
Part 2: Operational management

Corporate governance

Board

Functions and powers

The *Construction Industry Long Service Leave and Benefits Act 2005* 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 about the operation of the Act.

In exercising its powers and carrying out its functions, the *Construction Industry Long Service Leave and Benefits Act 2005* 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. Pursuant to section 54 of the *Construction Industry Long Service Leave and Benefits Act 2005* the following appointments for membership of the NT Build Board have been made.



Independent Chairperson	Ministerial nominee as independent chairperson Barry Chambers Retired NT Public Sector employee, Former chief executive officer of NT infrastructure agencies	
Two Members who represent organisations that represent the interests of employees	Nominee for the Construction, Forestry, Mining and Energy Union (CFMEU) Joe Gallagher Organiser, CFMEU NT Sub-Branch	
	Nominee for Unions NT (Northern Territory Trades & Labor Council Inc) Alan Paton NT Organiser, Communications, Electrical and Plumbing Union (CEPU)	
Two Members who represent organisations that represent the interests of employers	Nominee for the Housing Industry Association (HIA) Graham Kemp HIA Northern Territory Manager	
	Nominee for the Territory Construction Association (TCA) Dick Guit Regional Manager, Laing O'Rourke Australia Pty Ltd Vice-President of the TCA	
Additional Member appointed by the Minister	Nominee for the Northern Territory Government, NT Treasury Tony Stubbin Assistant Under Treasurer Economics	

All current Board members were appointed by the responsible Minister on 5 May 2005 and, on the commencement of the *Construction Industry Long Service Leave and Benefits Act 2005*, assumed their role and responsibilities as the NT Build Board from 1 July 2005.

Members are able to hold office for up to five years and are eligible for re-appointment.

Meetings

During the first year of operation of the scheme the Board convened a total of 15 times, including 10 regular meetings and five occasions involving specific matters that required attention between scheduled meetings.

	Total No. of meetings held	Total No. of meetings attended
CHAMBERS, Barry	15	14
KEMP, Graham	15	12
GUIT, Dick	15	13
GALLAGHER, Joe	15	14
PATON, Alan	15	12
STUBBIN, Tony	15	12

Note: Excludes 'other' business involving general participation of members such as: attendance at National Conferences/Forums, official launch function, Ministerial discussions and ad hoc general meetings attended by the Chairperson.

The first meeting of the Board was held on 1 July 2005, the day the scheme commenced operation. At this inaugural meeting members resolved two matters specifically relating to staff of the NT Build office. The matters were the acceptance of the Commissioner for Public Employment's staffing proposal for staff to assist the Board in performing its functions and the formal appointment of a Registrar for the Scheme.

At the first meeting the Board also endorsed the *Construction Industry Long Service Leave and Benefits Determinations* which enabled a number of imperative scheme administrative matters to be effected, including:

- Definition of construction worker
- Worker and employer information required for registration

- Employer recordkeeping and reporting obligations
- Employee and contractor benefit pay rates
- Transfer of credits into and out of the scheme
- Recognition of previous and qualifying service

Due to the small size of the Board, all matters are dealt with by the Board as a whole.

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. As a current Northern Territory Public Sector employee Mr Stubbin does not receive a remuneration payment in respect of his role as a Board member. Further detail regarding payments to members is provided in the Financial Statements included in this report.

General Decisions

In the course of the 15 meetings of the Board, 78 general items of business were resolved, covering a range of issues concerning; governance, scheme administration, and the financial and general operational management of NT Build.

Policy Decisions

The following four formal policy decisions of the Board were resolved during the financial year. These policies are intended as a guide to interpretation of specific provisions affecting the operation of the portable long service leave scheme. Copies of the policies are published on the website at: www.ntbuild.com.au

Number	Subject	Date issued
PD01/2006	Application of the levy to construction work	14 February 2006
PD3/2005	Defining work start date for construction work	6 September 2005
PD2/2005	Nature of construction work	1 July 2005
PD1/2005	Weekly benefit level	1 July 2005

Ministerial directions

Section 67 of the *Construction Industry Long Service Leave and Benefits Act 2005* enables the Minister to give a direction to the NT Build Board relating to the excising 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 2006.

