



# Levy Information

## Portable Long Service Leave Benefits for the Construction Industry

The *Construction Industry Long Service Leave and Benefits Act* commenced on 1 July 2005, enabling building and construction workers in the Northern Territory to benefit from a portable long service leave scheme known as NT Build.

A Government appointed Board of Territory based members, including an independent Chairperson and worker and industry representatives is responsible for administering the Scheme.

### What is portable long service leave?

The Scheme enables workers to qualify for long service leave based on service with the construction industry rather than service with the one employer. The portability extends across State and Territory borders under the National Reciprocal Agreement.

### How is the Scheme funded?

The Scheme is statute based and is funded through a Ministerially determined levy on eligible Northern Territory construction projects of at least \$1 million.

### How is the levy calculated?

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

The current levy rate on projects with a construction cost between \$1 million and \$5 billion is fixed at 0.1%, and is calculated in accordance with the following formula:

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

As the levy is payable prior to the start of construction work, the initial amount for calculating the levy payable is generally based on a payer's self-assessment of the estimated total cost of the construction work. At the date of practical completion of the project, a reconciliation of the actual total cost of construction is required once the final cost is known, and may result in an additional levy or a refund, as the case may be.

A two tier levy mechanism applies for construction projects over \$5 billion. The prescribed rate of 0.1% applies to the first \$5 billion, and is payable prior to the start of construction work.

A project specific levy determined by the relevant Minister, after consideration of a report prepared by the Scheme actuary, applies to the project cost component that exceeds \$5 billion. The project specific levy component is payable following completion of the project.

### Who pays the levy?

The levy is payable by the person for whom the work is to be done, except where the work is to be done for the Australian Government or an interstate Government entity in which case the principal contractor doing the work is liable to pay the levy.

### What is construction work?

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

For more detailed information on the definition of "construction work", please refer to the "What is construction work?" Information Sheet.

### Exemptions

The levy does not apply to work:

- on single detached dwellings, including related private garages, carports, and sheds;
- for which the total contract price for the construction work is less than \$1 million in value (effective from 7 April 2014) or \$200,000 in value for projects started before 7 April 2014; or
- undertaken for not-for-profit organisations in respect of voluntary labour or donated materials.

## Cost of Construction Work

For the purposes of the Scheme, the cost is identified as being “the total contract prices for all construction contracts in relation to the work (the contract price for the work)”. The contract price for the work includes any applicable GST.

“Construction contract” includes contracts to:

- carry out construction work;
- supply goods relating to construction work to the site where the construction work is being carried out;
- provide, on or off site, professional services relating to the construction work; and
- provide on-site services relating to the construction work.

For more detailed information on goods, professional services and on-site services included in the definition of “construction contract”, please refer to the specific Information Sheets available on the “Publications” webpage at [ntbuild.com.au](http://ntbuild.com.au).

## Notification of work

The person for whom the work is to be done must notify NT Build of the upcoming construction work by submitting a Project Notification Form (or a Principal Contractor Project Notification Form in the case of Commonwealth or interstate Government projects), identifying the total contract price, to facilitate the levy payment. The relevant Project Notification Form can be emailed to [info@ntbuild.com.au](mailto:info@ntbuild.com.au).

## Construction cost reconciliation process

On completion of the project, once the final total contract price is known, the levy payer is required to submit a Project Reconciliation Form. NT Build will send the levy payer this form on or around the anticipated project completion date, as specified by the levy payer on the Project Notification Form. If the total construction contract price is lower than the amount specified on the Project Notification Form, the levy payer will be entitled to a refund. If it is higher, the levy payer will be required to pay any additional levy amount.

## Penalties for not paying the levy

Interest and fines may be imposed if the levy is not paid when due.

The Act also grants NT Build the power to issue an order to stop work on the project until such time as the levy payer has met its statutory responsibility.

## How to pay the levy

Following its receipt and consideration of the relevant Project

Notification Form, NT Build will issue the levy payer with a tax invoice.

Payment will be accepted by cheque or EFT (payments by cash or credit card are not accepted). Further information is available by phoning NT Build on 1300 795 855.

## Further information

For more detailed information the levy payment process, please refer to the specific Information Sheets available on the “Publications” webpage of the NT Build website at [ntbuild.com.au](http://ntbuild.com.au).