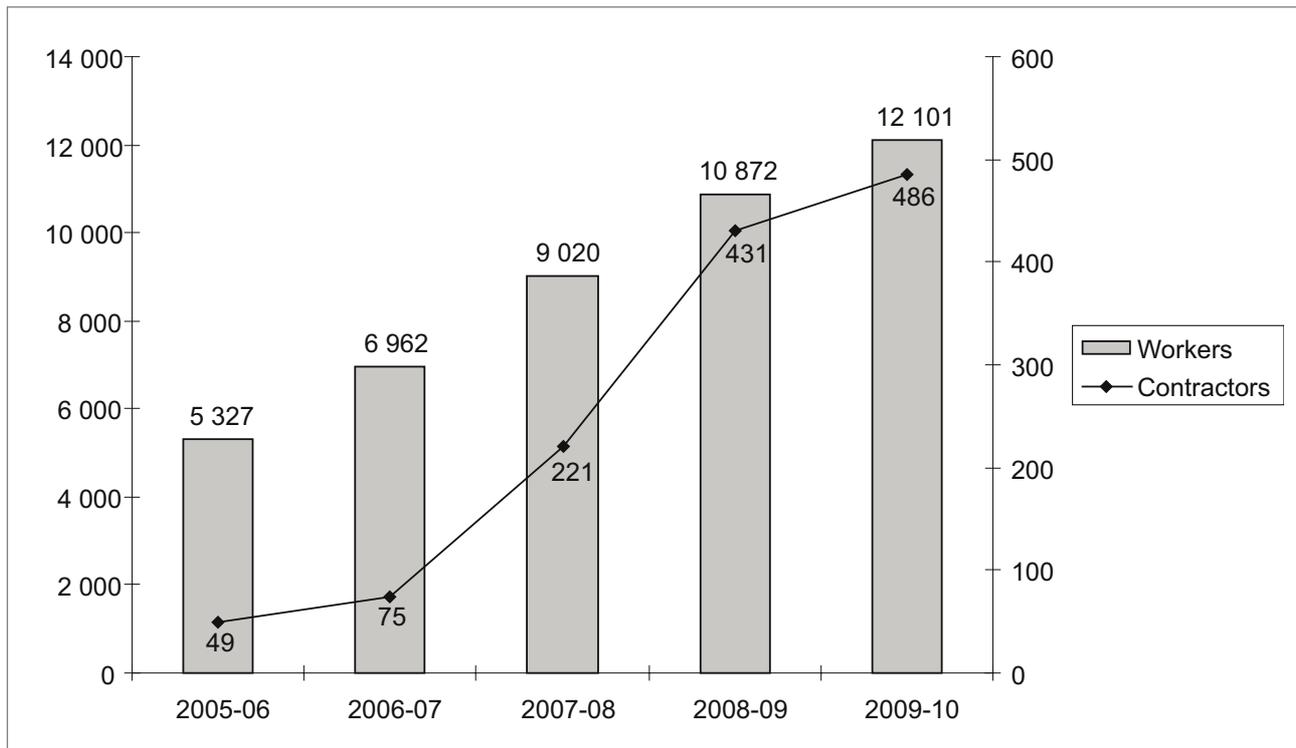
While the long-term forecast for numbers of worker registrations in the Northern Territory was estimated to be approximately 5000, membership numbers have continued to grow albeit at a slower rate when compared with previous years. The growth rate for the 2009-10 period reflected an increase of only 11.4%, compared with 22% for the 2008-09 period.

As shown in the table and chart below, the total number of worker registrations recorded by the scheme reflected an overall increase of 1284 on the numbers for the previous reporting period. This variance consisted of 1229 employees and 55 labour-only contractors.

