1. Cabinet considered a submission regarding an amendment to the *Building and Construction Industry (Portable Long Service Leave) Regulation 2002*.
2. The objective of the amendment is to increase the building and construction industry long service leave levy rate from 0.125% to 0.2% of the cost of building work, in order to ensure that adequate funds exist to meet the long-term liability for payment of long service leave entitlements to workers in the industry as prescribed by the *Building and Construction Industry (Portable Long Service Leave) Act 1991*.
3. The Act is administered by the Building and Construction Industry (Portable Long Service Leave) Authority (QLeave).
4. The 2007 biennial Actuarial Valuation indicated that the projected long term cost of workers’ entitlements under the Scheme has risen to 0.2% of leviable contract value. The QLeave board recommended an increase in the long service leave levy rate to 0.2%.
5. The Actuary attributed the rise in cost to multiple factors including:
* The significant increase in wage rates in recent years;
* The significant increase in Scheme membership;
* Workers remaining in the industry for longer periods of time and workers continuing to work past the age of 65 years; and
* Workers delaying taking their long service leave entitlements.
1. A Regulatory Impact Statement was released for public comment.
2. The levy increase, to take effect from 1 September 2008, represents an actual increase in building costs of 0.075%, or will have the effect of increasing the portable long service leave levy from $125 to $200 (.075%) on a $100,000 house, or increasing the total of the levies/fees from $350 to $425.
3. Cabinet endorsed that the *Building and Construction Industry (Portable Long Service Leave) Amendment Regulation (No. 1) 2008* be recommended to the Governor in Council for approval.
4. *Attachments*
* [*Building and Construction Industry (Portable Long Service Leave) Amendment Regulation (No. 1) 2008*](attachments/Building%20and%20Construction%20Industry%20Portable%20Long%20Service%20Regulation.pdf)
* [Explanatory Notes](attachments/BCI%20Portable%20Long%20Service%20Leave%20Amd%20Reg%20No%201%20EXPNOTES.pdf)
* [Regulatory Impact Statement](attachments/RIS%20BCI%20Portable%20Long%20Service%20Leave%20Amd%20Reg%20No%201.pdf)