

Annual Report

2023-24





NT Build - portable long service leave

Annual Report 2023-24

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 2023-24 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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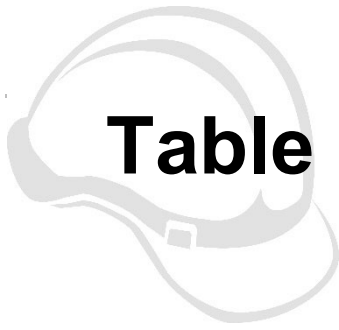


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Letter to Minister

The Hon Robyn Cahill MLA
Minister for Trade, Business and Asian Relations
Legislative Assembly of the Northern Territory
Darwin NT 0800

Dear Minister

RE: NT BUILD ANNUAL REPORT 2023-24

On behalf of the NT Build Board, I am pleased to present you with the NT Build Annual Report, for the year ended 30 June 2024.

The report details the activities and achievements of NT Build's construction industry portable long service leave scheme (the Scheme), during the last 12 months 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; and
- all employment matters have been handled in accordance with *Public Sector Employment and Management Act 1993* and the CILSLB Act, as appropriate.

I further advise that in accordance with section 69 of the CILSLB Act, the Auditor-General has audited NT Build's financial statements for the year ended 30 June 2024 and his comments are contained in this report.

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

Yours sincerely



MICHAEL MARTIN OAM
Chairperson, NT Build Board

25 October 2024



Chairperson's Report

I am pleased to report that despite continued broader global and national economic challenges during the 2023-24 financial year, NT Build has been able to report a surplus of more than \$4M mainly due to a positive return from our financial investments. This has allowed NT Build to have a net equity position of \$46.7m

NT Build continues to possess a solid financial base with assets of over \$107M. These assets allow NT Build to cover our long-term liability to pay our members their long service leave entitlements when requested. As reported in previous years, the investment strategy used to invest NT Build's funds continues to be the major focus of the NT Build Board and it meets regularly with its fund managers.

The NT Build Board continues to monitor its solvency rate throughout the year and meets regularly with its actuary. The solvency rate is sound but needs to be monitored as well as the sustainability of the current levy rate.

Last year I reported that our inaugural Registrar, Theo Tsikouris retired, and his effective leadership and administrative skills were acknowledged. The new Registrar Jim Laouris has now been in the role for 12 months and I commend his transition into this critical position.

In January this year, the National meeting of all Portable Long Service Schemes from all States and Territories was reinstated after Covid. This is a useful gathering of Chairs and CEOs to discuss mutual issues and address strategic challenges ahead.

During the year one of our long-term Board Member's, Dave Malone, resigned due to other work commitments. I would like to acknowledge Dave's wonderful contribution to the NT Build Board for over 10 years and the insights he brought to the Board.

We also welcomed two new Directors in Kelly Ralston and Andrea Moriarty, who are already making a very useful contribution due to their experience, skills, and knowledge of the industry.

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. The input and commitment of each Board Member has contributed to the effective outcomes that have been achieved.

The Registrar has prepared a particularly good report and I recommend his report to you as it mentions other outcomes achieved this year. The Registrar continued to work closely with the Board and provided an effective level of support to the Board.

Finally, I again pay tribute to the significant contribution and commitment of all NT Build staff during the past 12 months. The high level of service received by the Board and me as Chair and the continued success of the Scheme is very much due to their dedication, performance, and willingness to get the job done.



MICHAEL MARTIN OAM



Registrar's Report

NT Build had another busy year in 2023-24, with a number of achievements in the context of significant changes in personnel (including NT Build Board membership) and disruptions due to major works and repairs to the NT Build premises. NT Build has continued to effectively and efficiently deliver its core business of registering workers, contractors and employers, in the Construction Industry Portable Long Service Leave Scheme, paying out long service entitlements and collecting levies on eligible construction projects. In addition to its core business, NT Build has undertaken significant work on a range of other initiatives which have included:

- Procurement of a new ICT system;
- Revision of internal procedures and policies (including governance);
- Development of a risk assessment plan;
- Data cleansing project;
- Development of engagement strategy;
- Participation in First Nations and Women's Board Intern program - increasing diversity on boards/committees in the NT;
- Delivery and evaluation of a media campaign; and
- Significant works/repairs and improvements to the NT Build premises.

This work, along with some new initiatives, will continue in 2024-25 and future years. The main aims are to transition NT Build into a fully electronic mode of operation, to review its processes and procedures and improve stakeholder experience when interacting with NT Build where possible.

It was also encouraging and positive that the AusLeave forum (consisting of all Australian State and Territory portable long service leave scheme authorities) was able to reconvene and meet following a two-year period in hiatus due to the Covid pandemic. Networking and sharing of information (particularly given national portable long service leave recognition arrangements) is beneficial to all participants.

Leviable activity in the Northern Territory construction industry remained relatively stable, driven primarily by government and defence spending on large infrastructure projects. The Scheme recorded a total levy income of \$3.4 million in 2023-24. This represented a 47% increase on the \$2.3 million received in 2022-23.

While levy income increased and there were no material departures from previous years in terms of benefit claims or Scheme related operational expenses, the Scheme recorded a gain of approximately \$4.1 million in the 2023-24 financial year. This was in part due to a positive movement in market value of investments.

At the end of the reporting period the Scheme continues to hold a sustainable net asset position.

A total of 982 benefit claims amounting to \$7.09 million were processed during the year. This represented an increase of 24 claims (and approximately \$914,000) in comparison to the 2022-23 reporting period.

It is also important to acknowledge and thank the previous Registrar of NT Build, Theo Tsikouris, who helped establish NT Build in 2005 and acted as its inaugural Registrar from then until his recent retirement. Mr Tsikouris has been gracious, generous, and informative in the transition process.

Finally, this year's achievements would not have been possible without the commitment of NT Build's dedicated staff. I wish to thank them all for their hard work over the past 12 months, and to acknowledge and thank the members of the Board for their continued commitment, support and guidance.

A handwritten signature in black ink, appearing to read 'Jim Laouris', with a stylized flourish at the end.

Jim Laouris
Registrar

Part 1: Introduction and Overview

2023-24 At a Glance

- 9898 workers and 783 employers were registered and actively participating in the Scheme.
- 982 benefit payments were made to workers who have been involved in the Territory construction industry, at a cost to the Scheme of approximately \$7.09 million (up from the 958 payments at a cost of approximately \$6.18 million in 2022-23).
- Low 0.1% levy rate retained, while at the same time ensuring the Scheme's ongoing sustainability, through sound financial management.
- Approximately \$3.4 million received in contributions from levy payers (up 47% from the \$2.3 million received in 2022-23).
- An overall increase in net assets for the year of \$4.1 million recorded, primarily due to investment market returns, bringing total assets to approximately \$107 million.
- Estimated total accumulated liabilities of \$60.9 million recorded (up \$0.46 million from the \$60.4 million recorded at the end of the previous financial year), with the result that the Scheme's assets continue to cover liabilities.
- Generated Scheme awareness and actively encouraged the registration of eligible workers and relevant employers, through advertising and educational presentations.
- Development of Field Officer's engagement strategy.
- Major social media and radio marketing campaign – 'Make it Count', launched in January 2024 for a period of 6 weeks and attracted an increased number of registrations and awareness of NT Build.
- Revised a number of internal procedures and policies (including governance).
- Developed a risk assessment plan.
- Commenced a data cleansing project.
- Arranged an expert assessment of information system requirements and commenced process of procuring a new information system.
- Participated in First Nations and Women's Board Intern program - increasing diversity on boards/committees in the NT.
- Significant works/repairs and improvements to the NT Build premises.
- Worker records pro-actively monitored, reviewed and updated, to ensure data is up to date and all applicable service recorded, to facilitate claim eligibility.
- Project audit activities for reporting period undertaken, to ensure a practical and pro-active approach to levy compliance, broader Scheme awareness and understanding, and constructive relationships with stakeholders.
- Investment program to support the ongoing financial viability of the Scheme actively monitored and constantly reviewed.
- Business systems monitored and reviewed to identify operational savings, improvements and efficiencies.
- Operational processes reviewed to maximise revenue collection, minimise administrative costs for NT Build, and maximise stakeholder convenience.
- Staff and workload demands effectively monitored to ensure superior customer service through the efficient processing of benefit claims, and timely provision of advice and responses to general queries.

2024-25 Priorities

- Closely monitor the Scheme's financial position and report on its ongoing financial status in the current low levy (0.1%) and high large project value threshold (\$5 billion) environment.
- Continue to closely monitor and review the investment strategy and its performance and identify appropriate opportunities to support the ongoing financial viability of the Scheme.
- Launch the second round of the "Make Every Day Count" social media marketing campaign to raise Scheme awareness and increase member registrations, and analyse campaign outcomes.
- Progress the procurement and implementation of a new information system.
- Continue reviewing process and procedures and data cleansing project.
- Review NT Build Board key documents/policies and implement review dates.
- Comprehensive review of NT Build website and uploaded content for currency and viewer usability, including introduction of online registration function.
- 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, minimise administrative costs for NT Build, and maximise stakeholder convenience.
- Continue to undertake advertising and educational awareness activities, to promote and facilitate awareness of Scheme.
- Actively encourage the registration of all eligible workers and relevant employers.
 - Continue to undertake project audit activities to ensure a practical and pro-active approach to levy compliance and broader Scheme awareness and understanding, and constructive relationships with stakeholders.
 - Monitor staff and workload demands to ensure efficient and timely processing of benefit payments, provision of advice and responses to general queries.

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 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.

Since its establishment, NT Build has made long service leave payments totalling over \$54.8 million to over 11,200 employees and contractors who have worked on construction projects in the Territory.