Table 1: Total of employee and contractor registrations

Total Registrations	June 2006	June 2007	June 2008	June 2009	June 2010
Approved	5 376	7 037	9 241	11 303	12 587
Rejected	39	43	60	83	94

Chart 1: Employee Vs Contractor

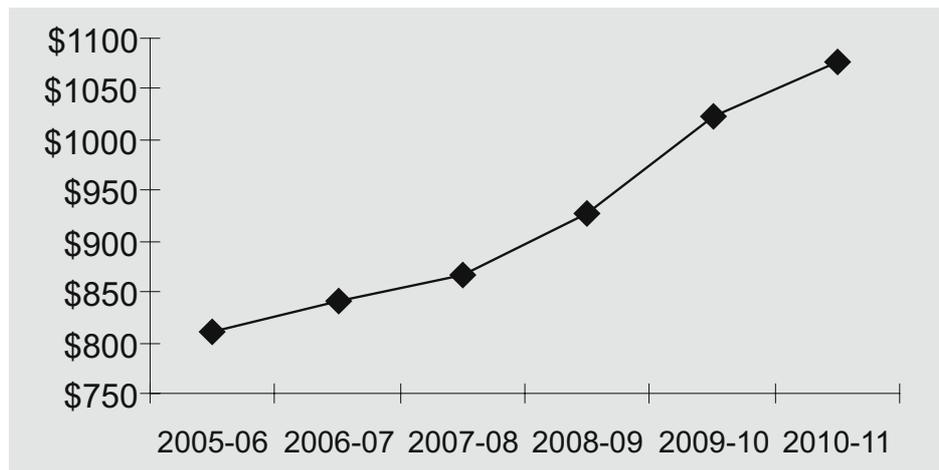


### Benefit payments

Once a worker has accrued 65 days long service leave credit they can apply to use the credit. The benefit rate for the payment of the credit is determined by the Board, having regard to the average weekly ordinary time earnings for the construction sector published by the Australian Bureau of Statistics. The rate is reviewed annually, generally on 1 July, and the defined rate is applied to both workers and contractors. The benefit payment rate for the 2009-10 period was \$1022 per week and at the Board Meeting held on 17 June 2010 the new rate of \$1076 per week was approved to take effect from 1 July 2010. The table and chart below illustrates the annual movement in the benefit rate since the commencement of the scheme.

Table 2 and Chart 2: Approved Benefit rates and Annual movement in rate

2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
\$810pw	\$841pw	\$867pw	\$927pw	\$1022pw	\$1076pw



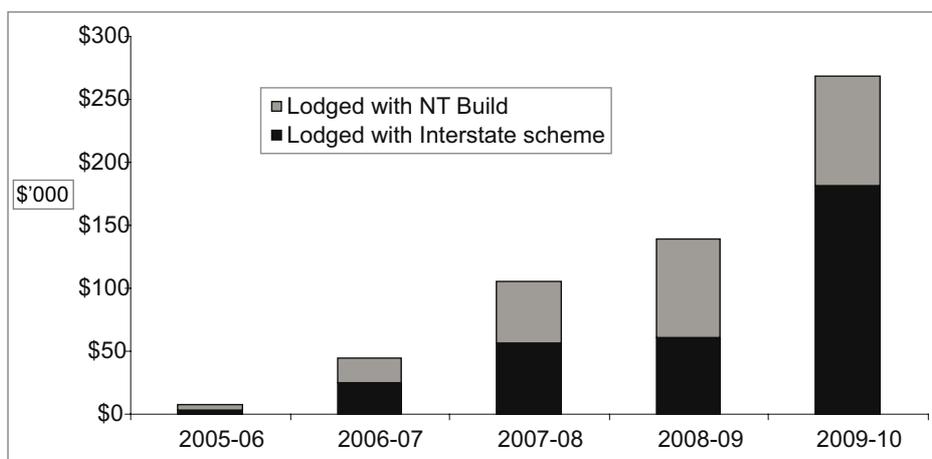
During the 2009-10 reporting period 153 claims for long service leave benefits were received. These claims resulted in a total gross benefit payments expense of approximately \$267 000 in respect of work performed in the Northern Territory, an increase of approximately 92% on the \$139 000 paid during the 2008-09 reporting period.

