

# NSW Community Services Industry Scheme

A portable long service leave scheme for  
the community services sector

# Industry Engagement

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**Implementation of the new Community Services Industry (CSI)  
portable long service leave scheme**

**Long Service Corporation  
March 2025**



# Introduction to the CSI scheme



## Traditional long service leave

- An additional period of paid leave that workers may be entitled to after working for a company for a certain number of years.
- Many workers in the community services industry work for different employers and don't always have 10 years' service with one employer to qualify for long service leave.

## Portable long service leave

- The NSW Government is bringing in a new portable long service leave scheme for the community services industry from 1 July 2025.
- Portable long service leave enables workers to accrue long service benefits for all their paid work in a single industry, rather than with a single employer.
- Eligible workers can claim 6.1 weeks' long service leave after **seven years** of service to the industry with one or more employers.
- Foundation Workers registered in the first six months of the scheme's commencement receive a special bonus of 365 days of service credits.
- The new scheme will be supported via a levy paid quarterly by eligible employers and any self-employed contractors who opt-in to the scheme.

# Who is covered by the scheme?



## Community services are outlined in the Act, including 31 sectors\* as follows:

Aboriginal and Torres Strait Islander community services  
 Accommodation support services  
 Alcohol and other drug services  
 Child safety and support services  
 Community advocacy services, including education and other services provided by peak bodies  
 Community development services  
 Community care services  
 Community legal services  
 Community mental health support services  
 Community recreation services  
 Community transport services  
 Community welfare services  
 Disability supports and services  
 Employment services  
 Family and domestic violence services

Family support services  
 Financial counselling services  
 Foster care services  
 Homelessness support services  
 Lesbian, gay, bisexual, transgender and intersex services  
 Migrant and multicultural support services  
 Neighbourhood and local community services  
 Out-of-home care services  
 Respite care services  
 Settlement and refugee services  
 Sexual assault services  
 Social housing services  
 Social work  
 Women's health support services  
 Youth justice services  
 Youth support services

*\*This list may be subject to change*

# Eligibility



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## Eligible employers

Employers whose predominant purpose is the delivery of community services work. All workers within these organisations must be registered with the scheme.

## Eligible workers

Workers delivering community services work on a full-time, part-time or casual basis. All employers who employ community services workers must register them with the scheme.

## Self-employed contractors

Self-employed contractors performing community service work can opt-in to the scheme by registering themselves as workers. Their participation is not mandatory.

## Out of scope

- Federal, State or Local Government employees.
- Partners, where the employer is a business partnership.
- Directors, where the employer is a corporation.

# Employers Predominant Purpose



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Employers must determine  
***“Predominant Purpose”***  
through a self-evaluation process.

Employers will need to apply a  
**multi-factor** test:

- Giving greatest weight to **core activities** and **resource allocation**, and
  - Secondary factors such as the **organisation’s mission statement, constitution, strategic objectives, key performance indicators, etc.**

We are currently developing resources to support employers make the determination on their predominant purpose with confidence.

Descriptions of the 31 categories of community service work are currently out for industry feedback.

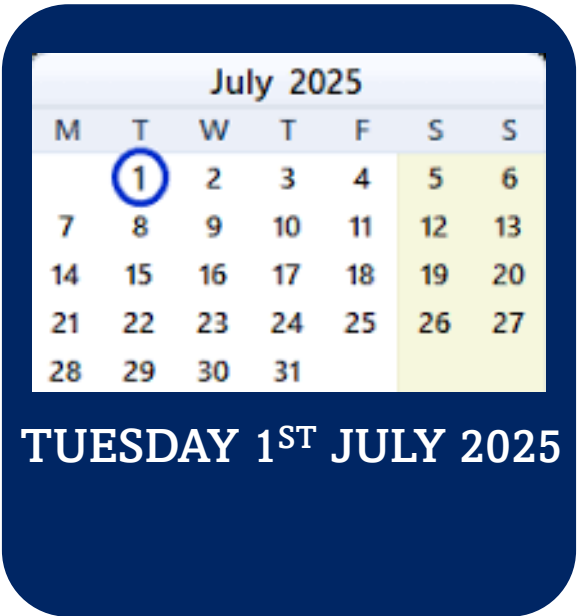
Our draft description of Alcohol and Other Drug services includes:  
***Programs focused on prevention, treatment, and recovery for individuals dealing with substance abuse, and support for affected families and communities.***

