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# Inquiry into Portability of Long Service Leave Entitlements

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**UNITED VOICE VICTORIA -  
CLEANING & SECURITY - SUBMISSION**  
*Economic, Education, Jobs and Skills Committee*



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# Introduction

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United Voice is a union of workers across Australia organising to win better jobs, stronger communities, a fairer society and a sustainable future. We represent people working in a diverse range of industries including cleaning, security, early childhood education and care, hospitality, and manufacturing.

United Voice Victoria has thousands of members who work in the contract cleaning and security services industries in locations all across the state including at corporate offices, airports, state government buildings, manufacturing sites and more.

Cleaners and security officers are dedicated and hardworking, and the community relies on them to ensure our people, places and assets are kept safe.

However, these industries are part of a contracting system that means workers are faced with losing entitlements, and potentially also losing their jobs, every three to four years, as a result of contract changes at their work site, and the growth of insecure forms of employment.

It is this contracting cycle that means cleaners and security officers who have worked in their industry for their whole working lives are often unable to ever receive an entitlement to long service leave.

This inquiry represents a crucial opportunity for the Andrews Labor Government to follow the lead set by other Australian state governments and implement a portable long service leave scheme for Victorians working in the contract cleaning and security industries.

“

*I have never been able to take more than two weeks away from work with my family. We need to have the time we spend working on the same site or in this same industry accumulate across to our long service leave.”*

**KEN CATON**

*Security Officer with 14 years' service in the security industry*

# Executive Summary

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Long service leave is a workplace entitlement designed to benefit workers and employers alike. Workers benefit from having paid time away from their employment to improve health, work-life balance and their ability to productively contribute to work when they return. Business benefits from improved retention of experienced workers, higher productivity and improvements to employee health and safety.

Labour mobility rates among Victorian workers are high. Only about 25 percent of Victorian workers will stay with one employer for more than 10 years. Labour mobility is highest in industries characterised by high rates of contract and casual labour, such as the security services and contract cleaning industries.

A recent survey showed that, while security officers will spend an average of more than 10 years working in their industry, only about a quarter will get access to long service leave. Cleaners will have even longer careers – averaging more than 20 years' service in their industry. However less than 40 percent of cleaners will have access to long service leave.

Security officers and cleaners are being deprived of long service leave benefits despite having careers in their industry well in excess of the long service leave qualifying period. This is because of the contract model that exists in those industries. This contract model means cleaners and security officers average between four and seven employers across their careers, and will generally change employers about once every four and a half years.

A number of Australian jurisdictions have addressed these problems by introducing portable long service leave schemes. Portable long service leave schemes in industries like construction and community services exist in most Australian jurisdictions. Portable long service leave schemes for cleaners exist in Queensland, NSW and the ACT. The ACT scheme also covers security officers.

The portable long service leave schemes operating in other Australian states and territories have common features. They all:

- require mandatory registration and participation of all industry employers
- require employers to pay a long service leave levy which is quantified as a percentage of the ordinary hourly rate for each employee applicable to all working hours
- require employers to have administration and management by a central body that includes equal representation from employer and employee groups

A portable long service leave scheme for the Victorian security services and contract cleaning industries (the property services industry) is necessary to:

- restore an entitlement intended to apply to all Victorian workers, to groups of workers who are missing out
- address particular disadvantages which arise when low paid workers are deprived of this entitlement
- address the resultant impact on health and families
- meet the standard set by other states
- deliver benefits to business

The ACT scheme, which added security services to its coverage in 2013, has proven to be a very successful model with benefits for workers and business alike.

The ACT scheme is an appropriate model to adopt for the urgent and immediate introduction of a portable long service leave scheme for the Victorian cleaning and security services industries.

# Recommendations

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1.

*Property services portable long service leave scheme*

That the Victorian Government commits to the introduction of a property services portable long service leave scheme for the contract security and contract cleaning industries.

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2.

*Employer scheme*

That the Victorian Government implement an employer scheme that provides portability of long service leave entitlements for workers as they move between jobs in the same or similar industries.

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3.

*Adopting from the ACT scheme*

That the new property services portable long service leave scheme be established to reflect the existing construction, cleaning and security portability scheme operating in the ACT which provides for:

- A legislated scheme
  - Compulsory participation of industry employers
  - Compulsory levy payments to a centralised fund
  - Administration by a legislated authority of representatives from both worker and employer groups that reports to government
- 

4.

