

**Australian Industry Group Submission to the
Fair Work Commission**

20 June 2014

**4 Yearly Review of Modern Awards– Annual Leave Common Issues
(AM2014/47)**



4 Yearly Review of Modern Awards – Annual Leave Common Issues (AM2014/47)

1. Introduction

1. The Australian Industry Group (Ai Group) makes this submission pursuant to the Amended Directions issued by the President of the Commission, Justice Ross, on 3 June 2014.
2. These submissions are in support of the proposed variations filed by Ai Group on 21 May 2014 and filed in identical terms by the Australian Chamber of Commerce and Industry. The variations are supported by a large number of employer groups as has been communicated to the Commission in correspondence on and since 21 May 2014 (referred to in this submission as the “Employer Parties”).
3. The variations sought to the specified awards deal with:
 - a. The right of an employer to direct an employee to take annual leave where the employee’s accrued leave is excessive;
 - b. The right of an employer to require employees to take annual leave during a close-down;
 - c. The granting of annual leave in advance by agreement between an employee and the employer, with the employer having the ability to deduct payment for any leave granted in advance from monies owed on termination
 - d. The cashing out of annual leave by agreement between an employee and the employer, subject to the protections in section 93 of the FW Act; and

- e. The right for an employer to pay annual leave as part of the employer's normal pay cycle, rather than in advance of the leave being taken.

2. Preliminary issues

4. The FWC is conducting a 4 Yearly Review of Awards pursuant to the section 156 of the *Fair Work Act 2009* (FW Act).
5. The nature and scope of the Review, along with the relevance of certain sections of the FW Act have been canvassed by the Full Bench in its Preliminary Jurisdictional Issues Decision.¹ The following key considerations are relevant:
 - The Four Yearly Review of Awards is broader than the Modern Awards Review 2012.
 - The discretion to make a determination varying modern awards is expressed in general terms.
 - The modern awards objective in section 134 of the FW Act is relevant to the Review, as are various other legislative provisions.
 - There may be *no one set* of provisions in a particular modern award which can be said to provide a fair and relevant minimum safety net of terms and conditions. Rather, there may be a number of permutations of a particular modern award, each of which may be said to achieve the modern awards objective.
 - Section 138 is relevant to the Review.

¹ 4 Yearly Review of Modern Awards: Preliminary Jurisdictional Issues (AM2014/1)

- The need for a ‘stable’ modern award system suggests that a party seeking to vary a modern award in the context of the Review must advance a merit argument in support of the proposed variation. The extent of such an argument will depend on the circumstances. Some proposed changes may be self-evident and can be determined with little formality. However, where a significant change is proposed it must be supported by a submission which addresses the relevant legislative provisions and be accompanied by probative evidence properly directed to demonstrating the facts supporting the proposed variation.
6. Ai Group contends there are cogent reasons for varying the relevant awards in the terms sought by the Employer Parties. These include furthering both the achievement of the modern awards objective and the broader objects of the FW Act.
7. Moreover, we assert that the inclusion of the proposed award terms in the respective awards is necessary for achievement of the modern awards objective.

Previous consideration of the annual leave provisions

8. The annual leave provisions in modern awards have been the subject of previous consideration by both the Australian Industrial Relations Commission (“AIRC”)² and FWC.³ Such decisions are potentially relevant to the conduct of the Review. In the *Preliminary Jurisdictional Issues* decision concerning the 4 Yearly Review the Full Bench stated:

“In conducting the Review the Commission will also have regard to the historical context applicable to each modern award and will take into account previous decisions relevant to any contested issue. The particular context in which those decisions were made will also need to be

² Including through the Part 10A Award Modernisation Process

³ Including through the Modern Awards Review 2012 and in particular through the *Annual Leave Case* ([2013] FWCFB 6266).

considered. Previous Full Bench decisions should generally be followed, in the absence of cogent reasons for not doing so. The Commission will proceed on the basis that prima facie the modern award being reviewed achieved the modern awards objective at the time that it was made.”

(Emphasis added)

9. However, in approaching the consideration of the proposed changes it is important to appreciate the context surrounding the development of the current modern award terms relating to annual leave.
10. Overwhelmingly, the current award provisions pertaining to annual leave are a product of the Part 10A Award Modernisation Process. Given the time constraints and the massive workload associated with the process for the Commission and the industrial parties, the process did not lend itself to a detailed or in depth assessment of the relevant industrial merits of all of the terms included in each modern award. Certainly the substance of many of the claims now pursued were not, at least in the context of most awards, the subject of serious contest.
11. Moreover, it must be acknowledged that the process and content of the modern awards was influenced by the content of the Award Modernisation Request, a consideration not relevant to the 4 Yearly Review.
12. The nature of the Award Modernisation Process has been accurately described by Vice President Watson in his Minority decision in the *Annual Leave Case*⁴ conducted as part of the Modern Awards Review 2012:

“[197] Award modernisation was a process conducted by the Australian Industrial Relations Commission (AIRC) under the terms of Part 10A of the WR Act. Pursuant to that part of the WR Act, the AIRC was required to perform its functions having regard to the factors in s.576B and in accordance with an award modernisation request made by the Minister under s.576C (the Ministerial Request). The s.576B factors included the desirability of reducing the number of awards operating in the workplace relations system. The original Ministerial Request was issued on 28 March 2008 and was varied on eight occasions during the process. The Ministerial Request contained additional objects of the process including that the

⁴ [2013] FWCFB 6266.

creation of modern awards was not intended to disadvantage employees or increase costs for employers. The request required the award modernisation process to be completed by 31 December 2009.

[198] As a result of the award modernisation process, approximately 1560 federal and state awards were reviewed over a period of about 18 months and replaced by 122 modern awards. A further 199 applications to vary modern awards were made during this period. It is clear from any review of the process that the objects of rationalising the number of awards and attempting to balance the seemingly inconsistent objects of not disadvantaging employees and not leading to increased costs for employers attracted the vast majority of attention from the parties and the AIRC. It was clearly not practical during the award modernisation process to conduct a comprehensive review of the industrial merit of the terms of the awards. Matters that were not put in issue by the parties were not subject to a merit determination in the conventional sense. Rather, terms were adopted from predecessor awards that minimised adverse changes to employees and employers. As the Full Bench explained on a number of occasions, the general approach was as follows:

“[3] In general terms we have considered the applications in line with our general approach in establishing the terms of modern awards. We have had particular regard to the terms of existing instruments. Where there is significant disparity in those terms and conditions we have attached weight to the critical mass of provisions and terms which are clearly supported by arbitrated decisions and industrial merit. We have considered the impact of the provisions based on the information provided by the parties as to current practices.”

[199] It is important to note the limited nature of the task undertaken by the award modernisation Full Bench. Of particular relevance to matters concerning annual leave before this Full Bench, the following statement was made in relation to annual leave in the December 2008 Full Bench decision:

“Annual leave

[95] As we noted in our statement of 12 September 2008, it has not been possible to develop a single model clause for annual leave. While some parties have sought greater uniformity in the area, there is a wide range of differing provisions in the awards and NAPSAs that we are dealing with. In many cases the provisions are more generous to employees than the provisions of the NES. Areas in which this can be observed are the quantum of holiday pay, leave loading and the definition of shift worker. In considering what should be included in the modern award on each of these matters we have attempted to identify or formulate a standard entitlement in the area covered by the modern award rather than preserving a range of differing entitlements. This involves a degree of rationalisation at the award level only and will not result in standard provisions across all awards.

[96] There are also some issues concerning the time of taking leave. The time of taking leave is referred to in para.33 of the consolidated request and s.36(1)(b) of the NES. Section 36(1)(b) reads:

“36 Modern awards may include certain kinds of provisions

(1) A modern award may include provisions of any of the following kinds:

.....

(b) provisions requiring an employee (or allowing for an employee to be required) to take paid annual leave in particular circumstances;

.....”

[97] The provisions in awards and NAPSAs governing annual close-downs vary significantly. It is preferable that we do not alter provisions which have been specifically developed for particular industries. We have adopted the approach of attempting to identify an industry standard in each case. This means there may be some variation in the close-down provisions.

[98] One issue that has arisen repeatedly, and is provided for in the NES, is the right of an employer to require that an employee take arrears of annual leave. We think that an employer should have the ability to reduce annual leave liability by compelling employees to take annual leave provided appropriate notice is given. While there may be different approaches to this question, in each of the awards there will be some provision which will give the employer the ability to take action to reduce arrears.

[99] A number of employer interests sought provisions for cashing out of annual leave by agreement. Such arrangements are apparently included in many Australian Workplace Agreements (AWAs) and workplace agreements. Should cashing out of annual leave become widespread it would undermine the purpose of annual leave and give rise to questions about the amount of annual leave to be prescribed. We think some caution is appropriate when dealing with this issue at the safety net level. We do not intend to adopt a model provision. Consistent with our approach to annual leave provisions generally we shall be influenced mainly by prevailing industry standards, and the views of the parties, in addressing this issue.

[100] It has also been suggested that if awards do not provide for cashing out of annual leave it will not be legally permissible to make workplace agreements which provide for cashing out. In our opinion cashing out arrangements are an appropriate matter for bargaining. If, when the legislative regime is settled, it is apparent that workplace agreements cannot provide for cashing out of annual leave unless there is a relevant provision in a modern award it may be necessary to revisit the question.”

[200] Hence the Award Modernisation Full Bench adopted a tentative approach to many issues in the annual leave clauses of modern awards, adopted some general matters of principle and flagged the appropriateness of reviewing the provisions based on the experience of their operation. This is an important part of the background to the matters now before the Commission.”

(Emphasis added)

13. In conducting the current Review it is appropriate for the FWC to have regard to the conduct of past proceedings concerning modern awards. However, in weighing the arguments for a proposed deviation from current awards terms relating to annual leave the Full Bench should be cognisant of the context of the Award Modernisation Process. The limited task undertaken by the Full Bench in the Part 10A process justifies the Full Bench adopting a greater willingness to deviate from the current provisions where a party establishes the merits of a proposed variation in the context of the modern awards objective and the broader objects of the FW Act.
14. Similarly, the fact that some of the proposals of the Employer Parties were pursued during the Modern Awards Review 2012 should not be determinative in the 4 Yearly Review because of the narrow scope of the 2012 Review and the broader scope of the current Review.
15. The 4 Yearly Review is an appropriate opportunity for the FWC to consider the annual leave provisions in modern awards afresh to ensure that they reflect a 'fair and relevant safety net'. The Commission should ensure that the provisions properly reflect the modern context in which they operate and the current legislative framework, rather than reflecting a rationalisation of award provisions developed under very different statutory regimes.

Consistency of annual leave provisions

16. In the current proceedings a broad spectrum of employer parties are calling for a single set of variations to the identified modern awards. The broad and consistent level of support across numerous industries for such changes should be viewed by the Commission as having significant force.

17. There is substantial merit in the Commission seeking to achieve a greater level of consistency in award provisions pertaining to annual leave. There is also merit in seeking to achieve a level of consistency in the rules governing the operation of annual leave entitlements for award covered and award / agreement free employees.
18. We do not suggest that it is necessarily appropriate for all awards to have exactly the same provisions (the Commission has always provided for deviations from model award clauses if industry-specific circumstances warrant this) but there is nonetheless scope for much greater consistency. The Employer proposals represent an important and timely step in the right direction.
19. Award free employees and their employers are subject to the same rules regarding taking and payment of annual leave, regardless of their particular occupation or industry. Parliament has not deemed it necessary for the regulatory system to provide prescriptive rules in relation to such employees. Similarly, the statutory regimes constituted by the *Workplace Relations Act* 1996, following the WorkChoices reforms, and the various State legislation, have not prescriptively differentiated between entitlements for particular industries or occupations.
20. Achieving a level of consistency in award entitlements relating to annual leave is consistent with the obligation under the modern awards objective for the FWC to ensure modern awards, together with the NES, provide a fair and relevant safety net taking into account “...*the need to ensure a simple, easy to understand, stable and sustainable modern award system for Australia...*”. Achieving greater uniformity between individual awards will make the system simpler and easier to understand.
21. A reduction in variances between award entitlements will, in itself, reduce the regulatory burden on businesses that are required to apply multiple awards, consistent with paragraph 134(1)(g) of the modern awards objective. These

benefits will be magnified where such amendments provide employers with greater flexibility or control in relation to the management of annual leave or where incompatible provisions relating to matters such as close-downs are addressed. There are obvious benefits that flow from enabling employers to adopt a uniform approach to the management of annual leave across their workforce, regardless of the award coverage of particular groups of workers.

3. Excessive leave

22. The Employer Parties seek the inclusion of a provision in those awards listed in Schedule 2 of the Employer Parties' Draft Determination enabling employers to direct an employee to take annual leave when the employee has accrued an excessive amount of leave.
23. Pursuant to subsection 93(3) of the FW Act, a modern award or enterprise agreement may include terms requiring employees, or allowing employees to be required, to take paid annual leave in particular circumstances, but only if the requirement is reasonable.
24. Section 94 provides, in effect, that an employer may require an award/agreement free employee to take a period of paid annual leave, if the requirement is reasonable. This would include circumstances where excessive amounts of annual leave had accrued.
25. Given the nature of section 93, a consequence of not having a provision in a modern award enabling an employer to direct an employee to take annual leave when an excessive amount of leave has accrued, is that the employer does not have the capacity to deal with excessive leave accruals. While the FW Act does not require that awards include provisions dealing with or mandating the taking of annual leave, the absence of "excessive leave" clauses in many awards is a glaring omission.

26. It is clearly anomalous for employers to have a broad capacity to require award / agreement free employees to take annual leave while there is no capacity to make their award-covered employees take leave unless a relevant provision is included in the award or an enterprise agreement.
27. The specific clause proposed is as follows;

“Excessive Annual Leave

Despite anything else in this clause, an employer may direct an employee to take paid annual leave if:

- (a) the employee has accrued at least six (6) weeks of annual leave;*
 - (b) the employer gives the employee four (4) weeks’ notice to take the annual leave; and*
 - (c) the employee retains at least four (4) weeks of accrued annual leave after the direction is given by the employer.”*
28. The proposed clause would provide employers with a right to require employees to take a period of paid leave subject to them being given a reasonable period of notice (4 weeks) and the employee retaining a significant amount of accrued leave (4 weeks).
29. Ai Group seeks this clause as a mechanism to address the limited capacity under the NES and many awards to direct award covered employees to take annual leave.
30. The appropriateness of affording employers the right to manage annual leave liability was, in effect, acknowledged by the Full Bench of the AIRC during the award modernisation proceedings in the context of clauses permitting employers to direct employees to take leave:

“[98] One issue that has arisen repeatedly, and is provided for in the NES, is the right of an employer to require that an employee take arrears of annual leave. We think that an employer should have the ability to reduce annual leave liability by compelling employees to take annual leave provided appropriate notice is given. While there may be different approaches to this

question, in each of the awards there will be some provision which will give the employer the ability to take action to reduce arrears.”⁵

(Emphasis added)

31. Notwithstanding the Full Bench’s decision, not all modern awards include provisions affording employers adequate rights to direct employees to take annual leave. This should be rectified in this Review.
32. The Full Bench did not qualify the statement extracted above by indicating that an employer’s right to compel an employee to take annual leave should be limited to particular circumstances, such as in the context of excessive accruals. Rather it only expressly referred to “appropriate notice”.
33. The proposed variation is a modest step towards restoring employers’ capacity to manage leave accruals. It would ensure awards afford employers a limited right to compel employee to take leave where an excessive amount of leave has accrued.
34. The importance of affording employers a right to direct employees to take excessive leave is magnified by the fact that there is no restriction on the time period during which accrued annual leave entitlements must be taken. This means that, absent an award provision, many employees may simply elect to perpetually accrue their annual leave and only ever receive the benefits of the entitlement as a payment on termination.
35. Prior to the commencement of the NES and modern awards there was commonly in Federal and State legislation and awards, a right to direct award covered employees to take annual leave.
36. For example, the pre-modern *Metal, Engineering and Associated Industries Award 1998* provided:

⁵ *Award Modernisation Decision* [2008] AIRCFB 1000, 19 December 2008 at [98].

“7.1.9 Time of taking leave

7.1.9(a) *Annual leave shall be given at a time fixed by the employer within a period not exceeding six months from the date when the right to leave accrued.*

7.1.9(b) *An employer can require an employee to take annual leave by giving not less than four weeks’ notice of the time when such leave is to be taken.*

7.1.9(c) *By agreement between an employer and an employee, annual leave maybe taken at any time provided it is done within two years from the date when the right to leave accrued.*

37. In NSW the *Annual Holidays Act 1944* provides:

“(4) The annual holiday shall be given by the employer and shall be taken by the worker before the expiration of a period of six months after the date upon which the right to such holiday accrues: Provided that the giving and taking of the whole or any separate period of such annual holiday may, with the consent in writing of the Industrial Registrar, or Deputy Industrial Registrar appointed under the Industrial Relations Act 1996, be postponed for a period to be specified by such Registrar in any case where he or she is of opinion that circumstances render such postponement necessary or desirable.”

38. The proposed clause is reasonable, as contemplated by section 93 of the FW Act. Most employees would need to work for over a year and a half without accruing an excess amount of leave. Moreover, it accords with the longstanding situation under the Metals Award and the NSW Annual Holidays Act whereby the leave had to be taken within 6 months of its accrual each year (subject to an alternate agreement).

39. Moreover it is fair to employees as it will enable them to retain a level of control over when they take their accrued annual leave by requesting access to it prior to it accruing to excessive levels. Indeed it is logical to presume that the existence of a right may well motivate many employees to proactively request and take their annual leave. Pursuant to section 88 of the FW Act an employer is not permitted to unreasonably refuse to agree to a request by an employee to take paid annual leave.

40. Excessive leave accrued by employees is a significant problem for employers. Indeed it can be a very costly problem. Annual leave accruals typically become more expensive to the employer the longer they remains unused.

This is a consequence of annual leave being be paid at the rate of pay applicable at the time the employee takes the leave, or ends his/her employment with the employer.

41. Additionally, while many employers will try to accommodate employee requests for taking annual leave, requests for lengthy periods of leave (e.g. six weeks or more) will present difficulties for the employer's business operations. The specific difficulties that arise include covering the extended absence of the employee while the employee is on leave, particularly for small businesses or employees who hold skilled or specialised roles that are not easily replaced or back-filled.
42. The Joint Employer Survey shows a strong majority of employer respondents (49%) do not like employees accruing more than 6 weeks of annual leave and an overwhelming 69% of respondents would like the right to direct employees to take annual leave after 6 weeks has accrued.
43. These strong employer preferences were supported by qualitative responses as to why the accrual of 6 weeks or more of annual leave was a problem. A sample of these responses across a variety of industries includes:

"Managing down excessive annual leave accruals is a difficult and ongoing problem in a workforce with a profile of long serving employees. Problems have been highlighted since introduction of NES and modern awards in regards to right to instruct employees with excessive leave balances and in shutdown situations, where annual leave was previously regulated by state legislation. Excessive annual leave carries with it significant cost implications for the business, which is facing significant business challenges involving import competition, high \$A, low volumes, and the escalating cost of production within Australia." (Line 2085, large employer in the manufacturing industry)

"Employees working in this industry should be taking regular leave breaks for their own health and wellbeing, excessive leave balance also becomes a financial liability for the organisation." (Line 26, an employer in the health and social assistance industry)

"It is no longer affordable to replace staff on leave as it is too expensive to have to pay two wages for one position. We try to limit staff to 2 weeks

leave at a time so that remaining staff can cope. As a business owner I work additional shifts 50-60 hours per week to try to reduce ever-rising labour costs.” (Line 27, an employer in the health and social assistance industry)

“The cost of paying out annual leave earned on yesterdays rates, on todays rates. Annual leave was granted as it was determined that employees needed time to rest. Annual leave is not a savings fund.” (Line 45, employer in the transport, postal and warehousing industry)

“1. Employees are more productive when they have taken a reasonable amount of time to rest away from their work schedules. 2. Regular annual leave breaks can help reduce incidents of sick leave. 3. Excessive accruals affect your P/L. It is financially risky to carry excessive amounts of leave on your balance sheet.” (Line 55. “other services” – industry not specified)

“Increases our Provision Accounts. Leaves us with the possibility of having to pay out large dollars if the person leaves, which can cause cash flow issues if it is during low season. We are a seasonal business, and encourage staff to take leave in the off season.” (Line 250, “other services” - industry not specified)

“If they leave, that amount of unpaid annual leave is a large financial burden for us.” (Line 543, employer in accommodation and food services)

“Cost escalation over years as wage increases increase the value of untaken leave Employees should take leave to refresh themselves, that’s what it’s for.” (Line 622 employer in accommodation and food services)

“If/when they leave it ends up being a large chunk of money which can be a bit hard to plan for in a small business. Plus, if an employee would like to be paid out this money, i think they should be able to get it, i don’t agree our award does not allow employees to be paid out.” (Line 641, employer in the retail trade industry)

“The obvious week to week payroll issues created when employees with leave entitlements of this magnitude resign can compromise cash flow and payroll forecasting budget” (Line 713, employer in the arts and recreation services industry)

“The annual leave liability the organisation then has to carry. Also the wellbeing factor - We tend to have the same group of employees accruing large amounts of leave and we’d really like them to take a break and recharge rather than burnout.” (Line 812, employer in the insurance and financial services industry)

“It is a safer business practice to limit the outstanding entitlements of the employee group, so that we do not find ourselves in the situation where an employee leaves and a significant payout is required, hence affecting our cash flow and operational budgets at that time.” (Line 1262, employer in the retail trade industry)

“Leave is granted for the benefit of the employee. It is in the interest of the employee to use that leave. Financial implications of having to allocate

funds for leave entitlements. Salary increases apply to all accrued leave which could leave allocated funds short at time of taking leave if more than six weeks is accrued.” (Line 1391, employer in the construction industry)

“If we have a large percentage of employees with >6 weeks leave accrued, it has the potential to become an operational issue when employees wish to utilise the entire entitlement at once, as we need to replace them in the business for an extended period of time. Additionally, it also effects payroll and budgeting.” (Line 1518, employer in accommodation and food services)

“Being a small business it makes it very hard if an employee takes this amount of leave in one hit. Also, when wages increase so does the annual leave payment increase, especially when you have to pay 17.5% loading on top. It is not healthy for people not to take regular breaks.”(Line 1623, employer in the manufacturing industry)

“Wages and Salaries are reviewed annually and excessive leave creates a large liability on the Balance Sheet.” (Line 1893, employer in wholesale trade industry)

“Primarily we believe that not taking leave may be detrimental to the employee's well being. Of a secondary nature is the preference not to have a large leave liability sitting on the balance sheet that is potentially paid out at higher wage rates.”(Line 1928, employer in manufacturing industry)

“Cost of employee labour increases from year to year. Further, staff receive other leave entitlements, such as RDO's. Once balances get too big it is hard to get employees to take leave”. (Line 2173, employer in transport, postal and warehousing)

“We have to hold the money in provision accounts and when it ultimately is paid, the cost to the business has increased relative to what it would have cost when incurred. Therefore accruing excessive annual leave costs the business.” (Line 3049, employer in manufacturing industry)

“Too much liability for the company, bad for balance sheet.” (Line 3076, employer in the construction industry)

44. Prevailing themes in the qualitative responses can also be categorised into the following key words which appear numerous times in the responses as follows:

Search term	Hits
Cost	353
Cashflow / cash flow	153
Liability	434
Balance sheet	83
Budget	41
Life balance	77

Health	153
Fatigue	18
Cover (ie cover EE while on leave)	143
Small business	176

45. All of the qualitative responses are provided in Attachment F to the Witness Statement of Ben Waugh.
46. Ultimately the common concerns for employer respondents in regards to why they preferred employees not to accrue 6 weeks or more were:
- The cost of accruing annual leave beyond 6 weeks relative to the rate at which the entitlement accrued;
 - The impact such cost had on the quantum of liability on an employer's balance sheet, being an accounting 'snapshot' of the health of an employer' business;
 - The impact excessive accrued leave had on cash flow within the business if the employee ended employment, particularly on small businesses;
 - The difficulty employers had in accurately forecasting and budgeting labour costs for the year where leave accrued beyond 6 weeks;
 - The health and well-being of employees who did not take leave regularly, or had more than 6 weeks leave accrued;
 - The negative impact on staff productivity and staff morale resulting from tired employees who had not had a leave break to refresh and/or connect with family;
 - Being vulnerable to employee requests for extended periods of leave which created operational difficulties and stresses (particularly for small businesses) in covering for the employee's absence; and

- The impact of extended leave absences on the resources of the business, including other staff and business owners.
47. In addition to other benefits, the proposed variations would encourage employees to take their accrued leave. Of course this is consistent with the traditional justification for annual leave entitlements. It is trite to observe that taking a break through a period of annual leave will have benefits for employees and for their families. However, it will also have positive effects for businesses such as increased productivity and workplace morale, and reduced work health and safety risks.

The modern awards objective

48. The following matters required to be taken into account under the modern awards objective, weigh in favour of a conclusion that the proposed variation is necessary:
- The need to promote social inclusion through increased workforce participation (s.134(1)(a));
 - The likely impact on any exercise of modern award powers on business, including on productivity, employment costs and the regulatory burden (s.134(1)(f));
 - The need to ensure a simple, easy to understand, stable and sustainable modern award system for Australia that avoids unnecessary overlap of modern awards (s.134(1)(g)); and
 - The likely impact of any exercise of modern award powers on employment growth, inflation and the sustainability, performance and competitiveness of the national economy (s.134(1)(h)).

4. Close down

49. The Employer Parties propose that a new clause be inserted into those awards listed in Schedules 4 and 5 of the Employer Parties' Draft Determination as follows:

Annual Leave Close-Down

An employer may close down an enterprise or a part of it for purposes that include allowing annual leave to all, or a majority of employees in the enterprise or part of it, provided that:

- (a) the employer gives the employees at least four (4) weeks' notice of its intention to close down;*
- (b) In the case of any employee employed after notice has been given, notice must be given to that employee on the date they are offered employment.*
- (c) Where an employee has been given notice pursuant to clauses (a) or (b) and the employee has:
 - (i) accrued sufficient annual leave to cover the full period of closing, the employee must take paid annual leave for the full period of closing;*
 - (ii) insufficient accrued annual leave to cover the full period of closing, the employee must take paid annual leave to the full amount accrued and leave without pay for the remaining period of the closing; or*
 - (iii) no accrued annual leave, the employee must take leave without pay for the full period of closing.**
- (d) Public holidays that fall within the period of close down will be paid as provided for in clause X of this award and will not count as a day of annual leave or leave without pay."*

50. The proposed annual leave close-down clause is already contained within many modern awards, including the *Asphalt Industry Award 2010*, and was adopted by the Full Bench of the FWC during the Modern Awards Review 2012 in varying 18 awards ([2014] FWCFB 255).

The right of an employer to require employees to take annual leave during a close-down

51. Many employers close their operations, or part of them, over the Christmas / New Year period and/or at other times of the year. The inclusion of close-down provisions in the relevant modern award is essential to ensure that an employer has the right to direct employees to take leave during a close-down.
52. Furthermore, a close-down enables employees to take periods of annual leave for rest and recreation, particularly during holiday seasons where they can more readily spend time with family and friends. A close-down enables employees to take leave without employers having to secure replacement labour for the leave period. It also means that an employer is more likely to grant requests for leave during popular holiday seasons if employees are not needed to cover for those whose leave has been granted.
53. From an employer's perspective, an annual leave close down is also a mechanism through which employers can reduce leave liability and better manage staff absences for the operations of the business.
54. The issue of leave liability is referred to in the report of PricewaterhouseCoopers (PWC), to be filed as evidence in the case.
55. The incidence of close-down periods within Australian industry is high. The Joint Employer Survey shows that there was an approximate 50/50 split of the employer respondents who had closed down all or part of their operations since 1 January 2010. 47% of respondents reported that they had closed down their operations since 1 January 2010, while 45% reported that they had not. 30% of employer respondents who had closed down their operations, had closed down 3-4 times since 1 January 2010.

56. In the industries of manufacturing, construction and professional and scientific services, close downs were particularly prevalent. As the relevant graph in Attachment G to the Witness Statement of Ben Waugh shows, 83% of businesses in manufacturing had closed down their operations since 1 January 2010, 78% of businesses in the construction industry had closed down their operations since 1 January 2010, and 67% of businesses in professional, scientific and technical services had closed down their operations since 1 January 2010.
57. In the manufacturing industry, more than 50% of employer respondents, in each business size category, reported that they had closed down their operations in full or in part 3-4 times since 1 January 2010. The relationship to business size in manufacturing and close down is shown in the relevant graph in Attachment G to the Witness Statement of Ben Waugh.
58. Clearly the incidence of close-down in manufacturing industries is prevalent, regardless of business size. Yet many employers in manufacturing industries must observe different award provisions for different employees, in addition to observing the NES provisions governing the taking of leave during close downs for award / agreement free employees (s.94(5)).
59. Section 93(3) of the FW Act permits a modern award to include provisions dealing with this issue. Similarly s.139(1)(h) of the FW Act permits a term of a modern award to deal with matters of “*leave, leave loading and the arrangements for taking leave*” which would include the close-down of an employer’s business to allow for the taking of leave.
60. The present safety net of minimum terms and conditions regulating the taking of annual leave during a close down does not meet the modern awards objective. The safety net is confusing, regulatory onerous, unfair for employers, and in some cases, unworkable.

61. The safety net, comprising the NES and modern awards, provides different rules for different employees based on whether or not they are award-covered, award-free or subject to particular award terms. The safety net does not accommodate in a way that is fair or relevant, the needs of an employer employing a variety of different employees where the employer wishes to implement a close down period for part or the whole of its operations.
62. The modern awards objective is not being met given the current state of the close-down provisions in modern awards.
63. Some modern awards contain acceptable provisions in this area. Other modern awards contain overly restrictive provisions. For example, the *Clerks-Private Sector Award 2010* and the *Commercial Sales Award 2010* contain a clause that permits a close-down, but the clause does not deal with circumstances where an employee, such as a new employee, has insufficient accrued annual leave to cover the scheduled close-down period. That is, in these awards there is no clarity on how new employees or employees with insufficient accrued leave are to be treated during a close down period. Arguably there is no right for an employer to direct such employees to take a period of unpaid.
64. Some modern awards do not address the issue of annual leave close down at all. Consequently the employer does not have an award right to direct an employee to whom such an award applies to take annual leave during a close-down, even though such right exists under the NES (s.94(5)) for award-free employees and under many modern awards.
65. From time to time unions have sought to argue that close-down are not relevant in some industries because of the nature of the work carried out (e.g. essential services). This argument ignores the fact that many businesses that cannot totally close-down because of the nature of their operations, often close down part of their business from time to time.

66. In circumstances where a business employs award-covered employees but the relevant award does not include close-down provisions, the business is left in a difficult position.
67. For instance, a market research business which has a large number of employees covered by the *Market and Social Research Award 2010* working alongside award free employees, may not be able to close down its operations to allow its award covered staff to take annual leave. This is because the *Market and Social Research Award 2010* does not contain an annual leave close down clause.
68. Further complications arise if an employer has multiple awards that cover parts of the business that contain different close-down provisions. Manufacturing businesses typically have clerical and sales employees as well as production and maintenance employees. Such businesses also typically have award-free employees. The close down provisions in the *Manufacturing Industries & Associated & Occupations Award 2010* are very different to those in the *Clerks-Private Sector Award 2010* and the *Commercial Sales Award 2010*. The provisions of s.94(5) of the FW Act, for award/agreement free employees, are different again.
69. The same confusion and regulatory burden would also apply to businesses covered by the *Food, Beverage and Tobacco Manufacturing Award 2010*, the *Textile, Clothing, Footwear and Associated Industries Award 2010*, and the *Graphic Arts, Printing and Publishing Award 2010*.
70. The multiple and different ways that close-down is dealt with in awards creates confusion and an unnecessary regulatory burden for employers who must navigate through various award provisions and the NES to determine which rule applies to which employees.

71. Prior to the FW Act, the rights of an employer to direct employees to take annual leave during a close down of the employer's business was squarely recognised and detailed through previous federal and state legislation and pre-modern award terms.
72. Under the former *Workplace Relations Act (1996)*, an employer's right to direct employees to take leave during a close down was dealt with in the Australian Fair Pay and Conditions Standard. Under the Standard, employers had greater certainty over their rights to implement a close-down (or shut-down as it was referred to) for the whole, or part of its business. Section 236(5) of the former *Workplace Relations Act* is below:

"Shut downs

- (5) *An employee must take an amount of annual leave during a particular period if:*
- (a) *the employee is directed to do so by the employee's employer because, during that period, the employer shuts down the business, or any part of the business, in which the employee works; and*
 - (b) *at least that amount of annual leave is credited to the employee."*

73. Furthermore, state legislation, such as the *Annual Holidays Act 1944* (NSW), provided under s.4A(2) for the right of an employer to implement a close down of its business, in whole or in part. That section is set out below. The *Annual Holidays Act* provided for a minimum notice period the employer was to provide an employee and dealt with circumstances of when employee had insufficient leave accrued. Importantly, it enabled an employer to direct an employee to take a period of unpaid leave to cover the close down period.

"4A Annual close-down

(1)

(a) In this section:

"Period of employment" means the period during which a worker is employed by an employer referred to in subsection (2), being a period computed:

(a) where the worker has not during the employment with that employer become entitled to any annual holiday under section 3, from the date of commencement of the employment with that employer, or

(b) where the worker has during the employment with that employer become entitled to any annual holiday or holidays under section 3, from the date upon which the worker last became entitled to an annual holiday,

up to the commencement of the specified period affecting that worker.

"Specified period" means the period specified by an employer pursuant to subsection (2).

(b) This section, subsections (2) and (3) excepted, shall apply only to a worker to whom notice has been given pursuant to this section.

(c) Subsections (2) and (3) of section 3 shall not apply to a worker to whom notice has been given pursuant to this section.

(2) Subject to subsection (3), an employer may give notice to a worker employed in any part of the employer's establishment that, during a period specified when giving that notice, that establishment or part will be temporarily closed (or reduced to a nucleus) for the purposes of giving an annual holiday or leave without pay to the workers to whom such notice has been given.

(3) Notice pursuant to subsection (2):

(a) shall be given to a worker not less than one month before the commencement of the specified period or, in the case of a worker who commences employment less than one month before the commencement of the specified period, on the day the worker commences employment, and

(b) shall not be given by an employer more than once in any calendar year.

(4) Where, immediately before the commencement of the specified period, a worker is not entitled under section 3 to any holiday:

(a) the worker shall be given and shall take leave without pay for the specified period, and

(b) the worker shall, in addition, be paid:

(i) three forty-ninths of the worker's ordinary pay for the worker's period of employment where the specified period commences upon or before 30 November 1974, and one twelfth of the worker's ordinary pay where the specified period commences after that date, and

(ii) the worker's ordinary pay for any special or public holiday, during the period of the worker's leave without pay, for which the worker would be entitled to payment under any Act, award or agreement or under the worker's contract of employment.

(5) Where, immediately before the commencement of the specified period, a worker is under section 3 entitled to a holiday of a duration less than that of the specified period:

(a) the worker shall be given and shall take the whole of that holiday during the specified period,

(b) the worker shall be given and shall take leave without pay for the balance of the specified period, and

(c) the worker shall, in addition, be paid the amounts referred to in subsection (4) (b).

(6) Where, immediately before the commencement of the specified period, a worker is under section 3 entitled to a holiday of a duration not less than that of the specified period:

(a) the worker shall, on and from the commencement of the specified period, be given and shall take the whole of that holiday, or

(b) where the worker and the employer so agree, the worker shall, on and from the commencement of the specified period, be given and shall take part of his or her holiday for a period not less than the specified period and postpone the taking of the balance of his or her holiday until a time to be agreed upon between the worker and the employer.

(7) Where payment has been made to a worker pursuant to subsection (4) or (5) the worker shall be deemed:

(a) to have completed a year of employment for the purposes of this Act immediately before the commencement of the specified period, and

(b) to have been given the whole of the annual holiday to which the worker would be entitled for that year of employment.

74. Thus, prior to the FW Act, employers had greater clarity regarding their rights to close-down their businesses to enable employees to take annual leave. The FW Act gives the FWC the discretion to determine what award close down provisions are necessary and consistent with the modern awards objective.

75. The award variations proposed by the Employer Parties are consistent with and necessary to achieve the modern awards objective. The variations would:

- Promote ‘flexible modern work practices and the efficient and productive performance of work’;⁶
- Reduce the ‘likely impact of any exercise of modern award powers on business, including on productivity, employment costs and the regulatory burden’;⁷ and

⁶ FW Act, section 134(1)(d).

⁷ FW Act, section 134(1)(f).

- Further the ‘need to provide a simple, easy to understand, stable and sustainable modern award system for Australia.’⁸

76. The award variations are also consistent with section 138 of the FW Act as it is necessary for the provisions to be included to achieve the modern awards objective.
77. The proposed clause provides clarity for employers and employees. It addresses the present confusion by applying an easy to understand, stable and sustainable provision for close-downs.

5. Annual leave in advance

78. The Employer Parties propose that a new clause be inserted into those awards listed in Schedule 6 of the Employer Parties’ Draft Determination as follows:

“Annual Leave in Advance

By agreement between an employer and employee a period of paid annual leave may be taken in advance of the entitlement accruing. However, if paid annual leave is taken in advance and the employee’s employment terminates before the employee has accrued the entitlement the employer may make a corresponding deduction from any money due to the employee on termination. For the avoidance of doubt, where an employee request is made to take annual leave in advance, any decision to grant such leave remains at the employer’s discretion.”

79. Paragraph 55(4)(b) of the FW Act permits a modern award to include terms which supplement the NES and the proposed model subclause is appropriately characterised as a supplementary term.
80. Paragraph 324(1)(c) permits an employer to deduct an amount payable to an employee, if the deduction is authorised by or under a modern award.

⁸ FW Act, section 134(1)(6).

81. The absence of clauses in awards expressly permitting an employer to grant annual leave in advance to an employee and, if granted, permitting the employer to deduct payment for any leave owing on termination discourages the employer from granting annual leave in advance. This is particularly so because of paragraph 324(1)(a) of the FW Act which operates in circumstances where a provision authorising the deduction is not contained with a relevant award, enterprise agreement, law or order. Paragraph 324(1)(a) provides that an employer may deduct an amount from an employee's pay if *"the deduction is authorised in writing by the employee and is principally for the employee's benefit"*. An authorisation for the purposes of paragraph 324(1)(a) can be withdrawn by the employee at any time (subclause 324(2)).
82. Accordingly, the absence in many awards of the clause which the Employer Parties have proposed operates against the interests of employees who may want to take annual leave in advance in appropriate circumstances. Such circumstances often include:
- Where an employee needs to take annual leave for unexpected family reasons and the employee does not have sufficient leave accrued; or
 - Where the employer closes down its operations for a period and an employee does not have sufficient annual leave accrued.
83. The inclusion of the clause in awards would assist employees to balance their work and family responsibilities.
84. The inclusion of this clause in awards is consistent with the modern awards objective. The clause would:
- Promote social inclusion through increased workforce participation (s.134(1)(c)); and

- Promote flexible modern work practices and the efficient and productive performance of work (s.134(1)(d))

85. Some modern awards contain clauses with similar effect to the proposed model clause. For example, subclause 29.6 of the *Vehicle Manufacturing, Repair, Services and Retail Award 2010* states:

“29.6 Leave allowed before due date

- (a) *An employer may allow an employee to take annual leave either wholly or partly in advance before the right has accrued. In such case the employee will not receive any annual leave to their credit until the period of service is such as to cover the annual leave provided in advance.*
- (b) *The employer will be entitled to deduct the amount of excess from any remuneration payable to the employee on termination of employment where:*
 - (i) *Annual leave or part thereof has been granted in advance before the right thereto has accrued; and*
 - (ii) *The employee subsequently leaves or is discharged from the service of the employer with a negative accrual.”*

86. The Joint Employer Survey showed that a clear majority (55%) of respondents reported employees requesting leave in advance, with:

- 20% of respondents granted the request 1-10% of the time; and
- 13% of respondents granted the request all the time.

87. An overwhelming majority (69%) of employer respondents would be willing to grant leave in advance depending on the circumstances.

88. As shown in the relevant graph in Attachment G of Ben Waugh’s Statement, with the exception of businesses with less than 5 employees, most employers of all sizes had received employee request/s since 1 January 2010 to take leave in advance.

89. The Joint Employer Survey shows that a large number of employees request leave in advance on occasions and most employers would be willing to accommodate an employee's request if the circumstances were right.

