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 2005 by presenting the Minister responsible for NT Build with a summary of the activities of the Board during the 2018-19 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 construction industry portable long service leave scheme.

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The Hon Michael Gunner MLA  
Minister for Business and Innovation  
Legislative Assembly of the Northern Territory  
Darwin NT 0800

Dear Minister

RE: NT BUILD ANNUAL REPORT 2018-19

On behalf of the NT Build Board, I am pleased to present you with the fourteenth NT Build Annual Report, for the year ended 30 June 2019.

The report details the activities and achievements of NT Build during its fourteenth 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 2005 (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 1993 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 ended 30 June 2019 and her 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

MICHAEL MARTIN OAM  
Chairperson, NT Build Board  
13 November 2019
Chairperson’s Report

During the past year the Scheme has been able to meet an increasing demand for benefits from construction workers who have been engaged in the Northern Territory and still maintain a solid equity position. This outcome is pleasing especially considering that this equity position has not recognised potential revenue from the Territory’s major construction project. At the same time, the Scheme has paid out a significant amount of benefits from this project, which have not been funded to date.

In his Report, the Registrar highlights the significant number of benefits that have been processed and paid which demonstrates the maturity of the Scheme and the impact that the major LNG Gas Project has had on the Territory’s construction industry. It is pleasing to note that after these record levels of benefit payments the Scheme still made a small surplus for the year.

As mentioned previously the investment of some $84 million in funds management continues to be a major focus of the NT Build Board, which continues to assess and review our investment strategy in consultation with the Department of Treasury and Finance and our fund managers JANA. The Board regularly discusses and monitors the Scheme’s solvency ratio and risk factors that will impact this ratio. Again, I am pleased to report that the strategy has allowed a solid equity position and the solvency ratio is very sound.

I take this opportunity to thank my fellow board members for their contribution over the past 12 months and their input into the strategic issues addressed by the Board during the year. Their input and commitment have again been critical.

The Registrar has covered several relevant matters in his report which I will not repeat here but recommend his Report. I have already mentioned the record number of benefit claims that have been processed and paid during the year and I acknowledge the significant contribution and commitment of all staff to ensure that payments were made within our timelines.

The Registrar continues to work closely with the Board and provides an effective level of support to the Board. On behalf of the Board I thank him for his support, diligence and commitment during the year.

Finally, I again pay tribute to the significant contribution and commitment of all NT Build staff during the year. Their dedication has been evidenced by successful outcomes over the 12 months.

MICHAEL MARTIN OAM
Chairperson
As a result of the Scheme’s continued maturing, combined with the winding down of the construction phase of the major LNG Gas Plant project, the payment of benefits to workers significantly increased during 2018-19. A total of 1,817 benefit claims were processed during the year as more workers became eligible for benefit payments. This represented an increase of 655 claims in comparison to the 2017-18 numbers. Eligibility for paying these benefits was possible in part due to the National Reciprocal Agreement, which recognises workers’ service in all other Australian jurisdictions and the maturing service of local construction industry workers.

Although the Scheme still recorded new registrations from workers, a significant decrease in active workers of approximately 54% as at 30 June 2019 has been recorded. This decrease is a result of both a data cleanse of records for worker’s who had been inactive for a period of more than four years, and the progressive exodus of workers as major construction phases relating to the LNG Gas Plant project were completed.

The current active registration numbers are within the normal parameters of the Territory construction industry workforce, without the impact of a major LNG Gas Plant project. Registrations are expected to remain low due to the general downturn currently being experienced in the Northern Territory construction industry.

The Scheme received a total levy income of $1.38 million in 2018-19, representing a reduction of approximately 17% (or $0.28 million) when compared to the 2017-18 year.

At the end of this reporting period, the Scheme continues to hold a sustainable net asset position. The Scheme’s equity of $23.5 million recorded for this reporting period is slightly up from the $23.1 million reported in 2017-18. The increase was predominately a result of a decrease in the liability valuation which decreased by $4.22 million.

The volume of worker benefit payments and the associated complexity of national reciprocal payments had placed significant workload demands on the staff of NT Build. Notwithstanding this, staff responded to the challenge and I wish to take this opportunity to thank them for their dedication and hard work. I also wish to again acknowledge and thank the members of the Board for their continued support and guidance and look forward to working with them in the year ahead.

THEO TSIKOURIS
Registrar
Part 1: Introduction and Overview
2018-19 Highlights

• Made a records number of 1,817 benefit payments to workers who have been involved in the NT construction industry at a cost to the Scheme of approximately $8.85 million (up from the 1,162 payments at a cost of $4.86 million made in 2017-18).

• Implemented the changed Australian Taxation Office “Single Touch Payroll” processing practice from 1 July 2018 to provide a more streamlined, timely and efficient tax reporting regime.

• Monitored the Scheme’s financial position to ensure its ongoing financial sustainability in the current low levy (0.1%) and high threshold ($1 million) environment.

• Monitored and reviewed the investment program to support the ongoing financial viability of the Scheme.

• Monitored and reviewed the operation of primary business systems to ensure operational savings, improvements and efficiencies are maximised.

• Monitored, reviewed and implement operational systems to maximise revenue collection and minimise administrative costs for NT Build and maximise stakeholders convenience.

• Actively encouraged the registration of eligible workers and relevant employers.

• Maintained a compliance audit regime to ensure Scheme levy revenue is maintained.

• Received approximately $1.38 million in levy contributions (down from the $1.66 million achieved in 2017-18).

• Recorded estimated total accumulated liabilities of $62.13 million (a decrease of $4.29 million in comparison to the 2017-18 period). Scheme’s assets continue to cover liabilities.

• Recorded an overall net increase in assets for the year of $0.38 million (compared to the decrease of $7.39 million recorded 2017-18).

• Decrease in active worker registrations and an increase in employer registrations during the year. Total active registrations of 14,054 workers and 588 employers recorded with the Scheme as at 30 June 2019.
2019-20 Priorities

• Closely monitor the Scheme’s financial position and report on its ongoing financial status in the current low levy (0.1%) and high threshold ($1 million) environment.

• Continue to monitor and review the investment program to identify appropriate opportunities to support the ongoing financial viability of the Scheme.

• Support the completion of the fifth formal triennial review of the Scheme by the appointed actuary.

• Facilitate the determination and payment of the major project excess levy to ensure receipt of sufficient funds to reimburse benefits already paid and cover future benefit entitlements for registered employees who worked on the project.

• Continue to monitor and review the operation of primary business systems to ensure operational savings, improvements and efficiencies are maximised.

• Continue to monitor, review and implement operational processes to maximise revenue collection and minimise administrative costs for NT Build and maximise stakeholders convenience.

• Actively encourage the registration of all eligible workers and relevant employers.

• Maintain a strong compliance audit regime to ensure Scheme levy revenue is maintained.

• Monitor staff and workload demands to ensure efficient and timely processing of the increasing number of benefit payments.
About the organisation

NT Build is a statutory corporation established by the *Construction Industry Long Service Leave and Benefits Act 2005* (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 a chairperson, and up to six members nominated by the Minister.

NT Build is not an agency within the meaning of the *Financial Management Act 1995* or the *Public Sector Employment and Management Act 1993* and as such no general allocation of funding is provided to NT Build through the Territory Budget.

Under the Administrative Arrangements Order in force for the period ended 30 June 2019 the Department of Trade, Business and Innovation had the principal responsibility for the general administration of the CILSLB Act. However, in accordance with 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 levy determined by the Minister.

• 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 an chairperson and members 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 220 days of qualifying service each financial year. A total of 6.5 days long service leave credit is accrued for each 220 days. Once a worker has accrued 65 days long service leave credit (i.e. Equates to 10 years service), they can apply for 65 days (i.e. 13 weeks) long service leave or, with the agreement of their employer, take leave in separate periods of not less than 5 days. Workers need to subsequently accrue a further 32.5 days long service leave credit before they can apply for further leave.

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 benefits accrued under this Scheme are paid by NT Build upon application by the worker or their authorised representative.

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, civil 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, that employer 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 1981*.

Once a worker has been registered, employers are required to keep adequate records to account for any eligible workers employed. An employer return form is completed twice a 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 workers’ 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 accrual of portable long service leave 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 (determined by the responsible Minister) imposed on specified construction work undertaken in the Northern Territory and from investment earnings.

The levy is payable on all eligible construction projects and is calculated as a percentage of the total cost of the work. 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.

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); or
- construction work undertaken for not-for-profit organisations in respect of voluntary labour and donated materials.

Mining is also exempt from the levy.

The levy does not apply to work for which the total contract prices for the construction work is less than:

- $1 million in value - for work started on or after 7 April 2014, or
- $200 000 in value - for work started from 1 July 2005 to 6 April 2014.

For construction work that costs $1 billion or less the amount of the levy is calculated as a set percentage of the cost of the work.

A two tier levy regime applies to projects with costs in excess of $1 billion. Under this two tier regime the ‘standard’ prescribed levy rate, which applies to all eligible construction projects under the Scheme, is applied to the first $1 billion. For the portion of the project costs that exceed the $1 billion threshold, a project specific levy rate is applied. This excess rate is determined by the Minister, on actuarial advice, and is to be sufficient to yield the amount likely to be required to fund the long service benefits of the registered employees who carry out the particular construction work.

The ‘standard’ prescribed levy rates that apply to eligible construction works undertaken in the Territory are:

- 0.1% for work started on or after 7 April 2014, regardless of completion date.
- 0.3% for work started from 1 April 2012 to 6 April 2014, regardless of completion date.
- 0.4% for work started from 1 July 2009 to 31 March 2012, regardless of completion date.
- 0.5% for work started from 1 July 2005 to 30 June 2009, regardless of completion date.

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 penalties and fines may be imposed if the levy is not paid when required.
Statistical highlights

**Workers**

Registration numbers
The CILSLB Act defines a construction worker as a person who carries out construction work either as an employee or as a contractor (who only supplies their own labour). Construction workers can also be engaged on a full-time, part-time or casual basis.

As shown in the table and chart below, the total number of active worker registrations recorded by the Scheme reflected a significant decrease of 16 597 in comparison to the previous reporting period. This variance consists of 16 549 less employees and 48 less labour-only contractors.

This decrease is a result of both:
- a data cleanse of records for worker’s who had been inactive for a period of more than four years,
- progressive exodus of workers as major construction phases relating to the LNG project were completed, and
- general downturn in construction activity in the Northern Territory.

Going forward, the current active registration numbers are within the ‘norm’ and more reflective of the Territory construction industry workforce, without the impact of the one-off major project.

<table>
<thead>
<tr>
<th>Total Active Registrations</th>
<th>June 2016</th>
<th>June 2017</th>
<th>June 2018</th>
<th>June 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved</td>
<td>27 054</td>
<td>28 814</td>
<td>30 651</td>
<td>14 054</td>
</tr>
</tbody>
</table>

Table 1.1: Total number of active worker registrations

Chart 1.1: Active employee and labour-only contractor registrations
Section 13(1)(a) of the CILSLB Act requires the Registrar to deregister a person who has not been credited with any qualifying service for a continuous period of four years.

The first of this deregistration process occurred in September 2010, with ongoing automated deregistrations. However, a data cleanse of records for workers who had been inactive for a period of more than four years resulted in a significant increase in the overall number of workers deregistered (inactive) from the Scheme as at 30 June 2019 - totalling 24,820 workers (an increase of 11,894 from the previous reporting period).

The number of deregistered workers also reflects the highly transient nature of the Northern Territory construction industry workforce.

While these deregistered (inactive) workers are no longer active in the Territory construction industry, a majority of the workers are still believed to be actively working in the construction industry interstate.

Under the terms of the National Reciprocal Agreement, a person deregistered with the NT Build Scheme may be eligible to have their service credits reinstated if they are registered with an interstate scheme and have continued to work in the construction industry interstate.

Each Australian state and territory is party to the National Reciprocal Agreement. This Agreement provides for a worker’s service credits while working in the building and construction industry in any of the states or territories, to be recognised as part of that worker’s qualifying period of service for the purpose of determining their long service leave entitlement.

This means that workers are able to have construction industry service worked both with multiple employers and across multiple jurisdictions combined towards accruing a long service leave entitlement.

While it is possible that a significant proportion of the Scheme’s deregistered workers will have their NT service reinstated under the terms of the National Reciprocal Agreement, the actual portion of service credits that will be reinstated will only be known over time.

Anecdotal evidence also suggests that, for whatever reason, there remains a number of workers in the local construction industry that would be eligible to participate in the Scheme but have not registered.

Some of the likely issues affecting Scheme registrations includes:

- Very high turnover of employment in the local construction industry.
- Proportion of the Territory construction industry workforce operating as labour-only contractors rather than employees. Industry feedback also supported anecdotal evidence that there may be a significant number of eligible labour-only contractors in the Northern Territory who are not registered with the Scheme.
- Voluntary nature of the NT Build Scheme (whereas most equivalent interstate schemes are compulsory).
Benefit payments
A worker who has accrued a long service leave credit 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.

This process provides greater certainty in predicting future liabilities than is the case for a number of interstate schemes.

The benefit payment rate for the 2018-19 period was $1325 per week.

Chart 1.2 below illustrates the annual movement in the benefit rate since the commencement of the Scheme.

