

Legislative Reforms

Insurance Reforms

The rising cost and decreased availability of insurance has had a considerable impact on Territory business in recent years. Since 2002, the Territory Government has worked with other governments to improve both the availability and cost of insurance for business.

Most recently, professional standards and proportionate liability legislation, which are aimed at improving the cost and availability of indemnity insurance for professionals, have been introduced. The Territory's *Professional Standards Act* will commence on establishment of the Professional Standards Council, the body that will administer the legislation on a national basis. Additionally, the *Proportionate Liability Act* will commence from 1 May 2005.

Construction Industry Reforms

The construction industry is a critical building block of our community and is a key indicator of the activity levels and health of the Territory economy. The Northern Territory Government is introducing a construction industry reform package which includes:

- NT Build, a portable long service leave scheme which aims to improve local conditions of employment and allow interstate workers to relocate to the Territory without losing long service leave entitlements accrued elsewhere, from 1 July 2005;
- builder licensing, to recognise residential builders as professional, ensure their professional development and allow them to work interstate through mutual recognition of licensing, from 1 January 2006;
- builders' indemnity insurance, to protect home buyers against unfinished work, from 1 July 2006; and
- security of contractor payments, which will reduce delays for payment of contractors and provide avenues for contractors to resolve payment disputes, from 1 July 2005.

These reforms are designed to protect consumers and workers and further increase the level of professionalism in the industry, as unqualified house builders will be unable to work in the Territory. Positive flow-on effects include the ability to attract and retain skilled construction workers in the Territory, an increased confidence in the building industry and improved cash flow and quality of product.

NT Build

Workers and their employers register with the scheme. Each six months, the employer advises the scheme of the number of days service of each worker. For every 260 days service in each year the worker receives 6.5 days long service leave credit.

Each year the scheme sends the worker a statement detailing total number of service days worked and the total long service leave credit. When the worker has 65 days in leave credits, including credits earned in other states, the long service leave can be taken. The cost of the leave is paid out of the levy contributions from project owners.

- levy rate to be 0.5 per cent applied to projects over \$200 000;
- construction of single detached dwellings exempt from the scheme;

- payment to be made at time of registering by primary developer or permit holder;
- establishment and maintenance of a register of employers and employees in the building and construction industry in the Territory; and
- Northern Territory Government and the scheme to become parties to the reciprocal arrangements agreement between the other jurisdictions.

www.constructionindustryreform.nt.gov.au

