

SECOND READING SPEECH

Long Service Leave Amendment Bill 2011

Mr Speaker

I move that the Bill now be read for a second time.

I am very pleased to be introducing this Bill into Parliament today. The Bill makes amendments to the *Long Service Leave Act 1976* which will be of great benefit to many Tasmanian workers and their families.

The Act provides long service leave entitlements for most private sector workers in Tasmania. As it currently stands, those private sector workers are entitled to 13 weeks of long service leave on completing 15 years of continuous employment with their employer. There is a subsequent entitlement to 8 $\frac{2}{3}$ weeks' long service leave in respect of each additional 10 years' of continuous employment.

Mr Speaker, Tasmanian private sector employees currently receive the least generous long service leave entitlements in Australia. In all other Australian States and the Northern Territory, private sector workers can access their long service leave entitlements on completing 10 years of continuous employment. In the ACT, workers have access to long service leave after 7 years. The majority of States and Territories provide subsequent entitlements after every additional 5 years of continuous employment.

Long service leave entitlements for Tasmanian private sector workers also fall short of the entitlements provided to other Tasmanian workers including those employed in the state service, local government, construction industry employees mining employees and Commonwealth employees. All of these employees also have an initial entitlement to long service leave after 10 years.

Mr Speaker, it is clearly unfair that Tasmanian private sector workers must wait at least 5 years longer than other workers to have access to long service leave.

Long service leave is an important entitlement for workers. It recognises and rewards workers for loyalty and commitment to their employers. It also encourages work-life balance providing workers with the opportunity to have an extended break from work to spend time with their families and renew their energy.

Apart from the issue of inequity to our private sector employees, there are also commercial disadvantages in Tasmania's long service leave entitlements falling well short of those provided to workers in other jurisdictions and employment sectors. In the current employment environment, workers are changing jobs more frequently than in the past. Providing earlier access to long service leave entitlements, more closely aligned to those in other States and Territories and industries, may assist employers to retain valuable staff members and increase morale and productivity.

Mr Speaker, this Bill is aimed at providing fairness and equality for Tasmanian private sector workers in relation to their long

service leave entitlements. The amendments proposed by the Bill will give workers access to long service leave five years earlier than under the existing provisions. Under the amendments, a worker will be entitled to $8\frac{2}{3}$ weeks of leave on completing 10 years of continuous employment with their employer with a subsequent entitlement to $4\frac{1}{3}$ weeks of leave for each additional 5 years of continuous employment. This will ensure that our private sector workers have access to long service leave after the same period of employment as workers in most other jurisdictions and employment sectors.

While the Government is keen to ensure that workers in Tasmania are treated more equitably in comparison to those in other States, we have been equally conscious of the implications this may have on employers. To minimise any additional costs to employers, we have kept the rate at which leave is accrued the same. The current entitlement to 13 weeks long service leave after 15 years of continuous employment works out at an accrual rate of 0.8667 weeks per year. The proposed entitlement of $8\frac{2}{3}$ weeks leave after 10 years provides the same accrual rate of 0.8667 weeks per year.

In recognition that employers need time to become familiar with and adjust to the new long service leave entitlements, the Bill provides for a delayed commencement date of 1 July 2012. On that date, the new entitlements will apply to all workers who come within the scope of the Act.

However, to address any employer concerns that come 1 July next year there will be a large number of workers all taking long service leave at the same time exposing employers to

immediate costs and inconvenience, we have included transitional arrangements in the Bill. These transitional arrangements attempt to provide a balance between allowing immediate access to long service leave for those workers who have had a long period of continuous employment with providing some staggering of leave for the benefits of employers. The proposed arrangements are as follows.

- Workers who have completed 12 or more years of continuous employment as at 1 July 2012 will immediately be able to take their long service leave entitlement if they wish. Of course, not all of these workers will want to do this. I should also point out that the Act provides for leave to be granted subject to the needs of the employer's establishment. Any dispute about the taking of leave can be dealt with by the Secretary of the Department.
- Workers who, as at 1 July 2012, have completed 9 or more years of continuous employment but less than 12 years will have to wait until 1 July 2013 before they can take their long service leave. This does not prevent a worker with 10 or more years of continuous employment from receiving their long service leave entitlements in the event that they leave their employment before 1 July 2013. Similarly, in the unfortunate situation where a worker with 10 or more years of continuous employment dies before 1 July 2013, the worker's personal representatives will be entitled to a payment in respect of the worker's long service leave.

Mr Speaker, the amendments in general, and in particular, the transitional arrangements, have been developed in consultation with the Tasmanian Chamber of Commerce and Unions

Tasmania. I would like to thank both Robert Wallace of the TCCI and Kevin Harkins of Unions Tasmania for their willingness to meet with us and discuss these amendments.

Mr Speaker, before I conclude this speech, I would like to mention developments occurring at a national level with respect to long service leave. As part of its reform of the workplace relations system, the Federal Labor Government developed 10 National Employment Standards providing minimum conditions and entitlements for employees. The National Employment Standards came into effect on 1 January 2010. One of the National Employment Standards deals with long service leave. At this stage, the long service leave component of the National Employment Standards is only transitional and based on entitlements in awards, agreements and state legislation.

The Commonwealth is currently working with the States and Territories in an attempt to develop a new long service leave National Employment Standard to replace the existing one. While this process is still in its early stages, it seems likely that the proposed new NES will provide a minimum entitlement to long service leave in accordance with the entitlement provided in the majority of States and Territories which is $8\frac{2}{3}$ weeks leave after 10 years of continuous employment. By moving to this entitlement in Tasmania, we will ensure that we become more consistent with most other jurisdictions and that we are proactive in meeting any such minimum standard introduced by the Commonwealth.

Mr Speaker, Labor has always stood for fairness and equality in the workplace and I am proud to introduce these important reforms which will benefit a wide range of Tasmanian workers.

I commend the Bill to the House.