



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

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To the Standing Committee on Economy and Gender and Economic Equality,

I wish to provide a submission on the current proposed changes to long service leave (LSL) for the hairdressing industry in the ACT from the perspective of a small hairdressing business.

I have owned and operated my employing hairdressing salon in Dickson, ACT for 9 years. Like most salon owners, in that time the single biggest challenge I have faced has been attracting and keeping talented team members in my business or the hairdressing profession. Over these 9 years I have employed over 30 apprentices and over 20 senior hairdressers. Some are still working for me today in our current team of 12, most are not, and many are no longer in our industry.

We are already an industry which is battling an extreme employee's market. Employing hair salons contribute so much to the landscape of the ACT. They create jobs, train apprentices, activate commercial spaces, pay taxes and contribute to the community. Our main competition is solo, home hair salons who operate out of view of the ATO, do not employ others, do not train apprentices or give back to the future of our industry.

Out of the over 30 apprentices I have trained none of them have remained with my business long enough to access Long Service Leave pro rata. That means an employee who requires a huge amount of investment of my time and energy and is a three year commitment, does not stay long enough for me to gain the benefit of having trained them in a lifelong skill.

I appreciate that this move is being recommended to try to create retention within our industry however hairdressing is unique to other professions which attract a 'moving' long service leave. We are not the Government who are funded by taxes but rather an industry nearly entirely made up of small employers who are already feeling the pinch of rising costs and the growing employee's market.

We are not construction who have moving work sites or employers. Small businesses who employ and train hairdressers need the partnership of working with long term team members in *one* business continuously. This is required to sustain healthy businesses that train apprentices and have longevity. This move would completely undermine that relationship.

I have worked tirelessly to create a positive work experience, holding the philosophy that a happy team is the foundation of any great workplace. When I advertise for team members and interview, I always express that I am hoping to form long term employment relationships. We provide career progression and pathways, rosters which are outside our industry 'norm', extensive employment benefits and the highest pay my business can afford to offer.

To put things in your language, a talented senior hairdresser who has completed their apprenticeship, who could be as young as 19 years old can expect to begin their career on the equivalent of a ASO5 level wage. With commitment to their work easily work up to the equivalent of a ASO6 wage and even a SOGC. This is not something that is publicly broadcasted because the feeling within our profession is that no one wants to feel like their hairdresser is making good money, but the reality is the days of hairdressers being treated poorly are over.

Employers in our industry, including small businesses must be extremely generous and creative to receive even one applicant for a position.

Hairdressing has been on the Skills Needs List in every state and territory for over 20 years. In a town where you can get a job in Government with no qualifications that pays as much as what our skilled workers can hope for, we must work *hard* to keep our team. The Australian Hairdressing Council and its members work every day to make changes to the perception of our industry to attract and keep hairdressers in hairdressing jobs. However, the simple reality is, it is a huge challenge.

Every time I lose a senior hairdresser or have a change in team member the cost to my business is massive. This is why the incentive of Long Service Leave is something I have always been grateful to refer to as an incentive to stay in our workplace long term.

The spirit of Long Service Leave is that it is a reward for service in a workplace. When I began my career you had

to be working for 10 years in the same salon to achieve this, something I always dreamed of. Now, it can be accessed pro-rata at seven years. I believe this is a good way to meet in the middle for team members as this too is a significant milestone that deserves reward.

I work so hard to keep my team only to have other salons poach our team members, offering them something shiny and new, and we lose the person we just spent 3 years training so that we can add another senior to our team. This situation actually happened to me only last week, even when my offer was of a higher wage, they simply wanted a change. Someone doesn't like someone else in the workplace and instead of resolving the issue they simply jump ship because there are so many opportunities available.

Hairdressers decide they want to travel or move somewhere warmer because we have the luxury of a transportable skill. People decide that they want to exit our profession because there are so many other employment opportunities in Canberra that are 9 – 5 which require no qualifications. Or, the worst of all, hairdressers set up at home, completely changing the playing field for employing salons like mine and offering reduced price services which those of us paying huge ACT rents and training and employing hairdressers can never compete with.

You can see the reasons a hairdresser changes workplace are many and all are hugely costly to a small business like mine. Long Service Leave has *always* been available to all hairdressers as a reward for loyalty and it has not made any difference to them staying in our profession.

Our industry needs all the help it can get in attracting and keeping hairdressers, but this simply is not it. This is a disincentive to employ people who are nearing long service leave because no one can afford to put someone on only to have them then be absent from the salon for 12 weeks.

In the past 12 months we have seen the introduction of domestic violence leave and leave for casual employees with consistent hours even if they are remunerated at a higher hourly rate. With the recent passing of the IR bill I now need to consider whether I grow my business or remain small to avoid 'flexible work arrangements' that simply would not work within our profession (despite the fact that I already work with my mostly family aged, female team to suit their schedules and commitments – further flexibility would mean employing more team members to do the same job). These added stresses and costs among all other outgoings increasing over the past two years put immense pressure on small business.

If implemented this change to a moving LSL model would add immense pressure to already struggling businesses and employing salons. This change would be another nail in the coffin for hairdressing salons that are a small business in the ACT. With the impacts of the last two and a half years and the rising costs of employing team members, operating a business far surpassing what we can pass on in our prices.

Small businesses are hurting and frankly the incentive to continue to be one is becoming smaller and smaller as the cost of operating a business is growing at a pace we are unable to pass on to our customers sustainably and reasonably, particularly in the ACT where the cost to do business is higher than anywhere else in the country.

I urge you to broaden your industry consultation with employing hair salons in the ACT to develop a deeper understanding of what the implication of this would be and leave Long Service Leave entitlements as they are to assist incentivising businesses in being able to hope to keep a team member for seven + years and help keep small business viable.

Sincerely,

Emmalene Mahar
Managing Director

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