

## FACT SHEET

### Long Service Leave Amendment Bill 2011

The *Long Service Leave (Amendment) Bill 2011* (the Bill) proposes amendments to the *Long Service Leave Act 1976* (the Act).

The Act provides long service leave entitlements for most Tasmanian private sector workers. Under the current provisions of the Act, workers must complete 15 years of continuous employment to qualify for long service leave entitlements.

In general terms, continuous employment means uninterrupted employment with a single employer, although the Act does allow for some interruptions in employment, including the taking of annual or long service leave, maternity leave, standing down for a period not exceeding 6 months on account of slackness of trade, jury duty etc. The Act also deems continuous employment where there has been a transmission of business and the worker has been employed by the new employer within 2 months.

Current long service leave entitlements under the Act are as follows:

- 13 weeks' long service leave in respect of the first 15 years of continuous employment; and
- $8\frac{2}{3}$  weeks' long service leave in respect of each additional 10 years of continuous employment.

The current qualification period of 15 years is much longer than that applied in other States and Territories and to workers in

other sectors and industries in Tasmania (i.e. State Service employees, Local Government employees, Commonwealth Government employees, mining employees and employees in relevant employment in the construction industry).

The common requirement for access to long service leave, both in other Australian jurisdictions and for Tasmanian workers who fall under other long service leave legislation, is 10 years of continuous employment.

The Bill is intended to address this inconsistency and unfairness for Tasmanian private sector workers by reducing the qualifying periods for access to long service leave. The proposed new long service leave entitlements under the Bill are:

- $8\frac{2}{3}$  weeks' long service leave in respect of the first 10 years of continuous employment; and
- $4\frac{1}{3}$  weeks' long service leave in respect of each additional 5 years of continuous employment.

The Bill does not change the rate at which long service leave is accrued. 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 of continuous employment provides the same accrual rate of 0.8667 weeks per year.

The proposed new long service leave entitlements are consistent with those provided in the majority of the other States and Territories.

The proposed amendments are intended to commence on 1 July 2012. From that date, the new long service leave entitlements will apply to all workers who come within the scope of the Act.

The Bill includes transitional arrangements to soften the immediate impact on employers by providing some staggering of the taking of long service leave. Under the proposed transitional arrangements:

- 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, subject to the needs of their employers' establishments.
- Workers who, as at 1 July 2012, have completed 9 or more years but less than 12 years of continuous employment will have to wait until 1 July 2013 before they can take their leave (subject to the needs of their employers' establishments). This does not prevent a worker with 10 or more years of continuous employment (or their personal representatives) from receiving their long service leave entitlements in the event that the worker leaves their continuous employment or dies prior to 1 July 2013.