

Part 2 Operational governance

The Board

Functions and powers

The *Construction Industry Long Service Leave and Benefits Act* (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 about the operation of the 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 CILSLB Act Board members are able to hold office for a period of up to five years, and may be reappointed. The membership of the NT Build Board as at 30 June 2009 is outlined on page 25.

During the reporting period two members, Mr. Joe Gallagher and Mr. Alan Paton, resigned their appointments resulting in the appointment of two new member, both from organisations that represent the interests of employees, (Mr. Bob Wade of the CFMEU and Mr. Trevor Gauld of the CEPU). The terms of appointment for members Chambers, Guit, Stubbin and Kemp are all due to expire in May 2010.

Conducting business

Meetings

During this reporting period the Board convened a total of 20 times, including 6 regular meetings and 14 occasions involving specific matters that required attention between scheduled meetings. Due to the small size of the Board, all matters are dealt with by the Board as a whole.

Further detail 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*, based on a classification that recognises the range of duties, powers and responsibilities assigned to the Board.

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

General Decisions

In the course of the 20 meetings of the Board, 72 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

Two new policy decisions, relating to the revised weekly benefit level and strategic audit and levy compliance, were resolved during the financial year.

All policies are intended as a guide only and are not intended to bind the Board to any particular action or decision affecting the operation or administration of the portable long service leave scheme.

Copies of all policies are published on the website at: www.ntbuild.com.au

Ministerial directions

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

No directions pursuant to section 67(1) of the CILSLB Act were given during the year ending 30 June 2009.

Reconsideration/reviews

Under 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.

As illustrated in the following table, two application for reconsideration were received during this reporting period.

Table: Summary of applications for review/reconsideration lodged

YEAR	B/FWD	LODGED AGAINST		RESOLVED	C/FWD
		decision of Registrar	decision of Board		
2008-2009	-	-	2	1	1
2007-2008	-	-	1	1	-
2006-2007	-	-	1	1	-
2005-2006	-	1	-	1	-

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 review by the Local Court were received during the reporting period.

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 written 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.

Board membership at 30 June 2009

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	Bob Wade NT Organiser Construction, Forestry, Mining & Energy Union (CFMEU)	
	Trevor Gauld NT Organiser Communications, Electrical and Plumbing Union (CEPU)	
Two members who represent organisations that represent the interests of employers	Graham Kemp Executive Director Master Builders NT (MBA NT)	
	Dick Guit Northern Territory Manager Laing O'Rourke Australia Construction Pty Ltd Co-Vice President of the MBA NT	
Additional member appointed by the Minister	Tony Stubbin Assistant Under Treasurer (Economics) Northern Territory Government	

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*) be formally appointed by the Board for the scheme. The current Registrar for the scheme, Mr. Theo Tsikouris, was formally appointed in January 2006. Through a shared cost arrangement agreed between the Commissioner for Public Employment and the NT Build Board, Mr. Tsikouris was also appointed as the Northern Territory Workplace Advocate in August 2007 - a role he continued to concurrently fulfil with that of the NT Build Registrar for the full duration of this reporting period.

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 registrations and deregistrations for the scheme.

Staff

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

In February 2009, following the resignation of the Deputy Chief Minister, the Government announced a Cabinet reshuffle resulting in a new Administrative Arrangements Order. Under the new arrangements responsibility for the administration of the CILSLB Act was transferred from the Office of the Commissioner for Public Employment (OCPE) to the Northern Territory Treasury. This meant that, administratively, NT Build became a part of NT Treasury, reporting to the Treasurer. Likewise, the staff of NT Build were transferred from the OCPE to NT Treasury, however the agreed arrangement to make the staff available the Board on a full cost recovery arrangement remained in force.