The existence of the NT Build Scheme assists in attracting skilled construction industry workers to the Territory. The Scheme acknowledges the inherently volatile nature of employment in the construction industry. It ensures that the long-term commitment of construction workers to the industry is fairly rewarded, through provision of long service leave on an equitable basis to workers in other industries, inherently characterised by higher levels of continuous service with a single employer.

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*. 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 2024, the Department of Industry, Tourism and Trade has 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, along with investment earnings. This revenue funds 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, 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 continuous 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.

Key features include:

- Statute based Scheme, established under the *CILSLB Act 2005*.
- Governed by a local Board comprising independent, worker and industry representatives, appointed to oversee the management of the Scheme, through a local office.
- Portable long service leave coverage consistent with interstate arrangements. The Northern Territory Government is party to a reciprocal arrangements agreement between all states and territories which means workers can combine construction industry service from different states and territories when making a claim.
- Funded through a Ministerially determined levy on eligible Northern Territory construction projects of at least \$1 million in value, excluding single detached dwellings and related private garages, carports and sheds.
- Maintenance of a register recording the number of service days worked by each registered worker within the Northern Territory construction industry, based on bi-annual reporting of service days by employers of registered workers.

Workers

The Scheme enables workers to qualify for long service leave based on their service with the construction industry rather than service with the one employer. The portability 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 of qualifying service. Once a worker has accrued 65 days' long service leave credit (i.e. 10 years' service), they can apply for 13 weeks' (i.e. 65 days) long service leave, or with the agreement of their employer, take leave in separate periods with a minimum of five days leave requested. Workers need to accrue a further 32.5 days' long service leave credit before they can apply for further leave.

The Act contains special pro-rata provisions for workers who decease, retire or cease to perform construction work.

Long service leave accrued under the Scheme is funded through a levy imposed on eligible Northern Territory construction projects and is paid directly by NT Build to workers upon application by the worker or an authorised representative.

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

- Be employed to carry out construction work in the Northern Territory;
- Work on a construction site for greater than 50% of their time;
- Work in the private sector (i.e. not for the government); and
- Not be working in an administrative, clerical, managerial or professional.

Workers employed full-time, part-time, as a casual, or as a labour-only contractor are eligible to register.

For the purposes of the Scheme, construction work includes commercial, domestic, industrial and civil construction, and covers (among other things) reclamation, earthmoving, landscaping, repair, maintenance, extension and demolition work.

Employers

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

Long service leave accrued under the Scheme is funded through a levy imposed on eligible Northern Territory construction projects and investment earnings and is paid directly by NT Build to workers.

Employers are required to register with NT Build within one month of employing a registered construction worker. 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 time that the worker commences employment.

Once a worker is registered, employers are required to:

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

Long service levy

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

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

The levy does not apply to work for which the total contract prices for the construction work is less than \$1 million.

The current levy rate on projects with a construction cost between \$1 million and \$5 billion is fixed at 0.1% and is payable prior to the start of construction work.

A two tier levy mechanism applies for construction projects over \$5 billion. The prescribed rate of 0.1% applies to the first \$5 billion, and is payable prior to the start of construction work. A project specific levy determined by the relevant Minister, after consideration of a report prepared by the Scheme actuary, applies to the project cost component that exceeds \$5 billion. The project specific levy component is payable following completion of the project.

The prescribed levy rate may be subject to change from time to time, via Government regulatory amendment.

The levy rate has been reduced progressively over time from 0.5% at the Scheme's commencement, to the current rate of 0.1%, through a series of statutory amendments, with the result that for projects that started:

- on or after 7 April 2014, regardless of completion date, the levy rate of 0.1% applies;
- from 1 April 2012 to 6 April 2014, regardless of completion date, the levy rate of 0.3% applies;
- from 1 July 2009 to 31 March 2012, regardless of completion date, the levy rate of 0.4% applies; and
- before 1 July 2009, regardless of completion date, the levy rate of 0.5% applies.

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

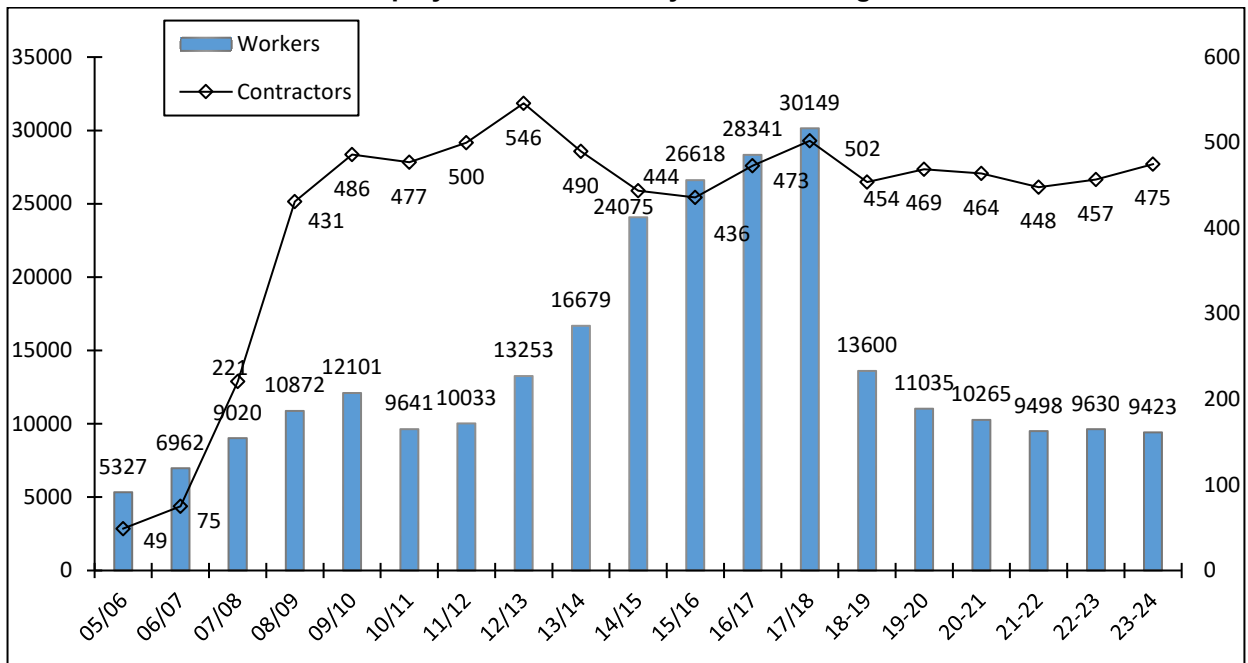
Workers

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 be engaged on a full-time, part-time or casual basis.

As shown in the chart below, the total number of active worker registrations recorded by the Scheme continued the downward trend since the highs experienced during the major gas plant construction period of 2015 to 2018. However, it has slightly increased with 9898 active workers recorded at 30 June 2024. This figure comprised of 9,423 employees and 475 contractors.

Chart 1.1: Active employee and labour-only contractor registrations



In addition to these active workers, there were 8,281 workers who remain registered with the Scheme but who have not accrued any service days in the Territory over the reporting period.

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 round of this deregistration process occurred in September 2010, with on-going automated deregistrations since that time.

In addition, section 13 of the CILSLB Act also provides for the deregistration of a worker who ceases to carry out construction work, retires or deceases.

As at 30 June 2024, the Scheme recorded a total of 51,216 deregistered workers (an increase of 2,981 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 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 can 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 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 there are a number of workers in the local construction industry who may be eligible to participate in the Scheme but have not registered. Factors contributing to this include worker demographic, the highly transient nature of the construction industry workforce and the voluntary nature of the NT Build Scheme.

Promotional and educational activities continue to be undertaken to help raise knowledge and understanding of the Scheme, to aid maximum participation. Of particular note, in 2022 the concept design and associated materials for a major social media and radio marketing campaign were developed, with the campaign launching in July 2022. This campaign was also undertaken in January 2024 for a period of 6 weeks. The objectives of the campaign were to promote worker and employer awareness and understanding of the scheme as well as foster increased registrations. The campaigns have been successful thus far and attracted an increased number of worker and employer registrations. These campaigns are proposed to run each year and target those working within construction industry.

Benefit payments

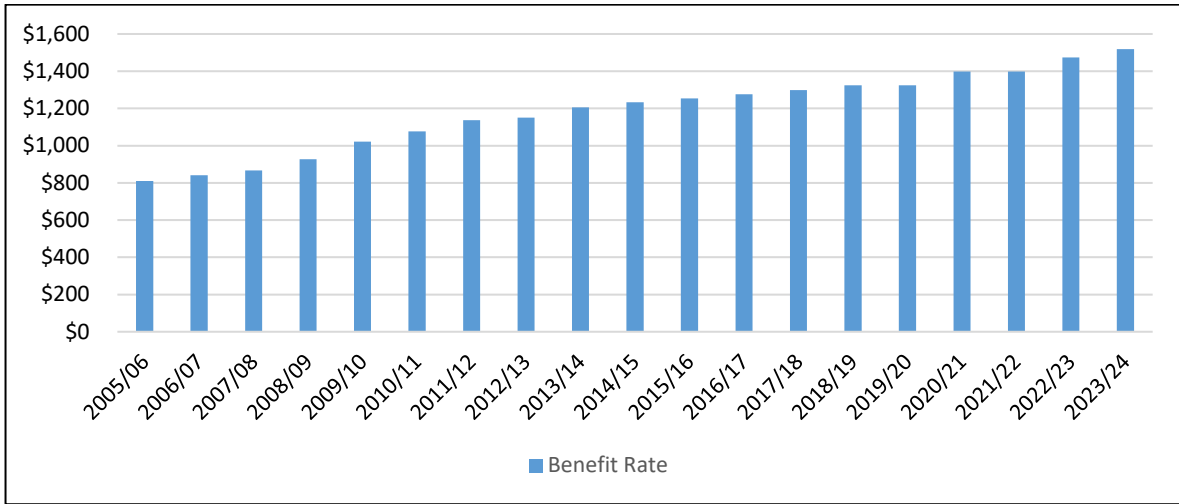
When a worker has accrued the requisite number of long service leave credits required under the CILSLB Act to be eligible for LSL, the worker becomes eligible to claim a benefit payment. The benefit payment will reflect the number of long service leave days claimed, multiplied by the defined weekly benefit rate (being a rate 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 defined weekly benefit rate is reviewed annually, generally on 1 July, and is applied to both worker and contractor claims.