The CILSLB Act also contains special pro rata provisions to enable a long service leave benefit to be paid to workers who retire, cease to perform construction work or die.

Generally a worker must accrue 65 days long service leave credit (i.e. 2200 eligible service days = 10 years service) before they can apply to use their first credit of long service leave. Once accrued, the leave may be taken in separate periods of not less than 5 days.

Subsequent credits of long service leave can be used after every additional accrual of 32.5 days long service leave credit (i.e. 1100 service days = 5 years service).
As the NT Build Scheme has now matured, the number of workers who have accrued a long service leave entitlement has also increased.

As reflected in the table 1.2 below, these claims resulted in a total expense of approximately $8.85 million gross for benefit payments made in respect of work performed in the Northern Territory.

The number of claims processed during this reporting period increased by more than 56%, resulting in an increased cost to the Scheme of approximately $4 million for benefits paid in comparison to the high of the 2017-18 reporting period.

A total of 6 065 claims have been paid since the Scheme commenced.

The ongoing payment of claims are expected to continue. However, future annual increases are not expected to match the anomaly of this year, which was predominately the result of the completion of major construction phases relating to the major LNG project.

Being party to the National Reciprocal Agreement has also enabled NT Build to recognise service credits and make benefit payments both before the Scheme matured and before a worker achieves ten years of service within the Territory.

Chart 1.3 below illustrates the Scheme’s financial liability for benefit claims that were lodged direct with NT Build and those lodged through a reciprocal interstate portable long service leave scheme.

Table 1.2  Benefit claims processed

<table>
<thead>
<tr>
<th>Benefit Claims</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodged through interstate scheme</td>
<td>270</td>
<td>346</td>
<td>365</td>
<td>582</td>
</tr>
<tr>
<td>Lodged through NT Build</td>
<td>408</td>
<td>608</td>
<td>797</td>
<td>1235</td>
</tr>
<tr>
<td>Total claims lodged</td>
<td>678</td>
<td>954</td>
<td>1162</td>
<td>1817</td>
</tr>
</tbody>
</table>
**Registration profile**

### Table 1.3: Age profile

<table>
<thead>
<tr>
<th></th>
<th>June 16</th>
<th>June 17</th>
<th>June 18</th>
<th>June 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average age</td>
<td>38</td>
<td>39</td>
<td>39</td>
<td>39</td>
</tr>
<tr>
<td>Oldest</td>
<td>81</td>
<td>82</td>
<td>83</td>
<td>84</td>
</tr>
<tr>
<td>Youngest</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
</tbody>
</table>

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

*Includes workers who have been inactive for less than 4 years and therefore not yet deregistered

### Table 1.4: Days of service

<table>
<thead>
<tr>
<th></th>
<th>June 16</th>
<th>June 17</th>
<th>June 18</th>
<th>June 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total estimated service days</td>
<td>11.28M</td>
<td>14.07M</td>
<td>16.55M</td>
<td>18.30M</td>
</tr>
</tbody>
</table>

### Scheme demographic

The continued success of the Scheme in terms of providing benefits to Northern Territory construction industry workers and contributing to the attraction of skilled workers to the Territory is evidenced by the following table and chart.

While these show that approximately 44% of the Scheme’s active registered workers record a Territory contact address, the table and chart also helps to illustrate the transient nature and mobility of the workforce in the construction industry across state and territory borders.

### Table 1.5: No. of active workers by contact location

<table>
<thead>
<tr>
<th></th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>26</td>
<td>23</td>
<td>32</td>
<td>10</td>
</tr>
<tr>
<td>NSW</td>
<td>2 055</td>
<td>2 219</td>
<td>2 487</td>
<td>1 098</td>
</tr>
<tr>
<td>NT</td>
<td>15 576</td>
<td>14 525</td>
<td>14 189</td>
<td>6 197</td>
</tr>
<tr>
<td>QLD</td>
<td>5 433</td>
<td>5 879</td>
<td>6 060</td>
<td>2 731</td>
</tr>
<tr>
<td>SA</td>
<td>610</td>
<td>669</td>
<td>713</td>
<td>337</td>
</tr>
<tr>
<td>TAS</td>
<td>147</td>
<td>153</td>
<td>160</td>
<td>34</td>
</tr>
<tr>
<td>VIC</td>
<td>1 270</td>
<td>1 435</td>
<td>1 605</td>
<td>594</td>
</tr>
<tr>
<td>WA</td>
<td>1 928</td>
<td>2 248</td>
<td>3 156</td>
<td>1 763</td>
</tr>
<tr>
<td>Other*</td>
<td>9</td>
<td>1 663</td>
<td>2 249</td>
<td>1 290</td>
</tr>
<tr>
<td>Total</td>
<td>27 054</td>
<td>28 814</td>
<td>30 651</td>
<td>14 054</td>
</tr>
</tbody>
</table>

*Other includes: ‘unknown’ and/or a non-Australian contact location
Chart 1.4: Percentage of active workers by contact location, 2018-19

- NT: 44%
- QLD: 20%
- WA: 13%
- VIC: 4%
- SA: 2%
- TAS: 0%
- NSW: 8%
- ACT: 0%
- Other: 9%
Employers

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

<table>
<thead>
<tr>
<th></th>
<th>June 2016</th>
<th>June 2017</th>
<th>June 2018</th>
<th>June 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employers</td>
<td>523</td>
<td>554</td>
<td>557</td>
<td>588</td>
</tr>
</tbody>
</table>

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 2018-19 reporting period.

Levy payment and compliance

The levy rate has been reduced over time, with the current rate of 0.1% coming into effect from 7 April 2014. The exemption threshold value was also increased from $200,000 to $1 million at that time. Examples of other exemptions to the levy include; Class 1a(i) and Class 10(a) buildings under the Building Code of Australia and mining and works.

The table 1.7 below provides a summary comparison of total levy payments received from project developers.

<table>
<thead>
<tr>
<th></th>
<th>June 2016</th>
<th>June 2017</th>
<th>June 2018</th>
<th>June 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total levy income * (approx.)</td>
<td>$3.7M</td>
<td>$2.4M</td>
<td>$1.6M</td>
<td>$1.4M</td>
</tr>
</tbody>
</table>

*includes accrual of full levy amount where payment by an instalment plan has been granted

The Scheme’s levy income during the 2018-19 period decreased by approximately $0.28 million in comparison to the previous reporting period.

The maturity of the Scheme, combined with the winding down of the construction phase of the major LNG Gas Plant project, also saw the payment of benefits to workers significantly increase during 2018-19, with the value of payments exceeding the amount of levy revenue by approximately 541%. This, along with the downturn in the NT construction sector and the current levy collection structure (of 0.1% on projects over $1 million and significant exemptions for the housing and resources sectors), will see the trend of payments exceeding levy revenue continue.
NT Build has continued to enjoy a high level of compliance by project developers with the assistance of the office, especially the Field Officers.

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 table 1.8 below, one new notice was issued during the 2018-19 reporting period.

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

<table>
<thead>
<tr>
<th>YEAR</th>
<th>B/FWD</th>
<th>New Notices</th>
<th>Finalised</th>
<th>C/FWD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-19</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>2017-18</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>2016-17</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>2015-16</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>-</td>
</tr>
</tbody>
</table>
**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 and after other efforts to secure payment have failed.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>B/FWD</th>
<th>New Action</th>
<th>Finalised</th>
<th>C/FWD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-19</td>
<td>2</td>
<td>-</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>2017-18</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>2016-17</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>2015-16</td>
<td>-</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
Introduction and overview - NT Build

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 operational expenses.

The sound investment of the accumulated funds of the Scheme plays an increasingly vital role in ensuring there will be sufficient funds to meet both immediate and longer term liability.

The Scheme completed its fourteenth year of operating on 30 June 2019. While the liabilities of NT Build will in the main continue to be longer term, as a result of the Scheme’s maturity, the payment of benefits to workers significantly increased during 2018-19, with the value exceeding the amount of levy revenue received by approximately 541%.

The downturn in the NT construction sector in combination with the current levy collection structure (of 0.1% on projects over $1 million and significant exemptions for the housing and resources sectors) will see the above trend continue and is expected to have a material impact on the Scheme’s long term sustainability.

The Scheme’s investment strategy is managed through a combination of:

- direct cash investments; and
- a multi-asset class, multi-manager fund provided by our implemented consultant JANA Moderate Trust.

This strategy also encompasses a rolling three year forward outlook for projecting the short-term financial status of the Scheme. Given the often cyclical nature of the construction industry generally and the high potential impact of large resource development projects in the Territory, the Board considers that projections beyond this horizon are suitable only for actuarial purposes.

In order to sustain the financial viability of the Scheme, in the context of the ongoing volatility of the global financial markets and the low levy collection structure, the Board closely monitors and refines the Scheme’s financial assets to ensure any adverse exposure of its investments are minimised.

During the 2018-19 period, the Board made the decision to reinvest ‘special’ JANA quarterly investment income distribution amounts. However, to support cash flow, the practice of having all standard quarterly investment income distribution amounts deposited into the Scheme’s operational bank account and not reinvested with JANA continued.

This practice meant that during this reporting period $4 million was reinvested with JANA, while $3.2 million was subsequently withdrawn to support cash flow. In addition, the remaining fixed term cash deposit fund of $2.1 million (plus accrued interest) was redeemed on maturity.

At the conclusion of the 2018-19 reporting period it is pleasing to note that the Scheme’s assets continue to cover liabilities.
Information regarding the performance of the Scheme’s investments is provided in the Financial Statements included in this report.

The following table 1.10 reflects a summary of the actual fund amounts either redeemed from or transferred to the fund managers for investment, while chart 1.5 illustrates the actual asset allocations of the Scheme’s JANA managed portfolio as at 30 June 2019.

**Table 1.10: Summary - actual funds transferred / (redeemed) for investment**

<table>
<thead>
<tr>
<th>Fund Managers</th>
<th>Total funds invested as at 30 June 2018</th>
<th>Net Funds invested/ (redeemed) during 2018-19</th>
<th>Total funds invested as at 30 June 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>MLC/JANA</td>
<td>$63.8M</td>
<td>$0.8M</td>
<td>$64.6M</td>
</tr>
<tr>
<td>PCCU</td>
<td>$2.1M</td>
<td>($2.1M)</td>
<td>$0.0M</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$65.9M</td>
<td>($1.3M)</td>
<td>$64.6M</td>
</tr>
</tbody>
</table>

**Chart 1.5: Actual asset allocations of JANA managed portfolio - 30 June 2019**

- **Australian Shares**: 26.8%
- **Global Shares Unhedged**: 23.2%
- **Global Shares Hedged**: 13.0%
- **Diversified Debt**: 26.4%
- **Diversifying Alternatives**: 5.6%
- **Property Securities**: 3.0%
- **Enhanced Cash**: 2.0%
**Actuarial advice**

**Long service leave liability**

A number of factors affect the actuary’s ability to reliably measure the Scheme’s liability. These factors can include:

- The extent of established historical data available to enable an accurate assessment of the Scheme’s liability;
- Extent and range of non-levied construction work undertaken that is exempt from payment of the levy and for which worker benefit liability will still apply;
- Expenses estimated in administering the Scheme;
- Level of worker registrations and service turnover;
- Period of service credits accumulated before a benefit payment is claimed;
- Benefit payment rate applied and the salary growth rate for the construction industry; and
- The extent to which either service credits are abandoned without benefit payments accruing, or vested benefits at exit from the Scheme never being claimed.

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.

Initially a simple aggregate model was used when assessing the Scheme’s liability but, from the 2014-15 assessment and going forward, a more sophisticated individual projection model has been adopted.

The 2016-17 reporting period also saw a changed approach to setting the discount rate (from risk-free to asset-based) which has had a large impact on the liability valuation.

Initial year’s liability estimates had been calculated using a risk-free discount rate based on the yield on Commonwealth bonds. However in 2016-17 an asset-based discount rate approach was adopted for that and future financial reporting periods for valuing NT Build Scheme liabilities. This change saw a large one-off impact on the liability valuation for 2017 as reflected in Chart 1.6 of the following page.

The key assumptions made by the Actuary in performing the liability valuation for this 2018-19 reporting period are covered in detail in the Notes to the financial statements included in Part 3 of this report. These assumptions include the following matters:

- An asset-based discount rate of 6%;
- Long term future benefit growth rate of 3% per annum;
- No increase in benefit rate from 1 July 2019 and no further increase for 2019-20, plus assumed continued lower growth in the medium terms of 2.5% in 2020-21;
- Timing of payment of benefits;
- Proportion of workers eligible to claim;
- Exit rates from the Scheme;
- Differing rates at which leave will be taken;
- Extent of reactivation of inactive members;
- Scheme administration expenses;
- Service credits reported in the future in respect of past reporting periods.
Taking all of these assumptions into account, the greatest unknowns in the liability valuation are those regarding member movements (exit rates and reactivation rates) and the estimation of unreported service credits for January-June 2019.

Other elements such as the rate of claiming benefits in service are as not as important. Further Scheme experience over time will refine the assumptions made and gradually reduce uncertainty in the valuation.

In terms of the sensitivity of the analysis, the re-entry rate is an important determinant of eventual liability for those not currently active in the NT. The liability estimate is therefore moderately sensitive to the assumption that 30% of inactive members will reactivate.

