

# FACT SHEET – EMPLOYERS

## Portable Long Service Leave Community Services Sector



This fact sheet is for **employers** in the community services sector. It explains the proposed changes to how long service leave will be managed for the sector.

### What's happening?

The Northern Territory Government is changing the way long service leave will be managed for businesses and workers in the community services sector.

Under current provisions in *the Long Service Leave Act 1981*, employees within the community services sector qualify for 13 weeks of long service leave after completing 10 years of service with the same employer.

Now, the government is working on changes that mean:

- long service leave will be made available based on a worker's time in the sector even if they move between businesses or organisations (it will be 'portable')
- employees are recognised for their hard work in caring for our community and allowing them to take meaningful, well-earned breaks from work.

Similar portable schemes already exist in VIC, QLD and ACT, and the NT has had a portable scheme for the construction sector since 2005.

### Why is this happening?

The proposed changes will modernise the way workers in the community services sector access long service leave, making it more fair and equitable.

Data suggests that 50% of community service workers leave their employer within the first 9 years of employment, but only 25% leave the community services sector within the same period.

The proposed scheme will provide workers with mobility to take up opportunities across the community services sector, and support the attraction and retention of skilled and experienced workers within the sector.

### Who will be affected by these changes?

These changes will cover workers in:

- Childcare services, including care and support services for the development of preschool-aged children but not including before school care or after school care for school-aged children provided by a school
- Community legal services
- Crisis assistance and accommodation support services
- Disability services, including workers who provide personal care and domestic and lifestyle support to a person living with disability in the community or a residential setting
- Family day care services
- Group training services
- Health and wellbeing services provided to an Aboriginal community by an Aboriginal-controlled health service
- Home care services
- Recreation services
- Residential and community aged care
- Respite services and day care services
- Social and community services, including social work
- Welfare services
- Youth support and development services, and services associated with community development, including where the services are primarily engaged in policy, advocacy or representation on behalf of organisations involved in the delivery of such services
- Labour hire providers that employ contractors to the community services sector.

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### What consultation has occurred to date?

In 2019-20, the Office of the Commissioner for Public Employment consulted with the community services sector about establishing a portable long service leave scheme, for which there was general support.

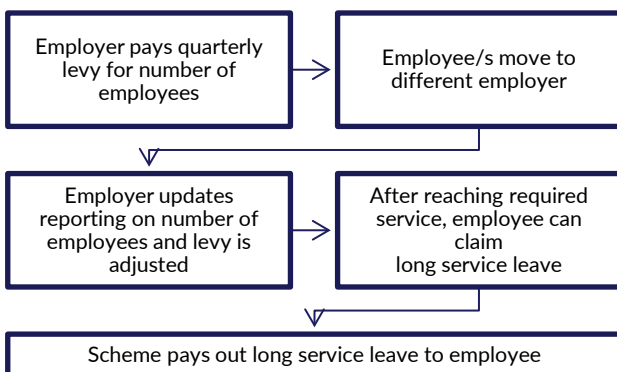
Following the impact of COVID-19, work has continued to develop the details of the scheme as outlined in this fact sheet.

### How will the scheme work?

The proposed scheme will operate as a **defined benefit scheme** managed by a Board.

A **defined benefit scheme** means the pay rate employees are entitled to be paid for long service leave will be based on the median weekly rate of pay for workers in the community services sector. This rate will be determined on the advice of an actuary.

### What does this look like?



### Will employees' service within the sector be recognised?

The legislation will have transitional arrangements to allow for your employees' service within the sector to be recognised under the scheme.

### What will employers need to do differently?

Under the proposed scheme, as an employer you will be required each quarter to:

- report employee numbers
- pay an all-inclusive levy.

This all-inclusive levy will include:

- the cost to administer the scheme
- a contribution per employee, which will be held by the scheme and used to pay employees' long service leave as a defined benefit.

For example: if, in 2024, the median salary of the workers covered by the scheme was determined to be \$73,000 per annum, and if the levy rate percentage determined by the Board is 2.05%, the employer levy cost per annum, per employee would be \$1,496 or \$374 per quarter per employee.

### When will the scheme apply?

The scheme will require new legislation, which is anticipated for passage in May 2024. It is expected that the legislation will become fully operational within 18 to 24 months after it is passed, so you will have time to prepare for these changes and adjust your budget forecasts.

We will continue to consult with you throughout this period. In the meantime, the *Long Service Leave Act 1981* will continue to apply.

### Have your say

A second phase of consultation is now underway, ahead of the Bill being debated in the Northern Territory Legislative Assembly in May 2024.

Visit the webpage to find out more information and share your feedback.



<https://nt.gov.au/portable-long-service-leave>

### Contact

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