



Annual Report

2009-10

NT
BUILD



Portable long service leave

Northern Territory Construction Industry





NT Build - portable long service leave

Annual Report 2009-10

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* by presenting the Minister responsible for NT Build with a summary of the activities of the Board during the 2009-10 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 portable construction industry long service leave scheme.

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Letter of transmission

The Hon. Gerald McCarthy MLA
Minister for Lands and Planning
Legislative Assembly of the Northern Territory
Darwin NT 0800

Dear Minister

RE: NT BUILD ANNUAL REPORT 2009-10

On behalf of the NT Build Board, I am pleased to present you with the fifth NT Build Annual Report, for the year ending 30 June 2010.

The report details the activities and achievements of NT Build during its fifth year of operation and has been prepared in accordance with the provisions of Section 68 of the *Construction Industry Long Service Leave and Benefits Act* (the CILSLB Act).

I advise that, to the best of my knowledge and belief, the system of internal control within NT Build provides reasonable assurance that:

- proper accounts and records of the Board's transactions and financial affairs are kept and the financial statements included in this report have been prepared from proper accounts and records and are in accordance with the CILSLB Act;
- there are adequate controls over the incurring of the Board's liabilities ;
- all payments out of the Board's money are correctly made and properly authorised;
- adequate control is maintained over the Board's property and property in the Board's custody, control and management;
- there is no indication of fraud, malpractice, major breach of legislation or delegation, or major error in or omission from the accounts and records;
- all employment matters have been handled in accordance with *Public Sector Employment and Management Act* and the CILSLB Act, as appropriate.

As required by section 69 of the CILSLB Act, you are advised that the Auditor-General has audited NT Build's financial statements for the year ending 30 June 2010 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

BARRY CHAMBERS
Chairperson, NT Build Board

17 November 2010

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Part 1: Introduction and overview

Chairperson's and Registrar's report

The 2009-10 reporting period remained a time of continued consolidation for the scheme which has now completed five years of operation.

During the year the scheme continued to enjoy employer and worker support, achieving total registrations of 12 587 workers and 238 employers by 30 June 2010. A further 153 benefit claims were also processed as workers became eligible, largely due to the National Reciprocal Agreement.

Construction activity in the Territory declined slightly during this reporting period. Levy income received by the scheme subsequently decreased by \$3.5 million in comparison to the previous year. The NT Government's decision to apply a 20% reduction in the levy, from 0.5% to 0.4% for two years with effect from 1 July 2009, had an impact on the scheme's revenue during the 2009-10 reporting period. This impact was minor in comparison to the overall impact of the global financial crisis, particularly on construction activity undertaken in the resources sector.

Due to the continued economic volatility of the post-global financial crisis and the cyclical nature of the construction industry, the Board continued to monitor and refine its investment strategy to ensure exposure of its investments was minimised throughout the reporting period. The scheme's conservative investment portfolio remains well positioned to meet its growing liabilities.

The aging of the scheme and the steady increase in worker registrations also saw the estimated accumulated liabilities for the scheme grow to \$17.4 million as at 30 June 2010. While this represents an increase of \$3.8 million from the previous reporting period it is pleasing to note that, notwithstanding the decrease in levy revenue, the scheme's assets continue to exceed its estimated liabilities.

This reporting period saw the departure of one board member, Bob Wade and the re-appointment of four existing inaugural members. The board also welcomed one new member, Mick Huddy.

We thank the members of the Board and the staff of NT Build for the dedication and commitment shown throughout the year and look forward to their continued support.

BARRY CHAMBERS
Chairperson

THEO TSIKOURIS
Registrar

2009-10 Highlights

- Reduction in the levy by 20%, from 0.5% to 0.4%, for two years with effect from 1 July 2009.
- Reviewed the investment strategy and implemented short to medium term opportunities that support the ongoing financial viability of the scheme within the volatile global economic climate.
- Hosted the National Conference of Construction Industry Long Service Leave Schemes.
- Received approximately \$8 million in levy contributions (down by \$3.8 million from the previous reporting period), despite the economic challenges faced by the Territory construction sector during the reporting period.
- Continued to monitor, review and implement operational systems to maximise revenue collection and minimise administrative costs.
- Recorded total registrations of 12 587 workers, 238 employers and made benefit payments to 153 workers.
- The appointments of four inaugural Board Members, including the Chairperson, expired on 4 May 2010. All were reappointed for a further 5 year term.
- Welcomed the appointment of a new Board Member representing an employee organisation following the resignation of a Board Member during the reporting period.

2010-11 Priorities

- Adopt new administrative procedures and implement amendments to legislation resulting from recommendations posed in the report on the actuarial review of the scheme.
- Continue to monitor and review the investment program to identify appropriate opportunities to support the ongoing financial viability of the scheme.
- Identify and implement a suite of on-line and electronic business transaction services that improve processing interaction between stakeholders and NT Build.
- Continue to monitor, review and implement operational systems to maximise revenue collection and minimise administrative costs.

About the organisation

NT Build is a statutory corporation established by the *Construction Industry Long Service Leave and Benefits Act* (the CILSLB Act) which came into effect on 1 July 2005.

The purpose of the scheme as set out in the CILSLB Act is:

To provide long service leave and long service leave benefits to Territory construction workers.

The establishment of the scheme in the Northern Territory completed a network of similar schemes in all Australian jurisdictions. The Territory construction industry and its employees are therefore no longer at a disadvantage in respect of this form of benefit.

The scheme is administered by a Board, called NT Build, which comprises an independent Chairperson, a Ministerial nominee and four industry members.

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 to NT Build through the Territory Budget.

Following a Cabinet reshuffle in December 2009 the Administrative Arrangements Order was amended resulting in the principal responsibility for the general administration of the CILSLB Act being transferred from the Northern Territory Treasury to the Department of Lands and Planning. However, under the CILSLB Act, the Board holds the specific responsibility for the day-to-day management of the scheme and for providing advice and making recommendations to the Minister about the operation of the legislation.

The scheme, including staffing and operational expenses, is self funded through the collection of a levy imposed on eligible construction work undertaken in the Territory and investment earnings. This revenue is used to fund the payment of long service leave benefits accrued by construction workers while working on defined projects in the Territory.

The staff of NT Build are Northern Territory Public Sector employees who are made available to the NT Build Board under an agreed full cost recovery arrangement.

The NT Build Board is responsible for expending the scheme's money and has its own financial reporting requirements. The Board has therefore prepared this annual report on the performance of the scheme for submission to the responsible Minister.

General overview – portable long service leave scheme

Key features

The scheme enables workers in the construction industry to qualify for long service leave based on their service in the industry rather than service with the same employer. Workers can therefore work for any number of employers in the construction industry and continue to accumulate long service leave benefits.

Some key features of this scheme include:

- Long service leave coverage consistent with interstate arrangements. (The Northern Territory Government is party to the reciprocal arrangements agreement between all States and the Australian Capital Territory.)
- Benefits consistent with current building and construction industry and NT long service leave standards.
- The scheme is funded through a Ministerially determined levy.
- Administration through a local office, with the support of an established scheme administrator (contract with Construction Industry Long Service Leave Board, South Australia).
- Maintenance of a register recording the number of service days worked by each registered worker within the construction industry in the Northern Territory.
- A statute based scheme, governed by a board consisting of employer, employee and independent representatives appointed by the Minister to oversee the management of the scheme.

Workers

The scheme enables the Territory's building and construction workers to benefit from the introduction of a portable long service leave scheme based on their service to the industry rather than service with the same employer. Workers can therefore work for any number of employers in the construction industry.

The portability also extends across state borders under the National Reciprocal Agreement.

A registered worker can be credited with a maximum of 260 days of qualifying service each financial year. A total of 6.5 days long service leave credit is accrued for each 260 days. 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 of not less than 5 days. Workers need to accrue a further 32.5 days long service leave credit before they can apply for further leave.

Registered labour-only contractors can apply to cash out their leave benefits.

Special pro rata provisions are also contained in the CILSLB Act for workers who die, retire or cease to perform construction work.

Long service leave of registered workers is paid from the fund upon application by the employee.

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

- be employed to carry out construction work on a site in the Northern Territory;
- work for the private sector, i.e. not for the government (including the Territory, local, interstate or Commonwealth governments);
- not be working in an administrative, clerical, office-based managerial or professional capacity;
- spend at least 50% of their work time at the construction site for the work; and
- work a minimum of three days in any reporting period (i.e. six months).

Workers employed either full-time, part-time, as a casual or as a labour only contractor (i.e. those who have an ABN) are eligible to register.

Work undertaken on both residential and commercial construction and maintenance jobs, whether big or small, is recognised as counting towards a long service leave benefit.

Employers

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

The scheme is funded by:

- a levy on specified construction work in the Northern Territory; and
- investment earnings.

Most employers of construction workers will therefore not have to make any financial contribution to the scheme, as this will be the obligation of project developers. However, in certain circumstances where an employee has been continuously employed by the one employer, employers may have to contribute or pay for long service leave that accrued before 1 January 2005 under the Northern Territory private sector *Long Service leave Act*.

