



A•S•U

Australian Services Union
Victorian Authorities and Services Branch

6 May 2009

Our ref: BP:pb

Community Sector Investment Fund
Level 20, 50 Lonsdale Street
MELBOURNE VIC 3000

Dear CSIF

Email: csif@dhs.vic.gov.au

re Community Services Sector Long Service Leave Reference Group – Request For Submissions

I write to you in reply to your request for submissions in response to the release of the Consultation Discussion Paper on Portable Long Service Leave for the Community Services Sector.

I apologise for the lateness of our submission. However, I would point out that this union is not only a long-time advocate of portable Long Service Leave for its membership, this sector, but also a member of the Reference Group and have participated in all CSIF, Departmental and Ministerial forums to facilitate its introduction.

As you are aware, this union has long advocated for the introduction of a portable Long Service Leave system for the community services sector. Not only is access to Long Service Leave a legal entitlement of workers in the sector, but we have long argued that the lack of a portable scheme is one of the reasons for the high turnover and attrition amongst sector workers. Workers leave the industry to go and work in more highly paid sectors. It is for these reasons that we have welcomed the Victorian Government's initiative in supporting the introduction of such a scheme.

Please find attached a short paper outlining this union's specific responses to the various proposals set out in the Consultation Discussion Paper (Attachment 1).

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I would stress that we have consistently communicated our position on this issue to the CSIF, including at the Reference Group meeting on the Consultation Discussion Paper in March 2009, as well as at Reference Group stakeholder consultations meetings in February 2009. In this respect, I believe that the Reference Group is well aware of the union's position.

However, this union has become increasingly concerned at the delay in realising the Victorian Government's commitment through the introduction of the proposed scheme. Despite consistent expressions of support from workers, many sector employers and Government or Departmental reviews, it has come to our attention that some parts of the sectors are seeking further delays. We strongly reject this position; community services worker having already waited too long for access to these basic entitlements and we urge the Victorian Government to establish the scheme by 2010. A copy of our recent correspondence to the Minister for Community Services is also attached (Attachment 2).

Please note I have also forwarded a copy of this correspondence to the Minister for Community Services and to the Chair of the Community Services Sector Long Services Leave Reference Group for their information.

I hope that this submission assists the work of the CSIF in implementing the Victorian Government's commitment. We look forward to the outcome of this extensive process.

Yours faithfully



BRIAN PARKINSON
BRANCH SECRETARY

cc The Hon Lisa Neville, Minister for Community Services
Telmo Languiller, MLA, Parliamentary Secretary for Human Services and Chair
Community Services Sector Portable Long Service Leave Reference Group

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ATTACHMENT 1

AUSTRALIAN SERVICES UNION

SUBMISSION IN RESPONSE

PORTABLE LONG SERVICE LEAVE FOR THE COMMUNITY SERVICES SECTOR – DISCUSSION PAPER

General Features

The Discussion Paper provides an overview of the proposed scheme and an outline of its key features, and seeks feedback to inform the design and implementation of the scheme.

In response, the ASU would reiterate its support for the following features of the proposed scheme:

- That it operates as a central fund to which all community services sector employers contribute;
- That it be compulsory, legislated, prospective and provide benefits consistent with the Long Service Leave Act 1992 as a minimum;
- We support the recommendations of Feasibility Study and Actuarial reports specifically rejecting a voluntary scheme;
- Support the scheme being self-funding and governed by a board including members of the Community services sector (including union representatives); and,
- Support the commitment to introduce the new scheme in 2010.

Scope of the Scheme

With respect to the scope of coverage of the proposed scheme the ASU strongly argues for a broad and inclusive scheme, encompassing the whole of the not for profit social and community services sector.

As the principal union representing workers in social and community services sector, the ASU seeks the inclusion of all areas of our membership within the social and community services division of the union. Workers in the community services sector – who are denied access to long service leave benefits – encompass a substantial and diverse mix of employment categories. They are engaged in activities such as community development work, community and social housing, disability services, psychiatric and mental health services, not-for-profit employment programs, community health centres, community legal centres, early intervention services, financial counselling, material aid, neighbourhood houses and SAAP workers (including welfare, youth and social work).

