

Building and Construction Industry (Portable Long Service Leave) Amendment Regulation (No. 1) 2014

Explanatory notes for SL 2014 (No. 133)

made under the

Building and Construction Industry (Portable Long Service Leave) Act 1991

General Outline

Short title

Building and Construction Industry (Portable Long Service Leave) Amendment Regulation (No. 1) 2014

Authorising law

Section 112 of the *Building and Construction Industry (Portable Long Service Leave) Act 1991*.

Policy objectives and the reasons for them

The *Building and Construction Industry (Portable Long Service Leave) Act 1991* (the Act) governs the equitable and efficient system of portable long service leave in the building and construction industry.

Section 112 of the Act provides that the Governor in Council may make regulations under the Act.

The primary objective of the *Building and Construction Industry (Portable Long Service Leave) Regulation 2013* (the Regulation) is to provide operational support to the Act by prescribing the levy rate and clarifying what is building and construction work.

The objective of the amendments to the Regulation is to implement the results of a review of the Building and Construction Industry Portable Long Service Leave Scheme ('Scheme'),

completed as part of the government's strategy to simplify business regulation and reduce costs to Queenslanders. The review also follows concerns raised by the Queensland Resources Council regarding the Scheme's application and effect on mining operations which require the building of infrastructure in Queensland.

Achievement of policy objectives

The amendments achieve the policy objectives by:

- clarifying what work is included in the building and construction industry;
- acknowledging the change in the cost of building and construction work by changing the threshold to which the levy applies;
- reducing the portable long service leave levy rate from 0.3% to 0.25%;
- creating a tiered structure to which levy applies for different amounts of building and construction work;
- removing GST from the calculation of total cost of work; and
- aligning the interest rate to that set out in the *Taxation Administration Act 2001* for unpaid tax interest.

Consistency with policy objectives of authorising law

The Regulation is consistent with the main objectives of the *Building and Construction Industry (Portable Long Service Leave) Act 1991*.

Inconsistency with policy objectives of other legislation

The regulation is consistent with the policy objectives of other legislation.

Benefits and costs of implementation

The legislative clarifications enabled by these regulations will provide improved transparency and red tape reduction for the building and construction industry. This industry as well as the resource industry, and in turn the general public of Queensland, will benefit from reduced costs associated with building and construction work in Queensland. There are no costs associated with the implementation of the regulation.

Consistency with fundamental legislative principles

The amendments have been drafted with regard to the fundamental legislative principles and are considered to comply with these principles.

Consultation

QLeave consulted with the Queensland Resources Council, the Department of the Premier and Cabinet, the Department of Justice and Attorney-General, Queensland Treasury and Trade and the Department of State Development, Infrastructure and Planning.

Extensive consultation was undertaken with the major building and construction industry stakeholders, including Queensland Master Builders' Association, Housing Industry Association, Civil Contractors Federation and construction industry unions, through QLeave's Board.