



# Levy Information

## CALCULATING THE COST OF CONSTRUCTION WORK - PROFESSIONAL SERVICES AND ON-SITE SERVICES

### Fact Sheet 3

SURVEYING, PLANNING, COSTING, TESTING, ARCHITECTURAL, DESIGN, PLAN DRAFTING, ENGINEERING, QUANTITY SURVEYING AND PROJECT MANAGEMENT SERVICES ARE TO BE INCLUDED IN THE COST OF CONSTRUCTION WORK FOR THE PURPOSE OF THE CONSTRUCTION INDUSTRY LONG SERVICE LEAVE AND BENEFITS ACT, AS ARE OTHER ON-SITE SERVICES SUCH AS LABOUR.

- (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.

The cost of construction work includes all architectural, engineering and other professional costs that relate to the work that is leviable.

### Professional Services

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

The cost of construction work does not include accounting, financial or legal services that relate to the work that is leviable.

Specifically, section 7(2) provides that professional services are related to construction work if they are –

### 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.

- (a) services that are provided by a profession and that relate directly to construction work or to assessing its feasibility (whether or not it proceeds), including surveying, planning, costing, testing, architectural, design, plan drafting, engineering, quantity surveying and project management services, but not including accounting, financial or legal services; or
- (b) services that are provided by a profession that are prescribed by the Regulations to be professional services related to construction work for this Act.

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

### On-site Services

### 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 7(3) of the *Construction Contracts (Security of Payments) Act* provides that on-site services are related to construction work if they are services (other than professional services):

Section 5 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;

- (a) that relate directly to construction work, including providing labour to carry out construction work; or
- (b) prescribed by the Regulations to be on-site services related to construction work for this Act.

Where a contract for the provision of labour to carry out construction work includes associated incidental expenses such as meal, accommodation & travel expenses, these costs are included in the “cost of construction work”.

## 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 2: Calculating the cost of construction – Goods

### 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](http://legislation.nt.gov.au).

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