# Transitional Arrangements



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- Workers may already have long service leave entitlements, either under the *Long Service Leave Act 1955* or under the provisions of an Enterprise Agreement.
- Employers remain responsible for long service leave entitlements accrued before 1 July 2025.
- From **1 July 2025**, employers will contribute to the **long service leave fund** instead of retaining funds for future worker claims. The fund will cover long service leave entitlements from this date onwards.
- Workers with an existing entitlement under the *Long Service Leave Act 1955* or and Enterprise Agreement can still take their leave as usual.
- If a worker's entitlement includes both pre- and post-scheme service, the employer will pay their worker for their leave and seek reimbursement from the Corporation for the portion accrued from 1 July 2025 onwards.



# Breaks in Service or Leaving the Scheme



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## Breaks in service

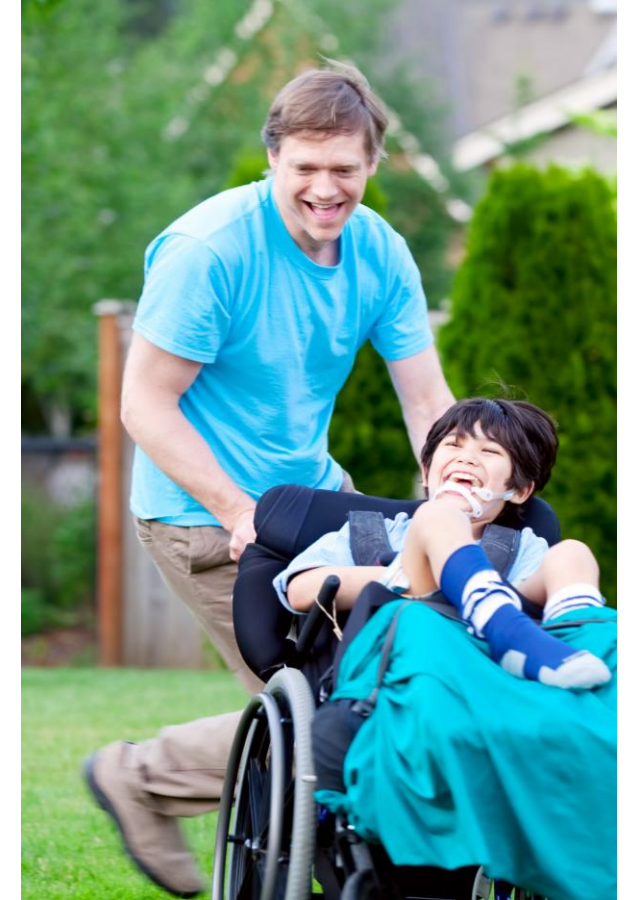
Workers can have a gap of up to **four years** in their service records without losing their entitlements held in the fund.

Prescribed non-service days may be added to a workers record to cover absences from work include community work, pregnancy, caregiving, illness or injury, and domestic or family violence. Serious issues affecting immediate family members are also included.

Employers will need to advise the Corporation if non-service days are to be added to a workers record.

## Leaving the industry

In certain circumstances, workers who have been with the scheme for **5 years** and decide to leave the industry permanently can request a pro-rata payment instead of taking their long service leave.