A review of the defined weekly benefit rate for the 2023-24 period, using the standard methodology, resulted in an increase of \$44 per week in the payment rate, going from \$1,474 in 2022-23 to \$1,518 in 2023-24.

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

Chart 1.2: Annual movement in benefit rate



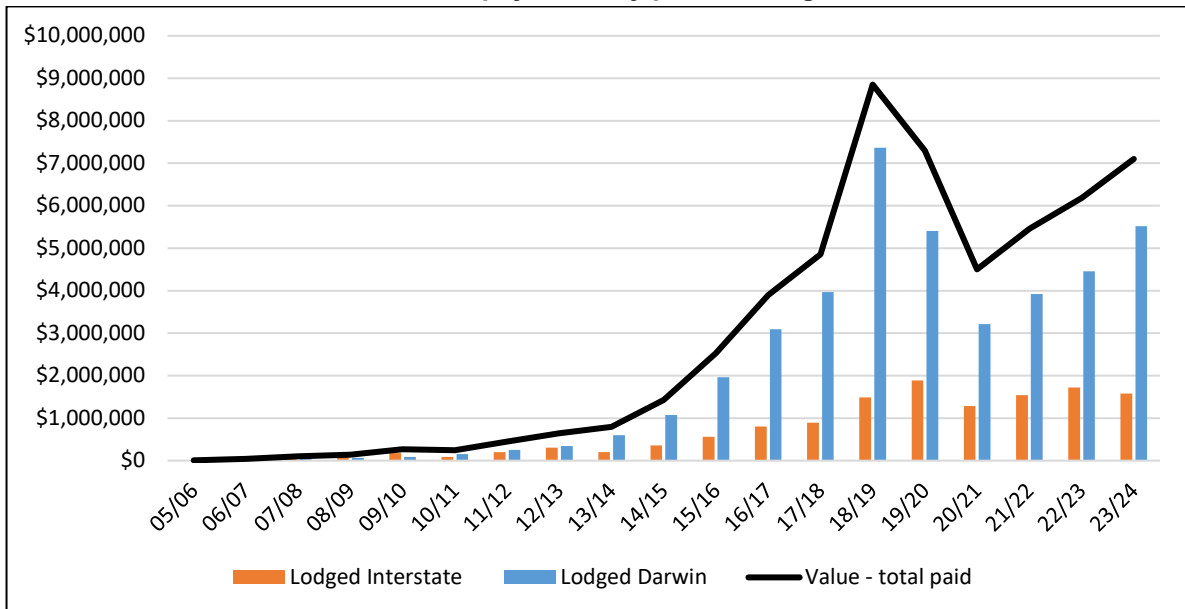
As reflected in table 1.1 and chart 1.3 below, in the 2023-24 reporting period, 982 benefit payments were made to workers who have been involved in the NT construction industry, at a cost to the Scheme of approximately \$7.09 million (up from the 958 payments at a cost of approximately \$6.18 million in 2022-23).

A total of 11,205 claims have been paid since the Scheme commenced.

Table 1.1: Benefit claims processed

	2023-24	2022-23	2021-22	2020-21	2019-20
Lodged Interstate	468	496	481	422	676
Lodged NT	514	462	441	397	783
Total claims	982	958	922	819	1459

Chart 1.3: NT benefit payments by place of lodgement



Registration profile

Table 1.2: Age profile

	June 21	June 22	June 23	June 24
Average age	40	39	40	39
Oldest #	85	86	87	88
Youngest *	16	16	15	15

*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 1.3: Days of service

	June 21	June 22	June 23	June 24
Total estimated service days	22.03M	23.37M	24.85M	26.39M

Scheme demographic

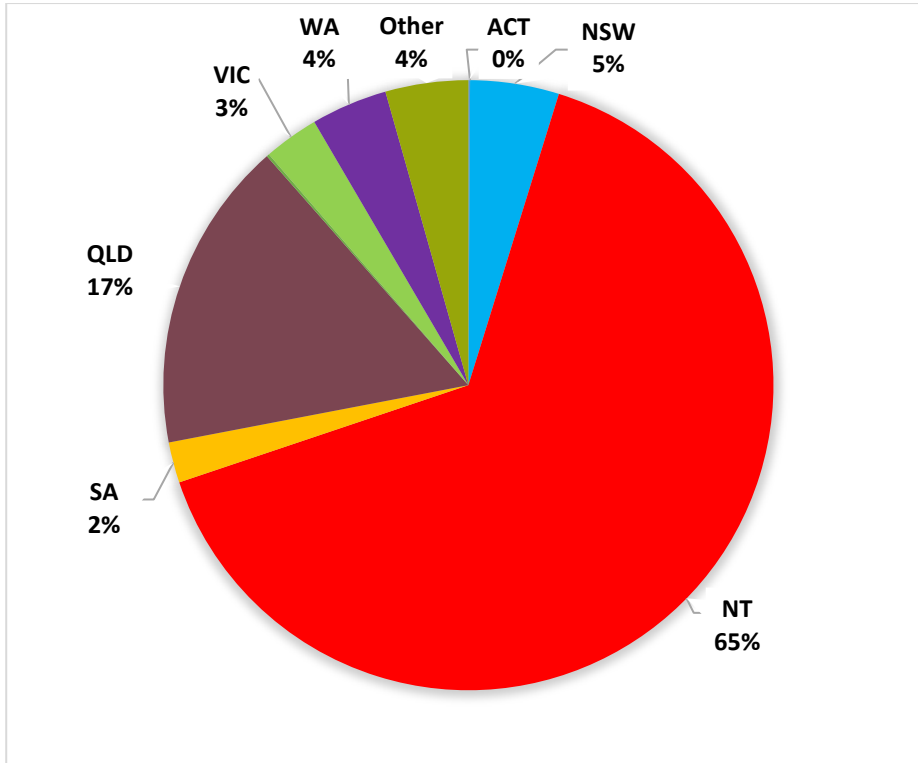
The table and chart below show that approximately 65% of the Scheme's active registered workers, record a Territory contact address in 2023-24. The table also illustrates the transient nature and mobility of the workforce in the construction industry across state and territory borders, with a sharp decline in NT based workers following the completion of the construction phase of the major gas plant project.

Table 1.4: No. of active workers by contact location

	2020-21	2021-22	2022-23	2023-24
ACT	5	3	9	9
NSW	584	368	443	470
NT	5 907	6 235	6 131	6437
QLD	1 796	1 553	1 721	1631
SA	270	204	238	212
TAS	18	16	21	14
VIC	348	256	296	292
WA	1 019	537	616	401
Other*	782	774	612	432
Total	10 729	9 946	10 087	9898

*Other includes: 'unknown' and/or a non-Australian contact location

Chart 1.4: Percentage of active workers by contact location, 2023-24



Employers

Eligible employers are identified through either self-registration or by notification on a worker registration form. The number of registered employers are shown in the following table, and demonstrate a fairly consistent trend of gradual increases over the past five years.

Table 1.5: Active employer registrations

	June 2020	June 2021	June 2022	June 2023	June 2024
Employers	631	651	687	756	783

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.

One notice was issued under this provision during 2023-24 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.

The Scheme's total levy income during the 2023-24 reporting period was \$3.4 million, representing a 47% increase on the \$2.3 million received in the previous reporting period.

Table 1.6 below provides a summary comparison of total levy contributions received from project developers over the past 5 years. The levy contributions received in 2019-20 were uncharacteristically high due to the levy payable on the major gas plant project. The higher than usual levy contribution received for the 2021-22 reporting period was due to a levy payable on a large mining related project.

Table 1.6: Summary - levy payer contributions

	June 2020	June 2021	June 2022	June 2023	June 2024
Total levy income* (approx.)	\$21.6M	\$2.8M	\$4.9M	\$2.3M	\$3.4M

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

Excluding periodic anomalies associated with significant levy payments relating to major projects from time to time, the trend of benefit payments exceeding levy revenue is expected to continue in future years. This trend is largely due to the maturity of the Scheme (with entitlements increasingly vesting) and the current levy collection structure (of 0.1% on projects over \$1 million and certain exemptions associated with the housing and resources sectors).

NT Build has continued to enjoy a high level of compliance by project developers with the assistance of the office and the activities undertaken by 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 1.7 below, only one notice was issued during the 2023-24 reporting period.

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

Table 1.7: Summary - section 81(1)(b) action

YEAR	B/FWD	New Notices	Finalised	C/FWD
2023-24	1	1	2	0
2022-23	1	1	1	1
2021-22	-	1	-	1
2020-21	-	1	1	-

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, by legal

proceedings in the small claims jurisdiction through the Northern Territory Civil and Administrative Tribunal.

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.

There have been no debt recovery actions required in this reporting period nor for the last four financial years.

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 important role in ensuring there will be sufficient funds to meet both immediate and longer term liabilities, whilst maintaining the current low levy rate for as long as possible.

This is particularly so, given the current levy collection structure (which involves a levy of just 0.1% on projects over \$1 million), and certain exemptions associated with the housing and resources sectors, which will necessarily have a material impact on the Scheme's long term sustainability.

During the 2023-24 reporting period, the Scheme's investment strategy comprised 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 five-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.

At the conclusion of the 2023-24 reporting period, the Scheme's assets continue to cover liabilities.