6. Cashing out of annual leave

90. The Employer Parties propose that a new clause be inserted into those awards listed in Schedule 1 of the Employer Parties' Draft Determination as follows:

"Cashing out of Annual Leave

With the agreement of the employer, an employee may cash out an amount of accrued paid annual leave provided that:

- (a) the employee retains at least four (4) weeks of accrued annual leave immediately after the agreed amount is cashed out;*
 - (b) each cashing out of a particular amount of accrued paid annual leave must be agreed by a separate agreement in writing; and*
 - (c) the employee must be paid the full amount that would have been payable had the employee taken the leave at the time that it is cashed out."*
91. The proposed provisions reflect the legislative requirements in section 93 of the FW Act.
92. For the reasons set out below Ai Group contends that the proposed variations are necessary inclusions in awards for the achievement of the modern awards objective.
93. Cashing out of annual leave entitlements is by no means novel or untested in Australia's workplace relations system. Since the inception of formal enterprise bargaining in 1993 it has been possible for employers and employees to make statutory agreements facilitating the cashing out annual leave. Such arrangements have now become common.

94. The express right for employees to “cash out” annual leave by agreement with their employer was incorporated into the first federal statutory regime prescribing annual leave entitlements, i.e. the Australian Fair Pay and Conditions Standards in the *Workplace Relations Act 1996*. The concept was retained in the NES under the FW Act.
95. Section 92 of the FW Act permits modern awards to include terms about the cashing out of annual leave. Section 93 prescribes various safeguards.
96. Sections 92 and 93, and indeed the comparable predecessor provisions in the *Workplace Relations Act 1996*, reflect Parliament’s endorsement of the concept of employees being able to cash out a portion of their annual leave by agreement with their employer and subject to certain safeguards.
97. In conducting the current Review, the FWC should not maintain a prohibition on the cashing out of annual leave for employees to whom an award applies. Rather the FWC should, as part of ensuring that awards constitute a fair and *relevant* safety net, vary modern awards to reflect the broader scheme of the FW Act. The Act now recognises the merits of award terms which provide for cashing-out of annual leave. The Commission should not base its decision in this Review on the approach that the Commission has adopted in the past regarding cashing out of annual leave, largely under very different legislative schemes.
98. The terms of sections 92 and 93 reflect the Parliament’s intention that cashing out of annual leave is a matter appropriately dealt with in modern awards. This is clear from:
- Section 92:

*“Paid annual leave must not be cashed out, except in accordance with:
(a) cashing out terms included in a modern award or enterprise agreement under section 92 ...”*

- Subsection 93(1):

“A modern award or enterprise agreement may include terms providing for the cashing out of paid annual leave by an employee.”

99. The flexibility in sections 92 and 93 of the FW Act was foreshadowed in the NES Discussion Paper issued in February 2008:

“31. In addition, in limited circumstances, the proposed NES expressly allow a modern award to deal with a matter that could otherwise be seen as modifying or excluding an employee’s NES entitlement. For example, the annual leave entitlement allows a modern award to include provisions about the cashing out of annual leave or directing employees to take annual leave in particular circumstances (such as a Christmas shut-down period).”⁹

(Emphasis added)

100. The June 2008 version of the NES included provisions allowing for the cashing out of annual leave. Similarly the Award Modernisation Request referred to the ability of modern awards to include cashing-out provisions. Despite this, the Full Bench of the AIRC adopted a cautious approach by declining to include such terms in all but one modern award, the *Seafood Processing Award 2010*.

101. The Full Bench’s rationale for this decision is extracted below:

*“**[99]** A number of employer interests sought provisions for cashing out of annual leave by agreement. Such arrangements are apparently included in many Australian Workplace Agreements (AWAs) and workplace agreements. Should cashing out of annual leave become widespread it would undermine the purpose of annual leave and give rise to questions about the amount of annual leave to be prescribed. We think some caution is appropriate when dealing with this issue at the safety net level. We do not intend to adopt a model provision. Consistent with our approach to annual leave provisions generally we shall be influenced mainly by prevailing industry standards, and the views of the parties, in addressing this issue.*

***[100]** It has also been suggested that if awards do not provide for cashing out of annual leave it will not be legally permissible to make workplace agreements which provide for cashing out. In our opinion cashing out arrangements are an appropriate matter for bargaining. If, when the*

⁹ Commonwealth, Discussion Paper - National Employment Standards Exposure Draft, 14 February 2008.

legislative regime is settled, it is apparent that workplace agreements cannot provide for cashing out of annual leave unless there is a relevant provision in a modern award it may be necessary to revisit the question.”¹⁰

(Emphasis added)

102. It is clear that the Full Bench was concerned about what safeguards¹¹ would apply to employees seeking to cash out annual leave. This concern was relevant at the time because the safeguards that now appear in sections 92 and 93 of the FW Act were not included in the June 2008 version of the NES which was focussed upon in the proceedings relating to the determination of the model award flexibility clause. These safeguards are:

- Paid leave must not be cashed out if the cashing out would result in the employee’s remaining accrued entitlement to paid annual leave being less than 4 weeks;¹²
- Each cashing out of a particular amount of paid annual leave must be by a separate agreement in writing between the employer and employee;¹³ and
- The employee must be paid at least the full amount that would have been payable had the employee taken the leave that the employee has foregone.¹⁴

103. It follows that there has been a significant change in circumstances since the AIRC decided not to include cashing out provisions in most modern awards. Relevantly, the legislature has now specifically determined appropriate minimum safeguards.

¹⁰ *Award Modernisation Decision* [2008] AIRCFB 1000, 19 December 2008 at [99]-[100].

¹¹ See *Armacell Australia Pty Ltd; Wilmaridge Pty Ltd as Trustee for the O’Neill Family Trust t/a Direct Paper Supplies; Downer EDI Works Pty Ltd* [2010] FWFB 995 at [13].

¹² FW Act, paragraph 93(2)(a).

¹³ FW Act, paragraph 93(2)(b).

¹⁴ FW Act, paragraph 93(2)(c).

104. The significance of the safeguards in section 93 was highlighted by the Full Bench in the *Armacell*¹⁵ case in the context of allowing cashing out of annual leave terms to be included in enterprise agreements. The Full Bench overturned three decisions of Commissioner Ryan who had refused to approve three enterprise agreements on the basis that they contained terms allowing the cashing out of annual leave. The Full Bench said:

“[13] The first point to note is the terms of the cashing out provision in s.93. While an enterprise agreement may include terms providing for the cashing out of paid annual leave, the matters in s.93(2) are in the nature of protections for employees and could be described as safeguards. Annual leave cannot be cashed out if the leave balance would be less than four weeks, each cashing out must be the subject of written agreement and there must be no discounting of the payment. It seems clear, as a matter of interpretation, that the legislature considered the question of safeguards and that it intended the ones specified in s.93(2) to be sufficient. It would be inconsistent with that intention to hold that the safeguards are inadequate and that more or other safeguards should be applied.

“[14] The Commissioner was concerned that although the relevant term complied with s.93(2), situations could occur in which employees might not take annual leave and the purpose of annual leave might be frustrated. This was an error. Whether the Commissioner’s concern is a valid one is beside the point. The legislation makes it plain that an enterprise agreement may include a term for cashing out providing it complies with s.93.”

(Emphasis added)

105. The Full Bench of the FWC in the 4 Yearly Review annual leave common issue proceedings is in a far more advantageous position than the Full Bench of the AIRC was in 2008. Now the FWC has the benefit of knowing the safeguards which the legislature has determined are appropriate for the cashing out of annual leave by employees to whom an award applies.

Consideration of cashing our provisions in the Modern Awards Review 2012

106. Numerous employer parties sought the inclusion of a mechanism for cashing out of annual leave during the Modern Awards Review 2012. Ai Group sought to achieve this through amendments to Model Flexibility Clause contained within all modern awards. Others pursued variations to the annual leave terms

¹⁵ *Armacell Australia Pty Ltd; Wilmaridge Pty Ltd as Trustee for the O’Neill Family Trust t/a Direct Paper Supplies; Downer EDI Works Pty Ltd* [2010] FWFB 995.

of the awards.

107. Ultimately, the matter was determined through a split decision, with the Majority declining to make the variations.¹⁶ The Majority's reasoning was largely connected with the limited scope of the Modern Awards Review 2012 rather than a determination that such provisions are inherently inappropriate in awards. Indeed the Majority foreshadowed that the matters may be more appropriately dealt with during the 4 yearly Review:

“[50] We consider the variations sought in respect of cashing out of paid annual leave may be more appropriate for consideration in the four year review. “

108. In his Minority decision, Vice President Watson adopted a broader interpretation of the scope of the Modern Awards Review 2012. However, relevantly for the purposes of the current Review, the Vice President succinctly identified the benefits of cashing out provisions and their appropriateness in the context of the FW Act:

“[230] The plea by employers for a leave and cashing out of annual leave is a powerful one and directly raises various provisions of the modern awards objective. There is currently an anomaly in the classes of employees who can access such arrangements. Agreement between an employer and a single award covered employee is the only combination not currently permitted to access this flexibility. Award-free employees and agreement-covered employees can negotiate this flexibility. Cashing out of leave can have advantages for employees and employers. If safeguards exist, there can be confidence that the mechanism will not lead to avoidance of the purpose of an annual leave entitlement. The legislature has endorsed the concept of cashing out and established safeguards for its application. The absence of those safeguards was clearly a factor for the cautionary approach of the AIRC in 2008. The reasons for opposition reflect an approach inconsistent with the proper statutory test and Full Bench cases on the scope of this review. If the modern awards objectives can be furthered by providing this additional flexibility and an appropriate merit case is established, the test under this 2 year review is satisfied. In my view such a case has been made out.....”

109. Ai Group agrees with the Vice President's determination regarding the merits of the inclusion of cashing out provisions in Awards, and relies upon it as further justification for the award variations sought.

¹⁶ [2013] FWCFB 6266.

Unfairness compared to award-free employees and employees covered by an enterprise agreement

110. Sections 92 and 93 of the FW Act permit modern awards and enterprise agreements to include terms relating to the cashing out of annual leave, subject to certain conditions.
111. Section 94 of the FW Act permits award-free and agreement-free employees to cash out annual leave in accordance with the FW Act and replicates the safeguards for cashing out that appear in section 93.
112. It follows that, absent a provision in a modern award or enterprise agreement permitting the cashing out of annual leave, award-covered employees are unable to access the entitlement in the FW Act to cash out annual leave.
113. The absence of a stand-alone legislative mechanism for the cashing out of annual leave makes the inclusion of a provision in modern awards permitting the cashing out of annual leave imperative.
114. The disparity in access to this entitlement, between award-free and award-covered employees, raises significant issues of unfairness. The entitlement is readily available to award-free employees at a workplace, but not to those covered by an award (without an enterprise agreement). Ai Group member companies often telephone Ai Group, following queries from employees, to enquire whether it is possible for an employee to cash out a portion of their annual leave.¹⁷
115. Ai Group acknowledges that the cashing out of annual leave is a matter that could be dealt with through an enterprise agreement. However, as Senior Deputy President Hamberger stated in a recent decision relating to the review of the *Graphic Arts, Printing and Publishing Award 2010*:

¹⁷ Witness Statement of Kristina Flynn.

*'Of course almost any provision in an award could be dealt with by enterprise bargaining.'*¹⁸

116. Access to enterprise bargaining is not a valid justification for refraining from providing employers and employees with access to flexibilities through modern awards.
117. Any contention that the importance of providing flexibility through awards is lessened because of the availability of enterprise bargaining ignores the reality that entering into enterprise agreements will not always be appropriate or viable for employers or employees.
118. There are many industries and types of businesses where enterprise agreements are still relatively uncommon. In thousands of workplaces, employers and employees are not interested in disturbing their longstanding existing mechanisms for setting pay and conditions to negotiate an enterprise agreement.
119. Many small employers lack the internal expertise and resources required to develop and implement an enterprise agreement.
120. Also, collective agreement making, by its very nature, necessitates the agreement of the employer and the majority of employees. This cannot always be achieved. There are numerous circumstances where an employer and its workforce are supportive of making the cashing out of annual leave available but no party wishes to make an enterprise agreement, or there is no shared desire to make an agreement or no consensus over the broader terms of an agreement.

¹⁸ Modern Award Review 2012, Review of the *Graphic Arts, Printing and Publishing Award 2010* [2012] FWA 8726. The decision of Hamberger SDP was upheld on appeal [2013] FWCFB 580.

121. Enterprise bargaining is a crucial element of Australia’s workplace relations system. However, moving from award to agreement based regulation within an enterprise can impose a costly and time consuming process upon parties, and lead to risks of disharmony and industrial action. Many employers do not wish to make enterprise agreements because the negotiation process leads to a drain on resources and a distraction from the core operations of the organisation. Consequently, leaving the facilitation of cashing out of annual leave to formal enterprise bargaining processes unfairly blocks many employees from accessing a flexible arrangement which they value and which suits their individual and family circumstances.
122. Where an employee and an employer both support the availability of cashing out of annual leave, it is unfair to subject them to a requirement to enter into an enterprise agreement in order to address this single discrete issue.
123. There is no valid reason why the cashing out of annual leave is more appropriately a matter for bargaining than for awards. The same fundamental safeguards will apply under section 93 of the FW Act. As the *Armacell* decision indicated:

“...the matters in s.93(2) are in the nature of protections for employees and could be described as safeguards. Annual leave cannot be cashed out if the leave balance would be less than four weeks, each cashing out must be the subject of written agreement and there must be no discounting of the payment. It seems clear, as a matter of interpretation, that the legislature considered the question of safeguards and that it intended the ones specified in s.93(2) to be sufficient. It would be inconsistent with that intention to hold that the safeguards are inadequate and that more or other safeguards should be applied.

(Emphasis added)

124. Consistent with the approach in the *Armacell* decision, if an employer and employees agree to include cashing out provisions in enterprise agreement the Commission will approve instrument if the agreement complies with the FW Act. The FWC will not require that any additional safeguards for employees be incorporated, nor will it view the inclusion of cashing-out terms

as a barrier to the agreement passing the “better off overall test”. Consequently it is difficult to see any inherent reason why the cashing out of annual leave should only be available to award-covered employees subject to an enterprise agreement.

125. While the modern awards objective includes the need to consider, amongst many factors, the encouragement of collective bargaining, it must be recognised that neither the objective, nor any other provisions of the FW Act, mandate the making of enterprise agreements.

126. The Employer Parties’ proposed variation furthers a number of elements of the modern awards objective, including:

- Promoting ‘flexible modern work practices and the efficient and productive performance of work’;¹⁹
- Promoting ‘social inclusion through increased workforce participation’;²⁰ and
- Reducing the ‘likely impact of any exercise of modern award powers on business, including on productivity, employment costs and the regulatory burden’.²¹

127. The proposed variation is also consistent with the overarching objectives in section 3 of the FW Act, including ensuring that workplace relations arrangements are ‘fair to working Australians’, ‘flexible for business’, ‘promote productivity’ and acknowledge ‘the special circumstances of small and medium sized businesses.’

¹⁹ FW Act, section 134(1)(d).

²⁰ FW Act, section 134(1)(c).

²¹ FW Act, section 134(1)(f).

The availability of cashing out is beneficial to employees and employers

128. The inclusion of provisions enabling the cashing out of annual leave in modern awards is an important flexibility for both employees and employers.
129. Employees benefit from being able to access accrued entitlements at times, and in circumstances, suitable to the employee, such as when:
- The employee has accrued a large amount of annual leave, beyond what is needed for rest and recreation; or
 - The employee wishes to cash out some annual leave (beyond four weeks' of accrued leave) to meet a financial need.
130. Employers benefit through the availability of a means of reducing excessive annual leave liabilities and excessive accruals, by agreement with individual employees.
131. The Witness Statement of Kristina Flynn evidences that a significant number of enquiries from Ai Group members about cashing out of annual leave are motivated by requests from employees to the employer to cash out.²² The prevalence of requests to cash out annual leave is also demonstrated in the Joint Employer Survey addressed in the statement of Ben Waugh.
132. The operation of cashing out provisions which comply with the statutory safeguards are, in the context of the broader legislative framework from which they are derived, beneficial to employees and do not operate to their detriment. Only annual leave in excess of four weeks accrued leave can be cashed out and the general protections (particularly section 344) operate to ensure genuine consent. In this context, an annual leave cashing out term in a modern award, which is genuinely supported by the individual employee, provides a tangible and important benefit to that employee.

²² Witness Statement of Kristina Flynn.

133. In reference to the operation of the provisions within the NES which provide for modern awards and enterprise agreements to include cashing out provisions, the Explanatory Memorandum for the *Fair Work Bill 2008* states:

“378. Subclauses 93(1) and 93(2) permit a modern award or enterprise agreement to include terms for the cashing out of paid annual leave. In recognition of the importance of employees taking leave for the purposes of rest and recreation, the cashing out terms in an award or agreement must require that:

- the employee retain a minimum balance of four week’s accrued annual leave after the cash out;
- each cashing out arrangement be a separate agreement in writing between the employer and the employee; and
- the employee receive at least the full amount that would be payable so the paid annual leave cannot be cashed out at a lower rate than the employee would have received had the employee taken the leave.

379. The effect of cashing out paid annual leave is that the payment the employee receives for cashing out paid annual leave is in addition to the payment that the employee would be entitled to receive for working during the period covered by the cash out.”

(Emphasis Added)

134. The emphasised passage of the Explanatory Memorandum clearly reveals the nature of the benefit which an employee derives should they choose to exercise an option to cash out annual leave. The notion that receipt of cash in lieu of a portion of an employee’s annual leave can operate beneficially is also evident from an analysis of the genesis of such provisions in federal workplace relations legislation.

135. As discussed above, the Australian Fair Pay and Conditions Standard in the *Workplace Relations Act 1996* implemented statutory federal regulation of annual leave and the ability, with certain safeguards, for an employee to elect to cash out a portion of their accrued leave. This flexibility was incorporated in the legislation so as to provide beneficial flexibility to employees. The Explanatory Memorandum for the 2005 Amendment Bill²³ supports this

²³ *Workplace Relations Amendment (WorkChoices) Bill 2005.*

assessment through the following Illustrative Example:²⁴

“Illustrative Example

Antonia is employed by Steve at Belissimo Bread Bakery Pty Ltd. The collective agreement permits the cashing out of the equivalent of two weeks of annual leave every 12 months. Antonia would like to cash out two weeks of her leave so she can prepare for her upcoming trip to Italy which she has been diligently saving for. Antonia knows she will have enough annual leave credits for when she takes the trip, so she would like some extra cash now to buy some new suitcases.

Antonia provides her request to Steve in writing as required by the collective agreement. Steve agrees. Her next pay includes payment for the additional two weeks on top of her ordinary salary”

(Emphasis Added)

136. Given the clear beneficial intent revealed in the above extract, the retention of largely analogous provisions in the FW Act (with additional safeguards for employees) must be seen in a similar light.
137. Prior to the introduction of the FW Act, cashing out terms were permitted in both collective and individual agreements. Ai Group was involved in drafting many agreements with these terms, including ‘single-issue’ workplace agreements to address employee requests for the cashing-out of annual leave.
138. The beneficial nature of cashing out arrangements is demonstrated by the common inclusion of these arrangements in enterprise agreements negotiated either with or without unions, and the common inclusion of these arrangements in company policies for award-free employees.
139. We submit that there is now a prevailing industry standard that access to cashing out arrangements is provided, subject to the safeguards in the FW Act. In its Award Modernisation Decision of 19 December 2008, the Full Bench referred to prevailing industry standards as being an important consideration in respect of the cashing out of annual leave.²⁵

²⁴ Page 110.

²⁵ *Award Modernisation Decision* [2008] AIRCFB 1000, 19 December 2008 at [100].

140. The right of an employer to manage annual leave liability was acknowledged by the Full Bench of the AIRC during the award modernisation proceedings in the context of clauses permitting employers to direct employees to take leave:

“[98] One issue that has arisen repeatedly, and is provided for in the NES, is the right of an employer to require that an employee take arrears of annual leave. We think that an employer should have the ability to reduce annual leave liability by compelling employees to take annual leave provided appropriate notice is given. While there may be different approaches to this question, in each of the awards there will be some provision which will give the employer the ability to take action to reduce arrears.”²⁶

(Emphasis added)

141. The cashing out of annual leave, subject to relevant safeguards, would be an equally valid alternate option for employers to seek to utilise in addressing the problem of excessive leave accruals through a consensual arrangement which the relevant employee. No doubt many employees would regard a consensual arrangement to address excessive annual leave accruals as preferable to an employer direction to take annual leave at a time determined by the employer.
142. The FW Act does not necessitate the taking of annual leave within a particular timeframe, unlike many previous legislative schemes and award provisions.²⁷ Instead the FW Act largely leaves the issue to be agreed upon by the parties, or subject to certain limitations, to the direction of the employer. As a consequence many employees accrue large amounts of annual leave, the benefit of which they only realise upon the termination of their employment. Cashing out provisions, which protect a specified amount of accrued leave, enable employees to realise such benefits prior to, or indeed without, terminating their employment. This is consistent with the flexible approach to the regulation of annual leave entitlements embraced by the FW Act.

²⁶ *Award Modernisation Decision* [2008] AIRCFB 1000, 19 December 2008 at [98]

²⁷ For example, the *Annual Holidays Act 1944 (NSW)* mandated the taking of leave within a 6 month window of its accrual.

Cashing out of annual leave and Survey evidence

143. The Joint Employer Annual Leave Survey reveals that a significant number of employers receive requests from employees to cash out annual leave. Some 45% of employer respondents reported that they had received a request from employee(s) to cash out annual leave since 1 January 2010. Of those employers who received requests to cash out leave, a majority reported receiving employee requests 2-4 times (21%) since 1 January 2010, followed by 5-20 times (13%). A majority (24%) of the employer respondents who had received employee requests to cash out leave, granted the request over 75% of the time.
144. For those employer respondents who received employee requests to cash out leave, and refused, 12% cited that they were unable to agree because the relevant award or enterprise agreement applying to their business did not permit it. 16% claimed that they refused the request because the employee did not have the required minimum of 4 weeks' leave accrued, suggesting that the safeguard of a minimum of 4 weeks' accrued leave is effective in protecting minimum levels of leave and is enforced by employers.
145. On an industry level, the Joint Employer Survey showed that employee requests to cash out leave were prevalent across a variety of industries. In fact 12 out of the 19 industry categories recorded a 50% or higher response to receiving cashing out of leave requests.
146. The prevalence of cashing out requests is also amplified by its relationship to employer size. As shown in the relevant graph in Attachment G of Ben Waugh's Statement, there is a strong correlation between the incidence of cashing out of leave requests and the size of the employer. The larger the employer, the higher the incidence of cashing out requests.

7. Payment of annual leave as part of the normal pay cycle

147. The Employer Parties propose that a new clause be inserted into those awards listed in Schedule 7 of the Employer Parties' Draft Determination. as follows:

“Electronic Transfer Payment of Annual Leave

Despite anything else in this clause, an employee paid by electronic funds transfer (EFT) may be paid in accordance with their usual pay cycle while on paid annual leave.”

148. Nowadays, most employers pay their employees by electronic transfer into the employee's bank account. Very few employers pay their employees by cash.
149. Notwithstanding this, the awards listed in Schedule 7 of the Employer Parties' Draft Determination contain a provision which harks back to a bygone era in the distant past when most employees were paid in cash. The provision requires the employer to pay an employee for annual leave prior to the employee taking the leave.
150. This award provision was understandable when most employers paid their employees by cash. It would be very inconvenient, and in many cases not practicable, for an employee on annual leave to attend the workplace to receive his or her pay on the regular payday. However, these days most employees are paid via EFT. With this method of payment the obvious rationale underpinning the award provision is not relevant. Banks and ATMs are located throughout Australian cities, towns, service stations and hotels.
151. The provision no longer forms part of a fair and relevant safety net of minimum terms and conditions to which the modern awards objective relates.
152. The Joint Employer Survey shows that some 77% of respondent employers do not pay any of their permanent employees their wages via cash or cheque, or other non-electronic means, compared with only 13% who did.

153. The obligation on an employer to pay for annual leave outside the normal pay cycle where payment is made electronically is costly. The Survey showed that 31% of employer respondents were charged a processing fee for regular electronic transactions. 14% reported that they were charged extra fees for processing payments outside the usual pay period.
154. As shown in the relevant graph in Attachment G of Ben Waugh's Statement, extra fees affects businesses of all sizes, with those employing between 50 – 999 employees experiencing the highest incidence of paying extra fees.
155. The extra fees charged by banks are of course only one element of the additional costs incurred by businesses when making annual leave payments outside of the regular pay cycle. The additional time which must be spent by those staff members responsible for payroll (which in the case of small businesses may be the proprietor) comes at a cost to the business.
156. The proposal that an employer be permitted to pay for annual leave as part of the normal pay cycle was ventilated in the *Annual Leave Case*²⁸ during the Modern Award Review 2012. Relevantly, there was a proposal to vary numerous awards in a similar manner to that being agitated in the current proceedings. It was not accepted by the Majority that such a change should be made at that time. However, the reasoning of the Majority appears to rely on the scope of the Modern Awards Review 2012 rather the merits of such a variation.
157. The Majority did not dismiss the arguments raised on behalf of employers. Indeed the Majority expressly suggested that the variation may be more appropriate for consideration in the four yearly review.

²⁸ [2013] FWCFB 6266.

158. In his dissenting judgement Vice President Watson adopted a broader interpretation of the scope of Modern Awards Review 2012 and held that a case had been made out for the proposed variation. Importantly, the merits of the variation were accepted by the Vice President:

“**[231]** A further example relates to applications to modify the timing for making annual leave payments. It is proposed by ABI that the traditional obligation to make payment for annual leave in advance of the leave being taken should be modified in the case of an employee paid by electronic fund transfer so that payment is made on the employee’s usual pay day. The change is intended to address the changes in cash management now common in the Australian workforce and remove an administrative burden of requiring employers to run an additional manual pay for employees who take annual leave. I consider that the change furthers the modern awards objectives of reducing employment costs and regulatory burdens without a significant disadvantage to employees. If employees receive their holiday pay on their normal payday, and can access that pay by withdrawals from their bank account, the situation cannot be described as unfair. Such a provision, developed in response to changed circumstances ensures that the award provides a fair and relevant safety net.

[232] The matter has not been considered previously because it has not been raised previously. The contention that the novelty of the proposal undermines the case for its consideration is not consistent with the notion of a review and is a recipe for awards to stagnate despite changes in relevant circumstances. It is only now, with changed practices for cash management combined with an ever-widening spread of EFT payment of wages, that opportunities for efficiencies of this nature become feasible without any real detriment to employees. In my view an appropriate case has been made out for the variation as part of this review.”

159. The 4 Yearly Review is of course broader in scope than the Modern Awards Review 2012 and therefore the Majority’s reasoning for rejecting the proposal is no longer an issue. Also, Vice President Watson’s conclusions regarding the merits of the proposal remain relevant and provide a powerful justification for the variation proposed by the Employer Groups.
160. An archaic provision requiring annual leave to be paid in advance cannot reasonably be regarded as being consistent with the modern awards objective. Such a provision does not promote flexible modern work practices and the efficient and productive performance of work (s.134(1)(d)).

161. Further, such a provision cannot reasonably be regarded as 'necessary' to enable awards to meet the modern awards objective, as contemplated by section 138 of the FW Act.
162. The variation proposed by the Employer Parties will remedy the archaic and inappropriate effect of the existing provision in a manner which is fair for employees and employers.

8. Conclusions

163. For the reasons set out in this submission, we urge the Full Bench to vary the awards as proposed by the Employer Parties

IN THE FAIR WORK COMMISSION
Modern Award Review 2012

4 yearly review of modern awards – Annual leave
(AM2014/47)

WITNESS STATEMENT

I, Kristina Flynn of The Australian Industry Group do solemnly and sincerely declare:

1. I am the National Manager – BIZassistInfoline for The Australian Industry Group ('Ai Group').
2. I have held the position of National Manager – BIZassistInfoline since April 2012.
3. I am authorised to make this statement on behalf of Ai Group.
4. The contents contained herein are true and correct to the best of my knowledge, save where I otherwise indicate.

Current role and past experience

5. The BIZassistInfoline is Ai Group's national workplace relations telephone advisory service for Ai Group member companies.
6. In my current role I manage the BIZassistInfoline team of 15 Infoline Advisers. I am responsible for the performance and development of my team, as well as the running of the service to ensure that my team meet qualitative and quantitative targets. Along with the other members of my team I also spend time taking calls from member companies when required.

7. I have also previously worked for Ai Group from 2001 to 2008 as an Infoline Adviser and a Workplace Relations Consultant.
8. Prior to working at Ai Group, I worked as the Employee Relations Consultant for Barwon Health.
9. I worked at Barwon Health as an Employee Relations Consultant from May 2008 to April 2012.
10. My role at Barwon Health involved being responsible for compliance with the organisation's industrial instruments, and other legislative obligations in regards to employment.

Calls received by the BIZassistInfoline

11. Ai Group provides a written Member Advice service on approximately 70 of the 122 modern awards. However, the BIZassistInfoline provides over the-phone advice on all modern and pre-modern awards.
12. The BIZassistInfoline is operated by 15 Infoline Advisers who provide on the spot advice and guidance to Ai Group members on all workplace related questions including but not limited to:
 - a) Award coverage;
 - b) Wage rates;
 - c) Leave entitlements;
 - d) Hours of work;
 - e) Employment legislation;
 - f) Minimum employment conditions;
 - g) Competency standards; and
 - h) A wide range of other workplace relations matters.
13. The BIZassistInfoline receives approximately 45,000 to 50,000 calls a year, and since 1 January 2010 has received approximately 199,740 calls.

14. Infoline Advisers working on the BIZassistInfoline are required to log the details of each call into the Ai Group membership database system, including the:
 - a) Member company and contact;
 - b) Date of the call;
 - c) Issue group and issue code of the call; and
 - d) Description of the member company's query and advice provided by the Infoline Adviser.
15. The issue group and issue code is used to group calls into easily identifiable subject matters. The issue code is a subset of the issue group.
16. On 30 May 2014 I ran a report of Ai Group's membership database system for all calls from members to the BIZassistInfoline since 1 January 2010 that have been logged against the issue group, *Leave*, and the issue code, *Annual Leave* ('Annual Leave Report'). This search returned 5,794 records.
17. The Annual Leave Report indicated that the BIZassistInfoline received 5,795 calls about annual leave since 1 January 2010.
18. A filter search of the Annual Leave Report indicated that approximately 1,058 (18.26 per cent) calls were about the cashing out of annual leave.
19. The Annual Leave Report identified that:
 - a) Approximately half (521) of the calls made to the BIZassistInfoline about the cashing out of annual leave since 1 January 2010 concerned employees in circumstances where an award applied to their employment. This amounts to about 49.24 per cent; and

b) Approximately 142 of the calls made to the BIZassistInfoline about the cashing out of annual leave since 1 January 2010 were made by a member company because of a request/s from an employee/s to cash out annual leave. This amounts to about 13.42 per cent.

20. The results depicted in the Annual Leave Report are consistent with my experience working at Ai Group.

21. In my experience it is not uncommon for employers to call the BizassistInfoline to ask whether they can agree to requests from employees, to whom a modern award applies, to cash out their annual leave

I make this statement freely and to the best of my knowledge and recollection. I am prepared to rely upon the contents of this statement and give evidence before any proceedings before the Fair Work Commission.



Kristina Flynn

18 June 2014

**IN THE FAIR WORK COMMISSION
AT MELBOURNE**

AM2014/47

s.156 – Four yearly review of modern awards – Annual leave

WITNESS STATEMENT OF BEN WAUGH

I, Ben Waugh, of [REDACTED] in the State of Victoria, solemnly and sincerely declare and state as follows:

Background

1. I am employed by the Australian Industry Group (**Ai Group**) as a Workplace Relations Adviser. I have been employed by Ai Group in this role for approximately 14 months. Prior to this role I was an adviser in the Ai Group BIZassistInfoline. Since April 2014 I have also assisted the Ai Group policy team.
2. Prior to my employment with Ai Group I worked at the Fair Work Commission (then Fair Work Australia) for a period of approximately 2.5 years.
3. My qualifications are a Bachelor of Laws (Hons) / Bachelor of Engineering (Chemical) (Hons) from the University of Melbourne.

The Annual Leave Survey 2014

4. In April 2014 I was advised by Stephen Smith, Director – National Workplace Relations of Ai Group that Ai Group, ACCI and various other employer groups intended to conduct a joint employer survey regarding a range of annual leave matters (**the Annual Leave Survey 2014**).

Setting up the Annual Leave Survey 2014 on LimeSurvey

5. Earlier in 2014, I had worked with Brett VonHoldt, Manager – Web Properties of Ai Group, to use LimeSurvey (version 1.91+ Build 111804) to develop an on-line workplace relations survey. LimeSurvey is a free and open source on-line survey application that enables users to develop and publish on-line surveys and collect responses without the user doing any programming.
6. A key benefit of conducting the Annual Leave Survey 2014 via an on-line program, and specifically LimeSurvey, is that all individual responses are automatically collated and objective statistical information can readily be obtained from the program. Compared to other surveying methods, for example, hardcopy surveys, this benefit ensures the integrity of the data as the potential for human error (i.e. from coding responses) is removed.
7. From my previous experience with the LimeSurvey software, I had a username/password and the experience necessary to develop an on-line survey. Hence, I was requested to assist in putting the Annual Leave Survey 2014 on-line.
8. I was not involved in the development of the questions or the logic between questions. I understand that the questions were developed between Ai Group, ACCI and the other participating employer groups, including through meetings held in Sydney. The nature of my involvement was to receive the proposed survey in Microsoft Word format and to transfer this information to the LimeSurvey program. I was also involved in extracting the final data and developing graphs as explained below.
9. I received the final version of the proposed Annual Leave Survey 2014 (**Attachment A**) on 9 May 2014.
10. After gaining basic familiarity with the LimeSurvey program, transferring the questions from Microsoft Word to LimeSurvey is largely an administrative process.
11. A screen capture of the LimeSurvey program is at **Attachment B** to this statement.

12. For questions that are conditional on previous responses to the survey, I was required to use the logic functions of LimeSurvey. Again, after gaining a basic familiarity with LimeSurvey, this process is straightforward. The process is similar to applying 'if' logic through Microsoft Excel, which is a program that I was exposed to in depth during my University studies.
13. In setting up the survey, I prevented repeat participation by ensuring that a cookie was set upon completion of each survey. This measure would ensure that a respondent was not able to complete the survey more than once.

Notifying Members of Annual Leave Survey 2014

14. Following the testing of the survey, on 13 May 2014, an email was sent out to Ai Group Members (see **Attachment C**). Other employer associations distributed an identical email around the same time.
15. The email informed the recipient that the Fair Work Commission is currently reviewing award provisions pertaining to annual leave as part of the 4 yearly review of modern awards and that Ai Group, ACCI and their affiliate organisations were seeking to canvass the views of employers regarding the practices in their workplace for the granting and taking of annual leave.
16. The email also informed the recipient that the survey would close by 4pm Friday 30 May 2014.
17. In the days that followed, I regularly monitored the number of responses on LimeSurvey. I would email updates to other members of the Ai Group policy team.
18. On Monday 26 May 2014, an email was sent out to Ai Group members reminding them that the deadline for participating in the survey was 4pm Friday 30 May 2014 (see **Attachment D**).

Results of the Annual Leave Survey 2014

19. At 4pm on Friday 30 May 2014 the survey automatically closed. Table 1 summarises the survey completion data:

Table 1: Summary of final response to Annual Leave Survey 2014

Status	Number
Full responses	3,713
Incomplete responses	424
Total responses	4,137

20. On 2 June 2014, I extracted the statistical information from the survey responses (see Report at **Attachment E**).
21. In relation to one specific question, the Annual Leave Survey 2014 had been set up to receive an open field response from the respondent. This means that the respondent was invited to type in their answer to the question rather than selecting between specified options. Specifically, the question was, “Why does your organisation not like employees accruing more than 6 weeks’ annual leave?” (**the Question**). **The Question** was conditional on the respondent having answered the previous question by indicating that their organisation did not like employees accruing more than 6 weeks of leave (see **Attachment A**, questions 12 and 13).
22. There were a significant number of responses to **the Question**. The raw data is extracted in **Attachment F**. It represents the responses of 2,026 respondents and constitutes approximately 44,000 words. Table 2 summarises the prevalence of certain commonly raised terms contained in the raw data to the Question:

Table 2: Summary of terms in responses to the Question

Search term	Number of hits
Cost	353
Cashflow / cash flow	153
Liability	434
Balance sheet	83
Budget	41
Life balance	77
Health	153
Fatigue	18
Cover (ie cover EE while on leave)	143
Small business	176

Pivot Tables

23. In terms of the raw data, I used the pivot table function of Excel to create graphs that illustrated the relationship between responses to different questions. For example, the survey asked respondents to indicate their industry and size. The survey also asked a question in relation to a respondent's cashing out of leave requests, specifically whether the respondent had received a request to cash out a portion of leave since 1 January 2010. Using pivot tables, I was able to group the data so that the cashing out requests for respondents in particular industries and/or of particular a size could be determined.

24. I have prepared a number of graphs to illustrate particular relationships between the responses of different questions. These graphs are attached to this statement (**Attachment G**) and include the following:

a) Industry vs close down frequency

This graph shows the percentage of respondents within the construction, manufacturing and professional, scientific and technical services sectors that indicated that they had, since 1 January 2010, closed down all or part of their operations at any time during the year to allow employees to take leave.

b) Manufacturing industry - Size vs close down frequency

This graph shows how frequently respondents within the manufacturing industry, grouped according to employer size, had closed down since 1 January 2010.

c) Employer size vs request to cash out

This graph shows the percentage of respondents in each size bracket that indicated that they had an employee ask to cash out a portion of their annual leave since 1 January 2010.

d) Industry vs requests to cash out

This graph shows the percentage of respondents in each industry who indicated that they had an employee ask to cash out a portion of their annual leave since 1 January 2010.

e) Employer size vs requests for leave in advance

This graph shows the percentage of respondents in each size category that indicated that they had received a request from an employee to take leave in advance of accrual.

f) Employer size vs prevalence of extra fees for processing payroll outside usual pay period

This graph shows the percentage of respondents in each size category that indicated that they were charged an extra fee for processing payroll outside the usual pay period.

Ben Waugh

20 June 2014

Signed:



ANNUAL LEAVE SURVEY

1. Could you please identify your position in your organisation? Choose one of the following answers.

- Business owner
- General Manager/CEO
- Operational or Divisional Manager
- HR Manager
- Chief Financial Officer
- Other [Please specify]_____

2. Which of the following ANZSIC industry groups is most relevant to your organisation? Choose one of the following answers.

- Agriculture, Forestry & Fishing
- Mining
- Manufacturing
- Electricity, Gas, Water & Waste Services
- Construction
- Wholesale Trade
- Retail Trade
- Accommodation & Food Services
- Transport, Postal & Warehousing
- Information Media and Telecommunications
- Financial & Insurance Services
- Rental, Hiring & Real Estate Services
- Professional, Scientific & Technical Service
- Administrative & Support Services
- Public Administration & Safety
- Education & Training
- Health Care & Social Assistance
- Arts & Recreation Services
- Other Services


3. In which State or Territory does your organisation operate? Tick each applicable State/Territory.

- New South Wales

- Victoria
- Queensland
- South Australia
- Western Australia
- Tasmania
- Northern Territory
- Australian Capital Territory

4. How many people does your organisation employ in Australia? Choose one of the following answers.

- Less than 5
- 5 to 15
- 15 to 49
- 50 to 99
- 100 to 199
- 200 to 500
- 500 to 999
- 1000 to 4999
- 5000 or more

 Only include your organisation's employees, do not include contractors or labour hire

A. CASHING OUT ANNUAL LEAVE

5. Since 1 January 2010, have any of your organisation's employees asked to cash out a portion of their annual leave? Choose one of the following answers.

- Yes
- No
- Unsure

6. If yes, how many requests have you received?

- 1
- 2-5
- 5-20
- 20+

7. What percentage of these requests have been granted?

- none
- 1-25%
- 26-50%
- 51-75%
- 75%+
- Unsure

8. If requests have been refused, what has been the reason or reasons giving rise to the refusal? Tick each appropriate box:

- The employee had less than 4 weeks of annual leave accrued.
- We were unable to agree because of our award or agreement does not permit cashing out of leave.
- The Company does not wish to allow employees to cash out annual leave.
- Other. Please specify: _____

B. CLOSE DOWN

9. Since 1 January 2010, has your organisation closed down all or part of its operations at any time during the year to allow employees to take leave? Choose one of the following answers.

- Yes
- No
- Unsure

10. If so, on how many occasions since December 2009 has your organisation closed down all or part of its operations?

- 1-2
- 3-4
- 5+

10A. If you answered no to question 9, what was the reason for your organisation not closing down?

- There was no operational reason for our business to close down
- We were unable to close down because it was not permitted by our award or agreement

- Other. Please specify_____

C. EXCESSIVE ANNUAL LEAVE ACCRUALS

11. What percentage of your employees have annual leave balances of 6 or more weeks?

- none
- 1- 20%
- 21-50%
- 51-70%
- 70%+
- Unsure

12. Does your organisation have a view about employees accruing more than 6 weeks of annual leave?

- No particular view
- It is not really an issue in our organisation
- We do not like employees accruing more than 6 weeks of leave.

