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NSW Fair Trading & Regulatory Services

Department of Customer Service

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Submission: Community Services Sector (Portable Long Service Leave) Bill 2024

NADA has reviewed the Public Consultation Draft: Community Services Sector (Portable Long Service Leave) Bill 2024. The comments provided in this submission have been prepared by NADA staff on behalf of its members. NADA has consulted with NCOSS in the development of this submission and we endorse and confirm the views expressed within the NCOSS submission.

The Network of Alcohol and other Drugs Agencies (NADA) is the peak organisation for the non government alcohol and other drugs sector in NSW. We represent almost 80 organisational members that provide services in over 100 locations across NSW and the ACT. They provide a broad range of services including health promotion and harm reduction, early intervention, treatment and continuing care programs.

NADA supports the introduction of a Portable Long Service Leave Scheme in NSW as an important reform to support greater sustainability of the community services sector and address critical workforce challenges.

NADA consultation indicates broad support for the intention of the Scheme and elements such as eligibility and worker entitlements which bring important benefits and incentives for an individual remaining within the community services sector. We are however apprehensive of the administrative and financial burden the Scheme would place on the employer, in particular for smaller organisations, which risks undermining the objective of the Scheme and adding increased pressure to sector that is already under significant strain.

NADA supports the key recommendations outlined by NCOSS:

1. **The NSW Government must increase sector funding to cover the additional cost of the Portable Long Service Leave Scheme levy.** If this is not done, NGOs will be forced to absorb the additional cost, when it is facing immense cost pressure driven by rising operational costs and a growing divide between funding levels and unmet demand for services. Without additional funding, NGOs will be forced to reduce service outputs and workforce FTE, cut workforce incentives that support retention, such as learning and development, or draw on their (usually very small) reserves. A member survey conducted by NCOSS shows the average annual amount of

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Long Service Leave paid out by respondents is 0.7%, indicating a substantial initial increase in cost for many organisations. Failure to cover the increased costs risks the sector's ability to sustainably provide high-quality community services, which undermines the very purpose of the Scheme.

2. **The administration burden on non government organisations should be reduced.** NADA recommends a redesign of the administrative requirements of the scheme. As noted in the Regulatory Impact Statement, flexible obligations should be considered, such as a tiered approach based on organisational size (e.g. smaller organisations only provide annual returns) and implemented through regulations. With funding to NGOs already failing to meet real costs of service delivery, we urge that consideration be given to the upfront costs incurred as NGOs prepare for the Scheme (e.g. new procedures, technology changes, staff training) and addressed in the transition period through support by the Long Service Corporation, including a small grants program to cover costs.
3. **The transition period must include investment in awareness raising, education and transition support.** Through consultation with the sector, it is clear that there are high levels of uncertainty regarding the day-to-day functioning of the Scheme. This increases the compliance risk faced by NGOs, and the risk of workers missing out on their entitlements. We note a proposed one-year transition period, which may be sufficient, provided the Long Service Corporation invest in a comprehensive awareness raising and education program for the sector. This will require targeted approaches for First Nations organisation as well as regional/rural/remote organisations and culturally and linguistically diverse organisations. A successful transition will also be contingent on redesign of administration requirements and provision of sector funding to cover the levy and costs for organisations to prepare for introduction of the Scheme.

NADA appreciates the opportunity to provide comment on the public consultation Draft Community Services Sector (Portable Long Service Leave) Bill 2024 and thanks the Department of Customer Service for extending the deadline for response, to enable consultation with members and the broader community sector. We welcome the opportunity to work collaboratively with government to ensure that the Scheme delivers positive impacts for the community services workforce.

Yours sincerely,



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