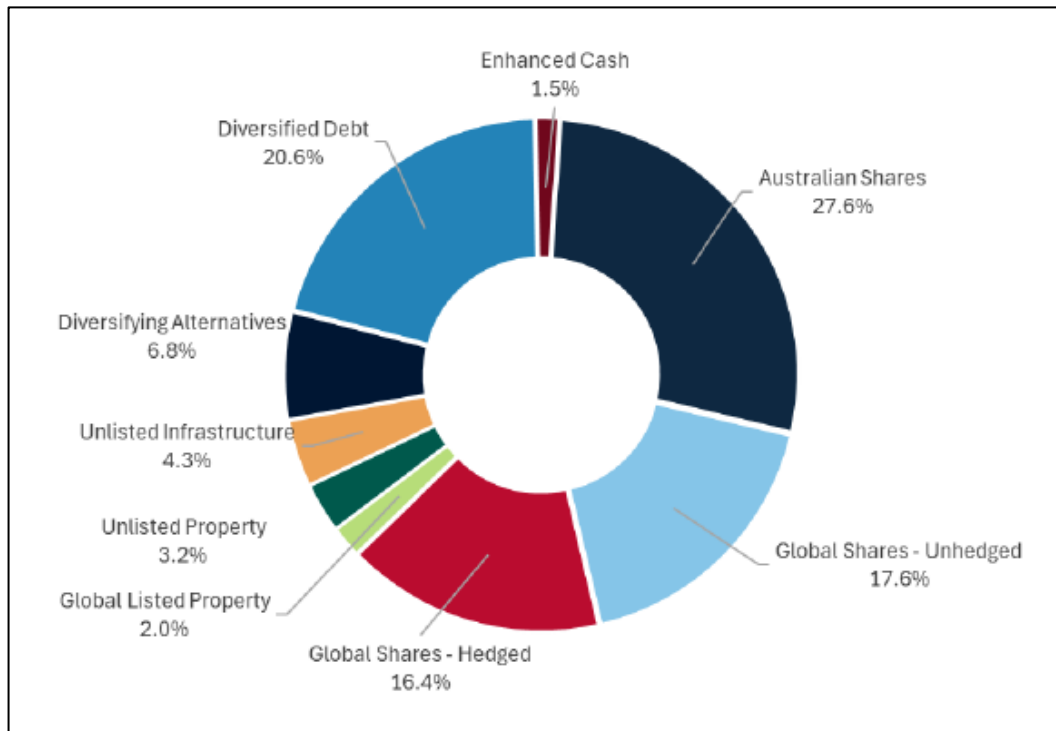
While the following table 1.9 reflects a summary of the actual amount of money either redeemed from or transferred to the fund managers for investment, information regarding the performance of the Scheme's investments is provided in the Financial Statements included in Part 3 of this Report.

Table 1.8: Summary - actual funds transferred / (redeemed) for investment

Fund Managers	Total funds invested as at 30 June 2024	Net Funds invested/(redeemed) during 2023-24	Total funds invested as at 30 June 2024
MLC/JANA	\$74.6M	Nil	\$74.6M

Chart 1.5 below illustrates the actual asset allocations of the Scheme's JANA managed portfolio as at 30 June 2024.

Chart 1.5: Actual asset allocations of JANA managed portfolio - 30 June 2024



Actuarial advice

Long service leave liability

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

- 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
- 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 to the above factors, and necessarily making assumptions in respect of the same, 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 since the 2014-15 assessment, and with the benefit of greater underpinning data due to scheme maturity, 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 had an impact on the liability valuation, as reflected in Chart 1.6 below.

The key assumptions made by the actuary in performing the liability valuation for the 2023-24 reporting period are covered in detail in the Notes to the financial statements included in Part 3 of this Report.

Taking those assumptions into account, the greatest unknowns in the liability valuation are those regarding member movements (exit rates and reactivation rates) and the ability of the scheme to remain in contact with inactive members to pay available deregistration benefits.

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.

For accounting purposes, as at 30 June 2024, the actuary recommended the adoption of a liability of \$60.216 million for accrued long service leave benefits.

This valuation represents an increase of \$0.50 million from the previous year's estimate.

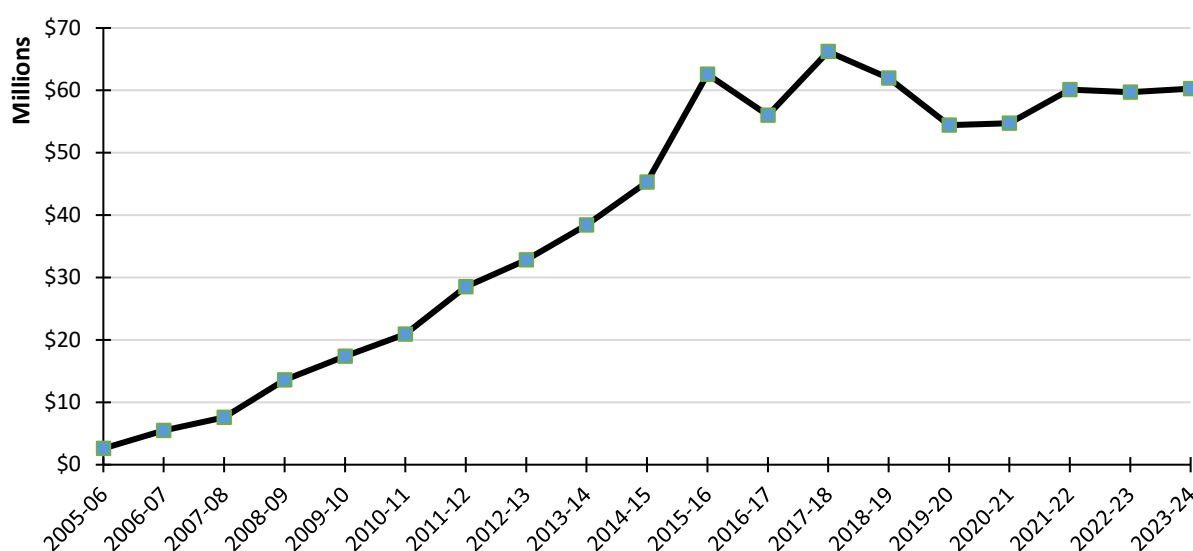
Accordingly, the provision of \$60.216 million has been disclosed on the Statement of Financial Position of the Board as at 30 June 2024, included in this Report.

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

Table 1.9: Summary - accrued long service leave liability

2023-24	\$60.2M
2022-23	\$59.7M
2021-22	\$60.1M
2020-21	\$54.7M
2019-20	\$54.4M
2018-19	\$62.0M
2017-18	\$66.2M
2016-17	\$56.0M
2015-16	\$62.6M
2014-15	\$45.3M
2013-14	\$38.4M
2012-13	\$32.8M
2011-12	\$28.5M
2010-11	\$20.9M
2009-10	\$17.4M
2008-09	\$13.6M
2007-08	\$7.6M
2006-07	\$5.5M
2005-06	\$2.6M

Chart 1.6: Rate of long service leave liability accrual



Section 91 actuarial review

Under the CILSLB Act, at least once every three years, the Scheme's actuary must 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
- levy rate.

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

The next triennial review of the Scheme is scheduled to be conducted for the period ending December 2025.

Previous Review

The most recent triennial review was undertaken during the 2022-23 reporting period, for the period ending 31 December 2022 and resulted in the Minister retaining the current levy rate of 0.1% of leviability activity.

Other key findings of the review include:

- Scheme currently has a moderate surplus;
- Scheme surplus is expected to decline over coming years, eroding the Scheme solvency margin;
- Scheme is projected, in the absence of a change such as a levy rate increase, to fall towards deficit with the next ten years;
- The decline in surplus may be more or less rapid than projected with the main contributors to uncertainty being investment return and inflation assumptions;
- current levy rate of 0.1% may not be sustainable in the longer term; and
- current levy rate of 0.1% of leviability activity is below break-even levy rate estimated to be between 0.19-0.26%.

A high level overview of the outcome of previous triennial reviews is documented below:

- first review relating to the period ending 30 June 2008 resulted in:
 - approval of 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
 - introduction of a \$1 billion threshold for the purpose of calculating the levy on large scale construction projects, effective from 1 July 2009;
- second review relating to the period ending 30 June 2011 resulted in approval of ongoing 25% reduction in the levy rate, from 0.4% to 0.3%, effective from 1 April 2012;
- third review relating to the period ending 30 June 2014 resulted in retention of the existing levy rate of 0.1% (noting that the levy had been reduced from 0.3% to 0.1% in April 2014, outside of the triennial review process);
- fourth review relating to the period ending 31 December 2016 resulted in retention of the existing levy rate of 0.1%; and
- fifth review relating to the period ending 31 March 2020 resulted in retention of the existing levy rate of 0.1%.

It has been noted by the actuary over successive triennial reviews that the 0.1% levy is below the break-even levy rate, so is not sustainable over the longer term. Given the Scheme's current surplus the Board remains comfortable with the rate remaining unchanged, but notes that this position may need to be revisited over the longer term as surplus is eroded.

Part 2: Operational Governance

Part 2 Operational governance

The Board

Functions and powers

The 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 capped at 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.

The membership of the NT Build Board on 30 June 2024 was as follows.