13. If you answered that your organisation does not like employees accruing more than 6 weeks' annual leave, why does it not?

Please specify: _____

14. Does your organisation wish to have the right to direct employees who have accrued more than 6 weeks to take annual leave?

- Yes
- No
- No view

D. ANNUAL LEAVE IN ADVANCE

15. Since 1 January 2010, have any of your employees requested a period of annual leave in advance (ie before they have sufficient accrued leave to cover the request)?

- Yes
- No
- Unsure

16. If you answered “yes” to Question 15, on what percentage of occasions have you agreed to these requests?

- none
- 1-10%
- 11-25%
- 26-50%
- 51-75%
- 75+%
- all
- Unsure

17. If, in the future, an employee was to request a period of annual leave in advance, would you be willing to grant such leave?

- Yes
- Depends on the circumstances
- No
- Unsure

E. PAYING EMPLOYEES WHO ARE TAKING ANNUAL LEAVE

18. Do you pay any of your permanent employees by cash or cheque (or some other non-electronic transfer method) on a regular basis?

- Yes
- No
- Unsure

19. If you answered ‘No’ to Q18 are you charged a processing fee for your regular payroll transactions?

- Yes
- No
- Unsure

20. If you answered 'No' to Q18, are you charged extra fees for processing payroll outside the usual pay period?

- Yes
- No
- Unsure

21. If you answered yes to question 20, what is the cost for processing payments outside of normal pay periods (include your estimate of your administrative cost)?

- \$5 or less per employee
- \$6-\$20 per employee
- More than \$20 per employee
- Cannot estimate

Australian Industry Group - Online Surveys

Administration -- Logged in as: **benwaugh**



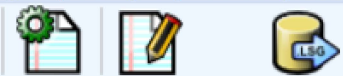
Surveys:

Survey Employer Annual Leave Survey 2014 (ID:59388)



Question groups:

Question group Company details (ID:386)



Questions:

Question In which State or Territory does your organisation operate? (ID:7362)



Code: 3: (Mandatory question)

Question: In which State or Territory does your organisation operate?

Help:

Type: Multiple choice

Option 'Other': No

Mandatory: Yes



From: Australian Industry Group [<mailto:info@aigroup.asn.au>]
Sent: Tuesday, 13 May 2014 2:06 PM
To: Lucy Britto
Subject: [test] Annual Leave Survey

[View an online version of this email](#)



Dear Lucy,

ANNUAL LEAVE SURVEY

The Fair Work Commission is currently reviewing award provisions pertaining to annual leave as part of its 4 yearly review of modern awards.

Representative employer groups including Ai Group, the Australian Chamber of Commerce & Industry and their affiliate organisations are involved in these proceedings and are seeking to canvass the views of members regarding the practices in their workplace for the granting and taking of annual leave.

We are interested to get employer responses to the [Employer Annual Leave Survey](#). These responses will help the Fair Work Commission to understand the practices of real employers and real employees in industry, enabling the Commission to make appropriate decisions as part of its current review of modern awards.

The Employer Annual Leave Survey asks about:

- Cashing out of annual leave;
- Annual leave close downs;
- Directing employees to take annual leave;
- Granting annual leave in advance; and
- Electronic payments of annual leave.

The Employer Annual Leave Survey will take about 10 minutes and [can be accessed here](#).

We need your survey response by **4pm Friday 30 May 2014**.

We ask that you please complete the Survey as it is extremely important to the process being

undertaken by the Fair Work Commission.

Looking forward to hearing from you soon.

Yours Sincerely,



Stephen Smith
Director - National Workplace Relations
Australian Industry Group

This email has been sent to you as a member of Ai Group and forms part of our communications services to you. Go to the [Ai Group website](#) to receive other information services or opt out. [Unsubscribe](#)

www.aigroup.com.au

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From: Australian Industry Group [<mailto:info@aigroup.asn.au>]

Sent: Monday, 26 May 2014 11:47 AM

To: Lucy Britto

Subject: [test] Reminder - Annual Leave Survey

[View an online version of this email](#)

The logo for the Australian Industry Group (Ai Group) is displayed in white on a red background. It features the letters 'Ai' in a stylized font, followed by the text 'AUSTRALIAN INDUSTRY GROUP' in a sans-serif font. To the right of the text is a large, white, stylized letter 'A' that is partially cut off by the edge of the banner.

Dear Lucy,

ANNUAL LEAVE SURVEY - REMINDER

If you haven't completed our Employer Annual Leave Survey, we remind you that the deadline is 4pm Friday 30 May 2014 and your response would be appreciated.

The Fair Work Commission is currently reviewing award provisions pertaining to annual leave as part of its 4 yearly review of modern awards.

Representative employer groups including Ai Group, the Australian Chamber of Commerce & Industry and their affiliate organisations are involved in these proceedings and are seeking to canvass the views of members regarding the practices in their workplace for the granting and taking of annual leave.

We are interested to get employer responses to the [Employer Annual Leave Survey](#). These responses will help the Fair Work Commission to understand the practices of real employers and real employees in industry, enabling the Commission to make appropriate decisions as part of its current review of modern awards.

The Employer Annual Leave Survey asks about:

- Cashing out of annual leave;
- Annual leave close downs;
- Directing employees to take annual leave;
- Granting annual leave in advance; and
- Electronic payments of annual leave.

The Employer Annual Leave Survey will take about 10 minutes and [can be accessed here](#).

We need your survey response by **4pm Friday 30 May 2014**.

We ask that you please complete the Survey as it is extremely important to the process being

undertaken by the Fair Work Commission.

Looking forward to hearing from you soon.

Yours Sincerely,



Stephen Smith
Director - National Workplace Relations
Australian Industry Group

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Results

Survey 59388

Number of records in this query:	4137
Total records in survey:	4137
Percentage of total:	100.00%





Field summary for 1

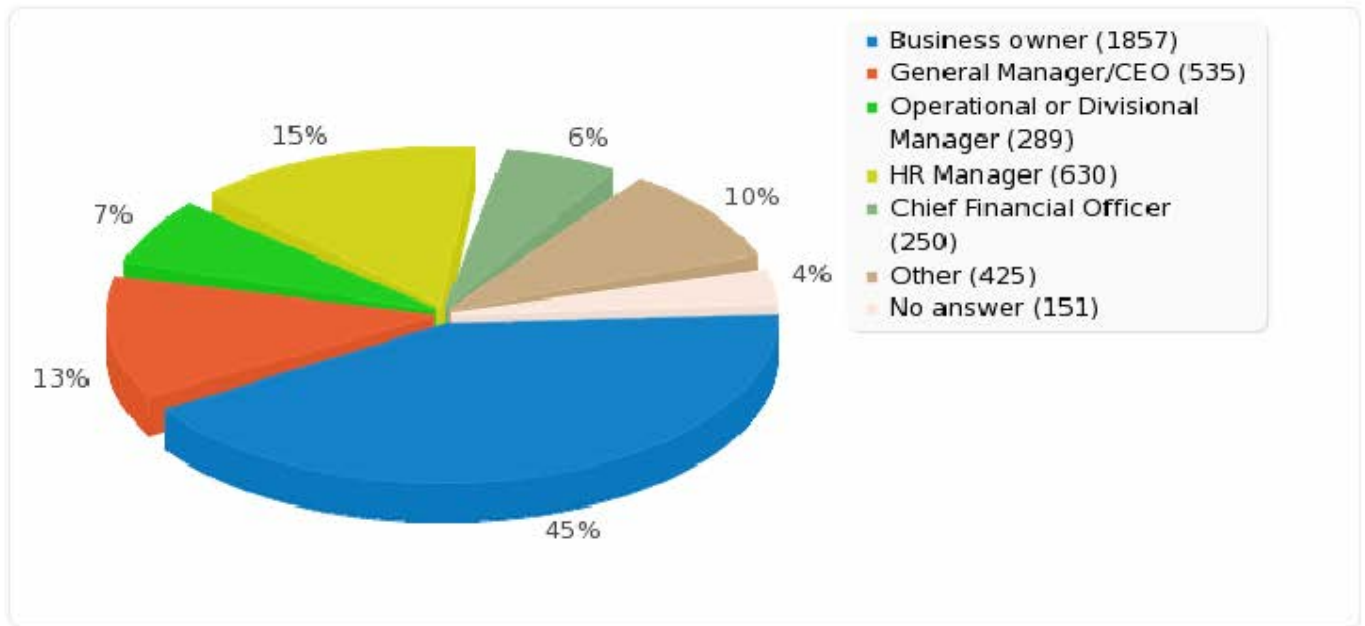
Could you please identify your position in your organisation?

Answer	Count	Percentage
Business owner (1)	1857	44.89%
General Manager/CEO (2)	535	12.93%
Operational or Divisional Manager (3)	289	6.99%
HR Manager (4)	630	15.23%
Chief Financial Officer (5)	250	6.04%
Other	425	10.27%
No answer	151	3.65%
Not completed or Not displayed	0	0.00%



Field summary for 1

Could you please identify your position in your organisation?





Field summary for 2

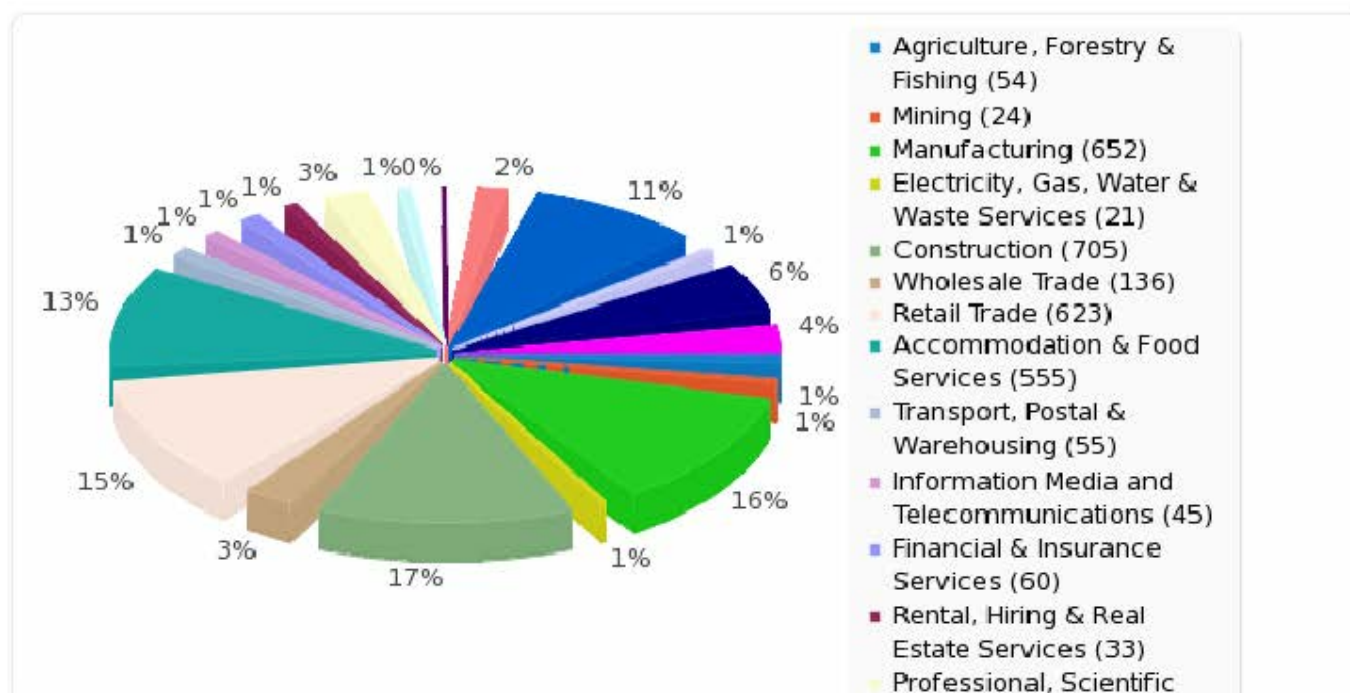
Which of the following ANZSIC industry groups is most relevant to your organisation?

Answer	Count	Percentage
Agriculture, Forestry & Fishing (1)	54	1.31%
Mining (2)	24	0.58%
Manufacturing (3)	652	15.76%
Electricity, Gas, Water & Waste Services (4)	21	0.51%
Construction (5)	705	17.04%
Wholesale Trade (6)	136	3.29%
Retail Trade (7)	623	15.06%
Accommodation & Food Services (8)	555	13.42%
Transport, Postal & Warehousing (9)	55	1.33%
Information Media and Telecommunications (10)	45	1.09%
Financial & Insurance Services (11)	60	1.45%
Rental, Hiring & Real Estate Services (12)	33	0.80%
Professional, Scientific & Technical Service (13)	120	2.90%
Administrative & Support Services (14)	34	0.82%
Public Administration & Safety (15)	15	0.36%
Education & Training (16)	83	2.01%
Health Care & Social Assistance (17)	475	11.48%
Arts & Recreation Services (18)	30	0.73%
Other Services (19)	264	6.38%
No answer	153	3.70%
Not completed or Not displayed	0	0.00%



Field summary for 2

Which of the following ANZSIC industry groups is most relevant to your organisation?





Field summary for 3

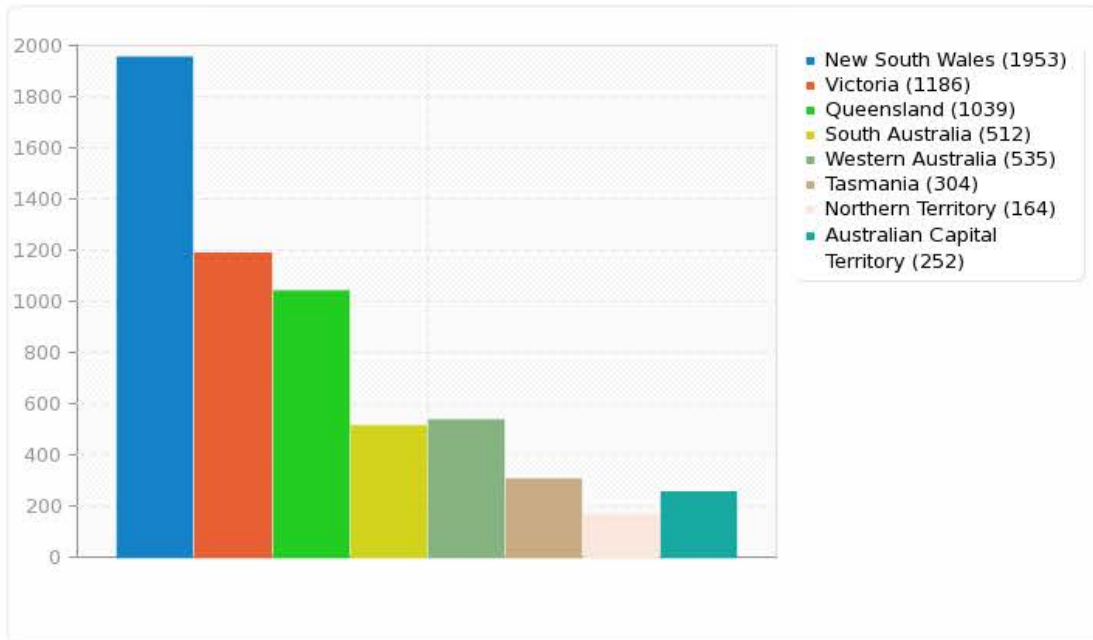
In which State or Territory does your organisation operate?

Answer	Count	Percentage
New South Wales (1)	1953	47.21%
Victoria (2)	1186	28.67%
Queensland (3)	1039	25.11%
South Australia (4)	512	12.38%
Western Australia (5)	535	12.93%
Tasmania (6)	304	7.35%
Northern Territory (7)	164	3.96%
Australian Capital Territory (8)	252	6.09%



Field summary for 3

In which State or Territory does your organisation operate?





Field summary for 4

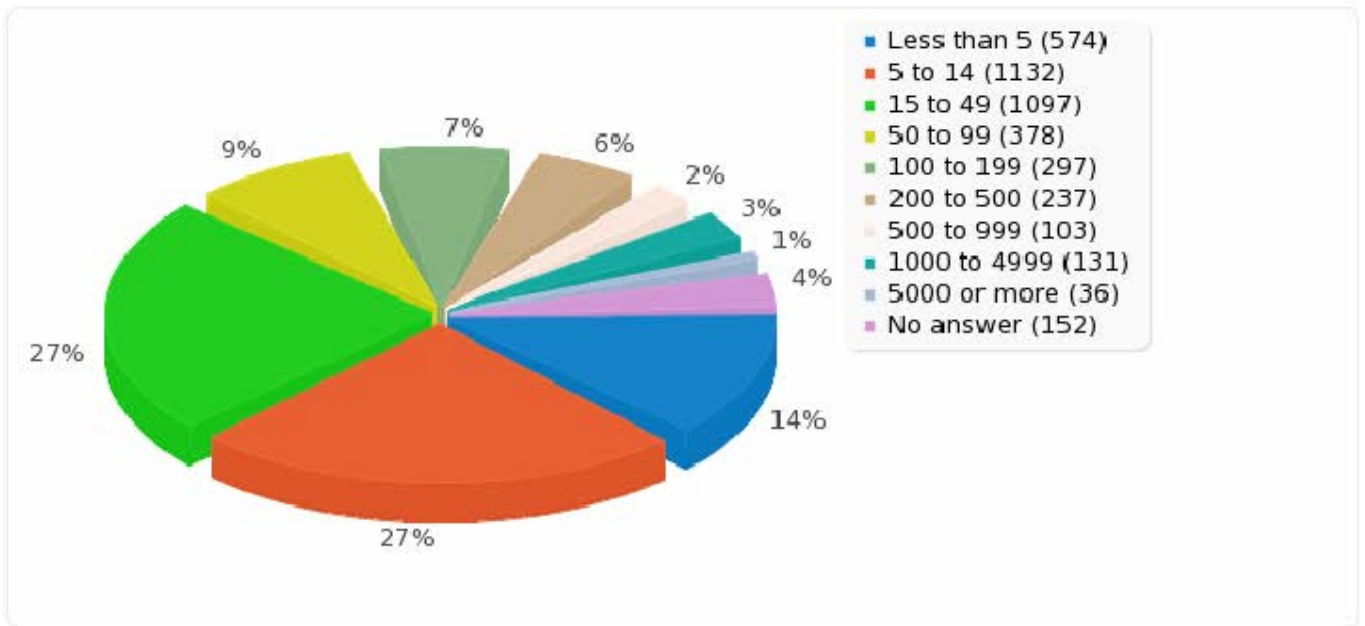
How many people does your organisation employ in Australia?

Answer	Count	Percentage
Less than 5 (1)	574	13.87%
5 to 14 (2)	1132	27.36%
15 to 49 (3)	1097	26.52%
50 to 99 (4)	378	9.14%
100 to 199 (5)	297	7.18%
200 to 500 (6)	237	5.73%
500 to 999 (7)	103	2.49%
1000 to 4999 (8)	131	3.17%
5000 or more (9)	36	0.87%
No answer	152	3.67%
Not completed or Not displayed	0	0.00%



Field summary for 4

How many people does your organisation employ in Australia?





Field summary for 5

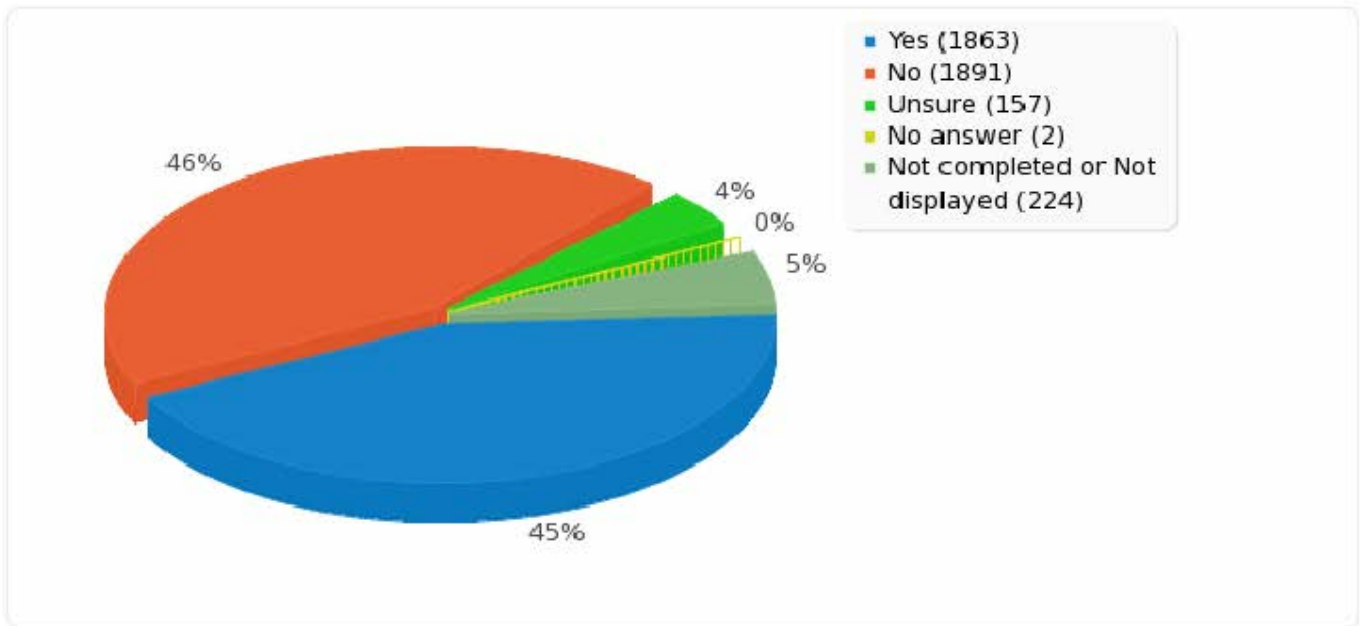
Since 1 January 2010, have any of your organisation's employees asked to cash out a portion of their annual leave?

Answer	Count	Percentage
Yes (1)	1863	45.03%
No (2)	1891	45.71%
Unsure (3)	157	3.80%
No answer	2	0.05%
Not completed or Not displayed	224	5.41%



Field summary for 5

Since 1 January 2010, have any of your organisation's employees asked to cash out a portion of their annual leave?





Field summary for 6

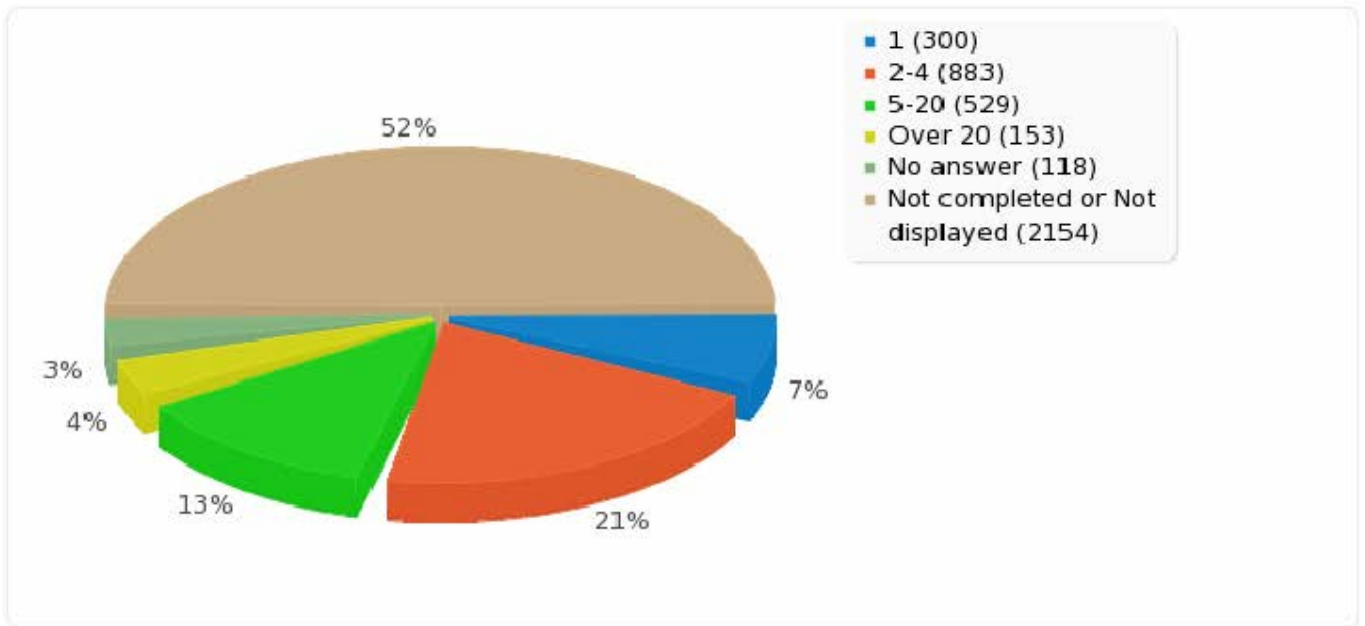
How many requests have you received?

Answer	Count	Percentage
1 (1)	300	7.25%
2-4 (2)	883	21.34%
5-20 (3)	529	12.79%
Over 20 (4)	153	3.70%
No answer	118	2.85%
Not completed or Not displayed	2154	52.07%



Field summary for 6

How many requests have you received?





Field summary for 7

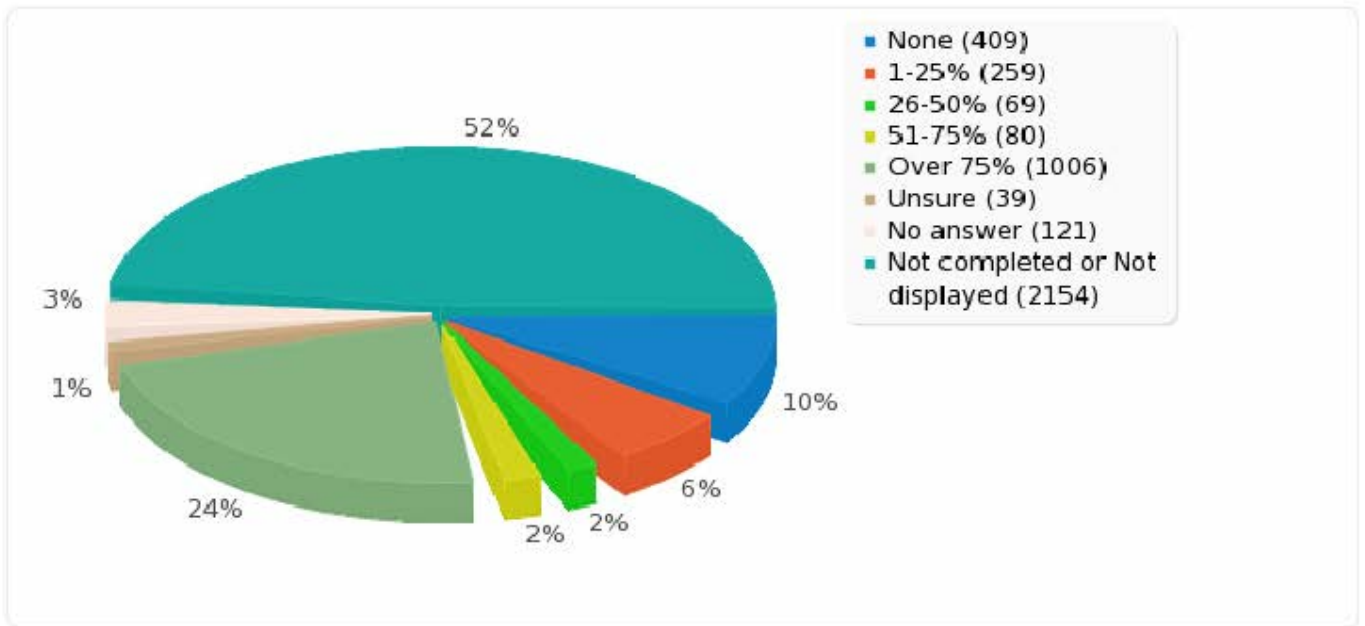
What percentage of these requests have been granted?

Answer	Count	Percentage
None (1)	409	9.89%
1-25% (2)	259	6.26%
26-50% (3)	69	1.67%
51-75% (4)	80	1.93%
Over 75% (5)	1006	24.32%
Unsure (6)	39	0.94%
No answer	121	2.92%
Not completed or Not displayed	2154	52.07%



Field summary for 7

What percentage of these requests have been granted?





Field summary for 8

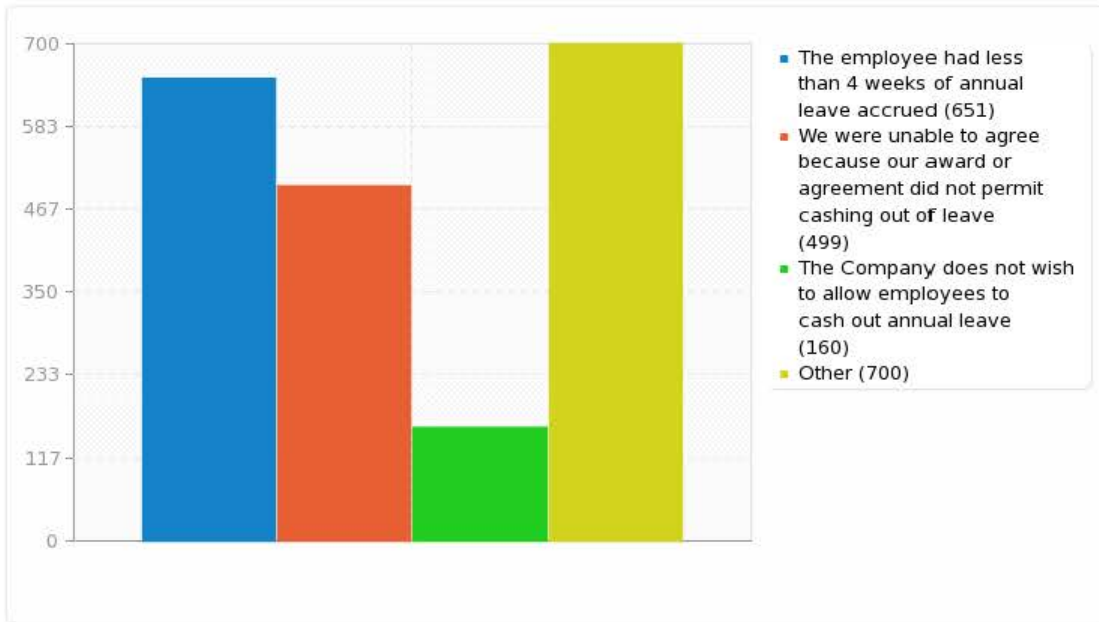
If requests have been refused, what was the reason or reasons for the refusal?

Answer	Count	Percentage
The employee had less than 4 weeks of annual leave accrued (1)	651	15.74%
We were unable to agree because our award or agreement did not permit cashing out of leave (2)	499	12.06%
The Company does not wish to allow employees to cash out annual leave (3)	160	3.87%
Other	700	16.92%



Field summary for 8

If requests have been refused, what was the reason or reasons for the refusal?





Field summary for 9

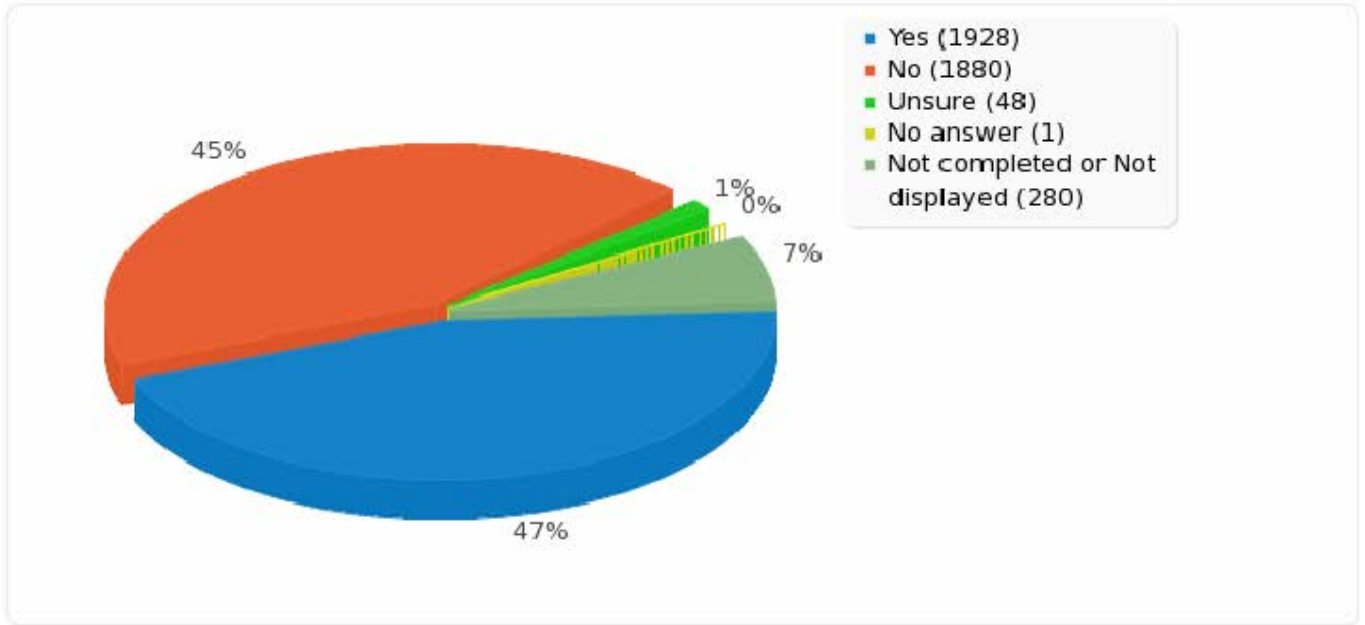
Since 1 January 2010, has your organisation closed down all or part of its operations at any time during the year to allow employees to take leave?

Answer	Count	Percentage
Yes (1)	1928	46.60%
No (2)	1880	45.44%
Unsure (3)	48	1.16%
No answer	1	0.02%
Not completed or Not displayed	280	6.77%



Field summary for 9

Since 1 January 2010, has your organisation closed down all or part of its operations at any time during the year to allow employees to take leave?





Field summary for 10

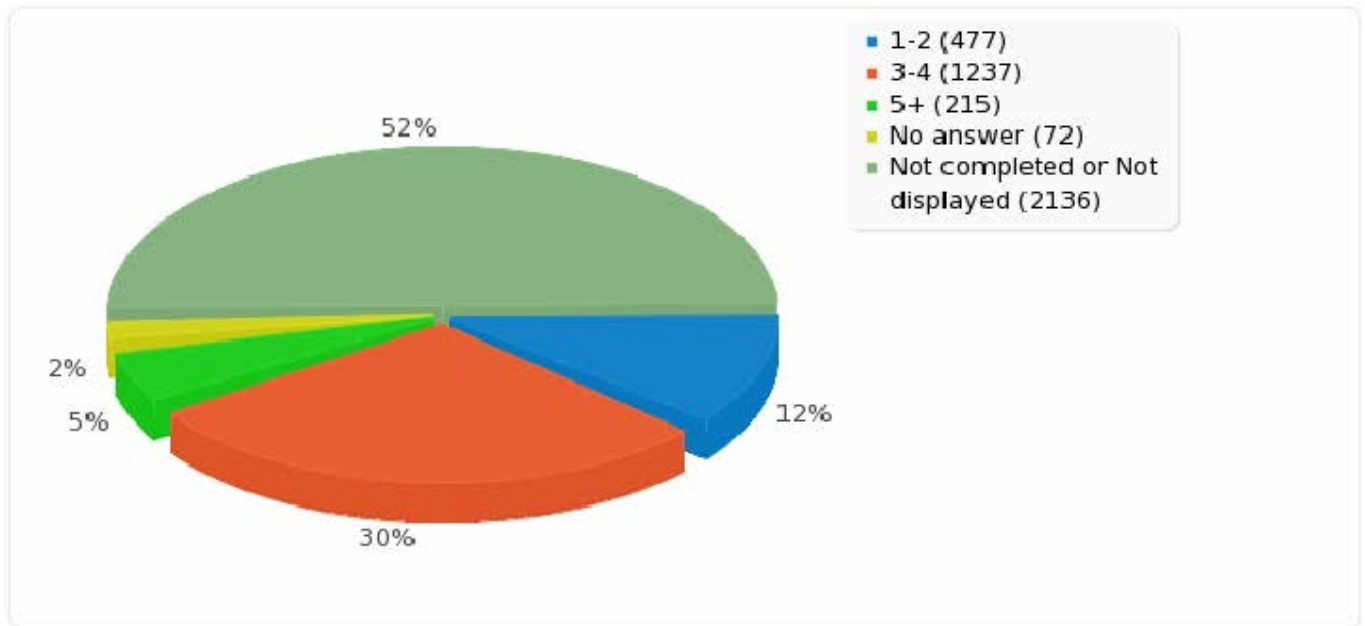
On how many occasions since 1 January 2010 has your organisation closed down all or part of its operations?

Answer	Count	Percentage
1-2 (1)	477	11.53%
3-4 (2)	1237	29.90%
5+ (3)	215	5.20%
No answer	72	1.74%
Not completed or Not displayed	2136	51.63%



Field summary for 10

On how many occasions since 1 January 2010 has your organisation closed down all or part of its operations?





Field summary for 10A

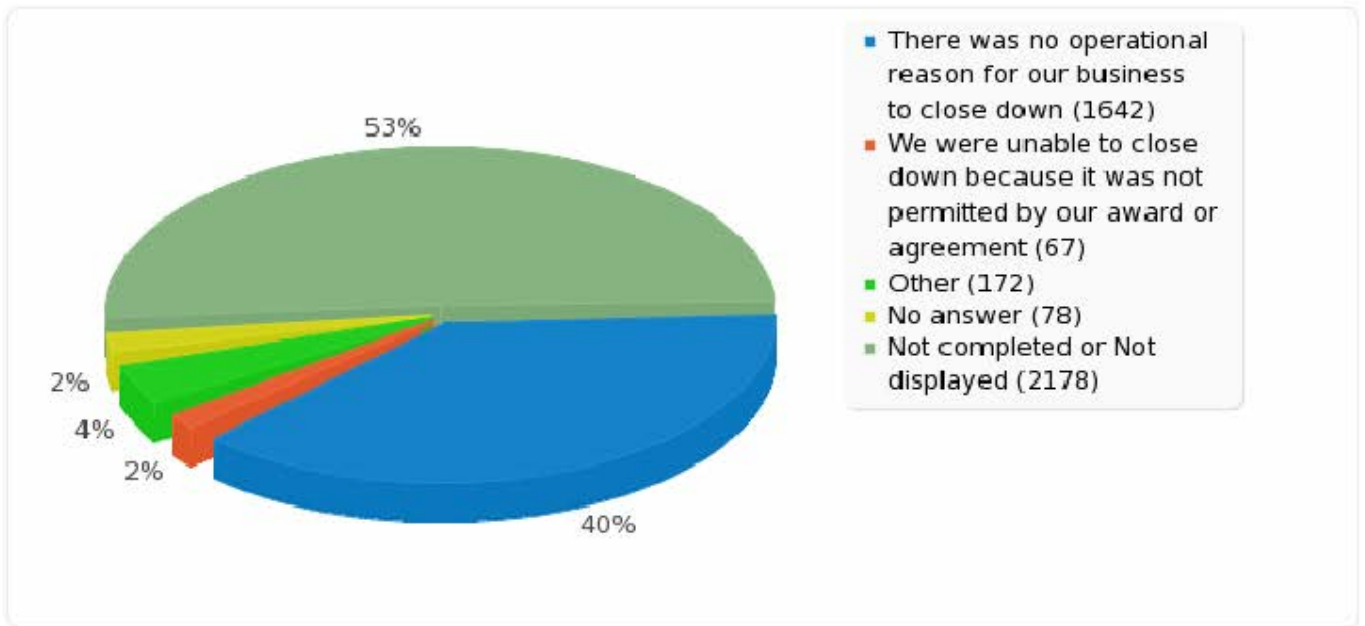
What was the reason for your organisation not closing down?

Answer	Count	Percentage
There was no operational reason for our business to close down (1)	1642	39.69%
We were unable to close down because it was not permitted by our award or agreement (2)	67	1.62%
Other	172	4.16%
No answer	78	1.89%
Not completed or Not displayed	2178	52.65%



Field summary for 10A

What was the reason for your organisation not closing down?





