

## **Portable Long Service Scheme FAQs – Financial scenarios**

### ***How will organisations with multiple funding sources be affected?***

The Scheme will include organisations whose funding sources can include the ACT and the Commonwealth Government.

### ***What if there was a total call on what's owed workers?***

Future liability needs to be distinguished from current liability. These types of scheme operate in other industries and jurisdictions, and are closely monitored to ensure they are not at risk of falling below their current liability. Were any indications of falling below current liability to arise, this would be addressed through Governmental processes to prevent this posing any threat to the Scheme's ongoing functioning.

### ***When ACT organisations provide services to the surrounding NSW area, how is this expected to be addressed?***

The Scheme's coverage applies to all Community Sector and child care industry staff of the ACT. Work undertaken by a relevant ACT employer outside the borders of the Territory continues to be eligible.

### ***What constitutes an 'organisation' in order to be an eligible employer under the Scheme?***

The status of an eligible 'employer' requires them to have more than one employee, thus removing arrangements between individuals from the Scheme's scope.

### ***Since investment returns cannot be known beforehand, how can organisations report to their boards about projections of the funds allocated for long service leave?***

Once the Scheme commences, which is expected to be from 1 July 2010, management of the funds will be the responsibility of the Scheme's administrator, the Long Service Leave Authority.

### ***What about transitional costs?***

One-off transition costs are likely to be balanced by the anticipated medium term savings that are likely from reduced recruitment costs due to improved retention.

### ***How will the Scheme affect ongoing industrial relations developments?***

As part of the Government's integrated approach to support sector viability, the introduction of the Portable Long Service Leave Scheme is being augmented by the Industrial Relations Review of the Community Sector. The purpose of this review is to identify current wages and conditions of community sector workers and provide industrial relations advice to the sector. The outcome of the Review is intended to work in concert with associated reforms including the PLSL to retain a skilled workforce that fosters a more sustainable community service sector in the ACT.