Reconsiderations/reviews

For matters allowed under the *Construction Industry Long Service Leave and Benefits Act 2005*, a person affected by a decision made by either the Registrar or the Board may request the Board to formally reconsider that decision. As illustrated in the table below, one application for formal reconsideration was lodged during the reporting period.

Similarly, 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 formal review were lodged during the reporting period.

Application for Reconsideration	No. Lodged	No. Resolved	Outstanding at 30/6/2006
Decision of Registrar	1	1	0
Decision of Board	0	0	0

Disclosure of interests

As required under the *Construction Industry Long Service Leave and Benefits Act 2005* a register of the interests of members of the Board is maintained. All members submitted initial written declarations 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.

Registrar

The *Construction Industry Long Service Leave and Benefits Act 2005* requires a Registrar for the scheme to be formally appointed by the Board.

To enable the effective operation of the scheme on its commencement, Mr Brian Gallagher was appointed as the interim Registrar pending the finalisation of the ongoing filling of the position. In January 2006, Mr Theo Tsikouris was formally appointed as the Registrar for the scheme.

Functions and powers

The specific powers and primary functions of the Registrar are set out in the *Construction Industry Long Service Leave and Benefits Act 2005*. The functions of the Registrar in administering the portable long service leave scheme (provided for in section 77 of the CILSLB Act) include:

- Administrating the scheme in accordance with any directions give 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 registrations and deregistrations for the scheme.



Our staff

With the exception of the Registrar, who is required to be an employee within the meaning of the *Public Sector Employment and Management Act*, section 59 of the *Construction Industry Long Service Leave and Benefits Act 2005* enables the Board to engage any person to assist it in exercising its powers and performing its functions.

For administrative efficiency, the Board made the decision to source employees from within the Northern Territory Public Sector rather than employ directly. As provided for by section 59 of the CILSLB Act, the staff of NT Build are therefore employees of the Office of the Commissioner for Public Employment (OCPE) who have been made available to the Board on a full cost recovery arrangement agreed between the Commissioner for Public Employment (CPE) and the NT Build Board.

In addition to the above, the CPE continued to provide the Board with transitional support during the first 12 months operation of the scheme. The outplacement of an OCPE - NT Build liaison resource, funded by the OCPE, enabled continuity of administrative support to the Board while recruitment processes for ongoing staffing arrangements were finalised and operational practices developed and implemented.

For the purpose of managing staff, the Registrar and other OCPE employees made available to the Board are engaged under the standard NT Public Sector employment arrangements. In addition, the Registrar has been provided with delegations equivalent to those applicable to an NTPS Chief Executive Officer under the provisions of the *Public Sector Employment and Management Act*, in relation to the staff of NT Build.

NT Build is not an agency within the meaning of the *Financial Management Act* or the *Public Sector Employment and Management Act* and as such no general allocation of funding is provided through the Territory budget. The scheme, including staffing and operational expenses, is funded through a levy on construction work undertaken in the Territory and investment earnings.

Staffing Statistics as at 30 June 06

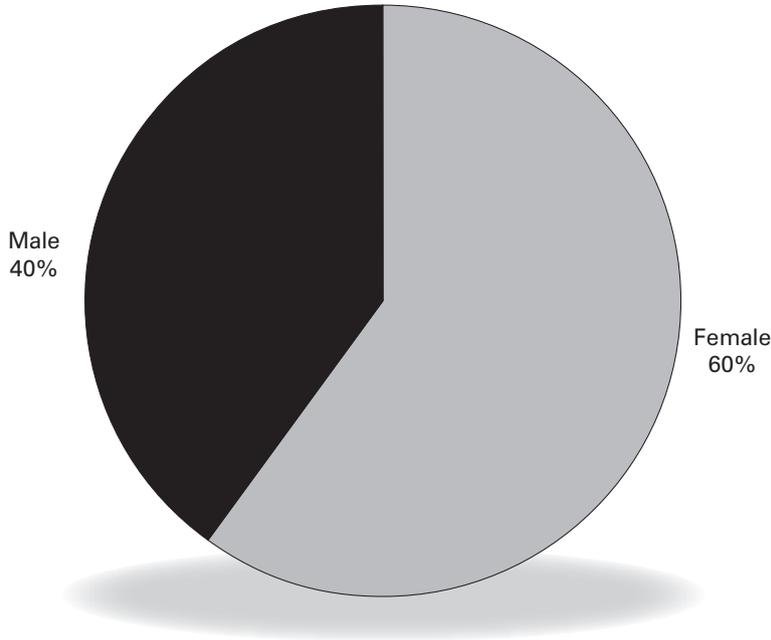
- Positions Vs Staffing numbers**

Following a staff resignation, recruitment action to permanently fill a vacant Field Officer position was concluded in June 2006 and the successful applicant is due to commence with NT Build in mid-July 2006.