Field summary for 11

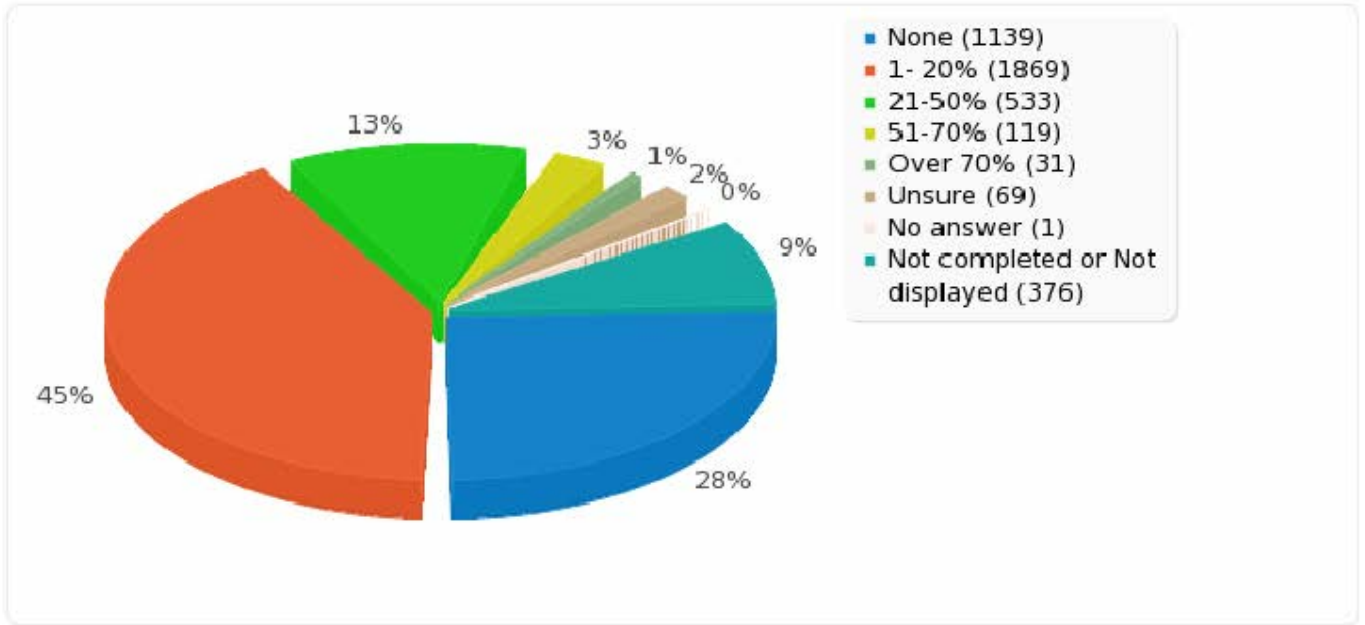
What percentage of your employees have annual leave balances of 6 or more weeks?

Answer	Count	Percentage
None (1)	1139	27.53%
1- 20% (2)	1869	45.18%
21-50% (3)	533	12.88%
51-70% (4)	119	2.88%
Over 70% (5)	31	0.75%
Unsure (6)	69	1.67%
No answer	1	0.02%
Not completed or Not displayed	376	9.09%



Field summary for 11

What percentage of your employees have annual leave balances of 6 or more weeks?





Field summary for 12

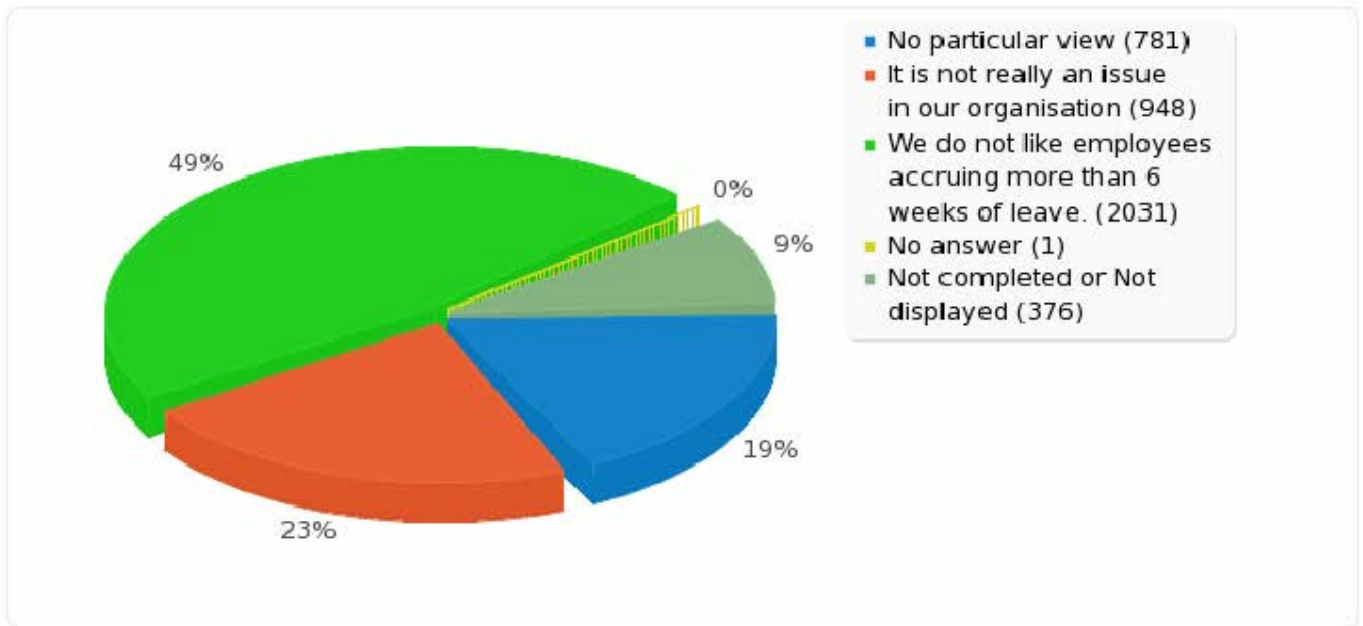
Does your organisation have a view about employees accruing more than 6 weeks of annual leave?

Answer	Count	Percentage
No particular view (1)	781	18.88%
It is not really an issue in our organisation (2)	948	22.92%
We do not like employees accruing more than 6 weeks of leave. (3)	2031	49.09%
No answer	1	0.02%
Not completed or Not displayed	376	9.09%



Field summary for 12

Does your organisation have a view about employees accruing more than 6 weeks of annual leave?





Field summary for 13

Why does your organisation not like employees accruing more than 6 weeks of leave?

Briefly state the reason or reasons.

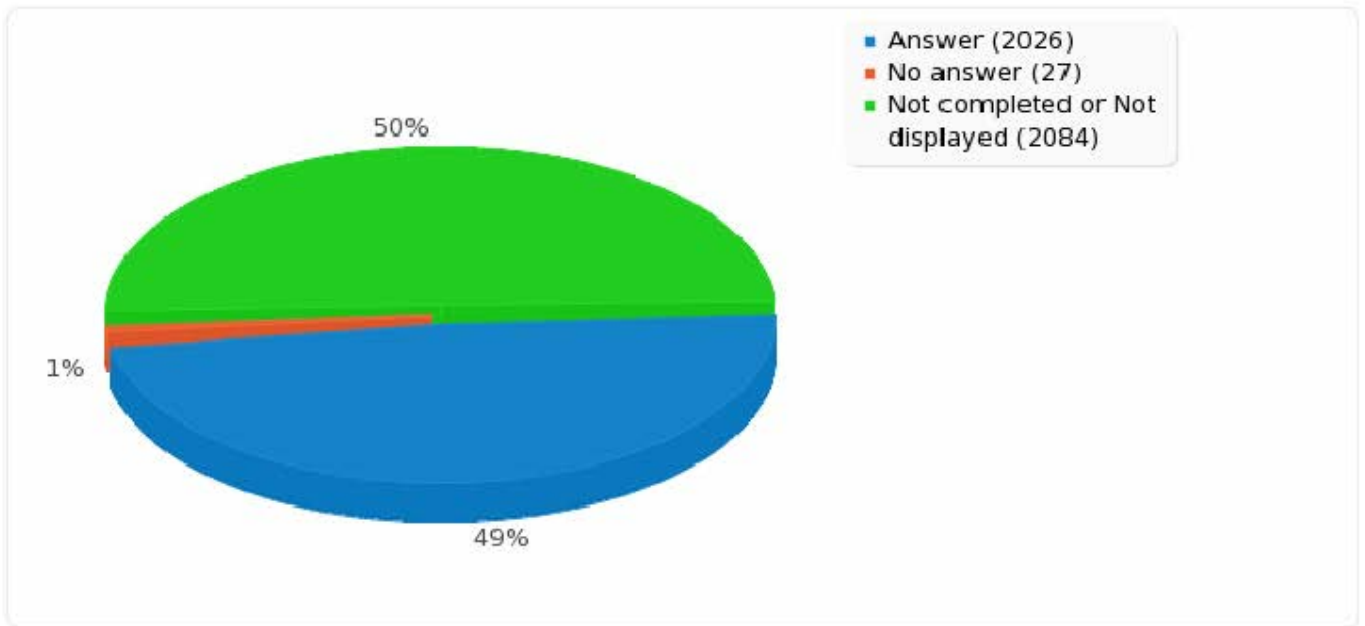
Answer	Count	Percentage
Answer	2026	48.97%
No answer	27	0.65%
Not completed or Not displayed	2084	50.37%



Field summary for 13

Why does your organisation not like employees accruing more than 6 weeks of leave?

Briefly state the reason or reasons.





Field summary for 14

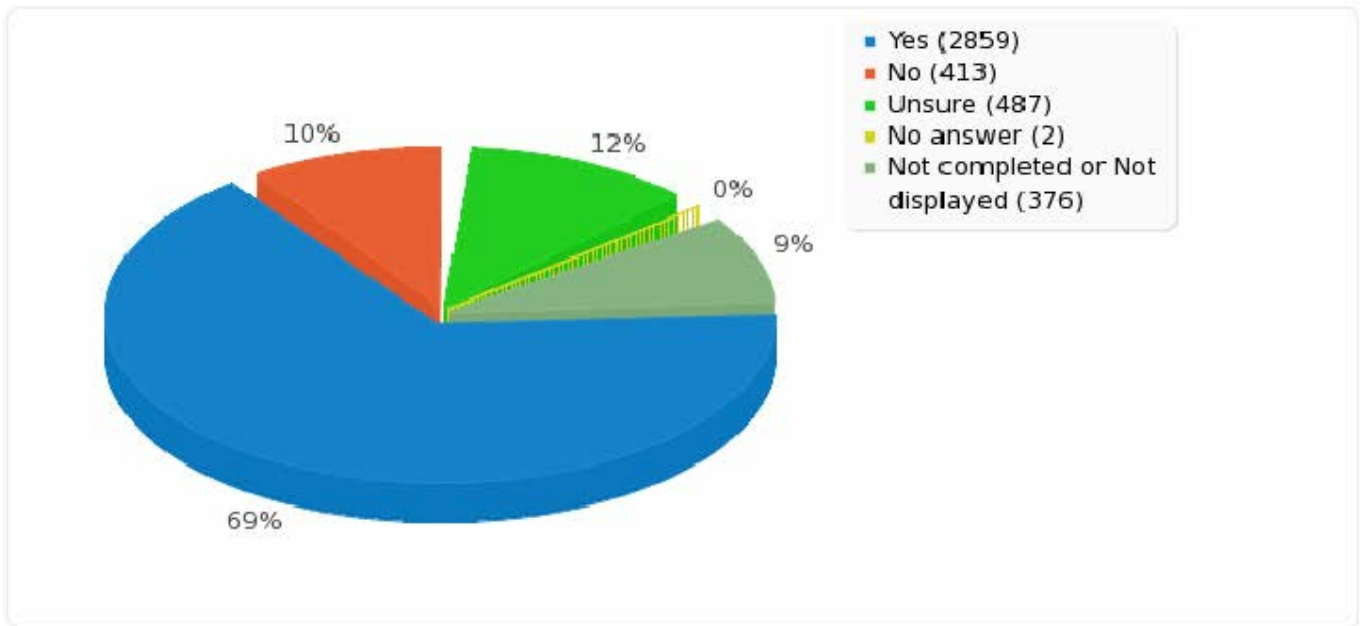
Does your organisation wish to have the right to direct employees who have accrued more than 6 weeks to take annual leave?

Answer	Count	Percentage
Yes (1)	2859	69.11%
No (2)	413	9.98%
Unsure (3)	487	11.77%
No answer	2	0.05%
Not completed or Not displayed	376	9.09%



Field summary for 14

Does your organisation wish to have the right to direct employees who have accrued more than 6 weeks to take annual leave?





Field summary for 15

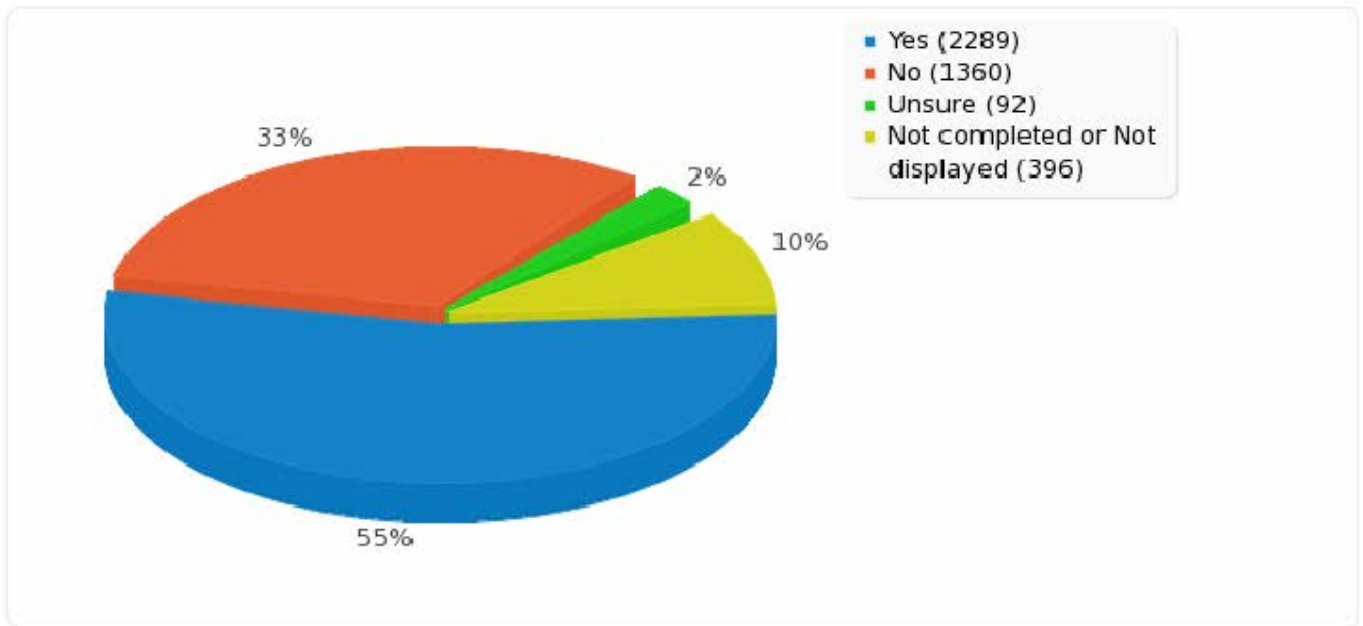
Since 1 January 2010, have any of your employees requested a period of annual leave in advance (ie before they have sufficient accrued leave to cover the request)?

Answer	Count	Percentage
Yes (1)	2289	55.33%
No (2)	1360	32.87%
Unsure (3)	92	2.22%
No answer	0	0.00%
Not completed or Not displayed	396	9.57%



Field summary for 15

Since 1 January 2010, have any of your employees requested a period of annual leave in advance (ie before they have sufficient accrued leave to cover the request)?





Field summary for 16

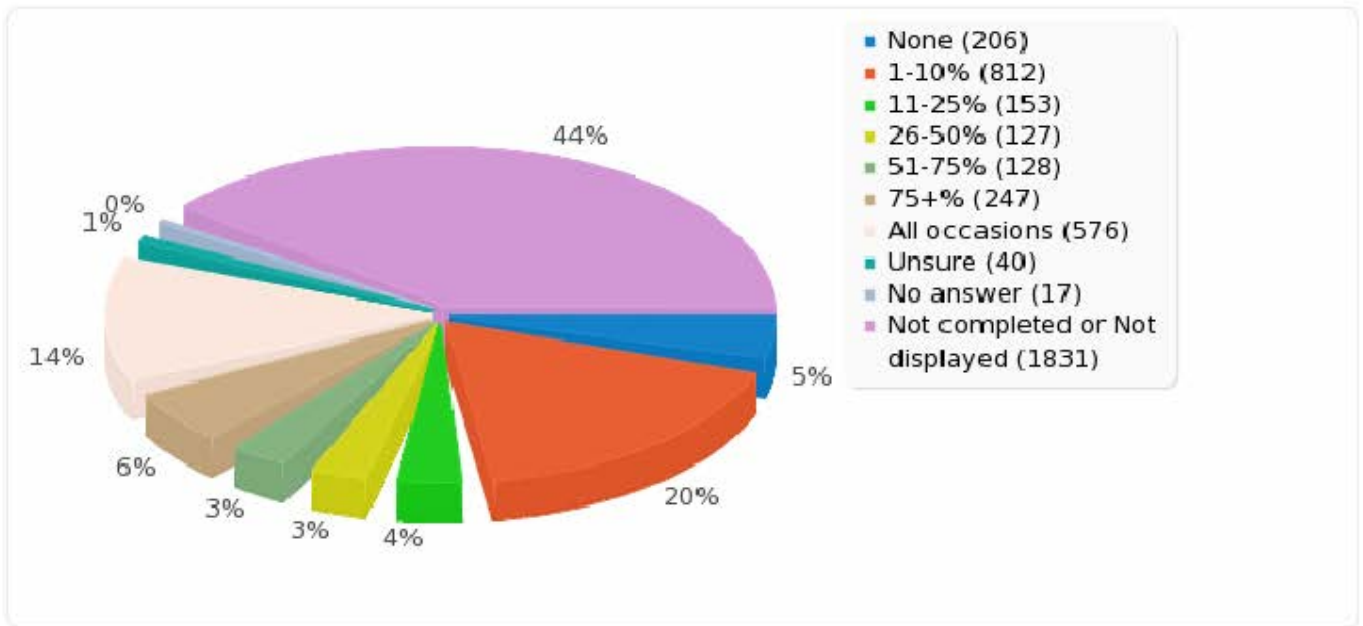
On what percentage of occasions have you agreed to these requests?

Answer	Count	Percentage
None (1)	206	4.98%
1-10% (2)	812	19.63%
11-25% (3)	153	3.70%
26-50% (4)	127	3.07%
51-75% (5)	128	3.09%
75+% (6)	247	5.97%
All occasions (7)	576	13.92%
Unsure (8)	40	0.97%
No answer	17	0.41%
Not completed or Not displayed	1831	44.26%



Field summary for 16

On what percentage of occasions have you agreed to these requests?





Field summary for 17

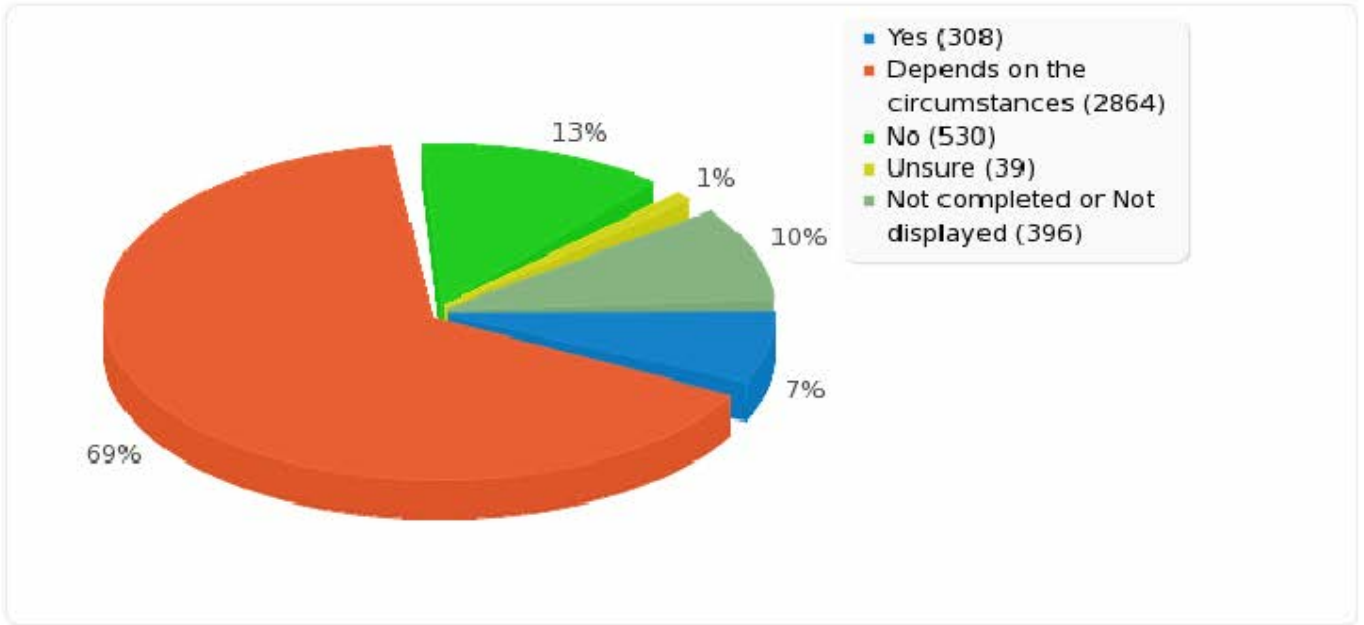
If, in the future, an employee was to request a period of annual leave in advance, would you be willing to grant such leave?

Answer	Count	Percentage
Yes (1)	308	7.45%
Depends on the circumstances (2)	2864	69.23%
No (3)	530	12.81%
Unsure (4)	39	0.94%
No answer	0	0.00%
Not completed or Not displayed	396	9.57%



Field summary for 17

If, in the future, an employee was to request a period of annual leave in advance, would you be willing to grant such leave?





Field summary for 18

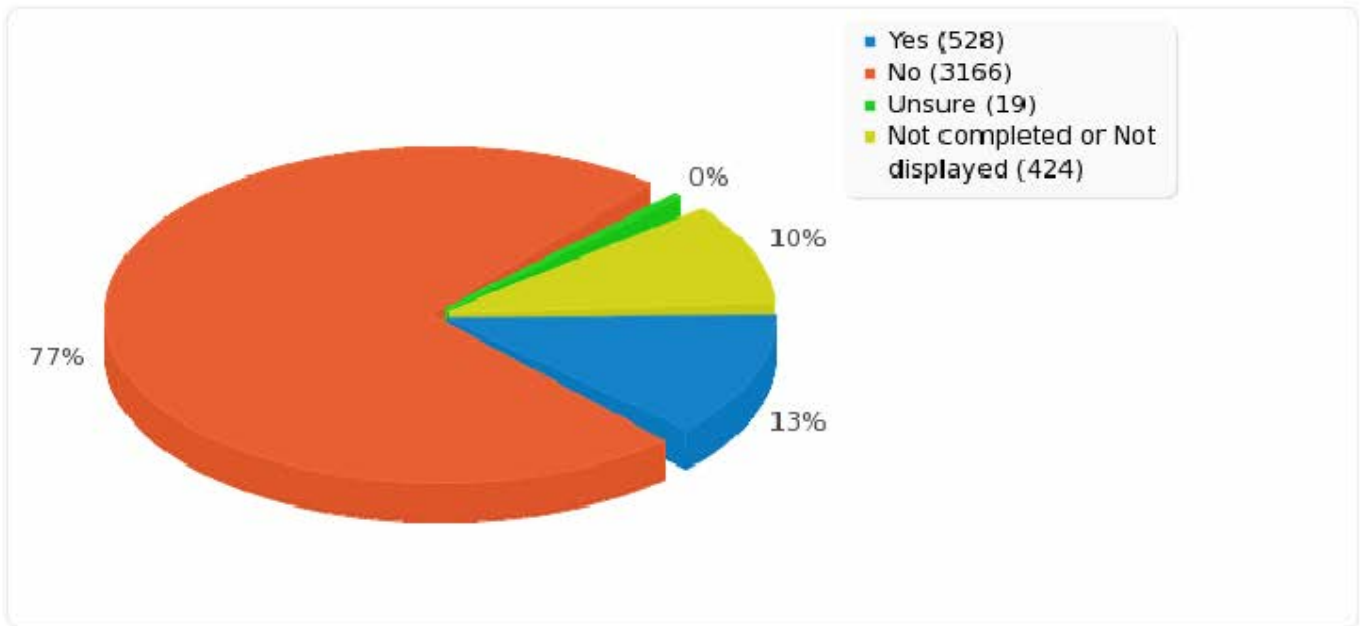
Do you pay any of your permanent employees by cash or cheque (or some other non-electronic transfer method) on a regular basis?

Answer	Count	Percentage
Yes (1)	528	12.76%
No (2)	3166	76.53%
Unsure (3)	19	0.46%
No answer	0	0.00%
Not completed or Not displayed	424	10.25%



Field summary for 18

Do you pay any of your permanent employees by cash or cheque (or some other non-electronic transfer method) on a regular basis?





Field summary for 19

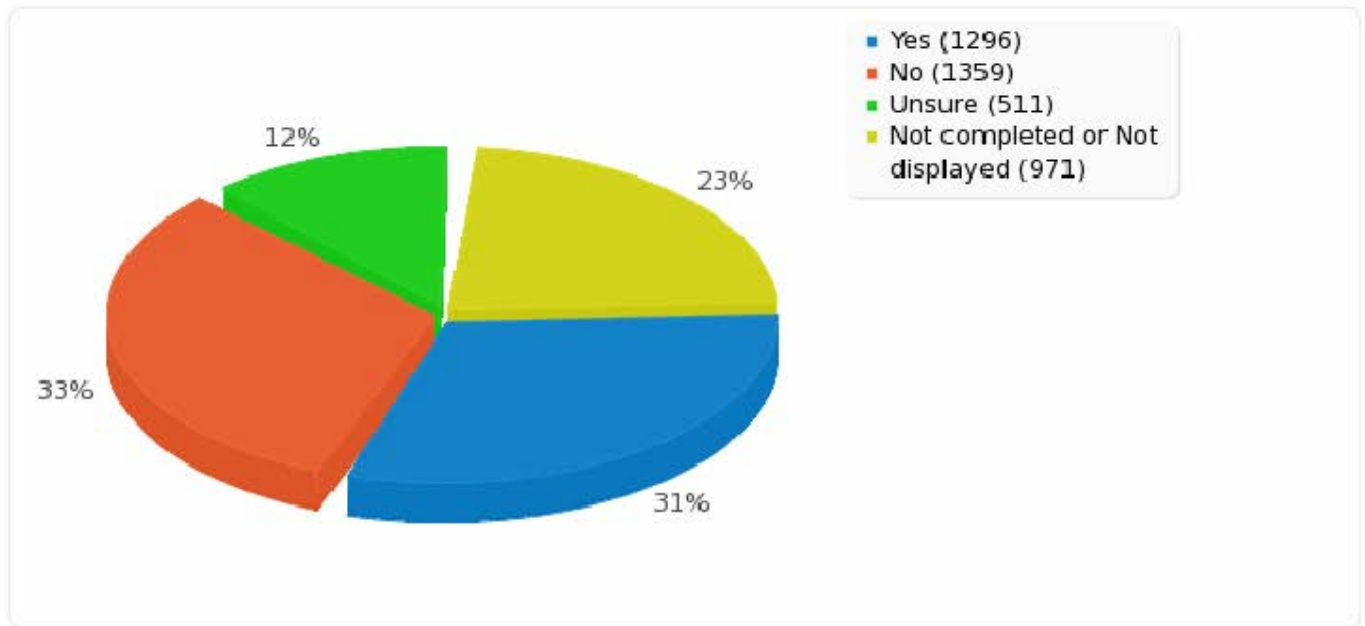
Are you charged a processing fee for your regular payroll transactions?

Answer	Count	Percentage
Yes (1)	1296	31.33%
No (2)	1359	32.85%
Unsure (3)	511	12.35%
No answer	0	0.00%
Not completed or Not displayed	971	23.47%



Field summary for 19

Are you charged a processing fee for your regular payroll transactions?





Field summary for 20

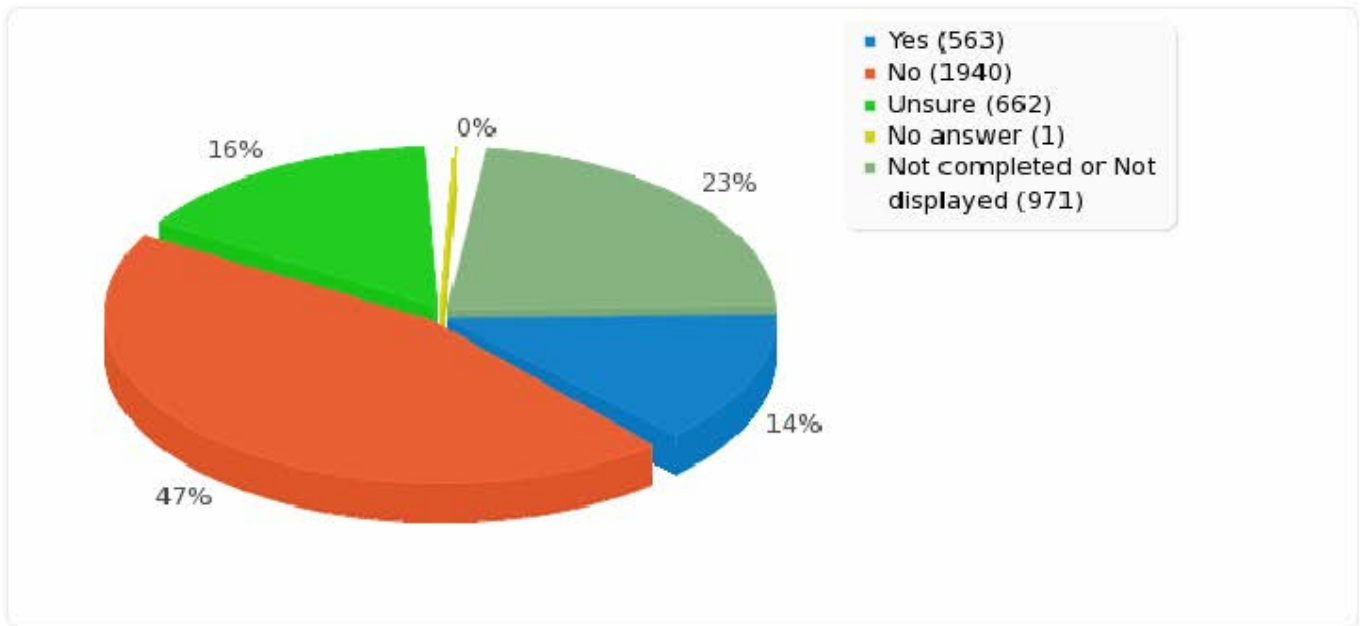
Are you charged extra fees for processing payroll outside the usual pay period?

Answer	Count	Percentage
Yes (1)	563	13.61%
No (2)	1940	46.89%
Unsure (3)	662	16.00%
No answer	1	0.02%
Not completed or Not displayed	971	23.47%



Field summary for 20

Are you charged extra fees for processing payroll outside the usual pay period?





Field summary for 21

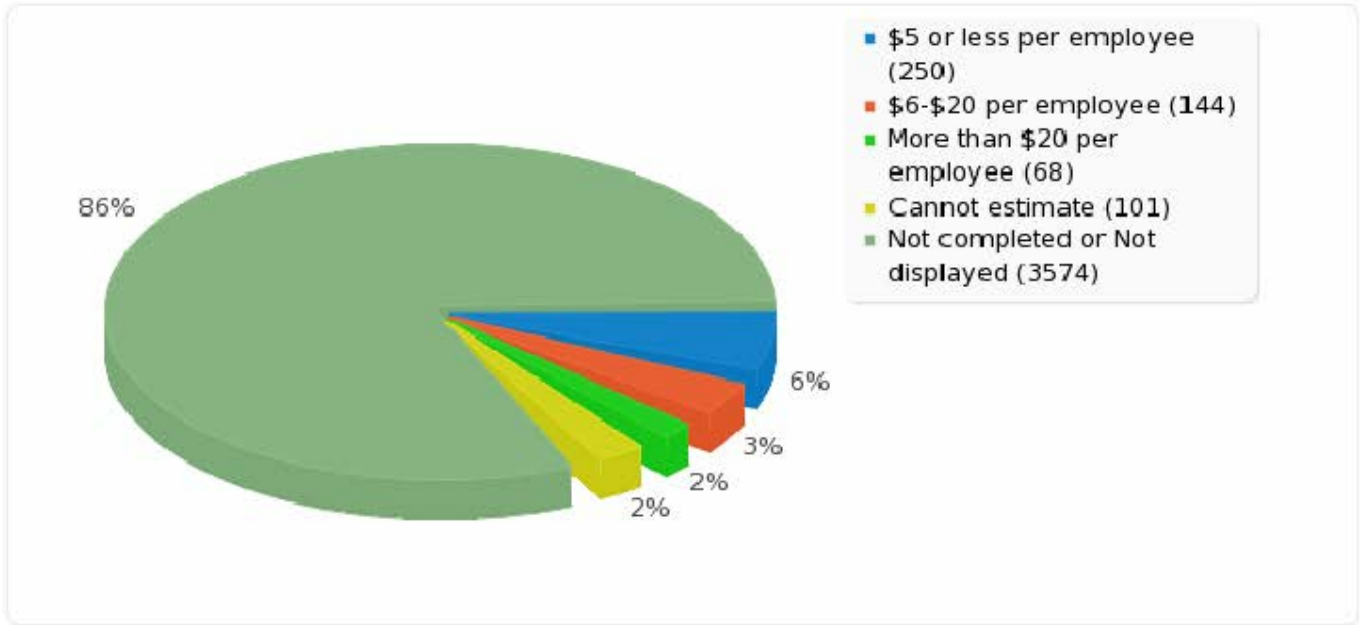
What is the cost for processing payments outside of normal pay periods
(include your estimate of your administrative cost)?

Answer	Count	Percentage
\$5 or less per employee (1)	250	6.04%
\$6-\$20 per employee (2)	144	3.48%
More than \$20 per employee (3)	68	1.64%
Cannot estimate (4)	101	2.44%
No answer	0	0.00%
Not completed or Not displayed	3574	86.39%



Field summary for 21

What is the cost for processing payments outside of normal pay periods (include your estimate of your administrative cost)?



RAW DATA OF REASONS FOR NOT LIKING EXCESSIVE LEAVE ACCRUALS

Why does your organisation not like employees accruing more than 6 weeks of leave?
Briefly state the reason or reasons.
Cashflow issues for a small business.
Requirement to hold excessive provisions.
It means that the staff are not getting a sufficient break from work and we also need to provide for those funds. If employee get a pay rise then the value of that leave also increases financial reporting/accruals.
As held on the balance sheet, each year as wage rises passed on, need to increase accrual by the % passed on. We work on keeping balances below 4 weeks but some long standing employees have more
Wages and Salaries are reviewed annually and excessive leave creates a large liability on the Balance Sheet
We prefer that no more than 4 weeks is accrued at any one time, because inevitably we will have employees seeking longer time off say 6 weeks or more which is extremely disruptive to our business.
tiredness and rejuvenation plus undesirable debt
We prefer employees to take regular annual leave where possible. We try to keep annual leave to less than 6 weeks due to leave liabilities and extra costs. Employees receive annual salary increases and annual leave is paid at today's value.
Financial liability Poor OHS outcomes for the employee
It becomes too big a liability to carry - We already have a large long service leave liability and do not want to carry annual leave too. Employees are also better workers when refreshed and have regular annual leave breaks
For budgetary reasons and organisational issues with a small business
Increased leave liability costs Increases year upon year if not capped
It builds up a liability. Wages rise over the years & it costs me more
The overall impact on our Balance Sheet with continuing accruals and cost increases through salary increases for the balance
1. They are not resting and recuperating 2. The increased financial liability accrued 3. The fact that accrual is paid out at the current rather than the accrued rate on termination
It is a debt that the business has to carry. Being a small business, if an employee takes a long period of annual leave, it means we are without a key employee for a long length of time. Also, when they take leave it is at a higher rate of pay due to wage rises from when leave was due.
It is hard to cover a person's position for 6 weeks or more
The cost of accrued unused leave has financial implications on our business.
Employees need to have a rest / break from work. Cost implications to the Business of large leave accruals.
Risk of increased fatigue and staleness can be unsafe.
Because it means (a) the employee is putting themselves and the company at risk by not taking their leave entitlements - which means they are working with minimal rest (holidays) and this greatly increases their chance of stress and injury through prolonged periods of work without adequate "down time", and (b) employees with excess annual leave are then entitled to take prolonged periods of leave which can leave us underskilled for unacceptable periods of time.
Cost increases when awards are updated - and we want employees to take a break from work to recharge.
This means that our employees are not taking sufficient break during the year. It also means that we may be without our employee for an extended period of time to clear accrued leave.
Our company shuts down for a minimum of 3 weeks every Christmas and we do not want long periods of leave being taken during the year.
Our company size makes it very difficult to manage leave of more than 6 weeks annual leave as orders are always on tight deadlines and having more than two critical staff on leave for extended

period would cause the company damage to branding, reputation and financially.
Detrimental effect on the business by creating pressure on other employees' health and wellness to cover a gap for that length of time.
Unable to cover employees that take extended leave.
Being a split organisation of Life and General Insurance, when a member of staff is on leave another advisor takes on their full work load as well as their own, having to manage many staff trying to take 6 weeks leave is very trying on the person left in the support role, however 6 weeks is granted for overseas holidays or special occasions etc etc it is not totally frowned upon however we don't encourage it as an everyday practice.
Primarily we believe that not taking leave may be detrimental to the employee's well-being. Of a secondary nature is the preference not to have a large leave liability sitting on the balance sheet that is potentially paid out at higher wage rates.
to reduce leave accrual
Cost to the business of provisions in the annual results and inflation of the accruals every year due to remuneration reviews. False economy when someone has to take extended leave later on.
Large liability that grows each year with incremental pay increases
Prefer regular leave for work-life balance and dislike having large payouts if an employee leaves.
cost is too great to incur in one year when a pay out or leave is required
Increased liability should the employee leave the organisation.
Employee welfare can be compromised if leave from the workplace is not taken. It also reduces leave liability.
To allow employees adequate rest from work throughout the year
Employees benefit from a break in work routine at reasonably regular intervals. The organisation also benefits from a staff morale perspective, as well as better management of productive staffing levels and from a financial provisioning perspective.
Too much \$\$ commitment
Provisions become too high and an employee with excessive leave never seems to take their leave, it becomes an ongoing issue.
inflated liability, work/life balance etc
1. we carry a higher liability 2. we don't want our employees to get burnt out
Better budget control
Affects cash flow
1. for health and safety - they need to take a break during the year 2. because every year employees receive a pay rise so the cost of the accrued annual leave increases 3. so we can plan our business better and not have too many employees asking for a long period of leave at the same time
reduces the ability to schedule holidays so we are not left short of staff.
Two reasons: 1) Employees need to take regular vacations to recharge their batteries 2) The accrual needs to be made and to have a large liability on the balance sheet, and especially one that grows with pay reviews etc is not preferred.
Administrative Tidiness Liability exposure to Company. We are paying an annual salary for 11 months work & One month holiday. If employees do not take leave and we have to pay it out on termination the cost to us is 13 months for each 12 month period.
liability just gets greater due to annual wage rises taking effect
It affects the running of our machines due to experienced people being away. We cannot fill in with laborers or temp workers.
As a small business, we can't afford employees to cash out or take 6 weeks or more of leave at once, we don't allow for any leave to be carried over the years, unless arranged prior.
2 major issues. Impact on accruing leave on the employees' mental health and the additional cost to the company.
Payment is always at the higher rate and not the rate at which it was accrued. Too much time off creates staffing and cashflow problems.
Leave Liability to the business, insufficient rest taken by employees, and avoidance of fraud - ie when employee takes leave any incidence of fraud may become evident to others.
Staff do not get a well-earned break The balance sheet 'liability' needs to be managed
Cost of the hour accrued increases over time. Employees not taking adequate R&R breaks. Limits opportunities to skill up / test out others in that role to cover leave. Causes some to feel indispensable.

