



RIS Ref: DE847-0618

File Ref: DOC18/980

16 July 2018

Mr. Paul Florens
Policy Officer
Office of Industrial Relations
Level 11, 1 William Street
BRISBANE QLD 4000

Dear Mr. Florens

Consultation Regulatory Impact Statement: Investigation of a portable long service leave scheme for the Queensland social and community services sector

Thank you for your enquiry of 5 June 2018 and further information provided 13 June 2018 and 6 July 2018, seeking advice on the adequacy of the 'Investigation of the introduction of a portable long service leave scheme for the social and community services sector in Queensland' Consultation Regulatory Impact Statement (RIS).

Background

Long service leave is a workplace entitlement that provides long-serving employees of an organisation with additional paid leave. In Queensland, such entitlements are generally provided for in the *Industrial Relations Act 2016* (the Act). The Act provides 8.6667 weeks long service leave after 10 years continuous service with one employer. A pro rata payment can also be paid to an employee after seven years continuous service with one employer in specific circumstances.

The RIS has been developed in response to the Government's commitment to 'Investigate options for a portable long service leave scheme for social and community service workers.' The Office of Industrial Relations (the Office) considers that workers in Queensland's social and community services sector may have difficulty accessing such leave. The Office contends this is because of the high level of mobility between employers in the sector, as a result of the contractual nature of the work.

The Consultation RIS investigates ways to improve the accessibility of long service leave entitlements for workers in the sector, specifically via a 'portable long service leave scheme' similar to what exists in the building and construction and contract cleaning industries. Such schemes allow employees to work for multiple employers within their industry and gain their long service leave benefit from a pool of accumulated funds, paid for by employers.

The RIS presents three options:

1. no legislative change
2. introduce a portable long service leave scheme for the sector, with a new sector-specific governing authority to administer the scheme
3. introduce a portable long service leave scheme for the sector, with the existing statutory authority 'QLeave' administering the scheme.



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The RIS recommends the introduction of a portable long service leave scheme for the sector, as the Office considers the benefits of such a scheme will outweigh any additional costs. In addition, the RIS presents Option 3 as the preferred option given the estimated administrative savings under the QLeave model.

Assessment

The Queensland Productivity Commission (the Commission) considers the Office has provided detailed analysis to support the proposal. Further, the impacts of all options have been clearly presented—and where possible—quantified. In addition, the Consultation RIS poses a series of questions to stakeholders to collect further information about the likely impacts which may arise under each option.

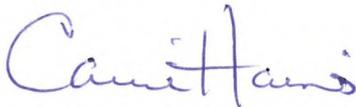
Given these points, the Commission considers the RIS is adequate for the purposes of public consultation. Consultation with stakeholders will likely assist the Department to develop the proposal, including:

- verifying the analysis provided, including whether the stated benefits are likely to be realised
- collecting feedback on whether the preferred option is likely to be the one that generates the greatest net benefit to the community as a whole
- collecting feedback about whether the proposal will have any unforeseen adverse impacts on the sector.

Consistent with the Queensland Government Guide to Better Regulation (the Guidelines), the final Consultation RIS and this letter of adequacy will be published on the Commission's website once the RIS is approved for release. After consultation has concluded, a Decision RIS, incorporating the consideration of public comments, should be provided to the Commission for assessment before the matter is finally referred to Cabinet for decision.

Please contact Sean Mackay, Principal Analyst, on (07) 3035 5149 should you require any additional information or guidance in relation to the above comments or the Guidelines in general.

Yours sincerely



Carrie Haines
Team Leader