

PUNCH Breaking views**Long service leave might be old fashioned, but we need it more than ever**

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LONG Service Leave is a great Australian innovation. We started it, we evolved it, but lately, we've been losing it.

That's a huge shame, because with our alarmingly time poor modern lives, we need it now more than ever. It's high time we looked at reviving it for the 21st century.

Long Service Leave started in the 19th century as an entitlement referred to as a furlough. It was given to civil servants, which enabled those who had served for a long period of time to travel 'home' to Britain, confident that they could return to their previous job in Australia.

Of course, the furlough had lost relevance by the 20th century. Yet Australians decided to retain Long Service Leave as an opportunity for hard working citizens to have a break, refresh themselves, ensure the rest of their lives were on track and then re-enter the workforce renewed.

By the 1960s it was legislated as a basic entitlement in State and Territory Parliaments. While exact details vary from State to State, the general entitlement a worker receives is two months leave after ten continuous years of service with the same employer.

But these days, the vast majority of us are missing out on Long Service Leave, because Australian workers are more frequently switching jobs.

Today, only one in four Australian workers stay with the same employer for ten years. This is the result of the dynamic, flexible economy that emerged following the big economic reforms of the 1980s. It's made us much richer, but much poorer in time.

Now, more than ever before, Australians are struggling to balance their work with their family and other life commitments. We work some of the longest hours in the world and stay in the workforce for longer than we have previously.

So it's no surprise that recent surveys show well over half of Australian workers would rather have an extra two weeks annual leave than take the equivalent annual pay rise.

So how can we revive the idea of Long Service Leave for the modern economy? By making it portable.

Just as your superannuation account follows you from job to job, so should your long service leave.

Of course, it wouldn't really be Long Service Leave anymore - because the long service wouldn't be to a single employer. We could think of it more as Accrued Employment Leave.

There are many different ways to create a system of Accrued Employment Leave. Employees could have a basic account, invested in low risk areas and linked to their wages, which simply followed them around from job to job. Or you could link a scheme up with existing super funds and achieve economies of scale that way.

Two months leave spread over ten years is not a huge amount of money, it should be well within our abilities to come up with a compromise solution that suits both employers and employees.

Of course a free market hardliner might make the argument that we shouldn't have a national scheme, because if people want to take long service leave they could simply save up themselves and arrange it individually.

This argument misses the point on two levels. Firstly, if Accrued Employment Leave is not recognised by society as a whole, it might well prove impossible to negotiate a couple of months off with your boss on an individual basis. Secondly, while it might be technically possible to save up two months' leave over the course of ten years, we know that's not how people work in the real world.

Before compulsory super, it was possible for people to put aside 12 per cent of their income every payday for retirement, but most did not. That's why we have super today and we can see the results of that in vastly improved retirement lifestyles.

Accrued Employment Leave could achieve something similar - a special couple of months off every ten years to actually soak up parts of existence that tend to be neglected during our busy working lives.

It would improve labour productivity through more refreshed workers. But even more importantly it would help create better lives, a better economy and better communities. People would have precious time to spend with their families, or volunteer in their neighbourhoods, or improve their homes.

Long Service Leave has been an unintentional victim of the new economy. But we need it more than ever and should make the effort to revive it.

Peter Bentley is chief executive of the **McKell Institute** (<http://mckellinstitute.org.au>).

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