

**THE LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**LONG SERVICE LEAVE (BUILDING AND  
CONSTRUCTION INDUSTRY) ( AMENDMENT)  
BILL (No 2) 1996**

**EXPLANATORY MEMORANDUM**

**Circulated by Authority of Tony De Domenico, MLA, Minister for  
Business, Employment and Tourism**

**August 1996**

## **Long Service Leave (Building and Construction Industry) (Amendment) Bill (No 2) 1996**

### **Outline**

This is an amending Bill. It amends the Long Service Leave (Building and Construction Industry) Act 1981, referred to in the Bill as the Principal Act.

The Principal Act establishes the framework for the management of a portable long service leave scheme for employees and contractors in the ACT building and construction industry. The Act requires employers of employees in the building and construction industry to make *periodic contributions*, to a Long Service Leave Board established by the Act, to meet the future long service leave liabilities of employees and contractors.

In 1990 the Principal Act was amended to enable a proportion (10%) of employer long service leave contributions to the Board to be transferred to the Construction Industry Training Fund, to be applied, on authority of the Minister on the recommendation of the ACT Regional Building and Construction Industry Training Council, for the purposes of training in the building and construction industry.

The amending Bill does three things. First, it increases the proportion of employer long service leave contributions which are to be transferred to the Construction Industry Training Fund from 10% to 40%; second, it requires the 40% transfer arrangement to apply from 1 January 1996; and third, it repeals the entire Division of the Principal Act that establishes the Construction Industry Training Fund, so that it ceases to operate at 31 December 1997.

### **Revenue/Cost Implications**

The Bill has no revenue or cost implications for the ACT Government.

## **Formal Clauses**

**Clause 1** refers to the short title of the Bill.

**Clause 2** provides for staggered commencement of the Bill. This is necessary because the Bill provides for (i) the retrospective application of its central provision, namely that the increase in the proportion of money transferred to the Construction Industry Training Fund applies from 1 January 1996; and (ii) a sunset clause repealing the Division in the Principal Act which establishes the Construction Industry Training Fund to take effect in the future ie from 31 December 1997.

**Clause 2(1)** contains a standard commencement provision, which brings the provisions of the legislation into operation on a date to be fixed by notice in the Gazette.

**Clause 2(2)** commences that provision which increases the proportion of money which the Board transfers to the Construction Industry Training Fund, on 1 January 1996.

**Clause 2(3)** commences the repeal provisions (Clauses 4 and 6) which take effect on the expiration of 31 December 1997.

**Clause 3** provides a definition of the Principal Act.

**Clause 4** omits the subsection of the Long Service Leave Board's functions in the Principal Act which refers to the establishment and maintenance of the Construction Industry Training Fund.

**Clause 5** increases the proportion of employer long service leave contributions which the Board shall transfer on a quarterly basis to the Construction Industry Training Fund from 10% to 40%.

**Clause 6(1)** is a sunset clause which provides for the repeal of the whole of the Division of the Principal Act which establishes the Construction Industry Training Fund from a fixed date, being 31 December 1997.

**Clause 6(2)** provides for the Minister to transfer any money, standing to the credit of the Construction Industry Training Fund at 31 December 1997, to the Long Service Leave Board.