



5 August 2022

Better Regulation Division  
NSW Department of Customer Service  
Locked Bag 2906  
LISAROW NSW 2252

To: Better Regulation Division

**Submission to the Proposed Building and Construction Industry Long Service Payments Regulation 2022**

Unions NSW has had the opportunity to read the submission of the CFMEU NSW and AWU NSW to this inquiry. Unions NSW supports those submissions.

In addition, we make short submissions regarding the proposed changes to rules about levy income in the Proposed Building and Construction Industry Long Service Payments Regulation 2022, being:

- To increase the non-leviable threshold from \$25,000 to \$250,000; and
- To reduce the levy rate from 0.35% to 0.25%.

Our concerns are threefold. First, the change to rules about levy income is drastic. Each of the two changes is significant on their own. The non-leviable threshold has been increased tenfold, almost halving the current number of building and construction projects that contribute to the levy. The levy rate has decreased by 28.5%. Combined, the income raised by the levy appears to decrease very significantly under the proposed regulation. Unions NSW has an interest in seeing the scheme remain financially healthy. We are concerned that such a drastic change to the rules in economically uncertain times threatens the scheme's long term economic viability.

Second, we are concerned that the Regulatory Impact Statement (**RIS**) and the Scheme's Actuary may be underestimating the number of workers who should be benefiting from the Scheme's Fund. We recommend that further research be done into whether the Scheme is sufficiently promoted by the Long Service **Corporation**, and if not, whether a portion of the Fund should be directed into educational activities by the Corporation to better promote the benefits of the Scheme.

Third, we are concerned that the RIS makes claims about benefits tied to the reduction in levy income without supporting evidence. We refer to the claimed benefit of the reduction in levy income: "[i]t is expected that this cost saving could be used to employ more workers, help to meet other business expenses, reduce the amount charged to customers and/or take on more work." We have not identified in the RIS the evidence which is relied upon for the Better Regulation Division to base this expectation.

Can the Division provide more information with regards to how they came to this conclusion?

Thank you for the opportunity to provide a submission.

Yours faithfully

Thomas Costa  
Assistant Secretary