Committee Secretary
Education, Employment and Small Business Committee
Parliament House
George Street
Brisbane Qld 4000

Submission by TransitCare Limited - Community Services Industry (Portable Long Service Leave) Bill 2019

TransitCare Limited is a non-profit organisation that provides community transport and support services to assist frail and elderly people and younger people with disabilities so they can live independently in their own homes and participate in their communities. In the 2018/19 year TransitCare delivered more than 190,000 trips to the communities we serve in the Brisbane South, Logan and Redlands area as well as in Townsville through the TOTTS service.

TransitCare has a staff of 80 with an average length of service of our front line staff of 6.12 years . The unplanned separation rate for the 2018/19 Financial Year was 7.6%. The longevity of service and low turnover has been achieved through substantial investment in the staff and the training provided. The average direct cost to recruit and train a new front line staff member is $6328 and that does not include the cost of the internal Human Resources staff.

1. The Community Services Industry while funded by Government is not Government. It is not a single entity but a group of direct competitors. A staff member leaving to work at a different location is not a movement of skill and experience to a different branch of a single entity but a complete loss of knowledge and talent from the organisation that has to be replaced at full cost. Introducing a scheme that reduces barriers to exiting an organisation for staff of medium and long term experience risks increasing staff turnover not only increasing opportunity costs to organisations but direct recruitment and training expenses.

2. Community Services Industry Organisations are being asked to become more competitive and in the case of TransitCare and equivalent organisations, to directly compete against for profit entities such as taxis. Entities that are receiving direct subsidisation from the Government at the same time as that Government plans to impose significant additional costs on the not for profits. This does not even consider the disruption organisations that clearly have a distinct cost advantage but very little of the reporting and legislative requirements.

3. The impact of a portable long service scheme is likely to be unequal in impact across the sector with organisations such as TransitCare more greatly disadvantaged as the majority of paid positions are more physically demanding than other parts of the Community Services Industry. A portable long service leave provision reduces disincentive to move to organisations offering job roles that are less physically demanding. It is also going to impose a greater financial burden on organisations such as TransitCare who have worked hard to reduce turnover and build the average length of service of employees. Organisational loyalty to employees will effectively incur a direct financial penalty.

4. Unlike Government and for profit organisations Community Services Industry organisations do not have the opportunity to increase revenue or charge rates to offset the additional costs. Funding regimes through State and Federal Governments are contracted and capped and organisations are held to set charge rated by the NDIS and government funding guidelines.

As this scheme has not been asked for by the sector, the Community Services Industry Organisations should not be shouldered with the financial burden of setting up the scheme; funding any required increase in the organisation tasked by the government to manage it or any ongoing costs incurred by that organisation to administer the scheme. This should be a cost of Government paid for directly by Government through the normal budgetary process. If there is to be a levy imposed it should be calculated strictly on the cost of the entitlements.

If such legislation and financial cost is to be imposed on Community Services Industry Organisations there needs to be a direct offset or equalisation payment to allow those organisations to function on an equal playing field with direct for profit competitors. The payment needs to not only cover the direct cost of the scheme but the additional costs to the industry caused by increased turnover and training cost burdens. Such a payment also needs to be directly indexed to increases in the award wage rates as a fixed increase would mean the offset payment would fall behind real costs within the first 12 months of the scheme. Planning and implementation of any such scheme should be undertaken with direct input from an industry advisory board comprising representatives from all service areas within the sector.

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