The most significant elements in the revised valuation included:

- a lower benefit growth rate than assumed;
- higher number of benefit payments made; and
- a lower accruing liability for service days in 2018-19 than recent years.

For accounting purposes as at 30 June 2019 the actuary recommended a liability of $61.952 million for accrued long service leave benefits be adopted. As a result of applying the asset based discount rate when valuing the liability in this reporting period, along with adjustments to other actuarial assumptions, that valuation represents a net decrease of $4.22 million from the previous 2017-18 estimate.

The NT Build Board will continue to engage an independent actuary to determine its long term liabilities.

Accordingly, the provision of $61.952 million has been disclosed on the Statement of Financial Position of the Board as at 30 June 2019 included in this report.

The following table and chart illustrate the annual valuation of the Scheme’s long service leave liability recorded to date.

<table>
<thead>
<tr>
<th>Year</th>
<th>Liability (Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-19</td>
<td>$62.0M</td>
</tr>
<tr>
<td>2017-18</td>
<td>$66.2M</td>
</tr>
<tr>
<td>2016-17</td>
<td>$56.0M</td>
</tr>
<tr>
<td>2015-16</td>
<td>$62.6M</td>
</tr>
<tr>
<td>2014-15</td>
<td>$45.3M</td>
</tr>
<tr>
<td>2013-14</td>
<td>$38.4M</td>
</tr>
<tr>
<td>2012-13</td>
<td>$32.8M</td>
</tr>
<tr>
<td>2011-12</td>
<td>$28.5M</td>
</tr>
<tr>
<td>2010-11</td>
<td>$20.9M</td>
</tr>
<tr>
<td>2009-10</td>
<td>$17.4M</td>
</tr>
<tr>
<td>2008-09</td>
<td>$13.6M</td>
</tr>
<tr>
<td>2007-08</td>
<td>$7.6M</td>
</tr>
<tr>
<td>2006-07</td>
<td>$5.5M</td>
</tr>
<tr>
<td>2005-06</td>
<td>$2.6M</td>
</tr>
</tbody>
</table>

Chart 1.6: Rate of long service leave liability accrual
**Section 91 actuarial review**

Under the CILSLB Act, the Scheme’s actuary must at least once every three years undertake a review of the:

- administration of the Scheme (including any financial aspect of the administration);
- methods used in working out long service benefits; and
- the levy rate.

The report on the findings of each review are presented to the Minister responsible for the Scheme and are tabled in the Legislative Assembly.

**Previous reviews**

The first review of the Scheme was conducted during 2008-09 for the period ending 30 June 2008 and resulted in the Minister:

- Approving a 20% temporary reduction in the levy rate, from 0.5% to 0.4% for two years, commencing from 1 July 2009 until 30 June 2011; and
- Introducing a $1 billion threshold for the purpose of calculating the levy on large scale construction projects, effective from 1 July 2009.

A second triennial review was undertaken during 2011-12 for the period ending 30 June 2011 and resulted in the Minister:

- Approving an ongoing 25% reduction in the levy rate, from 0.4% to 0.3%, effective from 1 April 2012.

A third actuarial review was conducted during 2014-15 for the period ending 30 June 2014 and resulted in the Minister:

- Retaining the levy rate (previously reduced from 0.3% to 0.1% in April 2014) at 0.1% of leviable activity.

The report on the third review also noted that:

- the 0.1% levy rate is below the break-even levy rate and may not be sustainable in the longer term;
- while the then high level of surplus was not desirable and it was appropriate that it be reduced over time via a levy rate below the break-even rate, some level of surplus in the Scheme is necessary to have the resilience to cope with the following known variables that may impact on the surplus position,
  - Investment performance
  - Liability measurement
  - Levy income; and
- the projected levy income appears to be lower than the Scheme accruing costs, and so Scheme surplus will be eroded over coming years. Although this was not a concern in the short to medium term due to existence of a surplus, in the longer term the levy rate may have to rise to ensure financial viability of the Scheme.

A fourth triennial review was undertaken during the 2016-17 for period ending 31 December 2016 and did not result in the Minister needing to take any immediate action. However, key findings from this review indicated that the:

- Scheme’s moderate surplus is expected to decline in the next two years (with a chance it may fall into deficit) due to the Inpex liabilities accruing, however the surplus will again increase once the Inpex levy is paid at the end of the construction phase;
• current levy rate of 0.1 % is below the break-even rate of 0.19% - 0.23%, however due to the high level of surplus, it is recommended that the 0.1% levy rate remain unchanged for the time being; and

• key consideration for the ongoing sustainability of the Scheme is the Inpex levy, and the Minister will need to make a determination regarding the levy rate before it falls due.

The NT Build Board has initiated a heightened level of monitoring and oversight and have undertaken to provide advice to the Minister in the event that the solvency margin falls below an acceptable level.

**Future review**
The next triennial review of the Scheme is expected to be conducted for the period ending December 2019 at the latest.
Part 2: Operational Governance
**Part 2 Operational governance**

**The Board**

*Functions and powers*

The *Construction Industry Long Service Leave and Benefits Act 2005* (CILSLB Act) sets out the Board’s main functions as well as the powers that the Board may exercise in performing those functions. The functions of the Board in administering the portable long service leave scheme (provided for in section 55 of the CILSLB Act) include:

- administration of the Scheme; and
- providing advice and making recommendations to the Minister concerning the operation of the CILSLB Act.

In exercising its powers and carrying out its functions, the CILSLB Act obliges the Board to do so in a manner that is reasonable and accords with and furthers the object of the Act.

**Membership**

The Scheme is administered by a Government appointed Board. Under the provisions in the CILSLB Act, the constitution of the Board consists of:

- a minimum of five members made of the Chairperson and four other members; and
- up to two additional members.

A person may be eligible for appointment to the Board if they hold suitable qualifications, or have suitable knowledge or experience, relating to the functions of the Board.

Board members are able to hold office for a period of up to five years, and may be reappointed.

The number of public sector employees that may be appointed to the Board is also capped to a maximum of two. This restriction ensures majority industry participation in the administration of NT Build and keeps the Scheme, established for the benefit of industry, at arm’s length from government.

Changes in board membership during the 2018-19 period saw the re-appointment of David Malone for a further full term.

The membership of the NT Build Board on 30 June 2019 was as follows.

<table>
<thead>
<tr>
<th>Chairperson</th>
<th>Michael Martin OAM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Former senior NT public servant; Chair of NT Government Remuneration Tribunal</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other members</th>
<th>Dick Guit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Director of Master Builders Australia (national); Immediate Past President - MBA NT; Chair of the Master Builders Fidelity Fund; Chair of the Industry Capability Network NT; Member of the NT Government: TeamNT and Defence Advisory Board</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Michael Haire</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Member</td>
</tr>
<tr>
<td></td>
<td>Electrical Trades Union (ETU)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>David Malone</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Executive Officer</td>
</tr>
<tr>
<td></td>
<td>Master Builders NT</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Michael Milatos</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Director</td>
</tr>
<tr>
<td></td>
<td>Cento Pty Ltd</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Additional members</th>
<th>Sarah Rummery</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Assistant Under Treasurer</td>
</tr>
<tr>
<td></td>
<td>Economics</td>
</tr>
<tr>
<td></td>
<td>Department of Treasury and Finance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rosemary Campbell</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Director</td>
</tr>
<tr>
<td></td>
<td>Merit Partners</td>
</tr>
</tbody>
</table>
**Conducting business**

**Meetings**
During this reporting period the Board convened a total of 11 times, including 7 regular meetings and 4 occasions involving specific matters that required attention between scheduled meetings.

Details regarding members’ participation at meetings is provided in the Financial Statements included in this report.

**Remuneration**
Board members are remunerated in accordance with the rates and conditions determined under the *Assembly Members and Statutory Officers (Remunerations and Other Entitlements) Act 2006*; based on a classification that recognises the range of duties, powers and responsibilities assigned to the Board.

Details regarding payments to members is provided in the Financial Statements included in this report.

**General decisions**
In the course of the 11 meetings of the Board, 59 general items of business were resolved, covering a range of issues concerning governance, scheme administration and the financial and operational management of NT Build.

**Board Policies**
One policy, relating to the defined weekly benefit level was issued during this reporting period.

All policies of the Board are intended as a guide only and are not intended to bind the Board to any particular action or decision about the nature of construction work or affecting the operation or administration of the portable long service leave scheme. Copies of all policies are published on the website at: www.ntbuild.com.au

**Ministerial directions**
Section 67 of the CILSLB Act enables the Minister to give a direction to the NT Build Board relating to the exercising of its powers or the performance of its functions.

No directions pursuant to section 67(1) of the CILSLB Act were given during the year ending 30 June 2019.

**Disclosure of interests**
As required under the CILSLB Act a register of the interests of members of the Board is maintained. All members submit an initial declaration stating any interests of relevance to Board business and a process has been implemented to ensure any new or amended declarations are disclosed at each meeting.
Reconsideration/reviews
Under Section 84 the CILSLB Act, a person affected by a decision made by either the Registrar or the Board may request the Board to formally reconsider that decision.

Table 2.1 below illustrates one application for reconsideration was received during this reporting period.

Similarly, under Section 85 of the CILSLB Act, a person who has applied to the Board for a reconsideration of a decision may, if dissatisfied with the decision, apply to the Local Court for a review of the Board’s reconsidered decision.

No applications for a review by the Local Court were received during the 2018-19 reporting period.

Table 2.1: Summary - applications for reconsideration lodged - Section 84

<table>
<thead>
<tr>
<th>YEAR</th>
<th>B/FWD</th>
<th>LODGED AGAINST decision of Registrar</th>
<th>RESOLVED</th>
<th>C/FWD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>decision of Board</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018-19</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>2017-18</td>
<td>-</td>
<td>3</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>2016-17</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2015-16</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>
The Office

Registrar

The CILSLB Act requires that a Registrar (who is to be an employee within the meaning of the Public Sector Employment and Management Act 1993) be formally appointed by the Board for the Scheme. Mr Theo Tsikouris is the appointed Registrar for the Scheme.

The specific powers and primary functions of the Registrar are set out in the CILSLB Act. The functions of the Registrar in administering the portable long service leave Scheme (provided for in section 77 of the CILSLB Act) include:

• Administering the Scheme in accordance with any directions given by the Board;
• Exercising any powers or functions delegated by the Board;
• Maintaining construction worker and employer registers;
• Approving of forms to be used for the Scheme; and
• Approving registration requests and deregistrations for the Scheme.

Staff

Section 59 of the CILSLB Act enables the Board to engage any person to assist it in exercising its powers and performing its functions. For administrative efficiency however the Board made the decision to source employees from within the Northern Territory Public Sector (NTPS) rather than employ directly.

In accordance with the Administrative Arrangements Order, in force for the period ended 30 June 2019, responsibility for the administration of the CILSLB Act was allocated to the Department of Trade, Business and Innovation (DTBI). This means that, for administrative purposes, NT Build reported direct to the Minister for Business and Innovation. Likewise, the staff of NT Build are employees of DTBI, made available to the NT Build Board under an agreed full cost recovery arrangement.

As illustrated in the chart below, the staffing profile for NT Build as at 30 June 2019 consisted of nine staff.

Chart 2.1: Staffing FTE and profile as at 30 June 2019
For the purpose of managing staff, the Registrar and other public sector employees made available to the Board are engaged under the standard NT Public Sector employment arrangements. In addition, the Registrar has been provided with delegations equivalent to those applicable to an NTPS Chief Executive Officer under the provisions of the Public Sector Employment and Management Act 1993, in relation to the staff of NT Build.

Disclosure of interests

In accordance with the Northern Territory Public Sector Code of Conduct, NT Build staff are required to disclose any financial or other interests held by them immediately upon becoming aware that a potential conflict between personal interest and official duty, whether real or apparent, has arisen or is likely to arise.

Written declarations have been submitted by all relevant NT Build staff when appropriate.

**Organisation structure**

The following diagram represents the organisation structure as at 30 June 2019.
Information management

Information Privacy and Access (FOI)
As a 'body corporate’ established under Northern Territory legislation, NT Build is an identified entity for the purpose of reporting under section 98 of the Information Act 2002.

In accordance with section 98 of the Information Act 2002, NT Build had no requests to report for the access to information held by NT Build during the 2018-19 financial year.

• Managing Access
NT Build strives to make general information of interest available to any interested party, where such information is allowable under the CILSLB Act and does not interfere with the essential public interest, individual privacy or the effective operation of NT Build. In most cases, levy payers and registered workers and employers seeking access to their own information held by NT Build can obtain the information more quickly under the provisions of the CILSLB Act rather than by making an application for access under the Information Act 2002.

• Managing Privacy and Protection
NT Build respects the privacy of individuals and is committed to collecting, using, storing and managing personal information in a manner that complies with the Information Privacy Principles.

More information is published on our internet site at: www.ntbuild.com.au

Records management
Part 9 (Records and Archives Management) of the Information Act 2002 provides for the establishment and implementation of records management standards. Adequate records management underpins the access, correction and privacy components of the Information Act 2002 by ensuring that Government information (records) can be found, read and reproduced in response to requests.

