

# Enforcement Policy

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## GOVERNANCE POLICY



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## 1. ABOUT THIS POLICY

### 1.1 Purpose

CoINVEST Ltd, trading as LeavePlus (**LeavePlus**) is responsible for regulating and administering the portable long service leave scheme for the construction industry in Victoria in accordance with the [Construction Industry Long Service Leave Act 1997](#) (**the Act**).

Under the scheme, employers have obligations to pay long service leave charges and submit returns in accordance with the Act and the Rules of the Construction Industry Long Service Leave Fund (available [here](#)) (**the Rules**).

LeavePlus makes daily decisions on appropriate enforcement action, in accordance with the Act and the Rules. This policy outlines LeavePlus' approach to enforcement, including when to prosecute for breaches and when to recover long service leave charges and interest through civil court action. It aligns with LeavePlus' obligations as trustee of the Construction Industry Long Service Leave Fund (**the Fund**) and its strategic objectives.

### 1.2 Scope

This policy provides guidelines for all LeavePlus employees on LeavePlus' enforcement powers and objectives, including when to prosecute criminal offences and recover debts. The policy is to be read and applied in conjunction with other relevant LeavePlus policies and the LeavePlus Delegations Register. The LeavePlus Delegations Register will specify who has delegated authority to make enforcement related decisions.

### 1.3 Ownership a further information

The Chief Legal and Compliance Officer is responsible for developing, communicating, and implementing this policy. The Senior Compliance Manager and Litigation Manager will be involved in the review process. The policy will be published on the LeavePlus website.

### 1.4 Review and approval

Any changes to this policy must be approved by the LeavePlus Board. This policy will be reviewed at least every 2 years (and approved by the Board).

Version	Policy Owner	Reviewer	Comments	Approved		Next review date
				By	Date	
3.0	Chief Legal and Compliance Officer	Legal, Governance and Compliance Division	Amendments to Policy	Board	11 Jun 2026	Jun-28
2.0	Chief Legal and Compliance Officer	Legal, Governance and Compliance Division	Amendments to Policy <i>(Note: Policy Owner changed to Chief Legal and Compliance Officer from Senior Compliance Manager &amp; Litigation Manager(s))</i>	Board	19 Aug 2025	Aug-27



1.0	Senior Compliance Manager	Chief Legal and Compliance Officer	Establishment of Policy.	Board	31 May 2022	May-24
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## 2. GUIDING PRINCIPLES

LeavePlus exercises its enforcement powers for a public purpose and adheres to high standards of professionalism, integrity and fairness. In taking enforcement action, LeavePlus will have regard to its regulatory objectives and strategy and the following specific principles:

- **Impartiality:** LeavePlus does not consider political beliefs, association with any member organisation, union or other industry fund, personal feelings, career aspirations, or stakeholder advantages / disadvantages in enforcement decisions.
- **Proportionality:** Regulatory action taken by LeavePlus will be proportionate to the harm it seeks to address and impose the minimum necessary regulatory burden on employers and the industry.
- **Consistency:** LeavePlus seeks to apply regulatory powers and tools in a predictable manner.
- **Transparency:** LeavePlus will publish this policy, as well as information about regulatory action taken (including information about convictions and penalties as outlined under ‘Enforcement tools’ below) for industry and the community.
- **Efficiency:** LeavePlus endeavours to address non-compliance in a prompt and resource-efficient manner.

LeavePlus will hold itself to a high standard of conduct as a party to legal proceedings. This includes having regard to the [Victorian Model Litigant Guidelines](#). Where LeavePlus’ enforcement action involves seeking Court orders, LeavePlus will adhere to the Court’s decisions and, where appropriate, promptly notify employers where Court orders are made.

This policy should be read with LeavePlus’ **Compliance policy**.

### 2.1 Criteria for enforcement action

LeavePlus uses a responsive regulation model. This means that LeavePlus will adapt its actions to the context. LeavePlus will seek to educate, persuade, influence or compel as appropriate in the circumstances.

The below image represents LeavePlus’ approach to prioritisation of enforcement activities.



All non-compliance is assigned a priority based on:

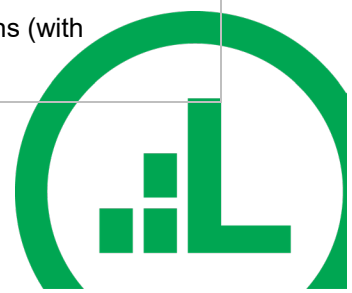
- Consequence of past and future non-compliance (e.g. the extent of the risk or detriment to workers, number of workers impacted, seriousness of the harm, potential economic and social costs of non-compliance)



- Likelihood of future non-compliance and the need for deterrence.
- Culpability of the parties (e.g. whether the breach was intentional, reckless or negligent)
- The strategic value of enforcement activities to address and prevent emerging non-compliance risks or systemic non-compliance trends.

