

# Consultation for a portable long service leave scheme for the social and community services sector in Queensland

*Churches of Christ in Queensland Submission*



Bringing the light of Christ into communities



### About Churches of Christ

Churches of Christ in Queensland has a significant presence in Queensland, Victoria and Vanuatu with hundreds of local services, positively impacting tens of thousands of lives each year. We operate a range of missional and community care services to assist families, the elderly and people in need through church communities and our care services groups operated through Churches of Christ Care and Churches of Christ Housing Services



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## Introduction

Churches of Christ Care welcomes the opportunity to provide comment on portable long service leave scheme (PLSL) for Queensland's social and community services sector. We are one of Australia's largest not-for-profit organisations active in the areas of children, youth and family services; retirement living; home and community care; and residential aged care services. The following submission provides feedback on the proposal of the portable long service leave scheme.

## Assessment

### Overview

In response to the Consultation Regulatory Impact Statement (CRIS) we provide the following overview, impacts, conclusion and recommendations.

- Staff retention within the industry is clearly supported in principle.
- It's acknowledged that a PLSL scheme serves to benefit employees but has significant ramifications on Employers.
- It is our view that staff turnover and casualization, where it does exist in the sector, is not attributed to a lack of Long Service Leave portability arrangements but rather to a lack of stability, certainty and sufficiency in funding arrangements to support competitive wages and conditions.
- Creation of a PLSL scheme removes a retention incentive employers currently have.
- The SACS workforce is not homogenous, which would create significant administrative and

industrial / practical difficulties for employers to comply.

- A PLSL levy at the rates presented in the CRIS (1.5 and 2.0%) would present a significant unfunded additional financial burden.

### Concerns and Impacts

This will be a threshold issue for many employers, given that the benefits to organisations, if any, will take time to realise and that there will be a net cost impact for organisations already stretched to provide services. Community organisations already face rising costs associated with wages, salaries and other non-salary items needed to operate. If governments do not cover the additional costs of a portable long service leave scheme;

- Introduction of this legislation would have significant financial impacts on our organisation.
- As an organisation we will be forced into making decisions about the reduction of service provisions to the disadvantaged and vulnerable persons we serve.
- The additional costs may also further squeeze provision of supervision and training across our organisation.
- The nature and resulting recruitment and retention issues relating to the SACS workforce are extremely varied.
- The very premise of our organisation is we are not-for profit so our margins and finances are lean at best.
- A few key questions include: Why is it not being considered for Aged Care Award?
- How will the portability work across states?
- How will the funds be managed if the person leaves the sector, is it returned to the employers who have contributed?

## Churches of Christ context

- Over 40% of CofCQ employment is underpinned by the Social, Community, Home Care and Disability Services Industry Award 2010 (SCHCDSI Award), and therefore impacted by this potential change.
- Accounting for long service leave provision at CofCQ commences after four years eligible employment. It is noted that financial liability and reporting obligations under the PLSL scheme would commence at day one. Further, monies for LSL would need to be found and transferred to the administering agency
- Moves towards flexible workforce (e.g. across community and residential aged care) would make compliance with a PLSL scheme administratively difficult and create an industrial impediment to achievement of a multi-skilled, flexible workforce goal. This is because residential aged care work is underpinned by the Aged Care Modern award rather than the SCHCDSI Award.
- As an organisation we have not had the issue of portable long service leave expressed as a desire from our employees nor advocated to us.

## Conclusion

It's our view that further work is required to determine whether a portable long service leave scheme would assist in addressing the financial and organisational barriers in attracting and maintaining the community sector workforce, and therefore build the community sector's ability to play its vital role of supporting people to overcome disadvantage.

In deciding whether to implement any recommendation for a community services sector portable long service leave, the Government needs to consider that a skilled and experienced community sector workforce is vital to the wellbeing of many people facing disadvantage.

For community sector organisations, the greatest effect of a portable long service leave scheme will be the increased costs they will bear as a result. Depending on the levy proposed, costs for long service leave are likely to rise for organisations, as more employees become entitled to long service leave.

## Recommendations

1. That the portable long service scheme not be extended to Not-for-Profit organisations.
2. Further in depth consultation be made with the Community Services Sector on the PLSL proposal to explore its impacts and affects and whether the issue addresses the concerns around staff retention.