Notwithstanding that NT Build is a ‘body corporate’ established by Northern Territory legislation, the Department of Trade, Business and Innovation (DTBI) is the agency designated under the Administrative Arrangements Order with responsibility for the general administration of the CILSLB Act.

For the purpose of Part 9 of the Information Act 2002, all records relating to the administration of the CILSLB Act handled by NT Build are managed in accordance with the DTBI records management framework and policies.

Information systems
• Office environment
The Northern Territory Government’s information technology services are managed through a number of outsourced service provision arrangements. NT Build operates within the standard Northern Territory Government information technology server environment.

• Business system
The business system utilised to support the administration of the NT Build Scheme provides a user friendly and intuitive client self-service functionality. The Formation Technology Group has been engaged to provide ongoing maintenance and technical support of the system.
**Communication and marketing**

**General marketing activities**
Throughout the reporting period a number of customer focused marketing activities were implemented.

These have included:
- Advertising in relevant industry publications and directories;
- Maintenance of the NT Build website;
- Production and maintenance of a range of targeted customer information bulletins and fact sheets; and
- Delivery of numerous formal and informal presentations to targeted customers, including conducting regional visits to Katherine, Nhulunbuy, Tennant Creek and Alice Springs, as well as local site visits and information sessions.

**Industry consultation**
- *Information sessions and briefings*
  During the reporting period NT Build staff provided a range of information and briefing sessions to construction industry organisations, such as:
  - General presentations at industry forums;
  - Targeted presentations to employer and developer groups; and
  - Tailored on-site briefing sessions to employees, employers and developers.

- *Presentations to the Board*
  During the reporting period two presentations were made to the Board on matters of interest to the effective administration of the Scheme.

- Liaison with other construction industry long service leave schemes

As a party to the National Reciprocal Agreement, NT Build continues to liaise with other state and territory construction industry long service leave schemes for the purpose of processing benefit claims lodged by registered workers.

In addition, the Registrar and nominated board members participate in regular meetings with the chief executives and chairpersons of equivalent interstate construction industry portable long service leave schemes for the purpose of exchanging ideas on scheme coverage, administrative practices, legislation, investments, and information technology.

Hosting of these meetings are managed on state/territory rotation basis.

**Insurance and risk management**

**Insurance**
As a self funded statutory body corporate, insurance policies relating to public liability, vehicle and property damage and workers compensation have been endorsed by the Board to mitigate any financial risk to the Scheme.

**Finance, Risk and Audit (FRA) committee**
The FRA committee has been established by the Board for the purpose of providing:
- reasonable assurance to the Board that NT Build’s core business goals and objectives are being achieved in an efficient and economical manner, within an appropriate framework of internal control and risk management; and
• strategic oversight and focus on the key financial and strategic risks and controls across NT Build but does not replace the appropriate function of the Board.

The endorsed terms of reference for the FRA include the requirements for the committee;
• composition to be reviewed at least biennially and its members will be appointed, replaced or removed at the discretion of the Board;
• to consist of a minimum of three members, with two constituting a quorum;
• to meet as frequently as is necessary to undertake its role effectively and in any event at least three times per year;
• to report to the Board through the Chair of the committee by written report at Board meetings, including recommendations for Board consideration.

Current members appointed to the FRA committee are Rosemary Campbell (Chair), Michael Milatos and Sarah Rummery.

During this reporting period the FRA committee convened a total of eight times, including three regular meetings and five ad hoc occasions involving specific matters that required attention between scheduled meetings.

Financial sustainability
The NT Build Board is responsible for the administration of the Scheme which entails, amongst other things, investing the assets of the organisation and monitor the Scheme’s solvency.

Following the findings in the report from the actuary’s triennial review completed in February 2017, the Board noted that the Scheme is not sustainable at the current 0.1% levy rate.

It was acknowledged that the Scheme’s current financial standing was not totally unexpected due to the Government’s decision to reduce the levy rate to 0.1% and increase the levy threshold to $1 million without consultation with the Board.

• Solvency management
NT Build is a Scheme established to pay benefits in the future, based on past service in the NT construction industry. The effective monitoring and management of the solvency of the Scheme is therefore crucial to ensuring NT Build has the necessary funds to meet the current and future long service leave obligations of registered building and construction industry workers in the Northern Territory. The development of a capital management plan, which provides a framework for monitoring the Scheme’s solvency position, was finalised during the 2017-18 reporting period.

Financial and internal audit services
As the contracted financial advisers for the Scheme, TDH Chartered Accountants continued to provide NT Build with independent financial, accounting and taxation advice and services.

During the reporting period the following range of services were provided under the contracted consultancy arrangement.
• On-going ad-hoc general advice in regard to the accounting and taxation implications of NT Build activities.
• Preparation of annual Financial Statements for statutory auditing and reporting.
• Advice and assistance with the delivery of a compliance audit program.
Fraud control and prevention

NT Build has a zero tolerance for fraudulent activity or behaviour by employees, contractors and third party service providers. Not only is it a criminal offence, it reduces the funds available for administering the portable long service leave scheme and undermines public confidence in the Board, the office and the Scheme.

Fraud prevention is the responsibility of all NT Build board members and staff. Both board members and staff play an essential part in reducing NT Build’s exposure to fraudulent activity by:

- behaving in an ethical way that is consistent with the Northern Territory Public Sector Codes of Conduct, the NT Government Boards Handbook and relevant provisions contained in the CILSLB Act; and
- reporting and managing any incidents of suspected fraud consistent with the ICAC’s Whistleblower Protection Guidelines and Directions and Mandatory Reporting Directions and Guidelines.

All audits are undertaken by contracted external auditors. For this purpose, a panel contract arrangement has been established for the purpose of conducting levy compliance audits.

The final report prepared by the auditor of a compliance review, including audit findings, are considered by the FRA Committee prior to the Board’s consideration and determination of any further action.

Where, as a result of the audit findings, the reconciled cost of the construction project results in a finding that the actual cost was less than the original estimate, NT Build will refund the overpaid portion of the levy payment.

This includes a full refund where the reconciled total cost of the construction project is determined to be less than:

- $1 million for projects that started on or after 7/4/2014; or
- $200,000 for projects that started before 7/4/2014, regardless of completion date.

However, if the total cost of construction is determined to be more than the amount originally notified to the Board, the levy payer will be required to pay the additional amount of levy. An interest penalty may also be applied.

The following Table 2.2 provides a summary of the status of the levy compliance audits undertaken.

Levy compliance program

NT Build operates a ‘Strategic audit and levy compliance program’ to support its strategic audit framework. This framework introduced an annual audit program aimed at strengthening levy compliance and supporting the effective and efficient administration of the Scheme, whereby routine audits of selected construction projects are to be conducted to ensure that levy payers are declaring and remitting the correct amount of levy that is required.

All audits are undertaken by contracted external auditors. For this purpose, a panel contract arrangement has been established for the purpose of conducting levy compliance audits.

The final report prepared by the auditor of a compliance review, including audit findings, are considered by the FRA Committee prior to the Board’s consideration and determination of any further action.

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However, if the total cost of construction is determined to be more than the amount originally notified to the Board, the levy payer will be required to pay the additional amount of levy. An interest penalty may also be applied.

The following Table 2.2 provides a summary of the status of the levy compliance audits undertaken.
### Table 2.2: Summary of the audits undertaken

<table>
<thead>
<tr>
<th></th>
<th>B/FWD</th>
<th>STARTED</th>
<th>FINALISED</th>
<th>C/FWD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-19</td>
<td>3</td>
<td>-</td>
<td>3(^{(2a)(d)})</td>
<td>-</td>
</tr>
<tr>
<td>2017-18</td>
<td>3</td>
<td>3</td>
<td>3(^{(2a)(b)})</td>
<td>3</td>
</tr>
<tr>
<td>2016-17</td>
<td>2</td>
<td>3</td>
<td>2(^{(d)})</td>
<td>3</td>
</tr>
<tr>
<td>2015-16</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
</tbody>
</table>

(a) = Additional levy and interest penalty payable - audited final construction cost more than reconciled project cost declared.
(b) = Partial levy refunded - audited final construction cost less than reconciled project cost declared.
(c) = Full levy refunded - audited final construction cost assessed as less than $200 000 levy exemption amount.
(d) = No levy adjustment required - audited final construction cost same as reconciled project cost declared.

---

### External audit

As required under the provisions of the CILSLB Act the annual statutory audit of the financial statements relating to the Board’s operation for the year ended 30 June 2019 was undertaken by the NT Auditor-General.

The audited financial statements and accompanying report from the Auditor-General are included in the following Part 3 of this Annual Report.

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### Legal advice

Legal support services for NT Build are predominately provided by the Northern Territory Government Department of the Attorney-General and Justice. As such, the Solicitor for the Northern Territory provides both general and high level advice on the interpretation and application of the CILSLB Act, including the undertaking of any prosecutions on behalf of NT Build when necessary.

When required or appropriate, the Solicitor for the Northern Territory facilitates the outsourcing of a request for legal services for specialist advice or assistance. No out sourced legal services were engaged during this reporting period.
Part 3: Financial Accountability
### Part 3 Financial accountability

**Financial Statements for year ended 30 June 2019**

<table>
<thead>
<tr>
<th>Index</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent auditor’s report</td>
<td>48</td>
</tr>
<tr>
<td>Board members’ declaration</td>
<td>51</td>
</tr>
<tr>
<td>Statement of comprehensive income</td>
<td>52</td>
</tr>
<tr>
<td>Statement of financial position</td>
<td>53</td>
</tr>
<tr>
<td>Statement of changes in equity</td>
<td>54</td>
</tr>
<tr>
<td>Statement of cash flows</td>
<td>55</td>
</tr>
<tr>
<td>Notes to the financial statements</td>
<td>56</td>
</tr>
</tbody>
</table>
Independent auditor’s report to the NT Build Board

Auditor-General
Independent Auditor’s Report to the Board
NT Build
Page 1 of 3

Opinion

I have audited the Financial Report of NT Build which comprises the statement of financial position as
at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the
statement of cash flows for the year then ended, and notes to the Financial Report, including a summary
of significant accounting policies and other explanatory information, and Declaration by the Board.

In my opinion the accompanying Financial Report of NT Build has been prepared in accordance with
Australian Accounting Standards, giving a true and fair view of the financial position of NT Build as at
30 June 2019, and of its financial performance and its cash flows for the year then ended.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those
standards are further described in the Auditor’s responsibilities for the audit of the Financial Report
section of my report.

I am independent of NT Build in accordance with the ethical requirements of the Accounting
Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants
(the Code) that are relevant to the audit of the Financial Report in Australia. I have fulfilled my other
ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my
opinion.

Emphasis of Matter

I draw attention to Note 10(a) to the financial statements which describes the uncertainty related to the
Long Service Leave liability valuation as carried out on 9 August 2019. My opinion is not qualified in
respect of this matter.

Other Information

The Board is responsible for the Other Information. The Other Information obtained at the date of this
auditor’s report comprises the Annual Report of NT Build for the year ended 30 June 2019, but does
not include the financial report and my auditor’s report thereon.

My opinion on the financial report does not cover the Other Information and accordingly I do not express
any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the Other Information
and, in doing so, consider whether the Other Information is materially inconsistent with the financial
report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the Other Information that I obtained prior to the date of this
auditor’s report, I conclude that there is a material misstatement of this Other Information, I am required
to report that fact. I have nothing to report in this regard. I am required to report if I conclude that there
is a material misstatement of this Other Information and, based on the work I have performed on the
Other Information that I obtained prior to the date of this Auditor’s Report, I have nothing to report.

Level 12 Northern Territory House 22 Mitchell Street Darwin 0800 Tel: 08 8999 7155
Independent auditor’s report continued:

Responsibilities of the Board for the Financial Report

The Board of NT Build is responsible for the preparation of the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and for such internal control as the Board determines is necessary to enable the preparation of the Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Report, the Board is responsible for assessing NT Build’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate NT Build or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for overseeing the financial reporting processes of NT Build.

Auditor’s Responsibilities for the audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NT Build’s internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on NT Build’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report however, future events or conditions may cause NT Build to cease to continue as a going concern.
Independent auditor’s report continued:

Auditor-General
Page 3 of 3

- evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Julie Crisp
Auditor-General for the Northern Territory
Darwin, Northern Territory
12 November 2019
The directors of NT Build declare that:

1. the financial statements and notes for the year ended 30 June 2019 are in accordance with the Northern Territory Construction Industry Long Service Leave and Benefits Act 2005 and:
   a. comply with Australian Accounting Standards, as stated in accounting policy Note 1 to the financial statements, and
   b. give a true and fair view of the financial position and performance of NT Build;
2. in the directors’ opinion, there are reasonable grounds to believe that NT Build will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board and signed for and on behalf of the Board of NT Build.

[Signature]

Board Member ..........................  Board Member ..........................