Once a worker has been registered, employers are required to keep adequate records to account for any eligible workers employed and complete an employer return form twice a

year advising NT Build of the number of days worked by all registered employees and any other information required by NT Build. The information provided by employers is used to update registered worker's records.

An eligible employer under the scheme is one:

- that employs an eligible construction worker to carry-out construction work;
- that is in the private sector (i.e. is not in the Territory, local, interstate or Commonwealth government sectors); and
- whose usual business is to carry out or offer to carry out construction work for reward.

An employer must register with NT Build within one month of commencing to employ a construction worker who is registered with NT Build.

Alternatively, an employer who employs one or more eligible workers may elect to register their workers with NT Build for the portable long service leave scheme at the same time they register their business.

For the purpose of this scheme, construction work covers commercial, domestic, industrial and civil construction. Construction work includes workers performing repair, maintenance, extension and demolition, and is recognised regardless of whether the work performed is subject to the levy liability.

Long service levy

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

Unless an exemption applies, the levy is payable on all construction projects of \$200 000 or more in value.

The levy is calculated as a percentage of the cost of the work, based on actuarial estimates of the anticipated level of expenses and income for the scheme and determined by the Minister responsible for the scheme.

The cost of construction work is the sum total of all contract prices for the work, covering aspects such as the cost of labour, materials (including prefabricated goods and installation), equipment, design, project management, consultancy and any other cost that directly or indirectly relates to the work.

While a 0.5% levy rate has been prescribed as applying to all projects started on or after 1 July 2005, the Northern Territory Government approved a 20% reduction in the levy amount for a period of two years, effective from 1 July 2009, and introduced a two tier levy regime on construction projects with construction costs in excess of \$1 billion.

This temporary reduction in the levy means that for construction projects that start:

- before 1 July 2005, regardless of completion date, the levy rate of 0.5% applies;
- on or after 1 July 2009 but before 1 July 2011, regardless of completion date, the levy rate of 0.4% applies; and
- after 30 June 2010, regardless of completion date, the levy rate of 0.5% will automatically be re-applied.

Unlike the levy rate changes above, the introduction of the two tier levy regime is a permanent amendment to the levy application provisions.

This two tier levy regime means the 'standard' prescribed levy rate, which applies to all eligible construction projects under the scheme, is applied to the first \$1 billion and a project's specific levy rate - determined by the Minister and based on actuarial advice - is applied to the project costs that exceed the \$1 billion threshold.

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

The levy does not apply to:

- Class 1a(i) and Class 10(a) buildings under the Building Code of Australia (being single detached dwellings, including related private garages, carports, sheds, or the like);
- work for which the total contract price for the construction work is less than \$200 000 in value; or
- work undertaken for not-for-profit organisations in respect of voluntary labour and donated materials.

Statistical highlights

Workers

Registration numbers

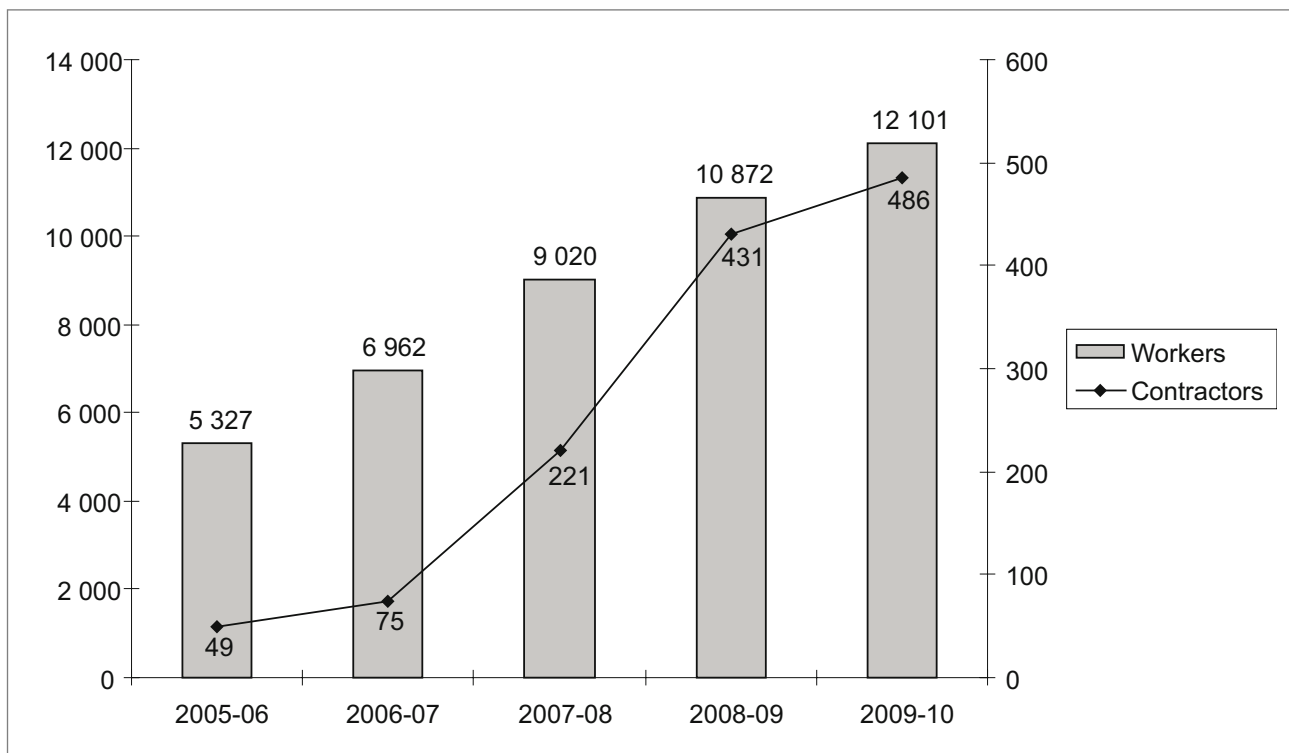
While the long-term forecast for numbers of worker registrations in the Northern Territory was estimated to be approximately 5000, membership numbers have continued to grow albeit at a slower rate when compared with previous years. The growth rate for the 2009-10 period reflected an increase of only 11.4%, compared with 22% for the 2008-09 period.

As shown in the table and chart below, the total number of worker registrations recorded by the scheme reflected an overall increase of 1284 on the numbers for the previous reporting period. This variance consisted of 1229 employees and 55 labour-only contractors.

Table 1: Total of employee and contractor registrations

Total Registrations	June 2006	June 2007	June 2008	June 2009	June 2010
Approved	5 376	7 037	9 241	11 303	12 587
Rejected	39	43	60	83	94

Chart 1: Employee Vs Contractor

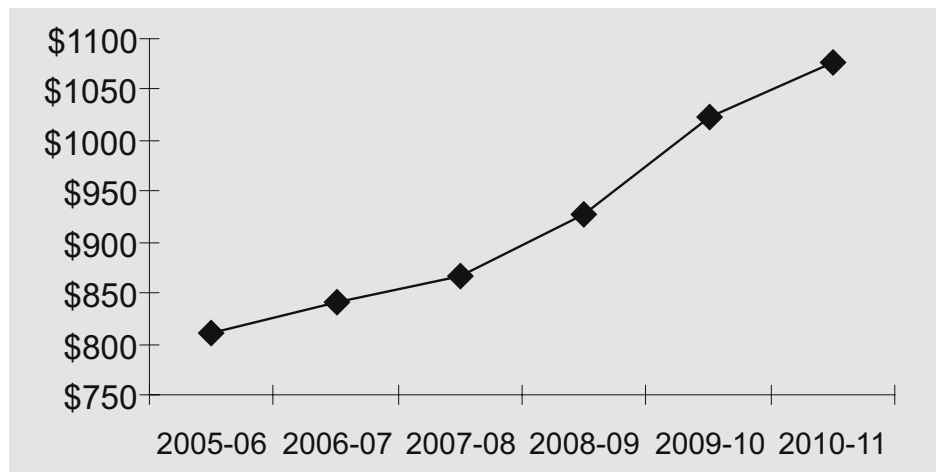


Benefit payments

Once a worker has accrued 65 days long service leave credit they can apply to use the credit. The benefit rate for the payment of the credit is determined by the Board, having regard to the average weekly ordinary time earnings for the construction sector published by the Australian Bureau of Statistics. The rate is reviewed annually, generally on 1 July, and the defined rate is applied to both workers and contractors. The benefit payment rate for the 2009-10 period was \$1022 per week and at the Board Meeting held on 17 June 2010 the new rate of \$1076 per week was approved to take effect from 1 July 2010. The table and chart below illustrates the annual movement in the benefit rate since the commencement of the scheme.

