



# Levy Information

## GET IT RIGHT THE FIRST TIME - SAVE TIME AND MONEY

## Fact Sheet 6

**NT BUILD COLLECTS A LEVY ON CONSTRUCTION PROJECTS IN THE NORTHERN TERRITORY TO FUND PORTABLE LONG SERVICE LEAVE FOR CONSTRUCTION WORKERS.**

### Pay no more and no less

The levy is a percentage of the total cost of construction and must be paid before a project starts. NT Build wants to make sure developers pay no more and no less than they have to and there is a process in place to help get it right.

Levy payers are required to submit a Project Notification Form before the project starts, specifying the total contract prices (including GST) for all the construction contracts relating to the works. NT Build will invoice the levy payer based on this specified amount.

However, NT Build understands the nature of the industry and that the cost of construction can change over the life of a project.

As such, developers are given a second opportunity to make sure they pay the right levy amount, by submitting a Project Reconciliation Form on the completion of the project, once the final cost is known.

If the final 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.

In certain circumstances, further construction works, such as design modifications, may need to be carried out shortly after the project is completed and the Project Reconciliation Form submitted. These works are generally considered to form part of the initial project construction cost (rather than forming a separate construction project) and you should contact NT Build to advise of the additional construction cost, so a further reconciliation form can be completed.

NT Build routinely monitors construction projects across the NT and has a solid knowledge of the local construction industry, backed up by field officers on the ground.

Random compliance audits are also conducted to make sure developers pay the right amount of NT Build levy. Refer to information sheet "A guide to NT Build compliance audits - Long Service Levy" for further information.

### Pay attention – take it step by step

- Estimate total construction cost and submit a Project Notification Form
- Pay levy amount
- Start project
- Finish project
- Submit Project Reconciliation Form to confirm or change cost of construction and levy amount
- Receive refund or pay additional levy amount to NT Build to avoid penalties

### What happens if I get it wrong?

NT Build has specific powers under the *Construction Industry Long Service Leave and Benefits Act* to ensure developers pay the right NT Build levy amount. If the levy payer has provided the wrong cost of construction, an additional levy will need to be paid. An interest penalty charge can be applied to any amount of unpaid levy payment, at the discretion of the NT Build Board.

If the developer doesn't get it right or does not notify NT Build of its project construction costs, the NT Build Board has the power to determine the levy amount in accordance with the Act.

NT Build carries out routine audits on randomly selected construction projects to make sure developers pay the right levy amount.

## How do I estimate the total cost of construction?

When determining the total contract prices, levy payers need to include 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.

This covers contracts for the cost of labour, materials (including prefabricated goods and installation), equipment, design, project management, consultancy and other costs that relate to the work.

The contract price for the work includes any applicable GST.

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

## Common errors when calculating the total cost of construction

- not including GST applied to the construction contract
- not including internal project management or other labour costs
- not including costs relating to pre-project feasibility & design work (including studies, reports, surveys, drafts, design concepts) associated with proving up / developing the final construction project
- not including costs associated with contract variations occurring during the life of the project

## Get advice

If you are not sure how to calculate the cost of construction or the consequences of not paying the right amount of levy please get advice.

NT Build can advise what is included in the cost of construction and your accountant or finance administrator can help you estimate the figure. If you don't get it right you could miss out on a refund or face the hassle of an audit.

Contact NT Build on 1300 795 855 or via the website at [ntbuild.com.au](http://ntbuild.com.au)

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