Chairperson	Michael Martin OAM Former Senior NT public servant Chair, NT Remuneration Tribunal Company Secretary, Carers NT Director and Shareholder, Top Hospital Executive Management Pty Ltd Consultant, Paywise Pty Ltd
Other members	Dick Guit OAM Chair/Trustee, Master Builders' Fidelity Fund Chair/Director, Industry Capability Network NT Member, Northern Territory Defence and National Security Advisory Panel Member, Charles Darwin University Council Member, Charles Darwin University Finance and Infrastructure Development Committee Chair, "Bringing Land to Market" Implementation Committee Chair, NTG Land Development Committee Chair, NTG Subdivision Guidelines Management Committee
	David Hayes NT Organiser, CEPU Electrical Division – Queensland and Northern Territory Divisional Branch Member, ALP NT President, Northern Territory Trades and Labor Council (Unions NT) Committee Member, Body Corporate 38 Woods Street
	Michael Milatos Director, Cento Pty Ltd Member, NT Government's Building Advisory Council

	<p>Andrea Moriarty Director, Kalo Group President, Master Builders NT Member, Procurement Board and Procurement Appeals Board</p>
Additional members	<p>Rosemary Campbell Consultant, PKF Merit Director, Lachart Pty Ltd Director, Loch Fyne Pty Ltd</p> <p>Kelly Ralston Territory Investment Commissioner</p>

Conducting business

Meetings

During this reporting period the Board convened a total of 17 times, including regular meetings and 10 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 17 meetings of the Board held over the 2023-24 reporting period, 36 general items of business were resolved, covering a range of issues concerning governance, investment, 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.

Copies of all policies are published on the website at: 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 2024.

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. In addition, at the end of each financial year, all Board members submit the requisite Key Management Personnel Related Party Disclosures Declaration for the relevant reporting period.

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 that one application for reconsideration was received during this reporting period. This involved an employee request for reconsideration by the Board under section 84, with reference to section 15(4)(a) ‘Qualifying Service’ and was made in response to the Registrar’s refusal to backdate the worker with service prior to the 12 months already backdated (noting that the Registrar had no discretion to do so based on the particular circumstances, without the requisite Board approval).

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

YEAR	B/FWD	LODGED AGAINST		RESOLVED	C/FWD
		decision of Registrar	decision of Board		
2023-24	-	1	-	1	-
2022-23	-	1	-	1	-
2021-22	-	1	-	1	-
2020-21	-	2	-	2	-

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 2023-24 reporting period.

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 Jim Laouris 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 de-registrations for the Scheme.

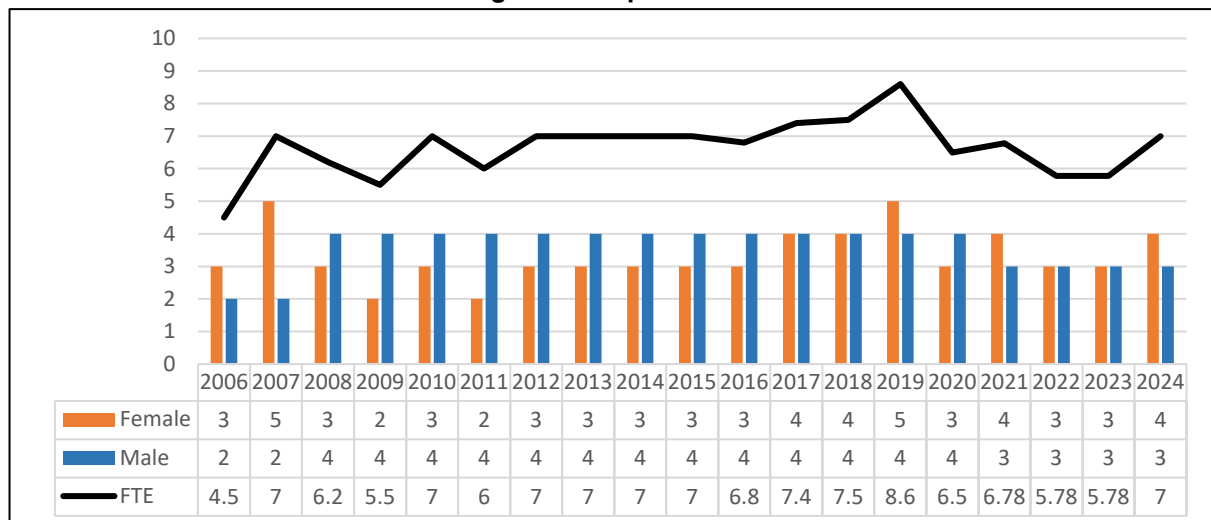
Staff

Section 59 of the CILSLB Act enables the Board to engage any person to assist it in exercising its powers and performing its functions. To date, the Board has opted 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 2024, responsibility for the administration of the CILSLB Act rests with the Department of Industry, Tourism and Trade (DITT). This means that, for administrative purposes, NT Build reported direct to the Minister for Mining and Industry. Likewise, the staff of NT Build are included in DITT's FTE numbers, but are 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 2024 consisted of seven staff.

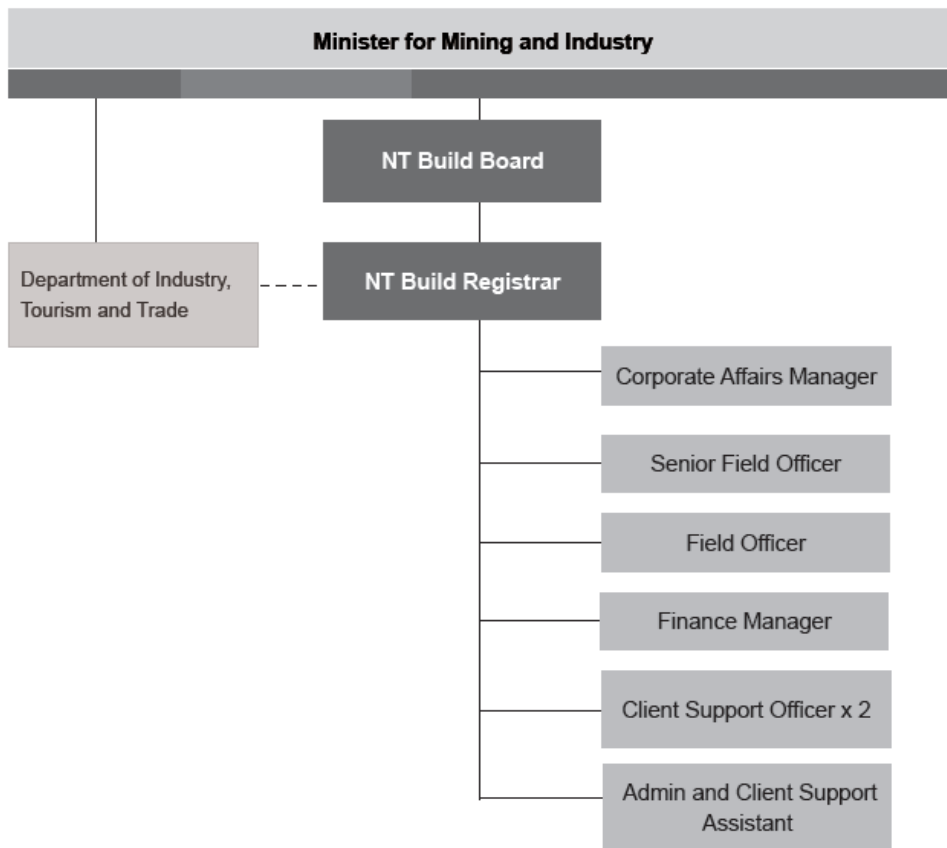
Chart 2.1: Staffing FTE and profile as at 30 June 2024



For the purpose of managing staff, the Registrar and other NTPS employees made available to the Board are engaged under the standard NTPS 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.

Organisation structure

The following diagram represents the organisation structure as at 30 June 2024.



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 2023-24 reporting period.

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: 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 Industry, Tourism and Trade (DITT) is the agency designated under the Administrative Arrangements Order with responsibility for the general administration of the CILSB Act, as at 30 June 2024.

For the purpose of Part 9 of the *Information Act 2002*, all records relating to the administration of the CILSB Act handled by NT Build are managed in accordance with the DITT 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 and updates to the NT Build website;
- production and maintenance of a range of targeted customer information bulletins and fact sheets.
- Major social media and radio marketing campaign – 'Make it Count', launched in January 2024 for a period of 6 weeks and attracted an increased number of registrations and awareness of NT Build.

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.

In addition to this, NT Build staff have developed an 'Engagement Plan for Industry' which seeks to engage with industry associations, government departments and directly to the construction industry to ensure they is continuous information being provided about the NT Build Scheme.

Presentations to the Board

During the reporting period 7 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.

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.

Members of the FRA Committee for the 2023-24 reporting period were Ms Rosemary Campbell (Chair), Mr Michael Milatos and Mr David Hayes.

During this reporting period the FRA committee convened a total of five times.

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 monitoring the Scheme's solvency.

The Scheme is funded by the generation of levies, based on project construction cost and payable by project owners, along with investment returns on the same.

The Scheme's solvency ratio remained strong over the 2023-2024 reporting period, notwithstanding any losses experienced on the Scheme's managed funds. However, the Board notes the real possibility of near-term solvency adjustments, given ongoing uncertainty and equity market fluctuations.

Related to the above, the findings in the report in the actuary's last two triennial reviews (June 2020 and March 2023), indicate that the Scheme is not sustainable in the long term at the current 0.1% levy rate.

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 Board's capital management plan, which provides a framework for the regular monitoring the Scheme's solvency position, is reviewed periodically. In addition, the Board has been particularly focused and active in monitoring investment performance and its impact on Scheme solvency over the 2023-24 reporting period, with regular reporting and presentations from JANA representatives, along with ad hoc procurement of actuarial analysis.

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; and
- advice and assistance with the delivery of a compliance audit program.

Fraud control and prevention

Fraud prevention is the responsibility of all NT Build Board members and staff, all of whom are required to:

- behave in an ethical way that is consistent with the NT Government Boards Handbook, and the Northern Territory Public Sector Code of Conduct respectively, along and relevant provisions contained in the CILSLB Act; and
- report and manage any incidents of suspected fraud consistent with the ICAC's Whistleblower Protection Guidelines and Directions and Mandatory Reporting Directions and Guidelines.