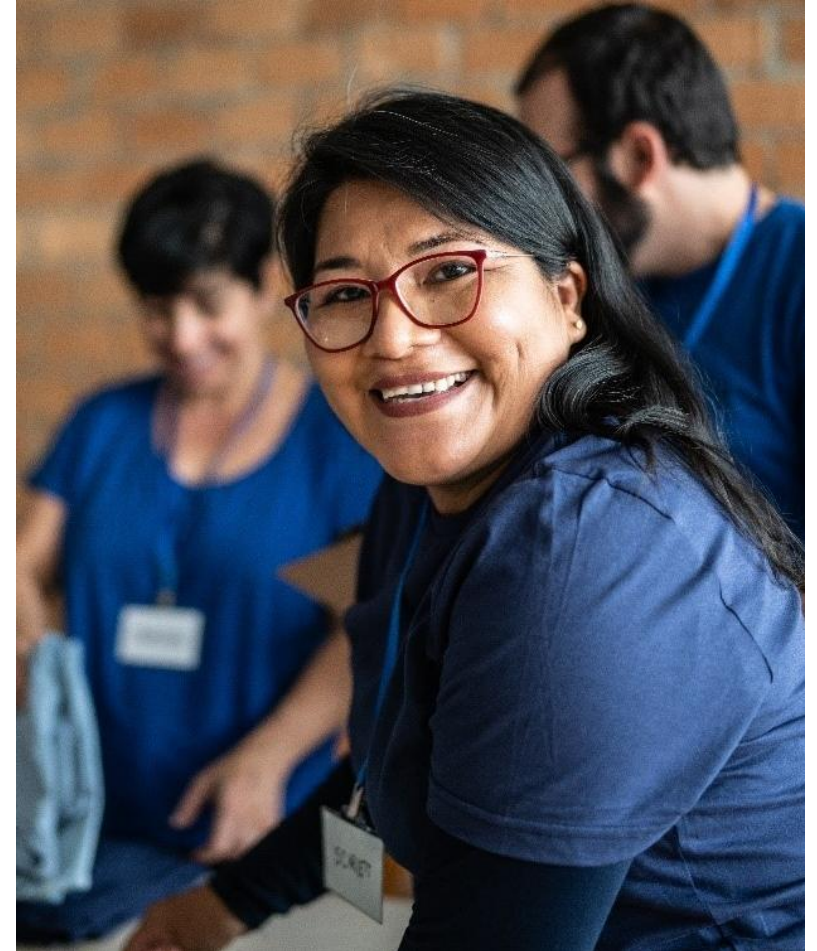
# Preparing for the new scheme



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From 1 July 2025, employers will need to:

- Have determined their predominant purpose and understand if they need to register all or only some of their workers.
- Complete an online employer registration.
- Track their eligible worker's service, keeping records of:
  - the worker's period of employment
  - the total gross ordinary wages paid to each eligible worker during the return period
  - the worker's D.O.B, email address and phone number.
- Budget for levy payments, expected to be 1.7% of their worker's gross ordinary wages per quarter.



# Next steps

## Online information:

Information will continue to be updated on the LSC website. If you would like to receive email updates, please complete our [online subscription form](#).

## Development of resources:

Category descriptions and guidelines on determining predominant purpose will be available soon.

A template for tracking worker service is also being developed.

## Industry education

LSC will provide detailed information on the registration and levies process prior to scheme commencement with options available for metropolitan, regional and online participation.

Resource	Location
For a detailed overview of the scheme and latest news	<u><a href="https://www.longservice.nsw.gov.au/community-services-industry">https://www.longservice.nsw.gov.au/community-services-industry</a></u>
Subscription to regular email newsletter scheme updates	<u><a href="https://www.longservice.nsw.gov.au/community-services-industry/subscribe">https://www.longservice.nsw.gov.au/community-services-industry/subscribe</a></u>
Contact the LSC	Email our team at <u><a href="mailto:communityservices@longservice.nsw.gov.au">communityservices@longservice.nsw.gov.au</a></u>  Or call 13 14 41

# Budgeting, accounting and paying the Portable Long Service Leave levy

## Changes to accommodate:

- Budget
- Accounting and Reporting
- Paying

## Budgeting – will this be different?

**Currently**, using historical trends and future projections to estimate how much LSL will cost the organisation.

**Going forward** the levy rate should be used to budget for LSL expense for those employees who are registered under the scheme.

# Accounting and Reporting – what are the differences?

**Currently**, LSL is calculated and accrued for using a formula that takes into account years of service, salary and on costs, assumptions around salary growth and inflation. It is reported as an expense on the P&L and a liability (Leave Provision) on the Balance Sheet

# Accounting and Reporting – what are the differences?

**Going forward**, LSL is calculated using the levy rate and other inputs for registered employees. It is recorded as an expense on the P&L and a payable (Accounts Payable) on the Balance Sheet.

## Paying – how will this be different?

**Currently**, LSL is paid to employees when they become eligible to take the leave or have it paid it out. It is accounted for and reported regularly but there is often a gap between this and actual payment.

**Going forward**, LSL is paid each quarter to Long Service Corporation.