Dated this ......................... day of .............................. 2019
### Statement of comprehensive income

for the year ended 30 June 2019

<table>
<thead>
<tr>
<th>Note</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Contributions from levy payers</td>
<td>1 378 466</td>
<td>1 660 211</td>
</tr>
<tr>
<td>Other income</td>
<td>14 465 507</td>
<td>13 903 960</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>(1 025 641)</td>
<td>(879 646)</td>
</tr>
<tr>
<td>Depreciation and amortisation expense</td>
<td>(82 113)</td>
<td>(81 777)</td>
</tr>
<tr>
<td>Fees and allowances</td>
<td>(39 334)</td>
<td>(58 288)</td>
</tr>
<tr>
<td>Long service leave benefit payments</td>
<td>(17 973 093)</td>
<td>(11 176 551)</td>
</tr>
<tr>
<td>Long service scheme revaluation - current</td>
<td>4 220 000</td>
<td>(10 210 000)</td>
</tr>
<tr>
<td>Occupancy costs</td>
<td>(95 381)</td>
<td>(103 251)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(468 365)</td>
<td>(446 175)</td>
</tr>
</tbody>
</table>

**Net surplus/(deficit) for the year**

- **2019**: 380 046
- **2018**: (7 391 517)

**Total comprehensive income for the year**

- **2019**: 380 046
- **2018**: (7 391 517)

NT Build has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement.

The accompanying notes form part of these financial statements.
Statement of financial position
as at 30 June 2019

<table>
<thead>
<tr>
<th>Note</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**ASSETS**

**Current assets**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>4 945 373</td>
<td>3 383 032</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>279 187</td>
<td>412 184</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>84 206 723</td>
<td>85 459 760</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td><strong>85 431 283</strong></td>
<td><strong>89 254 976</strong></td>
</tr>
</tbody>
</table>

**Non-current assets**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>8 661</td>
<td>11 239</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>159 070</td>
<td>238 605</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT ASSETS</strong></td>
<td><strong>167 731</strong></td>
<td><strong>249 844</strong></td>
</tr>
</tbody>
</table>

**TOTAL ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>85 599 014</strong></td>
<td><strong>89 504 820</strong></td>
</tr>
</tbody>
</table>

**LIABILITIES**

**Current liabilities**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
<td>179 818</td>
<td>247 721</td>
</tr>
<tr>
<td>Short-term provisions</td>
<td>9 800 000</td>
<td>9 100 000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>2 051</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td><strong>9 981 869</strong></td>
<td><strong>9 347 721</strong></td>
</tr>
</tbody>
</table>

**Non-current liabilities**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term provisions</td>
<td>52 152 000</td>
<td>57 072 000</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT LIABILITIES</strong></td>
<td><strong>52 152 000</strong></td>
<td><strong>57 072 000</strong></td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>62 133 869</strong></td>
<td><strong>66 419 721</strong></td>
</tr>
</tbody>
</table>

**NET ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>23 465 145</strong></td>
<td><strong>23 085 099</strong></td>
</tr>
</tbody>
</table>

**EQUITY**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserves - implementation funding</td>
<td>296 867</td>
<td>296 867</td>
</tr>
<tr>
<td>Accumulated funds</td>
<td>23 168 278</td>
<td>22 788 232</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td><strong>23 465 145</strong></td>
<td><strong>23 085 099</strong></td>
</tr>
</tbody>
</table>

NT Build has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement.

The accompanying notes form part of these financial statements.
## Statement of changes in equity
for the year ended 30 June 2019

<table>
<thead>
<tr>
<th></th>
<th>Accumulated Funds $</th>
<th>Implementation Funding $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2019</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 July 2018</td>
<td>22 788 232</td>
<td>296 867</td>
<td>23 085 099</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>380 046</td>
<td>-</td>
<td>380 046</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2019</strong></td>
<td>23 168 278</td>
<td>296 867</td>
<td>23 465 145</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Accumulated Funds $</th>
<th>Implementation Funding $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 July 2017</td>
<td>30 179 749</td>
<td>296 867</td>
<td>30 476 616</td>
</tr>
<tr>
<td>Deficit for the year</td>
<td>(7 391 517)</td>
<td>-</td>
<td>(7 391 517)</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2018</strong></td>
<td>22 788 232</td>
<td>296 867</td>
<td>23 085 099</td>
</tr>
</tbody>
</table>

NT Build has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement.

The accompanying notes form part of these financial statements.
Statement of cash flows
for the year ended 30 June 2019

<table>
<thead>
<tr>
<th>Note</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Levies received and other income</td>
<td>17 985 896</td>
<td>20 517 456</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(946 433)</td>
<td>(879 644)</td>
</tr>
<tr>
<td>Interest received</td>
<td>43 719</td>
<td>88 966</td>
</tr>
<tr>
<td>Long service leave payments</td>
<td>(17 929 537)</td>
<td>(11 412 873)</td>
</tr>
<tr>
<td>Payments for good and services</td>
<td>(791 305)</td>
<td>(617 505)</td>
</tr>
<tr>
<td><strong>Net Cash provided by/ (used in) operating activities</strong></td>
<td>17 (1 637 660)</td>
<td>7 696 400</td>
</tr>
</tbody>
</table>

**CASH FLOWS FROM INVESTING ACTIVITIES**

<table>
<thead>
<tr>
<th>Note</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>-</td>
<td>(12 892)</td>
</tr>
<tr>
<td>Purchase of listed managed funds</td>
<td>(4 000 000)</td>
<td>(7 000 000)</td>
</tr>
<tr>
<td>Acquisition of listed managed funds</td>
<td>3 200 000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Cash provided by/ (used in) investing activities</strong></td>
<td>(800 000)</td>
<td>(7 012 892)</td>
</tr>
</tbody>
</table>

Net increase/(decrease) in cash and cash equivalents held | (2 437 660) | 683 508 |
Cash and cash equivalents at the beginning of financial year | 3 383 032 | 2 699 524 |
**Cash and Cash equivalents at end of financial year** | 4 945 372 | 3 383 032 |

The accompanying notes form part of these financial statements.
Notes to the financial statements
for the year ended 30 June 2019

The financial report covers NT Build as an individual entity. The financial report was authorised for issue in accordance with a resolution of the board members on 8 November 2019.

NT Build has its principal office at Charlton Court, Woolner, Northern Territory. The entity was established in 2005 under the Northern Territory Construction Industry Long Service Leave and Benefits Act 2005 and it administers this Act which provides a portable long service benefits scheme to building and construction workers in the Northern Territory and is a not-for-profit entity for reporting purposes under Australian Accounting Standards.

The functional and presentation currency of NT Build is Australian dollars and rounded to the nearest dollar.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation
The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Northern Territory Construction Industry Long Service Leave and Benefits Act 2005.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

The financial statements are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Comparative amounts
Prior period financial statement amounts have been reclassified to conform to current period presentation.

(c) Property, plant and equipment
Classes of property, plant and equipment are measured using the cost model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of costs of dismantling and restoring the asset, where applicable.
1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED
(c) Property, plant and equipment (continued)

Plant and equipment

Plant and equipment are measured using the cost model. All items of property, plant and equipment with a cost, or other value, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the NT Build Board, equal to or greater than $5,000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the $5,000 threshold are expensed in the year of acquisition.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line method from the date that the NT Build Board determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the asset’s useful life.

The depreciation rates used for each class of depreciable asset are shown below:

<table>
<thead>
<tr>
<th>FIXED ASSET CLASS</th>
<th>DEPRECIATION RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture, fixtures and fittings</td>
<td>10%</td>
</tr>
<tr>
<td>Office equipment</td>
<td>20%</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>33.3%</td>
</tr>
<tr>
<td>Computer software</td>
<td>33.3%</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>20%</td>
</tr>
</tbody>
</table>

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds from disposal received with its carrying amount and is taken to profit or loss.
1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(d) Intangibles

Software development
Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project which is 5 years.

Amortisation
Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The amortisation rate used for the class of asset is 20%.
(e) Financial instruments

For comparative year

Financial instruments are recognised initially using trade date accounting, i.e. On the date that NT Build becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument’s category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income in the ‘finance income’ or ‘finance costs’ line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

NT Build’s trade and other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.
1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(e) Financial instruments (continued)

Financial assets (continued)

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

In some circumstances, NT Build renegotiates repayment terms with customers which may lead to changes in the timing of the payments, NT Build does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:
- acquired principally for the purpose of selling in the near future;
- designated by NT Build to be carried at fair value through profit or loss upon initial recognition; or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.
1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(e) Financial instruments (continued)

Financial assets (continued)

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of NT Build’s Board to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. NT Build’s available-for-sale financial assets comprise listed securities.

Purchases and sales of available-for-sale investments are recognised on settlement date.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in prior period statement of comprehensive income resulting from the impairment of debt securities are reversed through the statement of comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.
1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED  
(e) Financial instruments (continued)  
Financial assets (continued)  
Derecognition  
Financial assets are derecognised when the contractual rights to receipt of cash  
flows expire or the asset is transferred to another party whereby the entity no longer  
has any significant continuing involvement in the risks and benefits associated with  
the asset. Financial liabilities are derecognised when the related obligations are  
discharged, cancelled or have expired. The difference between the carrying amount  
of the financial liability extinguished or transferred to another party and the fair value  
of consideration paid, including the transfer of non-cash assets or liabilities in profit  
or loss.

Financial liabilities  
Financial liabilities are recognised when NT Build becomes a party to the contractual  
agreements of the instrument. All interest-related charges and, if applicable, changes  
in an instrument’s fair value that are reported in profit or loss are included in the  
income statement line items “finance costs” or “finance income”.

Financial liabilities are classified as either financial liabilities ‘at fair value through  
profit or loss’ or other financial liabilities depending on the purpose for which the  
liability was acquired.

NT Build’s financial liabilities include borrowings, trade and other payables, which are  
measured at amortised cost using the effective interest rate method.

Impairment of financial assets  
At the end of the reporting period NT Build assesses whether there is any objective  
evidence that a financial asset or group of financial assets is impaired.

Where this indicator exists and regardless of indefinite life intangible assets and  
intangible assets not yet available for use, the recoverable amount for the assets is  
estimated.

The recoverable amount of an asset is the higher of the fair value less costs of  
disposal and the value in use. Value in use is the present value of the future cash  
flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss  
is recognised in profit or loss.
1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED
(e) Financial instruments (continued)
   Impairment of financial assets (continued)
   Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

   Financial assets at amortised cost
   If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

   Impairment on loans and receivables is reduced through the use of an allowance account, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

   Available-for-sale financial assets
   A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

   For current year
   Financial instruments are recognised initially on the date that NT Build becomes party to the contractual provisions of the instrument.

   On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

   Financial assets
   All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.
1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(e) Financial instruments (continued)
Financial assets (continued)
Classification
On initial recognition, NT Build classifies its financial assets into the following categories, those measured at:
- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless NT Build changes its business model for managing financial assets.

Amortised cost
Assets measured at amortised cost are financial assets where:
- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

NT Build's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income
Equity instruments
NT Build has a number of strategic investments in listed and unlisted entities over which are they do not have significant influence nor control. NT Build has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.
1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED
(e) Financial instruments (continued)

Financial assets (continued)

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, NT Build considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on NT Build's historical experience and informed credit assessment and including forward looking information.

NT Build uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

NT Build uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to NT Build in full, without recourse to NT Build to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to NT Build in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.
1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(e) Financial instruments (continued)

Financial assets (continued)

Trade receivables and contract assets
Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. NT Build has determined the probability of nonpayment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where NT Build renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost
Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities
NT Build measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of NT Build comprise of trade payables.
1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(f) Impairment of non-financial assets
At the end of each reporting period NT Build determines whether there is evidence of impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount for the assets is estimated.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(g) Cash and cash equivalents
Cash and cash equivalents comprise of cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the Statement of Cash Flows and are presented within current liabilities on the Statement of Financial Position.

(h) Trade Receivables
Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that NT Build will not be able to collect all amounts due according to the original terms. Objective evidence of impairment include financial difficulties of the debtor, default payments or debts more than 90 days overdue. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

From time to time, the entity elects to renegotiate the terms of trade receivables due from customers with which it previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and are not, in the view of board members, sufficient to require the derecognition of the original instrument.
1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(i) Trade and other payables
Trade and other payables represent liabilities for goods and services provided to NT Build prior to the year end and which are unpaid. Liabilities for trade and other payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to NT Build. Accounts payable are normally settled within 30-60 days.

(j) Long Service Leave Benefits Provisions

(i) Long Service Leave Benefits Expense
Employees and contractors who are registered with NT Build accrue 65 days (13 weeks) long service leave after they have been credited with 2,200 qualifying service days (equivalent to 10 years) in the building and construction industry for service after 1 July 2005. Workers receive credit of 6.5 days long service leave for each 220 days (1 year) worked.

Leave may be claimed after the employee or contractor has been credited with a total of 65 days of long service leave for the first time or they have been credited with 32.5 days of additional long service credits after the employee or contractor was credited with 65 days of long service leave.

(ii) Accrued Long Service Leave Benefits Liability
Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees and contractors to the end of the reporting period using the projected unit credit method. Consideration is given to expected future salaries and wage levels, experience of employee departures and periods of service. Expected future payments are discounted using appropriate asset based rate at the end of the reporting period with terms to maturity and currency that match, as closely as possible, the estimated cash outflows.

(k) Income Tax
As a public authority constituted under a law of the Northern Territory, the income of NT Build is exempt from income tax under Div 50-25 of the Income Tax Assessment Act 1997 and no charge for income tax expense is required.