Table 3: Benefit claims processed

Benefit Claims	2005-06	2006-07	2007-08	2008-09	2009-10
Lodged through interstate scheme	7	24	50	60	105
Lodged through NT Build	4	22	21	34	48
<b>Total claims lodged</b>	<b>11</b>	<b>46</b>	<b>71</b>	<b>94</b>	<b>153</b>

The ability to recognise service credits and make benefit payments during these early years of the scheme's operation is a direct result of the Territory scheme being a party to the National Reciprocal Agreement. The following diagram compares the scheme's financial contributions for benefit claims that were lodged direct with NT Build with those lodged through a reciprocal interstate portable long service leave scheme.

Chart 3: NT contribution to Benefit claims by place of lodgement.



## Registration profile

Table 4: Age profile

	June 2006	June 2007	June 2008	June 2009	June 2010
Average age	38	39	39	40	40
Oldest	72	73	74	75	80
Youngest *	16	15	14	15	15

\*Registrations are accepted from apprentices working in the construction sector, including school based apprentices

Table 5: Days of service

	* June 2006	June 2007	June 2008	June 2009	June 2010
Total estimated service days	1M	1.5M	2.6M	3.25M	3.24M

\*includes the additional pre commencement period for workers registered by 30 June 2006

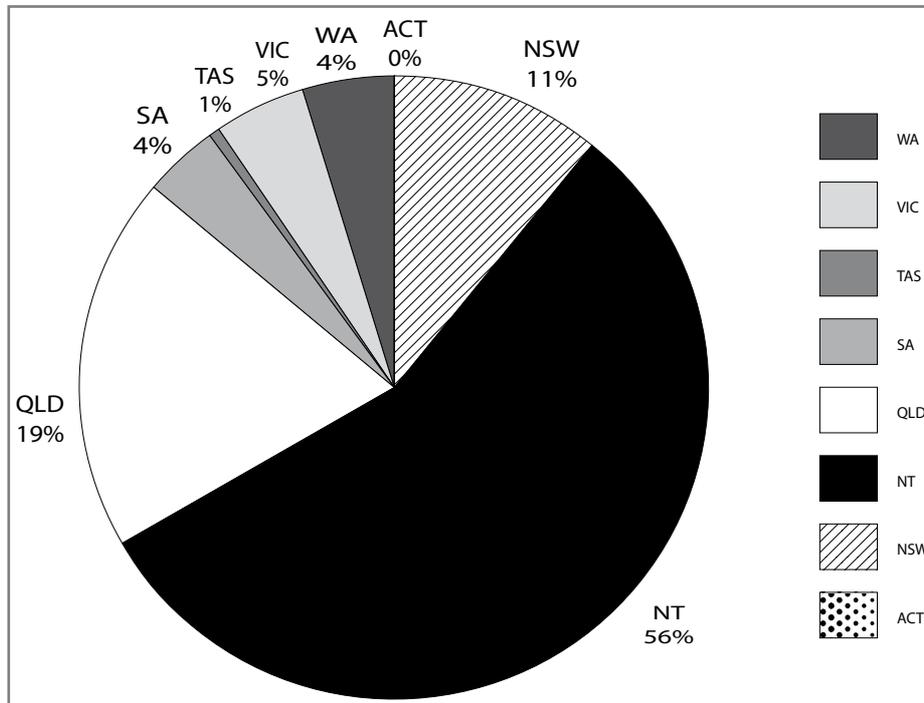
## Scheme demographic

The continued success of the scheme in terms of providing benefits to local Territory private sector construction workers and in attracting skilled workers to the Territory is evidenced by the following table and chart which shows that more than half of the registered workers are Territory residents.