Table 2 and Chart 2: Approved Benefit rates and Annual movement in rate

2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
\$810pw	\$841pw	\$867pw	\$927pw	\$1022pw	\$1076pw



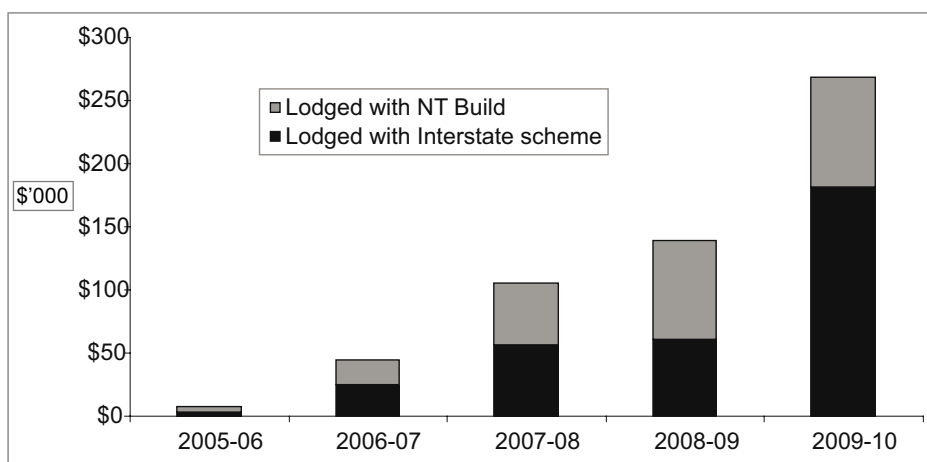
During the 2009-10 reporting period 153 claims for long service leave benefits were received. These claims resulted in a total gross benefit payments expense of approximately \$267 000 in respect of work performed in the Northern Territory, an increase of approximately 92% on the \$139 000 paid during the 2008-09 reporting period.

Table 3: Benefit claims processed

Benefit Claims	2005-06	2006-07	2007-08	2008-09	2009-10
Lodged through interstate scheme	7	24	50	60	105
Lodged through NT Build	4	22	21	34	48
Total claims lodged	11	46	71	94	153

The ability to recognise service credits and make benefit payments during these early years of the scheme's operation is a direct result of the Territory scheme being a party to the National Reciprocal Agreement. The following diagram compares the scheme's financial contributions for benefit claims that were lodged direct with NT Build with those lodged through a reciprocal interstate portable long service leave scheme.

Chart 3: NT contribution to Benefit claims by place of lodgement.



Registration profile

Table 4: Age profile

	June 2006	June 2007	June 2008	June 2009	June 2010
Average age	38	39	39	40	40
Oldest	72	73	74	75	80
Youngest *	16	15	14	15	15

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

Table 5: Days of service

	* June 2006	June 2007	June 2008	June 2009	June 2010
Total estimated service days	1M	1.5M	2.6M	3.25M	3.24M

*includes the additional pre commencement period for workers registered by 30 June 2006

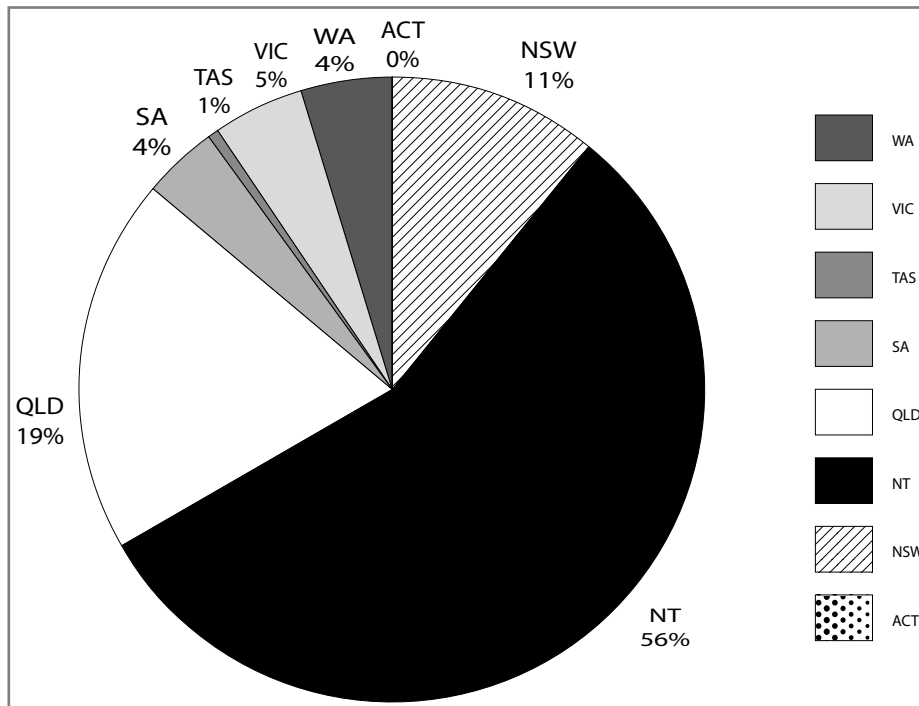
Scheme demographic

The continued success of the scheme in terms of providing benefits to local Territory private sector construction workers and in attracting skilled workers to the Territory is evidenced by the following table and chart which shows that more than half of the registered workers are Territory residents.

Table 6: No. of workers by contact location

	2005-06	2006-07	2007-08	2008-09	2009-10
ACT	4	7	10	11	13
NSW	649	824	1 025	1 272	1 364
NT	2 619	3 579	4 970	6 172	7 043
QLD	1 463	1 751	1 991	2 273	2 436
SA	236	291	383	452	481
TAS	35	47	64	72	72
VIC	189	270	438	558	615
WA	181	268	360	493	563
Total	5 376	7 037	9 241	11 303	12 587

Chart 4: Percentage of workers by contact location - 2009-10



Employers

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

Table 7: Active employer registrations

	June 2006	June 2007	June 2008	June 2009	June 2010
*Active Registrations	192	204	219	230	238

* excludes previously registered employers who, at 30 June 2010, did not have any current registered workers in their employ.

Section 81(1)(a) of the CILSLB Act empowers the Registrar to compel a person who employs construction workers to provide any information relating to that employment. Where an employer fails to comply with a section 81(1)(a) notice the person could be prosecuted for failure to comply with the notice.

Issuing of section 81(1)(a) notices aims to streamline the administrative effort required to effect successful and timely prosecution of employers who choose not to fulfil their statutory obligation to notify NT Build about the number of days of service each registered employee worked and any periods of long service leave granted by the employer to any registered employee. No notices were issued under this provision during the 2009-2010 reporting period - compared with one issued during the 2008-09 period.

Levy payment and compliance

NT Build has continued to enjoy a generally high level of compliance by project developers. Some developers have however been reluctant to provide notification of their projects and pay respective levies.

Table 8: Summary of projects notified and levies paid

Total levy payer notifications	June 2006	June 2007	June 2008	June 2009	June 2010
* Active levy payers who notified of leviabale construction work	62	167	278	176	181
Total of invoices issued equating to a levy income (approximate)	\$3.2M	\$5.3M	\$8.1M	\$11.8M	\$8.0M

*includes payers who have notified of multiple projects undertaken.

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 the table below, a total of 20 notices were issued during the 2009-10 reporting period.

Table 9: Summary of section 81(1)(b) action

YEAR	B/FWD	New Notices	Finalised	C/FWD
2009-10	5	20	24	1
2008-09	10	25	30	5
2007-08	3	26	19	10
2006-07	-	5	2	3

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

Debt recovery

The NT Build Board has authorised the Registrar to recover debts owing to the scheme directly through the engagement of a debt collection agent and, if necessary, through the small claims court. The use of debt collection agents is generally reserved for those instances where a levy payer, who has been issued an invoice by NT Build in relation to a levy amount owing, defaults on the payment of their levy obligation.

Table 10: Summary of debt recovery action

YEAR	B/FWD	New Notices	Finalised	C/FWD
2009-10	1	1	2	-
2008-09	-	3	2	1
2007-08	-	2	2	-
*2006-07	-	-	-	-

*Debt collection agents appointed with effect from 4 June 2007

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 staffing and operational expenses. As the liabilities of NT Build will in the main be longer term, the accumulated funds are invested to ensure there will be sufficient funds to meet the scheme's liability in the longer term.

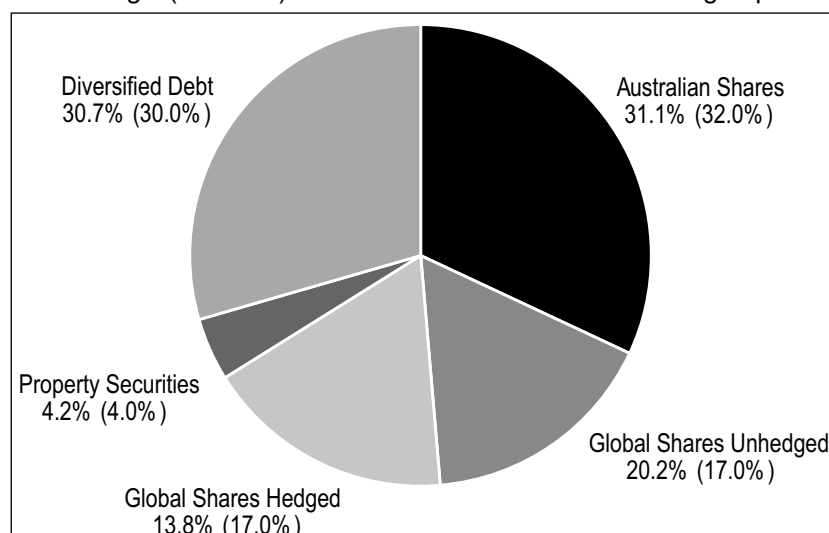
The Board previously implemented an investment strategy that embraced a balance of both growth and interest bearing assets, with MLC Implemented Consulting (GWM Adviser Services) appointed as the scheme's primary fund manager. Due to the volatile global investment climate, the Board reviewed its investment strategy and opted to take a more conservative approach incorporating interest bearing term deposits with both the Territory Insurance Office (TIO) and Westpac. During the 2009-10 reporting period the Board continued to monitor and refine its investment strategy to minimise the exposure of the investments.