Classification Level	No. of Positions	No. of Staff (FTE)
ECO1	1	1
AO8	1	1
AO6	3	1.5
AO4	1	1
	*6	*4.5

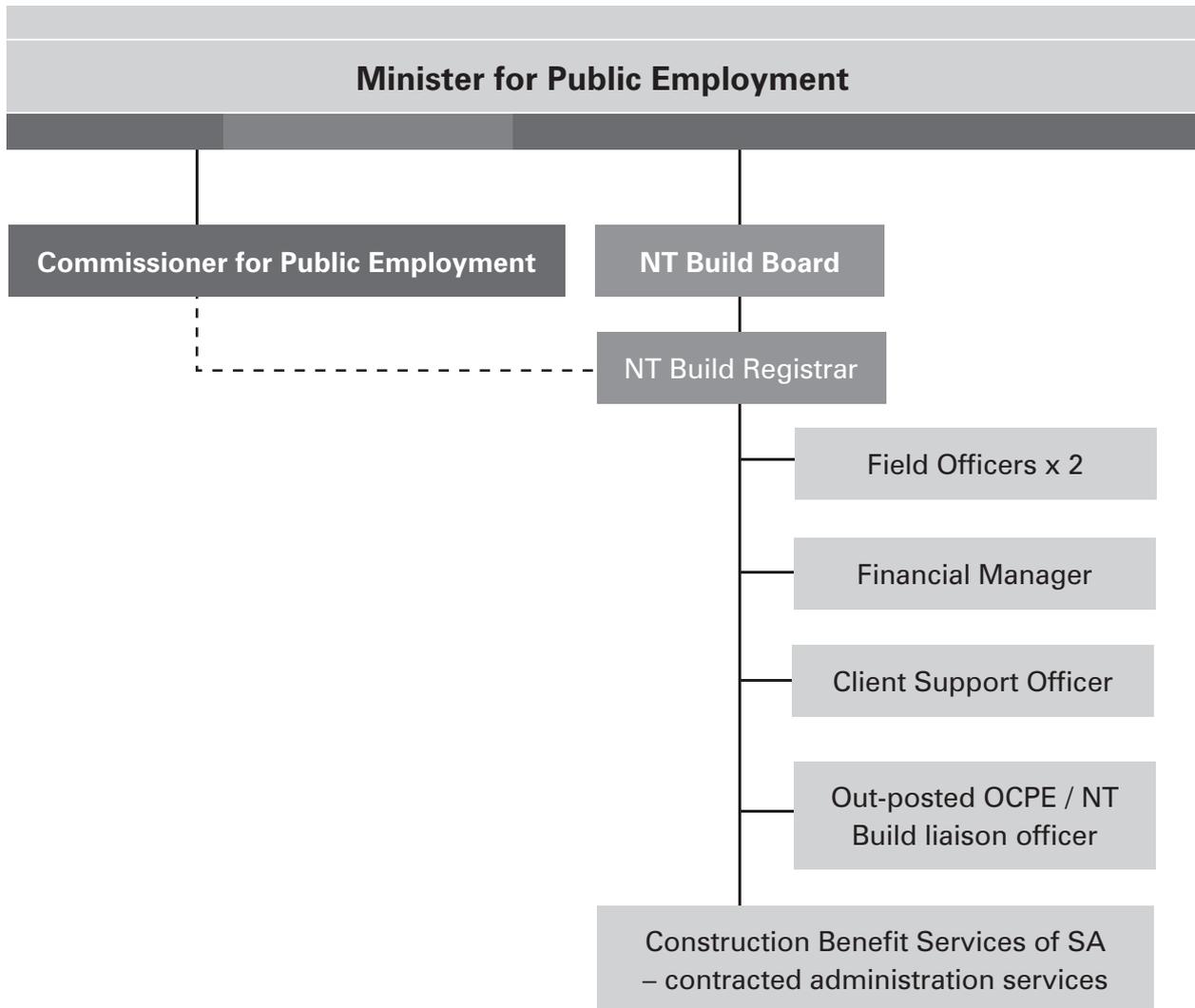
*includes out-posted OCPE employee/liaison position funded by OCPE

- Gender profile**



Organisation chart

The following diagram represents the organisation structure as at 30 June 2006.



