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**Subject:** Submission to the Education, Employment and Small Business Committee on the Community Services Industry (Portable Long Service Leave) Bill 2019

To: The Committee Secretary

Our organisation, makes the following submission in support of the *Community Services Industry (Portable Long Service Leave) Bill 2019* ("the Bill") which has been tabled following the *Portable Long Service Leave Scheme for the Social and Community Services Sector, Decision Regulatory Impact Statement* ("RIS"), October 2019.

It is widely documented that the SACS Industry is low paid, largely female and often operates in environments of high stress, crisis and trauma, with the type of work undertaken often requiring employees to have a varying level of skill up to and including some form of tertiary qualification. The Industry is sustained by short term Government funding arrangements, resulting in long term service within the industry made up of short-term contracts with multiple employers. The Decision RIS at 2.3 *The SACS Sector* reaffirmed these points.

For these and other factors, employees rarely remain with a single employer for a decade or more. Yet many are loyal employees who choose to remain within the industry, supporting the values it generates and the clients and communities the services support. Had these employees opted to work in less philanthropic industries, such as health, local government or the private sector, they would undoubtedly be paid more, enjoy a greater sense of employment security and have a greater opportunity to achieve long service and access their leave entitlement.

High employee mobility/turnover is a key workforce challenge for our Industry with the sector reported as having high levels of employee mobility in the Decision RIS at 2.4 *Long service leave in the SACS sector in Queensland, Rates of mobility*.

Apart from the loss of expertise and continuity; employee turnover can be a major cost, draining resources from service delivery and employee development and training. The labor-intensive nature of service delivery, combined with the investment required in employee collaboration and the small size of many organisations, means that the impact of employee mobility/turnover can be more profound for SACS employers than what might be experienced in most other industries.

Employee mobility/turnover has the potential to be intensified even more where funding is driven by consumer demand such as the National Disability Insurance Scheme (NDIS), coupled with the required attraction of new employees to meet the increase in expected clients. It is therefore vital to find strategies to reward and retain employees, to ensure the SACS Industry's sustainability.

The Palaszczuk Government's commitment to fund pay equity rates and introduce longer term contracts is already creating a more sustainable social and community services Industry. The Bill seeks to build upon these foundations by establishing a portable long service leave scheme that would:

- cover all employees across the varied sectors within the Industry (listed in Schedule 1 of the Bill);
- apply to both for-profit and not-for-profit organisations in the community services Industry;
- provide workers with a PLSL entitlement after 7 years' service with accrual at the rate of the existing statutory entitlement of 8.67 weeks after 10 years' service;
- require an employer to pay a levy calculated on an employee's ordinary wages and report on an employee's service; and
- be administered by the existing PLSL Authority, QLeave (which currently administers PLSL schemes for the building and construction industry and the contract cleaning industry)

As the Industry is heavily reliant on Government funding, organisations like ours would need some form of support/ assistance, be it education or financial, in preparing for the introduction of a portable long service leave scheme and ensuring new systems and processes are in place to meet our reporting and remittance obligations.

A portable long service leave scheme is not the complete solution to the challenges faced by our Industry (most notably the attraction and retention issues already mentioned) but it must form part of the Government's Community Services Industry Strategy. It is for this reason that our organisation supports the Bill.

Yours sincerely

[Redacted signature block]

- 12. November 2019

**007 – Form Submission 2**

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