We specifically support the inclusion of social and community services workers (SACS) employed in stand alone community health centres and psychiatric disability rehabilitation and support services (PDRSS). All SACS employees in these services either have the SACS Award and associated less generous non government conditions

of employment, as the origin of their conditions of employment (if not actually still being on the SACS Award). For example, the ASU is a party to the Multi Business Agreement applicable to SACS employees in stand alone Community Health Centres, along with being a party to various single employer enterprise Agreements in PDRSS. Many other PDRSS' are still reliant on the SACS Award only. None of these workers could be considered as part of the public sector and do not receive public sector wages nor conditions. They face the same workforce issues as other parts of the not for profit community sector.

We also strongly support the inclusion of casual workers in the scheme as discussed and agreed at recent Reference Group meetings.

We argue strongly that all of these occupational groups are members of the community services workers and are entitled to access to portable long service leave under the proposed scheme. It is only with such a definition that the will be enabled to meet its objectives of encouraging staff retention and professional development, as well as critical mass to ensure that financial viability of the scheme.

We believe that this inclusive approach is not only consistent with the direction set out in the Feasibility Study and Actuarial Reports but more importantly is consistent with the thrust and intention of the Victorian Government's commitment to this sector and its workers.

Benefit Levels

The ASU understands the arguments proposed for the benefits levels set for the scheme on commencement.

However we strongly argue that the scheme should be flexible enough to be able to administer entitlements above the minimum. Any small administrative cost increases to the scheme in handling such benefits will be more than offset by the increased funds being paid into the scheme.

Governance

With respect to governance, the ASU has no preference for whether the scheme is established as a statutory authority or public company. However we are strongly of the view that given the fact that this body is responsible for workers entitlements, representatives of relevant unions covering these workers should be members of the board or authority.

This was specifically identified as a typical membership structure in the presentation to the Consultation Forum by Dee Dee Ra Actuaries (David Quinn-Watson).

Further, consistent with the governance of superannuation funds, the ASU strongly argues that such representation is equal, balancing sector employer and union representatives, with an agreed independent chair.

The ASU, as the principal union representing Victoria's community services workers, would expect to be represented on this board or authority.

Turnover and the Need for Improved Workforce Incentives

Recent Reference Group meetings have sought further statistics concerning turnover in the sector and the consequent need for the scheme.

The Discussion Paper correctly states that the proposed scheme will have the benefit of reducing staff turnover, improve retention, encourage professional development and assist in the retention of important staff skills and knowledge within the sector.

There are a number of factors which point to the urgent need for this scheme:

- An ASU member survey found that 56% of sector workers expect to stay in their job for 5 years or less, with 19% expecting to leave their jobs (and the sector) in 1-2 years;
- 74% of managers surveyed nominated low wages as the main reason staff gave for leaving their service;
- Sector Turnover is well above the national average, with an ACOSS 2005 survey finding an annual turnover rate of 15.9%, which is 6% higher than that for all industry;
- The workforce is ageing (with a median age of 43 in 2006), requiring new incentives to attract young workers;
- Over 80% of sector workers are female, with over 50% part time, with instability and breaks in employment;
- Workers employed in the sector under the SACS Award are paid \$40 to \$650 per week less than their counterparts with the same or similar qualifications employed in public health or directly by government; and,
- The average wage in the community sector is over \$16,000 per year less than the average Australian wage.

These arguments are further set out in [Attachment 1](#).

Other Relevant ASU documents

For a more detailed discussion of this union's position, please refer to the ASU's *Victorian Budget Submission 2009-09* which sets out our support for the introduction of a portable long service leave scheme for community services sector workers ([Attachment 3](#)).