Table: Staffing profile as at 30 June

Classification	At 30 June 06		At 30 June 07		At 30 June 08		At 30 June 09	
	FTE	Gender	FTE	Gender	FTE	Gender	FTE	Gender
ECO1	1	M	1	M	0.5	M	0.5	M
AO8	1	F	1	F	1	F	1	F
AO6	1.5	1M, 1F	3	2 F, 1 M	3	1F, 2M	3	1F, 2M
AO4	1	F	1	F	0.7	F	0	-
AO2	0	-	0	-	1	M	1	M
AO1	0	-	1	F	0	-	0	-
	4.5		7		6.2		5.5	

As illustrated in the preceding table, the staffing profile for NT Build as at 30 June 2009 consisted of 6 staff, equating to an FTE of 5.5. This included 50 per cent of the Registrar but excluded one vacant position for which recruitment action had not been finalised.

For the purpose of managing staff, the Registrar and other NT Treasury employees made available to the Board are engaged under the standard NT Public Sector employment arrangements. In addition, by agreement 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.

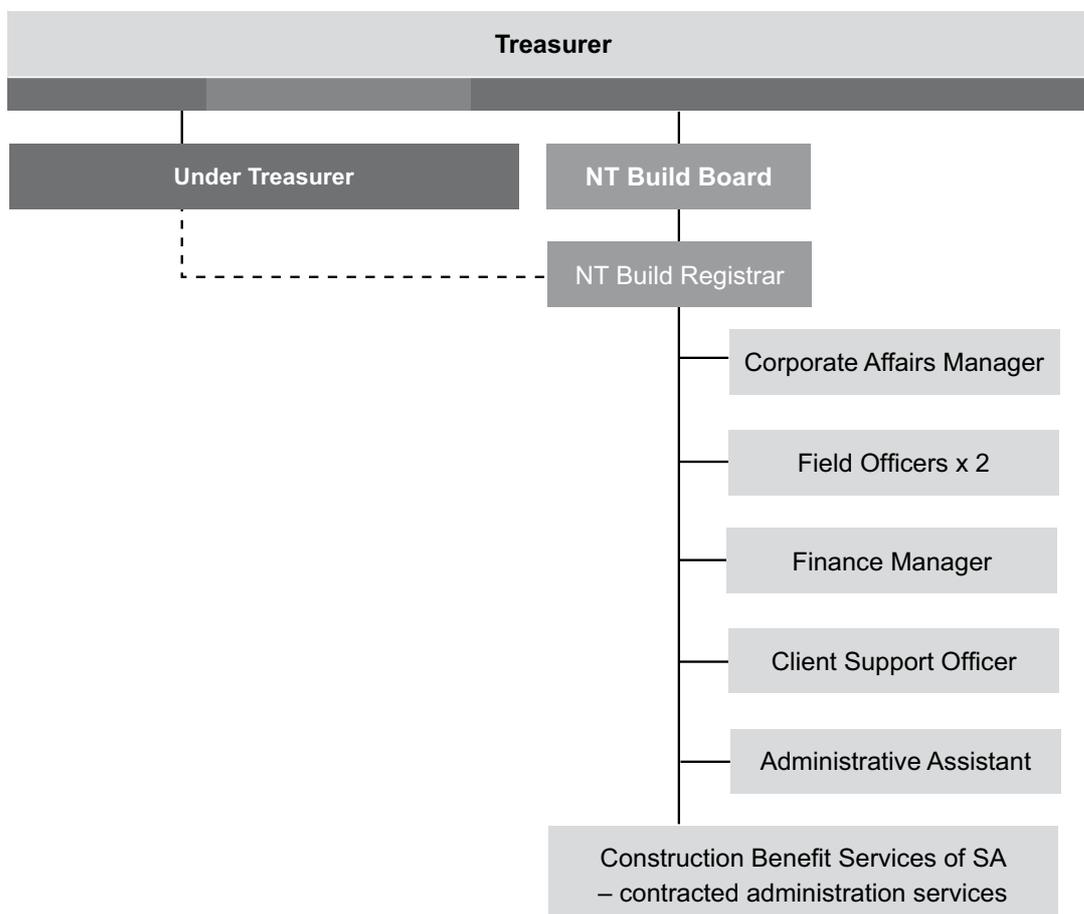
Disclosure of interests

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.

