

Katy Gallagher  
Deputy Chief Minister, Treasurer and Minister for Community Services  
GPO Box 1020  
Canberra ACT 2601

Dear Minister,

The ACT Council of Social Service welcomes progress towards the introduction of a portable long service leave scheme for community sector workers in the ACT. However we remain concerned that important factors regarding the operation of the scheme have not been properly discussed with community sector organisations. This lack of consultation is leading to increased anxiety and fear in the community sector. We believe further consultation, taking direction from you as to the scope and cost of the scheme, will go some way in addressing current concerns. The provision of legislation as a basis for such consultation would be welcome.

We thank you for making publically available the actuary study on the scheme. However the study did raise a number of questions regarding the scope and cost of the scheme, which we believe require urgent answering. Issues such as which sub-sectors of the community sector will be involved in the scheme, and the establishment costs and on-going fees for the scheme must be discussed and clarified. Of obvious concern to community organisations are potential costs associated with the scheme.

ACTCOSS remains committed to the introduction of portable long service leave for the community sector; however the introduction of the scheme can not put an undue cost burden on already stretched community organisations. We urge the Government to recognise that portability will cost more than current practice for organisations. There is also concern that due to the lack of funding available for the provision of community services, many organisations rely on the investment return from entitlement funds that will no longer be available.

As outlined in our submission to the consultation undertaken in 2008 we would like to see the Government support the establishment of the scheme by covering all administrative and start up costs associated with the scheme. We also propose that in the early years of the operation of the scheme the community sector levy contribution be capped at 1% of wages, with the Government contributing the remainder. Over time, as the scheme builds up capital, we would hope this level of contributions would be sustainable without ongoing government support.

ACTCOSS is also supportive of the scheme being as wide in scope as possible. We do not believe distinction should be drawn between employees of commercial services and employees of not-for-profit

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agencies. We also do not believe it would be optimal to cover some workers in an organisation while excluding others. As put forward in our previous submission we suggest the following criteria for determining whether an organisation should be included:

- Whether the main objects of the organisation are for the purposes of providing community services; and
- Whether the main activities of the organisation are community services.

We would also like to draw your attention to work currently being undertaken in Victoria regarding the introduction of long service leave for the community sector in that jurisdiction. The Victorian Peaks and Statewide Networks Forum, convened by the Victorian Council of Social Service, have suggested consideration of a national, or multi-jurisdictional, scheme as is currently in place for the construction industry and Catholic education services. By working across state borders the scope of the scheme can be expanded, widening the numbers of employees covered and therefore the overall viability of the scheme. We would encourage engagement with Victoria to expand the scope of the ACT Community Sector Portable Long Service Leave scheme.

We would welcome the opportunity to discuss the issues raised in this letter further, at your earliest convenience.

Yours truly,

A handwritten signature in black ink, appearing to read 'Roslyn Dundas', written over a horizontal line.

Roslyn Dundas  
Director

18 August 2009