

Construction Industry Portable Paid Long Service Leave Act 1985

Working Directors

Master Electricians Australia (MEA) is the trade association representing electrical contractors recognised by industry, government and the community as the electrical industry's leading business partner, knowledge source and advocate. You can visit our website at www.masterelectricians.com.au

MEA appreciates the opportunity to respond to the *Construction Industry Portable Paid Long Service Leave Act 1985* (the Act) and commends the Western Australia's (WA) commitment towards improving it.

The consultation paper has proposed to remove working directors' eligibility to receive portable long service leave (PLSL) as their employment status is not deemed to be transient.

MEA contends working directors in the construction industry are in fact transient in nature and should remain covered by the Act for the following reasons –

- *Going Concern Risk* – Working directors face significant risk of business failure due to external factors such as regulatory changes, market fluctuations, global supply chain disruptions, and financial pressures. It would be unfair to protect employees while not extending the same protections to working directors, who also face unemployment risks consequent to a failed business.
- *Project Driven* – Construction directors often face intermittent and project-based employment, leading to gaps between projects and income instability. Additionally, during periods with no projects, working directors may be unable to contribute to their superannuation, further exacerbating their financial disadvantage.
- *Cyclical* – The construction industry experiences cycles of boom and bust. Owners often increase their involvement during peak times and decrease during downturns.
- *Multiple Ventures and Contracts* – Construction working directors frequently manage multiple projects and/or businesses. They might wind down one

business/project and start another.

- *Personal Priorities* – As business owners, directors have the flexibility to prioritise personal matters, allowing them to temporarily step away from their business when needed.

In light of the above list, MEA posits that construction working directors are inherently transient in nature and should therefore be covered by the Act. We support the proposal to allow construction working directors to opt-into the scheme, making the WA scheme consistent with other Australian jurisdictions.

MEA look forward to the outcome of this consultation and are available for further discussion on working directors being covered by the Act.

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16 August 2024