

Engineering Policy 127

Portable Long Service Leave Levy

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1 Policy statement

The *Building and Construction Industry (Portable Long Service Leave) Act 1991* (the Act) ensures the provision of paid leave to eligible workers for service to the building and construction industry:

- 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. This will be paid by the Project Manager / Contract Administrator.
- The QLeave rate is currently 0.575% of the total cost of building and construction work.
- The levy will be paid prior to the letter of acceptance for a contract (but always before the commencement of any work on site).
- As levies are payable in advance, the levy payment may increase or decrease. If the cost of work decreases or increases by \$20,000, refunds may apply, or additional levies will be payable. If the works increases by \$50,000, QLeave must be notified within 30 days after the work ends and the appropriate payment made. Variations in the cost of work must be notified directly to QLeave by completing one of their online forms, or alternatively sending an email to levies@qleave.qld.gov.au with all relevant details. QLeave will issue a further invoice otherwise notify all costs at finalisation.
- Where QLeave determines that the levies for a project have not been paid in accordance with the Act, QLeave will notify Transport and Main Roads.

2 Applicability

This policy applies to any Transport and Main Roads contract/s, including routine maintenance, where the cost directly or indirectly related to the building and construction work is \$150,000 (excluding GST) or more. Design and other professional works are leviable work but only needs to be notified once physical work has commenced. The Director (Prequalification and Contracts) should be consulted for more information if required.

3 Context

The *Building and Construction Industry (Portable Long Service Leave) Act 1991* (the Act) provides workers in the Queensland building and construction industry, a fair and efficient system of portable long service leave. QLeave, the Building and Construction Industry (Portable Long Service Leave) Authority, has been established to conduct and manage the portable long service leave scheme.

QLeave collects the imposed levy 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).

Building and construction work covered by the scheme, consists of constructing, deconstructing, reconstructing, renovating, altering, demolishing, relocating, maintaining or repairing any of the following:

- a) buildings

- b) spa pool and swimming pools
- c) roads, railways, airfields or other works for the passage of anything
- d) breakwaters, docks, jetties piers or wharves
- e) works for solid waste disposal
- f) works for subdividing or developing land
- g) works for improvement or alteration of a harbour, river or water course for navigation purposes
- h) works for storage of water or for flood mitigation
- i) works for the irrigation of land
- j) works for the conveyance, treatment or disposal of sewage or of the effluent from any premises
- k) works for extracting, refining, processing or treating materials or for producing or extracting products and by-products from materials
- l) works for conveying products, by-products or materials
- m) works for the drainage of land
- n) works for the storage of liquids other than water, or gases
- o) works for the generation, supply or transmission of electric power
- p) works for telecommunication or for the transmission of radio or television
- q) bridges, viaducts, aqueducts or tunnels
- r) chimney stacks, cooling towers, drilling rigs, gas holders or silos
- s) pipelines
- t) navigation lights, beacons or markers
- u) pile driving works
- v) sporting or recreational facilities
- w) earthworks other than for farming
- x) fences other than fences on farms, and
- y) structures, fixtures or other works not included in paragraphs a) to x), but not including earthworks for farming or fences on farms.

The 'building and construction industry' also includes land clearing and site preparation other than for farming, however it does not include performing maintenance or repair of a minor nature (any amount under the \$150,000 threshold) such as roadside vegetation management for road safety.

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.

Fees that are incurred when preparing environmental impact statements and feasibility studies should be notified within the cost of the works but may then be claimed as an exemption (see section 73 of the *Building and Construction Industry (Portable Long Service Leave) Act 1991* for definitions and further information). The expenditure relating to implementing the recommendations of the study/statement complying with the conditions of the environmental authority is leviable.

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, including transportation/customs costs (if applicable), as this total cost determines the levy payable for each project.

When the levies are not paid before the building and construction works 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) 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 How to Calculate the Levy

Following is an example of the levy calculation. The costs that are highlighted are incurred by the works of Queensland Government employees hence exempt from the calculation of the levy.

If the total cost of the building and construction project is \$20,000,000 and the cost breakdowns are as follows (all costs are exclusive of GST):

Costs	Internal	External
Construction contract		\$15,000,000
Design Costs	\$500,000	
Design Costs		\$1,000,000
Project Management	\$250,000	
Project Management		\$200,000
Contract Administration	\$300,000	
Contract Administration		\$600,000
Other consultancy		\$350,000
Principal supplied material		\$400,000
Principal works (RoadTek)	\$250,000	
Principal works		\$250,000
Other Principal costs (E&T, Legal, Property)	\$150,000	
Resumptions	\$750,000	
Totals	\$2,200,000	\$17,800,000

Total amount payable to QLeave is: 0.575% of the \$17,800,000 which is \$102,350 – supportive documentation will be required to be provided. If cents are of 0.51 cents or more, the amount must be taken up to next dollar.

Note: The rate has increased to 0.575% and is split as follows.

How does it work?

The total levies are 0.575% of the total cost of work, comprised of:

- Portable Long Service Leave Levy at 0.35%
- Work Health and Safety Levy at 0.125%
- Construction Skills Queensland Levy at 0.1%

The amount paid to QLeave does not have to be split into the 3 categories, simply pay the total prior to the letter of acceptance for a contract (but always before the commencement of any work on site).

5 Objectives and benefits

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

6 Evaluation

The Executive Director (Program Management and Delivery) will review this policy by 1 July 2022. This policy shall be reviewed immediately upon receipt of new information from QLeave.

7 Definitions

None.

8 References

<https://www.qleave.qld.gov.au/building-and-construction/levy-payers/how-portable-long-service-works>