(l) Leases
Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to NT Build are classified as finance leases.
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(l) Leases (continued)

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that NT Build will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(m) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to NT Build and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Interest revenue is recognised in respect of fixed-interest securities, and cash and cash equivalent balances. Interest revenue is recognised as it accrues.

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.
1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(n) Long service levy
A two tier levy regime is applied for the calculation of the long service levy on all eligible construction projects undertaken in the Northern Territory.

1. A ‘standard’ prescribed levy rate is applied to the first $1 billion of the projects construction costs. The following ‘standard’ levy rates apply:
   - 0.1% on projects started from 7/4/2014 - regardless of completion date;
   - 0.3% on projects started from 1/4/2012 to 6/4/2014 - regardless of completion date;
   - 0.4% on projects started from 1/7/2009 to 31/3/2012 - regardless of completion date; and
   - 0.5% on projects started from 1/7/2005 to 30/6/2009 - regardless of completion date.

The levy rates listed above are applicable for all eligible construction projects of at least:
- $1 million or more in value for projects that commenced on or after 7 April 2014; or
- $200 000 or more in value for projects that commenced between 1 July 2005 and 6 April 2014, regardless of completion date.

2. A project specific levy rate, determined by the responsible Minister and informed by actuarial advice, is applied to the projects that exceed the $1 billion threshold.

(o) Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows in the Statement of Cash Flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as an operating cash flow.
1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(p) Critical accounting estimates and judgments
NT Build make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Long service leave benefits - Note 1(j), Note 10(a): Provisions
Non-current liabilities in respect of long service leave benefits are measured as the present value of estimated future cash outflows based on the appropriate asset based rate, estimates of future salary and wage levels and employee periods of service. The accuracy of provisions is the key estimate included in these financial statements as noted in Note 10(a).

Allowance for impairment losses - Note 1(f), 5: Trade and other receivables
The value of the provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the aging of receivables, historical collection rate and specific knowledge of the individual debtors financial position.

(q) Going concern
The financial report has been prepared on a going concern basis. The Board continued to proactively monitor the financial solvency of the Scheme through the use of regular actuarial advice (including the annual liability valuation and triennial review mechanism) and the review of its investment and accounting policies.

The Scheme has recorded a net profit of $380 047 as at the end of this current reporting period.

While the Scheme currently has a moderate surplus net asset position, it is predicted to gradually decline over the following years as growth in liabilities continue to accrue at a greater rate than expected income. The underlying concern expressed by the actuary in his 2017 triennial actuarial review, that the current levy rate of 0.1% is well below the break-even rate, remains.
1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(q) Going concern (continued)
Notwithstanding the concerns, the Board remains satisfied that adequate governance practices and review mechanisms are in place for the ongoing monitoring of the financial sustainability of the Scheme.

(r) Adoption of new and amended accounting standards
During the current year, the following standards became mandatory and have been adopted by NT Build:

• **AASB 9 Financial Instruments**
NT Build applied AASB 9 for the first time in 2018-19. AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. NT Build has not restated the comparative information, which continues to be reported under AASB 139. Where applicable, differences arising from the adoption of AASB 9 have been recognised directly in accumulated funds and other components of equity. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Several other amending standards and AASB interpretations have been issued that apply to the current reporting periods, but are considered to have no impact on public sector reporting.

**Classification and measurement**
Financial instruments have been reclassified into one of three measurement bases – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of these instruments is based on NT Build's business model for managing the financial assets and the contractual terms of the cash flows.

The classification and measurement requirements of AASB 9 did not have a significant impact to NT Build. The following are the changes in the classification of the financial assets:

• NT Build’s debt instruments are comprised of receivables. These assets were classified as Loans and Receivables as at 30 June 2018 under AASB 139 and were measured at amortised cost. As these assets are held to collect contractual cash flows that are solely payments of principal and interest, they continue to be measured at amortised cost from 1 July 2018.

NT Build has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the agency's financial liabilities.
continued: Notes to the financial statements - 30 June 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(r) Adoption of new and amended accounting standards (continued)

Impairment

The adoption of AASB 9 requires the loss allowance to be measured using a forward-looking expected credit loss (ECL) approach, replacing AASB 139's incurred loss approach. AASB 9 also requires a loss allowance to be recognised for all debt instruments other than those held at fair value through profit or loss. There has been no changes to impairment losses following the adoption of AASB 9.

(s) New Accounting Standards and Interpretations Issued but not yet Effective

No Australian accounting standards have been early adopted for 2018-19. At the date of authorisation of the financial statements, the following standards and interpretations were in issue but are not yet effective and are expected to have a potential impact on future reporting periods:

• **AASB 16 Leases**

  AASB 16 Leases is effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in these financial statements for the first time in 2019-20. When the standard is effective it will supersede AASB 117 Leases and requires the majority of leases to be recognised on the balance sheet.

  For lessees with operating leases, a right-of-use asset will now come onto the balance sheet together with a lease liability for all leases with a term of more than 12 months, unless the underlying assets are of low value. The Statement of Comprehensive Income will no longer report operating lease rental payments, instead an amortisation expense will be recognised relating to the right-to-use asset and interest expense relating to the lease liability.

  Consequently, it is expected that approximately $56,998 in operating lease commitments will be required to be recognised in the balance sheet through a lease liability and corresponding right to use asset from 2019-20 in accordance with AASB 16 Leases. In the Statement of Comprehensive Income the operating lease expense will be replaced with an amortisation expense relating to the right to use asset and interest expense relating to the lease liability.

• **AASB 1058 Income for not-for-profit entities and AASB 15 Revenue from contracts with customers**

  AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue with Contracts with Customers are effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in these financial statements for the first time in 2019-20.
1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(s) New Accounting Standards and Interpretations Issued but not yet Effective (continued)

- AASB 1058 Income for not-for-profit entities and AASB 15 Revenue from contracts with customers (continued)

Under the new AASB 1058 Income for Not-for-Profit Entities, revenue from grants and donations will be recognised when any associated performance obligation to provide goods or services is satisfied, and not immediately upon receipt as currently occurs. Consequently, more liabilities will be recognised in the balance sheet after adoption of this standard.

AASB 1058 clarifies and simplifies income-recognition requirements that apply to not-for-profit entities in conjunction with AASB 15 Revenue from Contracts with Customers.

As NT Build does not receive grant income, no impact is anticipated.

The modified retrospective approach has been elected to transition to the new revenue standards. This approach does not require restatement of comparative year with the cumulative impact adjusted to the opening accumulated funds.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have no material impact on future financial reporting.
continued: Notes to the financial statements - 30 June 2019

2 OTHER INCOME

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest received</td>
<td>37,577</td>
<td>87,309</td>
</tr>
<tr>
<td>Investment income</td>
<td>733,872</td>
<td>1,179,793</td>
</tr>
<tr>
<td>Movement in equity investments</td>
<td>(2,256,409)</td>
<td>(4,490,611)</td>
</tr>
<tr>
<td>Manager fee rebate</td>
<td>203,371</td>
<td>203,716</td>
</tr>
<tr>
<td>Reciprocal income</td>
<td>914,242</td>
<td>6,307,753</td>
</tr>
<tr>
<td></td>
<td><strong>14,465,507</strong></td>
<td><strong>13,903,960</strong></td>
</tr>
</tbody>
</table>

The management fee rebates were reinvested during the year.

3 EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and amortisation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- property, plant and equipment</td>
<td>82,113</td>
<td>81,777</td>
</tr>
<tr>
<td>Remuneration of auditor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- auditing the financial report</td>
<td>24,000</td>
<td>23,280</td>
</tr>
<tr>
<td>Fees and Allowances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- board member fees</td>
<td>39,334</td>
<td>58,288</td>
</tr>
</tbody>
</table>

4 CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>945,173</td>
<td>1,272,774</td>
</tr>
<tr>
<td>Short term bank deposits</td>
<td>-</td>
<td>2,110,058</td>
</tr>
<tr>
<td></td>
<td><strong>945,373</strong></td>
<td><strong>3,383,032</strong></td>
</tr>
</tbody>
</table>
Financial accountability

continued: Notes to the financial statements - 30 June 2019

5 TRADE AND OTHER RECEIVABLES

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>245 802</td>
<td>349 623</td>
</tr>
<tr>
<td>Accrued levy contributions</td>
<td>-</td>
<td>20 591</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>-</td>
<td>6 143</td>
</tr>
<tr>
<td>Prepayments</td>
<td>33 385</td>
<td>35 827</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>279 187</td>
<td>412 184</td>
</tr>
</tbody>
</table>

(a) Impairment of receivables

NT Build applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2019 is determined as follows, the expected credit losses incorporate forward looking information.

Credit risk

NT Build has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as ‘trade and other receivables’ is considered to be the main source of credit risk related to NT Build.

On a geographical basis, NT Build has significant credit risk exposures in Australia given the substantial operations in this region.

The following table details NT Build's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as ‘past due’ when the debt has not been settled, within the terms and conditions agreed between NT Build and the levy payer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to NT Build.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.
5 TRADE AND OTHER RECEIVABLES CONTINUED
Credit risk (continued)

<table>
<thead>
<tr>
<th></th>
<th>Gross amount</th>
<th>Past due and impaired</th>
<th>Past due but not impaired</th>
<th>Instalment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>Current $</td>
<td>30 $</td>
</tr>
<tr>
<td>2019 Trade and term receivables</td>
<td>245 802</td>
<td>-</td>
<td>168 482</td>
<td>16 844</td>
</tr>
<tr>
<td>Total</td>
<td>245 802</td>
<td>-</td>
<td>168 482</td>
<td>16 844</td>
</tr>
<tr>
<td>2018 Trade and term receivables</td>
<td>349 623</td>
<td>-</td>
<td>198 354</td>
<td>1 796</td>
</tr>
<tr>
<td>Total</td>
<td>349 623</td>
<td>-</td>
<td>198 354</td>
<td>1 796</td>
</tr>
</tbody>
</table>

The other classes of receivables do not contain impaired assets.

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

6 OTHER FINANCIAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>MLC (NCIT) Moderate Trust</td>
<td>84 206 723</td>
<td>85 459 760</td>
</tr>
</tbody>
</table>

(a) Breakdown of investment split

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Australian Shares</td>
<td>27</td>
<td>26</td>
</tr>
<tr>
<td>- Global Shares</td>
<td>36</td>
<td>37</td>
</tr>
<tr>
<td>- Bonds</td>
<td>34</td>
<td>33</td>
</tr>
<tr>
<td>- Property Securities</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>
### 7  PROPERTY, PLANT AND EQUIPMENT

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Furniture, fixtures and fittings</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost</td>
<td>30 223</td>
<td>30 223</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(30 223)</td>
<td>(30 223)</td>
</tr>
<tr>
<td><strong>Total furniture, fixtures and fittings</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><em>Office equipment</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost</td>
<td>12 181</td>
<td>12 181</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(12 181)</td>
<td>(12 181)</td>
</tr>
<tr>
<td><strong>Total office equipment</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><em>Computer equipment</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost</td>
<td>4 642</td>
<td>4 642</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(4 642)</td>
<td>(4 642)</td>
</tr>
<tr>
<td><strong>Total computer equipment</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><em>Leasehold improvements</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost</td>
<td>309 944</td>
<td>309 944</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td>(301 283)</td>
<td>(298 705)</td>
</tr>
<tr>
<td><strong>Total leasehold improvements</strong></td>
<td>8 661</td>
<td>11,239</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>8 661</strong></td>
<td><strong>11 239</strong></td>
</tr>
</tbody>
</table>
continued: Notes to the financial statements - 30 June 2019

7 PROPERTY, PLANT AND EQUIPMENT CONTINUED

(a) Movements in carrying amounts of property, plant and equipment

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year:

<table>
<thead>
<tr>
<th>Furniture, fixtures &amp; fittings</th>
<th>Improvements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year ended 30 June 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the beginning of year</td>
<td>-</td>
<td>11 239</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>-</td>
<td>(2 578)</td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>-</td>
<td>8 661</td>
</tr>
</tbody>
</table>

| Year ended 30 June 2018        |              |       |
| Balance at the beginning of year| 589          | -     | 589   |
| Additions                      | -            | 12 892| 12 892|
| Depreciation expense           | (589)        | (1 653)|(2 242)|
| Balance at the end of the year | -            | 11 239| 11 239|

8 INTANGIBLE ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets cost</td>
<td>397 675</td>
<td>397 675</td>
</tr>
<tr>
<td>Accumulated amortisation and impairment</td>
<td>(238 605)</td>
<td>(159 070)</td>
</tr>
<tr>
<td>NET CARRYING VALUE</td>
<td>159 070</td>
<td>238 605</td>
</tr>
<tr>
<td>Total Intangibles</td>
<td>159 070</td>
<td>238 605</td>
</tr>
</tbody>
</table>
8  INTANGIBLE ASSETS CONTINUED
(a)  Movements in carrying amounts of intangible assets

<table>
<thead>
<tr>
<th></th>
<th>Intangible assets</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Year ended 30 June 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the beginning of</td>
<td>238 605</td>
<td>238 605</td>
</tr>
<tr>
<td>the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation</td>
<td>(79 535)</td>
<td>(79 535)</td>
</tr>
<tr>
<td>Closing value at 30 June 2019</td>
<td>159 070</td>
<td>159 070</td>
</tr>
<tr>
<td>Year ended 30 June 2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the beginning of</td>
<td>318 140</td>
<td>318 140</td>
</tr>
<tr>
<td>the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation</td>
<td>(79 535)</td>
<td>(79 535)</td>
</tr>
<tr>
<td>Closing value at 30 June 2018</td>
<td>238 605</td>
<td>238 605</td>
</tr>
</tbody>
</table>

9  TRADE AND OTHER PAYABLES

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>CURRENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade payables</td>
<td>24 590</td>
<td>51 789</td>
</tr>
<tr>
<td>Other payables</td>
<td>155 228</td>
<td>195 931</td>
</tr>
<tr>
<td></td>
<td>179 818</td>
<td>247 720</td>
</tr>
</tbody>
</table>
10 PROVISIONS

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>$9,800,000</td>
<td>$9,100,000</td>
</tr>
<tr>
<td>Non-current</td>
<td>$52,152,000</td>
<td>$57,072,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$61,952,000</strong></td>
<td><strong>$66,172,000</strong></td>
</tr>
</tbody>
</table>

Movement in carrying amounts

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPENING BALANCE</td>
<td>$66,172,000</td>
<td>$55,962,000</td>
</tr>
<tr>
<td>Actuarial valuation adjustment - based on asset-based discount rate</td>
<td>$(4,220,000)</td>
<td>$10,210,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$61,952,000</strong></td>
<td><strong>$66,172,000</strong></td>
</tr>
</tbody>
</table>

(a) Actuary valuation adjustment

The NT Build Long Service Leave liability valuation was carried out on 9 August 2019 by Cumpston Sarjeant Pty Ltd, Consulting Actuaries, in respect of the year ended 30 June 2019.

