*Estimates 2023 - QTON No. 36

LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2023-2024
Mr Mark Parton MLA (Chair), Ms Jo Clay MLA (Deputy Chair),
Mr Michael Pettersson MLA

ANSWER TO QUESTION TAKEN ON NOTICE
DURING PUBLIC HEARINGS

Asked by Mr Cocks MLA on 19 July 2023: Mr Michael Young took on notice the following question(s):

[Ref: Uncorrected Hansard Transcript 19/7/23 PAGE 110]

In relation to:

MR COCKS: Yes, thank you, and it does go to essentially the same issue, the big concern that we keep on hearing is from people and workers in the hospitality industry who feel that they are paying into a scheme they are never going to see a benefit from. I would like to know, did you do any modelling that you can provide on the number of hospitality workers in the ACT who will be paying into a scheme and never see the benefit coming out the other end.

Mr Young: I refer to my previous answer and happy to take on notice—

MR COCKS: Sorry, no, it did not, so your last answer went to intention and it went to using ABS, this is very specific, did you undertake any specific modelling for that group of people?

Mr Young: There is a very large proportion that do remain and it is the proportion that do continue, but the—sure.

MR COCKS: Sorry, my—we have got a very short time, I am interested to know, did you undertake any modelling?

Mr Gentleman: We might take Mr Cocks's question on notice and give you the detail.

Minister for Industrial Relations and Workplace Safety: The answer to the Member's question is as follows: –

Levy contributions that are determined under the *Long Service Leave (Portable Schemes) Act 2009* (Portable Schemes legislation) to meet the scheme costs are paid by employers in a covered industry, not by workers. Consequently, no hospitality workers would be required to pay a levy for benefits received or not received.

Levy contributions paid by covered employers to meet scheme costs, which will include employers covered by the expanded "services industry" scheme from early 2025, are periodically reviewed and determined based on actuarial advice that takes into account a range of factors including the exit rates of workers from the industry schemes.

Scheme costs are described in the Portable Schemes legislation and can be summarised as fixed costs, for example expenses of the Authority, and future liability funding to meet portable long service leave benefits.

If more than the expected number of workers leave a particular industry scheme without accessing payment, future scheme costs would be reduced with levies paid offsetting future scheme costs.

From early 2025, hospitality workers in the 'accommodation and food services' industry will, have the benefit of being able to access long service leave entitlements for length of service within their covered industry, rather than length of service with a single employer.

As part of the scheme expansion, workers in the hospitality industry will also be able to continue to record service and access portable long service leave entitlements if they return to their industry after taking up to four consecutive years break from the industry.

In consulting, designing and selecting the expansion of the portable long service leave scheme to the 'accommodation and food services' and 'hairdressing and beauty services' industries, consideration was given to:

- industry characteristics based on mobility data from the Australian Bureau of Statistics (ABS), and
- industries that are prone to insecure working arrangements.

Approved for circulation to the Select Committee on Estimates 2023-2024

Signature: MG   Date: 28/7/2023

By the Minister for Industrial Relations and Workplace Safety, Mick Gentleman MLA