

## Fact Sheet: Portable Long Service Leave for Community Services

### What is portable long service leave?

In June 2024, the NSW Parliament passed legislation that established a new portable long service scheme for the community services sector, commencing 1 July 2025. This means that workers can:

- access paid time off based on the number of years worked in the sector, eligible for long service leave after 7 years of service in the sector.
- accrue long service entitlements regardless of how many times they change employer in the sector.
- take time off between jobs, up to 4 years.

The scheme is designed as an incentive to attract and retain workers in the sector. The NSW Long Service Corporation (LSC) will administer the scheme.

### Who will be covered by the new scheme?

- The new scheme covers full-time, part-time, fixed-term and casual workers who work in eligible community services. Eligibility is determined through:
  - **Role** – a worker is eligible if they deliver a community service that is prescribed in the *Community Services Sector (Portable Long Service Leave) Bill 2024*, which can be amended through regulation (see Appendix 1 for list as at July 2024).
  - **Organisation** – all roles at an organisation are covered by the scheme, including ‘head office’ and administration roles such as maintenance, accounts payable and property management, if their employer has the predominant purpose of delivering a prescribed community service.
- Contractors who provide community services work can also opt in to the scheme.
- The scheme generally will not include standalone aged care, early childhood education and care, or health care services. However, there will be limited coverage – e.g., if an organisation’s predominant purpose is to deliver a prescribed community service, and that organisation also provides an early childhood education service, those workers in the early childhood education service will be covered by the scheme.
- Workers at any Commonwealth, state, or local government agency are not included in the scheme.

### What will workers be entitled to?

Long service entitlements will be calculated as per the *Long Service Leave Act 1955*, which provides for 8.667 weeks of leave after 10 years, but with a shorter vesting period. Eligible workers will:

- receive 6.1 weeks of paid leave after 7 years of employment (2,555 days of service).
- receive a 12-month gift of service if they register in the first 6 months after the scheme begins, which will further reduce the wait-time to access leave from 7 to 6 years. This gift is aimed to incentivise registration and recognise workers for their tenure, as there will be no recognition of service completed before the scheme begins.
- be entitled to a pro rata amount of leave (0.8667 weeks as per the Long Service Leave Act 1955) after each extra year (365 days) of service if they reach and pass the equivalent of 7 years’ service.

- need to be registered with the LSC and accrue one 'service credit' for each day employed, recorded in the register of workers. Number of days employed, not hours or days worked will be recognised for leave accrual. For contractors, it will be based on when they start and finish work.

### How will the scheme be funded?

- All covered employers, and any contractors who opt in, will pay a levy to the LSC.
- The initial levy rate is expected to be 1.7% of the ordinary wages of eligible workers. For contractors, the levy will apply to their own wages. Over time, the levy rate may reduce, but this will not be in the short term (the levy for a similar NSW scheme in the contract cleaning industry was initially 1.7%, but reduced to 1% of the ordinary wages of workers after 10 years).
- The levies will be pooled in a central fund managed by the LSC.
- Scheme design and other market factors like wage growth and rate of investment return impact the levy rate. The Minister will set and adjust, where needed, the levy rate through a Ministerial order published on the NSW Legislation website.

### What will employers need to do under the proposed bill?

- Employers need to apply to the LSC to register as an employer within one month of the scheme's commencement, or becoming eligible, and keep details up to date. Employers will:
  - bear primary responsibility for the application and any updates to a worker's registration (workers can also apply for their own registration as well).
  - need to apply to register a worker if the worker does not register within 3 months of becoming eligible, within 14 days of the end of the 3 months.
  - need to keep and retain records including information about each eligible worker's days of employment and wage. This information will need to be retained for at least 7 years after a worker's employment ends.
- Employers will need to make a periodic return (quarterly) to the LSC for each registered worker including the days employed and wages.
- Contractors who opt in must apply for their own registration and keep and report similar information as employers.

### How will the transition to the new scheme work?

The scheme will come into effect on 1 July 2025 to provide time to develop the regulations and for the sector to prepare for the implementation.

### What is NCOSS's position on the scheme?

NCOSS celebrates the establishment of the community service Portable Long Service Leave scheme. The introduction of the scheme is a huge win for the NSW community services sector because it acknowledges the value of the workers by providing access to long service leave, even if they change employers within the sector or take a break (up to 4 years) without losing the leave entitlement.

However, NCOSS has called on the NSW Government to cover the additional cost of the Levy, and to ensure that financial costs and administrative burden on social service organisations are minimal. NCOSS is continuing its advocacy on these issues.

### Appendix 1

- 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



## References

This factsheet was developed from information from the following sources:

Australian Services Union NSW/ACT Services (2024) Portable Long Service Leave for Community Workers in NSW [https://www.asu.org.au/ASU\\_NSW/Campaigns/PLSL.aspx](https://www.asu.org.au/ASU_NSW/Campaigns/PLSL.aspx)

Community Services Sector (Portable Long Service Leave) Bill 2024 (NSW)  
<https://www.parliament.nsw.gov.au/bil/files/18609/Passed%20by%20both%20Houses.pdf>

Community Services Sector (Portable Long Service Leave) Bill 2024, Legislation Review Digest No. 15/58 – 18 June 2024 (NSW)  
<https://www.parliament.nsw.gov.au/ladocs/digests/702/Legislation%20Review%20Digest%2015%20of%2058%20-%2018%20June%202024.pdf>

Department of Customer Service (2024) Portable long service leave for community services: Regulatory impact statement March 2024  
[https://hdp-au-prod-app-nsw-haveyoursay-files.s3.ap-southeast-2.amazonaws.com/8517/1150/3440/Portable\\_long\\_service\\_leave\\_for\\_community\\_services\\_regulatory\\_impact\\_statement.pdf](https://hdp-au-prod-app-nsw-haveyoursay-files.s3.ap-southeast-2.amazonaws.com/8517/1150/3440/Portable_long_service_leave_for_community_services_regulatory_impact_statement.pdf)