Organisation chart

The following diagram represents the organisation structure as at 30 June 2009.



Information management

Information Privacy and Access (FOI)

As a 'body corporate' established under Territory legislation, the NT Build is an identified entity for the purpose of reporting under section 98 of the *Information Act*.

In accordance with section 98 of the *Information Act*, NT Build reported to the Information Commissioner that no requests to access information held by NT Build were received during the 2008-2009 financial year.

- *Managing Access*

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 CILSLB Act rather than by making an application for access under the *Information Act*.

More information is published on our internet site at:

http://www.ntbuild.com.au/ntbuild/info_privacy_foi.shtml

- *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.

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.

Notwithstanding that NT Build is a 'body corporate' established by Territory legislation, the Northern Territory Treasury is the agency designated under the Administrative Arrangements Order with responsibility for the general administration of the 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 NT Treasury 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.

As part of a whole of government upgrade, NT Build's electronic messaging program was migrated from Lotus Notes to Microsoft Office Outlook/Exchange in August 2008.

- *Construction Benefits Services*

The Construction Industry Long Service Leave Board, South Australia, (CBS) continued to provide information and administration services throughout 2008-2009, including the ongoing development and management of a business system to support the administration of the NT Build scheme.

Communication and marketing

Communication and marketing activities continued to play a significant role during the fourth year of operation of the scheme.

General marketing activities

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

- Advertising in newspapers and relevant industry publications and directories;
- Maintenance of the NT Build website;
- Production of a range of targeted customer information bulletins and fact sheets; and
- Delivery of numerous formal and informal presentations to targeted customers, including conducting regional and local site visits and information sessions.

Industry consultation

- *Information sessions and briefings*

During the reporting period NT Build staff provided a range of information and briefing sessions to construction industry organisations, such as:

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

- *Presentations to the Board*

During the reporting period six organisations accepted an invitation to make a presentation 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 other schemes for the purpose of exchanging ideas on scheme coverage, administrative practices, legislation, investments, and information technology.

In February 2009 the NT Build Board agreed to contribute to the commissioning of a consultancy report for the development of a national perspective on the operation of construction industry portable long service leave schemes across Australia. The aim of the national project is to examine opportunities of possible harmonisation of business procedures and scheme attributes across jurisdictions. The recommendations of the report are due to be considered by the Board's of the respective long service leave Authorities in 2009-2010.

The NT Build Board also agreed to host the up coming 2009 National Conference of Construction Long Service Leave Scheme in Darwin in September 2009.

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

As the contracted financial advisers for the scheme, BDO Kendalls Chartered Accountants and Advisers 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 by BDO under the consultancy agreement.

- On-going ad-hoc general advice in regard to the accounting and taxation implications of NT Build activities.
- Preparation of annual Financial Statements for statutory auditing and reporting.
- Advice and assistance with the drafting of a compliance audit program aimed at strengthening levy compliance and supporting the effective and efficient administration of the scheme.

Levy compliance program

During the reporting period, the Board endorsed a 'Strategic audit and levy compliance program policy' to support the introduction of a strategic audit framework. This framework introduced an annual audit program whereby routine audits of selected construction projects are to be conducted to ensure that levy payers are declaring and remitting the correct amount of levy that is required. All audits are undertaken by contracted external auditors.

The final report prepared by the auditor of a compliance review, including audit findings, are submitted in full to the Board for consideration and determining 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 \$200,000.00.

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

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 ending 30 June 2009 was undertaken by the NT Auditor-General.

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

Legal advice

Legal support services for NT Build are predominately provided by the Northern Territory Government Department of Justice. 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.

