



Levy Information

Portable Long Service Leave Benefits for the Construction Industry

April 2014

The NT Build portable long service leave scheme came into effect on 1 July 2005, following the enactment of the *Construction Industry Long Service Leave and Benefits Act*. The scheme is administered by a Government appointed Board called NT Build, which consists of industry members who represent organisations that represent the interests of both employees and employers.

Under the scheme eligible building and construction industry workers in the Northern Territory are able to qualify for long service leave based on service to the industry rather than service with the one employer. The portability extends across State and Territory borders under the National Reciprocal Agreement.

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

How is the levy calculated?

The levy is payable on all construction projects of \$1 million or more in value (or \$200,000 for projects started before 7 April 2014). For construction work that costs up to \$1 billion, the amount of the levy is calculated as a set percentage of the cost of the work. A two tier levy regime applies to projects with costs in excess of \$1 billion (see section 33 of the Act for further information).

The following formula is used for calculating the levy amount on projects with construction cost from \$1 million (or \$200,000 if applicable) to \$1 billion.

$$\left\{ \begin{array}{l} \text{Total cost of construction} \\ \text{work, including GST} \end{array} \right\} \times \begin{array}{l} \text{applicable} \\ \text{levy \% rate} \\ \text{(refer below)} \end{array} = \begin{array}{l} \text{Levy payment} \\ \text{(GST exempt)} \end{array}$$

The following levy rates apply:

- 0.1% on projects started from 7/4/2014 - regardless of completion date;
- 0.3% on projects started from 1/4/2012 to 6/4/2014 - regardless of completion date;
- 0.4% on projects started from 1/7/2009 to 31/3/2012 - regardless of completion date; and
- 0.5% on projects started from 1/7/2005 to 30/6/2009 - regardless of completion date

Cost of Construction Work

The cost is the total contract prices for all construction contracts - including the cost of labour, materials (including prefabricated goods and installation), equipment, design, project management, consultancy and any other cost that directly or indirectly relates to the work. For further information see Section 37 of the Act.

Who pays the levy?

The levy is to be paid by the person for whom the work is to be done except where the work is to be done for the Australian Government or some other Interstate Government entity in which case the contractor doing the work is liable to pay the levy.

Exemptions

The levy does not apply to work:

- On single detached dwellings, including related private garages, carports, sheds, or the like.
- For which the total contract price for the construction work is less than \$1 million in value, from 7/4/2014 (or \$200,000 in value before 7/4/2014).
- Undertaken for not-for-profit organisations in respect of voluntary labour or donated materials.

Construction Work

For the purposes of the Act, construction work covers civil works, land draining and reclamation, earthworks, site restoration and landscaping. It also includes altering, repairing, restoring, maintaining, dismantling, demolishing or removing buildings, structures or fittings and fixtures therein.

The full definition of construction work is included in the Construction Contracts (Security of Payments) Act 2004. A copy of the full definition can be obtained from our website – www.ntbuild.com.au or by phoning NT Build on **1300 795 855**.

Notification of work

The person for whom the work is to be done must notify NT Build of the work prior to commencement. A Project Notification Form can be obtained from our website – www.ntbuild.com.au or by phoning NT Build on **1300 795 855**.

When is the levy to be paid?

The levy must be paid before the work commences on the project. The levy payer can apply to NT Build for payment of the levy by instalments if the value of the levy exceeds \$10,000 and the project is expected to take more than one year to complete, or in special circumstances.

Penalties for not paying the levy.

Interest and fines may be imposed if the levy is not paid when required. The Act also provides NT Build with the power to issue an order to stop work on the project until such time as the levy payer has met their statutory responsibility.