Disclosure of interests

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

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

Information management

Information Privacy and Access (FOI)

The NT Build Board is a 'body corporate' established under Territory legislation responsible for administering the day to day operations of the portable long service leave scheme. As such, for the purpose of information privacy and access, NT Build has been identified by the Information Commissioner as a separate entity for the purpose of reporting under section 98 of the *Information Act*.

- ***Managing Access***

NT Build supports an open and accountable Government by fostering an environment in which information is available to stakeholders and interested members of the community in accordance with the *Information Act*. NT Build strives to make information of interest available to any interested party, where such information 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 *Construction Industry Long Service Leave and Benefits Act 2005* rather than by making an application for access under the *Information Act*.

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

In accordance with section 98 of the Information Act, NT Build reported to the Information Commissioner that no requests were received during the 2005-2006 financial year.

- ***Managing Privacy and Protection***

NT Build respects the privacy of individuals in accordance with the *Information Act*. The *Information Act* establishes 10 Information Privacy Principles to govern the collection, use, storage and management of personal information by Northern Territory Government agencies.

NT Build is committed to collecting, using, storing and managing personal information in a manner that complies with the Information Privacy Principles.

NT Build undertakes to protect such information from unauthorised access and disclosure and to hold such information for only that period that it is required by the legislation, business needs, or historical or cultural reasons associated with the function for which the information is collected. NT Build will take reasonable steps to correct personal information if appropriate.

Records management

Part 9 of the *Information Act* (Records and Archives Management) provides for the establishment and implementation of records management standards.

Adequate records management underpins the access, correction and privacy components of the *Information Act* by ensuring that Government information (records) can be found, read and reproduced in response to requests.

Although the NT Build Board is a 'body corporate' established by Territory legislation, under the Administrative Arrangements Order the Office of the Commissioner for Public Employment (OCPE) is the designated agency responsible for the general administration of the *Construction Industry Long Service Leave and Benefits Act* (CILSLB Act). Therefore, for the purpose of Part 9 of the *Information Act*, all records relating to the administration of the CILSLB Act handled by NT Build are managed in accordance with the OCPE records management framework and policies.

Information systems

- ***Office environment***

The Northern Territory Government 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 and uses Windows Intel based desktop hardware, running both Windows XP operating system and Microsoft Office applications.

Projects completed during 2005-2006 included:

- Full Microsoft Office upgrade to Office 2003;
- Upgrade of TRIM (TOWER record and information management) system from Captura to Context;
- P-Synch migration (a self service password management and synchronisation service); and
- Upgrade electronic mail system to Lotus Notes version 6.5.

- ***Construction Benefits Services***

The assistance of an established scheme administrator, Construction Industry Long Service Leave Board, South Australia (CBS), was contracted to provide advisory services to NT Build in the start-up phase to 1 July 2005, and thereafter to provide information and administration services for two years. Central to the services provided by CBS is the development and management of a business system to support the administration of NT Build scheme.

- ***Fujitsu Australia***

The NT Build Board engaged the services of Fujitsu to undertake a business analysis of the scheme's administration to enable a defined set of requirements to be developed for the collection of project and developer information and to identify options for a system solution that will provide NT Build with a forecast management tool and automated reporting capability. A final report on the finding is due to be finalised by the end of 2006.

Communications and marketing

Communications and marketing activities have played a significant role during the first year of operation of the scheme.

Branding

NT Build was granted an exemption from using the Northern Territory Government common branding in relation to communication and marketing of NT Build activities. The exemption reaffirmed the government's commitment in establishing NT Build for the benefit of the Territory building and construction industry and enabled NT Build to continue to promote the scheme under its own unique brand.

Communications strategy

Communications consultants Michels Warren Munday were engaged by the Board to develop a communications strategy and implementation plan. The adopted strategy aims to enhance NT Build's profile and engage its stakeholders to build better awareness and understanding of its role and activities among key audiences.