Having the liability of the accrued leave
Cash flow and effecting employee performance if they continue to work without taking any leave
A number of issues apply to this answer. 1. It creates a balance sheet liability, and in the current economic environment, it is best to maintain the company balance sheet liabilities to a minimum. 2. If the accrued Annual Leave spans over wage increase periods, the new rate creates a higher liability 3. Employees should be encouraged to have a work/personal life balance as much as possible.
We need to manage leave liabilities and we actively encourage timely leave taking and would like to be in a position to direct more leave taking for people with more than 4 weeks leave
There is a cost associated with holding the funds
bad cash flow management
Staff need to take their leave as it is meant to refresh them as it should be taken in today's dollars.
Employees are not taking a much-needed break from work. Plus the accrued leave is a liability.
When the employee finally accesses the leave for an extended period, it disrupts our production processes and has an unnecessary liability hanging over the company
Health and fitness to do the job is important Accrual of leave \$ Cannot afford to have workers away for more than 4 weeks eg labour hire
Health and safety concerns. Accruing more than six weeks would be an indication that the employee has NOT had a solid break from employment in order to rest.
The growing cost to accrues and provide for leave liabilities which increase in cost by the portion of wage increases.
It means they are not taking time off. I personally believe that people need breaks.
if more than 6 weeks of leave owing, the cost will be high upon a staff resigning.
- staff need to take regular holidays to perform at their best and increased cost of annual leave accrual.
- Work life balance - Cost liability to the business
flexability restrictions, Still have standard shutdown periods to use majority of A/leave available
strain on cashflow when they do take leave in one lump sum
cash impact
Excess financial liability and employees not taking adequate time away from office to revitalise
Due to liability it causes on our business balance sheet.
Small business - difficult to accommodate and or manage
Cost accrual. Increased cost with annual pay increases. Unhealthy for staff to not take a decent break each year.
Salary inflation increases the cost of accrued but untaken leave. Same applies to LSL
To keep leave manageable and clear the balance sheet.
In a factory we need a wide range of skill sets present to operate. Extended leaves (of >4 weeks at a time) make it more difficult to operate effectively, even with back-up trained operators. If employees ask for special circumstances, we try to work with them to achieve this.
If employees do not take leave as it accrues it costs us more than 52 weeks' pay in a year to employ them.
We believe annual leave should be taken by employee's to allow them to refresh. Accruing large annual leave balances can impact the business when large amounts of leave are requested, as well as increasing liabilities within the BS.
Too expensive to pay out
Prefer it is taken by employees from a work/life balance perspective. Also to keep leave liability down for annual wage increase impact minimisation
This end up as a contingent liability on the books People do need to take leave even if the 5 weeks leave we provide may be a lot
the carrying of the leave liability as well as it not good for employees health and well being
Leave liability accruals (cost containment) and ensuring staff have work life balance by taking sufficient leave.
The basis of granting leave is to allow employees time to relax and undertake other activities outside of work on an annual basis. Our company subscribes to this philosophy.
Prefer for team members to take time off work to refresh and spend time with family. Encourage a healthy work/life balance.
We prefer employees to take leave as it become available to ensure our leave liability remains under control

Because it is an obvious risk issue for the company
Want employees to have work life balance. Reduces leave liability
Does not like to accrue a lot of leaves which means liability for company. Moreover, if employee has resigned, company has to pay based on lastest wages.
Because we operate with minimal cover for holidays and sickness. It is our experience that employees who are "saving" their leave have intentions of taking a long holiday which can be disruptive.
Believe that they need a break balance personal and work lives
The cost of having employees carry excessive amounts of annual leave is not good business practice
We believe our team members should take leave to rest and spend time with there family. Also there is a cost to the business in year to year increase in leave balances.
We like our staff to have regular holidays.
Costs
They need leave in order to refresh themselves
"ensure that their agencies maintain appropriate systems so that employees take recreation leave regularly and that excessive accumulations do not occur."
Firstly, it is an accural that the company has to take up. Secondly, when employees request extended time off (3weeks +)in one period it can disrupt the planning of production and effective hours available to complete work.
Because of the increasing accrual liability
To prevent fatigue in the ememployees and to ensure a productive working environment.
Lack of visibility into future labour capacity planning
It is an operational headache to accommodate an employee taking more than 3 weeks straight leave at a time. It is also a financial liability that the company does not want to carry forward in owed entitlements.
Cash flow and staff take sick/personal leave in preference to holidays.
The value is a large liability
The payment is too great when it builds up
Employees need a break to spend time with family etc and to prevent 'Burnout'
They will then have worked for a period in excess of that considered to be healthy and need to take regular breaks
We don't someone taking more than that at any one time
Not good to have employees who don't take adequate breaks plus financially better with respect to managing leave liabilities
Does not benefit the company or employees.
We feel staff should take sufficient leave to rest and rejuvenate after long periods of work during the year. If excessive leave is accrued we dont believe the employee has had enough rest over a period of time. Excessive accrued leave is also a liability for the company, one which we simply do not want to carry.
We prefer leave to be taken, as we need to make budget provisions for it otherwise, and it can end up costing us more.
Its a liability for the organisation upon their termination or resignation. Its not good management practice for the welfare of the employee.
Staff having leave and a proper rest from work is important Staff requesting extended periods of leave when balances build up is problematic Increased liability on balance sheet
Long leave absences are disruptive to office productivity and the ability to fulfill contractual responsibilities.
Balance sheet impact WHS - employees need time out for R and R
Our limit is 10 weeks not six. Reasons: employee not getting enough break from work. : Financial carry over on the books.
Control of cost
We like staff to take leave, everyone needs a rest and excessive o/s leave on the balance sheet is not good, according to the financial controller!
Disrupts business
Employees need to have a break from their regular duties so we encourage annual leave.
We want employees to maintain a healthy work-life balance which includes taking leave entitlements

each year Business interruption and cost associated with having high balances
We consider that it is important for the welfare of our employees to take regular leave breaks. We also feel the inflationary impacts of accumulating leave balances negatively impact our balance sheet.
There are two aspects, 1 They generally want to take it all together which means they are then away for an extended time and particularly the more skilled worker means that we have to employ at least one person to replace them adding to our costs. 2 They generally are not as active in their work as personnel who have had more regular holidays.
its a liability as a cost if someone leaves
It represents a large cash liability if an employee leaves, and the timing of payments is largely up to the employee. I also believe employees should be taking their annual leave in order to have a good work-life balance.
The accrued cost can become excessive and affect our cash flow and staffing if and when staff do take leave. Is also detrimental if we decide to sell the business.
1. Not good for the employees well being - people need a break 2. Creates a large annual leave liability. This can be exacerbated by any pay increases
Leave provisions increases when there's a pay increase on employees. This happens either 1 July each year (production employees)or 1 May each year (staff)
We have a policy that "leave will be taken" as far as practicable within 12 months of entitlement occurring. The value of leave also increases if not used, an issue raised sometimes with external financial auditors.
1. From a lifestyle aspect we prefer employees to take regular leave. 2. Cost of leave accruals keep increasing. 3. Difficulties with allowing employees to take lengthy period of leave off
Company Policy
Prefer for employees to use their leave. This will assist in keeping leave accruals down so that these don't compound with annual pay rises. Also want them to have a break.
Leave is there to ensure a balance in life.
Work life balance to ensure that employees take regular breaks
It leaves us with a contingent liability and does not provide the break that leave is intended to allow for.
Staff are encouraged to take Annual Leave and Long Service Leave rather than use it to add to their payout if they resign or are terminated. This liability is onerous for the company, we now have a schedule of staff to take LSL and they have to take Annual Leave if it is over 8 weeks in order to force staff to take the leave and to reduce the company liability.
Financial liability
It is usually an indication of a poor work/life balance and ultimately the employee is likely to suffer health or other problems down the track or they simply get burnt out and their quality of output suffers.
Lengthy absences from the workplace due to extended annual leave create difficulties for us in maintaining continuity of key projects/initiatives In order to accrue more than 6 weeks of leave staff need to work for a long period of time without annual leave - we feel this is not ideal from a work health and safety perspective
People need a break for their own well being. They are encouraged to do so. It is also important from a bottom line perspective that leave is taken and not accrued.
Inadequate absence for 'RnR'; and governance/control issues,...and balance sheet inflation impact
Managing down excessive annual leave accruals is a difficult and ongoing problem in a workforce with a profile of long serving employees. Problems have been highlighted since introduction of NES and modern awards in regards to right to instruct employees with excessive leave balances and in shutdown situations, where annual leave was previously regulated by state legislation. Excessive annual leave carries with it significant cost implications for the business, which is facing significant business challenges involving import competition, high \$A, low volumes, and the escalating cost of production within Australia.
Provisions obligations with salary increases, operational impact
As our operation is task-based an absence of an employee for more than four weeks results in an additional person being employed to relieve in that position. Less than four weeks can generally be covered by other existing employees, but any more puts a strain on the entire business. My experience has shown that employees who do not take regular leave become tired and stressed, putting unnecessary strain on the business.
They need to take a break.
Leave liability provisions carried

We believe that employees need to have a decent break of 1-2 week at least yearly. We do not like to hold this payroll liability.
Leave may be paid out a higher wage rate to the employee than when they accrued the leave.
Annual leave is an entitlement and accruing annual leave of greater than 6 weeks does not allow the individual the necessary recovery time and can impact on productivity in the longer term.
We are only a small business and it would be difficult for us to continue running operations successfully if employees were to start taking leave for 6 weeks or more at a time.
1. Holidays should be taken to ensure employees get a break; 2. Lower levels of accrued leave reduce costs resulting from pay rises 3. cash flow is smoother with regular taking of leave
We have a policy that once an employee accrues 5 weeks they are encouraged to take at least 2 weeks leave. We believe that people who do not take breaks are not productive and we promote work/life balance
To costly on the books.
Cost of accrual when paid out
high overheads in running the business
If you have earned it you must take it. Accrued balances automatically are eligible for any pay rise costing the business more
Health and safety reason for the employee. Long period of absence when taking leave will be inconvenience for the business.
Annual Leave is there to use to re-energise.
Accounting and audit purposes
Increase in balance sheet liability with annual wage rises.
We have many immigrant employees who like to save annual leave then take long trips overseas to see their families. It can be very disruptive to production to accommodate this and also difficult to deny the leave if they have accrued it (especially if they have done the wrong thing and already booked the tickets etc)
Increases liability when pay rates have increased on an annual basis or when employee have been promoted as well as affects productivity when they then want to take a bulk period of leave and have to be replaced usually by a less experienced employee or by external labour hire.
They accumulate it so they can cash it when they leave
Employees need holidays is the primary reason. Secondary reason is we don't like to carry the liability on our books.
The organisation has an end date to its contract with the federal and state government; risk mitigation strategies are required to ensure that the organisation can pay out any unused leave at the end of the contract (Dec 2014)
We feel we have a duty of care under WHS to make sure employees take a break to refresh themselves.
Liability costs.
Negative impact on teh balance sheet and potential negative impact on resource management.
financial liability wage increases as accrued leave is paid at current rate possibility of employee wishing to take more than the 4 weeks allowed under the award staggered roster to ensure that all areas are covered throughout the year, extended leave could place burdens on understaffed depts
Employees need to have a decent break every year and we have an compulsory annual Xmas close down for three weeks.
It creates health issues as employees do not have time away from work and get run down and tired. It creates increasing financial liability
With tight staffing, it becomes an issues when we have employees taking extended periods of leave.
They need to be encouraged to take a break.
It is important for employees to avail themselves of annual leave for the purposes of refreshing themselves. We monitor excess annual leave for this purpose.
- to keep periods of leave taken in a more orderly time frame - to prevent leave liabilities becoming too large
Additional cost to Business over future years - employees need break.
AL is there for a reason - the employee to take time away from work to enjoy a holiday and relax. It generally increases employees productivity, enthusiasm etc. The company does not like to have large provisions in the Balance Sheet. Employees not taking leave can be a sign of under staffing, possible fraud, lack of multi-skilling etc.

Liability
We don't like them accruing more than 6 weeks of leave because of the liability that we would incur when and if these holidays are taken. While we encourage employees to take annual leave, we cannot force them to do so. Also if they happen to take bulk holidays at any one time this places stress on the small company that we are re personnel shortage and staff management.
We look at leave balances over 300 hours, and every so often ask employees to take leave to reduce their accruals. The leave liability on our company books is one way the company looks at to save a bit of money when business conditions are poor.
Leave will be paid at future rates employees should take leave to benefit, work vs life balance
Cost accrual
We monitor our annual leave balances closely from both a cost and employee welfare perspective.
It is a workplace health and safety risk in our view and a
To reduce leave liability. For employee wellbeing reasons.
Financial risk to the business. Employees should take a break. Health and safety.
Leave accrual is significant and it means employees are not taking suitable breaks from the business to rest.
WHS and ensuring employees refresh
Accrued liability that increases with time as the salary increases. Becomes harder to fill annual leave when they finally take it.
Pay rises affect employees holiday pay & ldg . - when the leave has accrued over ten or so years and is then taken at a later date when pay may have risen by 20%.
This leaves a large liability on our balance sheet and if we allowed this for to long time and too many staff for a small organisation it could have an impact on our cash flow when it fall due.
Future Uncertainty. Higher Costs of Leave if paid in future after salary increases.
Health reasons
Too expensive if employee leaves our employ.
Mainly due to our concern in regards to life / work balance and of course other reason is the accrual on our books.
Increases our Provision Accounts. Leaves us with the possibility of having to pay out large dollars if the person leaves, which can cause cash flow issues if it is during low season. We are a seasonal business, and encourage staff to take leave in the off season.
OH&S issue, people must take their 4 weeks annual leave per year.
1. Do not want large liability 2. Employee health and wellbeing
All staff need regular breaks -
Much harder to manage operations if people away for long periods.
Its a matter of balancing,employees need a break and it always helps with productivity or people burn out
It is aganst company policy
many of our employees also qualify for LSL, together these entitlements add a considerable liability to the balance sheet. As entitlements accrue it becomes more difficult to deny an employee their entitlements if requested, and as we are a small company, the time off has to be carefully managed to ensure everyone has a fair go, but the company can still operate.
Potential to cause problems with staff replacements, added costs etc
budget costs and staffing issues.
Balance on bottom line. It sits as a cost to the business on P & L.
WE LIKE OUR EMPLOYEES TO KEEP REFRESHED
Becomes a financial liability.
Large payout required if the employee leaves the business
Liability on the balance sheet Encourage people to take leave for health and safety reasons
To hard to organise around
We believe that 75% of Annual leave should be taken by each employee for health & well being & also it stops the excessive liability on leave provision.
We like employees to take time to rest from work commitments. Employees taking 3 - 4 weeks per year gives them this opportunity.
Too hard to plan in advance. The reason for having annual leave is to take it throughout the year for a break from work.Budget for annual leave is exceeded due to annual leave being accrued in one

financial year and taken in another after a pay increase.
costs when there are wage increases
If taken, 6 weeks can be difficult to cover on the roster. Can also be a large sum to impact on the cashflow
Liability
Cost of employee labour increases from year to year. Further, staff receive other leave entitlements, such as RDO's. Once balances get too big it is hard to get employees to take leave.
Because we have to pay the annual leave at the current rate of pay, it costs the Company more if the employees accrue too much leave.
It indicates that staff are not getting adequate rest and recovery on an annual basis. It also implies an obligation to allow staff to take 6 or more weeks annual leave at one time.
Ongoing accrual of leave is a cost liability to the organisation that needs to be paid in a lump sum when an employee leaves, costs can be better managed with lower leave accruals
Costly and hard to replace for that length of time
excessive leave is a very large liability in the balance sheet for which i as owner need to pay one day plus it increases in value each time there is a pay rise
Cost when taken
We do not like to allow annual leave to accumulate as it means that employees are not having their annual break. Also the value of the annual leave that we hold on our books increases with salary increases.
Annual increase in salary adds cost to the business
Employees need a rest to be refreshed and more productive. Company doesn't want to have large provisions in the Balance Sheet. Large balances of AL can be an underlying factor of under staffing or possible fraud.
It is an expense we are carrying
Because we believe that our employees should take a break from work and refresh. Also we don't like to carry too much leave liability. Better for both employer and employee for the employees to take their holidays.
Due to the large accrual of leave accrued.
1. try to limit the leave liability 2. staff need to take leave to be refreshed for their roles
To reduce leave liability provision on our Balance Sheet account.
When the employee receives a pay increase then Annual Leave is paid out at the higher rate. When an employee does not take leave they are then being paid for working 52 weeks of the year and the company also has to accrue 4 weeks leave.
Planned Leave is important during the quiet season to continue to retain staff levels and Ohns.
Because it is more to pay out if they leave. and we would like our staff to take leave in quiet periods.
Cost of carrying the leave accrual and the need for employees to have a regular break.
It enables more accurate and realistic staff budgeting and therefore cash flow
Employees taking this much time is disruptive to the business and can accumulate so that when wage increase occur we are paying more for the leave. If leave is not taken it can easily blow out to 8 weeks.
Company believes employees need time off to rest/renew/recharge once a year. Further, for internal control and governance reasons, it is important to have other officers perform everybody's position at least once a year. After all, the accountant's advise us that this is where most frauds are discovered - statistically.
They get tired and disengaged. We prefer them to take regular holidays as it keeps them fresh, alert, healthy and happy. It is too expensive to accrue that many holidays and pay for replacement staff in that period.
Operationally it becomes more difficult to cover the accrued leave in conjunction with normal leave amongst the spread of employees.
1. We like our employees to rest and recuperate and have a break from their role and workplace. 2. Financial reasons - cost of excessive affecting our bottom line
Cash flow
Too much to pay if they leave
OHS liability - employees need time to recharge their batteries - could potentially lead to stress claims. Cost associated with paying out leave upon termination.
We like our staff to have work-life balance. If they are not taking leave, they can become tired and

unwell. Leave is there for a reason and we encourage our staff to use it.
If that receive pay rises the value of the leave increases. IF they resign it has to be paid out. People also need a good work life balance.
We do not like our employees to accrue more than 8 weeks annual leave due to leave liability on the business
We believe they should take leave to provide work life balance. We do not like the increasing value of untaken annual leave in our balance sheet.
duty of care to ensure staff have adequate rest and time with family (if desired).
Very high liability on balance sheet
creates operational difficulties and costs
It is a risk to employees' health and safety and it is a liability for the organisation
High accruals and no work life balance
WHS reasons
We prefer to see employees take a regular break. If the employee is accruing the leave to take an extended break and we can cover this would be fine.
To prevent potential large payouts if employees leave the organisation
We like to keep our leave liability under control.
Because it becomes expensive when it accrues and the more it accumulates the more it costs if and when they leave.
We prefer employees to have a break from work and to assist with WH&S. The budget is better controlled when leave balances are kept to (within reason)
Leave is to provide a break form work and we want our employees to have their breaks.
It is ANNUAL leave to prepare for the next 11 months of work .
Compounding cost to the business and heath and wellbeing of employees.
financial
It allow accruals to escalate with wage increases and employees need to take holidays for well being reasons.
Impacts on current year budgets and future cost burden to the Company if annual leave is taken when on a higher hourly rate.
it is a extra responsibility and liability a small business canot afford
More than six weeks of accrued leave generates concern for two reasons: 1.Leave is provided so that employees can rest and recuperate in order to remain fully productive. No leave, no life. 2.Associated financial liability for the employer.
All personnel require to take time off, relax. A person cannot and should be working year in and year out. There is also the expense factor, having to carry the liability over for more than 6 weeks
Employee needs a break away from work Difficult to control labour if taken in large amounts and may be added cost for backup Holiday pay taken at last increase in pay
The added cost that is incurred when the leave accrued is increased in value due to national wage increases, and the increased superannuation liability.
Work/Life Balance
We are a small business and therefore cannot afford to have people stacking their leave.
It is an indication that there could be issues with how their workload is structured or they are purposely storing leave or not recording the leave that they are taking.
It creates a liability for the company
Signal that staff may be burning out and overworked
We believe staff should have regular breaks from work for renewal. Also the rate for payment of leave increases over time and costs the school more.
the liability becomes to great
We like to limit our liability on the balance sheet.
Our policy is for them not to accrue more than 8 weeks. 1. Everyone needs time for renewal - they need a holiday. Do not want them exhausted at work. 2. Want to keep the leave liability manageable. 3. Do not want employees only taking leave on resignation/retirement, and being paid all that leave at that highest salary level as opposed to the rate payable when it was accrued.
Our organisation is not-for-profit and relies on funding and if staff accrue more than 4 weeks leave it affects the budgets or that program and year
Financially, the cost is too high for a Company to pay out Unused Annual Leave on the event on an

employee leaving.
Accrues too much of a liability.
We believe that employees should take appropriate leave as a recharge. Also we can not afford to have people away for that period of time
History of large amounts of leave being accrued has an impact on a business when that employee leaves. All employees accruing 6 weeks or more will be directed to take sufficient leave to bring their balance down to 4 weeks.
Value increases with each pay rise, increasing current debtor level
Financial Liability, prefer to pay them out. Employees prefer this also.
Liability to the business and lack of holidays for employees leads to unproductive work
Annual Leave puts a strain on the business cash flow. Filling positions during annual leave is also a factor with the day to day running of the venue.
Too expensive to pay out
Due to shift penalties, some staff accrue leave quickly and this can lead to a large accrual which is paid out in current hourly rates even though accumulated in the past.
Complications re managing cash flow and pay outs required if employees leave
One it is a liability to the hotel. Also and most importantly if someone has over 6 weeks annual leave that means that haven't had a holiday or a break for sometime. We encourage work life balance and the at includes people going on holidays or taking time off.
It cost more money each year that they don't take leave !
Due to small teams and operational reasons we do not like our employees taking bulk leave ie more than 4 weeks at a time. We also monitor due to their own health and well being.
Because it has a high liability.
If they resign or the business was to sell its a big outlay
It is not productive for staff working without taking off/holidays. Liability continues to grow with annual increment.
Due to the nature of our business and constant driving we would prefer our employees take leave and we would prefer this happen at quiet times rather than peak times when we have to cap the amount of staff on leave
Organisational efficiency and the need to back fill positions Extra costs to the organisation as leave is taken at a higher rate than accrued
We carry a liability which may be realised upon termination.
When taken puts operation of business and puts more employees under stress as hours change for them and often have to rearrange other commitments
puts too much strain on the remaining staff to fill there job
This presents a cash flow issue - if the employee leaves. Furthermore, it is good for staff to take time to "rest" so they can perform at their best.
too hard to give leave when staff request; often they will want to tag at before or after public holidays which is ewven more painful if you reject then they are unhappy and this is a major problem for small business
The liability increases each year after salary increases are provided. Difficult to deliver business outcomes if staff take more than 4 weeks leave.
Too long away from the business and too hard to cover shifts
cost in one week
Too difficult to find the suitable person to take over for 6 weeks or more
Increases leave liability costs
False sense of security because it is a debt.
because it leaves the business too short if someone decides to take this and has a large financial impact at the time its taken
Staff NEED holidays to refresh; pay increases disadvantage employers who have to pay at the higher rate at the time of taking the leave
Too long a period to try and cover someone's complete job description / tasks with fill in and less skilled labor
accounts need to make provisions for this
Too long
for their own health benefit

Too hard to allow
Cost monetary provision
cashflow and operational problems
the cost and disruption to business
Not enough staff around
It is healthy for employees to use their leave. It accrues a large liability for the business
To ensure profitability and so that the employee gets the rest they need to continue performing to the standards.
Employees working in this industry should be taking regular leave breaks for their own health and wellbeing, excessive leave balance also becomes a financial liability for the organisation.
financial liability
Makes rostering and providing our service level more difficult. We also believe annual leave is good for all health aspects of our employees.
Creates a future costs that becomes hard to manage. It is generally unhealthy and unproductive for staff to work without having a break away from work.
It could cause too much disruption and a financial burden if the employee takes all the leave
Employees are entitled to four weeks annual leave and should take that leave each year to rest and re energize
It is no longer affordable to replace staff on leave as it is too expensive to have to pay two wages for one position. We try to limit staff to 2 weeks leave at a time so that remaining staff can cope. As a business owner I work additional shifts 50-60 hours per week to try to reduce ever-rising labour costs.
Can cause a financial strain if they leave, or cash the balance
Large employee annual leave liability not ideal for company. Possible poor work/life balance for employee.
Difficulty in replacing staff who take extended leave.
Employees should also be encouraged to take annual leave and not accumulate it. The purpose of annual leave is to rest and recuperate. It is also difficult to manage when employees have high annual leave balances. It is a debt to the company and so it is not in the best interest of the business to have large accruals.
EMPLOYEES NEED REGULAR BREAKS & WE DON'T LIKE EXCESSIVE ACCUMULATION- IT COSTS US MORE IN THE FUTURE
Long periods of leave leave us in a difficult position regarding staffing levels etc
It becomes difficult to cover their hours when they take extended leave. It also is a burden in our financials
the ability for rural businesses to cover absences for long periods of time and if wage increases are given small business cannot afford extra costs.
We feel that if we can do without the person for 6 weeks we can probably do without the all the time - however in saying that it is mainly the logistics of getting a replacement for that long. We also do not like to have large leaves outstanding in case the person decides to leave and we have to pay them out.
Logistics
Effect of liability increase with salary increases
too long a gap to fill
"liability" & "work life balance and rest"
It is difficult to keep control of costs
We feel the disengagement by the employee should not get too far out. A request however of an employee requesting an accruing of leave for , say the family trip overseas etc, is not always denied, however we do appreciate notice.
Having high accruals is costly!
Freshness at the workplace and cost of leave accruing
Excessive leave and persons wanting to take that leave will leave the business in an awkward position with staff members away for long periods of time
It is a liability & difficult to cover if they want to take all at once.
Because the leave is a liability for the business to carry and more importantly it is in the employee's interest to take leave when due and reinvigorate themselves.
if the employee leaves it is a big cash flow impact.

Due to the nature of hospitality employees, they tend not to stay more than 2 years , therefore having staff leave with 6 weeks entitlement owing, plus recruiting cost to find new employees, and slow down in productivity while the new employee gets familiar with the business, means excessive entitlements could cripple or fold a business.
Creates a large amount on the balance sheet.
difficult to manage large leave liabilities employees should have a break every now and again
The liability is too high to carry, especially when the employee leaves and the leave needs paying out. It's also not healthy to have tired staff who don't take leave.
Sometime it is difficult for employees to take their leave such as chefs.
Employees become overworked; large financial burden if staff decide to leave
position to hard to fill for extended leave
Extremely hard with he award to take a casual on to fill the time needed when an employee takes long leave
Creates rostering problems in the future
BECAUSE IT BECOMES A FINANCIAL BURDEN ON THE BUSINESS WHEN THE TIME COMES TO PAY THE LEAVE & OPERATIONALLY IT IS DIFFICULT TO REPLACE AN EMPLOYEE FOR 6 OR MORE WEEKS
Employees accrue extensive annual leave then want to take it all at once, it then becomes an expense hard to fund with cash flow issues
Cash flow.
Cost of paying out and civering with extra staff
disruption to staffing
We don't allow for accrual of more than 6 weeks as we don't want to have excessive annual leave obligations
Difficulty in finding replacement staff for that period of time
It can make staffing very difficult when employees take such long blocks of leve.
We believe staff should be fresh and have time off to enjoy families etc. Whilst not critical, it also helps us plan our expenses.
It's a liability
large outstanding financial laibility and need to find the weeks spare to give them the leave
increase in pay rate, difficulty in obtaining relief staff
Because it is hard to cover these employees for long periods of time
Logistical problem of covering this person on holiday. And financial burden of covering staff.
causes lack of productivity when employees simply accrue leave all employees require a break from the workplace to refresh accrual is allowed for extended overseas trips or family reasons
Apart from long service leave, the business cannot operate if one or more employees are on leave for 6 weeks or more.
Rosters become unmanageable and difficult to conform with existing award provisions
Balance of Life, no other reason.
cash flow issue
It means they will be away from work far too long, and is far too disruptive. We can cope for a short while when staff take holidays, but extended holidays take their toll on the business owners and other staff
Hard to organise staffing
we don't have the ability to cover the extended leave should the person decide to take it
Too much work for the employee without adequate breaks, in order to build up more than 6 weeks. Also put additional pressure on other employees if they take large blocks of leave at one time.
6 weeks absence from key positions causes too many disruptive operational issues and expense to the business.
It becomes a financial liability, especially if that employee leaves and it also means that if the employee receives a salary increase that leave will be paid out at a higher value than it was accrued.
financial obligation accruing not good for employee not to take leave
Like staff to be rested at regular intervals to maintain health
Sever cashflow implications if they decide to take all at once.
We think that they need to have a break from work on a regular basis.
Like them taking regular leave to allow them to relax and recharge. We do not like them accruing

unreasonably, as it increases our liabilities, and also the value of their entitlement as wage increases occur.
Being a small business it causes problems for other staff and management .
Excessive Cost to business.
Not taking makes staff rostering difficult, effect on business cash flow,
because we couldnt do without them for that long if they wanted to take it all at once
cost factor and it is not good for someone to not take a break/holiday
Because of accounting costs, payout costs at termination and we are concerned about rest and relaxation for staff
1. The organisation likes employees to have a healthy work/life balance ie it is not healthy not to take leave. 2. The organisiaton does not like excessive leave balance \$ on its books.
Operational difficulties if employer takes long annual leave period
Balance sheet, risk of holding too many \$ in leave, leave accrued in 1980 paid out at 2014 rates causes an imbalance.
being a small business it is very hard do get a casual who knows what they are doing to cover for the person on holidays
It is very hard ot cover an employee with someone of the same standard for 6 weeks or more, plus it makes it very hard on staff that are not on leave to cover that person.
cost considerations
Staff shortage
The potential financial impost should that person suddenly resign.
OHS reasons and liability for the company should they leave.
As a small business this can impact cash flow if staff leave and then we are required to pay out leave.
it becomes too difficult when they wish to take it
Affects our ability to pay due to cashflow
large pay out of they leave
it is difficult for us to be operational if our key staff take that much leave at one time
We encourage our employees to take their annual leave or at least 75% of it to have a break and refresh.
Liabilities grow Leave earned at one pay rate is taken years later at higher rate
Because hospitality worker don't tend to stay in employment for a long time so we prefer not to have to pay out large sums of money when they leave
Because staff should be taking breaks during the year but also if they do resign it is a liability to have so much leave that then has to be paid out on termination.
Because they become fatigued and need a regular break from work.18 months with out a holiday is too long. also it is a greater financial liabilty to the company.
As our business is a 7 day a week business we can not afford any staff to be away for longer than 4 weeks otherwise it will overlap with other staff taking leave at the same time
small business- need to cover their absence, cash flow
the annual leave should be paid out every year
If the employee were to leave the business, this would be a large payout. Also, if they are accruing this much, they are generally taking the leave at a higher pay rate than when it was accrued. We are also concerned about the health of an employee that does not take their annual leave.
Can be a problem for people having too much time owing.
Main concern is the health and wellbeing of employees. They do not receive the down time we all need. Four weeks annual leave each year is there for a reason. Those staff members who accrue over 6 weeks annual leave usually take it in large segments which means covering their absence is difficult. It can also become an excessive expense.
STAFF NEED TO HAVE A BREAK AWAY FROM BUSINESS
It is harder to replace someone who is on leave for extended periods
too expensive and they need a rest
Hard to find a replacement for that length of time. Hard to budget for 6 weeks annual leave plus holiday pay.
IT MAKES THE COVERING OF THE EMPLOYEE INVOLVED FOR SUCH A LONG TIME A DIFFICULTY IN THE EFFICIENT MANAGEMENT OF THE ORGANISATION
too much liability for the company

depending on staffing levels and cash flow at the time it can make things more difficult than is necessary
financial liability
Cannot afford to lose a key employee for a six week block should they choose to use it all in one hit; Do not like carrying the debt of that much leave
too hard to cover them for long periods of time
due to industry and business operation it is difficult to agree to more than 6 weeks leave at a time
Employees need to take their vacation for their own wellbeing Cost implications Problems when the entitlement is requested all together
Financial impost of the high leave accruals
it is hard to replace them in a six week bloke compared to a 4 week bloke
Our view is that is: 1 excessive leave accrued is a liability to the business that is not easy to account for. 2. Employees need to take holidays regularly (each year) to stay fresh and maintain their productivity. 3. We prefer not to negotiate blocks of leave more than 4 weeks as staffing to cover those on holidays is extremely difficult.
Too much of a drain on cash flow when you have to payout or roster casuals for many shifts to replace permanants
it means our staff are not getting enough down time to recoupe for the year ahead.
We are a very small business and would see that level of accrual as onerous to cash flow.
They really need to take time off to relax and enjoy temselves
WHS reasons. We prefer staff to have reglaur breaks.
There ius concern that if such an employee takes leave it will be too long out of the store
Liability the company carries, and costs of liability increase every year, current EBA has 3.5% increases each year.
we do not like the liability
We believe our employees should take their leave. it is important for employee Health and wellbeing.
- Means the employee has not taken a reasonable amount of time off work to rest / spend time with family - If the employment ends the final payout figure is greatly enhanced thus affecting cash flow
It puts pressure on the business' cash flow to pay out lump sums of holiday pay rather than paying out gradually
we like employees to have a break each year and also accounting wise do not like this much leave accrued
Cash flow and wage rates
Cash management
Because it has the potential of being an extra financial problem for the company if they decide they either want to cash it out or use it up all at once.
Cash flow of business to have so much leave on the books.
We don't like employees taking lenthly annual leave breaks at once, and we also worry about having to pay out a large chunk of annual leave should the employee decide to move on
If they leave, that amount of unpaid annual leave is a large financial burden for us.
Being a small business it becomes to hard to operate without a staff member for that period of time.
Not healthy for employees to not take leave. Holding leave accruals and the fact that wage increases escalate the cost of annual leave.
OHS - means employees aren't taking breaks from work; creates a larger liability for the business
Increased liability on balance sheet, large payout if staff resign
We believe that the employee should take leave to take time out and refresh. We think its important for productivity.
I have to be able to cover staff with other staff and over six weeks holiday would be too difficult
For internal control reasons, also because of growing financial unpaid liability
The financial liability risk. If they leave or the business fails then the payout falls to the directors to make
Creates a problem if they wish to take all the leave at once The lump sum cost is too much
It is difficult for us to cover an extended period of leave for key staff
As I am the business owner it will fall on me to fill in the annual leave when it is taken so to take more than 6 weeks leave at once in the future would negatively impact on me, my family and the other employees in my business. I also believe that my employees will work better if they regularly take

annual leave.
We're a small business and operationally it is better that staff have no more than 6 weeks leave as it is harder to replace them for longer periods of time.
Difficulties can arise if employees request extended leave at one time from an operational point of view. Also the business is carrying the "debt" of the accrued leave.
Extended amounts of leave accrued impacts on the cost of the leave if and when the employees receive an increase in Wages/Salary.
We do not wish to be incumbered with the accrued leave
REPLACING STAFF
It's a financial burden when have to pay large sums at once- not helpful to cashflow.
Not cost effective for the business to let holiday pay accrue and then pay them later at a higher rate. More than four weeks by any employee can be disruptive on my small business.
As a small business, our cash flow does not allow us to payout such a large sum when an employee leaves. We have two together last week that left (long serving employees) we were unable to payout their leave immediately and have done a payout plan with their permission.
Taking more than 4 weeks leave at a time is detrimental to the business with regards to extra costs incurred
in case of them leaving, large amount to pay out and carry on our books over multiple employees
Difficult to manage large chunks of annual leave.
Cash flow
the need to balance leave with manning requirements
Difficulty if taken in a single block, increased cost
when the employee takes leave it is hard enough to cover the work load for 6 weeks let alone any longer, we also prefer that each years leave is taken so as to reduce leave being accrued at one pay rate and then being paid out at a higher rate
Potential long term cost to the business
The inability to run a small business when one of the staff is on leave for that amount of time.
We don't have enough staff to cover the full six weeks. That is to say we the owners end up doing 100 hours a week and the other staff have to lift alot more.
Too much impact on cash flow if an employee leaves with an entitlement to more than 6 weeks leave.
Staff also need break from work to recharge and for health reasons also. Recharged staff are more productive
leave is meant for relaxing
Manage cash flows should employee terminate
I don't make employees take leave but i would rather they took regular breaks from work . A couple of my staff like to save it up and take 6 weeks at once . I allow them to do this however it is very difficult with cash flow having to pay the extra wages . It is also hard on the staff in store when someone is away for that long .
Leave is accrued during a time frame and wages are reflective of that time frame. Why should the business pay more/hour for leave at a later stage?
cash flow
Pay increases increase the liability to the company. Staff are not getting adequate rest breaks from a physical job, leading to the potential for injury.
We prefer all our employees to take leave for two reasons: 1. to give them a break from work, refresh them, relax 2. it can create a large financial burden if an employee wants to take a large amount of leave at one time
Business is seasonal and cannot afford for full time staff to take 4 to 6 weeks leave between November and March
Being in Hospitality it does not suit us and we work on minimal Full Time Staff.
It is a financial liability and in a cash flow struggling business this is a concern.
We think they need a break from work and also we need to keep Control financially of wages etc
It is bad for their health and wellbeing. Accumulated annual leave attracts a higher pay rate
Each staff member has an integral role in the business and we can manage all our staff taking their 4 weeks annual leave during our quiet period which is from March to August inclusive. If they accrue their annual leave they eventually would have to take that leave and it may interfere with out busy period and that would require us to replace them with another person which becomes costly.

hard to cover a person in small business for extended periods
staffing issues
Negative impact on cash flow and operations if key staff are away for extended periods. Small workforce with limited options to employ good people to cover extended leave puts extra pressure on other team members and the business.
Risk
It is not fair on the employee that there is risk if the business goes under and they might lose their entitlements. It is also hard for the business to be in debt to an employee for more than 6 weeks annual leave, it is hard enough to find them a week to take off work let alone 6 - 10 weeks.
we are a small business with very tight margins. If more than 1 fulltime employee were to resign at the same time it would cripple our business.
Cost if all paid out at once
We have to replace staff who are on leave with casual staff and it is not possible to do so for extended periods.
As wages increase leave costs more
The business closes for 5 weeks at Xmas , leave is not an issue
I prefer employees to take leave on a regular basis for both employee wellbeing and the business so employees are performing at their best.
People need to take time off to refresh
We like to ensure employees take a break yearly. We like to keep the accrual of AL low.
AS a general rule we don't like the excess accrual because of the increased cost on the business when wage rates increase, also it's not a healthy work practice for employees not to be using their leave. We do allow employees to save their leave for planned periods of extended leave. Whilst we don't force employees to take leave when their balances get high we certainly talk to them about it and encourage a break.
Accruals need payment at the current rate, not the rate that the accrual occurred
Employee Welfare
We like to keep the leave liability for the organisation as low as possible to ensure help ensure it is a manageable liability as a charity.
Problems associated with BURN OUT. If people left than payout cash flow could be of concern.
Cost escalation over years as wage increases increase the value of untaken leave Employees should take leave to refresh themselves, thats what its for
cost and would require back fill if staff on extended leave
1. Employees with more than 6 weeks accrued leave are obviously not taking regular breaks from work which may create Work/Life balance issues. 2. Accruing for large annual leave balances is a cost to the business.
COMPANY POLICY STATES THAT NO EMPLOYEE SHOULD HAVE MORE THAN 20 WORKING DAYS ACCRUED AT ANYONE TIME IRRESPECTIVE OF POSITION.
Only a small business with small cash flow and dont like big supprises for a large pay out
I feel it is important for employees to take leave from work on a regular basis to refresh & revitalise & to spend time with their families.
We are to small to have an employee away for that length of time.
Employee needs time off and if not kept track of how much leave entitlement possibly put a strain on finances
its not health to bank your leave. you need time off to balance work and life commitments.
Because of the cashflow implications on paying more than 6 weeks leave if an employee resigned.
It makes budgeting to difficult if the employee leaves and for health reasons the employee needs a break
Need to take regular breaks from work to freshen up - only like to allow 3-4 weeks off at any one time with exceptions
I think all employees work better when they have had a break, and also I don't like that this balance of money is accruing and then I would have to payout a lump sum if they take a lot of holidays, or resign.
Because it is a financial burden to carry and cashing it out costs more than our budget allows
Large financial liability
Staff health & wellbeing with positive effects for the organisation.
The rising costs places us at risk and staff may become tired and over worked which reduces effectiveness