While information regarding the performance of the scheme's investments is provided in the Financial Statements included in this report, the following table reflects the actual amount invested.

Table 11: Funds invested with Fund Managers

Fund Managers	2005-06	2006-07	2007-08	2008-09	2009-10	TOTAL
MLC (GWM)	-	\$4.2M	\$3.9M	-	\$4.9M	\$13.0M
TIO	-	-	\$2.8M	\$4.3M	\$0.3M	\$7.4M
WESTPAC	-	-	-	\$5.0M	\$2.8M	\$7.8M
TOTAL	-	\$4.2M	\$6.7M	\$9.3M	\$8.0M	\$28.2M

Chart 5: Actual and strategic (brackets) asset allocations of the MLC managed portfolio - 30 June 2010



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:

- As a relatively new scheme, the limited extent of established historical data available to enable an accurate assessment of the scheme's liability;
- Extent of construction work undertaken that is exempt from payment of the levy (e.g. value less than \$200 000; single detached residential dwellings);
- Expenses estimated in administering the scheme;
- Level of worker registrations and service turnover;
- Range of non-levied activity for which worker benefit liability will still apply;
- The extend to which service credits are abandoned without benefit payments in the future; and
- A funding period of ten years for non-levied activity.

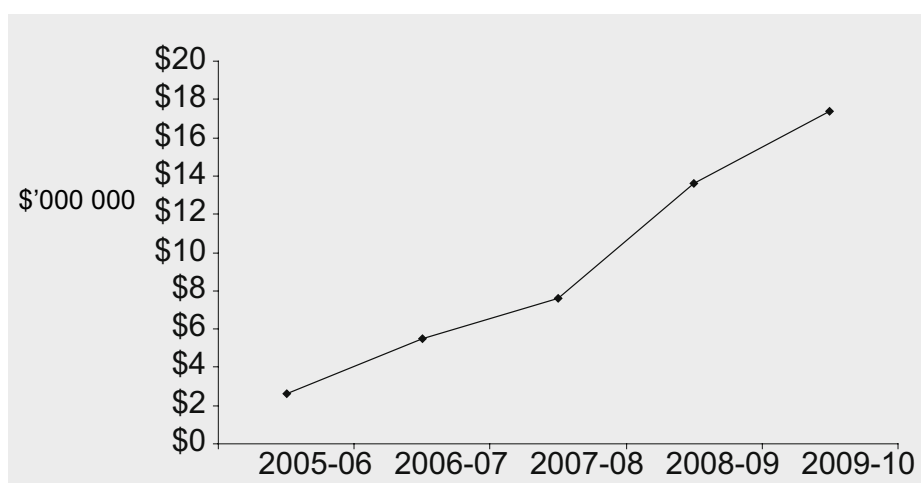
Having regard for the above factors, the scheme's consulting actuary Cumpston Sarjeant Pty Ltd assesses and recommends a liability amount for accrued long service leave benefits to be adopted for accounting purposes as at 30 June each year.

For accounting purposes as at 30 June 2010 the actuary recommended a liability of \$17.4 million for accrued long service leave benefits be adopted. This represents an increase of \$3.8 million from the 30 June 2009 estimate.

Table 12: Summary of accrued long service leave liability

2005-06	2006-07	2007-08	2008-09	2009-10
\$2.6M	\$5.5M	\$7.6M	\$13.6M	\$17.4M

Chart 6: Rate of long service leave liability accrual



As noted above, a provision of \$17.4 million has been disclosed on the Statement of Financial Position of the Board as at 30 June 2010 in the Financial Statements included in this report.

Section 91 actuarial review

An extensive actuarial review of the scheme be undertaken during the 2008-09 reporting period. This review encompassed the administration of the scheme, the methods used in working out long service benefits and the levy rate. In addition, the actuary's advice was also sought on options for adopting a variable threshold levy rate model, to accommodate unusually large scale construction projects.

While the Actuary's report on his review of the scheme conveyed a number of general observations, assumptions and recommendations; the actuary's findings, in short, noted there was scope to:

- Adjust the levy mechanism for unusually large-scale construction projects; and
- Reduce the levy rate to 0.4% in the short-term without jeopardising the solvency of the NT Build Scheme.

In response to the actuary's findings the NT Government:

- Approved a 20% temporary reduction in the levy rate, from 0.5% to 0.4% for two years, commencing from 1 July 2009; and
- Introduced a \$1 billion threshold for the purpose of calculating the levy on large scale construction projects, below which the standard levy per cent rate would apply and from which an actuarially determined levy amount would be applied on a project specific basis.

These changes were implemented to give temporary relief to investors and developers during the economic downturn. The changes also ensure the scheme's costs are appropriately covered by sufficient levy contributions while minimising cross subsidy provided by large-scale projects.

Although the NT Government's decision to temporarily reduce the levy had an impact on the amount of revenue the scheme received during this reporting period, this impact was minor in comparison to the overall impact of the global financial crisis, particularly on construction activity undertaken in the resources sector.

It is pleasing to note that, notwithstanding the above, the scheme's assets continue to exceed its estimated liabilities.

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 2010 is outlined on page 25.

During the reporting period one member, Bob Wade, resigned his appointment resulting in the appointment of a new member, Mick Huddy, as a replacement representative from the CFMEU. In addition, members Chambers, Guit, Stubbin and Kemp were all re-appointed for a further five year period following the expiration of their initial appointments in May 2010.

Conducting business

Meetings

During this reporting period the Board convened a total of 17 times, including 7 regular meetings and 10 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 17 meetings of the Board, 64 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 handling of protected public interest disclosures, were resolved during this reporting period.

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 2010.

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 applications for reconsideration were finalised during this reporting period.

Table 13: Summary of applications for review/reconsideration lodged

YEAR	B/FWD	LODGED AGAINST		RESOLVED	C/FWD
		decision of Registrar	decision of Board		
2009-10	1	-	1	2	-
2008-09	-	-	2	1	1
2007-08	-	-	1	1	-
2006-07	-	-	1	1	-
2005-06	-	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.

One application for a review by the Local Court was received during the reporting period and is expected to be resolved early 2011.

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 2010

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	Mick Huddy 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.

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 December 2009 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 Northern Territory Treasury (NT Treasury) to the Department of Lands and Planning (DLP). This meant that, administratively, NT Build became a part of DLP, reporting to the Minister for Lands and Planning. Likewise, the staff of NT Build were transferred from the NT Treasury to DLP, however the agreed arrangement to make the staff available the Board on a full cost recovery arrangement remained in force.

As illustrated in the following table, the staffing profile for NT Build as at 30 June 2010 consisted of 7 full time staff.

Table 14: Staffing profile as at 30 June

Classification	At 30 June 06		At 30 June 07		At 30 June 08		At 30 June 09		At 30 June 10	
	FTE	Gender	FTE	Gender	FTE	Gender	FTE	Gender	FTE	Gender
ECO1	1	M	1	M	0.5	M	0.5	M	1	M
AO8	1	F	1	F	1	F	1	F	1	F
AO6	1.5	1M, 1F	3	2 F, 1 M	3	1F, 2M	3	1F, 2M	3	1F, 2M
AO4	1	F	1	F	0.7	F	0	-	1	F
AO2	0	-	0	-	1	M	1	M	1	M
AO1	0	-	1	F	0	-	0	-	0	-
	4.5		7		6.2		5.5		7	

For the purpose of managing staff, the Registrar and other DLP 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.