For each future year the amounts of entitlement expected to be paid in service and on termination of membership have been determined by making a projection based on assumed rate of claiming benefits in service, rates of death, retirement, and resignation, and rate of salary escalation. The resulting cash flows have then been converted to a present value by discounting from the expected date of payment to the valuation date at the assumed interest rate.
continued: Notes to the financial statements - 30 June 2019

10 PROVISIONS CONTINUED

(a) Actuary valuation adjustment (continued)

In performing the valuation the following assumptions were made by the Actuary:

- An asset-based discount rate of 6% used when valuing NT Build Scheme liabilities under AASB137 Provisions, Contingent Liabilities and Contingent Assets. This is unchanged from the discount rate used last year;

- Long term future benefit growth rate of 3.0% per annum, consistent with Department of Treasury and Finance’s expectations for future salary growth in the Territory. The benefit rate did not increase on 1 July 2019, and no further increase for 2019/20 is allowed for in this valuation;

- The proportion of workers eligible to claim is assumed to vary with service, as workers with interstate service may claim benefits on exit with fewer service credits, and 100% eligibility is assumed by 1,100 days due to payment on deregistration vesting at that point;

- Leave will be taken at rates consistent with scheme experience with allowance for differing rates of leave for the approximately 52% of workers with some indication of interstate service on their records;

- 30% of inactive members will reactivate;

- Allowance for future scheme administration expenses of 12% of accrued leave liability;

- Estimate about 0.552 million days of service credits will be reported in future in respect of past reporting periods, as a consistent pattern of delay in reporting service credits over time has emerged and has become an enduring feature of the scheme.
10 PROVISIONS CONTINUED
(a) Actuary valuation adjustment (continued)
The most significant elements in the revised valuation include:

- Experience gains/losses during the year included:
  - lower benefit rate growth on 1 July 2019 than assumed, being zero compared to 3.5% assumed, with a decrease in liability as a result (-$1.8M);
  - benefit payments higher than assumed, meaning lower remaining service credits and liability than assumed (-$4.0M);
  - other changes during the year were minor ($1.0M).

- Benefit payments in 2018/19 were higher than expected, resulting in a considerable reduction in liability compared to prior expectations. The high benefit payments are related to Inpex service cessations, and a high proportion of all benefit payments involved use by Inpex workers of interstate service credits to reach benefit entitlement;

- There is a lower accruing liability for reporting service during 2018/19 than in recent years, due to a slowdown in service reporting on the Inpex project. This will decrease further in future, as the Inpex project construction activity ceases altogether. Other service reporting, however, remained at similar levels to previous years.

Taking all these factors into account, the greatest unknowns in the liability valuation are the assumptions regarding member movements (exit and reactivation rates). Other elements such as unreported service and the rate of claiming benefits in service are not as important. Further scheme experience over time will refine the assumptions made and gradually reduce uncertainty in the valuation.
10 PROVISIONS CONTINUED
(a) Actuary valuation adjustment (continued)

Sensitivity analysis

- The liability is moderately sensitive to the assumption that 30% of inactive members will reactivate. Particularly in light of the large number of Inpex workers that have recently ceased NT service, there is moderate uncertainty in how this assumption will play out in the coming 2-3 years. For different outcomes in the range 20-40% reactivation the liability may change by up to 5%, with higher reactivations leading to higher liability;

- The series of assumptions made regarding benefit payments and timing of exits is uncertain, as assumptions are only partly based on scheme experience due to a lack of longer term scheme experience. Most of the demographic assumptions have little impact on the liability outcome, but the assumed withdrawal rates for active members are moderately important in determining the liability. If the withdrawal rates for active members were decreased by 25% at all durations the liability would increase by about 3%. Conversely, if withdrawal rates were increased by 50% at all durations the liability would decrease by 5%;

- The estimate of unreported service credits or other data adjustments may be inaccurate. The service credit total for the first 6 months of 2019 is an extrapolation of past reporting patterns, introducing moderate uncertainty in this element. Any misestimation of service credits will have a direct flow on to the liability determined: for example 1% more total service credits means roughly 1% higher liability. I regard the chance of deviations of greater than about 2% in total (up or down) to be low;

- Future benefit rate inflation may be higher or lower than 3.0% pa in the long term, with a flow on to the benefit payment rate and the liability. If the rate varied by 0.5% up or down in the long term, the liability would vary in the same direction by about 1.6%;

- The discount rate used at this valuation is an asset-based discount rate of 6% pa. If the discount rate varied by 0.5% up or down in the long term, the liability would vary in the same direction by about 2.5%. 
10 PROVISIONS CONTINUED

(b) Reconciliation of current year movement

The following reconciliation details the current year actuary movement based on the above assumptions.

<table>
<thead>
<tr>
<th>$ (Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIABILITY AT 30 JUNE 2018 EXCLUDING EXPENSES</td>
</tr>
<tr>
<td>Interest on liability @ 6.0% for one year to 2019</td>
</tr>
<tr>
<td>Expected payments during 2018/19 from accrued liability at 2018</td>
</tr>
<tr>
<td>EXPENDED LIABILITY EXCLUDING EXPENSE AT 2019 FOR PRE-2018 SERVICE</td>
</tr>
</tbody>
</table>

Changes in actuarial basis

<table>
<thead>
<tr>
<th>$ (Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower assumed benefit inflation than previously assumed</td>
</tr>
<tr>
<td>Expected pre-2018 liability at 2019 on new valuation basis</td>
</tr>
</tbody>
</table>

Experience gains/losses

<table>
<thead>
<tr>
<th>$ (Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit payments higher than expected</td>
</tr>
<tr>
<td>Benefit rate increase on 1/7/2019 lower than expected</td>
</tr>
<tr>
<td>Other experience gains/losses</td>
</tr>
</tbody>
</table>

LIABILITY AT JUNE 2019 FOR SERVICE TO JUNE 2018, EXCLUDING EXPENSES

<table>
<thead>
<tr>
<th>$ (Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liability for service accruals in 2018/19</td>
</tr>
<tr>
<td>TOTAL LIABILITY EXCLUDING EXPENSES AT 30 JUNE 2019</td>
</tr>
</tbody>
</table>

Liability for expenses @ 12% of liability

<table>
<thead>
<tr>
<th>$ (Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total liability including expenses at 30 June 2019</td>
</tr>
</tbody>
</table>
11 OTHER LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT</td>
<td>$2 051</td>
<td>$-</td>
</tr>
<tr>
<td>Amounts received in advance</td>
<td>$2 051</td>
<td>$-</td>
</tr>
</tbody>
</table>

12 RESERVES

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPLEMENTATION FUNDING</td>
<td>$296 867</td>
<td>$296 867</td>
</tr>
<tr>
<td>Opening balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total reserves</td>
<td>$296 867</td>
<td>$296 867</td>
</tr>
</tbody>
</table>

In 2005, when the NT Build office was established, the Office of the Commissioner for Public Employment (OCPE) provided the above funds for the 'fitout' of the NT Build offices. These were used to renovate the existing building and refurbish the office accordingly. The amount was transferred to NT Build from OCPE and treated as an Equity transfer.

13 CAPITAL AND LEASING COMMITMENTS

Operating lease expiring in 5 years

NT Build leases property under a non-cancellable operating lease expiring in 5 years. The lease provides NT Build with a right of renewal for a further 5 years, at which time all lease terms are renegotiated. NT Build also leases computer equipment and motor vehicles under non-cancellable operating leases. NT Build entered into a software licencing operating lease expiring in 5 years with a right of renewal for a further 5 years, however this agreement may be terminated by either party by giving 6 months notice. Future operating lease commitments not recognised as liabilities are payable as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum lease payments under non-cancellable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>operating leases:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- within one year</td>
<td>$202 771</td>
<td>$196 171</td>
</tr>
<tr>
<td>- later than one year and not later than five years</td>
<td>$56 998</td>
<td>$143 633</td>
</tr>
<tr>
<td>- later than five years</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td></td>
<td>$259 769</td>
<td>$339 804</td>
</tr>
</tbody>
</table>
14 FINANCIAL RISK MANAGEMENT

NT Build is exposed to a variety of financial risks through its use of financial instruments.

This note discloses NT Build’s objectives, policies and processes for managing and measuring these risks.

NT Build's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

NT Build does not speculate in financial assets.

The most significant financial risks to which NT Build is exposed to are described below:

Specific risks
- Market risk - cash flow interest rate risk and price risk
- Credit risk
- Liquidity risk

Financial instruments used
The principal categories of financial instrument used by the NT Build are:
- Trade receivables
- Cash at bank
- Investments in listed shares
- Trade and other payables

Objectives, policies and processes
The Board has overall responsibility for the determination of risk management objectives and policies. Whilst retaining ultimate responsibility, in December 2015 the Board established a Finance, Risk and Audit (FRA) Subcommittee. This FRA Sub-committee, which consists of three members and met five times during the 2018-19 reporting period, is charged with providing reasonable assurance to the Board that NT Build’s core business goals and objectives are being achieved in an efficient and economical manner, within an appropriate framework of internal control and risk management. The Committee also provides strategic oversight and focus on the key financial and strategic risks and controls across NT Build but does not replace the appropriate function of the Board.
14 FINANCIAL RISK MANAGEMENT CONTINUED
Objectives, policies and processes (continued)
The NT Build staff management team has the responsibility for designing and operating processes that ensure the effective implementation of the objectives and policies within the adopted framework. The Board’s risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of NT Build where such impacts may be material. The Board receives regular reports and updates from the Registrar through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. Further details regarding these policies are set out below.

The table below reflects the undiscounted contractual maturity analysis for financial liabilities.

*Financial liability maturity analysis - Non-derivative*

<table>
<thead>
<tr>
<th>Financial liabilities due for payment</th>
<th>Within 1 year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
<td>2019 $179 817</td>
<td>2018 $247 714</td>
</tr>
<tr>
<td></td>
<td>2019 $179 817</td>
<td>2018 $247 714</td>
</tr>
</tbody>
</table>
14  FINANCIAL RISK MANAGEMENT CONTINUED
The table below reflect maturity analysis for financial assets.

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>Weighted average effective interest rate</th>
<th>Floating interest rate</th>
<th>Within 1 year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>1.05</td>
<td>2.80</td>
<td>945 373</td>
<td>1 272 974</td>
</tr>
<tr>
<td>Trade, term and loans receivables</td>
<td>-</td>
<td>-</td>
<td>239 828</td>
<td>386 260</td>
</tr>
<tr>
<td>Other investments</td>
<td>9.30</td>
<td>7.00</td>
<td>84 206 723</td>
<td>85 459 760</td>
</tr>
<tr>
<td>Total anticipated outflows</td>
<td></td>
<td></td>
<td>85 391 924</td>
<td>87 118 994</td>
</tr>
</tbody>
</table>
14 FINANCIAL RISK MANAGEMENT CONTINUED

(a) Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligations resulting in the Board incurring a financial loss. Credit risk arises from cash assets and deposits with financial institutions and investment institutions, as well as credit exposures to NT Build’s outstanding receivables and committed transactions.

NT Build has limited credit risk exposure (risk of default). In respect of any dealings with obligations external to Government, the Board has adopted a policy of only dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

Financial instruments that potentially subject NT Build to a concentration of credit risk consist of cash and cash equivalents and other investments. The credit risk for these liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents NT Build's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

The receivables of NT Build arise as a result of a statutory obligation on various entities undertaking building and construction work of $1 million or more in value for projects that started on or after 7/4/2014, or $200,000 or more in value for projects that started before 7/4/2014, regardless of completion date. As a result, NT Build cannot implement any credit policies beforehand to ensure that individual risk on each customer is minimised.