It affects our accruals and results: from an OH&S perspective we encourage people to take leave.
Difficulty in managing productivity
Impacts the cashflow of the business should it become an issue.
Impacts on ability to budget and forecast expenses and budget for future expansion projects. Impacts on the ability to reward employees effectively, reluctant to provide pay review for employees with high leave accrual as it means they will be paid their holidays at the higher/increased salary and not at the level they accrued the leave at originally.
We contractually ask our staff time off only in our off season. (Ie winter.)
Liability to company
if/when they leave it ends up being a large chunk of money which can be a bit hard to plan for in a small business. plus, if an employee would like to be paid out this money, i think they should be able to get it, i dont agree our award does not allow employees to be paid out
Being a small business, every staff member plays a vital role in the organisation. If one staff member were to take 6+ weeks leave all at once, the negative effect on our business and our clients would be substantial.
Because of higher liability level.
Employees need to take leave to refresh from the day to day work place.
Financial impact, and need for staff to have a break, both for personal health, and also for internal control
Being a Small Business Empolyer, cash flow is very important. If that employee resigns the payout of Annual Leave will have an effect on cashflow and could cause problems in remitting payment to Creditors. Also the employee that has not taken leave for long periods of time can also effect their performance and health. Everyone needs a time out.
Do not want key people on leave for to long
It makes it difficult for our projects and cash flow as we don't have the funds to replace people when they are on leave due to our type of business.
prefer they take their leave on an annual basis for productivity reasons. also if their award goes up we have to pay them at the latest rate
because we can't afford to have someone off for 6 weeks in one hit.
Our business generally increases staff salaries on an annual basis. Unused leave would be required to be paid on a higher rate. To much accrued debt to carry.
WHS - Believe employees need to take a break Operational - having staff to cover long absences requested if accrued to over 6 weeks
When leave greater than 4 weeks is taken it upsets our operational imperatives. Staff are too valuable for them to be away more than 1 month
Liability to the business.
Employees need a rest and it is a financial burden
Cash flow management Operational efficiencies
Health and Well being of employees not taking leave Provisional costs
Not only is this a liability for the company, it is not great for employee's to work without taking the time out to unwind.
it becomes a large liability on the business if the employee were to leave suddenly. It is also a large liability if they decide to take the leave all at once.
The cost of paying out annual leave earnt on yesterdays rates, on todays rates. Annual leave was granted as it was determined that employees needed time to rest. Annual leave is not a savings fund.
Duty of Care, fatigue due to prolonged work schedule is unacceptable.
The business cannot really afford any employee to be absent from work for extended periods of time as additional or temporary staff would need to be hired and trained.
We do not like having a high provision to carry over in our financial accounts
We think it affects there work, employees become tired and not focused from not taking leave accrued during the year.
actually we focus beyond 7 weeks and apply a definite policy after 8 weeks is accrued. 6 weeks is ok to accrue, but getting to a point where it needs action planned for the coming 6 months to ensure ti doesn;t go over 8 weeks.
WHS reasons as well as the entitlement value
Leave liability issues.
it is too expensive to hold that much leave

Liability
Creates too great a liability on our balance sheet
Major cost to the company
We want our team to take their accrued leave without the year, so they have the opportunity to have a proper break and relax/refresh during the year.
Workplace Health issue, leave liability being pushed into future years
We prefer employees be given annual leave for their personal benefits e.g. family reasons & other personal reasons
Prefer to be up to date
Liability to business
Employees should be taking leave each year to ensure this assists with productivity and health
Work life balance, dynamic retail environment, appropriate breaks are important for productivity
Operational balance when leave is taken in a big block Liability topic (if employee separates)
Fatigue of employees and cash flow to Company
If an employee wanted to take more than 6 weeks holidays at one time it would be very hard to cover for that. Also if an employee resigns it is a large lump sum to have to find.
Their own productivity may suffer and it is also a financial liability for us.
Impact on Balance Sheet Impact on P&L as leave is always budgeted Impact on Individuals Wellbeing Impact on business planning
too many uncertainty
Employees need regular breaks. Increase in cost/liability to the business.
Liability increases over time increasing costs as well as future requests for long period of built up leave and we do not like employees not taking breaks for extended periods as regular leave is in the interest of the employees health
Cost to business.
contingent liability
Leave liability costs become unmanagable, also from a safety perspective staff are encouraged to take regular periods of leave
Employees need to take leave for their well-being Too great a liability to organisation financially
Minimize liability and Team should take leave for work life balance
The risk is too high for both commercial and financial reasons
employees should take leave for health & happiness they need a break from work :)
We think that it is important for the staff members health and safety that they take some time away from the workplace. Also it may increase productivity if they come back refreshed.
a) Balance sheet liability b) Difficulty in managing long absence of employees for business coverage c) Incur additional costs as wages increase over time and leave paid at current rate
Because of the cost of payout if that person leaves
Impacts on need for provisions and alignment to budget in a 24/7 rostering environment if leave not taken. Increasing cost of provisions impacts on balance sheet and audit.
The costs on small business are prohibitive and it is hard to cover an extended leave period
No work/life balance
They need a break to keep fresh.
creates cash flow problems with large payouts and the end of employment
Liability implications
It becomes too costly to pay out leave at a later date.
puts pressure on the business increase in salary then requires the business to pay more for the annual leave accrued
Work life balance for employees Financial costs/liability to the business
Becomes a battle to get employees to take leave. Currently employees not being stretched time wise that leave cannot be taken.
Liability in balance sheet terms WHS obligations - break from work
Not really sure but there is always a push for us to take leave even if we don't really want to.
Something to do with having to save wages to something
Leave liability To ensure employees take adequate rest periods
Expensive accruing annual leave

It is another cost to the business. Leave becomes more expensive with time.
New rule came in last year no employer had more than 6-8 weeks in hand as well as long service I believe is about the liability as we are in the area of manufacture where cash flows and work have been very inconsistent over the last 8 years the business needs to be watching over the liabilities of employees so it is not blown out and all in one go
difficult to manage and costly when they take leave later. Also starts a bad precedent
The payout if they leave
Can be a Leave Liabilities issue from an accounting point of view Good to encourage staff to have a break from WHS point of view
Loss of key personnel is key for us- as is key staff taking leave at the same time or in specific very busy periods
We do not like employees accruing excessive leave as it is a huge liability for the business. Especially if there are a large amount of employees with high annual leave balances.
Unsure of reasons. Since start of my time, employees are encouraged to have no more than 20 annual leave days at 31 Dec each year.
Because it makes it hard in a retail environment to allow senior staff to take more than 2 weeks at a time, they miss too much information and get too out of touch with operations in store.
Big payout risk
Small Business = less resources to cover employee's work Service based means that revenue is significantly impacted when a chargeable resource is unavailable
it's a liability.
Don't like to carry the expense, and feel it is important for employees to take leave from their jobs.
Expense when employee leaves
Having an employee off for that long hugely affects productivity. We also don't like to carry over too much annual leave each year as it affects us greatly when they have their yearly pay review.
It leaves us understaffed in critical areas. We have a two week closure at Christmas every year which is advised to employees on commencement of their employment. If the employee is a part-time worker and accrues 6 weeks of leave it means we could have that staff member gone up to two months (if they work 4 days a week). We advise staff (once they have 4 weeks of leave) that they will be required to take leave within the next few months for their own health and safety.
Employees are not taking breaks to revitalise themselves. Higher risk of fraud if not taking leave.
we have enough employees to allow for annual leave without too much impact on the business.
It is generally our senior managers who have a large leave balance. This is an issue for a few reasons: 1. The Managers think they are too busy to take leave, so the leave will continue to not be utilised for as long as they have this mindset 2. It is a WHS issue that they're not taking a break of a week or more to recharge 3. It is a financial liability
We make sure that our employees take their leave when it falls due which can mean as it accumulates every three months if necessary. We cannot have any employee off for more than two weeks, other than when taking long service leave. We are a service industry (locksmithing) and cannot just hire temps for these positions. The next question really does not apply to us but I have answered anyway.
Potential cash flow issues should the employee leave and the company having the burden of paying out all the accrued leave at once along with any applicable super.
It increases our financial liability. We like to be able to plan production requirements around 4 weeks of leave per employee.
Cost impact to the Org as when leave is not taken it amounts to a greater level of cost as it has to be paid at the current rate at the time which will be higher. Leave taken in large blocks has a significant impact on staff numbers available particularly for specialist roles.
The cost to the company Employees not taking a break
It is company policy to keep annual leave accruals to less than 6 weeks to reduce the impact on cash flow if an employee had a large accrual and left suddenly. The company also believes all employees should be encouraged to take their annual leave when it falls due for their own benefit (health and otherwise).
Company policy is to accrue a maximum 30 days. This means we do not have to show a large accrual value in our accounting reports.
We would like them to have at least an annual break from work, for their physical and mental well-being in terms of rest and personal recreation. The hours at our work is around 50 hrs a week which

are long hours for physical work. Ideally we would like them to take at least 4 weeks of a year for rest and we only enforce it at our discretion. With a particular employee who has been with us for a long time, we allow him to accrue as much leave as he wants: at one time he had about 6-7 months accrued annual leave; but we also use our discretion to ask him at times to take some annual leave when things are really slow. Usually the annual leave by our employees is taken when they request it - we never have really denied anyone the dates they asked for. In our case, when things are slow, if anyone has any accrued leave, we ask them to take a week off.
We encourage employees to take their entitlement to leave annually. This prevents our employees from becoming stale in their jobs and makes sure there is a reasonable work life balance.
Direct effect on bottom line and generally employees with more than 6 weeks are in management or sales. Also we like to ensure our team has time to refresh and destress each year and encourage employees to take leave once they reach 4 weeks accumulated leave.
The obvious week to week payroll issues created when employees with leave entitlements of this magnitude resign can compromise cash flow and payroll forecasting budgets
We believe that employees should take regular breaks, with at least two weeks unbroken leave per annum. It is in the best interests of both our employee and our business.
Because it can place a financial burden on our company. If they resigned we are required to pay a large sum of payout for annual leave.
Liability to the company Worklife balance for employees
Latent cost
2 reasons: 1. recreation leave is important in refreshing employees. 2. more than six weeks of leave is unmanageable in terms of replacement and affects work flow.
financial and contractual obligations
1. To ensure our employees have a proper resting time 2. To reduce the risk of employee tiredness, sickness and accident 3. Lower the financial liability of the company
We believe that employees need to have a good work life balance and that it is healthy for them to take their leave. We also allow accrual of more than 6 weeks for a yearly overseas trip.
Risk of burnout in staff and overall moral if leave is not taken. Also the added financial costs due to leave liability.
It becomes an ever increasing liability on the balance sheet.
Accrual of leave and loading
The extra cost that are paid when a staff member has a pay rise and they have not taken leave. If a staff wants to accrue the leave they should accrue the leave with the same rate of pay when they accrued it. Staff who have large leave amounts generally wish to take long leave periods, this is highly disruptive in a small to medium business and places a lot of additional pressure on the remaining staff and management. Often causal relief staff can't be found and over time is required to be paid in order to keep the work load moving. I don't have a problem paying over time however when some staff don't want to do over time this puts more pressure on all. The other item is the company has to put this money away until the staff members wish to take the leave this money is seen as profit. The Company has to pay tax on this profit and does not obtain a tax concession until the employee is paid out.
We think Annual Leave is there for a purpose, to reinvigorate staff and to allow them to spend time with their families and friends. No-one is productive 24x7 and leave is a vital part of the working community. While we would support the ability to make the decision to take leave, we would always consider special circumstances e.g. saving leave for a one off event such as an extended holiday, wedding etc.
Leave liability = financial cost to business Employees not taking time out from work therefore not "refreshed" and potentially not operating at full capacity
Additional financial cost and best if employees take reasonable year each year.
We recommend our staff take regular annual leave breaks every 6-12 months. We do not allow leave to accumulate and have a policy that annual leave must be taken each year.
Unsure
Due to the large workforce and regular turnover
Financial accrual reasons.
The cost when they take a large amount of leave and we don't have the staff to cover that person's position
They must be tired and we don't want accrued leave on balance sheet
Liability management.

it creates a problem replacing the employee with another person on such short contracts
For a small business we currently have a very large liability with Annual Leave and Long Service Leave accruals
Too hard to organise long leave within smaller teams.
Request a management plan to resolve the outstanding ing leave
We try to limit leave accrual to 20 days due to budgetary considerations.
Finacial risk
It is ok if they have a plan to take extended leave and wish to save up extra time, but as a general rule, we like to encourage staff to take leave each year to ensure they are able to recharge, rest and have a good work/life balance. It also assists us in keeping costs down as leave costs increase with salary increases each year.
Liability growth
because we cannot cater for employees having too much time off at once
Affects operations in the long term
MONEY
because they may want to take large amounts all at once and we then have additional expenses covering that person while they are away
due to leave entitles if they resign causing cash flow issues
Future wage rises increase liability. Regular leave taking more manageable to cover with existing staff.
It is important employees are given the opportunity to use their leave to keep them rested and minimise burnout. It also means we are not carrying large accruals.
As a small business we cannot afford a pay out or have an employee on long periods of leave taken at once.
it's a debt to the company.
Because they may have to pay out a large sum of money when employees resign.
We feel our employees need to take a break from their work. The fiancial department does not like huge wage accruals.
Financial risk if they resign and also for the employee's work life balance.
Due to teHe fact we can cover their job internally for six weeks otherwise we have to employ a casual which is expensive
- Cost liability - Employee's health and wellbeing - Difficulty covering large amounts of leave when employees take leave.
we do not like an employeee being away for more than 4 weeks
We are a small business and it put's pressure on the business when someone wants to either cash in all there leave or take all there leave in a bulk lot.
Difficulties of accrual and impost when larger batches of leave is taken. We also believe that the holidays are there for a reason and that they should be taken for the sake of the health and well-being of our employees.
People need a break and we have a duty of care responsibility. Also costs more money as leave accrued at lower rates and then taken at higher rates.
It ties up our cashflow in provisions. Also if there is a wage rise we end up paying them more money. We also don't want them taking more than 6 weeks at a time.
Cost to the business
It means they haven't taken holidays which is no good, also its a accrued cost that cannot be managed eaisly
Then have the ability to take large chunks and difficulty to replace Costs to carry forward staff have annual leave so that they can stay refreshed
We feel employees need a regular structured break from work
because it has been a company policy to make sure employees take their leave on an annual bases
Too much of a financial burden
Small business struggles to replace full time staff for longer than school holiday periods were other staff are available to be called in.
As we are limited in staff numbers, so for someone to take more than 4 weeks holiday when wanting to do so it stretches the workload of the other employees.
We are small firm and a person is away it creates problems. Our staff broke there neck over christmas annual leave and sick leave combined nearly closed the business.

Dollars needed to pay out unused annual leave on resignation is a concern. Also it is believed employees need to take a regular break/holiday.
Not really sure. Can only assume that it ties up too much cash owing at the end of their tennure
Mucks up planning
Financial Liability, Work life balance
Due to the fact that if an employee then wants to take more than 6 weeks leave at one time it is an issue with replacement staff. Also, if they leave it affects the cash flow with having a large payout.
Our business does not like employees accruing more than 6 wks of leave as this means that the business needs to accrue money to pay for the leave, i.e. Annual leave liability.
As a business owner would like to limit my employees leave to their 4 week annually rather than letting it accrue.
Financial impact of accrued liability.
We are a seasonal business, so we need staff to take all or some of their annual leave over the winter months as we need all hands on deck for our Spring/Summer months.
Because we are looking at our cash flow and even though we are putting aside money to cover employees' leave entitlements, we do not want to pay more than 4 weeks of annual leave at a higher per hour rate of pay.
We try and keep our Liability down and request employees take their leave on a regualr basis.
Because as a small business we cannot survive if employees 'bank up' their leave & take 6 weeks off. 2-3 weeks you can 'cover' someone on leave, any longer & its not possible.
I am a small business. An employee taking more than a block of say 2 weeks leave causes me a lot of problems regarding staffing level and I take on the brunt. Furthermore, its not good practice for employees not to have regular breaks.
1. difficult to backfill them when they go on leave - finding replacement staff in the bush is very challenging 2. large cost in one hit if they cash out leave and take the rest of their leave at the same time 3. lost staff expertise when absent for long period - can get by for a few weeks but not 6 weeks
it compacts on our allocation of work and cover of that person taking leave
Liability on the books
Sits on the P&L as a liability
Very expensive to take off at one time, expensive to employ a casual to replace, continuity of staff very important.
Carrying of liability which increases in value over time. Operational risk of employees not taking leave
Because this then becomes a financial liability for a small business like ours.
When they terminate - the payout figure is high.
We believe employees should take their leave to freshen up, and utilise it for the purpose it was created,
Leave accrued under one salary can be worth more if paid under a revised salary
Liability for leave increases with increase in pay rates and becomes a cashflow issue when employees terminate their services.
To ensure employees get balance and a break from work Unwanted increase in liabilities on the balance sheet
cost
because of the cost of the liability. If the employee leaves then it will be a cash strain.
Because it is too much of an economic impost on the organisation when the employee does take leave, the employee becomes "stale" and it is an OHS risk, it is difficult to find a replacement for the employee for this period of time so it means that other employees have to cover the load for longer. When the employee returns from the holiday period, it takes quite a long time for them to pick up where they left off.
It opens issues of WHS and we don't want to carry any higher level of leave entitlement for employees
We have to spend our funding each financial year, and cannot accrue excess funding
Cost to the company
Everyone needs some time off to balance work and family life.
Annual leave is a liability and therefore affects net assets. It is also a cash outflow that needs to be managed well.
1. Employees are more productive when they have taken a reasonable amount of time to rest away from their work schedules. 2. Regular annual leave breaks can help reduce incidents of sick leave. 3. Excessive accruals affect your P/L. It is financially risky to carry excessive amounts of leave on your

balance sheet.
- High associated costs. - Employee fatigue.
The cost of potentially paying a very large sum at once
Employee health, operational planning, cash effect upon termination
We prefer to keep outstanding liabilities of business at reasonable level. With small number of employees, it is easier to manage shorter absences (up to 4 weeks), and therefore we would not wish to be in a position where employees may request more than 4 weeks continuous leave.
Unrealised future cost Health and welfare of employees
Expense to the organisation as AL accrued at current wage rate, if more than 1 year before taken then wages are higher, with Award increases Staff get tired and need to take holidays
Excessive Annual Leave Liability is a financial risk to the business.
It leaves us with a liability on our books and it can increase the cost to us if they are granted a salary increase.
The ongoing cost of the accruals Health and wellbeing of employees
it is too much to pay out if they leave and it could give them the chance to take six weeks plus at once and a small business cannot afford to have a staff member off for amount of time
To avoid salary increases impacting on accrued leave entitlements.
Unable to support absences of 6 plus weeks. Pay out too high on termination.
Too difficult for project management if long periods of leave are taken and as well staff having accrued more than 6 weeks means that haven't had a good break in over a year and a half
Welfare of staff and financial impact and liability.
We feel it is better for the individual to take a regular break away from work to improve concentration, health and wellbeing.
1) We do not wish to incur the financial debt associated with outstanding leave particularly when the seasonality of our business allows for leave to be availed 2) Concern for the health and safety of our employees
It becomes too hard to staff for extended periods.
My organisation does not like employees accruing more than 6 weeks of leave as it is important for workers wellbeing to take time off and have a strong work life balance. It is our experience that this leads to a more stable workforce, higher productivity in the workplace and less workplace health and safety issues.
It's too hard to replace staff with a casual employee for such a long period of time. It is disruptive to the team and our customers.
Scheduling of leave, staffing etc
Accruing expenses to be paid if the employee leaves which increases wages in a period not related to accruing period.
Because it is harder to find cover for shifts when required and taken over a longer period of time. We look at this on an individual basis
Too much of an impact on our balance sheet. Not healthy for the employee to not have taken a good period of leave. Too great a risk if the employee decides they want to take all their leave all at once.
We like our employees to take regular leave
We are a Restaurant/Cafe and trade 7 days a week. It is too difficult to find trained staff to replace them for long periods.
The financial liability on the organisation is too great
We believe that everyone needs a break to operate efficiently. It is too expensive to pay out if an employee leaves the organisation.
1. Cost - each July as Award rates increase, so too does the leave liability. 2. Interruption to trade-work teams are compromised as one person is forced on leave.
We feel that the employee needs to take regular leave so that they feel refreshed. We also do not want to have that much leave accrued on our books.
It is a huge cost to the company carrying staff untaken leave entitlements
Employees need time to relax, spend time with family, go on a break so they can re-charge themselves. There is a liability in the Balance Sheet that draws the attention of financiers and statutory bodies.
Accumulates a liability, also staff become stale
Wages go up each year so why should they get their holidays paid at a higher rate than the year they accrued it

It is a cost to the company it is too difficult to then organize rosters around long periods of leave
The longer an employee is away in one block, the longer it takes for the employee to catch up on return. Also, whilst the employee is on leave, their work is divided amongst the remaining staff in that area, putting an extra burden on the staff for a longer period of time.
* Small number of staff - need to plan annual leave in advance.
We feel that employees should take regular breaks so that their general wellbeing doesn't deteriorate
Because it is a financial liability. We are a small permanent team: two full time and three part-time employees with the rest supplemented with casuals and contract staff, so anyone taking big chunks of annual leave puts a massive strain on the rest of the team.
It is beneficial to their health to have a work - home balance.
financial liability to the company everyone needs a break to refresh
Staff coverage
To avoid accruing massive liabilities
Employee can take big blocks of time off in the future. If they leave then large payment on termination.
It creates an unacceptable financial liability for the organisation. The leave is accrued at a lower rate than at which it is paid at a later date.
we are not in a position to cover staff if they take extended leave due to the nature of the business
The annual leave liability the organisation then has to carry. Also the wellbeing factor - We tend to have the same group of employees accruing large amounts of leave and we'd really like them to take a break and recharge rather than burnout.
Accruing annual leave incurs an increase to liability; as wage rate increase so does the accrued valued increase
The financial cost of carrying that accrual and the payout all at once
If they all wanted leave at the same time or at busy times in the year it would compromise the business. Also it is a semi hidden debt that could surprise me.
Increasing yearly on-costs
We employ people to work not have holidays, we are not big enough to have people to cover people who are on holidays so the extra work load falls on us, so long periods become very hard on us and families
The liability for excessive annual leave
Becomes a liability which together with Long Service leave can become a real issue.
Because we would like to encourage employees to take leave to ensure they have regular rest breaks throughout the year. Also increased accrual means that at some point the employee will want to take a large chunk of leave which is harder to backfill.
As a small employer we can not afford the time or cost of employees suddenly wanting excessive leave.
We prefer for our employees to take shorter periods of annual leave (preferably not more than 2 weeks at a time). Being a small business, longer absences put too much pressure on other staff and the owners. Cashing in long periods of accrued annual leave puts too much financial pressure on us as a small business.
There is not a skilled casual labour pool for our industry in our area. We would struggle without the staff member for that period of time and not be able to find a replacement.
We are a micro business so to pay our employee for 6 weeks while losing his work would be a huge burden on our business cash flow and management of jobs.
In a small operation if we have one or two employees away for that length of time it places strain on the business
If the employee is to leave the company it is a big hit financially in one go.
It makes it difficult with rosters and hard to have a permanent staff member away for that period of time
Firstly we consider it important that all staff have a break from work but would prefer that they don't take this in excessive periods. For example, it is easier to cope with staff absences in blocks of 2 weeks rather than one block of 2 or more months. With a block of 2 months leave we would have to consider taking on a temporary worker or contractor.
we believe annual leave should be taken not accrued as it keeps staff refreshed and financially it is a sound decision
It is part of our Sustainability Policy that we do not have large amounts of Leave accruing
because if they take it in one hit we are hit with an expense we do not need.

We like to see that employees use leave to keep them fresh and engaged. There is also the fact that accrued leave increases in value over time with people being promoted and salary increases which is a hidden cost to the business.
As we have a small number of employees it would disrupt our ability to trade if 6 weeks or more leave was taken.
EVERY EMPLOYEE IN OUR COMPANY IS A KEY EMPLOYEE - WE CAN'T HAVE THEM NOT PRESENT FOR LONG PERIODS
Impact on staffing and workloads
Cost implications
Accrued annual leave is a liability to the business
Increasing cost burden due to value of leave rising in line with EBA increases.
Like most things in business you need to stay current. Keep up not catch. Large accruals can become a liability on Balance Sheets. Better to pay as you go and keep employees in work life balance.
When pay base rates increase, the liability rises for our company increasing our costs of operation, particularly Long Distance drivers who receive 30% L/L
Annual leave is essential to maintaining a person's well being. If they are accumulating Annual Leave they are, by default, not taking the necessary break to maintain their personal well being
Realise the need for employees to have a break and refresh
1) Too great a liability on the balance sheet + 2) Staff get worn out + performance drops if they don't take some opportunity to re-charge their batteries
Cannot afford to have employees take more than 4 weeks leave at a time and want them to recharge
The leave liability cost to the business
If they leave suddenly there's a big payout which for a small business is not great for cash flow.
It becomes a management issue when the employee wants to take the large amount of accrued leave in a single block. It becomes very hard to manage if an employee is on leave for 2 - 3 months straight
We are a small business and if an employee were to take 6 weeks of leave or more in a year, it would impact greatly on our workload and our profit margin. It would mean we would have to hire someone else to fill in, so more wages, tax etc.
Unfunded liability
They may want to take 6 weeks at the one time and in our industry that puts pressure on time frames for completing work loads
Insufficient break time for employees. Carrying of large liability for unused leave.
Lump sum payouts when an employee leaves can be too high.
We do not like excessive leave balances as it impacts financially when pay rises occur thus increasing our liability. We also need to ensure that staff are getting sufficient breaks for their own wellbeing and to avoid stress and burnout which could impact through workers compensation.
Because it attracts the percentage increase dictated by the enterprise bargaining agreement on its anniversary
Safety and WH&S reasons for safe working
2 reasons, we consider that people need a break for their health at least once a year so would discourage people from working for more than a year without taking leave. Secondly, it is money that I owe them and so would interfere with my cash flow if I were to allow that leave to build up to large amounts. I budget for people having 4 weeks a year of leave and would prefer them to take it in that year.
Accrued annual leave is a liability on our balance sheet.
Because as pay rates change it costs us more. Employees should be taking leave as everyone needs a break to refresh.
Cash flow management - is a liability for a small business to have large leave balances.
This can lead to a large liability in the business and is not ideal. Australia already offers a lot more paid leave than many other countries.
Leave liability
Creates serious cash flow problems as well as difficulties in finding skilled replacement for long "short term" periods.
Too long away from Business if all leave is taken
The directive on holidays is - 10 consecutive days of annual leave to be taken annually. No more than 10 days annual leave to have accumulated by the end of the fiscal year.
Do not like key people to be off work for a long time

<p>After a long period of employment, or upon termination, the balance of the Annual Leave accrued is paid at a higher rate than would be the case if they took their annual leave when it falls due. Also, employees can put in a request for two months leave at one time, which leaves the business short of staff. It is easier to cover when small amounts of Annual Leave are taken. I have also found that those who accrue large amounts of Annual Leave tend to have "control issues" about their job.</p>
<p>It is a cost that sits on the balance sheet of the business. It also means that employees are not getting regular holidays</p>
<p>Build up of unfunded liabilities</p>
<p>COST OF PAYING LEAVE LOADING WHEN HOURLY RATE OF PAY GOES UP.</p>
<p>Cash flow.</p>
<p>As wages increases it costs more to pay out. The more time they can have off apart from our current annual leave closedown.</p>
<p>Excess leave creates a liability to the organisation and we prefer staff to take regular holidays to ensure they do not burn out</p>
<p>We are a small business and could not afford to have an employee off for this amount of time</p>
<p>Difficult to replace over a longer period with suitably qualified/skilled people</p>
<p>Liability on the balance sheet and also they should take leave to refresh and stay productive.</p>
<p>This is a burden on the small business owner cost, and operational</p>
<p>Prefer that Staff use their leave</p>
<p>Affects the balance sheet</p>
<p>TAKING LEAVE ALL AT ONCE</p>
<p>As we have 30 employees, we do like them to take their accrued leave annual, so it balances out evenly and not put more pressure on other areas of the shop.</p>
<p>I do not want to be in the position of owing lots of entitlements, we have a few employees with LSL which I like to keep down as well... I have very cooperative employees that see the company policy and agree with it and we also have lots of casuals now as we have had 6 Maternity leaves in 3 1/2 years....all of this becomes too difficult</p>
<p>Cost on balance sheet</p>
<p>Firstly, there is concern with regard to an individuals workplace motivation and overall health and wellbeing if they do not take annual leave during the year. Secondly there is the liability concern for the organisation with regard to fairness, permitting one person to accrue more than 6 weeks of leave should then be accessible for all employees and this places greater burden for the organisation with regard to provisions for leave.</p>
<p>more than 4 weeks is too much absence from the job</p>
<p>Health & safety of our employees - people should take some leave. Also, we try to avoid the liability of unused A/L accruing so that it could be a problem for us.</p>
<p>Reduce an outstanding liability to the business. Can also affect cash flow when leaving the business through termination or resignation with large payout costs due to excessive accrued annual leave.</p>
<p>We don't like them accruing leave because if they wanted to take an extended holiday, we would have to make some changes, and in a small business that gets expensive. We are already paying 17.5% holiday leave, as well as a full time wage for people on holidays and then another wage to cover for them. That's like paying almost two and a half wages for one part timer to fill in whilst someone is on holidays.</p>
<p>It creates too great a liability that negatively impacts the business balance sheet and we limit annual leave to two weeks at any given time except at Christmas or extenuating circumstances.</p>
<p>Employees should take regular leave to maintain good work life balance & health. Periods greater than 6 weeks are more problematic to cover from an operational point as our industry is a 24 / 7 industry.</p>
<p>The company policy is not to hold more than 152 hours per employee as they do not like to hold onto such a high accrual of leave.</p>
<p>Rostering problems when staff take long periods of leave</p>
<p>Leave is required for employees to recharge and remain productive. Also cost increase as employee pay rates change.</p>
<p>The higher cost of leave payout if a promotion occurs or if there is a wage/salary review that increases pay rates.</p>
<p>We encourage employees with over 4 weeks leave to take their leave for their health and well being and also to reduce our annual leave liability</p>

its a debt unpaid
an employee should take leave
Cost and possible WH&S claims
Creates a trailing liability
Increases our leave provisions & possibly leads to less productive staff
Makes a large liability which could put too much pressure on the cash flow
Rostering and cash flow reasons.
toll on the business if they request all at once, build up of holiday pay not good for cash flow reasons
We do not like to have that amount of money accrued on our books
Annual leave is awarded because employees are deemed to need leave annually to restore & refresh
Increased financial liability. Difficult to manage requests for extended leave
Policy of the business is all staff to take their annual leave entitlements through the year for rest and refueling
Cash Flow
We believe that staff need a break to revitalise them. We find we have fresh and enthusiastic staff staff a break
It encourages staff to save up leave for a long holiday overseas usually but this impacts the office as when a staff member is away for 1-2 weeks at a time it is easier to cover with existing staff without replacing with an expensive temp but for 3-6 weeks it can be very costly. Also we find that staff that do not take regular holiday breaks can become tired and run-down.
Would rather our employees take their leave predominantly for their own personal health requirements along with the organisation not having to carry extensive annual leave accruals.
Because of the increased cost to the Business. A/leave 2013 not taken in 2014 will increase in value due to pay rate increases, promotions etc.
Requires training of outside parties to fill the void, which is time-consuming.
Carried forward liability position.
Impact on productivity
we like employees all to have a break and encourage them to take leave
We like staff to take annual leave when it is due during the year. I try to ensure that we have someone on leave every month of year. If we let it accrue it is alot of money to have accruing.
liability too high but staff would rather have the money than the time off
It is a financial liability that the company does not wish to support.
Important for rest and relaxation
Balance work and life, potential fraud
Liability and paying out leave at higher rates than otherwise paid given reviews are every year and award increases.
If they resigned, it is a lot of money to pay out or they might request to take all their annual leave in one go
to much over heads
The award we work under requires no employee to have more than 8 weeks annual leave accrual. The financial implications and wellbeing of staff not taking suitable breaks in service
Two reasons 1. It is important that staff take annual leave as it falls due. The employer has a duty of care to ensure that staff take annual leave to rest and recharge energy levels. The employer supports the view that annual leave is valuable in maintaining good work performance. 2. It is an expense to the organisation as when staff wages increase so too does the annual leave on the books.
It is very hard to organise staff cover if one of our permanent full time employees goes on leave for more than 4 weeks at a time
As a government agency, the NSW government is gradually trying to reduce annual leave owing to less than 6 weeks; 5 weeks in 2015; and 4 weeks in 2016.
Staff need to refresh their energy for work with a break very now and then. Work can become below standard due to fatigue. It also adds unnecessary cost to the organisation as large leave balances add significant costs when pay rates are reviewed upwards. Risk Management is an issue as large leave balances can be an indicator of potential fraud/coverup.
cost of replacing that person during that time
Because the wages to be paid are based on current,not past income when the leave entitlement was accrued.

We encourage our employees to take their due time off and recharge. Being a small company we also are greatly effected by reduced staff levels due to excess leave.
Employees need to take regular leave for their own health and well-being. There is also a financial implication for the organisation when leave is allowed to accrue for an extended period and salary increases have been implemented - the leave is then taken at an increased salary level.
Wage liability which increases every year when hourly rates increase
Creates fatigue issues for long distance transport
It adds to a leave liability accrual's and we believe staff should takes leave as it is good for them and the organisation.
It is a liability and also this may indicate issues with fatigue if employees are not taking leave
It means carrying large liabilities, and potentially incurring large pay outs upon resignation. It also means potentially having to do without valuable employees for long periods for which it is difficult to cover for them or replace. This means employees going long periods without holidays which is not good for their state of mind.
It can grow and put a strain on business when people want to take all leave owing.
It's too costly replacing so we have to slow down when people are away
it is hard in a small business to accommodate long periods of leave. Also there are financial implications on leave accrued now but paid later (usually at a higher rate). We also think that leave is for a purpose - to refresh the employee, and accruing large amounts of leave defeats that purpose.
places to much sress on remaining employees
Small business cash flows can be disrupted by large leave balances, and age-based, as well as annual CPI hourly rate increases inflate this cost
clear out each year. Costs too much to let them accumulate.
For the general health and wellbeing of our employees we would like them to take their leave. Carrying large leave accruals for significant numbers of employees is not a productive way to run a business.
Because in our organisation 1. most staff are continually promoted to higher levels & consequently higher pay - this means that accrued leave is paid at a much higher level than when the leave was actually accrued and 2. We don't like being a "bank" for our employees - if they don't take their leave it would be better for us to pay out the leave and give them a guarantee that they could have the equivalent number of days as leave without pay in the future if that is what they wanted to do. That way they could accumulate the entitlement to leave but without our firm having to fund it in the future when they are on a much higher salary.
First, we feel that 4 weeks annual leave is a big burden on employers. USA has two and less holidays. We have to give 4 weeks, 2 sick (which are used way more than USA from my perspective of working in US for 20 years) and 2 weeks holidays. That's almost 20% of the work year we pay for no productivity. Hard for small businesses. As for why we don't like 6 weeks accrued leave is the work balancing we may hit if someone want's to take all the leave at once. As a small business we don't have a lot of depth so one person being gone for an extensive period effects us but having two gone at any point in time can serious impact our ability to deliver. This happens during holiday periods on a regular basis and we have no solution except for the owners to work 18 hours a day to not upset customers and loose business.
Leave is accrued at the pay rate for the previous 12 months. If leave is not taken we are required to quarantine this money and exclude it from our cash flow. When the employee finally decides to take it has to be paid at the rate applicable at the time. If the employee is promoted or the leave has been accrued over a number years this can represent a substantial difference which cannot be cover by interest on the holding.
It is in the best interest of the employee to take time off work to rest relax and reoperate throughout the year and by not taking annual leave for over 18 months (to accrue approx 6weeks) is not only unwise I think from a health point of view but also from an O H & S view. We are not machines and everyone needs to regenerate. From an employer point of view it can be difficult to find replacement staff or extend existing staff for lengthy periods of time if an employee takes extended leave. It can be a financial burden when paying annual leave & loading whilst also paying the replacement staff for an extended period.
cannot afford it.
Cash Flow - as it is too difficult to pay for people while they are not working and earning! if it's spread out to one or two weeks at a time it is easier on cash flow.
The accruing of excess leave only adds to your liability provisions and is always dam near impossible

to reduce with say 6 long serving staff
1/ The cost can be significant to the organisation if more than 6 weeks of leave is accrued in financial terms due to being a medium size business. 2/ It is in the best interest for the health and well being of employees to take annual leave
It is a large overhead.
from a welfare perspective - the nature of the business is high stress, we encourage employees to use their annual leave up each year From a budget perspective it is a accrual we prefer to keep as low as possible
We like them to be taking at least 2-3 weeks per year for their health and quality of life and we prefer not be caring over entitlements or cash out leave owing.
In difficult economic times we don't like our employment liabilities to get too high and become unmanageable
Cost involved to manage outstanding leave liability and cost to organisation when staff take extended periods of leave.
Employees has to take thier leave inorder to be more productive.
Cost of replacement staff for extended periods. The law requires us to maintain ratios and qualifications.
Because of the financial liability.
Large leave balances represent issue with employee performance/workload or work habits.
Coverage issues, Cost and cashflow implications - needs to be tempered with requests from individuals for special reasons e.g. overseas holidays. Our EBA requires leave to be cleared with 2 years of being credited.
- Difficult to manage extended periods of absence. - Financial impact of carrying increasing accruals for annual leave balances accrued in years of lesser salary earnings. - Our company policy preference is for balances not to exceed 4 weeks of annual leave.
not healthy for the employee gets costly upon termination Unable to cover extended leave periods
Firstly, employees need ot have break from work, regualrly as some employees are more than happy to work year on year with takig leave Secondly, the cost impost of not taking leave when it is accrued affects viability of business
Leave should be taken for both the employee benefit and as an internal control
increased liability on balance sheet and increased cost infuture years
Difficult to operate when employee is on extended leave
We are a Disability Employment Service. It's our duty of care to our employees to ensure they have time off.
If they have not had annual leave, they are tide and not working to the best of there ability.
We lose productivity
If the full leave is taken it is very difficult to have that position covered for that longer period of time
It impacts the organisation financially. Also by employee taking on leave it gives an opportunity for the organisation to assess the process to improve and minimise risk.
Funding issue.
It isn't properly represented in the financial accounts. Also it leave the organisation liable to a large debt.
It does not support a good work-life balance.
demanding work - like to see leave cleared within 12 months
- reduce burn out / stress, staff well-being - avoid staff taking annual too long, impact on the operations of the business - CPI increased in staff wages, annual leave paid at the time of taking annual leaves will be more than the value of annual leave accrued.
We like our employees to take their leave annually, so we and they get a break and we can ensure our business works well with or without that person. It is an ideal time to retrain staff to cover the person on leave's duties.
Issues of accrual when acquitting funded programs. Also issues around rostering
1. Leave accrual often has to be paid at a higher rate (wages may have increased) when the employee takes it. That is, leave is earned at one rate and paid at another. 2. It can mean that the business is short staffed for an extended period.
A 52 week salary year, including 4 weeks annual leave if paid in the plan year costs the compnay 52 weeks salary. If annual leave is acrued and carried forward it costs the original 52 weeks, plus pay carried forward plus any subsequent increase in pay rate and could all paid out upon the employee

leaving the business. This should also be offset by allowing the employee to have some leave accrued for special future needs.
we are a small business with a small team and it would cause a lot of stress and problems if they had to cover up to six weeks if someone was away. The casual would be working 7 days per week.
Staff need to take thier leave otherwise they become stale - particularly retail staff
We are a NFP organisation and as such financial liabilities need to be monitored carefully. Accrued annual leave gains value every year which can be concerning when there is a growing trend of employees utilising less annual leave each year.
Because it is a liability to the business.
Extended leave exposes the business to lack of resource and additional costs to cover employees on leave.
The strain it puts on our financial resources, constrains cash, increases in value every year with salary increases and also it isn't being used to ensure employees are recharging themselves.
adverse effect on other staff
accumulated liability
Cashflow impost on the business if a number of staff leave in quick succession owed a large amount of leave.
1. Company liability on P&L. 2. Unhealthy/duty of care to take some R&R. 3. Cost to pay out on termination.
As a small business it becomes a big payout when the employee leave at the business if no annual leave has ever been taken
There are two reasons - the first is financial, we don't like to have a large amount of money in leave sitting on our books. It is a large payout should employees leave or if a part of the business is shutdown and again this money would need to be paid out if any retrenchments. The second reason is employee wellbeing. We really recognise the value for health and wellbeing of having a break away from the office. We actively encourage employees to break but still have pockets of employees who for whatever reason feel they cannot take a break. This is a problem for us as we don't want employees to burn out.
Keep the liability at acceptable level. For staff welfare.
Cost liability and the fact that the employee has not had leave
too much impost on the business with staff leaving for more than 4 weeks and to pay that much leave in one hit
Cost to business if employees receive pay increases after leave has accrued. Also, extended leave can disrupt running of business.
We like to keep the annual leave provision on the Balance sheet as low as possible.
Excess annual leave means an employee has not taken adequate breaks. This can be an increased risk (OH&S etc) for business. It is also a business liability that needs to be managed
Liability for the firm to have to carry large employee entitlements
We simply believe it is poor management practice for a variety of reasons, but primarily because we believe that each employee should have a solid "break/rest/holiday" from work each year.
Difficult to maintain provisions for excess leave - at times of the year, if an employee with excess leave resigned, cashflow could be an issue
Normally allowed after discussion with senior manager.
Ability for them to take too much time off, affecting our ability to service customers
Because it becomes too expensive
It is too expensive to pay them out in one hit if and/or when they terminate their employment
We don't like our leave liability budget to get too high.
allows better view of outstanding 'debts'
We are a small team and work with our employees closely, encouraging a healthy work/life balance. This also helps us maintain a level of service as leave balances are generally spread evenly across the year.
work life balance, employees are better once they have annual leave, more relaxed and able to tackle their job with renewed enthusiasm
It would put a huge strain on the running of our business.
It builds a liability both in terms of dollars but more in terms of loosing that employee for a considerable time and with a small company we cannot cover the positions with temporary staff or other employed staff.

