

Statement of Regulatory Intent – Transition period for Penalty Infringement Notices

Purpose

This Statement of Regulatory Intent outlines the initial compliance and enforcement approach for issuing penalty infringement notices (PINs).

Background

Both the *Building and Construction Industry Long Service Payments Act 1986* (BCI Act) and *Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010* (CCI Act) were amended in November 2021 to give inspectors the power to issue PINs. A PIN is a type of on-the-spot fine that can be used as an option to deal with more minor or easier to prove offences. PINs are an alternative to the time consuming and costly process of taking court proceedings against a business or individual. If the recipient accepts the PIN and pays the fine that is the end of the matter. PINs have been a useful compliance and enforcement tool for other NSW Government regulators for many years.

The newly remade *Building and Construction Industry Long Service Payments Regulation 2022* and the *Contract Cleaning Industry (Portable Long Service Leave Scheme) Regulation 2022* list the offences for which PINs can be issued and the monetary penalty attached to each offence. This means that the PINs power has become effective from the commencement of the new Regulations on 1 September 2022.

Transitional arrangements

As the PIN power is new the initial approach to compliance will be an educative one. Compliance operations will principally be aimed at assisting industry participants to understand and comply with their obligations. This transitional approach will apply until **31 March 2023**.

During the transitional period, offenders may be warned that in the circumstances a PIN could have otherwise been issued. Inspectors will be able to explain what this process involves. There will still be an expectation that those found to be non-compliant are able to show they are taking active steps towards full compliance within a reasonable time.

The transitional arrangement with respect to PINs does not impact in any way the ability to take any other compliance or enforcement action under either the BCI Act or CCI Act.

Duration of this statement

This statement is in effect until **31 March 2023**. After this date inspectors will move to more active enforcement of the new PIN power.

More information

This statement operates alongside LSC's published [Compliance and Enforcement Policy](#) which includes a compliance pyramid of escalating enforcement options in response to non-compliance. More information about the changes introduced by the new Regulations, is available on the [Long Service Corporation website](#).