

I would like to make a submission to the Inquiry into the NES.

My submission is in regards to the ability of an individual to cash out long service leave entitlements. My research into the NES suggests that it is not possible to cash out long service leave if an employment agreement is subject to the NES.

I can understand that historically this may have been a safeguard that was necessary to protect employees from unscrupulous employers who may have sought to make a payment of long service leave to their workforce in order to remove the liability from their balance sheet. I believe that in the current environment, long service leave should remain as a minimum legal entitlement, however it should be legally possible to cash it out for these reasons:

- the ability to afford the cost of a holiday (which is historically the purpose of long service leave) is limited in this economic environment. Cashing out long service leave is a means of funding a portion of the cost of a holiday.
- people can use the funds for either essential purposes or some other purpose at their discretion.
- Younger employees entering the workforce rarely become eligible for long service leave as they typically change their employers before any several times within the time it takes to become eligible for long service leave. It is not viewed as something that they would ever receive.

Taking these points into consideration, I would suggest that any accrued and entitled long service leave should be eligible to be cashed out at the option of the employee with the employer not to unreasonably withhold consent. This would be subject to the condition that the employer would have to have a minimum turnover of \$250M. That way, small businesses would not be unduly disadvantaged by having to pay out large sums.

As an aside, the West Australian legislation that governs long service leave, allows the cashing out of long service leave entitlements.

Thank you for the opportunity to make a submission.