Table 6: No. of workers by contact location

	2005-06	2006-07	2007-08	2008-09	2009-10
ACT	4	7	10	11	13
NSW	649	824	1 025	1 272	1 364
NT	2 619	3 579	4 970	6 172	7 043
QLD	1 463	1 751	1 991	2 273	2 436
SA	236	291	383	452	481
TAS	35	47	64	72	72
VIC	189	270	438	558	615
WA	181	268	360	493	563
<b>Total</b>	<b>5 376</b>	<b>7 037</b>	<b>9 241</b>	<b>11 303</b>	<b>12 587</b>

Chart 4: Percentage of workers by contact location - 2009-10



## Employers

Eligible employers are identified through either self registration or by notification on a worker registration form and the numbers are shown in the table below.

Table 7: Active employer registrations

	June 2006	June 2007	June 2008	June 2009	June 2010
*Active Registrations	192	204	219	230	238

\* excludes previously registered employers who, at 30 June 2010, did not have any current registered workers in their employ.

Section 81(1)(a) of the CILSLB Act empowers the Registrar to compel a person who employs construction workers to provide any information relating to that employment. Where an employer fails to comply with a section 81(1)(a) notice the person could be prosecuted for failure to comply with the notice.

Issuing of section 81(1)(a) notices aims to streamline the administrative effort required to effect successful and timely prosecution of employers who choose not to fulfil their statutory obligation to notify NT Build about the number of days of service each registered employee worked and any periods of long service leave granted by the employer to any registered employee. No notices were issued under this provision during the 2009-2010 reporting period - compared with one issued during the 2008-09 period.

## Levy payment and compliance

NT Build has continued to enjoy a generally high level of compliance by project developers. Some developers have however been reluctant to provide notification of their projects and pay respective levies.

Table 8: Summary of projects notified and levies paid

<b>Total levy payer notifications</b>	<b>June 2006</b>	<b>June 2007</b>	<b>June 2008</b>	<b>June 2009</b>	<b>June 2010</b>
* Active levy payers who notified of leviable construction work	62	167	278	176	181
Total of invoices issued equating to a levy income (approximate)	\$3.2M	\$5.3M	\$8.1M	\$11.8M	\$8.0M

\*includes payers who have notified of multiple projects undertaken.

Section 81(1)(b) of the CILSLB Act empowers the Registrar to compel a person to provide any information relating to construction work on which the levy is or may be imposed. Where a levy payer fails to comply with a section 81(1)(b) notice the person could be prosecuted for failure to comply with the notice.

Issuing of section 81(1)(b) notices aims to streamline the administrative effort required to effect successful and timely prosecution of developers who choose not to fulfil their statutory obligation to notify NT Build of the project commencement and paying the levy. As demonstrated in the table below, a total of 20 notices were issued during the 2009-10 reporting period.

Table 9: Summary of section 81(1)(b) action

<b>YEAR</b>	<b>B/FWD</b>	<b>New Notices</b>	<b>Finalised</b>	<b>C/FWD</b>
<b>2009-10</b>	5	20	24	1
<b>2008-09</b>	10	25	30	5
<b>2007-08</b>	3	26	19	10
<b>2006-07</b>	-	5	2	3

The Board continues to pursue compliance issues to ensure that the scheme is administered equitably.

## ***Debt recovery***

The NT Build Board has authorised the Registrar to recover debts owing to the scheme directly through the engagement of a debt collection agent and, if necessary, through the small claims court. The use of debt collection agents is generally reserved for those instances where a levy payer, who has been issued an invoice by NT Build in relation to a levy amount owing, defaults on the payment of their levy obligation.

Table 10: Summary of debt recovery action

<b>YEAR</b>	<b>B/FWD</b>	<b>New Notices</b>	<b>Finalised</b>	<b>C/FWD</b>
<b>2009-10</b>	1	1	2	-
<b>2008-09</b>	-	3	2	1
<b>2007-08</b>	-	2	2	-
<b>*2006-07</b>	-	-	-	-

\*Debt collection agents appointed with effect from 4 June 2007

## Investment of funds

As noted in the Financial Statements included in this report, NT Build continued to invest accumulated funds from revenue raised through the collection of levies.

