

Building and Construction Industry LEVY GUIDE

What is the purpose of the levy

The New South Wales (NSW) Government charges a levy on all building and construction work that requires approval under any legislation and has a cost of works of \$25,000 and above (inclusive of GST). The levy is paid into a fund and administered by the Long Service Corporation (LSC). From this fund, LSC makes long service payments to eligible building and construction workers. For further information see [About the Levy](#).

How is the levy calculated

The levy is calculated as a percentage of the cost of the work as determined by a consenting/certifying authority (ie. Council or Accredited Certifier) or relevant Government Authority/Department.

For work requiring approval by a consenting/certifying authority, the consenting/certifying authority determines the cost for the purpose of calculating the levy payable. For other work, it is the Contract amount (inclusive of GST) or LSC can determine the cost when requested.

What is the levy rate

The levy rate is currently 0.35% of the total cost of the work (inclusive of GST). There is no GST applicable to the levy. From 1 January 2023, the levy rate will be 0.25% on building and construction work and will only be payable if the cost of works is \$250,000 and above (inclusive of GST).

Who is required to pay the levy

The building applicant or the person for whom the work is being done, is liable to pay the long service levy. Where the building work is being done on behalf of the Crown, the contractor is liable to pay the levy. A person who fails to pay the levy before work commences can be prosecuted, incurring fines and penalty interest.

When is the levy paid

When a Council or an Accredited Certifier is approving a Construction Certificate (CC) or Complying Development Certificate (CDC), the levy must be paid before the certificate is released to the person seeking approval, which will allow work to commence. For work being done under contract, the levy must be paid before work can commence.

How is the levy paid

Online payment - Payments can be made online with your LSC account using Visa, Mastercard, BPay, PayPal or PayID. Receipts will be automatically attached to the levy payment in your LSC account.

Councils - All Councils are Agents for collecting the long service levy and levies can be paid direct to these Councils. However, some Councils are unable to collect the levy for work not approved by that Council. In such situations, you will need to make the levy payment direct to LSC. Contact your Council to confirm whether they can take your levy payment.

Are you entitled to an exemption from the levy

If you are an owner builder, a church or non-profit organisation, you may be eligible for an exemption of up to 50% of the levy payable. **The exemption is calculated on the value of voluntary labour performed.** Apply for an exemption online using the [Levy Portal](#).

Long Service Corporation

When are you eligible for a refund

You may be eligible for a full or partial refund of the levy if:

- Works did not commence on site and the building approval has lapsed or was cancelled.
- A duplicate or overpayment has been made in respect of a levy.
- A levy has been paid in full and the applicant may be entitled to a partial exemption as an owner builder, a church or a non-profit organisation (must be made within 12 months of payment).

Are you eligible to pay the levy by instalments

If the cost of the work exceeds \$10M (inclusive of GST) and is either to take more than 12 months to complete, or the obligation to pay the levy as a lump sum is unduly onerous, a levy payer may be eligible to pay the levy by instalments if works have not commenced.

You can apply to pay by Instalments using the online Levy portal. Login and select **Pay New Levy**. You can pay by equal instalments or create your own payment schedule to a maximum of 10 instalments.