*Conditions*

That the new property services portable long service leave scheme provides for long service leave entitlements no worse than those currently provided to workers.

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# Case Study 1

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**KEN CATON**  
*Security Officer*



I have worked in the security industry for 14 years. In that time, contract changes meant that I have had to move from one company to another more than nine times. So far, I have never been able to take long service leave.

Each time contracts change, companies don't pay the guards out our long service leave. Some companies even rob us of other entitlements like superannuation when the contract is terminated.

It is a dangerous job where we work with people who are violent or affected by drugs. I have been assaulted six times working in security. I have seen horrible things like suicides, stabbings, gunshot wounds and more. I have pretty thick skin but for a lot of guards this takes a big toll.

We work rotating night, afternoon and day shifts that change all the time. It affects your health - you don't sleep and you don't eat right.

I have never been able to take more than two weeks away from work with my family. I think they would like me to be home more often. Most guards see a big effect of not having long service leave on their families.

We need to have the time we spend working on the same site or in this same industry accumulate across to our long service leave.

“

*It is a dangerous job where we work with people who are violent or affected by drugs... I have pretty thick skin but for a lot of guards this takes a big toll.”*

# Long service leave and Victorian workers

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## THE VICTORIAN LONG SERVICE LEAVE SCHEME

The Victorian long service leave scheme is designed to recognise that people working for extended periods require paid time away from their employment to improve their health, their work-life balance, and their ability to productively contribute to work when they return. There are also corresponding benefits to Victorian business, including assisting in the retention of experienced workers, a productivity benefit, and improvements in employee health and safety<sup>1</sup>.

The entitlement is contained within the Long Service Leave Act 1992. Under this legislation, Victorian workers are entitled to:

- 8.67 weeks leave after 10 years 'continuous service' with one employer
- 4.33 weeks leave after each additional five years continuous service with one employer
- After at least seven years continuous service with one employer, upon termination of employment, to be paid their accrued long service leave entitlement

'Continuous service with one employer' means ongoing employment with 'one employer' but is not broken by absences from work due to parental leave or leave due to illness, injury, annual leave or long service leave itself<sup>2</sup>. Termination of employment will break continuous service unless the worker is re-employed before three months have elapsed. Workers who cease working for an employer before reaching 'qualifying service' lose their accrued long service leave entitlement, even where they stay working in the same industry for a different employer.

## VICTORIAN WORKERS MISSING OUT

While the scheme purports to confer an entitlement on the entire Victorian workforce, many Victorian workers miss out on this crucial benefit.

The current long service leave mechanism envisages an employment environment in which workers remain in a secure job with a single employer for an extended period of their working lives. But the growth in insecure forms of employment means that many workers fall well short of sustained employment with one employer for the requisite period of time.

Recent studies suggest that mobility rates in the Victorian workforce is high, with about 1-in-5 workers employed by their current employer for less than one year. Less than half of Victorian workers will work for a single employer for more than five years, and only about 25 percent for more than 10 years<sup>3</sup>.

Labour mobility means employees are much less likely to reach the level of qualifying service with one employer necessary to accrue a long service leave entitlement. Workers from industries such as community and personal services have even higher mobility rates.

The highest mobility rates among Australian workers are in those industries which are characterised by high rates of contract and casual labour<sup>4</sup>. For industries such as these, a number of Australian jurisdictions have moved to address this problem by creating schemes which allow for long service accrual to be made portable between employers within an industry. Portable long service leave schemes for cleaners exist in Queensland, ACT and NSW, and the ACT scheme also applies to contract security officers.

Contract cleaners and security officers working in Victoria will usually miss out on the long service leave benefit, even where they work in their industry for an extended period of time. Because of the contracting cycle that exists in these industries (described further below), many United Voice members work continuously in these industries for decades on end without ever qualifying for long service leave.