### 3. ROLES AND RESPONSIBILITIES

Role	Responsibility
Board of Directors	Overall responsibility for ensuring this policy meets LeavePlus' legal and ethical obligations and is consistent with LeavePlus' business objectives.  Responsible for approving this policy
Audit, Risk and Compliance Committee (ARCC)	Responsible for reviewing this policy and recommending it for approval by the Board of Directors.
CEO & Executive Team	The CEO and Executive team are responsible for ensuring all policies are assigned an appropriate Policy Owner, in conjunction with the relevant business unit manager (if applicable).
CEO	Responsible for reviewing this policy prior to Board or Committee approval.
Chief Legal and Compliance Officer	Policy Owner and responsible for developing, communicating, and reviewing the policy to ensure ongoing relevance to business needs, strategic goals and fair outcomes for members.  The Chief Legal and Compliance Officer oversees roles and functions to ensure: <ul style="list-style-type: none"> <li>• staff exercising enforcement discretions, subject to the necessary approvals, are aware of this policy, any amendments to it and how to effectively exercise those discretions in accordance with this policy; and</li> <li>• any breaches of this policy coming to the attention of management are dealt in accordance with the Performance, Behaviour and Discipline Policy.</li> </ul> When reviewing this policy, the Chief Legal and Compliance Officer must have regard to: <ul style="list-style-type: none"> <li>• any feedback from members, external stakeholders, staff, management, and Directors; and</li> <li>• compliance with relevant legislation, legal advice and applicable guiding policy considerations (e.g. the <a href="#">Victorian Model Litigant Guidelines</a>).</li> </ul>
Senior Compliance Manager & Litigation Manager(s)	Supporting LeavePlus employees to interpret and apply this policy.  Assisting the Chief Legal and Compliance Officer in reviewing this policy including providing feedback on the operational impacts of the policy.
All LeavePlus employees	Must comply with this policy when making enforcement decisions (with appropriate delegation) and supporting enforcement activities.



## 4. ENFORCEMENT TRIGGERS

### 4.1 Registration compliance

Employers, principal contractors, workers and working sub-contractors must register with LeavePlus if they do construction work for more than five (5) days in any month (under section 8 of the Act). Breach of this requirement can lead to criminal prosecution.

### 4.2 Return compliance

Employers must submit returns within 14 days of the end of each quarter (under section 9 of the Act and Rule 11). Rule 11 outlines what information is required to be included in employer returns.

### 4.3 Payment compliance

Employers must pay LeavePlus a long service leave charge (not more than 3% of the ordinary pay of the worker) under section 4 of the Act.

Employers must pay charges within 14 days of an invoice or the end of each quarter (under Rule 12). Rules 13 to 15 prescribe how the charges are to be calculated.

Penalty interest is payable on overdue charges under section 5 of the Act.

LeavePlus is also able to recover debts from related bodies corporate of the employer under the *Corporations Act 2001* (Cth) and the Rules.

### 4.4 Recordkeeping

Employers must keep accurate records and not make false statements (under section 9). Rule 51 specifies these record keeping obligations.

### 4.5 Information requests

LeavePlus can require employers to provide information under section 10 of the Act to ensure adherence to or determine rights and obligations within the scheme. Failure to comply with a notice, including providing false or misleading information, is a criminal offence.

### 4.6 Offences by Directors and managers

Directors and managers can be held personally liable for offences committed by their corporation under section 17, where they knowingly authorised or permitted the contravention.

## 5. ENFORCEMENT TOOLS

### 5.1 Court documents relating to a decision to issue charge and summons

LeavePlus prosecutes appropriate cases to deter and address non-compliance. It carefully considers when to prosecute and appropriate orders to seek from the Court. Decisions are made having regard to the guiding principles of this policy, specifically, proportionality.

### 5.2 Debt recovery

LeavePlus enforces payment compliance to protect worker entitlements, in line with the regulatory objective of the scheme. Recovery may be attempted internally by LeavePlus staff, externally by third party collection agencies, or by litigation.

LeavePlus strictly applies statutory interest to recover penalty interest in accordance with section 5 of Act. Penalty interest (calculated under the [Penalty Interest Rate Act 1983](#)) compensates the Fund for lost investment opportunities, covers administrative costs, and deters further non-compliance. Circumstances where LeavePlus may depart from the strict application of statutory interest and recovery



of charges are outlined in the hardship considerations under heading 5.4 in this policy, LeavePlus' Write Off Policy, Statutory Interest Waiver Policy and Statutory Interest Amnesty Program Policy.

### **5.3 Publication of convictions and penalties**

LeavePlus may publish details of outcomes of enforcement activities (such as judgment debts, criminal convictions, orders for outstanding returns information and penalties imposed) on its website to communicate LeavePlus' enforcement capabilities and outcomes. Publication of enforcement outcomes is aimed at deterring future non-compliance.

LeavePlus may also share relevant compliance information (where appropriate / permitted) with:

- Industry groups, actual or potential trading partners (including principal contractors, developers, Government bodies and other buyers of construction services), workers and working sub-contractors within the construction industry
- Government regulators, agencies and authorities; and
- Other long service leave bodies to assist them in administering their long service leave schemes.

### **5.4 Hardship considerations**

In determining whether to commence, continue, suspend, defer, or withdraw enforcement action, LeavePlus may have regard to hardship considerations where relevant. The existence of hardship does not of itself preclude enforcement action, and any modification to enforcement posture must remain proportionate, consistent with LeavePlus' regulatory objectives, and consistent with its obligations as a model litigant.

## **6. BREACH OF POLICY**

Any breaches or suspected breaches of this policy must be reported to the Chief Legal and Compliance Officer.

Any breach will be investigated and reported to the Board and Audit, Risk & Compliance Committee.

## **7. RELATED INFORMATION**

### **7.1 Related policies and procedures**

Other LeavePlus policies that should be read in conjunction with this Policy:

- Risk Management Framework POL028
- Write Off Policy POL122
- Statutory Interest Waiver Policy POL120
- Statutory Interest Amnesty Program Policy POL121

### **7.2 Related legislation & best practice**

- [Construction Industry Long Service Leave Act 1997](#)
- [Victorian Model Litigant Guidelines](#)
- [Penalty Interest Rate Act 1983](#)