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 increasing knowledge and awareness of CILSLB Act requirements, strengthening levy compliance, and supporting the effective and efficient administration of the Scheme. The programme involves routine audits of selected construction projects each year, 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. 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.

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, at the discretion of the Board.

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

Two audits were initiated during the 2023-24 reporting period. One audit was finalised prior to 30 June 2024. The other was well progressed, but was carried over to the 2024-25 for finalisation.

Table 2.2: Summary of the audits undertaken

	B/FWD	STARTED	FINALISED	C/FWD
2023-24	0	2	1(d)	1
2022-23	2	2	2(a)	0
2021-22	1	2	1(a)	2
2020-21	2		1(a)	1
2019-20	-	2	-	2

(a) = Additional levy 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 2024 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.

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. There was one outsourced legal service engaged during this reporting period.

Part 3: Financial Accountability



Part 3 Financial accountability

Financial Statements for year ended 30 June 2024

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Auditor-General
Independent Auditor's Report to the Board
NT Build

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Opinion

I have audited the accompanying Financial Report of NT Build which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and Board Members' Declaration.

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 2024, 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 (including Independence Standards)* (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.

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.

Level 9 Northern Territory House 22 Mitchell Street Darwin 0800 Tel: 08 8999 7155



Auditor-General

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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.
- 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.

Jara K Dean
Auditor-General for the Northern Territory
Darwin, Northern Territory

9 October 2024

NT Build

Board Members' Declaration

The members of NT Build's board declare that:

1. the financial statements and notes for the year ended 30 June 2024 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 basis of preparation in 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 opinion of the members of the Board, 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.

Board Member 

Board Member 

Dated this 9 day of 10 2024

NT Build

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2024

		2024	2023
	Note	\$	\$
Contributions from levy payers		3,434,872	2,334,194
Movement in market value of equity investments		6,912,499	1,276,711
Other income	3	4,144,205	8,158,307
Employee benefits expense		(1,096,686)	(855,400)
Depreciation and amortisation expense	4	(86,220)	(81,403)
Fees and allowances	4	(51,778)	(43,112)
Long service leave benefits payments		(8,016,382)	(7,102,605)
Long service leave scheme revaluation	11	(529,000)	390,000
Occupancy costs		(23,319)	(22,250)
Other expenses		(565,005)	(525,448)
Finance expenses		(19,249)	(10,700)
Net surplus for the year		4,103,937	3,518,294
Total comprehensive income for the year		4,103,937	3,518,294

NT Build

Statement of Financial Position

As At 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	71,849	2,247,305
Trade and other receivables	6	1,687,469	2,115,745
Other financial assets	7	105,448,097	98,272,083
TOTAL CURRENT ASSETS		107,207,415	102,635,133
NON-CURRENT ASSETS			
Property, plant and equipment	8	486,073	494,184
TOTAL NON-CURRENT ASSETS		486,073	494,184
TOTAL ASSETS		107,693,488	103,129,317
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	183,014	222,599
Lease liabilities	10	82,413	75,867
Short-term provisions	11	19,400,000	17,900,000
Other financial liabilities	12	19,368	10,117
TOTAL CURRENT LIABILITIES		19,684,795	18,208,583
NON-CURRENT LIABILITIES			
Lease liabilities	10	381,033	426,011
Long-term provisions	11	40,861,000	41,832,000
TOTAL NON-CURRENT LIABILITIES		41,242,033	42,258,011
TOTAL LIABILITIES		60,926,828	60,466,594
NET ASSETS		46,766,660	42,662,723
EQUITY			
Reserves	13	296,867	296,867
Retained earnings		46,469,793	42,365,856
TOTAL EQUITY		46,766,660	42,662,723

NT Build

Statement of Changes in Equity For the Year Ended 30 June 2024

2024

	Retained Earnings	Implementation Funding	Total
	\$	\$	\$
Balance at 1 July 2023	42,365,856	296,867	42,662,723
Surplus for the year	4,103,937	-	4,103,937
Balance at 30 June 2024	46,469,793	296,867	46,766,660

2023

	Retained Earnings	Implementation Funding	Total
	\$	\$	\$
Balance at 1 July 2022	38,847,562	296,867	39,144,429
Surplus for the year	3,518,294	-	3,518,294
Balance at 30 June 2023	42,365,856	296,867	42,662,723

NT Build

Statement of Cash Flows For the Year Ended 30 June 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Levies received and other income	4,862,598	3,965,182
Payments to employees	(1,096,686)	(859,346)
Interest received	50,161	55,039
Long service leave payments	(7,991,069)	(7,177,548)
Payments for goods and services	(679,689)	(523,990)
Investment distributions received	2,818,379	6,833,119
Net cash provided by/(used in) operating activities	19 <u>(2,036,306)</u>	<u>2,292,456</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(41,641)</u>	-
Net cash used in investing activities	<u>(41,641)</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of lease liabilities	<u>(97,509)</u>	(89,055)
Net cash used in financing activities	<u>(97,509)</u>	(89,055)
Net increase/(decrease) in cash and cash equivalents held	(2,175,456)	2,203,401
Cash and cash equivalents at beginning of year	<u>2,247,305</u>	43,904
Cash and cash equivalents at end of financial year	5 <u>71,849</u>	<u>2,247,305</u>

NT Build

Notes to the Financial Statements

For the Year Ended 30 June 2024

Reporting Entity

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 9 October 2024.

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. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the 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 financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policy information relating to the preparation of these financial statements are presented below, and are consistent with prior reporting periods unless otherwise stated.

2. Summary of Material Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 *Revenue from Contracts with Customers* is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration NT Build expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of NT Build have any financing terms.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2. Summary of Material Accounting Policies (continued)

(a) Revenue and other income (continued)

Specific revenue streams

The revenue recognition policies for the principal revenue streams of NT Build are:

Long service leave levies

Revenue is recognised where it can be reliably measured and the entity has unconditional right to receive it in the period to which it relates.

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

Other income

Other income is recognised on an accruals basis when NT Build is entitled to it.

(b) 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 Division 50-25 of the Income Tax Assessment Act 1997 and no charge for income tax expense is required.

(c) Goods and services tax (GST)

Revenue, 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.

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 operating cash flows.

(d) Property, plant and equipment

Classes of property, plant and equipment are carried at cost less, where applicable, any accumulated depreciation and impairment. Costs include purchase price, other directly attributable costs and the initial estimate of costs of dismantling and restoring the asset, where applicable.

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 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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2. Summary of Material Accounting Policies (continued)

(d) Property, plant and equipment (continued)

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to NT Build, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Amortisation/ Depreciation rate
Furniture, Fixtures and Fittings	10%
Office Equipment	20%
Computer Equipment	33.3%
Computer Software	33.3%
Leasehold improvements	20%
Right-of-Use - Buildings	9%
Right-of-Use - Motor Vehicles	20%

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 received from disposal with its carrying amount and is taken to profit or loss.

For right-of-use assets, the net present value of the remaining lease payments is often an appropriate proxy for the fair value of relevant right-of-use assets at the time of initial recognition. Subsequently, right-of-use assets are stated at cost less amortisation, which is deemed to equate to fair value.

(e) Financial instruments

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.

Classification

On initial recognition, NT Build classifies its financial assets into the following categories, those measured at

- amortised cost

Notes to the Financial Statements

For the Year Ended 30 June 2024

2. Summary of Material Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI) - equity instrument (FVOCI - equity)
- fair value through other comprehensive income (FVOCI) - 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 that 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 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

NT Build has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. These investments are carried at fair value with changes in fair value recognised in the profit and 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.

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

Notes to the Financial Statements

For the Year Ended 30 June 2024

2. Summary of Material Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

- debt investments measured at FVOCI

When determining whether the credit risk of a financial asset has increased significantly 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 by 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.

Trade receivables and contract assets

Impairment of trade receivables and contract assets has been determined using the simplified approach in AASB 9 *Financial Instruments* which uses an estimation of lifetime expected credit losses. NT Build has determined the probability of non-payment 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 is 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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2. Summary of Material Accounting Policies (continued)

(e) **Financial instruments (continued)**

Financial liabilities (continued)

The financial liabilities of NT Build comprise trade payables and lease liabilities.

(f) **Impairment of non-financial assets**

At the end of each reporting period NT Build determines whether there is evidence of an 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 of the asset 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 comprises 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.

(h) **Leases**

(i) **Right-of-use asset**

At the lease commencement, NT Build recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where NT Build believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is amortised over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

(ii) **Lease liability**

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Northern Territory Treasury Corporation's institutional bond rate is used as the incremental borrowing rate.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured when there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in NT Build's assessment of lease term.

Notes to the Financial Statements For the Year Ended 30 June 2024

2. Summary of Material Accounting Policies (continued)

(h) Leases (continued)

(ii) Lease liability (continued)

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

NT Build has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. NT Build recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) 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.

Leave may be claimed after the employee or contractor has been credited with a total 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 at 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 the 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 outflow.

(j) 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 \$5 billion of the projects construction costs. The following 'standard' levy rates apply:

- 0.1% on projects started from 7 April 2014 - regardless of completion date;
- 0.3% on projects started from 1 April 2012 to 6 April 2014 - regardless of completion date;
- 0.4% on projects started from 1 July 2009 to 31 March 2012 - regardless of completion date; and
- 0.5% on projects started from 1 July 2005 to 30 June 2009 - regardless of completion date.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2. Summary of Material Accounting Policies (continued)

(j) Long service levy (continued)

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 rate.

2. A project specific levy rate, determined by the responsible Minister and informed by actuarial advice, is applied to the projects that exceed a specific threshold and is applied to the amount that exceeds that threshold. This threshold is currently \$5 billion.