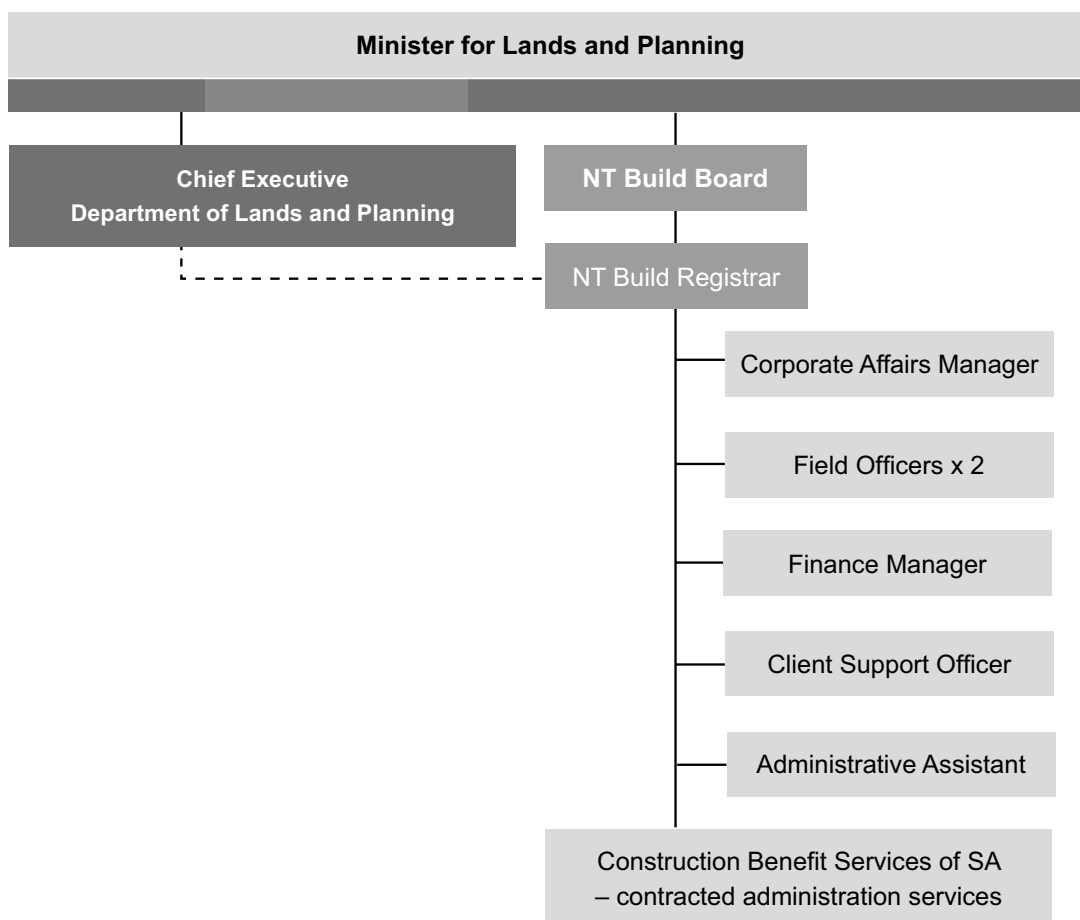
Disclosure of interests

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 structure

The following diagram represents the organisation structure as at 30 June 2010.



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 2009-10 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 Department of Lands and Planning is the agency designated under the Administrative Arrangements Order with responsibility for the general administration of the CILSLB Act.

For the purpose of Part 9 of the *Information Act*, all records relating to the administration of the CILSLB Act handled by NT Build are managed in accordance with the Department of Lands and Planning 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 recordkeeping program, TRIM, was upgraded from version 5.2.3 to version 6.2.4 in December 2009.

- *Construction Benefits Services*

The Construction Industry Long Service Leave Board, South Australia, (CBS) continued to provide information and administration services throughout 2009-10, 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;
- Conducting radio advertising campaigns targeting workers and levy payers;
- 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 three 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.

The NT Build Board hosted the 2009 National Conference of Construction Long Service Leave Schemes 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 delivery of a compliance audit program aimed at strengthening levy compliance and supporting the effective and efficient administration of the scheme.

Levy compliance program

NT Build operates a 'Strategic audit and levy compliance program' 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 to determine 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.

Table 15: Summary of the audits undertaken

	B/FWD	STARTED	FINALISED	C/FWD
2009-10	1	2	1 ^(a)	2
2008-09	-	1	-	1

(a) = Additional levy and interest penalty payable - audited final construction cost more than reconciled project cost declared.

(b) = Partial levy refunded - audited final construction cost less than reconciled project cost declared.

(c) = Full levy refunded - audited final construction cost assessed as less than \$200 000 levy exemption amount.

(d) = No levy adjustment required - audited final construction cost same as reconciled project cost declared.

External audit

As required under the provisions of the CILSLB Act the annual statutory audit of the financial statements relating to the Board's operation for the year ending 30 June 2010 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.



Part 3 Financial accountability

Financial Statements for year ended 30 June 2010

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Board members' declaration

The members of the Board of NT Build declare that, in their opinion:

1. The financial statements and notes, as set out on pages 37 to 62:
 - a) comply with the Australian Accounting Standards and other mandatory financial reporting requirements in Australia and the *Construction Industry Long Service Leave and Benefits Act*, and
 - b) give a true and fair view of the Board's financial position as at 30 June 2010 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the members of the Board's opinion there are reasonable grounds to believe that the entity 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 is signed for and on behalf of the Board of NT Build.



Board member: TONY STUBBIN



Board member: DICK GUIT

Dated: 14 October 2010

Independent auditor's report



Auditor-General

Independent Auditor's Report to the Board

**NT Build
Year Ended 30 June 2010**

Page 1 of 2

I have audited the accompanying financial report of NT Build, which comprises the comprehensive operating statement, statement of financial position, statement of changes in equity and statement of cash flows and accompanying notes to the financial statements for the year ended 2010.

The Responsibility of the Board for the Financial Report

The Board of NT Build is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board as well as evaluating the overall presentation of the financial report.

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

Qualification

The statutory obligation to notify NT Build of the commencement of a project rests with the developer. NT Build has implemented a number of mechanisms to help monitor compliance and identify leviable projects and consequently those liable to pay the levy, including monitoring projects where building permits under the *Building Act* are issued. It is noted that not all types of construction work carried out in the Territory requires a building permit.

Due to the nature of the approval process within the Northern Territory construction industry, there exists some uncertainty regarding the ability of NT Build to identify all construction and maintenance projects that fall within the scope of the *Construction Industry Long Service Leave and Benefits Act*. As such, I am unable to satisfy myself as to the completeness of the \$8,332,922 disclosed as 'Contributions from levy payers' in the comprehensive operating statement.

Level 12 Northern Territory House 22 Mitchell Street Darwin 0800 Tel: 08 8999 7155 Fax: 08 8999 7144



Auditor-General

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Qualified Audit Opinion

In my opinion, except for the effects on the financial report of the matter referred to in the qualification paragraph, the financial report presents fairly, in all material respects, the financial position of NT Build as of 30 June 2010, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations).

A handwritten signature in black ink, appearing to read 'F McGuinness'.

F McGuinness

Auditor-General for the Northern Territory

29 October 2010

Comprehensive operating statement for the year ended 30 June 2010

	Note	2010 \$	2009 \$
INCOME			
Contributions from levy payers		8 332 922	11 848 410
Other income	2	1 773 292	(712 393)
TOTAL INCOME		10 106 214	11 136 017
EXPENSES			
Depreciation and Amortisation	3(a)	66 728	70 606
Fees and allowances	3(b)	16 286	40 075
Long service leave benefit payments		535 673	319 252
Long service scheme expense - current	10	3 805 000	5 982 000
Occupancy costs		58 080	75 578
Employee expenses		594 163	494 368
Other expenses		405 450	340 943
TOTAL EXPENSES		5 481 380	7 322 822
NET SURPLUS (DEFICIT)		4 624 834	3 813 196
OTHER COMPREHENSIVE INCOME			
Changes in Accounting Policies		-	-
Correction of Prior Period Errors		-	-
TOTAL OTHER COMPREHENSIVE INCOME		-	-
COMPREHENSIVE RESULT		4 624 834	3 813 196

The above comprehensive operating statement should be read in conjunction with the accompanying notes.

Statement of financial position

as at 30 June 2010

	Note	2010 \$	2009 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	17 641 409	15 074 369
Trade and other receivables	6	1 542 387	1 517 640
Other financial assets - investments	7	12 204 809	6 303 654
TOTAL CURRENT ASSETS		31 388 605	22 895 663
Non-current assets			
Property, plant & equipment	8	17 824	88 429
TOTAL NON-CURRENT ASSETS		17 824	88 429
TOTAL ASSETS		31 406 429	22 984 092
LIABILITIES			
Current liabilities			
Trade and other payables	9	64 766	72 263
Provision for scheme liabilities	10	500 000	240 000
TOTAL CURRENT LIABILITIES		564 766	312 263
Non-current liabilities			
Provision for scheme liabilities	10	16 908 000	13 363 000
TOTAL NON-CURRENT LIABILITIES		16 908 000	13 363 000
TOTAL LIABILITIES		17 472 766	13 675 263
NET ASSETS		13 933 663	9 308 829
EQUITY			
Implementation Funding		296 867	296 867
Retained surplus		13 636 796	9 011 962
TOTAL EQUITY		13 933 663	9 308 829

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

for the year ended 30 June 2010

Note	Retained Surplus \$	Implementation Funding \$	Total \$
As at 30 June 2008	5 198 766	296 867	5 495 633
Comprehensive income	3 813 196	-	3 813 196
At 30 June 2009	9 011 962	296 867	9 308 829
Comprehensive income	4 624 834	-	4 624 834
At 30 June 2010	13 636 796	296 867	13 933 663

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

for the year ended 30 June 2010

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions from levy payers		8 465 144	12 853 279
Payments to suppliers and employees		(1 612 421)	(1 405 303)
Interest received		647 892	416 335
Interest paid		-	-
Net Cash from/(used in) operating activities	5(b)	7 500 615	11 864 311
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds - sale of property, plant and equipment		1 000	-
Payment for investments		(4 934 575)	-
Net Cash from/(used in) investing activities		(4 933 575)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Net cash from/(used in) financing activities		-	-
Net increase/(decrease) in cash		2 567 040	11 864 311
Cash at the beginning of the financial year		15 074 369	3 210 058
CASH AT THE END OF THE FINANCIAL YEAR	5(a)	17 641 409	15 074 369

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to and forming part of the financial statements for the year ended 30 June 2010

Note 1 CORPORATE INFORMATION

The financial statements of NT Build for the year ended 30 June 2010 were authorised for issue in accordance with a resolution of the board members on 11 October 2010 covers NT Build as an individual entity.