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Australian Services Union

Victorian Authorities and Services Branch

1 May 2009

Hon Lisa Neville
Minister for Mental Health, Community Services and Senior Victorians
Level 22, 50 Lonsdale Street
MELBOURNE VIC 3000

Dear Minister Neville,

**RE: COMMUNITY SERVICES PORTABLE LONG SERVICE LEAVE
SCHEME DELAYS**

We write to you in your capacity as Minister responsible for implementing the Victorian Government's portable long service leave scheme for the community services sector.

As you are aware, in April 2008 the Victorian Government committed to supporting the introduction of a portable long service leave scheme for the community services sector. This was the result of a number of major government reviews, including the *Stronger Community Organisations Project (SCOP)* and the resulting *Victorian Government's Action Plan – Strengthening Community Organisations*. The established timeline for implementation of the scheme has been set by government as July 2010.

One of the major reasons for this initiative by government was as a response to the sectors failures in recruiting and retaining staff, and to encourage professional development through staff movements between organisations, without the personal disadvantage associated with loss of long service leave entitlement accruals.

The Australian Services Union has been seeking long service leave portability for this sector for over eight years. It is for this reason that we welcomed the Victorian Government's commitment and looked forward to assisting in its implementation.

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Brian Parkinson

Branch Executive President
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Along with the over 40,000 community services sector workers, we consider the realisation of this commitment as vital to the future sustainability of the community services workforce.

It is for these reasons that we have supported and participated in a range of government and departmental processes to both develop and give effect to the government's commitment. The announcement of the government's long service leave initiative in 2008 has been preceded by many studies, projects and reference groups, under the auspices of the CSIF or DHS. Employer and peak involvement and consultation on this issue has been extensive to say the least.

It is therefore with dismay that we write to you with our concerns regarding a possible delay in implementing this initiative. Despite assurances of support from employers in this sector, and its peak bodies, when it was announced, it has come to our attention that some sector employers are now seeking to delay the introduction of the scheme or even to abandon the initiative.

We urge you to reject any such requests for delay or abandonment on a number of grounds.

Firstly, any claims by employers that the scheme is un-funded are spurious and outrageous. There has been much work completed on the business impact or funding for this scheme. Funded agencies have acknowledged that provision for employee entitlements (including long service leave) are made in Funding and Service Agreements reached with the Victorian government. Agencies have acknowledged that this funding is invested and utilised for other employer purposes when not required for long service leave. The government's scheme is merely ensuring that these funds already provided by government are dedicated to these worker entitlements.

Further we hardly need remind you that, in welcoming the government's initiative, our campaign for long service leave portability is no more than securing workers earned entitlements consistent with the Victorian Long Service Leave Act and for which sector employers are funded.

We would also remind you that despite these rumoured employer objections, over 70 sector employers have given formal commitments to the ASU in support of portable long service leave.

We are sure you are aware of the increasing importance of a sustainable community services sector in the current economic climate. The global financial crisis, with its increasing impacts of unemployment and social stress, is placing an increasing burden on Victoria's social and community services. The importance of the continuing provision of this vital social safety net can hardly be overstated.

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We are concerned that any delay will send the wrong message to this sector's workforce as to the government's commitment and industry's support for this long anticipated scheme for fairness and equity in the workplace.

As a consequence, we urge the Victorian Government to reject any requests for delays to the introduction of this important scheme. We reiterate that we are keen to participate in any Ministerial or departmental forums, along with industry, that will progress this initiative to implementation.

We seek an urgent meeting with you to discuss this matter further, with the aim of progressing to implementation this vital Victorian Government community services initiative. Please contact Assistant Secretary Lisa Darmanin 0407 308 503 for further information.

