



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

---

STANDING COMMITTEE ON ECONOMY AND GENDER AND ECONOMIC EQUALITY  
Ms Leanne Castley MLA (Chair), Ms Suzanne Orr MLA, Mr Johnathan  
Davis MLA

## **Submission Cover sheet**

**Inquiry into Long Service Leave (portable  
Schemes) Amendment Bill 2022**

Submission number: 05

Date authorized for publication: 20 January 2023



The Committee Secretary  
Standing Committee on Economy and Gender and Economic Equality  
GPO Box 1020  
Canberra ACT 2601

By email: [LACommitteeEGEE@parliament.act.gov.au](mailto:LACommitteeEGEE@parliament.act.gov.au)

RE: OBJECTION TO PORTABILITY OF LONG SERVICE LEAVE FOR THE HAIRDRESSING INDUSTRY

We are writing to express our objection to the proposal for the Portability of Long Service Leave (PLSL) for the Hairdressing Industry.

The Fair work Ombudsman's definition of Long Service Leave is;

*An employee gets long service leave after a long period of working for **the same employer**.*

It is loyalty to the employer NOT the industry.

Unlike industries such as builders and cleaners, where continuous employment cannot be secured with the one employer, the hairdressing industry is suited to the spirit of the Long Service Leave (LSL).

An employer will most likely retain an employee when there is a reward for loyalty to the business.

The ACT Government needs to support local business, not increase costs and administration for employers by drawing them into a PLSL scheme.

Our Salon has been operating since 1965. In the 58 years of running the business, the last two and a half years have been the most challenging.

We are not an isolated case experiencing challenging and difficult times. Many owners have been driven to close their salons due to the burdensome nature of running a small business, with cash-flow impact, with ever rising costs, compliance added administrative costs reducing the profitability of running a business. Together with the difficulty in attracting and retaining staff despite paying well above the Award rates.

Statistics show the Hairdressing industry is suffering, with 70% operating as sole traders, and the remaining 30% running small salons with turnover under \$300,000, leaving few operators willing to run salons and invest in training future stylists.

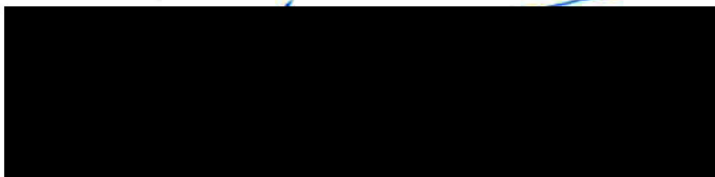
Professional Salon businesses cannot be allowed to continue to decline, they are to be supported, incentivised or Salon businesses will continue to decline to close resulting in more sole traders with many hairdressers working from home. A high percentage due to their low turnover will not pay GST for which the community will be worse off. Professional Salon experience will be difficult to find, with fewer Salons and less apprentices being trained.

There should be proper analysis as to the cost of administering such a scheme. An employer shouldn't be made worse off.

There are many unknowns, for example, does the employer receive a refund should the employee leave the industry prior to the qualifying period?

The ACT Government needs to support the hairdressing industry during these difficult times, not increase costs and administration for employers by drawing them into a Portable Long Service Leave scheme.

The current Long Service Leave must be upheld and not tampered with for the Hairdressing Industry.



Emilio Cataldo  
Managing Director

18 January 2023