General marketing activities

Throughout the reporting period a number of customer focused marketing activities were implemented. These have included:

- General radio and newspaper advertising campaign to raise public and industry awareness of the scheme
- Radio and newspaper advertising campaign targeting workers in the building and construction industry
- Radio and newspaper advertising campaign targeting developers, builders and businesses, to raise awareness of the introduction of the levy on construction work
- Advertising in industry publications and directories
- Maintenance of the NT Build website
- Production of a range of targeted customer information sheets, including the *SiteAlert*, and fact sheets

- Issuing of media releases to highlight significant events or achievements
- Delivery of numerous formal and informal presentations to targeted customers, including conducting regional and local site visits and information sessions.

Key events

In addition to ongoing marketing activities, the following noteworthy events were undertaken.

- Declaration of an interest penalty amnesty in May 2006, targeted at developers who had started a construction project anywhere in the NT after 1 July 2005 (whether completed or not). The amnesty allowed for the developers to notify NT Build by 30 June 2006 of their projects and pay the levy without incurring extra interest penalties.

The amnesty was promoted through media releases, newspaper advertising, email broadcasts to construction industry organisations and professional associations, website notification, and site visits.

- Hosting of a Ministerial launch in December 2005, to officially open the office and celebrate the success of the scheme in exceeding the milestone achievement of receiving more than 2000 registered workers within the first four months of operation. The launch enabled the Minister for Public employment to mark this milestone by congratulating the 2000th worker to be registered – Mr Heath Costello.

Marketing for this event included the issuing of Ministerial invitations to representatives of construction industry and related organisations, and to current and prospective construction industry employers and developers.

Then Minister for Public Employment Hon. Chris Burns MLA congratulates Heath Costello for being the 2000th scheme member at the Ministerial Launch, December 2005



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, including:

- General presentations at industry forums;
- Targeted presentations to employer and developer groups; and
- Tailored on site briefing sessions to employees, employers and developers.

- **Construction Industry Reference Group**

The Northern Territory Government introduced a number of separate construction industry reforms to facilitate development of the industry across the Northern Territory. The reforms, which included this portable long service leave scheme, are being progressed by different public sector agencies. To ensure the most effective outcomes, Cabinet directed the establishment of a Construction Industry Reference Group (CIRG) for industry consultation and project coordination.

The CIRG is composed of industry employer and employee representatives as well as relevant Northern Territory Public Sector agency representatives who report to a Cabinet Sub Committee made up of the Treasurer, the Minister for Business and Industry, the Minister for Justice and the Minister for Lands and Planning (chair). The NT Build Registrar attends the CIRG meetings to continue to brief the industry members on the operations of the portable long service leave scheme and engage industry feedback.

- **Presentations to the Board**

During the reporting period, nine organisations were invited to make presentations to the Board on matters of interest to the effective administration of the scheme, as outlined below.

Number	Purpose
3	Construction industry organisations: – developments/levy liability matters
6	Other organisations: – operational/governance matters

- **Liaison with other construction industry long service leave schemes**

The *Construction Industry Long Service Leave and Benefits Act* contains a provision which enables the Minister to enter into an agreement with the relevant Minister of another State or Territory for the mutual recognition of a period of service or qualifying service credited to a registered worker by another jurisdiction under a like construction industry long service leave scheme. By agreement with all state and territory Ministers, the Northern Territory became party to the *National Reciprocal Agreement*, with an effective date of 1 July 2005.

Inclusion of the NT Build scheme under the national agreement ensures portability also extends across state borders – making long service leave for construction workers truly portable throughout Australia.

In addition, the Registrar and the Chairperson participate in regular meetings with the chief executives and chairpersons of other 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.

Internal audit

The services of BDO Chartered Accountants and Advisers were engaged, through a select tender process, for a period of 36 months. The consultancy ensures NT Build is provided with independent financial, accounting and taxation advice.

During the reporting period the following range of services were provided by BDO under the consultancy agreement.

- Advice in setting up Board financial reporting processes and chart of accounts to meet NT Treasury and NT Build needs. (Note: NT Build uses MYOB as its principal financial management system).
- 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.

External audit

As required under the provisions of the *Construction Industry Long Service Leave and Benefits Act* the annual statutory audit of the financial statements, relating to the Board's operation for the year ending 30 June 2006, was undertaken by the NT Auditor-General.

The audited financial statements and accompanying report from Auditor-General are contained later in this Annual Report.