The scheme is fully self-funded through the collection of a levy imposed on construction work undertaken in the Territory and earnings from invested accumulated funds. This revenue is used to fund the payment of long service leave benefits accrued by construction workers while working in the Territory and to meet the scheme's staffing and operational expenses. As the liabilities of NT Build will in the main be longer term, the accumulated funds are invested to ensure there will be sufficient funds to meet the scheme's liability in the longer term.

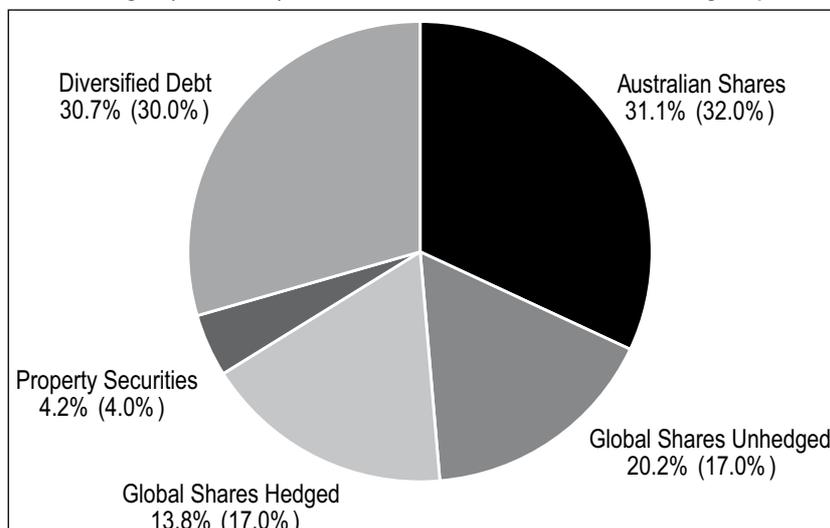
The Board previously implemented an investment strategy that embraced a balance of both growth and interest bearing assets, with MLC Implemented Consulting (GWM Adviser Services) appointed as the scheme's primary fund manager. Due to the volatile global investment climate, the Board reviewed its investment strategy and opted to take a more conservative approach incorporating interest bearing term deposits with both the Territory Insurance Office (TIO) and Westpac. During the 2009-10 reporting period the Board continued to monitor and refine its investment strategy to minimise the exposure of the investments.

While information regarding the performance of the scheme's investments is provided in the Financial Statements included in this report, the following table reflects the actual amount invested.

Table 11: Funds invested with Fund Managers

<b>Fund Managers</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>TOTAL</b>
MLC (GWM)	-	\$4.2M	\$3.9M	-	\$4.9M	<b>\$13.0M</b>
TIO	-	-	\$2.8M	\$4.3M	\$0.3M	<b>\$7.4M</b>
WESTPAC	-	-	-	\$5.0M	\$2.8M	<b>\$7.8M</b>
<b>TOTAL</b>	<b>-</b>	<b>\$4.2M</b>	<b>\$6.7M</b>	<b>\$9.3M</b>	<b>\$8.0M</b>	<b>\$28.2M</b>

Chart 5: Actual and strategic (brackets) asset allocations of the MLC managed portfolio - 30 June 2010



## Actuarial advice

### *Long service leave liability*

A number of factors affect the actuary's ability to reliably measure the scheme's liability. These factors include:

- As a relatively new scheme, the limited extent of established historical data available to enable an accurate assessment of the scheme's liability;
- Extent of construction work undertaken that is exempt from payment of the levy (e.g. value less than \$200 000; single detached residential dwellings);
- Expenses estimated in administering the scheme;
- Level of worker registrations and service turnover;
- Range of non-levied activity for which worker benefit liability will still apply;
- The extend to which service credits are abandoned without benefit payments in the future; and
- A funding period of ten years for non-levied activity.