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<sup>1</sup> McKell Institute, "The Case for a National Portable Long Service Leave Scheme," Macquarie University, June 2013, p. 12-13

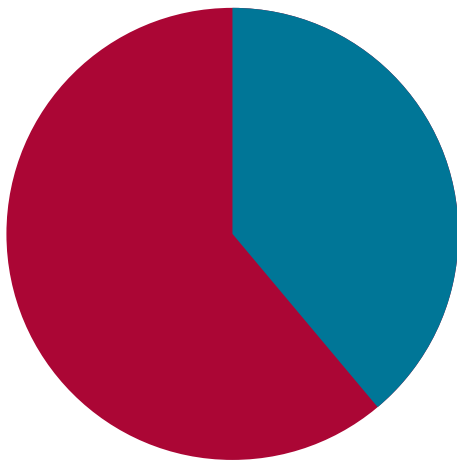
<sup>2</sup> A worker will be considered to have been employed by 'one employer' even where the business they work for is sold, transferred or assigned to a new owner, or where an employee begins working for a related employer.

A recent survey conducted by United Voice in the contract cleaning and security industries showed that:

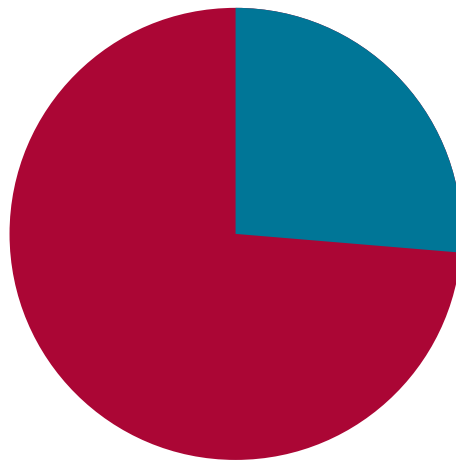
- The average length of continuous service in the security industry among a sample of nearly 350 security officers was 11.4 years. Of those with more than seven years' service in the industry, only 26 percent had ever qualified for long service leave
- The average length of continuous service in the cleaning industry among a sample of over 100 cleaners was over 20 years. Of those with more than seven years in the industry, only 39 percent had ever qualified for long service leave

### **EMPLOYEES WORKING IN CLEANING AND SECURITY IN VICTORIA WITH SEVEN YEARS INDUSTRY SERVICE OR MORE**

**CLEANING**



**SECURITY**



● Qualified for LSL      ● Miss out on LSL

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<sup>1</sup> McKell Institute, "The Case for a National Portable Long Service Leave Scheme," Macquire University, June 2013, p. 12-13

<sup>2</sup> A worker will be considered to have been employed by "one employer" even where the business they work for is sold, transferred or assigned to a new owner, or where an employee begins working for a related employer.



# The insecure nature of contract cleaning and security work

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## INSECURE AND INCONSISTENT JOBS

Despite growing rates of employment and the consistent improved profitability of many security and cleaning businesses, cleaners and security officers experience extremely poor job and earning security.

Both industries operate on a similar contract model, where:

- End-users of security and cleaning services, such as governments, large commercial operators (such as financial institutions or facilities managers), manufacturing and industrial, aviation, maritime, tourism and hospitality industries, encourage competition by advertising their need for the service by a tender, and inviting providers to bid for the right to supply the service at a competitive price.
- In both cleaning and security, the major operating cost is labour, which accounts for more than 80 percent of the cost of supplying the service.
- End-users attempt to ensure best practice and value for money by re-tendering every three to four years. Often this results in a change of cleaning or security provider.
- Providers can improve their chances of winning or retaining work and increasing profit margin by reducing operating costs. The major operating cost being labour, providers compete for work by attempting to reduce their labour costs as much as possible.
- When a provider is replaced, the employment of the workers engaged by that provider ceases as a matter of law, unless those workers are re-deployed to another site managed by their employer. In both the cleaning and security industries, it is common practice that employees will apply for work with the 'incoming contractor', and are often (but not always) successful. Through this cycle, workers in these industries can often continue working at the premises of a particular end-user for many years but will continually change employers every three or four years.

A common misnomer is that the contract cycle results in a 'transmission of business', and that accrued entitlements for workers taking up employment with the incoming service provider are transferable. This is not the case:

- Under federal workplace law a transmission (or transfer) of business only occurs where there is a 'connection' between two employers, such as a transfer of assets or the outsourcing of labour from one employer to another, or where the two employers are an associated entity. In a contracting situation, there is generally no connection at all between an outgoing cleaning or security provider, and the incoming provider<sup>5</sup>. In any event, federal workplace law deals with transferability of instruments (such as an enterprise agreement), not portability or transferability of entitlements such as leave accrual.
- Similarly, under Victorian long service leave legislation, a worker will only be deemed to have been employed by 'one employer' for the purposes of long service leave where they are employed in connection with any assets used in the carrying on of a business of his or her employer, where those assets are transferred to another employer who continues the employment of the worker. In other words, as with federal workplace law, Victorian legislation requires a connection between two employers in the form of an asset transfer. However there is generally no connection at all between an outgoing cleaning or security firm and the incoming provider<sup>6</sup>.