Yours Sincerely



Brian Parkinson
BRANCH SECRETARY



Russell Atwood
BRANCH EXECUTIVE PRESIDENT

Cc: Hon Peter Batchelor, Hon Telmo Languiller

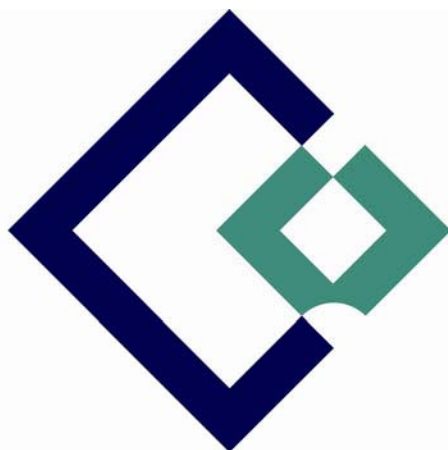
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A•S•U

State Budget Submission

2008 - 2009

Australian Services Union, Victorian Authorities and Services Branch

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The Australian Services Union (ASU) is the largest union representing workers in the social and community services sector, which employs thousands of Victorian workers. ASU members make up a substantial and diverse mix in the community sector, engaged in activities such as community development work, community and social housing, disability services, employment programs, psychiatric disability support, community health centres, community legal centres, early intervention services, financial counselling, material aid, neighbourhood houses and SAAP, including welfare, youth and social work.

The Victorian Authorities and Services Branch welcome this opportunity to be part of direct community input to the annual budget process on key policy directions that affect our members. Our submission is focussed on one key matter – the funding of a Portable Long Service Leave Scheme in the community services sector, which we believe will address some of the on-going and systemic challenges facing the community sector and its workforce. We would like to point out however, that there are long term sustainability issues that confront community organisations, which require a broader solution than what this submission will cover. A long-term, comprehensive strategy around all aspects of the community sector workforce needs to be developed, in partnership with employers, unions, peak bodies and funding bodies, to address these issues. This goes beyond the scope of this submission. Instead, we have sought to keep this submission to one issue, in the hope that, as a relatively small item, if achieved, will have vast and long-lasting positive consequences, if it is funded by the Victorian Government.

Rationale for the establishment of a Portable Long Service Leave Scheme for the Social and Community Services Sector

Community services both fulfil the direct needs of individuals and create social cohesion in their communities. This dual role means that the community service workforce is the key tool to increase the health and well being of all Victorians. Central to a strong community sector is the development of a highly skilled, valued and satisfied workforce. Access to long service leave is a key element in promoting this.

The Community Sector Investment Fund, established in 2003, within the Department of Human Services, has undertaken work to investigate the feasibility of a portable long service leave scheme for the community services sector. The feasibility study

conducted in 2007 has identified several options to progress a scheme, and importantly, has identified no obvious 'deal breakers' to adopting the outlined options. An organization has indicated willingness to provide the administration and other necessary services to a scheme, however, there has not yet been a commitment to underwrite it. Considering this, we feel that now is the time to seek such a commitment from the Victorian Government. It is estimated that the cost to establish the scheme would be approximately \$1 million, which could be amortised over five years by adding 0.01-0.1 per cent of wages to the employer contributions to the scheme.

In April 2007, the ASU commissioned a national discussion paper on workforce issues affecting the sector. The paper, entitled "*Building Social Inclusion in Australia – priorities for the social and community services sector workforce*", covers all aspects of these matters in depth. A copy of this paper forms Appendix 1. What follows below are workforce issues which a portable long service scheme would contribute to addressing, drawn from the national discussion paper.

- The workforce is ageing. The Health and Community Services industry has a relatively older workforce, with a median age of 43 years in 2006, significantly higher than the median age for all industries of 39 years.¹ A portable long service leave scheme would be an attractive benefit which would significantly strengthen the attraction of a community sector career path to young graduates;
- The community sector is a feminised industry, with a high proportion of part time workers. Currently 86.6% of all workers in community service occupations are women and over half 51.6% are part time.² Requirements for innovative ways to recognise service to the industry, with broken periods of employment stretching over a career for this demographic of workers is particularly important. A portable long service leave scheme will address this systemic lack of access and indirect discrimination of long service leave for these women workers;
- The workforce is very mobile, moving from one community organisation to another, but remaining within the industry. ASU survey of Victorian SACS members indicated that 56% of workers expect to remain in their current job

¹ Department of Employment and Workplace Relations *Industry Employment Outlook, Health and Community Services* June 2007, Australian Government p.6.

