



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: 08

Date authorized for publication: 20 January 2023

[REDACTED]

[REDACTED]

The Secretary
LACommitteeEGEE

Reference: [REDACTED]

Thank you for the opportunity to provide a late response to the above Bill. During our telecon you explained the process/timeframes and requirements for Legislative Committees.

I am responding to the Committees request for my daughter Emily Maguire, who is the owner of Rising Goddess Pty Ltd, Shop 2/4 Kупpa Ave, Malua Bay NSW 2536 and the owner of Serene Hair and Body Clinic, Fadden ACT. As a retired ACT salon owner of Serene, and a long term, and original, member of the Australian Hair Dressing Council I strongly support the AHC in their submission to the Committee, as does Emily.

At the outset, I wish to express my disappointment at the lack of understanding of the industry, requesting responses to a piece of detailed legislation from Small Business Owners over the Christmas/ New Year period. That is the busiest time of the year for these Small Businesses, and it also includes multiple public holidays and close down periods. Most Small Businesses do not have legal or industrial relations advice on call, and in any event most of those would also be closed for the period.

The Bill proposes detailed changes to a piece of complex legislation that most, if not all, Small Business owners would not have encountered, nor would they understand the legalese. As such, it should have been provided in a 'marked-up' form that would have, at the least, given some indication of the effect of the changes.

I do not know the procedure for Committees to determine who may be impacted by the proposed bill, however Serene Hair and Body Clinic has been a registered business in the ACT for in excess 25 years. To my knowledge there was no contact with Serene Hair and Body Clinic to comment on the Bill and I would suggest most other hairdressing and beauty businesses would similarly be unaware of the Committee, its Inquiry and deliberations. This is evidenced by the Committees own notes about the 'Consultation' process and the lack of responses from Small Business and the Industry.

Information provided by the Committee, in justification of the Bill, states:

“..The purpose of PLSL is to provide fair access to long service leave entitlements to workers in industries that are highly mobile and characterised by short-term/temporary contracts and insecure working arrangements. Access to PLSL allows these workers to

accrue long service leave entitlements on the basis of service completed in an industry – recognising that people may work for 10 or more years with multiple employers but have no access or opportunity to experience the benefits of long service leave, renew their energies and return to the workforce reinvigorated. ...”

There is no substantive evidence provided to justify this statement and as such it is of dubious value.

As a hairdressing business owner of over twenty years I do not believe the industry is ‘highly mobile’, nor is characterised by “short-term/temporary contracts and insecure working arrangements”. Most employees stay in the one business, but in many cases leave to start a family and many do not return to the industry. Even though my daughter would be an exception, but she moved on to business ownership. Such wording demonstrates a distinct lack of knowledge of the industry, as the industry requires specific trade qualifications and training to be employed, as distinct from other ‘non-skilled’ industries..

Long service by definition is an accrued benefit for those who remain with a business and hence the business and the employee benefit. Those that move on are generally do not pass on any benefit to the business, in fact, many of those tend to be quite the opposite

I agree that this legislation could result in a more ‘casuals’, or individuals encouraged to undertake ‘chair rental’. In my twenty plus years, casuals in the industry tend to be so for personal reasons, for the flexibility of working hours that it affords, particularly with family and the 25% loading for casuals

Finding the Bill was something of a task, even for myself who had over 30 years implementing, developing and interpreting legislation for both the Commonwealth and ACT Govts, but I did eventually.

Section 7(1) appears to define an employer as someone who:

- (1) A person is an employer, for a covered industry, if the person—
- (a) engages, in any way and to any extent, in the industry in the ACT; and
- (b) either—
- (i) employs someone else (whether in the ACT or elsewhere) to carry out work of the kind usually done in the industry; or

”

This would appear to be a “catch-all” that would compel my daughter, and any other business operating in the ACT and elsewhere, to pay Long Service Leave entitlements under this Act for employees in another jurisdiction.

Whilst not directly addressed, it appears that the authority established to administer the legislation is empowered to invest the funds collected to pay for the administration of the legislation, thus making a profit from employers contributions. This appears to be in conflict with other legislation, such as the Superannuation Guarantee Act that is administered by Industry Superannuation Funds. Any excess funds should be applied to the benefit of employees, or returned as a dividend and not retained by the Authority.

Peter Maguire
For Emily Maguire