The maximum exposure to credit risk for trade receivables at the end of the reporting period by type of payment terms is as follows:

<table>
<thead>
<tr>
<th>Type of payment terms</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instalment</td>
<td>60 447</td>
<td>120 894</td>
</tr>
<tr>
<td>Non - Instalment</td>
<td>185 355</td>
<td>228 729</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>245 802</strong></td>
<td><strong>349 623</strong></td>
</tr>
</tbody>
</table>
14 FINANCIAL RISK MANAGEMENT CONTINUED

(b) Fair value estimation

The fair values of financial instruments categorised by level of inputs used to measure fair value are:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th></th>
<th>2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net carrying</td>
<td>Net fair</td>
<td>Net carrying</td>
<td>Net fair</td>
</tr>
<tr>
<td></td>
<td>value $</td>
<td>value $</td>
<td>value $</td>
<td>value $</td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash</td>
<td>945 373</td>
<td>945 373</td>
<td>3 383 032</td>
<td>3 383 032</td>
</tr>
<tr>
<td>equivalents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other</td>
<td>279 187</td>
<td>239 828</td>
<td>412 184</td>
<td>386 260</td>
</tr>
<tr>
<td>receivables</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets at</td>
<td>84 206 723</td>
<td>84 206 723</td>
<td>85 459 760</td>
<td>85 459 760</td>
</tr>
<tr>
<td>fair value through</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>profit or loss:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments -</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>designated</td>
<td>84 206 723</td>
<td>84 206 723</td>
<td>85 459 760</td>
<td>85 459 760</td>
</tr>
<tr>
<td>Total financial</td>
<td>85 431 283</td>
<td>85 391 924</td>
<td>89 254 976</td>
<td>89 229 052</td>
</tr>
<tr>
<td>assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other</td>
<td>179 817</td>
<td>179 817</td>
<td>247 721</td>
<td>247 714</td>
</tr>
<tr>
<td>payables</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total financial</td>
<td>179 817</td>
<td>179 817</td>
<td>247 721</td>
<td>247 714</td>
</tr>
<tr>
<td>liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

There were no changes in valuation techniques during the period.

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the end of the reporting period.

An increase of 100 basis points or a decrease of 100 basis points would have increased equity and the net surplus by the amounts shown below. This analysis assumes that other variables are held constant.

<table>
<thead>
<tr>
<th></th>
<th>Surplus 100 basis points increase</th>
<th>Surplus 100 basis points decrease</th>
<th>Equity 100 basis points increase</th>
<th>Equity 100 basis points decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>851 251</td>
<td>851 251</td>
<td>851 251</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>888 428</td>
<td>888 428</td>
<td>888 428</td>
</tr>
</tbody>
</table>

The movements in surplus are due to higher interest costs from variable rate debt and cash balances.
15 CONTINGENCIES
Contingent assets
Under section 33(4) of the Construction Industry Long Service Leave and Benefits Act 2005, the Minister is to determine the levy percentage on construction projects in excess of $1 billion. The Act also provides that the determined percentage must be sufficient to yield the amount likely to be required to fund the long service leave benefits of the registered workers who carry out construction work on the particular project.

Generally, the levy collection mechanism for such large projects is that these projects typically span several years and by the time the project reaches completion the amount of levy that is due may be substantial.

A project of this value has commenced and although it is nearing completion, the Minister has yet to determine the applicable levy rate. As such any likely income to be received cannot at this time be reliably measured. For a relatively small Scheme such as NT Build, the accrual of a large unfunded liability poses a significant cash flow and solvency burden on the Scheme.

An initial levy payment in respect of the first $1 billion of the project value has been paid (refer 2011-12 Financial Statements). The project continues to accrue liabilities, but is unlikely to pay any further levy until practical completion. While the actual amount of further levy to be paid has not yet been determined, the growing unfunded liability continues to be a burden for the Scheme.

Notwithstanding that a receivable has not been recognised, NT Build has recorded;
• as an expense such benefit claims already paid to date to registered employees and contractors working on this project; and
• within its provision for long service leave benefits, recognised entitlements for registered employees and contractors working on this project that continue to accrue.

continued: Notes to the financial statements - 30 June 2019

14 FINANCIAL RISK MANAGEMENT CONTINUED
(b) Fair value estimation (continued)
The movements in equity are due to an increase in the fair value of derivative instruments designated as cash flow hedges.

The net exposure at the end of the reporting period is representative of what NT Build was and is expecting to be exposed to at the end of the next twelve months.

The sensitivity analysis is performed on the same basis as in 2018.
15 CONTINGENCIES CONTINUED
Contingent assets (continued)
The determined levy, once paid, will therefore reimburse the Scheme for long service leave benefits already paid and fund future benefit entitlements still to be claimed.

16 RELATED PARTIES
(a) Related Parties
NT Build is a government administrative entity and is wholly owned and controlled by the Territory Government. Related parties of NT Build include:

• the Portfolio Minister and key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of NT Build directly;
• spouses, children and dependants who are close family members of the Portfolio Minister or KMP;
• all public sector entities that are controlled and consolidated into the whole of government financial statements; and
• any entities controlled or jointly controlled by KMP’s or the Portfolio Minister or controlled or jointly controlled by their close family members.

(b) Key Management Personnel (KMP)
NT Build is a statutory corporation established by the Construction Industry Long Service Leave and Benefits Act 2005 (the CILSLB Act) to provide a portable long service leave benefit scheme to building and construction workers in the Northern Territory. It is not an agency within the meaning of the Financial Management Act 1995 or the Public Sector Employment and Management Act 1993.

Under the Administrative Arrangements Order in force for the period ended 30 June 2019 the Department of Trade, Business and Innovation had the principal responsibility for the general administration of the CILSLB Act. However, in accordance with 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.

Key management personnel of NT Build are those persons having authority and responsibility for planning, directing and controlling the activities of NT Build. These include the Minister for Business and Innovation, The Hon Michael Gunner MLA, the Registrar, Mr Theo Tsikouris and the NT Build Board as listed below.

The names of the members of the Board who held office during the year are Mr Michael Martin OAM, Mr Dick Guit, Mr Michael Haire, Mr David Malone, Mr Michael Milatos, Ms Rosemary Campbell and Ms Sarah Rummery.
continued: Notes to the financial statements - 30 June 2019

16 RELATED PARTIES CONTINUED

(b) Key Management Personnel (KMP) (continued)
Mr David Malone was reappointed to the Board for a further term of five years.

Attendance of meetings

<table>
<thead>
<tr>
<th>Name</th>
<th>Eligible Meetings</th>
<th>Meetings Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sarah Rummery</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Dick Guit</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Michael Haire</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>David Malone</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Michael Milatos</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Michael Martin</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Rosemary Campbell</td>
<td>11</td>
<td>9</td>
</tr>
</tbody>
</table>

*Excludes ‘other’ business involving general Board or Chair participation. Such as: participation on subcommittees, attendance at National Conference/Forums, official functions, travelling days, Ministerial discussions and ad hoc general meetings attended by the Chair - lawyer, auditor-general, accountant, registrar, etc.

(c) Remuneration of Key Management Personnel
The details below exclude the salaries and other benefits of Minister for Business and Innovation as the Minister’s remunerations and allowances are payable by the Department of the Legislative Assembly and consequently disclosed within the Treasurer’s Annual Financial Statements.

The details below also exclude the salaries and other benefits of a Board Member who is an employee of the Department of Treasury and Finance as their remunerations and allowances are payable by the Department of Treasury and Finance and consequently disclosed within the Department of Treasury and Finance Annual Financial Statements.
16 RELATED PARTIES CONTINUED

(c) Remuneration of Key Management Personnel (continued)

The aggregate compensation of key management personnel of NT Build is set out below:

<table>
<thead>
<tr>
<th></th>
<th>2018-19</th>
<th>2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term benefits</td>
<td>244</td>
<td>248</td>
</tr>
<tr>
<td>Post employee benefits</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Long-term benefits</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Termination benefits</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>274</td>
<td>278</td>
</tr>
</tbody>
</table>

(d) Related party transactions: Transactions with Northern Territory Government controlled entities

NT Build’s primary ongoing sources of funding are from the collection of a levy imposed on eligible construction work undertaken in the Territory and investment earnings. No general allocation of funding is provided to NT Build through the Territory Budget or the Central Holding Authority.

The following table provides quantitative information about related party transactions entered into during the year with all other Northern Territory Government controlled entities.

<table>
<thead>
<tr>
<th>Related Party</th>
<th>Revenue from related parties</th>
<th>Payments to related parties</th>
<th>Amounts owed by related parties</th>
<th>Amounts owed to related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>All NT Government departments</td>
<td>0</td>
<td>1 189 516</td>
<td>-</td>
<td>103 208</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Related Party</th>
<th>Revenue from related parties</th>
<th>Payments to related parties</th>
<th>Amounts owed by related parties</th>
<th>Amounts owed to related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>All NT Government departments</td>
<td>0</td>
<td>1 250 744</td>
<td>-</td>
<td>120 573</td>
</tr>
</tbody>
</table>
16 RELATED PARTIES CONTINUED

(d) Related party transactions: Transactions with Northern Territory Government controlled entities (continued)

NT Build’s transactions with other government entities are not individually significant.

Other related party transactions are as follows:

Given the breadth and depth of Territory Government activities, related parties will transact with the Territory Public sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed.

The CILSLB Act indemnifies the NT Build Board Members and Registrar against any civil or criminal liability by the person or the Board in exercising, in good faith, a power or performance of a function under the Act. No other guarantees or indemnities have been given or received.

All other related party transactions of $10,000 or more have been provided in the table below.

<table>
<thead>
<tr>
<th>Transaction type</th>
<th>Transaction value for year ended 30 June 2019</th>
<th>Net receivable/ (payable) as at 30 June 2019</th>
<th>Commitments as at 30 June 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsorship</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transaction type</th>
<th>Transaction value for year ended 30 June 2018</th>
<th>Net receivable/ (payable) as at 30 June 2018</th>
<th>Commitments as at 30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsorship</td>
<td>9 600</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
17 CASH FLOW INFORMATION

Reconciliation of net income to net cash provided by operating activities:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net surplus/(deficit) for the year</td>
<td>$380 046</td>
<td>$(7 391 517)</td>
</tr>
</tbody>
</table>

Cash flows excluded from net surplus attributable to operating activities Non-cash flows in profit/(loss):

- depreciation                  | $82 113 | $81 777 |
- movement in market value of investments | $2 256 409 | $4 490 611 |
- manager fee rebate             | $(203 371) | $(203 715) |
- scheme liability expenses      | $(4 220 000) | $10 210 000 |

Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:

- (increase)/decrease in trade and other receivables | $124 410 | $762 028 |
- (increase)/decrease in other assets                | $6 143  | $1 247 |
- (increase)/decrease in prepayments                 | $2 442  | $18 693 |
- (increase)/decrease in income in advance           | $2 051  | $(7 918) |
- increase/(decrease) in trade and other payables    | $(67 903) | $(264 806) |

Cashflow from operations                        | $(1 637 660) | $7 696 400 |
State/Territory schemes
- recognised under the National Reciprocal Agreement for the provision of long service in the building and construction industry

**Australia Capital Territory**

**Construction Industry**

**Long Service Leave Authority**

Trevor Pearcey House  
Unit 1, 28 Thynne Street  
Bruce ACT 2617  
Tel: (02) 6247 3900  
Email: construction@actleave.act.gov.au  
Web: www.actleave.act.gov.au

**New South Wales**

**Long Service Corporation**

32 Mann Street  
Gosford NSW 2250  
Toll Free: 13 14 41  
Email: info@longservice.nsw.gov.au  
Web: www.longservice.nsw.gov.au

**Queensland**

**QLeave**

Unit 1  
62 Crockford Street  
Northgate QLD 4013  
Toll Free: 1800 803 491  
Email: member@qleave.qld.gov.au  
Web: www.qleave.qld.gov.au

**South Australia**

**Portable Long Service Leave**

155 Fullarton Road  
Rose Park SA 5067  
Tel: (08) 8332 6111  
Email: hello@portableleave.org.au  
Web: www.portableleave.org.au

**Tasmania**

**TasBuild**

Level 3  
6 Bayfield Street  
Rosny Park TAS 7018  
Tel: (03) 6294 0807  
Email: secretary@tasbuild.com.au  
Web: www.tasbuild.com.au

**Victoria**

**CoInvest**

478 Albert St  
East Melbourne Vic 3002  
Toll Free: 1300 COINVEST  
Email: info@coinvest.com.au  
Web: www.coinvest.com.au

**Western Australia**

**MyLeave**

**Construction Industry Long Service Leave Scheme**

Level 3  
50 Colin Street  
West Perth WA 6005  
Toll Free: 1800 198 136  
Email: hi@myleave.wa.gov.au  
Web: www.myleave.wa.gov.au

**Ausleave**

**Ausleave**

A co-operative venture by portable long service leave authorities across Australia - providing centralised access to information about each state and territory’s scheme.

Web: www.ausleave.com.au