This competitive contracting environment means cleaners and security guards are extremely vulnerable to losing their employment, or losing their entitlements, every three to four years, when contracts for security or cleaning services are re-tendered and might change.

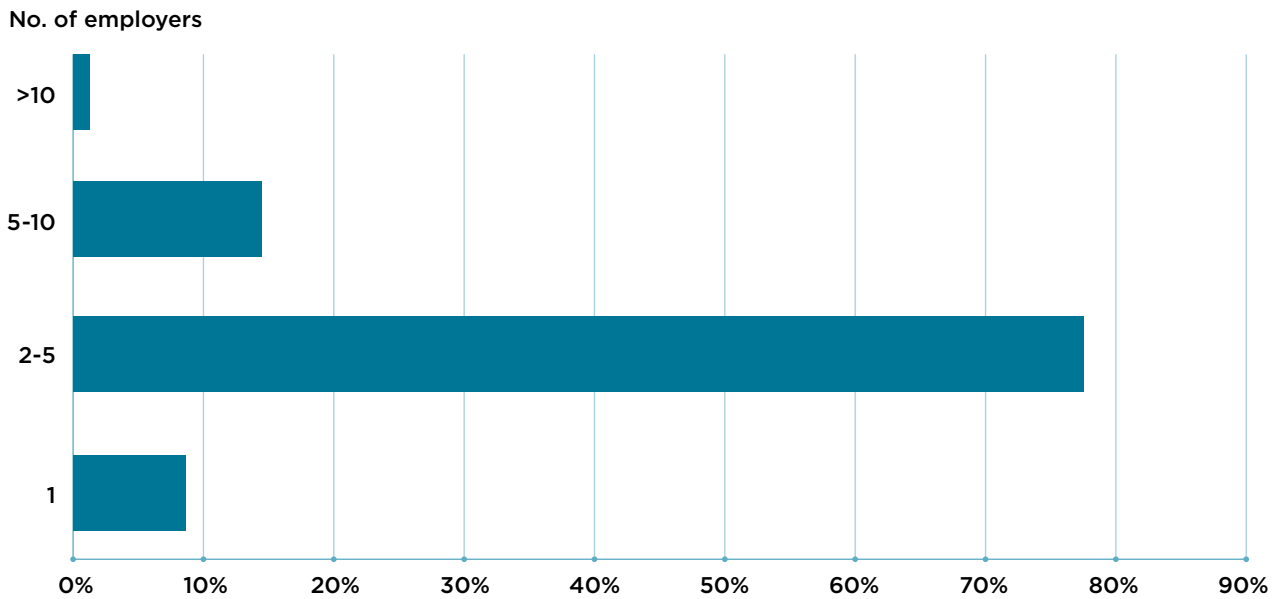
The recent United Voice survey shows that while for cleaners and security officers the average length of service in the industry is more than ten years, workers will average between four and seven employers during their career. In other words, for cleaners and security officers, their employer changes about once every four and a half years.

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<sup>5</sup> Section 311, Fair Work Act 2009 (Cwth)

<sup>6</sup> Section 60, Long Service Leave Act 1992 (Vic)

## CLEANING AND SECURITY INDUSTRIES - MULTIPLE EMPLOYERS



“

*4th contract change, 4th employer. Every time the contract changes the employers never say anything about long service leave. I really need a long service holiday, I've worked for 16 years at one place.”*

**ABDULLA ADAM**

*Cleaner from a major Melbourne shopping centre*

## EVERY THREE TO FOUR YEARS



**Cleaning and security contracts are tendered out**

**Often, a different company will win the contract with a cheap deal that slashes wages**



**Cleaners and security staff risk losing their jobs**

No matter how many years they've worked in the same place, when the contractor changes, they lose their accrued leave

**Every 3-4 years, cleaners and security staff can lose everything they've worked for**

# Cleaning and security portable long service leave schemes across Australia

## PORTABLE SCHEMES ACROSS AUSTRALIA

Portable long service leave schemes currently operate across all Australian states and territories. All states have schemes operating in the building and construction industries. A number of jurisdictions also operate portability schemes for other industries that have been recognised as having particular and specific needs for portability of this entitlement.