The financial statements are presented in the Australian currency.

NT Build has its principal office at Charlton Court, Woolner, NT 0820. The entity was established in 2005 under the Northern Territory *Construction Industry Long Service Leave and Benefits Act* and it administers this Act which provides a portable long service benefits scheme to building and construction workers in NT.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are general purpose financial statements. The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received. As part of the preparation of the financial statements, all intra organisation transactions and balances have been eliminated.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

(b) Property, plant and equipment

Acquisitions

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$5000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$5000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.

Complex assets

Major items of plant and equipment comprising a number of components that have different useful lives, are accounted for as separate assets. The components may be replaced during the useful life of the complex asset.

Subsequent additional costs

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Agency in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their expected useful lives.

continued: Notes to and forming part of the financial statements - 30 June 2010

Class of Asset	Depreciation Rate
Leasehold improvements	20%
Furniture and fixtures	10%
Field and office equipment	20%
Computer equipment	33.30%
Computer software	33.30%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in profit or loss in the year that the item is derecognised.

(c) Leased assets

Leases under which the Board assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Other leases are classified as operating leases.

Finance Leases

Finance leases are capitalised. A leased asset and a lease liability equal to the present value of the minimum lease payments are recognised at the inception of the lease.

Lease payments are allocated between the principal component of the lease liability and the interest expense.

Operating Leases

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating lease of a building or office space is recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

(d) Income tax

As a public authority constituted under a law of the Northern Territory the income of the Board is exempt from income tax under section 50-25 of the *Income Tax Assessment Act 1997* and no charge for income tax expense is required.

(e) Revenue

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

continued: Notes to and forming part of the financial statements - 30 June 2010

Operating revenue represents revenue from long service levy income and investment income, which are recognised as they accrue.

Gains and losses on investments are calculated as the difference between the net market value at sale, or at the year end, and the net market value at the previous valuation point. This includes both realised gains and losses and unrealised gains and losses.

(f) Long service levy

Effective from 1 July 2009 the Northern Territory Government introduced the following two legislative amendments affecting the calculation of the long service levy on construction projects undertaken in the Territory.

1. The introduction of a two tier levy regime on construction projects with construction costs in excess of \$1 billion. This amendment means the 'standard' prescribed levy rate which applies to all eligible construction projects under the scheme, is applied to the first \$1 billion and a project's specific levy rate, determined by the responsible Minister and based on actuarial advice, is applied to the project costs that exceed the \$1 billion threshold.

2. The temporary reduction in the levy amount for a period of two years. This means for construction projects that start:

- before 1 July 2009, regardless of completion date, the levy rate of 0.5% applies.
- on or after 1 July 2009 but before 1 July 2011, regardless of completion date, the levy rate of 0.4% applies.
- after 30 June 2011, regardless of completion date, the levy rate of 0.5% applies.

(g) Employee long service leave

(i) Long Service Leave Benefits Expense

Employees and contractors who are registered with the Board accrue 13 weeks (3 months) long service leave after 10 years' service in the building and construction industry for service after 1 July 2005. Workers receive credit of 1 year's service for each 260 days worked.

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

continued: Notes to and forming part of the financial statements - 30 June 2010

(h) Employee long service leave

(ii) Accrued Long Service Leave Benefits Liability

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the end of the reporting period using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the end of the reporting period with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(i) Accounting for Goods and Service Tax

Revenues, expenses are recognised net of the amount of GST, except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows 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 are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Trade and other payables

Liabilities for accounts payable and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to Board. Accounts payable are normally settled within 30 days.

(k) Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank, deposits at call and money market investments which are readily convertible into cash.

continued: Notes to and forming part of the financial statements - 30 June 2010

(l) Trade receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Board will not be able to collect all amounts due according to the original terms.

(m) Investments and other financial assets

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date which is the date on which the Board commits to purchase or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

Held for trading

Investments held for trading are measured at fair value with gains or losses recognised in profit or loss. A financial asset is classified as held-for-trading if acquired principally for the purpose of selling in the short term or if it is a derivative that is not designated as a hedge. Investments held for trading are classified as current assets in the statement of financial position.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Board has the positive intention and ability to hold-to-maturity and are measured at amortised cost subsequent to initial recognition using the effective interest method. If the Board were to sell other than an insignificant amount of held-to-maturity investments, the whole category is then reclassified as available-for-sale.

Impairment losses are measured as the difference between the investment's carrying amount and the present value of the estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the investment's original effective interest rate. Impairment losses are recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets comprise investments in listed and unlisted entities and any non-derivatives that are not classified as any other category of financial assets, and are classified as non-current assets (unless management intends to dispose of the investment within 12 months of the end of the reporting period). After initial recognition, these investments are measured at fair value with gains or losses

continued: Notes to and forming part of the financial statements - 30 June 2010

recognised in other comprehensive income (available-for-sale investments revaluation reserve). Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment) the full amount including any amount previously charged to other comprehensive income is recognised in profit or loss. Purchases and sales of available-for-sale financial assets are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in other comprehensive income.

On sale, the amount held in available-for-sale reserves associated with that asset is recognised in profit or loss as a reclassification adjustment. Interest on corporate bonds classified as available-for-sale is calculated using the effective interest rate method and is recognised in finance income in profit or loss.

Reversals of impairment losses on equity instruments classified as available-for-sale cannot be reversed through the profit or loss. Reversals of impairment losses on debt instruments classified as available-for-sale can be reversed through the profit or loss where the reversal relates to an increase in the fair value of the debt instrument occurring after the impairment loss was recognised in the profit or loss.

The fair value of quoted investments are determined by reference to Stock Exchange quoted market bid prices at the close of business at the end of the reporting period. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment. The realisation value or fair value of the investment represents the amounts available on cash withdrawal after making allowance for the application redemption transaction charge payable on realisation.

Loans and receivables

Non-current loans and receivables include loans due from trade and other receivables repayable within 366 days of the end of the reporting period. As these are non-interest bearing, fair value at initial recognition requires an adjustment to discount these loans using a market-rate of interest for a similar instrument with a similar credit rating. The discount is debited to the income statement immediately and amortised using the effective interest method.

Impairment losses are measured as the difference between the investment's carrying amount and the present value of the estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the investment's original effective interest rate. Impairment losses are recognised in profit or loss.

continued: Notes to and forming part of the financial statements - 30 June 2010

(n) Impairment of financial assets

At the end of each reporting period the entity assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

(o) Fair values

Fair values may be used for financial asset and liability measurement as well as for sundry disclosures.

Fair values for financial instruments traded in active markets are based on quoted market prices at the end of the reporting period. The quoted market price for financial assets is the current bid price and the quoted market price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

(p) Adoption of new and revised accounting standards

The form of the NT Build financial statements is also consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated. The Standards and Interpretations and their impacts are:

AASB 101 Presentation of Financial Statements (September 2007), AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101, AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101. This Standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Comprehensive Operating Statement and Statement of Changes in Equity. Other Comprehensive Income is now disclosed in the Comprehensive Operating Statement and the Statement of Changes in Equity discloses owner changes in equity separately from non-owner changes in equity.

continued: Notes to and forming part of the financial statements - 30 June 2010

AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038]. The amendments largely clarify the required accounting treatment where previous practice had varied, although some new or changed requirements are introduced. Topics include below market interest-rate government loans, accounting for advertising and promotional expenditure, investment property under construction and the reclassification to inventories of property, plant and equipment previously held for rental when the assets cease to be rented and are held for sale. The Standard does not impact the Financial Statements.

(q) Accounting Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. The Board's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments, Amends the requirements for classification and measurement of financial assets.

Effective for annual reporting period beginning on or after 1 January 2013.

This amends the requirements for classification and measurement of financial assets. Due to the recent release of these amendments and that adoption is only mandatory for the 30 June 2014 year end, the entity has not yet made an assessment of the impact of these amendments.

(ii) AASB Interpretation 19 (issued December 2009), Financial Instruments

Effective for annual reporting period beginning on or after 1 July 2010.

This discusses extinguishing Financial Liabilities with Equity Instruments, Equity instruments issued to a creditor to extinguish all or part of a financial liability are 'consideration paid' to be recognised at the fair value of the equity instruments issued, unless their fair value cannot be measured reliably, in which case they are measured at the fair value of the debt extinguished. Any difference between the carrying amount of the financial liability extinguished and the 'consideration paid' is recognised in profit or loss. There will be no impact as the entity has not undertaken any debt for equity swaps.

continued: Notes to and forming part of the financial statements - 30 June 2010

(iii) AASB 124 (issued December 2009) Related Party Disclosures

Effective for annual reporting periods commencing on or after 1 January 2011.

