Engineering Policy 127

Portable Long Service Leave Levy

October 2014
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1 Policy statement

From 1 July 2014, the following will apply to Building and Construction Industry – Portable Long Service Leave (PLSL):

- The Principal (Transport and Main Roads) will notify and pay the Portable Long Service Leave Levy, Workplace Health and Safety Levy, and the Building and Construction Industry Training Levy to QLeave at, or before, the time for its payment.
- The QLeave rate has reduced from 0.3% to 0.25%, bringing the total of the above levies to 0.475% of the total cost of building and construction work.
- Where a project does not involve preliminary works, the levy and fee will be paid within 14 days of the date of the letter of acceptance for a contract (but always before the commencement of any work on site).
- Where a project involves preliminary works (including relocation of services), Transport and Main Roads will pay a set combined provisional fee of $2000 prior to commencement of the preliminary works. The balance of the fees will then be paid within 14 days of the date of the letter of acceptance for a contract.
- If, at the time of project completion, the cost varies from the estimate by more than $20,000, QLeave must be advised. They will make an appropriate adjustment to the levy and fee. A final reconciling payment will be made, if required, based on the actual cost, within 14 days of the completion date.
- Where QLeave determines that the levies for a project have not been paid in accordance with the Act and this policy, QLeave will notify Transport and Main Roads through the appropriate Transport and Main Roads district office.

2 Applicability

This policy applies to any Transport and Main Roads contract, including routine maintenance, where the cost directly or indirectly related to the work is $150,000 (excluding GST) or over.

The Principal Manager (Prequalification & Contracts) should be consulted for more information if required.

3 Context

State Government legislation requires the notification and payment of levies for building and construction work, where the total of all contract costs, directly or indirectly related to the project, is $150,000 or more. The Principal of a contract is responsible for the notification and payment of the levies.

QLeave – the Building and Construction Industry (Portable Long Service Leave) Authority – administers the PLSL Act 1991. QLeave collects the imposed levy and fee on building and construction work for the purposes of:

- funding a scheme to provide long service leave benefits to eligible workers in the building and construction industry
- providing funds for the training of persons in the building and construction industry, and
- the notification fee for building and construction work as required under the Work Health & Safety Act 2011 (WHS Act) and Work Health & Safety Regulation 2011 (WHS Regulation).

The definition of building and construction work is provided by that Act, and is displayed on the back of the approved "Notification and Payment Form". For Transport and Main Roads’ purposes, "construction work" includes all road construction activities, including the laying of asphalt and routine maintenance, where the contract is priced at $150,000 or more.

The amount of the combined levies payable is based on a nominated percentage figure on the contract price or sum of the contracts, exclusive of GST.

Transport and Main Roads may apply for an exemption for that part of the levy that is attributed to the value of work carried out by Transport and Main Roads employees, provided Transport and Main Roads initiates the work. However, there is no exemption from the requirement to notify building and construction work under the Work Health & Safety Act 2011 (WHS Act) and Work Health & Safety Regulation 2011 (WHS Regulation), even if a full or partial exemption to the levy and fee is granted.

Confusion has arisen about the timing for payment of the levies in cases involving preliminary works, including the relocation of services. The Act requires notification and payment to be made before commencement of any work on site.

In recognition of the fact that relocation of services can occur well in advance of construction, Transport and Main Roads and QLeave have agreed upon a joint approach to address cases involving preliminary works.

A tiered levy rate for building and construction work applies for work with a total cost over one billion dollars. The rates can be found in the ‘Reference’ section at the end of this Engineering Policy.

The cost of feasibility studies and environmental impact statements is exempted from the total cost of building and construction work (see section 73 of the Building and Construction Industry (Portable Long Service Leave) Act 1991 for definitions and further information).

All goods, materials, supplies and services, whether sourced from within Queensland, interstate or overseas, to be used for work in Queensland, must be included in the total cost of building and construction work.

When the levies are not paid before the building and construction work starts, interest now accrues daily at the rate prescribed in the Taxation Administration Act 2001 for unpaid tax interest.

The Principal Contractors exemption has been clarified – a person may be exempt from paying the levy, or part of the levy, if they (or their workers or contractors) actually carry out the work and are considered not substantially engaged in the building and construction industry (see section 71 of the Building and Construction Industry (Portable Long Service Leave) Act 1991 for further detail).

4 Objectives and benefits

To ensure that engineering works undertaken on Transport and Main Roads’ behalf comply with legislation.

5 Evaluation

The Executive Director (State Program Office) will review this policy by April 2017. This policy shall be reviewed immediately upon receipt of new information from QLeave.
6 Definitions
None

7 References