The ACT, New South Wales and Queensland each operate portability schemes for cleaning and/or security workers which are governed by legislation. These schemes, although differing in areas such as leave entitlements and regulating legislation, share four common and central requirements:

- Each scheme provides for a legislated portable long service leave entitlement
- Each scheme requires mandatory registration and participation of all industry employers
- Each scheme requires employers to pay a long service leave levy which is quantified as a percentage of the ordinary hourly rate for each employee, applicable to all working hours
- Each scheme is administered and managed by a central body that includes equal representation from employer and employee groups

In Victoria, an entitlement to portable long service leave in the contract cleaning industry operated under the Building Services (Victoria) Award 2003, an award made under federal workplace law. When federal awards were 'modernised' in 2010 to, among other things, remove state-based differentials in working conditions, the federal award system became an inappropriate vehicle to continue to deliver this entitlement. Under transitional provisions which still apply under federal law, some Victorian cleaners still have portable long service leave entitlements and some cleaning employers have corresponding portable long service leave liability. But the inability of the new federal award system to support this scheme on a universal basis is another reason why there is an urgent need to reinstate this important entitlement for Victorian property services workers.

## SECURITY AND CLEANING PORTABILITY IN THE ACT

The ACT currently operates portability schemes for the contract cleaning, security, building and construction, and community services industries.

The portability scheme is legislated by the Long Service Leave (Portable Scheme) Act 2009 (ACT).

The Long Service Leave Board is the authority for the scheme and is created and regulated by the relevant legislation. The board is responsible for all functions of the scheme including its administration, payments under the scheme, and maintenance of the employer and worker registers.

This employer's mandatory levy is determined by the appropriate Minister after consultation with the administering authority. The current levy quantum applicable as of April 2015 is 1.6 percent of ordinary employee wages.



## ACT LEAVE - A PORTABLE LONG SERVICE LEAVE SUCCESS STORY

“When moving between employers for whatever reason, workers know that through the scheme they can retain continuity of their entitlement. They can plan their future knowing that they will not be disadvantaged, as would have been the case if their long service leave was not portable.

The scheme also helps industry retain workers. Workers are more likely to stay in the same industry, ensuring their skills and expertise are retained, when they know their entitlements are also retained. Employers need only to complete returns, which are now fully automated, once a quarter. They do not have to separately make provisions for long service leave

commitments. This is done by the Authority, and the scheme actually reduces red tape for those employers.

The scheme recognises the fluidity of the modern-day Australian workforce. It recognises that workers very often do not stay in the same job for their whole working life, but nonetheless remain committed to their professions, their careers and their industry. It supports workers who are willing to commit to the same industry and the benefits that longer term commitment brings to that industry as well. It also enables flexibility and mobility for workers to develop their careers within the same industry, benefiting both workers and their employers.”

“

*They can plan their future knowing that they will not be disadvantaged, as would have been the case if their long service leave was not portable.”*

**MICK GENTLEMAN MLA**

*Minister for Workplace Safety and Industrial Relations  
ACT Government*

## CLEANING PORTABILITY IN NEW SOUTH WALES

New South Wales currently operates portability schemes for the contract cleaning industry and the building and construction industry.

The cleaning function of this scheme is legislated by a collection of Acts and Regulations as follows:

- Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010 No 122
- Contract Cleaning Industry (Portable Long Service Leave Scheme) Regulation 2011
- Contract Cleaning Industry (Portable Long Service Leave Scheme) (Levy Determinations) Order 2011
- The NSW Long Service Leave Act 1955

Unlike the ACT model, the New South Wales system has established a Long Service Leave Corporation that is responsible for the management of the scheme. The Corporation is governed by distinct legislation, the Long Service Corporation Act 2010, which prescribes how the Corporation is managed and administered. In the case of cleaning, the Corporation has established a Contract Cleaning Industry Long Service Leave Fund. This fund is administered by the Contract Cleaning Industry Long Service Leave Committee which includes equal representation of employer organisations and employee organisations.

