

ECCV Submission
to the inquiry into Portability of long service leave entitlements
to the Victorian Parliament's Economic, Education, Jobs and Skills Committee

August 2015

The Ethnic Communities' Council of Victoria Inc. (ECCV) is the voice of multicultural Victoria. As the peak body for ethnic and multicultural organisations in Victoria, we are proud to have been the key advocate for culturally diverse communities in the state since 1974. During this time, we have been the link between multicultural communities, government and the wider community.

The ECCV is a member driven organization that advocates and lobbies all levels of government on behalf of multicultural communities in areas such as human rights, access and equity, service improvement, addressing racism and discrimination, community harmony, employment, education and training, health and community services, disability, child protection, law and justice, and arts and culture. We advocate on the issues that are of most concern to our members.

The ECCV is very pleased to have been invited to contribute to the inquiry into Portable of long service leave entitlements. The ECCV considers the introduction of a portable long service leave (PLSL) a positive step and looks forward to working with the government to ensure its successful implementation in Victoria.

Portable long service leave for community and aged care sectors

The State of Victoria has the most culturally diverse population in Australia, with nearly a quarter of its population born overseas, speak a language other than English at home and follow more than 135 faiths¹. Additionally, Victoria hosts the highest number of older people from non-English speaking countries (27.3 percent)². As a result, the ECCV believes that many members from culturally diverse communities may be drawn to the community sector due to the high demand for bilingual and bicultural workers as well the strong desire to contribute to the successful settlement of their respective communities in Victoria. Having the portable long service leave (PLSL) scheme available to these potential workers would possibly enhance the reputation of this sector usually characterized by high levels of precariousness.

Some of the dominant features of the community services sector that warrant the introduction of PLSL schemes are the high proportion of part time and contract positions as well as casualization of the workforce. For this reason, the sector experiences high staff turnover, making practically impossible for workers to accumulate LSL benefits. The ECCV understands that insecure funding arrangements and over reliance of the sector on governmental funding affect its capacity to attract

¹ Office of Multicultural Affairs and Citizenship (OMAC), *Victoria's Diversity Population: 2011 Census local*, 2013.

² Federation of Ethnic Communities' Council of Australia (FECCA), *Review of Australian Research on Older People from Culturally and Linguistically Diverse Backgrounds*, 2015.

and retain the required workforce that responds to the demographic changes of the Victorian community when delivering services and programs. The ECCV has been at the forefront in advocating diverse and culturally responsive workforce in the community sector and sees the introduction of PLSL for community workers as a step in the right direction. Therefore, it recommends that the Victorian government follows the ACT by introducing PLSL in the community services sector to enhance attraction and retention of bilingual and bicultural workers.

Recommendation 1

That portable long service leave benefits are made available to workers in the community services and aged care sector.

Funding, governance, compliance and enforcement arrangements

The ECCV is aware of the fact that the Victorian government considered introducing a PLSL scheme for community workers in 2009 but decided not to implement it because of strong opposition from employers. The main argument for rejecting the proposal was the costs and administrative burden associated with the scheme on employers³. The ECCV recognises the challenges faced by the community sector to remain financially sustainable while responding to the changing and increasing complex needs of Victorians. Nevertheless, the ECCV holds the view that the scheme could work provided it is supported by the government and the community sector in Victoria. The PLSL scheme for community workers introduced by the ACT in 2010 has proven to be a successful and cost-effective solution and very much put to rest some of the main concerns raised when the Victorian government tried to introduce it. In order to address employers' concerns, however, the ECCV suggests that the Victorian government injects funds into the body that would administrate the scheme in initial years of its operation. This would give employers time to adjust to the changes and the administrative body to build up sufficient assets to pay LSL.

Furthermore, the ECCV acknowledges the challenges created by the implementation of such a scheme and particularly the fact that many organisations in the community sector may initially find difficult to come to terms with the financial costs of providing benefits for employers. A significant number of these community organisations are small with limited resources and often lack the expertise to handle workplace relations legislation and staff entitlements. Ethno-centred organisations are over-represented in this category and the ECCV recommends that the implementation of the PLSL should be as smooth as possible and does not impact on their already scarce resources.

Lastly, the successful implementation of the scheme relies on how aware of and familiar with the scheme community organisations are in order to meet their obligations vis-à-vis their employees. The ECCV proposes that a great deal of effort be made by the Victorian government to ensure that they fully understand their obligations under a PLSL Agreement, if need be, are assisted in resourcing their organisations to fulfil their accounting responsibilities. The ECCV also recommends that

³ Mckell Institute, Macquarie University & Centre for Workforce Futures, *The case for national portable long service leave in Australia*, 2013.

information sessions and workshops be conducted for staff to help them understand the scheme and increase awareness of their rights, especially those working in community organisations serving non-English speaking clientele.

Recommendation 2

That the Victorian government supports the scheme by injecting funds into the body administering PLSL in initial years of its operation to respond to employers' concerns regarding costs and administrative requirements.

Recommendation 3

That the implementation of the scheme should not impact on the resources of the community organisations.

Recommendation 4

That awareness raising campaign be implemented to assist employers understand the scheme in order to meet their obligations under the PLSL agreement. That safeguarding measures are in place to ensure their compliance obligations.

Recommendation 5

That information and workshop sessions targeting staff be conducted to increase awareness about their rights including their ability to monitor their LSL records.

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