

PLSL - FAQs (Community Sector employers)

Is there any legislation covering the new Scheme?

A new, single piece of enabling legislation, the *Long Service Leave (Portable Schemes) Act 2009*, is being introduced under which will sit separate, discrete schedules for the various industries and sectors with a portable long service leave scheme.

What is the ACT Long Service Leave Authority?

The ACT Long Service Leave Authority is being created under new legislation as a single integrated Authority that incorporates the Boards and functions of the ACT Construction Long Service Leave Authority and the ACT Cleaning Industry Long Service Leave Authority. The legislation is the *Long Service Leave (Portable Schemes) Bill 2009*. The Authority will administer the new PLSL Scheme for the ACT Community Sector.

Which industries are covered by the new PLSL Scheme for the ACT Community Sector?

The new Scheme covers the Community Sector and the child care sector. The aged care sector will not be covered.

What financial safeguards are associated with the new Scheme?

As an independent ACT Statutory Authority, the Long Service Leave Authority, is self funding and does not rely on the ACT Budget for support. The ACT Government will meet the Scheme's establishment costs. The Scheme will be self funded on an ongoing basis by the levy contributed from each employee's wages. These funds will be invested by the Authority in a conservative index fund. The Actuary Study conducted as part of the Scheme's development states that the Scheme as proposed "should adequately cover the costs of both the basic benefit and ongoing administration of the Scheme". The Actuary Study is available at the Department of Disability, Housing and Community Services' website, <http://www.dhcs.act.gov.au/home> .

Once the Scheme becomes managed by the Long Service Leave Authority (LSLA), can one industry's funds be accessed by any of the other participating industries?

Under the legislation the assets of each participating industry's long service leave fund is quarantined.

How will payments for leave entitlements be made and to whom?

The Scheme is expected to commence on 1 July 2010. Employers will be obliged to make a quarterly submission of employee days of service and wages information to the Long Service Leave Authority, and make a quarterly payment of the levy on those wages to the Authority.

What is the amount of the levy and what does it cover?

The PLSL Scheme is based on a levy of 1.67% of an employee's wage. The Actuary Study which considered the Scheme's financial implications states that the Scheme as proposed "should adequately cover the costs of both the basic benefit and ongoing administration of the Scheme".

Will community organisations' indexation of their funding be affected?

Indexation by Government is responsive to changing economic circumstances and will continue.

What impacts might differences between Commonwealth and Territory funding have on operations of community organisations?

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

What responsibilities for long service leave apply during the transition between existing arrangements and the new Scheme?

Under the ACT's *Long Service Leave Act 1976*, each organisation has a legal responsibility to provide for long service leave liabilities prior to the Scheme's commencement. When the new Scheme commences, which is expected to be 1 July 2010, administrative obligations will transfer to the Scheme's administrator, the Long Service Leave Authority. Employers' commitments pre-dating the Scheme's commencement are not affected, and remain the responsibility of the organisation.

What about the costs of transition?

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

With a workplace environment that is changing constantly, has the Scheme stayed relevant to the Sector?

Recent changes in the Community Sector's industrial environment including global financial factors are addressed in the Actuary Study undertaken during the Scheme's development, and available from the Department of Disability, Housing and Community Services at <http://www.dhcs.act.gov.au/home> .

How is staff loyalty to their employer likely to be affected by the greater mobility arising from this Scheme?

A key objective of the new PLSL Scheme is loyalty to the sector, to the benefit of staff, their organisations and the vulnerable clients in the ACT whom they serve.

Does the Scheme recognise the historical rationale for giving employees long service leave, which is as a reward and entitlement relating to their service to a single employer?

The nature of employment in both the Community Sector and the Child Care industry is highly casualised, with considerable part-time, short term and contract positions. This Scheme addresses that situation to benefit workers, and encourage loyalty to the sector.

Would a new starter at an organisation with recent service in other eligible organisations pass on liability for their past service to their new employer?

No, liability cannot be passed on. Liability for service undertaken prior to the Scheme's commencement will be the responsibility of the employer for whom the work is performed.

As an organisation, will our legal responsibilities change under the Scheme?

Current legislative requirements under the *Long Service Leave Act 1976* and other applicable laws must continue to be met. Passage of the *Long Service Leave (Community Sector) Amendment Bill 2009* will result in changes to some processes, primarily administrative in nature.

Will the introduction of the Scheme be affected by the introduction of the Commonwealth's Fair Work Act?

The *Fair Work Act 2009* which will commence on 1 January 2010 will not impact on the introduction of the PLSL Scheme for the ACT.