The current level rate prescribed by the scheme is set at 1.7 percent of ordinary earnings.



## CLEANING PORTABILITY IN QUEENSLAND

The Queensland system (“Qleave”) provides for portability in the contract cleaning industry and for building and construction industry and is legislated by the following Acts and Regulations:

- Contract Cleaning Industry (Portable Long Service Leave) Act 2005, and
- Contract Cleaning Industry (Portable Long Service Leave) Regulation 2005.

For cleaning, this scheme is administered by the Contract Cleaning Industry (Portable Long Service Leave) Authority. The current levy rate is prescribed as 1.3 percent of ordinary earnings.

## Case Study 2

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### **NADA ANEVSKA**

*Cleaner*



I have worked as a cleaner for over 18 years and I have never been able to get long service leave.

In that time, contract changes and site changes have meant I have worked for over four different companies.

When contracts change, you never know whether the new contract is going to take you on or not. It is really stressful.

When you change contractors, your long service leave gets lost. It doesn't get paid out, it just gets lost. We don't get anything.

Cleaning is never safe enough and we are always overloaded with work. I have two permanent injuries from working as a cleaner that mean I am in pain 24/7. In the long run people without long service leave see their injuries get worse and worse. You are constantly working and you never have a chance to have a rest or recover.

I have a family and my husband also works in cleaning. Because of different shifts, we never get to see each other. I don't just need time off for myself, it would also mean that I would get to spend time with my family.

Having portable long service leave would mean having a holiday with my family, a long needed holiday. I would be so excited to have long service leave, and it is not just me, all cleaners would be the same.

“

*I have a family and my husband also works in cleaning. Because of different shifts, we never get to see each other.”*

# The need for cleaning and security portability in Victoria

## RESTORING THE ENTITLEMENT TO THOSE WHO ARE MISSING OUT

The dynamics of the cleaning and security industries means this group of workers is being deprived of an entitlement intended to be afforded to all Victorians. This entitlement is grounded in policy advantages for both workers and business alike.

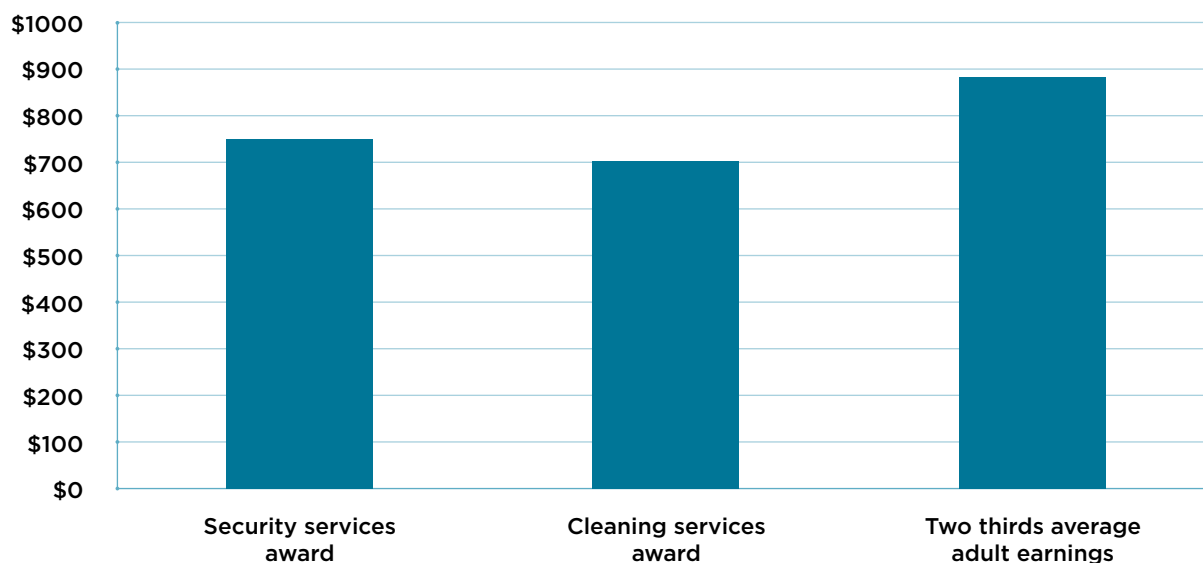
Labour mobility rates suggest that cleaners and security officers are among the most likely workers in Victoria to miss out on this important entitlement. That is why other jurisdictions have moved to restore this entitlement in industries like cleaning and security, by the introduction of legislative portable long service leave schemes.