Because it is difficult to suit them when they do decide to take leave.
Wage increases every year hence it will cost more - furthermore, employee is more relaxed when they take holidays - this makes them perform better
It generally means that they are not getting adequate breaks. Many are managers and this means that they are not allowing time for team members to gain valuable experience acting in the role of manager, or the manager is not appropriately delegating tasks to team members enabling leave to be taken. Of course, there is also the impact on the P&L and annual increases on the value of the leave.
Firstly from an employee health and wellbeing point of view, we believe that staff need to take a break from work, plus we aim to keep our leave liabilities as low as possible.
Long term liability
We are a not for profit so allowing employees to accrue more than 6 weeks leave costs us money due to increases in the awards
hard to find replacement staff
We would rather see our staff have their accrued leave used as everyone needs a break from working
AS a small business it is difficult for us to manage workload and maintain cashflow when employees take more than 4 weeks of leave during the normal working months, noting that we take a 2 - 3 week annual shutdown across Christmas and New Year.
Additional cost to the business as wage rates increase through negotiations.
Cashflow problem if taken at once
Long leave taken affects our cash flow
Making sure they do take adequate leave through out the year to rest and recover. Cost to the business. To have proper coverage for business operations.
Given the number of staff we have, we prefer not to have a significant Annual Leave liability on our balance sheet. Further, we also prefer not to have the cash flow impact should a staff member leave when they have a significant leave balance.
It has an associated cost; plus health and wellbeing - annual leave is there for a purpose - people need a break.
not enough time taken out from work to rest/relax/recover if leave balances continue to increase
The accruals become too high financially.
Because of the liability
The business carries large accruals of annual and long service leave - as we have a workforce with average years of service of 19 years. There is an issue with the increase in cost of the accruals each time a wage increase is awarded and with an aging workforce, our employees need to take some leave to give them a rest. Cost is the main concern, as all of our employee have LSL and in the past have chosen to save their LSL up to be a "golden egg" when they retire or leave the business. We area trying to now convince them that LSL was meant as recognition for long service and the opportunity for an extended break from work to rest and revitalise.
Have to accrue too much money, wages increase annually and the accrual increases, Difficult when employees take long holidays at a time,
BECAUSE STAFF NEED TO HAVE TIME AWAY FROM WORK SO THEY CAN BE AT THEIR BEST WHILE THEY ARE IN THE OFFICE UNLESS THEY HAVE PLANNED A SIGNIFICANT EVENT - EG EXTENDED TRAVEL, WEDDING OR BABY
We like to keep our leave liability down and encourage our team to take their leave accrual each year- keeps them fresh and re-energised and reduces our liability.
Increasing liability. Employee not taking time off (i.e. risk of burn out, lower productivity).
The impact of taking extended leave is too hard on the other employees
It costs the company more money however if we state in advance that we are accumulating leave for an overseas trip there is never an issue.
possible additional cost if salary has increased. also, organisational structure does not allow large amounts of leave to be taken in a block
The employee has not taken a break from work and the cost of this leave accrual is increasing.
Operationally it becomes difficult to roster employees to fill shifts when other employees take extended periods of leave.
It does not suit our business to have large amounts of annual leave accrued.
Wage rate increases increase the business liability.
we have a small team and it impacts on the business too much

It is a liability to the company that keeps increasing in value while pay rates increase. It encourages staff to take long periods of annual leave (more than 2 weeks at a time) which makes it harder to find staff to fill those vacancies
Work/life balance. Financial.
It becomes an issue if they decide to take all accrued holidays at the one time.
We recommend they only carry one week of annual leave into the next calendar year because we want them to take a break from the business, rest and enjoy a holiday.
Balance sheet
Staff really should have time off as our workplace is somewhat stressful. As we close down for 10 days over the Christmas New Year period every year staff should be able to manage the other couple of weeks during the year without too much disruption.
For a small business, it would require training a new staff member to cover such a long period. That new staff member could end up being excess staff by the time the existing staff member returned from long leave.
Financial leave liabilities and in ensuring we fulfill our OHS / duty of care obligations.
Sensitive that employees who are not taking leave may not be having "break" from the workplace to rest and unwind and work/life balance. Impact upon the balance sheet with having so much leave accrued.
This opinion has just recently been recognised and collaborated. We do not particularly like our employees accruing more than 6 weeks of leave as it can become a liability, however, equally, and we want our employees to have a break.
Paid out at a higher rate than it was accrued. Big liability to hold. They might ask for it all at once and be disappointed.
It is not good business practise and we encourage a work/life balance
This is a liability that we would prefer not to have as pay-rates increase so therefore so does our liability it is also more difficult to cover a person who has requested more than 4 weeks leave to be taken.
We allow our employees to accrue up to 8 weeks and manage the leave
Heavy liability People should take leave rather than accrue
BECAUSE OUR WORK IS SOMEWHAT SPECIALISED FINDING REPLACEMENTS FOR EXTENDED PERIODS IS DIFFICULT
Upon termination it is a lot of money to fork out in one lump sum
We do not like to accrue any future financial commitment that we can avoid.
It would affect our workflow if someone wanted to take 6 weeks leave or more in one go. This can be approved with a very long lead in time.
We believe all employees should take regular annual leave breaks
If employees accrue more than 6 weeks the accrual liability is too high and this has a negative financial impact on the business. Also it does not enable staff to take adequate breaks during the year to ensure that they perform at their optimum. Also it allows employees to potentially take extended periods of leave (of over 4 weeks at a time) which creates hardship for the business.
Ongoing costs
it is too much leave for a single employee
Because we cannot operate the business if they take that sort of time off. We are not able to put a temp in a skilled area such as ours so therefore we cannot allow huge chunks of holidays
It makes it too hard to cover for those time losses at once and more mistakes are made if employees don't take their holidays more regularly.
Burden on the company when leave taken
Small company we close three week every xmas
Disability Employment Service - staff require substantial leave breaks as part of our duty of care.
Because I our employes work hard and need to take their annual leave. Also we find it hard as a small business to pay holiday pay at the best of times.
Cost factor when they eventually take their annual leave
Small business - if someone wants to take too much leave in one hit we almost need a new employee to cover their position - whereas we can cope for a week or 2 without a staff member
It is a hard working environment that is very seasonal. All staff are required to take leave in the quieter 6 moths of the year, and all do.
It becomes to much of a fiencial burden on the company

The employees are tired, the work balance isn't there, and the liability is too high. We also see a direct correlation between increased sick days and decreased annual leave taken. this reduces productivity.
It is a Workplace Health and Safety issue if they do not have regular breaks.
it would not work for our small operation ,the large cash out figure , I need holidays too ,its my company ,its got to suit me ,having someone away for to long,I would rather they left, & I could consider replacing them or not
Financial reasons, liability accruals like to be kept at a minimum for cashflow purposes
Difficult to cover cost and time of leave greater than 4 weeks at once
LARGE AMOUNTS OF ACCRUED LEAVE CAN AFFECT OUR CASH FLOW.IT IS DIFFICULT ENOUGH AT TIMES PAYING 17.5% LEAVE BONUS.
It is a liability that we have to manage. The leave is often accrued at a lower wage rate and then taken when wages are higher. If the employee leaves we have a large payout that we have to find. Employees need a break throughout the year. If they have accrued that much leave they may be getting burnt out
This causes a great deal of difficulty as employees not taking leave is a) Not healthy on the employee b) They sometimes accrue too much leave and then wan't to take it all at once which creates operational difficulties covering their position.
We are a small organisation and we prefer leave to be taken. We would like employees the opportunity to rest and recuperate!
Costs too much in one go.
Having more than 6 weeks means the business have a large liability overhead.
Beacause of the accrual liability, also because the leave is intended to allow an employee to rest and refresh. We beleive that WHS incident and sick leave usage is higher where AL is accumulated and saved, instead of used.
Not taking annual leave and working right through is not good for employees. We find everyone works better after a break. Also, financial management of leave becomes an issue when too much annual leave is owed to employees
Replacement will be required for long term leave whereas short regular leave can be covered internally. Payout figures become a concern.
4 Weeks is our company limit so we do encourage Team members to take the 4 weeks a year and extra if they have over 4 weeks
annual leave is a liability that increases in cost as the employees pay rates increase. It also encourages staff to take extended periods of leave e.g. greater than 2 weeks at a time. These longer absences are disruptive to the business and vacancies are harder to cover
becomes a burden if they want a large leave block
Don't like any employee having that much leave to use on any one occasion - suits us better for employees to take small batches of annual leave 1-2 weeks ideally but every few years they can take a longer break if they are due the time
We want our employees to utilise there annual leave entitlement for their rest and recreation. Its also a liability to the company.
1.They need to take a proper break from the workplace to refresh themselves. This is the reason for having annual holidays! 2. I accrue a bigger and bigger "liability" on my books if I owed many staff members many weeks holiday each and it doesn't show up on a P&L until those wages for holidays are paid. I know I can make provision for it but it's not tax deductible until the expense has been paid
we are not big enough to cover an employee taking 6 weeks leave
Appropriate leave being taken indicates a well organized and functioning business with appropriate staffing levels and manages the risk of staff burnout and potential litigation
Leave liability which increases each year with pay increases
Additional expense sitting on our books. WHen people leave the organisation it triggers a large payout
Firstly employees should ,for health and recreation reasons ,use their entitled leave. That is why it is available. Secondly it can be a major debt that must be controlled
Financial and operational impacts.
It is very difficult to cover the staff member for exceptionally long periods of leave. Also, a larger cash flow burden and increased financial liability.
We believe that taking annual leave is necessary to prevent fatigue and burn-out for our employees

We encourage our staff to take regular holidays to spend with family and friends
Because any wage increases automatically ad onto their leave entitlements.
It makes it difficult to manage operations efficiently in terms of both staff rosters and costs of leave.
Employees need a break for health & safety reasons. Leave liability needs managing.
The accrued liability gets too high.
We see it as carying to much liability
annual increments to hourly rate
Employees who take leave are more productive. All employees take 2 weeks off at Xmas
too hard to manage can affect cash flow when they leave All employees should take reasonableleave throughout the year to remain fresh when they return back to work
We are required to accrued to service the outstanding leave
they should be taking holidays as they get tired when they dont get leave when its needed
to much leave is accrued than when staff want to take this leave it puts too much strain on the rest of the employees to cover these periods. People also get fatigued and loose motivation due to not having regular leave.
to much of a drain on our cash flow
Employees who do not take leave do not have a proper break and this can reflect in poor job performance. When an employee does take "stored" leave the Company has to pay the leave at the current rate of pay, not the rate that it would have paid had the employee taken the leave at the proper time. This can be very costly.
If a person leaves with over 6 weeks leave it can create large, unforeseen payouts or large periods of time taken away from their role.
Would not prefer employees taking very long leaves due to operational requirements
As a Manager, staff need to have a break throughout the year. I know my employer would allow staff to accrue large leave if they were going overseas on a holiday
Don't want to carry the excessive Leave Provision as well as believing all employees should take regular vacations
Financial Liability Health & Safety
too hard to cover long absences
Liability on company
Cost to the business, regular holidays reduce possible stress on the team member, often an opportunity for others to cross skill whilst the employee is on leave
Can be very costly in either dismissal/redundancy or simply employees taking extra time off work, can disrupt ability to continuously complete work.
we 11 staff to fit in a year and therefore I encourage all staff to keep up to date with their leave
Mainly due to the cost.
we are a small business and do not like to have that much entitlements due
WHS reasons, the need for staff to take a break from work is important.
staff need to take breaks away from work to come back refreshed.
Cost of providing leave at increasing rates and having to maintain inflated provisions for AL entitlements
Annual Leave is an entitlement. Take it or lose it. Employees should not be able to roll it over except by agreement (for operational reasons, personal hardship or specific convenience) and that agreement should have a sunset clause. Sick leave should be treated the same. If you don't need it, it's not yours.
Self care reasons
We have to pay at a higher rate any accrued annual leave
cost to business anualised.
Stop incredibly high provision levels and staff should utilise their Annaul leave for their own health.
P & L reasons and good for people to have a break , safety concerns
We want to reduce building up entitlements
need to make sure we hold sufficient reserves to pay all leave oweing
Strain on business to take extended periods of leave along with the employee becoming unproductive. Leave is to recharge and relax and is needed each year to do so
Because Annual Leave is a huge liability to the company

Unless they have a particular reason to accrue it becomes impossible for the worker to catch up and take that leave. Cost to a not for profit when they leave is high
The difficulty and expense of temporary staff
Limited staff resource
Taking 6 weeks leave is too long a period away from the job and puts too much pressure on the rest of the staff to pick up the extra duties for such an extended period. 6 weeks is too short a time to employ extra staff as the time taken to train the new staff also puts extra strain on existing staff & adds to wage costs as time taken to perform duties is increased.
Cost financial & health of employee
We are small motel with restaurant. We have only necessary amount of employees and would make hard for other employees.
The strain to hire a replacement or to take up that position for more than 4 weeks is difficult
IT CREATES A HIGH AND POTENTIAL UNMANAGABLE LIABILITY ON THE BUSINESS
We do not consider it to be in the best interests of employees or employers for an employee to work extended periods without taking leave People with a lot of accumulated leave often request to take it on specific dates, with little or no flexibility It can be difficult to cover certain positions eg Manager, if person is away for 6 weeks or more
In a small organization we can work around an employee on annual leave for 2-3 weeks. Any longer and it would affect the business financially. We only employ tradesmen so casual replacement is not an option.
Difficult to roster in a small business and still have the business rolling around.
Safety of employees (need a break)
think holidays important to refresh employee
Unlike most of the world, Australia mandates a minimum of 4 weeks annual leave. In any efficient company, if someone takes 4 weeks annual leave their position would not be required (if we can survive without someone for 4 weeks why do we need that position?) However, because Australian governments don't have the balls to take on the unions (or in the case of Labor govts - are run by the unions), most workplaces are stuck with inefficient regulations. This basically answers your question re 6 weeks leave - if someone can take 6 weeks why do I need them?
too much liability of the company. Annual leave needs to be managed and employees are encouraged to take annual leave so that they are more productive.
They are not rested and therefore do not function at their best. If they get a pay increase the liability accrued is automatically increased.
If the employee leaves it is too hard to cover the cost
We are a small business and it affects our cash flow greatly. We don't like it but we do allow it. It nearly closed the business down one year though.
Amount of capital having to be allocated for when staff may finally use leave. Cost of paying staff leave entitlements when employment terminates.
extended leave does not allow us to balance our staff requirement. Excessive build up of leave entitlements can mean additional cost as leave is paid at current rates, not at the rate that applied as the leave entitlement was accrued.
We like to ensure all team members have a good vacation every year to remain fresh and engaged in the business.
Duty of care. Unless the employee have numerous days in lieu to draw upon from working holidays as we are a 24hr operation.
Too costly to pay out if they resign.
Destabilises operations and requires casuals to cover permanent which is costly.
We can't afford to pay it out if they leave? Don't have enough other staff to cover if they take long periods of leave.
Difficult to finds replacement staff to cover leave.
Because bracket creep increases the cost to the company. It would be better if all leave only had the value of the year in which it was ac crewed.
increased financial and trading loss when large amounts of accrued leave is taken
I become concerned about the liability. If the employee resigns I could be up for a significant payout. If the employee wants to accrue leave for a lengthier holiday we will attempt to accommodate them. But it causes problems for the business if employees are away for too long. It means we have to cover that employee with someone who is less experienced for longer. It's not ideal.

Due to the increased liability that we have to carry as a business
As an SME we would have to hire someone to cover such a large timeframe. It takes about 8 weeks to train someone to cover some roles to even 50%. Thankfully we have only had this situation for maternity leave.
The cost to the business
Leave is attained at a certain pay rate but the leave may be taken when an employee has had an increase in pay. It's hard enough to make money as it is without giving it away.
costs
It's storing up a financial liability which could become a crisis.
Nature of the industry means that staff need a break to emotionally recharge their batteries. otherwise, the organisation is not fulfilling its obligation of duty of care to staff and clients.
Cashflow is impacted when employees take long periods of leave in one go. Outside contract workers have to be employed whereas shorter stints can be covered by current employees. Affects balance sheet
If all the leave is taken at once, the employee is too long away from the job
The cost increases as their rate increases and they are more refreshed if they take the leave.
Unless it is for a specific purpose we prefer staff to utilise their annual leave each year
we prefer our employees to use their leave and have a proper break every year. we also would prefer their leave liability not to be sitting in our liabilities.
If the employee goes on a long leave, we will be short staffed without replacement.
Cash flow
The increased expense in one hit of employing casuals to fill the breach
We would like them to have a break and not worn out
If they leave they can cash it out - too expensive in one hit to a small business
There is an expectation that they can then have a longer period off work if they have a leave credit of say 6 weeks.
Unless there is a good reason for accruing the leave, it is too much money to continue to accrue and hold onto over 4 weeks of leave for any or all employees
Because employees are not taking annual and therefore they aren't having a break from work which is unsafe and not good for productivity, employee welfare and moral. Also annual leave is a current liability which continues to accrue in value as time goes by.
It is an impost on the business in terms of a future sale which will decrease the final price. We don't want employees asking for leave periods in excess of 4 weeks which they may do if they have large amounts of leave owing. We would rather employees take leave periods of around 2 weeks on each occasion.
We carry too great an amount on our books for annual leave when employees accrue 6 or more weeks. It is an imposition on the business if an employee resigns and is entitled to a significant leave payout.
financial liability of accrued leave not regularly taken and allowed to accumulate
staff need a break and we don't like too much taken at once which affect our operational requirement
All employees should take sufficient breaks to allow them to rest. Also, accumulated leave adds cost to the business.
We try to ensure that our staff have a sufficient leave break throughout the year, to eliminate fatigue issues, and ensure that our staff are well rested. We also prefer to keep our leave provisions at an acceptable financial level. We prefer not to have an excessive amount of leave rolling over in to a period when the employee's rate increases, and therefore the leave will be paid at a higher rate than it is accrued.
Because it's not healthy not to take leave and it's also a hidden cost that the company needs to keep control of.
difficult to find a replacement for more than this amount of time.
Unable to find replacement for such a long period
affecting cash flow and stress on other staff
Unsure of the reason but we are not allowed to have more than 114 hours owing at any one time. I do not think this is very fair to employees at all.
As it is a big liability for a small business to have on its books
WHS concerns as well as the financial impact on the business of employees accumulating leave and taking it at a future time when their hourly award rates have increased.

Cost if they were to leave Employees don't take enough time off to get a work/life balance
We prefer our employees to take the 4 weeks per year that they are entitled to, to ensure that they have a rest from work as it is better for their health and overall performance.
We believe staff need to have their annual leave yearly so they are refreshed and have had time out of the business
being a small business, for operational and financial reasons. we rely on employees to help run the business without too much interruption from long holiday leave accumulated
Taking leave on a regular basis is a good health practice.
We are too small to cover employees taking extended periods of leave
Annual Leave is a liability and increases if pay rates increase. It is also not in the employees best interests health wise to not take a break. If they don't take leave through out the year it effects the business in other ways such as low moral, poor performance & sickness.
wages rise each year and holiday accruals cost us more each year. also included in eventual costs when accrued holidays taken is super. Also long term employees taking accrued holidays on top of long service is a crippling cost to business. Taking in to account employing someone to take fill the vacancy if needed is an additional cost to small business. It is quite ridiculous really there is a law stopping some awards letting employees cash in holidays.
Holidays are provided for staff to re-energise. we want staff to take holidays when it is quiet. We don't like owing large amounts of accrued holidays.
Annual leave is a liability to a certain extent. We have to find the money to pay staff out if the resign and have a large amount of annual leave accrued. Also, we find it difficult to replace staff for extended periods are more likely to refuse long annual leave requests.
Creates a build of of leave that may not be able to be taken at once due to operational reasons. Also do not like the "debt" building up.
Want staff to take breaks and do not wish to accrue a large entitlements liability
If they want to take more then six weeks annual leave it will affect cash flow
Unable to get replacement qualified staff
Potential liability on termination
Don't like to carry the financial obligation for used leave
Interruption to business and staffing issues.
We try to manage the requests of the employees for particular times like Christmas and if we let the holidays accrue we have trouble trying to treat everybody fairly.
Generally due to line managers not enforcing or being able to enforce or direct employees to take their leave or due to TOIL (time off in lieu) due to accrued time from working overtime and public holidays used in preference to annual leave.
Employees need a break. Balance sheet accrual too heavy, leave should be taken during the quieter times
This represents a big financial debt for the business. We are a 24 hour operation and we operate on very lean manning models which would make it hard to manage balances high balances of annual leave.
We are not strict about it but like to keep the liability as minimal as possible. Its also good for employees to have a break!
Against our policy (and good HR practices).
Because it is very difficult to replace expertise for long periods (in excess of 6 weeks, besides if you can spare an employee for more than 6 weeks, you probably do not need that employee
staff generally perform better if they have breaks throughout the year. Also difficult to cover such long shifts if they then take all 6 or more weeks leave at once
Becomes increasing difficult to operate with key staff members away on leave for extended periods.
Cost of carrying accrual overhead Accommodating staff requests to take long periods of leave
Difficult to replace an employee when we are such a small company
We have to hold the money in provision accounts and when it ultimately is paid, the cost to the business has increased relative to what it would have cost when incurred. Therefore accruing excessive annual leave costs the business.
Too big a liability arises and they have got to take leave at some time.
We are a small regional community pharmacy with highly trained staff. Replacing these staff for long periods of time can be difficult. On a normal trading day there are 5 staff rostered on. If one of these staff members is away that equates to a 20% reduction in staffing levels which impinges negatively on

the level of service provided and the level of stress the remaining staff are placed under. For the same reason, having more than one member of staff on leave at a time is undesirable. If staff have significant leave accrued there is a greater risk of more than one member of staff needing to take leave at the same time in order to keep the overall staff leave accrual balance in check.
Wage creep from year to year
It means they do not have a healthy work/life balance and it shows up as an increase costs as wages increase and shows up as a liability on balance sheets
Due to staffing restraints we cannot have a staff member take long periods of time off, we prefer them to take shorter breaks to better manage staffing.
It is a risk to cashflow should they leave. Also, they need to have holidays to work to their best potential.
Because when they do take the leave owed/due, we have to find a part-time/casual employee to replace a permanent employee position, often for a key staff member, which is impossible!
cause uneven cash flow. potential to ask for all leave at once.
Long term liability that increases if leave not taken
Pay out too much money out at once. Had to complete work when they are away for so long. Only special occasions.
I would need to hire temporary staff to fill the void
increases potential costs
do not like the continuing liability over the company
It is unrealistic to take such large holidays
Difficulty in replacing operational staff for long / extended period of leave
Mainly financial
We are a small business and cannot afford this from either a monetary or production perspective.
leaves business exposed to long periods without staff
Too much liability for the company, bad for balance sheet
BECAUSE LEAVE IS ALWAYS TAKEN AT A HIGHER WAGE RATE THAN WHEN IT IS EARNED.
Our companies close for the builders break dec and jan so not possible to accrue leave
Uncomfortable
Possible long leave period impacting staff levels
There is a large accrued allowance require for annual leave provision if it is allowed to build to big. So when the employee takes their leave the cash flow is significantly affected
6 weeks is long time to have a staff member away
Cash flow paying out the entitlement like to be on top of paying out to the employees what is owed. Could not afford people taking off six weeks in one leave period due to size of company.
Too much time
6 weeks of annual leave in small a business has a huge impact, both in a unproductive state with the fact of less staff on site, as well as cash flow problems for the business with the leave loading applied.
It results in a ongoing liability that is hard to predict.
due to possibility of wage increases affecting there leave rates
Too costly
Lose of workforce man power when on leave
Xmas we close so employees take 9 to 14 days annual leave as no work due to suppliers closing
We are a small business , cashflow often tight . Also not healthy for employee to keep accruing extensive leave
Finding temporary replacement can be difficult.
We close down for three weeks at Christmas plus they take 1 week AL during the year
closing down for short periods is not too bad , but if they accure more than 6 weeks and want to take it as one leave then the business would suffer from their prolonged absence.
The business can't afford to have an employee away from work for more than six weeks because most of the work he was performing has to be taken up by the remaining staff.
It is a delayed liability which can cause financial stress for our company, as well as be more expensive if the employee has a pay rise.
To small to cope with large outlays of money and loss of production with long breaks
have only apprentices and their pay varies to much from year to next year

we are a small company and having some one take extended leave would be difficult on all employees
It disrupts work schedules
We are a small business and it would affect us greatly if an employee was to take more than 6 weeks off
this possibly creates a staffing problem with staff taking long period of time off
Because we are a small business & the nature of that business is very team orientated, it is more efficient for all employees to take there leave similtaneously at one time of year.
high cost at a later date.
*The staff member is not getting a break which we believe is important for wellbeing. *We get concerned that an employee might wish to take an extended period of leave, which with a staff of 3 ft and 2 pt is hard to accommodate for lengthy periods.
Because of the financial burden it would place on us to pay this as a lump sum if they decided to leave
It is disruptive if they take it
Construction requires additional hands
Cost factor mainly, as pay rises etc happen the cost of the annual leave increases as it may have been accrued when the wages were lower.
Because we have 4 week industry shutdown each year
only a small business with less 6 staff, we couldnt get a Temp to cover the role
Not taking leave renders staff stale. Leave regenerates enthusiasm for work
because it affects the operation of the company
Affordability
Lessen liability Liability grows as wages increase
we do not like having large liaibilty's on our books
It can lead to to much time off i one block
As a small business it would be detrimental to us to have key staff away for long periods.
a balance sheet issue
Key staff going on leave for extended periods is problematic to the efficient running of our business.
The following relate to a small business - and relates particularly to the critical office and management employees. The comments are less relevant to the less critical employees. Accruing of annual leave results in an increase in the 'payout' value of the hours which are accrued from a period prior to the employees most recent pay increase - as the leave payments are based on the 'current' wage and not the wage at the time when the leave accrued. Accruing of annual leave places a high risk of the employee taking large 'chunks' of holiday which is at the election of the employee- e.g. an employee with 10 weeks annual leave accrued can take the full amount of 10 weeks in one lump - leaving the business without the services of that employee for an extended period. This can be quite a strain. The taking of the extended accrued annual leave is at the discretion of the employee - which can be at a time which is difficult for the employer organisation - e.g. Accountant taking extended annual leave at the end of 'financial year'
To much money being held by us that really belongs to the employee
Leave not taken is a liability to the business But main reason is that it is for good health and well being , everyone should have regular breaks
No reason
As a small business with specific roles for our employeeed staff for one staff member to have more than 6 weeks leave that role would either come to a stand still for our business which would be detrimental to the business or we would have to employ a temp which does not work with specialised roles due to training and company procedures.
It then becomes a burden to come up with the money.
detrimental effect on the business with someone off for 6 weeks or more
we encourage employees to have regular breaks whenever possible dependant upon workload
I do not want to be in a position of owing any entitlements to my employees should something go wrong
cost to our business
It could become an unnecessary burden on the Company at an inopportune moment.
Difficult to manage if they take all at once

It could become an unnecessary burden on the Company at an inopportune moment.
Financial effect
The leave loading (which is a burden) becomes too large a portion of the accrued time. Also, we rely on staff continuity within the business. Extended leave is undesirable.
Two reasons, one being the amount of time they are on leave and secondly the financial burden.
When we book jobs in we need a full team on board. Having someone off affects time frames for jobs to be completed
Potential to affect cash flow at a later date
they need to take leave to get away from work etc and the leave amount keeps growing so if they have a pay rise then they get that increase in their leave as well
We do not like having residual debt. Every takes the 4 weeks at Xmas or I pay them out
It is important for all employees to have time off work for physical and emotional rest.
It is too costly if they resign.
Too hard to balance the workload when they are away for that long.
Its hard in our trade (smash repairs) to keep our heads above water let alone keeping 6 weeks full time leave sitting aside. We try to budget the 4 weeks a year for each person.
IT BECOMES IMPRACTICAL TO RUN THE BUSINESS UNDERSTAFFED FOR LONG PERIODS. A SIX PLUS WEEK BREAK FOR ONE PERSON WOULD MEAN OTHER STAFF COULD BE UNABLE TO TAKE LEAVE OVER THAT PERIOD WHICH WOULD BE UNFAIR.
does not suit the industry
mainly cost reasons budgeting and loss of employee for long period
because it is a financial burden to have so much accrual
Leave liability on the balance sheet
It would potentially destroy my company if leave accrued was taken in one go. There is the financial burden also as realistically who can afford to hold a separate bank account with these funds set aside in a small business?
If they took long periods of time off at any one time it is hard to cover
Must take Leave
Loss of productivity
Size of payouts when they leave. Staff being able to tke extended periods of time off naking it difficult to arrange work load. We can not function if we have more that two staff off at any given time.
Excessive liability in Balance Sheet Wage increases increase this liability and the annual leave paid upon taking the leave or on termination Work/life balance
Too much liabilities if the business was to cease
Small business Not enough cash flow to handle that.
Difficult to find time to take this leave without having an impact on our operation
to much money to find when employees leave
Places too much burden on others should someone take 6 weeks off.
We are a small business and do not have the human resources to cover employees taking extended breaks.
because it is too hard to manage and the risk of them wanting to take an extended break
future costs too high
it could affect your operation if a key person decides to take all their accrued leave in one period plus the financial side of owing for unpaid leave in case your business activity is slow
It makes it financially hard if they decided to take it all at once or leave the business.
The effect of cash flow to the business.
Too hard to manage EG: if pay rise or resignation etc
Has impact on business and subject to higher rate if the employee has an increase in salary while still having accrued leave
We close every Christmas for a minimum of 2 weeks so this cannot ocure
We do not like to have the liability
Too expensive as wages rise, and leave should be taken when due for many reasons including time to have a break from work rest
to keep the balance sheet tidy and for employees to take entitlements when its due.
We like our employees to take the 4 weeks when they have accrued, we only hold over if they request

eg: going overseas etc.
When they take the annual leave, which is usually in one block it can have a significant effect on business operations
to hard to operate if employees are away for extended periods
Employees need to take leave as its a safety concern and they need a break
We would rather employees take leave as it is due in order to avoid the increased cost (increased wages) of paying out leave at a later date
we close down over the christmas period for around a week and a half depending what day christmas day falls on. Usually our staff wouldnt accumulate more than 6 weeks because of this. We like our staff to stay under the 6 weeks because every staff member is valued and it is extremely hard in our business to 'cover' for each other
Because it puts to much strain on our cash flow and puts a lot of a strain on the rest of the employees if they more than there three to four weeks leave.
Employees need a rest from work. Annual leave accruals increase; can result in high \$ payments when an employee leaves impacting company cash flow.
We believe annual leave promotes mental and physical health, enabling employees an opportunity to refresh and take a break.
staff need holidays
The financial impact can grow too big and you can end up paying holiday pay at a greater rate . We cannot afford to have people away from their job for 6 weeks.
It puts too much pressure (both financial and practical) on our small business
We pay out annual leave at the Christmas close down every year
As it is a liability
We don't have the resources to keep that amount of money aside. We can't afford to train someone to replace them. We do their job ourselves & prefer our quietest time of the year.
financial liability
It is difficult to do without trained staff for long periods.
Liability in Balance Sheet Allows staff to take prolonged leave Means that staff are not taking breaks which is the intent of annual leave
The liability gets too much to carry on the balance sheet. We have a policy requiring employees to use up their leave
Too much of a financial burden and cannot afford to then be without someone for that period of time on the job
We can't afford financially & staffwise, to have them take that amount of leave at one time
Too much of a liability (e.g. if someone leaves)
staff welfare i.e need to have a break, management of liability and rostering
It is a safer business practice to limit the outstanding entitlements of the employee group, so that we do not find ourselves in the situation where an employee leaves and a significant payout is required, hence affecting our cash flow and operational budgets at that time.
Provision on balance sheet grows over time. People should take their leave to be refreshed, spend time with their families.
Hard to cover employee's duties whilst taking extended leave. Lot of money to carry on the books when times get financially hard
we do not like employees building them up with the intention of taking long periods of leave at omne time,pay increases result in additions accruals required. operations are not affected with employees taking one or two weeks leave at a time.
something about holding leave provisions. They also believe that in human services we need to have regular breaks for sanity sake
As a funded organisation this impacts on our liabilities going forward
We do not like staff carrying a lot of holiday pay. Also we like our staff to take annual leave so they have a decent break throughout the year and perhaps increased productivity.
AS A SMALL BUSINESS, WE PREFER STAFF TO TAKE ALL THEIR LEAVE EACH YEAR.
Small business relies on each employee & taking a long time at once creates production problems. Also it is a huge financial burden to pay a longer holiday pay in one lot for small business.
It is the best interest of the employee to take a regular break each year. The policy on excess leave is mostly from a safety & well being perspective.
Beucause we would find it hard to replace them while they are away.

Principle reason is payroll liabilities to be managed well and not exceed a certain amount annually. We do make provisions however for employees who seek to accrue beyond six weeks for the purpose of extended leave.
We believe employees need a break as the work can sometimes be stressful. We want the leave liability off the books as soon as possible.
Annual Leave is designed to give our staff a break and refresh themselves. Not taking this leave means that they are at risk of 'burn-out'. Financial reasons - the increased liability on our Balance Sheet
We have a minimum shutdown of 3 weeks at Christmas.
It leaves the organisation open to low staff coverage at some point and also because of the financial implications
We close at Xmas for a period whilst suppliers are also closed and have done so since day dot. We are a small concern and our output would be affected if one or more staff took extended leave through the year.
With each year the liability value increases with wage increases
loss of work output
We only close down over the Christmas break. Annual leave is staggered to keep jobs going
We would like our staff to use the leave rather than accrue it. That said we strongly believe that leave should be accrued if it isn't used. In our business often due to project demands staff are unable to take leave - they should not lose the leave (i.e. be punished) because they haven't been able to take the leave.
1) We encourage employees to take breaks 2) Should the employee leave, it financially impacts our company paying out the accrued leave entitlements
If they decide to take then it is extremely difficult to replace
Difficult to accommodate the leave if it is taken at once
It becomes difficult to find replacement staff if an employee takes long amounts of leave at once. In addition employees need regular breaks to prevent burn out.
We then carry a large Leave provision liability
financially it is better for us to have the leave taken
It becomes a large liability in the balance sheet & also difficult to manage when they want to take longer periods of leave.
Increases leave liability
We can't afford the time lost due to the high workload and not having excess employees to pick up the extra workload.
They should be taking their annual leave on a regular basis. For WHS reasons and for leave liability management.
Because in a small business it is difficult to lose an employee for an extended amount of time.
Due to salaries typically increasing each year, if employees accrue annual leave at lower rates of pay and don't take it the company must then accrue for the leave at higher rates of pay at a significant cost to the organisation.
We employ many part-time employees and many of them don't see the need to avail of annual leave and try to hoard the leave as a termination benefit.
It puts too much pressure on financially when they do take leave and well as filling the position for so long.
May lead to a request for a long/extended period of annual leave or for part of the leave to be cashed out
small organization difficult to replace employees away for more than 4 weeks holiday pay is generally paid out at higher rate than earned if over 4 weeks
Because we are a small business and if someone wants to take a large chunk of leave it is hard to cover also if they leave it is a lot of cash that you have to pay out on leaving
I believe annual leave is there to be used as a means of refreshing an employee.
Liability sitting on the books. We also prefer employees have a decent work / home life balance for health/ wellbeing and work productivity reasons.
We encourage employees to take leave to ensure they are rested and renewed. Our expectation is 8 weeks not 6.
Liability increases, its cost of the organisations with annual increases
It becomes a huge liability. Our salespeople accumulate RDO's and then take them in a lump. This

means they rarely use their much of their annual leave. We can't afford the employees to take the time off because we have no extra workers to cover them. Its a no win situation. Definitely do not pay loading on termination - that is ridiculous and too expensive. Most of my employees earn more on holidays than when they are at work - WHY? I have no shift workers so why the loading on any? Its money for jam and its sending us broke.
The cost to the business and the health of our employees, We want employees to have the correct work/life balance
Leave earned in one year and not taken is then paid out at a higher salary level when taken in subsequent years. Also it is important for employees to take sufficient time off to stay focused when at work.
To enjoy their workplace and be productive staff need regular leave breaks to be at their best. I encourage staff to schedule breaks throughout the year. I discourage cashing out leave as this practice does not give the member of staff the adequate rest and recreation time with family etc.
If they accrue this about of leave than we are having to pay out 6 weeks of pay to this employee when things may be tough (not enough work or clients slow to pay). It hits us hard.
Can not afford to have them off work for an extended period of time.
As a small business, we don't like the big payouts if they leave
small business - cannot afford to let leave accrue
Cost of paying any overdue leave at increased rates
beacause it is oo disruptive to work flow and timetables
We prefer time to be taken off in small portions so as not to disrupt normal operations. If longer breaks are taken then this hole is greater to fill. Even if the 6 weeks is not taken in 1 period but 6 weeks is taken over the year then this is still an issue as the team is missing this employee and working harder over this 6 weeks in the year to make up for the others time off.
Too costly if they decide to take it all at one time, can't afford to have someone off work for that long,can be a sign of them looking for employment elsewhere and wanting a big payout when they leave,
a. Everybody needs the break to regenerate. b. Cost planning c. If a long term employee specifically requested then we would consider.
Our business structure/operations is based around a xmas/new year once a year shutdown for employees to take the majority of their annual leave with any other mid year periods of annual leave being only short periods which can be managed without interruption to business
the cost of paying out such a large amount
To much liability to our business in this unstable time
small business and cannot afford to have staff away for long periods of time
We don't want that large a liability. We are a small organisation and it would cause great financial hardship to cash out/pay 6 weeks of leave in one hit to our employees, especially if it was concurrently.
Firstly because of the leave liability we carry but also because of WH&S reasons. Some of our positions can be susceptible to burn out and therefore employees can be more vulnerable without taking annual leave.
As previously stated it is important that peopple take regular breaks to ensure good balance in their life
money restraints
Unless specifically planned for, it would be difficult to complete projects on time if an employee was away for that period of time.
The liability of large payouts if the employee leaves the business.
Award conditions provide annual leave. The financial consideration for the organisation requiring the allocation and providing funds.
If an employee has accrued this amount of leave, then they have not taken adequate breaks over a period of time, as usually 2 weeks is used at Christmas by all employees. This is not healthy for the employee or the organisation
Because they are restricted from taking annual leave during the summer months and if too much annual leave is accrued it becomes a liability, and affects our operations during the winter months.
Employees need a rest
Because it increases our liability and causes budget issues
Risk of long periods without someone, or large payout if they leave

