Impact Analysis Statement

Summary IAS

Details

Lead department	Department of State Development, Infrastructure and Planning
Name of the proposal	*Contract Cleaning Industry (Portable Long Service Leave) Regulation 2026*
Submission type	Summary IAS
Title of related legislative or regulatory instrument	*Contract Cleaning Industry (Portable Long Service Leave) Regulation 2026*
Date of issue	9 July 2026

What is the nature, size and scope of the problem? What are the objectives of government action?

The *Contract Cleaning Industry (Portable Long Service Leave) Act 2005* (CCI Act) establishes a portable long service leave scheme for the contract cleaning industry, allowing employees to accrue long service leave for work carried across the industry with multiple employers rather than with only one employer.

Within the contract cleaning industry, it is a feature of the industry that many workers must frequently move from one employer to another to find work or that workers are transferred when a contract changes hands. Consequently, many workers do not stay long enough with one employer to qualify for long service leave although they frequently remain in the industry for longer than the qualifying period for long service leave entitlement (10 years). Generally, any non-managerial or clerical employee active in the industry is eligible to be registered and begin accruing portable long service leave (PLSL) entitlements.

The *Contract Cleaning Industry (Portable Long Service Leave) Regulation 2015* (CCI Regulation) is subordinate legislation made under the CCI Act and covers a range of matters and gives effect to sections within the CCI Act that are required to ensure the ongoing operation of the portable long service leave scheme for the contract cleaning industry (the Scheme).

A report on the Actuarial Review of the Scheme as at 30 June 2025 was prepared by Mercer Consulting (Australia) Pty Ltd (the Actuary). The report identifies 98,330 members in the Scheme as at 31 December 2024, an increase of 13.69 per cent compared to 31 October 2023.

The CCI Regulation has been in operation for 10 years, statutory principles require that a 'sunset review' be undertaken to evaluate the continuing need for, effectiveness and efficiency of the regulation.

The Office of Industrial Relations (OIR) has undertaken a sunset review of the CCI Regulation which confirmed that provisions are still necessary and appropriate for the continued operation of the CCI Act. Informed by stakeholder consultation and policy analysis, the sunset review identified that no substantive changes are necessary to ensure the CCI Regulation operates effectively.

This proposal is to give effect to the outcome of the sunset review and remake the CCI Regulation as the *Contract Cleaning Industry (Portable Long Service Leave) Regulation 2026*.

What options were considered?
A sunset review of the CCI Regulation was undertaken in accordance with *the Queensland Government Better Regulation Policy* to evaluate the continuing need for, effective and efficiency of the CCI Regulation. Three options were considered as part of the review: **<u>Option 1 – Regulation expires (base case):</u>** Under this option the CCI Regulation would expire on 31 August 2026 and not be remade. Non-regulatory alternatives would be used to address the policy objective of the CCI Act, but with difficulties as the CCI Regulation gives effect to sections within the CCI Act that are required to ensure the effective ongoing operation of the contract cleaning industry portable long service leave scheme. The objectives of the CCI Act and the CCI Regulation have not changed in the 21 years since the CCI Regulation's commencement, and therefore, the CCI Regulation remains necessary and relevant. This option is not supported as this would render key provisions of the CCI Act inoperative. This would have impacts on workers in accruing long service leave for work carried across the contract cleaning industry with multiple employers. **<u>Option 2 – Remake 'as-is' (status quo):</u>** Under this option, the CCI Regulation would be re-made in its current form without any changes. This option is not supported given some amendments are required to ensure the Regulation is up to date and reflects modern practices and definitions. **<u>Option 3 – Remake 'with amendments' (preferred):</u>** Under this option, the CCI Regulation is re-made with amendments limited to ensuring the new regulation adheres to current drafting standards. OIR has examined the provisions of the CCI Regulation and received submission from a key stakeholder who considers the CCI Regulation is necessary and should be retained.
What are the impacts?
By remaking the CCI Regulation with no substantive change in accordance with modern drafting practices, the existing provisions would be maintained on the basis that they continue to support the provision of portable long service leave to eligible workers in the contract cleaning industry in Queensland without imposing additional significant impact upon the employers.
Who was consulted?
Public consultation was conducted between February and March. One stakeholder submission was received response to the Consultation paper published on the OIR website. The United Workers Union (UWU) submitted that the CCI Regulation ought to be retained, and that it is effective as the UWU has not had any concerns raised with it by members regarding the use of the Scheme. The UWU considers the Regulation is efficient as allows for adjustments to be made to levies and recognition of reciprocal states without undue parliamentary resources being allocated in having to amend the CCI Act itself. Consultation was also undertaken with Queensland Government agencies including the Department of Premier and Cabinet and Queensland Treasury.
What is the recommended option and why?
<u>Option 3: Remake 'with amendments'</u> The regulatory proposal is to repeal and re-make the CCI Regulation without substantial change to its current provisions. The CCI Regulation was originally due to expire on 31 August 2025 but under section 56A(1)(b) of the *Statutory Instruments Act 1992*, it was exempt from expiry until 31 August 2026 for the stated reason that there is a legislative requirement that a 5-year review of the *Community Services Industry (Portable Long Service Leave) Act 2020* be conducted.

It is considered the arrangements under the CCI Act and CCI Regulation should remain unchanged as they establish a portable long service leave scheme for the contract cleaning industry, allowing employees to accrue long service leave for work carried across the industry with multiple employers rather than with only one employer. It is considered that the re-making of the CCI Regulation will have minimal economic, competition, social and environmental impacts given the proposal does not envisage substantive change to existing arrangements.

Should issues arise in future, amendments to the regulation could be considered at that later time.

On this basis, Option 3 is the recommended option.

Impact assessment

All proposals – complete:

	First full year	First 10 years**
Direct costs – *Compliance costs**	Not applicable	Not applicable
Direct costs – *Government costs*	Not applicable	Not applicable

Signed

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John Sosso

Director-General

Department of State Development, Infrastructure and Planning

Date: 19/06/2026

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Jarrod Bleijie MP

Deputy Premier,

Minister for State Development, Infrastructure and Planning and Minister for Industrial Relations

Date: 21/06/2026