

## **NORTHERN TERRITORY BUILDING PRACTITIONERS BOARD**

**POLICY TITLE:** NET ASSET CERTIFICATE

**POLICY NO.:** BPB-005

**EFFECTIVE DATE:** 11 December 2013

**REVIEW DATE:** December 2014

### **Purpose of Policy:**

Sections 24B and 24F of the Building Act, it is a condition of registration or renewal of registration in the category of Building Contractor that an Individual or corporation (a builder) give the Building Practitioners Board a Net Asset Certificate.

### **Supporting Policies/documents:**

A Net Asset Certificate is a document prepared and certified by an accountant, specifying the net assets held by a builder as mentioned in regulation 39B(1).

### **Policy:**

If you are applying for registration as a Building Contractor (Residential), you must provide an ORIGINAL Net Asset Certificate from your accountant showing you have Net Assets of at least \$50,000. Building Contractors must maintain at least that amount during the entire period of registration. The Building Practitioners Board can at any time require a registered Building Contractor (Residential) to produce evidence of compliance with this requirement, in accordance with section 25B of the Building Act.

This applies to both individuals and companies.

The Net Asset Certificate must be prepared and certified by an accountant\* in accordance with Australian Accounting Standards. The financial information used must be less than 12 months old from the date of the certificate.

Tangible assets are things such as property and cash. Intangible assets are things such as copyrights and customer loyalty which are not used in the calculation of Net Assets.

A template of a Net Asset Certificate is available on the Boards website: <http://www.bpb.nt.gov.au/forms.shtml>

A building contractor cannot rely on the assets of another person for the calculation of net assets. For example, if the builder owns property jointly with another person, only the builder's share may be included.

If a building contractor applying for registration or renewal is a corporation, the corporation must hold the net assets and cannot rely on the assets of any other person (including the director of the registered corporation).

If the builder applying for registration or renewal is a director or nominee of a registered corporation, the builder may rely on the net assets of the corporation, but only if the builder's registration is solely for the builder to carry out building work for the registered corporation. There must also be a written agreement to that effect between the registered corporation and the individual builder applying for registration or renewal.

\*For the purposes of the Building Regulations, an accountant is:

- A member of the institute of Chartered Accountants in Australia who holds a current Certificate of Public Practice issued by the Institute;
- A member of the CPA Australia who holds a current Public Practice Certificate in accordance with the by-laws of CPA Australia;
- A person who holds a current Public Practising Certificate issued by the Association of Taxation and Management Accountants;
- A registered tax agent
- A person registered as an auditor under the *Corporations Act 2001*.

Adopted by the Building Practitioners Board

  
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Chairperson

12/12/2013  
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Date