(k) Going concern

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

The Scheme has recorded a net gain of \$4,103,937 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 2023 triennial actuarial review report dated March 2023 is that while the scheme financial projection suggests the scheme is able to support a levy rate below the break-even rate for several years, the current rate of 0.1% of leviable activity may not be sustainable in the longer term.

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.

(l) Adoption of new and revised accounting standards

NT Build has adopted all standards which became effective for the first time at 30 June 2024, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of NT Build.

(m) Standards and interpretations issued but not yet effective

No Australian accounting standards have been early adopted for 2023-24.

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. NT Build has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on NT Build where the standard is relevant:

Notes to the Financial Statements

For the Year Ended 30 June 2024

2. Summary of Material Accounting Policies (continued)

(m) Standards and interpretations issued but not yet effective (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 18 Presentation and Disclosure in Financial Statements	1 January 2028	AASB 18 replaces AASB 101 as the standard describing the primary financial statements and sets out requirements for the presentation and disclosure of information in AASB-compliant financial statements. Amongst other changes, it introduces the concept of the "management-defined performance measure" to financial statements and requires the classification of transactions presented within the statement of profit or loss within one of five categories – operating, investing, financing, income taxes, and discontinued operations. It also provides enhanced requirements for the aggregation and disaggregation of information.	The impact of this standard has yet to be determined.
AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments	1 January 2026	This amending standard amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to clarify how the contractual cash flows from financial assets should be assessed when determining their classification. The amendment also clarifies the derecognition requirements of financial liabilities that are settled through electronic payment systems.	When the amendment is first adopted for the year ending 30 June 2027, there will be no material impact on the financial statements.

(n) Critical accounting estimates and judgements

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 2(i), Note 11(b): Provisions

Non-current liabilities in respect of long service leave benefits are measured at 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 11(b).

Notes to the Financial Statements

For the Year Ended 30 June 2024

2. Summary of Material Accounting Policies (continued)

(n) Critical accounting estimates and judgements (continued)

Allowance for impairment losses - Note 6 - 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.

3. Other Income

	2024	2023
	\$	\$
Other Income		
- Interest received	106,102	145,634
- Investment income	2,818,379	6,833,119
- Reimbursements	2,650	-
- Manager fee rebate	241,189	246,216
- Reciprocal income	975,885	933,160
- Net gain on disposal of leased assets	-	178
	<u>4,144,205</u>	<u>8,158,307</u>

4. Expenses

	2024	2023
	\$	\$
Depreciation and Amortisation:		
- Depreciation and amortisation expense	<u>86,220</u>	<u>81,403</u>
Remuneration of auditor:		
- auditing the financial report*	<u>20,000</u>	<u>28,000</u>
Fees and allowances		
- board member fees	<u>51,778</u>	<u>43,112</u>

* The auditor of NT Build is the Northern Territory Auditor-General.

5. Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash at bank	71,849	247,305
Short-term deposits	-	2,000,000
	<u>71,849</u>	<u>2,247,305</u>

NT Build

Notes to the Financial Statements

For the Year Ended 30 June 2024

6. Trade and Other Receivables

	2024	2023
	\$	\$
CURRENT		
Trade receivables	1,592,612	1,977,604
Provision for impairment (a)	(4,212)	-
Accrued income	96,824	113,946
Prepayments	2,245	24,195
	<u>1,687,469</u>	<u>2,115,745</u>

(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 are assessed on an individual basis.

7. Other Financial Assets

(a) Financial assets at fair value through profit or loss

	2024	2023
	\$	\$
CURRENT		
JANA Moderate Trust	105,448,097	98,272,083
	<u>105,448,097</u>	<u>98,272,083</u>

(b) Breakdown of investment split

	2024	2023
	%	%
- Australian shares	28	29
- Global shares	34	35
- Bonds	29	31
- Property Securities	9	5
Total	<u>100</u>	<u>100</u>

The JANA Moderate Trust is a publicly available diversified portfolio of investments across various asset classes and investment managers. Broadly, the Trust's asset allocation is 70% growth assets and 30% defensive assets. The investment objective of the Trust is to exceed the Consumer Price Index by 3% annually, over a rolling 10 year period.

NT Build

Notes to the Financial Statements
For the Year Ended 30 June 2024

8. Property, plant and equipment

	2024	2023
	\$	\$
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	18,099	15,547
Accumulated depreciation	(18,099)	(15,547)
Total furniture, fixtures and fittings	<u>-</u>	<u>-</u>
Office equipment		
At cost	11,432	8,842
Accumulated depreciation	(11,432)	(8,842)
Total office equipment	<u>-</u>	<u>-</u>
Computer equipment		
At cost	4,642	4,642
Accumulated depreciation	(4,642)	(4,642)
Total computer equipment	<u>-</u>	<u>-</u>
Leasehold Improvements		
At cost	351,584	309,944
Accumulated amortisation	(311,609)	(309,944)
Total leasehold improvements	<u>39,975</u>	<u>-</u>
Total plant and equipment	<u>39,975</u>	<u>-</u>
RIGHT-OF-USE		
Right-of-Use - Buildings		
Under lease	675,000	675,000
Accumulated amortisation	(296,079)	(232,893)
Total Right-of-Use - Buildings	<u>378,921</u>	<u>442,107</u>
Right-of-Use - Motor Vehicles		
Under lease	115,543	106,528
Accumulated amortisation	(48,366)	(54,451)
Total Right-of-Use - Motor Vehicles	<u>67,177</u>	<u>52,077</u>
Total right-of-use	<u>446,098</u>	<u>494,184</u>
Total property, plant and equipment and Right-of-Use assets	<u>486,073</u>	<u>494,184</u>

NT Build

Notes to the Financial Statements For the Year Ended 30 June 2024

8. Property, plant and equipment (continued)

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

	Leasehold Improvements	Right-of-Use - Buildings	Right-of-Use - Motor Vehicles	Total
	\$	\$	\$	\$
Year ended 30 June 2024				
Balance at the beginning of year	-	442,107	52,077	494,184
Additions	41,641	-	39,829	81,470
Disposals - written down value	-	-	(3,361)	(3,361)
Amortisation/ Depreciation	(1,666)	(63,186)	(21,368)	(86,220)
Balance at the end of the year	39,975	378,921	67,177	486,073

	Leasehold Improvements	Right-of-Use - Buildings	Right-of-Use - Motor Vehicles	Total
	\$	\$	\$	\$
Year ended 30 June 2023				
Balance at the beginning of year	926	464,942	56,352	522,220
Remeasurement	-	35,705	(4,325)	31,380
Additions	-	-	34,701	34,701
Disposals - written down value	-	-	(12,712)	(12,712)
Amortisation/ Depreciation	(926)	(58,540)	(21,939)	(81,405)
Balance at the end of the year	-	442,107	52,077	494,184

9. Trade and Other Payables

	2024	2023
	\$	\$
CURRENT		
Trade payables	53,931	41,584
Other payables	129,083	181,015
	183,014	222,599

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

NT Build

Notes to the Financial Statements For the Year Ended 30 June 2024

10. Lease liabilities

	2024	2023
	\$	\$
Current	82,413	75,867
Non-current	381,033	426,011
	<u>463,446</u>	<u>501,878</u>

11. Provisions

	2024	2023
	\$	\$
Current	19,400,000	17,900,000
Non-current	40,861,000	41,832,000
	<u>60,261,000</u>	<u>59,732,000</u>

(a) Movement in carrying amounts

	2024	2023
	\$	\$
Opening balance	59,732,000	60,122,000
Actuarial valuation adjustment - based on asset-based discount rate	529,000	(390,000)
	<u>60,261,000</u>	<u>59,732,000</u>

(b) Actuary valuation adjustment

The NT Build Long Service Leave liability valuation was carried out on 30 July 2024 by Cumpston Sarjeant Pty Ltd, Consulting Actuaries, in respect of the year ended 30 June 2024. The valuation was conducted in accordance with AASB137 *Provisions, Contingent Liabilities and Contingent Assets* and consistent with the relevant parts of Practice Guideline PG3 issued by the Actuaries Institute.

An individual member projection has been used for valuing active members, and those inactive members assumed to become active in future. 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 rates of claiming benefits in service, rates of death, retirement, and resignation, and assumed escalation in the benefit rate. 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 discount rate. The assumed investment returns on the fund are 6%, this is unchanged from last year, and this 6.0% pa has been adopted as the asset-based discount rate for the valuation.

There has over recent years been an increasing amount being paid out from NT Build and an increasing amount paid out based solely on NT Build service. Both these trends are expected in the scheme as it matures, and projected payments for the coming year reflect the actuary's expectation that benefit payments will continue at similar levels in coming years. A significant fraction of benefit payments involved some interstate service. This fraction is expected to remain much higher than applies for interstate schemes, due to the transitory nature of the NT population, and particularly because of the impact on scheme statistics of large projects and temporary employment.

The greatest unknowns in the liability valuation are the assumptions regarding member movements (exit rates and recommencement rates). While the analysis performed in recent years has provided greater refinement and increased confidence in the assumptions related to recommencement of active service by current inactive workers, there is limited past experience for some cohorts.

Further scheme experience over time will refine the member movement assumptions made and gradually reduce uncertainty in the valuation from this area, although the effect of uncertainty in asset returns will remain significant while the current asset allocation is maintained.