² Australian Institute of Health and Welfare, *Australia's Welfare 2005*, p.382

for 5 years or less, with 19% expecting to change jobs on 1-2 years.³ Organisations get the benefit of workers building up skills and experience through longevity in the sector, but workers never access the quid pro quo benefit of long service leave because their length of service in each agency almost never attracts the length of service required to access long service leave. Furthermore, organisations constantly report problems in retention of staff⁴. The 2005 ACOSS Australian Community Sector Survey shows a staff turnover rate of 15.9%, which is up to 6% higher than the Australian all industry average.⁵ This issue is also heightened in regional areas.

- There is not capacity within current funding that community organisations receive to establish the scheme. As it stands currently, Government funding is not meeting all costs for community sector organisations, which has an impact on the workforce, as well as those the organisations provide service to. The 2007 ACOSS Australian Community Sector Survey⁶ shows that 79% of community sector organisation respondents in Victoria have increased their reliance on volunteers and unpaid work from staff over the last year.⁷ The 2005 survey goes as far as to suggest, “Part of the explanation for the high level of staff turnover in the industry may be the reliance on unpaid work by staff”. Further, most agencies do not start putting aside long service leave money for staff until they reach five years employment, and use these funds in program areas where budgets are already stretched.
- Low wages. In 2004 the national average weekly wage for a full time worker was \$916 per week (full time non-managerial employees). In each of the community services occupations, wages were lower than this average⁸. ASU member survey of Victorian SACS workers indicated currently that 40% of community service workers are under an enterprise agreement, 33% an award, 6% individual agreement and 4% AWAs⁹, however we already know this mix is changing significantly under the new federal industrial relations system, and the impact of WorkChoices will be felt in this sector for years to come, despite the recent ousting of the Howard Government. Even those

³ Australian Services Union, Victorian Authorities and Services Branch, *Members Survey 2007*, Unpublished Data p.4.

⁴ ACOSS Paper 145 *Australian Community Sector Survey*, February 2007 p.3

⁵ ACOSS Paper 138. *Australian Community Sector Survey*, 2005

⁶ .ibid

⁷ ACOSS Paper 145 *Australian Community Sector Survey*, February 2007 p.63.

⁸ Australian Institute of Health and Welfare, *Australia's Welfare 2005*, p.384

⁹ Australian Services Union, Victorian Authorities and Services Branch, *Members Survey 2007*, Unpublished Data p.1.

staff on enterprise agreements have minimal wage increases, due to constraints on funding levels. Providing an additional benefit such as portable long service leave in the industry will provide an additional benefit to an industry that is already stretched.

- There is workforce insecurity caused by Work Choices and the increased regulation around industrial relations. Most community organisations have voluntary committees of management, often with limited knowledge of industrial relations law and limited resource capacity. The set up of a central scheme, which is able to be structured so that it is administratively simple for organisations to participate in the scheme, provide worker returns and pay required contributions would lessen the burden in the administration of long service leave.
- Occupational stress, due to the nature of the work and high demands that can not be realistically met by service providers based on the skills and capacity. This contributes to workers moving jobs within the sector also. This factor which contributes to workers moving jobs frequently should not affect their ability to access long service leave. It is arguably more valuable to workers in stressful jobs, to have three months paid leave, to rest and recharge one's batteries and ironic that the nature of the sector means they almost never do.
- Community services represent a significant item of government spending, yet strategies to address workforce capacity and skills shortages are relatively new or non-existent in most states, including Victoria. A portable long service leave scheme would go some way to addressing this gap.

Constants of the community services workforce such as feelings of commitment to and rewards from service provision, the feminisation of the workforce, ageing of the workforce and diversity of the workforce are likely to remain the same in coming years. Organisations will also remain highly dependent on government funding.

Thus, the ASU recommends that the Victorian Government funds a portable long service leave scheme. Portability of Long Service Leave would be of great benefit to the community services industry and go some way to addressing the significant workforce issues raised above and certainly reduce costs for services of recruitment and turnover and reduce service shortfalls due to worker shortages in the long term.