## LOW INCOME AND INSECURE WORKERS

Lost long service leave is worst felt by low-income earners<sup>7</sup>.

On any measure, workers in the contract cleaning and security industries are 'low paid'. Currently, a full time cleaner earns as little as \$701.60 per week<sup>8</sup>. A full time security officer could earn as little as \$738.10 per week<sup>9</sup>.

## CLEANING AND SECURITY WAGES AGAINST LOW PAID MEASURE<sup>10</sup>



These rates of pay mean that most security officers and cleaners are unable to meet essential needs for themselves and their families such as health care and

education. Without entitlements like long service leave these workers are placed under a heightened financial burden, impacting their physical and mental health.

<sup>7</sup> McKell, p 31

<sup>8</sup> Cleaning Services Award 2010 [MA000022]

<sup>9</sup> Security Services Industry Award 2010 [MA000016]



## THE IMPACT ON HEALTH AND FAMILIES

Work in both the cleaning and security industries can take a considerable toll on the physical and mental health of workers. Both industries have extremely high rates of shift work, and require physical exertion throughout shifts as long as 12 hours.

The health effects of shift work are widely acknowledged. Shift workers are 60 percent more likely to experience an occupational accident than day workers. Shift workers are also known to experience serious illness as a result of their work that includes sleeping disorders, metabolic syndrome, cardiovascular diseases and mood disorders<sup>11</sup>.

The physical impact of cleaning and security work is demonstrated by the high rates of WorkCover insurance premiums in both industries. The 2015-2016 insurance industry rate for cleaning is higher than that of police officers. The security rate for the same period also outstrips that of employees engaged at psychiatric hospitals<sup>12</sup>.

Cleaners and security officers require the relief of long service leave to address both the physical toll and work-life balance toll of their jobs. Without a portability scheme however, these workers will predominantly be unable to access this entitlement, and will continue to suffer the dangerous effects of their work on their health and on their families.

## MEETING THE CLEANING AND SECURITY STANDARD SET ACROSS OTHER STATES

The need for portable long service leave in particular industries has been recognised by all states and territories across Australia, including Victoria. Queensland, New South Wales and the ACT have all recognised that contract cleaning is an industry particularly affected by loss of long service leave, and as such have established portability funds for this industry. Further, the ACT has also recognised that the contract security industry suffers the same insecurity and loss of entitlements as cleaners. To address these issues, the ACT has established portability for both industries.

It is vital that the Victorian Government meet the standard set by other states and recognise that, without portability, those employed in the cleaning and security industries will be further marginalised by the loss of their long service leave entitlements.

## BENEFITS FOR BUSINESS

Employers from states and territories where portable long service leave schemes apply identify a range of benefits that result from those arrangements. The recent McKell study into portability of long service leave schemes identified a range of employer benefits from such schemes including<sup>13</sup>:

- Retention of workers and a reduction in high levels of workforce transition and mobility (especially beneficial in high turnover industries like contract security and cleaning)
- Productivity and work environment
- Employee attraction and reputational advantages for best-practice employers
- Reduction in non-compliance problems (especially beneficial in industries with high levels of non-compliance)
- Reduction in problems of 'free-riding'
- Administrative benefits
- Cost certainty
- Tax benefits

In the Victorian contract cleaning and security industries the incidence of inappropriate and exploitative labour practices and poor industrial compliance is well-documented<sup>14</sup>. The continual need to attempt to rationalise operating costs, flowing from the highly competitive nature of these industries, drives some employers towards inappropriate practices. The diverse nature of the workforce in these industries adds to the propensity for non-compliance and the risk of exploitation.

For example, if a contract cleaning company can avoid paying long service leave entitlements through non-compliance, the resultant reduction in operating costs results in a competitive advantage over a competitor that strictly adheres to its legal obligations.

Jurisdictions which have adopted portable long service leave schemes have removed these competitive temptations and have ensured a level playing field in relation to this particular industrial entitlement.