NT Build

Notes to the Financial Statements

For the Year Ended 30 June 2024

11. Provisions (continued)

(c) Reconciliation with previous results

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

	\$ (million)
Liability previously determined excl. expenses as at June 2023	53.3
plus Interest on liability @ 6.0% for one year to 2024	3.2
less Expected payments during FY24 from accrued liability at 2023	(6.2)
Expected liability excluding expenses at 2024 for pre-2023 service	50.3
plus Changes in valuation assumption - impact on pre-2023 liability	
Change to 2024 benefit rate increase compared to expectations	(1.9)
Change to demographic assumptions	(0.4)
Expected pre-2023 liability at 2024 on new valuation basis	48.0
plus Experience gains/losses	
Benefit payments different to projected	(0.9)
Pre-2023 service credits different to expected	0.3
Other experience gains/losses	-
Liability at June 2024 for service to June 2023, excluding expenses	47.4
plus Liability for service accruals in FY24	6.4
Total liability excluding expenses at 30 June 2024	53.8
plus Liability for expenses @ 12% of liability	6.5
Total liability including expenses at 30 June 2024	60.3

*progression may not tally precisely due to rounding

The most significant elements of the above progression include:

- The benefit rate increased on 1 July 2024 by less than previously expected (0% vs 4% expected in the 2023 assessment), decreasing liability by \$1.9 million;
- Benefit payments in FY24 were \$0.9 million higher than expected in 2023, resulting in a small decrease in liability compared to prior expectations;
- Pre-2023 service days are now estimated to be slightly higher than the 2023 estimate, increasing liability by \$0.3 million;
- Other experience gains/losses are minor.

12. Other Financial Liabilities

	2024	2023
	\$	\$
CURRENT		
Amounts received in advance	19,368	10,117
	19,368	10,117

NT Build

Notes to the Financial Statements For the Year Ended 30 June 2024

13. Reserves

	2024	2023
	\$	\$
Implementation Funding		
Opening balance	296,867	296,867
Total Reserves	<u>296,867</u>	<u>296,867</u>

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.

14. Commitments

Operating Leases expiring in 5 years

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

NT Build leases computer equipment and entered into a software licensing operating lease 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:

	2024	2023
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	313,632	270,347
- between one year and five years	24,560	22,118
- later than five years	-	-
	<u>338,192</u>	<u>292,465</u>

15. 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

- Liquidity risk
- Credit risk

Notes to the Financial Statements

For the Year Ended 30 June 2024

15. Financial Risk Management (continued)

- Market risk - currency risk, interest rate risk and price risk

Financial instruments used

The principal categories of financial instrument used by 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 establishment of NT Build's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives. Whilst retaining ultimate responsibility, in December 2015 the Board established a Finance, Risk and Audit (FRA) Sub-committee. This FRA Sub-committee, which consists of three members and met three times during the 2023-24 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.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and NT Build's activities.

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.

Liquidity risk

Liquidity risk arises from NT Build's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that NT Build will encounter difficulty in meeting its financial obligations as they fall due.

NT Build's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. NT Build maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

NT Build manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

NT Build

Notes to the Financial Statements For the Year Ended 30 June 2024

15. Financial Risk Management (continued)

At the reporting date, these reports indicate that NT Build expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Financial guarantee liabilities are treated as payable on demand since NT Build has no control over the timing of any potential settlement of the liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

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

Financial liability maturity analysis - Non-derivative

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables (excluding estimated annual leave)	53,931	41,584	-	-	-	-	53,931	41,584
Finance lease liabilities	82,413	75,867	381,033	359,074	-	66,937	463,446	501,878
Total contractual outflows	136,344	117,451	381,033	359,074	-	66,937	517,377	543,462

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to NT Build.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables and contract assets

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 April 2014, or \$200,000 or more in value for projects that started before 7 April 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.

NT Build

Notes to the Financial Statements For the Year Ended 30 June 2024

15. Financial Risk Management (continued)

Credit risk (continued)

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

	2024	2023
	\$	\$
Non-instalment	<u>765,216</u>	<u>534,834</u>

Other financial assets held at amortised cost

NT Build does not hold any other assets at amortised cost.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Sensitivity analysis

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +1.00% and -1.00% (2023: +1.00%/-1.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2024		2023	
	+1.00%	-1.00%	+1.00%	-1.00%
	\$	\$	\$	\$
Net results	1,055,199	(1,055,199)	1,005,194	(1,005,194)
Equity	1,055,199	(1,055,199)	1,005,194	(1,005,194)

(i) Interest rate risk

Financial instrument composition and maturity analysis

NT Build's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Maturing within 1 Year		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash and cash equivalents	4.36	3.80	71,849	247,305	-	2,000,000	71,849	2,247,305
Receivables	-	-	1,583,380	1,972,938	-	-	1,583,380	1,972,938
Investments	10.40	6.90	105,448,097	98,272,083	-	-	105,448,097	98,272,083
Total Financial Assets			<u>107,103,326</u>	<u>100,492,326</u>	-	2,000,000	<u>107,103,326</u>	<u>102,492,326</u>

NT Build

Notes to the Financial Statements For the Year Ended 30 June 2024

15. Financial Risk Management (continued)

(b) Fair value estimation

	2024	2024	2023	2023
	Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	71,849	71,849	2,247,305	2,247,305
Trade and other receivables	1,594,857	1,583,380	2,001,799	1,972,938
Financial assets at fair value through profit or loss: Investments	105,448,097	105,448,097	98,272,083	98,272,083
	107,114,803	107,103,326	102,521,187	102,492,326
Financial liabilities				
Trade and other payables	53,931	53,931	41,584	41,584
Lease liabilities	463,446	463,446	501,878	501,878
	517,377	517,377	543,462	543,462

16. Key Management Personnel Remuneration

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 2024 the Department of Industry, Tourism and Trade 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 Mining and Industry, The Hon Nicole Manison MLA, the Minister for Industry, Tourism and Trade, The Hon Eva Lawler MLA, the Registrar, Mr Jim Laouris, 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 OAM, Mr David Malone (resigned 2 May 2024), Mr Michael Milatos, Ms Rosemary Campbell, Mr David Hayes, Ms Kelly Ralston (appointed 26 February 2024) and Ms Andrea Moriarty (appointed 6 June 2024).

The details below exclude the salaries and other benefits of the Minister for Mining and Industry and the Minister for Industry, Tourism and Trade 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 Industry, Tourism and Trade as their remunerations and allowances are payable by the Department of Industry, Tourism and Trade and consequently disclosed within the Department of Industry, Tourism and Trade Annual Financial Statements.

NT Build

Notes to the Financial Statements For the Year Ended 30 June 2024

16. Key Management Personnel Remuneration (continued)

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

	2024 \$000	2023 \$000
Short-term employee benefits	418	271
Long-term benefits	-	-
Post-employment benefits	45	35
Termination benefits	-	-
Total	463	306

Attendance at meetings

	Eligible Meetings*	Meetings Attended
Dick Guit	17	13
David Malone	12	9
Michael Milatos	17	13
Michael Martin	17	17
Rosemary Campbell	17	14
David Hayes	17	13
Kelly Ralston	5	4
Andrea Moriarty	2	2

* 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.

17. Contingencies

In the opinion of the Directors, NT Build did not have any contingencies at 30 June 2024 (30 June 2023:None).

18. Related Parties

(a) NT Build's main related parties are as follows:

NT Build is a government administrative entity and is wholly owned and controlled by the Northern 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.

Key management personnel - refer to Note 16.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

NT Build

Notes to the Financial Statements
For the Year Ended 30 June 2024

18. Related Parties (continued)

(b) Transactions with Northern Territory Government controlled entities

NT Build's ongoing sources of funding are from the collection of a levy imposed on eligible construction work undertaken in the Northern Territory and investment earnings. No general allocation of funding is provided to NT Build through the Northern 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:

	Revenue from related parties 2024 \$	Payments to related parties 2024 \$	Amounts owed by related parties 2024 \$	Amounts owed to related parties 2024 \$
Related Party				
All NT Government Departments	1,403,452	1,333,592	28,064	22,028
	1,403,452	1,333,592	28,064	22,028
	Revenue from related parties 2023 \$	Payments to related parties 2023 \$	Amounts owed by related parties 2023 \$	Amounts owed to related parties 2023 \$
Related Party				
All NT Government Departments	935,616	1,053,419	568	28,727
	935,616	1,053,419	568	28,727

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

NT Build

Notes to the Financial Statements

For the Year Ended 30 June 2024

19. Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:		
	2024	2023
	\$	\$
Net surplus for the year	4,103,937	3,518,294
Cash flows excluded from net surplus attributable to operating activities		
Non-cash flows in profit:		
- depreciation and amortisation	86,219	81,405
- interest on lease liabilities	19,249	10,700
- movement in market value of investments	(6,912,499)	(1,276,711)
- manager fee rebate	(263,515)	(237,858)
- scheme liability expenses	529,000	(390,000)
- net (gain)/loss on disposal of leased assets	3,361	(178)
Changes in assets and liabilities net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	407,957	614,530
- decrease in other assets	(1,630)	(19,210)
- (increase) in prepayments	21,950	(1,570)
- increase/(decrease) in income in advance	9,251	3,554
- increase/(decrease) in trade and other payables	(39,586)	(10,500)
Cashflows from operations	(2,036,306)	2,292,456

(a) Changes in liabilities arising from financing activities

	1 July 2023	Acquisition	Lease liability repayment	Other non- cash movement	30 June 2024
	\$	\$	\$	\$	\$
Leases - motor vehicles	50,075	39,829	(23,004)	2,049	68,949
Leases - buildings	451,803	-	(74,505)	17,199	394,497
Total liabilities from financing activities	501,878	39,829	(97,509)	19,248	463,446

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: actleave.act.gov.au

Queensland

QLeave

Unit 1, 62 Crockford Street
Northgate QLD 4013
Toll Free: 1300 753 283
Email: member@qleave.qld.gov.au
Web: qleave.qld.gov.au

Tasmania

TasBuild

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

Western Australia

MyLeave

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

Victoria

LeavePlus

Level 6, 478 Albert St
East Melbourne VIC 3002
Toll Free: 1300 264 683
Email: info@leaveplus.com.au
Web: leaveplus.com.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: ausleave.com.au

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