

# Expansion of portable long service leave in the ACT

## Outcomes of public consultation

Portable long service leave enables long service leave entitlements to be accumulated on length of service in a covered industry rather than service with a single employer. Currently the industries covered in the ACT are building and construction, contract cleaning, the community sector and security.

The ACT Government is considering expansion of the portable long service leave schemes in the ACT to additional industries and sought feedback on the proposal in June and July 2022.

The purpose of this consultation was to invite feedback from the ACT community, including employees, employers, unions, industry groups and peak bodies, on:

- > the proposed expansion of portable long service leave schemes to the **hairdressing** and **contract catering** industries
- > other ACT occupations or industry sectors that might also be considered for access to portable long service leave, for example:
  - personal and other services (which includes hairdressing and beauty services)
  - accommodation and food services (which includes contract catering)
  - rental, hiring and real estate services
  - administrative and support services (includes travel agency services and general administrative support services including labour hire)
  - retail trade.

The [consultation paper](#) is available on the Workplace Safety and Industrial Relations website and provides more information on how portable schemes operate in the ACT and the proposed expansion to additional industries.

## What we did

The consultation process comprised:

- > preparing and publishing a [consultation paper](#) on the Workplace Safety and Industrial Relations website and inviting submissions from the community in response to the proposal
- > writing to nineteen stakeholder groups, including industry associations and peak bodies, unions and other business and employee representatives, to advise of the consultation process and invite submissions in response to the proposal
- > conducting two stakeholder engagement sessions with interested industry and employee representative groups.

## Who we heard from

A number of stakeholder organisations participated in the consultation activities with some stakeholders attending the engagement session and providing a written submission:

Stakeholder category	Provided written submission	Attended engagement session
Industry/employer	8	5
Union/employee	2	3

\* Four submissions received after the formal consultation period from stakeholders in the hairdressing industry have been included in the number of written submissions received as part of the consultation process in this report.

## What we heard

### Employee representatives

The key themes in feedback from employee stakeholders were:

- > The **benefits for employees** in having improved and more consistent access to long service leave, particularly in industries such as personal care where there is longer-term occupational tenure and higher mobility between employers.
- > **Improvements in work environments, health and wellbeing** for employees by facilitating longer periods of leave.
- > The **benefits** through retention of skilled employees and longer-term workforce stability and commitment **for industries and occupations** with portable schemes.
- > Portable scheme arrangements supporting broader **compliance by employers** with long service leave obligations, including resolving issues of long service entitlements (payments) for employees who have not worked for long enough to take long service leave.
- > **Gender equity** considerations, particularly in personal care service industries where the majority of employees are women.

## Industry and employer representatives

The key themes in feedback from industry and employer stakeholders were:

- > The **additional costs and administration** for employers compared with the usual long service leave arrangements, particularly small businesses, hairdressing and those in industries and occupations (such as hospitality) where job tenure is often less than the qualifying period for long service leave.
- > The intent of portable schemes to support and encourage longer-term employment within an industry or occupation being in conflict with the **purpose of long service leave** of encouraging employees to remain with the same employer and reward them for them for doing so.
- > The **workforce and employment characteristics** of the proposed industries being different to those of industries and occupations where portable service leave has been introduced, particularly in relation to mobility for the proposed new industries being more voluntary than associated with the nature of the industry itself and the higher proportion of small businesses.
- > **Broader contextual considerations** impacting the proposed industries that would affect successful implementation of new portable schemes, including COVID-19, labour shortages and wage growth.
- > Suggestions for **other legislative changes** that could achieve some of the objectives of portable schemes with less impact on employers, such as extending long service leave accrual to periods of parental leave, or to offset the impact on employers.
- > **Industry-specific considerations**, such as the high casual and transient student workforce in food service and retail industries not requiring retention incentives and gender considerations for the personal services industry.
- > Requests for **greater detail and clarity** around workforce and business impacts, costs and benefits.

Following the consultation process, a number of hairdressing industry stakeholders expressed concerns with the proposed expansion of portable long service leave schemes to the hairdressing industry.

Two central themes to industry objections received relate to:

- > the increased labour costs and related cashflow impact on hairdressing businesses; and
- > claims that hairdressers already have access to and are 'suited' to long service leave under the *Long Service Leave Act 1976*.

The benefits of portable entitlements to long service leave have long been recognised with all jurisdictions offering some form of portable long service leave (PLSL) schemes.

The purpose of PLSL is to provide fair access to long service leave entitlements to workers in industries that are highly mobile and characterised by short-term/temporary contracts and insecure working arrangements. Access to PLSL allows these workers to accrue long service leave entitlements on the basis of service completed in an industry – recognising that people may work for 10 or more years with multiple employers but have no access or opportunity to experience the benefits of long service leave, renew their energies and return to the workforce reinvigorated.

## Next steps

The ACT Government is considering the consultation feedback in the development of the draft legislative changes. Additional consultation may be undertaken during this process.

The introduction of any expansion of portable schemes would include communication with industry and employees about the changes prior to commencement of the legislation.

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