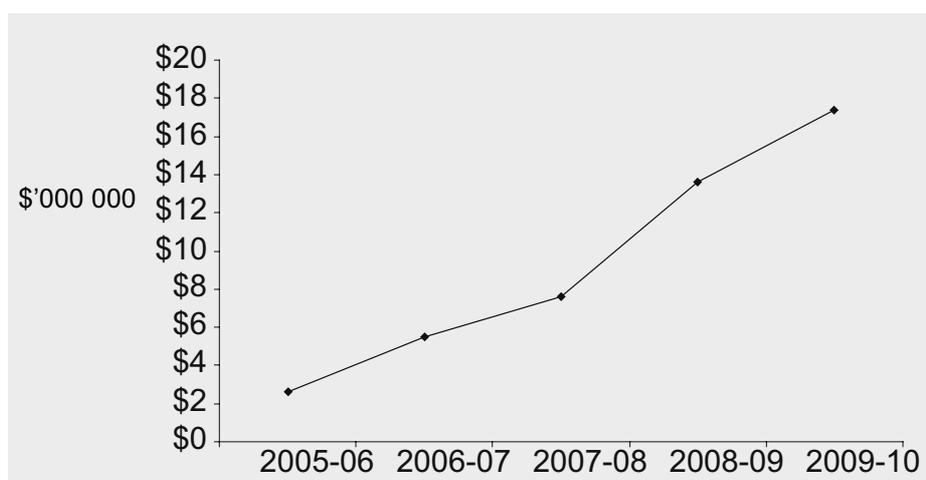
Having regard for the above factors, the scheme's consulting actuary Cumpston Sarjeant Pty Ltd assesses and recommends a liability amount for accrued long service leave benefits to be adopted for accounting purposes as at 30 June each year.

For accounting purposes as at 30 June 2010 the actuary recommended a liability of \$17.4 million for accrued long service leave benefits be adopted. This represents an increase of \$3.8 million from the 30 June 2009 estimate.

Table 12: Summary of accrued long service leave liability

2005-06	2006-07	2007-08	2008-09	2009-10
\$2.6M	\$5.5M	\$7.6M	\$13.6M	\$17.4M

Chart 6: Rate of long service leave liability accrual



As noted above, a provision of \$17.4 million has been disclosed on the Statement of Financial Position of the Board as at 30 June 2010 in the Financial Statements included in this report.

## ***Section 91 actuarial review***

An extensive actuarial review of the scheme be undertaken during the 2008-09 reporting period. This review encompassed the administration of the scheme, the methods used in working out long service benefits and the levy rate. In addition, the actuary's advice was also sought on options for adopting a variable threshold levy rate model, to accommodate unusually large scale construction projects.

While the Actuary's report on his review of the scheme conveyed a number of general observations, assumptions and recommendations; the actuary's findings, in short, noted there was scope to:

- Adjust the levy mechanism for unusually large-scale construction projects; and
- Reduce the levy rate to 0.4% in the short-term without jeopardising the solvency of the NT Build Scheme.

In response to the actuary's findings the NT Government:

- Approved a 20% temporary reduction in the levy rate, from 0.5% to 0.4% for two years, commencing from 1 July 2009; and
- Introduced a \$1 billion threshold for the purpose of calculating the levy on large scale construction projects, below which the standard levy per cent rate would apply and from which an actuarially determined levy amount would be applied on a project specific basis.

These changes were implemented to give temporary relief to investors and developers during the economic downturn. The changes also ensure the scheme's costs are appropriately covered by sufficient levy contributions while minimising cross subsidy provided by large-scale projects.

Although the NT Government's decision to temporarily reduce the levy had an impact on the amount of revenue the scheme received during this reporting period, this impact was minor in comparison to the overall impact of the global financial crisis, particularly on construction activity undertaken in the resources sector.

It is pleasing to note that, notwithstanding the above, the scheme's assets continue to exceed its estimated liabilities.

