



Levy Information

Calculating the Cost of Construction - Goods and On-Site Services

Fact Sheet 2

ALL GOODS, PROFESSIONAL AND ON-SITE SERVICES RELATED TO CONSTRUCTION WORK ARE TO BE INCLUDED IN THE COST OF CONSTRUCTION WORK FOR THE PURPOSE OF THE CONSTRUCTION INDUSTRY LONG SERVICE LEAVE AND BENEFITS ACT.

Goods includes all materials and components (whether pre-fabricated or not), fittings and fixtures, furniture and furnishings, and all plant and equipment (whether hired or purchased) that relate to the work that is leviable.

On-site services includes any services, other than professional services, that relate to the leviable work, such as labour costs.

Professional services that are related to construction work are also to be included in the cost of construction work (see Fact Sheet 3 for further details).

Construction Industry Long Service Leave and Benefits Act

Section 37 provides the “cost of construction work” is the total contract prices for all of the construction contracts in relation to the work or, if the prescribed circumstances apply, the amount decided by the Board to be the total cost of the work.

Except as provided otherwise by the Construction Industry Long Service Leave and Benefits Regulations, a “construction contract” has the same meaning as in the *Construction Contracts (Security of Payments) Act* (see section 37(2)).

Construction Contracts (Security of Payments) Act

Section 6 of the *Construction Contracts (Security of Payments) Act* defines “construction work”. In particular, section 6(1) provides, in part, that –

- (d) fixing or installing on or in anything mentioned in (c) any fittings forming, or to form, (whether or not permanently) part of the thing, including -
 - (i) fittings for electricity, gas, water, fuel, oil, air sanitation, irrigation, telecommunications, air-conditioning, heating, ventilation, fire protection, cleaning, the security of the thing or the safety of people; and

- (ii) lifts, escalators, insulation, furniture or furnishings;
- (e) altering, repairing, restoring, maintaining, extending, dismantling, demolishing or removing anything mentioned in paragraph (c) or any fittings described in paragraph (d) that form part of the thing;

(see Fact Sheet 1 for further details)

Further, section 5 defines “construction contract”. In particular, section 5(1) provides, in part, that –

- (1) A construction contract is a contract (whether or not in writing) under which a person (the “contractor”) has one or more of the following obligations:
 - (b) to supply to the site where construction work is being carried out any goods that are related to construction work;
 - (d) to provide, on the site where construction work is being carried out, on-site services that are related to the construction work.

Goods and On-Site Services

Section 7 of the *Construction Contracts (Security of Payments) Act* provides when goods and on-site services are related to construction work.

In relation to *goods*, section 7 provides -

- (1) Goods are related to construction work if they are -
 - (a) materials or components (whether or not pre-fabricated) that will form part of anything mentioned in section 6(1)(b) or (c) or of any fittings mentioned in section 6(1)(d);
 - (b) any fittings mentioned in section 6(1)(d) (whether or not pre-fabricated);

- (c) plant or materials (whether supplied by sale, hire or otherwise) for use in connection with the carrying out of the construction work at the site of the construction work; or
- (d) goods prescribed by the Regulations to be goods related to construction work for this Act.

In relation to *on-site services*, section 7 provides:

- (3) On-site services are related to construction work if they are services (other than professional services) -
 - (a) that relate directly to construction work, including providing labour to carry out construction work; or
 - (b) prescribed by the Regulations to be on-site services related to construction work for this Act.

Possible Exclusions

Section 7(4) of the *Construction Contracts (Security of Payments) Act* provides that the Construction Contracts (Security of Payments) Regulations may prescribe goods, professional services or on-site services that are not related to construction work for this Act.

Related Fact Sheets

Fact Sheet 1: Meaning of “construction work”

Fact Sheet 3: Calculating the Cost of Construction Work – Professional Services

Further Reference

Copies of the *Construction Industry Long Service Leave and Benefits Act* and the *Construction Contracts (Security of Payments) Act* and any sub-ordinate legislation (Regulations and Determinations) may be purchased from the Print Management Unit - Department of the Chief Minister or downloaded from the NT Government website: www.nt.gov.au.

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