<sup>10</sup> The Fair Work Commission's Annual Wage Review 2015 used the figure of \$880 per week as the measure of "low paid", based on two thirds of the median adult ordinary time earnings: Annual Wage Review 2014 - 2015, [2015] FWCFB 3500 at [320]

<sup>11</sup> Rajaratnam, S. M. W., Howard, M. E., and Grunstein, R. R., "Sleep loss and circadian disruption in shift work: health burden and management," *The Medical Journal of Australia*, 2013; 199 (8): p. 11-15

<sup>12</sup> WorkSafe Victoria, Victorian WorkCover Insurance Industry Rates and Industry Claims Cost Rates 2015/16, [http://www.worksafe.vic.gov.au/\\_\\_data/assets/pdf\\_file/0006/165534/Rates-2015-16.pdf](http://www.worksafe.vic.gov.au/__data/assets/pdf_file/0006/165534/Rates-2015-16.pdf), 2015, (accessed 17 July 2015)

<sup>13</sup> McKell, p.12

<sup>14</sup> Workplace Ombudsman, National Cleaning Industry Follow Up Campaign 2012 - 2013 - Report - February 2015

# A property services portable long service leave scheme for Victoria

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## A PROPERTY SERVICES LEAVE MODEL FOR CLEANING AND SECURITY

The way is clear for the Victorian government to establish portability of long service leave for both the cleaning and security industries.

Contract security and contract cleaning are property services that share significant similarities in operational systems, employment systems, and contracting systems. As such, the Victorian market currently sees a significant portion of businesses that provide dual cleaning and security services.

A single portability fund should be established to provide for both the security and cleaning industries. This dual industry scheme, the 'property services scheme', would allow for significant savings in administrative costs and efficiencies in maintaining employer and employee registries. Additionally, the two industries provide a large pool of participating companies. The resulting higher contribution sum will allow for lower, more controlled levies and will ensure the fund is more able to self-fund.

We submit, as outlined in detail below, that this property services portable long service leave scheme should be established to replicate the successful ACT portability scheme currently operating for the cleaning industry.

## THE ADOPTION OF THE ACT MODEL

The ACT's portable long service leave scheme, "ACT Leave," has proven to be an extremely successful model, with benefits for both workers and employers. The scheme was established in the early eighties, and has expanded to encompass the cleaning industry in 2000, the community sector in 2010 and the security services industry in 2013. The Authority's 2013-2014 Annual Report shows strong financial performance and also reports favourable acceptance by stakeholders to the expansion of the scheme into the security industry.

The ACT model is an appropriate model to adopt in Victoria. The Victorian scheme should reflect the key features of this successful model, including:

- A legislated scheme
- Compulsory registration and participation of all contract cleaning and contract security employers
- Employer payments of a compulsory levy into a centralised fund
- Administration of the scheme by a legislated authority of representatives from both worker and employer groups that reports to government

That the new property services scheme must also provide for long service leave entitlements no worse than those prescribed by current long service leave entitlements.

# Conclusion

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The contract cleaning and security industries are built on low-income workers that endure the physical and mental impacts of shift work and physical labour. Time away from work is a necessity for these workers personal and family health.

The current long service leave system is failing these workers. It is out of date with current employment realities as it penalises workers who, despite being dedicated to their industries, face insecure and contract dependant employment.

With well over half of cleaners and security officers indicating that they have never been able to access long service leave, despite having significantly more qualifying service within their industry than would be necessary to accrue the entitlement, it is clear that the Victorian Government must address this issue with urgency.

It is on this basis that we submit the following recommendations:

- 1. That the Victorian Government commits to the introduction of a property services portable long service leave scheme for the contract security and contract cleaning industries**
- 2. That the Victorian Government facilitate an employer scheme that provides portability of long service leave entitlements for workers as they move between jobs in the same or similar industries**

- 3. That the new property services portable long service leave be established to reflect the existing construction, cleaning and security portability scheme operating in the ACT which provides for:**

- **A legislated scheme**
- **Compulsory participation of industry employers**
- **Compulsory levy payments to a centralised fund**
- **Administration by a legislated authority of representatives from both worker and employer groups that reports to government**

- 4. That the new property services portable long service leave scheme provides for long service leave entitlements no worse than those currently provided to workers**

The introduction of this scheme will address the crisis in these sectors and ensure that workers are receiving the necessary paid time away from long term employment that is intended by our Australian long service leave system. This, in turn, will ensure a healthy workforce, a more stable industry and a more productive and prosperous Victoria.