This pertains to simplification of disclosure requirements for government related entities and clarifies the definition of a related party. As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, various disclosures currently required by government entities about related party transactions with other entities that are controlled, or significantly influenced by the same government entity will no longer be required if it is costly to gather and of less value to users.

(iv) AASB 117, Leases, Land can be classified as a finance lease for very long leases where the significant risks and rewards are effectively transferred, despite there being no transfer of title.

Effective for annual reporting periods commencing on or after 1 January 2010.

This explains that land can be classified as a finance lease for very long leases where the significant risks and rewards are effectively transferred, despite there being no transfer of title. Initial adoption of this amendment will have no impact as the entity has no leases for the land.

(v) IFRS 7, Financial Instruments: Disclosures

Effective for annual reporting periods commencing on or after 1 January 2011.

This disclosure deletes various disclosures relating to credit risk, renegotiated loans and receivables and the fair value of collateral held. There will be no impact on initial adoption to amounts recognised in the financial statement as the amendment result in fewer disclosure only.

continued: Notes to and forming part of the financial statements - 30 June 2010

	2010	2009
	\$	\$
Note 2 OTHER INCOME		
Interest received - Bank deposits	790 348	416 543
Investment income	245 331	759 359
Movement in equity investments	696 856	(1 903 974)
Total income from investments	1 732 535	(728 072)
Sundry income	40 757	15 678
Total other income	1 773 292	(712 393)
Note 3 EXPENSES		
3(a) Depreciation and amortisation of non-current assets		
- leasehold improvements	59 410	59 411
- plant and equipment	7 317	11 195
Total depreciation and amortisation	66 727	70 606
3(b) Fees and Allowances		
- board members' fees	16 286	40 075
- other allowances	-	-
Total fees and allowances	16 286	40 075
3(c) Auditor's Remuneration		
Remuneration of the auditor for:		
- audit of the financial reports	14 000	14 000
- other services	-	-
Total auditor's remuneration	14 000	14 000

continued: Notes to and forming part of the financial statements - 30 June 2010

Note	4	CASH AND CASH EQUIVALENTS	2010 \$	2009 \$
		Cash on hand	200	200
		Cash deposits with banks	1 622 582	2 550 636
		Short term money market deposits	16 018 627	12 523 533
		Total cash and cash equivalents	17 641 409	15 074 396

Effective interest rate on short term deposits is 4.00%

Note 5 RECONCILIATION OF CASH AND CASH EQUIVALENTS

- (a) **Cash and cash equivalents at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:**

Cash on hand	200	200
Cash deposits with banks	1 622 582	2 550 636
Short term money market deposits	16 018 627	12 523 533
Balance per statement of cash flows	17 641 409	15 074 396

- (b) **Reconciliation of cash flow from operations with Net Surplus (Deficit)**

Net Surplus (Deficit)	4 624 834	3 813 196
Depreciation and amortisation	66 728	70 606
Movement in market value of investments	(696 586)	1 128 729
Manager fee rebate	(24 393)	-
Distribution income capitalised	(245 330)	-
Scheme liability expenses	3 805 000	5,982 000
Loss on disposal of plant and equipment	2 877	-
Changes in assets and liabilities		
(Increase)/decrease in trade & term debtors	(24 750)	1 004 867
Increase/(decrease) in trade creditors and accruals	(7 495)	(135,087)
Cash flows from operations	7 500 615	11 864 311

- (c) **Loan facilities**

Loan facilities with NT Treasury	1 500 000	1 500 000
Amount utilised	-	-
Unused loan facility	1 500,000	1 500 000

continued: Notes to and forming part of the financial statements - 30 June 2010

Note	6	TRADE AND OTHER RECEIVABLES	2010	2009
			\$	\$
		CURRENT		
		Levy debtors	742 626	426 818
		Provision for doubtful debts	-	-
			742 626	426,818
		Other debtors	46 439	28 793
			46 439	28 793
		Accrued industry contributions	753 322	1 062 029
		Total trade and other receivables	1 542 387	1 517 640

a) Past due but not impaired

As of 30 June 2010, trade receivables of \$724 626 were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2010	2009
	\$	\$
Not past due	156 139	91 034
Past due [30] days	152 936	104 792
Past due [30-60] days	1 347	177 717
Past due [>60] days	50 363	27 498
Instalments	381 841	25 777
Total	742 626	426 818

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The Board does not hold any collateral in relation to these receivables.

continued: Notes to and forming part of the financial statements - 30 June 2010

b) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

Note 7 OTHER FINANCIAL ASSETS - INVESTMENTS

	2010	2009
	\$	\$
MLC (NCIT) Moderate Trust	12 204 809	6 303 654
Total other financial assets - investments	12 204 809	6 303 654

The Actual asset allocation of the investment portfolio at the balance date was:

	2010	2009
- Australian Shares	31%	32%
- Global Shares	34%	33%
- Bonds	31%	31%
- Property Securities	4%	4%

Fair value

For equity securities, fair value is determined by reference to closing bid prices on the Australian Stock Exchange.

continued: Notes to and forming part of the financial statements - 30 June 2010

	2010 \$	2009 \$
Note 8 PROPERTY, PLANT & EQUIPMENT		
(a) LAND AND BUILDINGS		
Leasehold		
<i>Leasehold improvements</i>		
At cost	297 052	297 052
Less accumulated depreciation	(297 052)	(237 642)
	-	59 410
Plant and Equipment		
<i>Plant and equipment</i>		
At cost	18 796	44 645
Less accumulated depreciation	(18 645)	(36 371)
	151	8 274
<i>Furniture and fittings</i>		
At cost	30 720	30 720
Less accumulated depreciation	(13 047)	(9 975)
	17 673	20 745
<i>Software</i>		
At cost	4 642	4 642
Less accumulated depreciation	(4 642)	(4 642)
	-	-
Total Property, Plant and Equipment	17 824	88 429

continued: Notes to and forming part of the financial statements - 30 June 2010

Note 8 PROPERTY, PLANT & EQUIPMENT (Cont'd)

(b) Movements in carrying values

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

	Leasehold Improvements	Plant & equipment	Furniture & fittings	Software	Total
	\$	\$	\$	\$	\$
At the 1 July 2008	118 822	16 397	23 819	-	159 035
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation and Amortisation	(59 411)	(8 122)	(3 073)	-	(70 606)
At 30 June 2009	59 410	8 274	20 745	-	88 429
At the 1 July 2009	59 410	8 274	20 745	-	88 429
Additions	-	-	-	-	-
Disposals	-	(3 877)	-	-	(3 877)
Depreciation and Amortisation	(59 410)	(4 246)	(3 072)	-	(66 728)
At 30 June 2010	-	151	17 673	-	17 824

continued: Notes to and forming part of the financial statements - 30 June 2010

	2010 \$	2009 \$
Note 9 TRADE AND OTHER PAYABLES		
CURRENT		
Trade creditors	30 365	28 812
Other creditors and accruals - other entities	34 401	43 451
Total trade and other payables	64 766	72 263
Note 10 PROVISIONS FOR SCHEME LIABILITIES		
CURRENT		
Scheme liabilities	500 000	240 000
NON-CURRENT		
Scheme liabilities - current year	17 408 000	13 603 000
Scheme liabilities - prior year	-	-
Less: Current portion of scheme liabilities	(500 000)	(240 000)
Total provisions for scheme liabilities	16 908 000	13 363 000
<i>Reconciliation of movement in scheme liabilities</i>		
Balance at beginning of year	13 603 000	7 621 000
Actuarial valuation adjustment recognised in the income statement	3 805 000	5 982 000
Balance at end of year	17 408 000	13 603 000

- (a) The NT Build Long Service Leave liability valuation was carried out on 20 August 2010 by Cumpston Sarjeant Pty Ltd, Consulting Actuaries, in respect of the year ended 30 June 2010.

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

- 25% of service credits will be abandoned;
- the average period until payment will be 9 years
- a discount rate of 5.2% and a salary growth rate of 4.5%.

The discount rate was determined based on the prevailing Commonwealth bond rate at 30 June 2010, as required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets. the salary growth rate of 4.5% per annum is consistent with NT Treasury's expectations for future salary growth in the Territory, and is consistent with external forecasts.

continued: Notes to and forming part of the financial statements - 30 June 2010

Note 11 RELATED PARTY TRANSACTIONS

(i) Board members

The names of the members of the Board who held office during the year are Barry Chambers (Chairperson), Dick Guit, Graham Kemp, Tony Stubbin, Trevor Gauld and Mick Huddy. Bob Wade resigned from the board during the reporting period and Mick Huddy was appointed to take his place.

The appointments of Mr Chambers, Mr Guit, Mr Kemp and Mr Stubbin all expired on 4 May 2010 and each were reappointed for a further five year term.

As a Northern Territory Public Sector employee, Mr. Stubbin does not receive remuneration payment in respect of his role as a Board member.

