



Levy Information

CALCULATING THE COST OF CONSTRUCTION - GOODS

Fact Sheet 2

ALL MATERIALS OR COMPONENTS (WHETHER PRE-FABRICATED OR NOT), FITTINGS AND FIXTURES, FURNITURE AND FURNISHINGS, AND ALL PLANT AND EQUIPMENT (WHETHER HIRED OR PURCHASED) THAT RELATE TO CONSTRUCTION WORK ARE “GOODS” TO BE INCLUDED IN THE COST OF CONSTRUCTION WORK FOR THE PURPOSES OF THE PURPOSE OF THE CONSTRUCTION INDUSTRY LONG SERVICE LEAVE AND BENEFITS ACT.

Construction Industry Long Service Leave and Benefits Act

Section 37 provides the “cost of construction work” is the total contract prices for all of the construction contracts in relation to the work or, if the prescribed circumstances apply, the amount decided by the Board to be the total cost of the work.

Section 37(2) specifies that “construction contract” has the same meaning as in the *Construction Contracts (Security of Payments) Act*.

Construction Contracts (Security of Payments) Act

Section 6 of the *Construction Contracts (Security of Payments) Act* defines “construction work”. (see Fact Sheet 1 for further details)

Section 5 of the *Construction Contracts (Security of Payments) Act* defines “construction contract” as follows:

- (1) A construction contract is a contract (whether or not in writing) under which a person (the “contractor”) has one or more of the following obligations:
 - (a) to carry out construction work;
 - (b) to supply to the site where construction work is being carried out any goods that are related to construction work;
 - (c) to provide, on or off the site where construction work is being carried out, professional services that are related to the construction work;
 - (d) to provide, on the site where construction work is being carried out, on-site services that are related to the construction work.

Goods

Section 7 of the *Construction Contracts (Security of Payments) Act* provides when goods are related to construction work.

Specifically, section 7(1) provides that goods are related to construction work if they are:-

- (a) materials or components (whether or not pre-fabricated) that will form part of anything mentioned in section 6(1)(b) or (c) or of any fittings mentioned in section 6(1)(d);
- (b) any fittings mentioned in section 6(1)(d) (whether or not pre-fabricated);
- (c) plant or materials (whether supplied by sale, hire or otherwise) for use in connection with the carrying out of the construction work at the site of the construction work; or
- (d) goods prescribed by the Regulations to be goods related to construction work for this Act.

Construction Cost includes GST

The “cost of construction” includes the GST amount applied to any construction contract forming part of the total contract price.

Related Fact Sheets

Fact Sheet 1: Meaning of “construction work”

Fact Sheet 3: Calculating the Cost of Construction Work – Professional Services

Further Reference

Copies of the *Construction Industry Long Service Leave and Benefits Act*, the *Construction Contracts (Security of Payments) Act* and any sub-ordinate legislation (Regulations and Determinations) may be downloaded from the NT Government legislation database legislation.nt.gov.au.

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