(ii) Attendance of meetings

Name	Eligible Meetings*	Meetings Attended	
Barry Chambers	17	17	
Dick Guit	17	14	
Graham Kemp	17	15	
Tony Stubbin	17	16	
Trevor Gauld	17	12	
Bob Wade	12	9	Resigned 25/2/2010
Mick Huddy	0	1	Appointed 22/6/2010

*Includes scheduled and out of session Board meetings

Note 12 IMPLEMENTATION FUNDING

Movements during the year	2010 \$	2009 \$
Balance 1 July	296 867	296 867
Movement for the year	-	-
Balance 30 June	296 867	296 867

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

continued: Notes to and forming part of the financial statements - 30 June 2010

Note 13 FINANCIAL RISK MANAGEMENT

In common with all other businesses, the Board is exposed to risks that arise from its use of financial instruments. This note describes the Board's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by the Board include cash and deposits, receivables, payables and finance leases. NT Build has limited exposure to financial risks as discussed below.

There have been no substantive changes in the Board's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(a) *Categorisation of Financial Instruments*

The carrying amounts of the Board's financial assets and liabilities by category are disclosed in the table below.

	2010 \$	2009 \$
Financial assets		
Cash and deposits	17 641 409	15 074 369
Loans and receivables	1 542 387	1 517 640
Available-for-sale financial assets	12 204 809	6 303 654
	31 388 605	22 895 663
Financial liabilities		
Payables	64 766	72 263
	64 766	72 263

The Board has overall responsibility for the determination of risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the management team. The Board's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Board where such impacts may be material. The Board receives monthly reports 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.

continued: Notes to and forming part of the financial statements - 30 June 2010

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Board's flexibility. Further details regarding these policies are set out below.

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Board incurring a financial loss. Credit risk arises from cash assets and deposits with financial institutions, as well as credit exposures to the Board's outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted.

NT Build has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to Government, the Board has adopted a policy of only dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Board's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

The receivables of the Board arise out of a statutory obligation on various entities undertaking building and construction work costing \$200 000 or more. As a result the Board cannot implement any credit policies beforehand to ensure that individual risk on each customer is minimised.

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

	2010	2009
	\$	\$
Instalment	381 841	25 777
Non-Instalment	360 785	401 041
	<u>742 626</u>	<u>426 818</u>

The Board's most significant customer accounts for 40% of trade receivables at 30 June 2010.

continued: Notes to and forming part of the financial statements - 30 June 2010

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cashflows, and the availability of funding through an adequate amount of committed credit facilities. The Board manages liquidity risk by continuously monitoring forecast and actual cashflows. Surplus funds are generally invested in instruments that are tradeable in highly liquid markets.

Prudent liquidity risk management implies maintaining sufficient cashflows, and the availability of funding through an adequate amount of committed credit facilities. The Board manages liquidity risk by continuously monitoring forecast and actual cashflows. Surplus funds are generally invested in instruments that are tradeable in highly liquid markets.

Financing arrangements

The following financing facilities were available at the end of the reporting period:

	2010 \$	2009 \$
Credit stand-by arrangements		
<i>Total facilities:</i>		
Loan from NT Treasury	1 500 000	1 500 000
<i>Used at end of the reporting period:</i>		
Loan from NT Treasury	-	-
<i>Unused at end of the reporting period:</i>		
Loan from NT Treasury	1 500 000	1 500 000

The stand by facility, with a variable interest rate of 3.47% per annum, is part of a draw down facility arranged by the NT Treasury to help fund the Board's working capital requirements. The upper limit of the drawdown facility is \$1.5 million. This facility expires on 15 July 2010.

Maturity Analysis - 2010

Financial Liabilities	Rate	Carrying Amount \$	Contractual Cash flows \$	<6 mths \$	6-12 mths \$	1-3 years \$	>3 years \$
<i>Non-derivatives</i>							
Payables		64 766	64 766	64 766	-	-	-
Finance lease liabilities		-	-	-	-	-	-
Bank overdrafts		-	-	-	-	-	-
TOTAL		64 766	64 766	64 766	-	-	-

continued: Notes to and forming part of the financial statements - 30 June 2010

continued: Maturity Analysis - 2010

Financial Assets	Rate	Carrying Amount	Contractual Cash flows	<6 mths	6-12 mths	1-3 years	>3 years
		\$	\$	\$	\$	\$	\$
<i>Non-derivatives</i>							
Trade Debtors		1 542 387	1 542 387	1 542 387	-	-	-
Investments	14%	12 204 809	12 204 809	12 204 809	-	-	-
TOTAL		13 747 196	13 747 196	13 747 196	-	-	-

Maturity Analysis - 2009

Financial Liabilities	Rate	Carrying Amount	Contractual Cash flows	<6 mths	6-12 mths	1-3 years	>3 years
		\$	\$	\$	\$	\$	\$
<i>Non-derivatives</i>							
Trade Creditors		72 263	72 263	72 263	-	-	-
Finance lease liabilities		-	-	-	-	-	-
Bank overdrafts		-	-	-	-	-	-
TOTAL		72 263	72 263	72 263	-	-	-

Financial Assets	Rate	Carrying Amount	Contractual Cash flows	<6 mths	6-12 mths	1-3 years	>3 years
		\$	\$	\$	\$	\$	\$
<i>Non-derivatives</i>							
Trade Debtors		1 517 640	1 517 640	1 517 640	-	-	-
Investments	-15%	6 303 654	6 303 654	6 303 654	-	-	-
TOTAL		7 821 294	7 821 294	7 821 294	-	-	-

continued: Notes to and forming part of the financial statements - 30 June 2010

(d) Market Risk

Market risk arises from the use of interest bearing and tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

Sensitivity Analysis

As the Board's investments with MLC are in the form of units in a unit trust, it is not possible to perform an effective sensitivity analysis as it is not possible to identify the proportion of the shares held by the trust which relate directly to the Board. The movement in the price of the units is a combination of the underlying shares invested and the overheads accruing to the trust.

Note 14 CAPITAL AND LEASING COMMITMENTS

	2010	2009
	\$	\$
Operating Lease Commitments		
<i>Payable:</i>		
One year or less	148 740	70 021
Later than one year and not later than five years	469 817	100 991
Later than five years	-	-
Total operating lease commitments payable	618 557	171 012

Non cancellable operating lease commitments include:

- Leases above include computer equipment, motor vehicles, building and shed with various terms, with rental payable monthly in advance.

Note 15 EVENTS SUBSEQUENT TO REPORTING DATE

- (a) There has not arisen in the interval between the end of the financial year and the date of this report any transactions or event of a material nature likely in the opinion of the Board, to affect significantly the operations of NT Build, the result of its operations, or the state of affairs of NT Build in subsequent financial years.

State/Territory schemes

- recognised under the National Reciprocal Agreement for the provision of long service in the building and construction industry

Australia Capital Territory

ACT Long Service Leave Authority

71 Constitution Ave
Campbell ACT 2612
Tel: (02) 6247 3900
Fax: (02) 6257 5058
Email: lslbact@actlslb.act.gov.au
Web: www.actlslb.act.gov.au

Queensland

QLeave

Level 4
Centro Lutwyche
543 Lutwyche Road
Queensland 4030
Tel: (07) 3212 6811
Fax: (07) 3212 6844
Email: member.services@qleave.qld.gov.au
Web: www.qleave.qld.gov.au

Tasmania

TasBuild

Level 1
115 Central Avenue
Derwent Park TAS 7009
Tel: (03) 6233 7670
Fax: (03) 6233 7224
Email: secretary@tasbuild.com.au
Web: www.tasbuild.com.au

Western Australia

Construction Industry Long Service Leave Payments Board

1st Floor, 26 Colin Street (
Corner of Colin and Ord Streets)
West Perth WA 6005
Tel: (08) 9476 5400
Fax: (08) 9321 5404
Email: lslstaff@walslboard.com.au
Web: www.lslboard.com.au

New South Wales

Long Service Payments Corporation

Ground Floor
Corner Baker & Donnison Streets
Gosford NSW 2250
Tel: 13 14 41
Fax: (02) 9287 5685
Email: info@lspc.nsw.gov.au
Web: www.lspc.nsw.gov.au

South Australia

Construction Benefit Services

Level 2
191 Fullarton Road,
Dulwich SA 5065
Tel: (08) 8332 6111
Fax: (08) 8333 4313
Email: enquiries@cbserv.com.au
Web: www.cbserv.com.au

Victoria

ColInvest

478 Albert St
East Melbourne Vic 3002
Tel: (03) 9664 7677
Fax: (03) 9663 7088
Email: info@coinvest.com.au
Web: www.coinvest.com.au

Northern Territory

NT Build

Units 32-33, 12 Charlton Court
Woolner NT 0820
Tel: (08) 1300 795 855
Fax: (08) 8923 9318
Email: info@ntbuild.com.au
Web: www.ntbuild.com.au



NT Build – portable long service leave

Street: Units 32-33 / 12 Charlton Court, Woolner NT 0820
Post: PO Box 36644, Winnellie NT 0821
General enquiries: 1300 795 855
Office phone: (08) 8923 9300
Fax: (08) 8923 9318
Email: info@ntbuild.com.au
Web: www.ntbuild.com.au
ABN: 16 851 173 952