Due to the provision of annual leave and potential for large absences and replacement of staff during those absences.
Financial - Management of liability Operational - Work flow management
Cost of leave over time. Issues arising for requests of large amount of time impacting on remaining staff having to cover the workload. Cost and time involved with temporary staff - sourcing, training.
potential cost to payout such leave if they resign and potential time off in one hit
In a small business it is hard to accrue money to put aside for leave entitlements and can be a huge burden when an employee resigns and needs to be paid out. We simply don't have the cashflow to allow for large accruals.
Extended leave of more than six weeks may require the employment of temporary or casual staff to cover the position. This is an added cost to the business that it cannot reasonably afford.
employees away too long
Would have problems covering the absence should they decide to take the leave in 1 block
Staffing issues
We are a small owner operator construction company so if I am not present there isn't anyone to supervise
Business productivity reduces for a sustained period
1. We think it is healthy for our employees to take their 4 weeks leave per year 2. It limits our liability in relation to future pay increases 3. In a small business it is hard to cover staff who want to take 4+ weeks of annual leave at a time
Believe staff should take breaks and like staff to take a week or more so that they do come back refreshed.
Shut down of domestic residential construction from last week December till end of January. Supplies not available. Truss companies and deliveries do not enable productive operation of business during that time.
The leave liability needs to be managed to a lower level
Taking regular and planned annual leave is part of creating a healthy work life balance and contributes towards being able to offer high quality services as burn out is minimised.
The cost of 17.5% leave loading on top of 6 weeks leave is a big chunk out of a small business's cash flow.
We clear annual leave each year unless they are saving days for a longer amount of time off. We have over 50% of employees that have LSL accrued - we would have no staff here if they didn't take it yearly.
Prefer they take their breaks to remain fresh. Prefer entitlement liability is not too excessive
too hard to manage wages when accrued at older date would be lower at that time , when taken much later wages would be higher
Cash flow, we are only a small building company
Leave liabilities will increase with each pay rise, usually yearly, creating an average rise per annum of around 3% per year.
Health and well being reasons Impact on operations when staff are absent on extended leave Increased financial liability provision
More beneficial for the employer to have regular holidays. The added cost when it is taken
We prefer that employees use there 4wks in each calendar year this is to enable us to manage staffing replacement or reallocation of duties during their leave. This would help keep our costs down in a not for profit organization.
small business small cash flow. a large payout can be difficult
If the employee wanted to take all his leave owing at once we would find it difficult to run our business as we only employ 6 people and they usually work in pairs. Wages increase each year especially with apprentices so you have to pay them a lot more money if they don't take leave in the year that it has been granted.
It becomes an unnecessary debt to the business
Difficulty in covering extended periods of leave Financial
To hard to organize
We know the importance of balance and relaxation in our staffs lifestyle, we promote this balance. We do not like to see our staff burn out , as data proofs performance is better when staff have a balanced lifestyle. We encourage they take leave throughout the year. We also understand if a staff member is planning for an extended holiday oversees they should have the right to discuss the use of

saving this leave, it should be a mutual decision between employer and employee.
We are a relatively small business. If people take 6 or more weeks annual leave the business struggles to cope
It is very hard to cover the workload and person whilst away on a long term leave. Being a small business this would slow the productivity down which in turn would effect cash flow and getting jobs commencing and completing on time which then would effect the clients contract legalities penalties for not completing on times. To replace an employee would be a very costly exercise with regards to training and hiring as most employees positions are very specialised.
Accruing too much leave can cause issues such as covering staff who do then wish to take a lot of leave at once, particularly staff with family overseas, or takes leave every few months, managing cover can be very tricky. For example, staff who start to accrue AL and LSL can also end up being difficult to manage.
We believe employees should have regular leave from work to refresh and maintain a healthy well-being.
Accruing more than 6 weeks and choosing to take all this leave at once would have a negative impact on our business as we would have to replace that person whilst on leave and pay them their leave at the same time.
Employees are supposed to take leave for health benefit and family values Company doesn't like accruing big leave liabilities that can be demanded any time, also leave accrued at lower pay rates will be paid at possibly higher rate if there are payrise in between
Liability on employers books which accumulates cost wise year on year. Additionally the need to take leave for personal health and wellbeing very important
Not enough staff to cover.
Small business, can't afford an employee to take long leave breaks.
it puts too much strain on week to week operations when they finally decide to take leave. It is also an overhead sitting there and can be called upon at any time , which may be at a bad cash flow time
Any leave taken by employees other than at scheduled times would be a disruption to the business and a likely reduction in customer service.
It is a liability from the companies perspective , also in some cases the employee may be planning an overseas trip with the hope that they can have 4 - 6 weeks off in one go , in most instances this is planned without any discussions with the employer . The reality for a small business with 14 employees is we are unable to allow this extended duration of leave when taking into account personal leave , annual leave and also long service leave for all other employees. It is simply not the case for most of the roles that they can be filled with casuals. Also our experience is that employees do not like being directed to take leave, it causes friction in the workplace. We have found that the employees are happy to have a Christmas close down as they can usually have a two week break whilst only using 7 days annual leave . Long service leave also should be addressed . We have had requests from employees to cash out all or part of this leave and its not allowed . Again long service leave accrued is a liability of the company and should the employee request that this leave is paid out and the company is happy to do so then this should be allowed .
As we are carrying a huge leave entitlement, and employees need to have leave due to the repetitive and sometimes stressful job they are undertaking
We are mindful of people not burning out.
We encourage our employees to not accrue more than 4 weeks of leave. Firstly the employees are requested to take leave regularly as their productivity and attitude towards work and others is more beneficial when leave is taken. Secondly payment of 6 weeks leave would at times be crippling to cashflow especially if you had numerous employees taking leave at similar times.
If the employee leaves there will be a large payout at this time. Prefer to spread annual leave costs rather than have this since we don't specifically put money aside for leave provisions.
funded liability. Wage increases costing more on accruing annual leave.
Liability
To reduce leave liability and to promote a healthy balance between work and personal life.
we want people to take their holidays to keep the debt down
Our view is that all colleagues should utilise their annual leave within a year, as it provides a good opportunity to rest and also assists in creating a healthy workplace environment.
PAYING OUT WHEN SOMEONE TERMINATES
It creates a higher liability.
Loose to many work hours

To much disruption to our work program
I like the guys to take their leave so they can have breaks though out the year, I find it not productive to have guys working long periods without breaks/ holidays.
Costs too much when they leave and we need to pay them out
Like to keep the holiday accrual figure at a minimum .
Better for employees health to take regular annual leave.
Future liability and may get pressure from employees to take extended annual leave at a time that does not suit our operations
our employees know their entitlements and take their leave regulary
1. They need the break for their health, family life etc 2. it's not good for the budget to have excessive leave accrued 3. Having a small staff it is impossible to manage absences of longer than say 4 weeks The cost of casual employees precludes it.
We are concerned that we may not have the money to pay out our employees if they leave our company and we have to pay out their annual leave. Or they have a large amount of annual leave accrued and decide to take it and we do not have the money to cover.
1. Difficult to schedule multiple leave requests when extended periods of leave requested. 2.When leave taken usually at considerably higher pay rate than at time leave accrued
Everyone needs leave to refresh to perform better.
We would rather leave be taken so we can avoid the situation where we may have key staff away for prolonged periods.
With a company of our size everyone has a full time position and it impacts the production if an employee takes excessive leave.
1. Being a small business in this uncertain economic time, we are never sure how long we can remain viable and to pay out one or several staff that may have 6 weeks or more accrued of annual leave should our business fail would possible mean bankruptcy for us. 2. If one or several staff accrue more than 6 weeks annual leave and all choose to take them around the same time, other staff and the efficiency of our business are severely hampered. 3. If pay increases occur after large amounts of annual leave have accrued, our business is losing cost effectiveness when that leave is taken at a new rate.
As a very small business without the extra hands on the job, we cannot afford to keep the doors open.
Accrual costs will increase with yearly EBA increases
The reason being that if an employee leaves the payout does not hurt the business financially. Also that we don't have staff away for an excessive amount of time.
if it is carried over into wage increases, it becomes more expensive. Also a larger amount of money to pay out upon resignation/termination.
Too much financial outlay at one time with-out any productivity
Mainly for them not having a break in a while as well as the fact that if they decide to leave it is more to pay out on their resignation.
our business is too small to be without employees for so long
becuase when they take leave at a later date we pay a high rate if there has been any pay rises.
WHS Stress and wellness life balance Financial - leave liability
financial burden on small company
If they resign it means it is a large imposition on cash flow
Because the taking of Annual Leave is a WH&S issue. People should take to re-charge the batteries.
We believe regular breaks ensure people perform well and happily in their roles at work. Accruing excess amounts of annual leave means these breaks are not occurring as frequently as they should. Regular breaks keep everyone fresh and focussed.
As this means that if they are not taking eleave annually, they could burn out
As we are a small business, having just one employee away for a long period of leave is hard to back-fill. Jobs don't get done or have to be delayed.
We just like to have our employees use the annual leave each year and hopefully keep disruption down to a minimum
Compounding effect of any pay increases over time ie cost
Primarily from a work / life balance and fatigue management perspective
its a financial burden if they then want to cash in their accrued leave at once
Our full time team is quite lean and our business is quite demanding of all of them so as such we don't encourage accruing of leave and then long periods of leave

Shortage of workers when employees away for any length of time. The rate of pay may be higher at the time it is being taken than at the time it was accrued. Employees deliberately accruing a large amount of untaken leave.
Annual leave becomes a real financial liability if a few employees have accrued more than 6 weeks. We also believe that annual leave needs to be taken regularly to give employees a break sometime throughout the year.
It means they have the opportunity to use a 6 week block of leave which does not work for the business
TOO HARD TO FIND REPLACEMENT WORKERS.
cost increases i.e. wages , super , pay rate increase
Please note that only a minimal number of employees are paid under SCHADS all the rest are paid under a private enterprise agreement. Our service has 8 employees paid under the modern award. Our auspice organisation send a reminder to our service outlet if any employees have accrued too much leave. If there are special reasons why an employee requires to build up more than six weeks leave this will be taken into consideration. The reason why we do not like people accruing more than 6 weeks i: 1. the impact on our service (no provision to replace staff on leave) 2. the cost of annual leave is more if its not taken within the year.
Our operations would shut down being such a small business and revenue would cease.
paying them out when they leave largely effects cash flow
It is not good leave management practice and builds liability and issues arise regarding replacements
Because if there is a wage rise come into effect it increases the wage bill for us and as small business this can have an effect on our budget for the year.
Been a small business we have to keep a close eye on cash flow and it could be cases when an employee wants leave for one reason or another just when we could be low in cash floe
additional value of accrual as wage rates increase
Financial reasons - accruing a liability
too much of a liability
Too disruptive to work programs, productivity and contractual obligations.
Feel all employee should have time of work for relaxation purposes and I also feel accrued leave is paid at a higher rate of pay as pay rates increase
Better management of our workforce and more expense due to annual wage rises.
Leave is granted for the benefit of the employee. It is in the interest of the employee to use that leave. Financial implications of having to allocate funds for leave entitlements. Salary increases apply to all accrued leave which could leave allocated funds short at time of taking leave if more than six weeks is accrued.
FINANCIAL LONG PERIODS OF TIME AT WORK WITHOUT A HOLIDAY IS NTO GOOD FOR YOUR EMPLOYEES
high a/leave accruals can be expensive with annual 3% pay increases
It becomes very difficult to stay on top of the companies cash flow. We are an organisation that like all debts and responsibilities up to date.
Financial Health of the employee Question as to whether employees fill in leave forms for ALL leave taken
Wage increases, annual leave paid at higher rate than accumulated at
Roles of each are too specialized and no equivalent relief / assistance in other staff.
Maintaining our Leave reserve balance with excessive leave accrued and when taken wage has increased .If wanting to take excessive leave rostering relief becomes a problem
poor people management, increased risk of burnout
increases forward liability
If they wanted to take all of their leave at once this would cause us a big problem with people in key roles
Because it's bloody expensive
Our policy is actually a preferred maximum of two years entitlement, and then pressure applied to start to take the leave. A few reasons - firstly that leave is there to be taken for rest and recreation and should be taken for a healthy work/life balance. Secondly leave provisions cost more over time and we are not funded to meet this increasing cost, thirdly taking of leave and replacement in admin/financial/payroll areas assists as one strategy to prevent fraud and poor practice.
In general 6 weeks is not a problem but we encourage staff to not build up annual leave past 7 or 8

weeks.
ts very difficult to operate a small business if an employee accrues significant leave entitlements and wants to take 6 weeks + leave at one time
In case of burn out resulting in WHISM issues
It is a liability that I do not want accumulating.
It is a liability accruing that has to be paid out at a higher rate of pay.
not none
it is not smart business
Because of burnout of employee & if pay rates rise it is an extra cost on the organisation
finacial provision is too hard
we are small bussiness & have holidays at xmas
staff need to take leave to rest and recharge also the liability accrues and is paid out at a higher rate when leave is actually taken
will effect running of business
Annual Leave is for recreation and refreshment. Not taking regular periods of annual leave canb lead to overuse, and abuse of the body and mind and contravenes what is considered best practice in Work Health Safety and Injury Management. Most of our staff have a 5 week entitlement annually, so large entitlements can accrue if not monitored regularly. Enterprise Agreement increases annually add to the cost of untaken leave.
Disruption of business with only a couple of full time workers rest are casual
To maintain a balanced life, everyone should have relevant holidays throughout the course of employment.
It is a trust budget & we do not like to carry forward big balances plus staffing is tight & long periods of time off are big issues rostering wise.
Causes disruption to the workplace if they want to take it in one block and to manage cash flow.
So that an employee doesn't end up with a huge entitlement and requesting an extended leave period that would be hard to cover.
Small busy practice. Very disruptive if one employee takes more than 3 weeks at a time. Also financially difficult. Need casual workers to replace
too much financial liability and if someone decides to take all of their leave at once on short notice it can majorly upset work scheduals
Because they shouldn't be entitled to l;eave loading. It leaves this country uncompetitive
A SMALL BUSINESS PRODUCTIVITY SUFFERS WITH STAFF AWAY FROM THERE JOBS FOR THAT LONG
makes it hard to control operations if employees take extended leave
Too much money to pay in one lump sum
Time is needed for the employees own health and well being and come back refreshed.
Too long away from job
We shut down for 4 week yearly
Annual leave is and important recuperative component of a balanced working life. Becomes a large liability if that person leaves.
We are too small to lose an employee for longer than 4 weeks at a time
Very hard to cover six weeks without employee
It means that leave can be taken in long stints which can have a large effect on the business. In a small business, this can have a large effect.
it leaves too big of a gap in the staffing hole. Plus we then have to cover with a casual who after 6 weeks wants a permanent position
WE BELIEVE ALL EMPLOYERS TO TAKE TIME OUT WITH FAMILY AND ENJOY LIFE AND ALSO DONT LIKE EMPLOYERS GONE FOR MORE THAN 3 WEEKS AT A TIME DUE TO SMALL BUSSINES AND THE WORKLOAD IT PUTS ON OTHERS WHILE THEY ARE GONE
Operational reasons
We want employees to take leave - take a rest - we staff accordingly
The financial impact of increasing leave accrual and also risking burnout of staff
Discuss the situation and encourage them to plan leave.
If we do need to close up for a period, the financial burden can destroy a small business.
Excessive leave results in large payouts. Staff encouraged to take adequate leave as this can be a

very emotionally and physically draining industry
Our Auditors wish to keep employee leave entitlements at a manageable level.
Mainly for costs as paid at rate of pay when taken and also for logistics and rostering concerns. Anyone can accrue more with consent around why they requesting a larger balance ie planned overseas trip etc.
We prefer not to have the long term liability and staff need to take leave to ensure they are rested.
Potential for employees to burn out, could be an indication of fraud (not wanting anyone else to touch their work), financial liability
Only 10 employees most of whom are part-time - therefore cannot operate efficiently if more than two staff members away at any one time.
employees need to take leave to ensure good performance and excess leave is an unnecessary business liability
we are a small company that depend on our employees.
The budget impacts if everyone took more than 6 weeks in one financial year Health impacts for the individual if they aren't taking leave Difficulty in covering some roles for extended periods and still maintaining services
As it is a possibly OSH issue - wellbeing of employee
job roles are moderately taxing, both physically and mentally. Staff perform better when encouraged to take regular breaks.
It can affect cash flow and working schedules if an employee was to take 6 or more weeks of leave at any one time. Particularly as we only employee 3 people.
It is an additional cost burden on our books to keep increasing our accrual
As we dont have many employees it is very difficult if an employee is away for 6 weeks at a time
Deferred leave entitlements tend to cost more as pay rates increase
We prefer to maintain our provisions liability for leave as low as possible. Relief of staff taking 6 weeks leave is more difficult to cover.
It means that employees are not taking time off which means they do not get a break. The idea of leave is that you get it to have a break. Without breaks this increases the risk of Workers Comp and sick leave.
As a small business, if the employee then chooses to take all of this leave at once it can have a huge impact on operations and cash flow
impost of wage increases
we only have an apprentice who takes annual leave throughtout the year according to his timetable with tafe and our work situation, as well as 3-4 over xmas as the building trade/suppliers are closed for this period of time. The apprentice does not accrue annual leave, it is always taken.
we encourage all of our employees to take time out and utilise leave.
As a manufacturing organisation it is important for employees to have their entitled annual leave, and to be relaxed and refreshed for work.
because people need to use their leave to take a break from work to refresh and keep working at a good efficiency.
Staff need to take leave. It is a financial cost to us as we have to pay staff the rate they are earning at the time they take the leave when it may have been accrued at a lower rate.
because it give a false view of our financial business
-company liability - overworked, tired workforce -company image
costs
1. The accumulative leave provision is a liability for the organisation 2. Our staff members needs to take the annual leave for their own health purposes
We are always keen to reduce the company's annual leave liability on our balance sheets.
Every employee has a vital role in our operation & to have someone on leave for an extended time makes it difficult to cover their position.
It results in higher accrued liabilities Employees need time off to recharge themselves
Effect on the entitlements accrual
Difficult for busineses to carry excessive cost liability associated with high leave accruals
For a small enterprise, this creates problems with scheduling other staff to cover the staff member on leave.
Financial Impost and Accrual management
Budgeting purposes Health and safety - rejuvenation of staff

Don't want to have employees on leave for long period of time as it disrupts the work environment.
Keep leave counts low in case of contract termination. Have regular breakes to recharge the batteries
We believe that annual leave allows the employee to refresh.
Business decision.
Because: 1. Customer service is critical and refreshed employees are better performers 2. Accruals now should be paid at todays rates not on future incremental rates 3. It is easier to cater for several short periods of absence than extended leave
Finacial reasons
Want work life balance and the liability on the books
WE see this as a liability we do not want to carry, we like our employees to take annual leave. Also with the public holidays our annualised staff have T.I.L on top of annual leave.
Staff coverage requirements for the time an employee is off for an extended period. Potential financial liability.
Cost too much when they take it. Difficult to replace staff
accruals considerations
Because we have to provision for the accrual it affects the bottom line.
In our retail pharmacy it is hard to replace staff for 4 weeks annual leave. If staff want to take longer time away that is more difficult and disruptive to the business.
Being a small business everyone has their job and it is disruptive to the business for long absences
to long with less numbers in work place
Our firm likes to ensure entitlements are kept up to date as much as possible - helps with our cash flow and balancing employee numbers on job sites. We feel having to pay holiday pay of more than 4 weeks at a time places too much of a financial "hit" to our cash flow and having someone request more than 4 weeks off at a time affects our ability to send our builders onto jobs. We close our business over the Christmas/New Year holiday period as most other trades people and many of our suppliers are closed during this period and it makes sense to close over this time. It gives our jobs a definite time frame to work towards and around and clients/suppliers/trades people are aware of and consider this appropriate.
To better manage the budget & for staff wellbeing leave should be take regularly
With a small workforce, it can have an impact on manufacturing time frames.
yes
Provides us with a significant finacial risk
annual leave liability and possible cash flow issues.
The company encourages all staff to regularly take annual leave in order to have a break from their regular duties. It also allows other staff to perform different duties in order to fill in for absent staff.
it is a liability for the organisation and possible cash flow issues
This is more for the health and safety of staff
Firstly, they become less efficient when they haven't had holidays and second replacing them if they choose to take the leave all at once and thirdly finding the money to pay them.
leave liability too great
Rates go up every year so as they keep it the liability gets more expensive. Same goes if they were to resign
Unnesesary accrual on the balance sheet, Work Life Balance, Health and Safety
costs to much as wage increases
Hard to cover the shifts for such a long time
Costs more once pay increases are granted and can disrupt roster management.
Actually we do not like more than 4 weeks. We manage our business such that as much leave taken is unreplaced as possible and the whole leave liability is well managed, planned and as minimal and as disruptive as possible.
We believe employees should take their annual leave within a 12 month period. It reduces the balance sheet liability, promotes cross training and is a good risk management tool.
Because everyone needs a break, unless there are unforeseen family circumstances and money is the preferred option
Due to accrued leave entitlements and employees need to recharge their batteries occasionally otherwise they get a negative attitude

It is a cost to the organisation when salaries are increased
We are a small business and cannot afford to pay annual leave accrued at a lower rate, at a higher rate plus 17% loading
easier to pay as you go
Book value of accrued leave increases year on year. Suggests work/life balance issues
Excessive leave balances due to Australian legal policy of rolling over unused annual leave from year to year increases the leave liability amount and risk to hotel owners. Each year this leave liability increases when the incremental pay increase are given each year as the leave balance need to be adjusted.
Having to put aside funds is an inconvenience and staff feel once they have accrued that amount that should be able to take whenever and not at a mutually agreeable.
Our workplace involves significant physical work and our work force is getting older (average age 49yrs). Staff need a decent break. In addition, from a financial management perspective, its better to not build up leave accrual liability.
Creates financial liability on the balance sheet
Creates an excessive liability. It is healthier for employees to take their leave.
Cost reasons
Leave is necessary to recharge the batteries; it is undesirable to have to pay out large sums of entitlements when someone leaves. Regular annual leave is more manageable than taking large quantities of leave.
Because it appreciates if there are pay increases.
Expensive for the company if they choose to leave or are retrenched
It becomes a bigger liability, especially when you run a smaller business with tight staff numbers. Allowing large amounts of leave makes it difficult to control absenteeism.
we lose balance on who we can rely on during the year
Becomes a liability if too many holidays are outstanding in the event employment is stopped
If we have a large percentage of employees with >6 weeks leave accrued, it has the potential to become an operational issue when employees wish to utilise the entire entitlement at once, as we need to replace them in the business for an extended period of time. Additionally, it also affects payroll and budgeting.
staff fatigue
it has tax implications and it picks up pay increases if not taken plus it is a liability
It is extremely difficult to accommodate employees wishing to access this amount of leave at one time without adversely affecting the service level we would normally provide to customers. Therefore potentially risking the loss of customers as a result of inconsistent service levels. In our industry temporarily filling these positions is almost impossible.
Productivity is lowered
liability
Long periods of leave are disruptive and expensive for the organisation.
difficulty funding payment of leave difficulty finding replacement staff excess burden on other staff members to take over roles performed by missing staff member
Because of the cost if the employee was to get a pay rise then all of the accrued holidays have to be paid at the new pay rate.
As a hotel replacement is difficult. Also it can be perceived after such a long time of leave this position is obsolete.
small hotel, need to replace staff member for the holiday period and certainly the cost of holiday period and the cost of replacing the staff member due to nature of business.
as we are a small company, if one person is out our productivity falls significantly
The ongoing cost of taking the leave at a higher rate than it was accrued at.
it would bankrupt the company
This is for the employees benefit. Regular breaks for leave promote a safer, healthier workforce.
Lack of rest for colleague in demanding industry Carried over leave is paid at current rate, which might be higher than rate it was accrued
Leave is paid at increased rate of pay when taken.
We encourage a work life balance and for administration efficiency to constantly clear off the employee's leave.

To enable us to manage the business effectively & efficiently.
The accruals increases as wage rates increase.
It would be difficult & expensive for the business to absorb an employee taking 6 weeks off at once
if an employee is to leave employment it can place a financial burden on the company
WHS reasons - shows that employees are not taking breaks from work. Financial liability
It increases hotel's annual leave liability more year by year especially employee receives pay increase which normally happens at least once in every year. If employee does not manage to take leave, it becomes a large lump sum pay out upon resignation.
Ensuring OH&S, productivity and work/life balance.
Annual leave is provided to allow employees time to rest and refresh. We see this as an important fatigue and stress reliever and to spend time with family and support regularly taking the time allotted to you.
WHS
Slows production down
We expect staff to take annual leave to "recharge their batteries" and return to work invigorated. Also accruing annual leave is costly as all leave has to be paid out at current rates
Financial - management of leave liability Wellbeing - employees' work/life balance
We are a community owned and operated not for profit organisation and do not want to be up for large payouts when staff resign or leave.
Impact on service
Not good for the employee to go so long without a break and the accrual liability starts to build up in the Balance Sheet.
Increases our responsibility to hold extra funds for annual leave / leave loading. Plus, if they leave we need to pay them their annual leave amount - we want this as small as possible. Needing to recruit for this leave - hard to find good casual staff with the flexibility to be full time during annual leave coverage. We can get by for a couple of weeks, but any more we would need another person to help.
Poor business practice & we prefer our employees to take their leave, it is preferable for them to have a break from work from time to time
Additional labour costs associated with 1. Payment of 56 weeks equivalent wages in year 2. Additional annualised costs of on-costs
Working in a environment with a lot of stressors, working with people with disabilities and believe a leave break is important.
When an employee receives a pay rise/promotion their entire annual leave provision increases with it. This gives an unexpected increase of costs that haven't been budgeted for, I hesitate on giving pay rise/promotions until annual leave has mostly been taken.
Too hard to cover long periods of leave if taken at one time
As when the employee leaves the business it involves a larger payout figure (including their leave if other payments are applicable) and this is difficult to budget. Also I believe employees should take leave away from work so as to minimise burnout.
Extended leave periods would have a negative effect on our cash flow.
Leave should be taken for Health reasons , and leave cost increases year to year
Like to ensure that employees have regular time off work - work life balance
We consider the welfare of employees is important to have a break from work. Also, from a company point we try to keep the liability of unused leave down.
It adds cost to the business if their salary is increased ie their liability increases and It is not good for work-life balance
Large liability to carry - especially if they resign In the interests of WHS - we prefer our team to take regular breaks to refresh etc
Employees need to take a break Risk of high payouts if employees leave Do not like carrying a large provision in the Balance Sheet
cash flow
Too much liability if they leave and also as part of our financials
Too much liability for the Hotel
Too much of a liability to carry Prefer employees take holidays to remain fresh and effective in their roles
Compounding cost of leave due to pay increments Leave becomes increasingly unmanageable
It is company policy as we do not like a large accrual on our balance sheet.

Because of the leave liability
This leaves a large uncertainty on the Net balance per venue, it additional can lead to early burn out of our employees by not taking leave on a regular basis thus accruing large entitlements.
Staff get to tired.
Because employees all need a break and also payroll increases affect the rate at which the leave is accrued.
1. Annual leave is paid at their pay rate at the time of taking it and or leaving the company hence High accruals cost more when paid out. 2. We don't want employees taking extended leave ie greater than 2 weeks at any one time because it causes inefficiency for our productivity and stress on all other employees.
productivity reasons. All employees should take holidays on a reasonable basis.
Our limit for accrued Annual Leave is now no more than 4 weeks by the end of the financial year (31/12/14). Many employees struggle to meet this target and wish to cashout some leave. We can only do this for the non-award employees.
Annual Increase in cost of accruals with remuneration reviews. Often high accruals occur when AL requests are not approved, therefore lowering engagement
Increase burden cost as salary may be reviewed to increase. Staff life and work balance. They need to take reasonable break.
WHS concerns that employees need recreational time away from the workplace to mentally refresh. Mentally stale employees have greater incidence of injury at work. Financial - accrued leave liability.
We would prefer that employees take their annual leave and do not accrue an entitlement exceeding x 4 weeks for health and safety of the employees and with regard to budgets and cash flow calculations.
More than 8 weeks of accrued leave is of more concern. At 6 weeks we start to monitor it closely as we don't like carrying the financial burden. Aside from the financial aspect we prefer our staff to take regular breaks for their own well being.
We like our annual leave to be taken in the year it is accrued
Too much to pay out at one time Prefer staff to take annual leave on an annual basis as it freshens them up for work
It indicates that they are over due for a break which is not in their best interests or the company.
Too great a liability and increases chances of employees wanting to take leave at the same or overlapping times.
People need to take a break and we do not want annual leave balance to increase on pay increases
Not good for employees health. Everyone needs a break to refresh them. Improves productivity.
Cost on cash flow when they take one month off pressure on production to have that person away for extended times beyond 3 weeks
we are only a small company, can not afford for employees to take that much time off
It effects the balance sheet.
As a manufacture we operate on lean levels and thus require staff at work to help get product completed - also do not want the liability on the balance sheet.
1. we prefer employees to take annual leave to refresh and relax. 2. It increases company debt to employees.
Prefer employees to be able to take some time away from work for their own health and well-being.
Employees need to maintain a work and life balance and this means taking time away from work to rest.
As a small business, too many accruals can put strain on cashflow and business activity if too many people ask for leave at the same time
Annual leave should be used to take a break from work and have some leisure time. Employees need to take a break from work to maintain their wellbeing. Secondly, having a large leave liability on our books is not a good thing for the business as the value increases from year to year and can become quite costly for the business in the longer term.
As we have reduced staff to have an experienced operator put in a request of a months notice to take 6 weeks can have an impact on our schedule. Prefer to keep it at around 4-5 weeks max. Cost on termination is also high.
HARD ON THE CASHFLOW IF THEY LEAVE
Firstly we want our staff to take regular breaks from work over the year and secondly we don't wish to have unreasonable amounts of annual leave accrued from a business perspective and thirdly it is a mitigation to a risk factor given we work across the financial services sector.

Liability for company and conscious of employee's health
Overheads
Too much monetary liabilities in employee entitlements
it is a liability
It is financial and for the health of the employee.
We are a small business and tasks would have to be shared with the remaining employees, whose hours would be stretched beyond desirable limits. Also most areas of our business are specific to the area worked. We could not afford to employ part time staff.
Everyone needs some time off Increases liability accruals
Financial liability if too many employees accumulate leave. Consequences if everyone decides to take extended leave at the same time.
Parent company object to large outstanding leave balances
Cost of annual leave liability and employee fatigue.
It is beneficial for the employee to take annual leave for their own health and wellbeing
Adds to costs
We manage the employees with excess balances directly and ensure they plan future leave to lower it below 4 weeks. That is stipulated in our EA.
Would be too disruptive if the employee was to ask for it all at once. Also puts a big load on the cash flow.
Employees need take annual leave in order to have a rest period
The cost of the liability increases in line with wages, and also means we may be without a staff member for an unacceptably long time when extended leave is taken.
Allows them to take too much time off in one hit.
Being a small business it makes it very hard if an employee takes this amount of leave in one hit. Also, when wages increase so does the annual leave payment increase, especially when you have to pay 17.5% loading on top. It is not healthy for people not to take regular breaks.
ITS A BIG LIABILITY ON THE BOOKS AND EVERY ONE SHOULD TAKE ADEQUATE BREAKS FROM WORK
Company policy for staff to take their annual leave each year, unless they are planning a long trip
Has to be paid out at potentially a higher rate of pay if a pay rise happens after the year in which leave falls due
We receive pressure from our overseas owners to ensure Annual leave is taken regularly.
We encourage work life balance.
Increases Liabilities and difficult to manage later
Due to the leave liability provision. Due to long term annual leave requests this may create.
Pressure on drivers which is a work safe issue and large accumulation of wages which is hard to manage
Management of liability
Liability on balance sheet and the costs associated with any annual pay reviews
OF THE OPINION EMPLOYEES NEED TO HAVE A BREAK THROUGHOUT THE YEAR
Important to have work life balance . Productivity affected if no leave
It becomes more of a liability for the company. Pay rates increase therefore additional costs are borne.
As a manufacturer we are unable to meet supply demands by our customers when staff take long periods of annual leave during the year. This results in Factory close down and outsourcing of jobs to China to meet customer needs
Financial reasons for business, employee burnout, injuries
Too large a payout if they leave
Financial liability
Payout at time of employment ceasing, employee requesting extended leave
we try to get all available leave used each year
1. It creates a balance sheet liability 2. Accrued Leave is paid at current rates, where it could have been accrued at a lower rate
Employees should take regular breaks so as not to burn themselves out
Loss of production hours if employees off for too long Increases to hourly rate bigger financial impact

It becomes a liability to the business. If that employee is promoted and decides to take their annual leave after it has accrued years down the track, they are paid their annual leave at a higher rate of pay.
Not taking leave it can affect peoples health With wage increases cost of leave can increase well over CPI
Financial reasons. Employees need to take leave regularly for rest and reinvigoration.
Because they may request to take all of their leave in one block.
Financial Impact of increased cost plus well being issues
only a small business, generally take our biggest break at xmas, then like the employees to take a break during the year,gives them time to spend with their families especially school holidays,refresh and come back well rested.plus we cannot afford to have that amount of holidays accruing.
we are small and dont want employees taking long periods off
It becomes a liability to the business
It means that they have not had a break and it increases the company's liabilities.
This creates a risk to the business financially and scheduling employee time off having sufficient coverage
cost to company
It gets too expensive to hold the accrued leave, to be paid out down the track, pay rates increase and the leave has to be paid at current rates
do not like to hold due to financial reasons
It cost the organisation to much down time when leave is taken
Leave becomes more expensive the longer you accrue it, as it is accrued at the current rate of pay, even if the leave relates to 3 years ago.
The value of the leave liability
realise I should be putting it away but has accrued to a point I would have trouble doing that. Will start to do this now I have recognised the problem. Couldn't pay it out if they all wanted it.
doesnt allow staff to have proper recreation leave break
Becomes an unplanned expense if they leave
Financial liability Make it difficult to cover if they ask for a long period of leave at once. Fatigue - everyone should take a break now and then.
We like our employees to take rest and relaxation at regular intervals to assist in improved productivity and overall well-being. The organisation does not want the financial liability.
Finance Liability OHS - Work Life Balance
it changes budget schedules having to pay out the previous year's leave on higher wage levels. plus staff are noticeably more tired & not functioning as well if they haven't had sufficient rest time (AL)
The liability increases as wages increase
Liability
We believe it is good for our staff personal well being to take their holidays and it minimise the company liability for leave also.
Our organisation has been addressing annual balances for the past 5 years in order to reduce the liability and more laterly to address the issues of the current economic climate. We have mandated that leave be taken (in accordance with EA's) to reduce the overall liability. We also have a large LSL liability which we will also start to address. Generally speaking the individuals who have large amounts of outstanding leave are also generally the ones who have large amounts of LSL.
From a health and wellbeing point of view it is better that employees take holidays annually. Also from a liability point of view the company does not want to have such an expense accruing.
Build up of work, sometimes requiring temporary staff to clear. Additional cost).
Too much of an accrual on the books
Too much liability to carry in books plus if there is a wage increase the holidays are pd at the new rate.
they need to have holidays
We have employees accruing LSL now also so it is a financial burden when they take annual leave and long service leave together and also a production burden.
Exposure to excessive liability.
If to many safe have to much leave and thay all want to take it at the same time is an issue.Also we dont like to let it add up for financial reasons

We promote a healthy work-life balance and would encourage more frequent use of this a/l privilege. Also, becomes a significant payroll liability in the case of sudden staff departure/resignation.
Because the cost of the pay-out goes up whenever increments are given. Also it increases the liability shown in the Balance Sheet.
Liability of the company
If they chose to take the leave in one hit, it would leave the business in a difficult position trying to cover that position for such a long period of time. Staff are less effective if they don't utilise their leave on a frequent basis.
IF THEY WERE TO TAKE THEIR LEAVE OVER A LONGER PERIOD IT IS DIFFICULT TO FIND REPLACEMENT STAFF
Want to ensure WLB and part of this is ensuring substantial breaks are taken during the year
The accrual of excess leave can result in not only significant incremental cost burden for the organisation, but when coupled with public holidays and RDOs as well as other flexible work arrangements excess balances become difficult to manage. The addition of LSL also contributes to the difficulties in managing leave balances and keeping them at an acceptable level. We have a policy of not having more than 8 weeks accrued. We believe that this is a good balance between ensuring employees have leave to take in terms of managing their work and life priorities but also that significant incremental cost issues can be maintained.
We prefer for staff to take regular holidays & return refreshed
to manage the liability. to reduce risk of too many staff taking leave simultaneously
we encourage all staff to take a break. We do not want the financial burden of a lot of accrued leave
Taxation killer
becomes too much of a liability to the company employees need to take a break at some time during the year
High Costs and when leave taken it is for too long a time
In a 52 week year we budget for an employee being at work for 48 weeks and on annual leave for 4 weeks (a cost of 52 weeks). If annual leave is not taken the employee is here for 52 weeks and accrues 4 weeks annual leave (a cost of 56 weeks). We also feel it important for employees work / life balance to regularly take annual leave
We believe it is of benefit to the employee to take a rest and come back refreshed.
To much unfunded liability on Balance Sheet.
Our organisation has had difficulty in getting staff to take leave. This is compounded by some staff being eligible to 5 or 6 weeks annual leave in the aged care industry.
Cost of leave accruals
Increase in rate of pay leave is paid out at and more difficult to manage long term absences
Cost factor. Also staff taking long periods of leave, make rostering difficult.
To carry that liability is not feasible in a small business. In addition we close down for 3 weeks every Christmas so employees would find it hard to accrue that much leave.
Due to the creation of a leave liability expense and we believe employees need to refresh and rejuvenate
Accruing more than 6 weeks of leave at any time is an extremely high cost risk!
causes problems with staff rosters and also puts pressure on wages
Can then make their time away too long to cover. Annual leave will also then be paid at current rate of pay instead of rate of pay due when leave accrued.
Liability, if this person were to leave the company the effect on cash flow would be detrimental.
Future rate increases in salary result in significant escalation of financial liabilities. In addition, it is more difficult to cover employees who take significant periods of annual leave.
It is too expensive to pay out should they leave. We like them to take the annual leave as part of their yearly salary package.
the people who usually accrue more leave are in service/engineering which is difficult to have these people off work at times.
Liability on company, prefer staff to be adequately rested
It increases the financial liability and also does not facilitate employees' with work life balance. We encourage our employees to take breaks.
To limit the liability and ensure staff take breaks and rest.
would sooner keep up with pay outs
The expense to the company. If one takes into account the wage creep into the next year the leave is

to be paid at the higher wage although accrued prior to the wage increase.
Believe all employees should have the break. WHS needs to be respected Liability grows
Liability and also the employees need to have a break away from work.
It means that when the employee does take a long period of leave it affects our productivity. Being a small business of only 5 to 7 employees having one employee gone for an extended period makes a big difference to our capabilities. Especially if the staff member on leave is a senior member.
Work life balance Liability to the Company from a cost point of view.
We encourage our employees to take leave to refresh especially during the quieter months of the year (winter) when the hotel makes less revenue and to assist with payroll costs.
If they take leave for 4 weeks or more it becomes very problematic replacing that skills set for that long a period
due to the high payout figure to be paid on termination. also the value of the leave increases with time but was earned probably at a lower rate.
We require all staff to have the equivalent of 4/5 weeks leave pro-rata pa including casuals, to ensure sufficient rest and recreation to enable staff to recover from the physical demands encountered on a daily basis during the care of the older people who live in Aged Care Facilities.
Employee and Resident Health Safety and well-being. Fatigue causes injury in this type of employment
Skewes our annual wage bill and forces lengthy periods of holidays
Financial Impact - Liability to Business
excessive cost to the business
not taking a break and accruals
increased liability and cost. too difficult to replace if larger blocks of leave taken
high cost of payout if they intend to resign
Organisation feels that to manage stress, work life balance and safe work culture staff should take regular leave to recharge and enjoy other things. .
In case they want to take it all in one go
Too much money to be carried forward at increasing rates of pay
If or when employee terminates, the payout is too great
This is an aged care facility that requires hard work from our employees. To reduce the risk of WHS issues we do like our staff to have regular breaks knowing that we have a duty of care to our residents but also to our staff.
staff needs holidays to be refreshed. dollar value in accruals
Indicates employees not taking leave, liability accrual and work life balance
If too many accrue leave it becomes expensive when they terminate,
It means employees have not taken annual leave for a very long time which is not healthy for employees. It is an expense that the business needs to provision for.
limit excessive financial liability to business employees need to have a break to avoid burn out
unsafe, fraud, increased cost of outstanding accruals
Too long away from work.
We believe that all employees should take time from their workplace to revive and enjoy their personal lives with their families. Further to that, to allow any number of employees to accrue large amounts and then have to pay them out without productivity (and often overtime to cover for their absence) is a great strain on the cashflow. Cashflow is vital to the survival of any business, particularly a small business.
financial exposure
Balance sheet liability and they are not taking the recuperative leave requirements
Presents a liability
They do not want the liability risk if the company was to say, fold.
It impacts employee's productiveness and is a large liability for the company to hold.
because it makes it difficult to roster / for other staff to take leave
When leave is eventually taken, longer term attendance gaps leaves too big a gap in the area where the employee has been working sometimes creating a skills gap. Also additional cost to the business in replacement of valued employees with casual or temp staff.
too much liability
We would prefer our employees take their annual leave to get a reasonable break from work - in the

interests of our employee's health and well being
all our employees must take annual leave every year, day after christmas for 4 weeks
Cash flow / budgetary
Cash flow reasons
Liability to the company
It is not healthy. regular breaks are important
It is very hard to be able to hold up the workload when a key staff member is on leave for such a long period of time. In saying this, we don't discourage employees to take 6 week plus holidays, but we ask them to provide us with a few months notice so that we are able to find someone to replace them whilst they are on leave.
It becomes an operational planning posterior rectus pain
The more Annual Leave accrued, the higher the cost when it is eventually paid out.
In a residential aged care facility, staff on leave must be replaced on all shifts 24/7 to maintain care services. Lengthy periods of leave create problems with replacement. Staff work rotating shifts in a stressful job. They need regular breaks - Workplace Safety We try to minimise financial liability for excessive accrued leave
It put a big impost on small business to cover an employee for this amount of leave as well as replace and pay for a replacement employee when the leave is taken.
Cash flow issues may arise if they decides to resign or take leave.
Wage rises then effect the annual leave pay. (we pay more) It is always good for staff to get a break, as it recharges their batteries. It is very hard to plan if a staff member goes away for an extended leave (accruing more than 4 weeks)
As a small business with only 1 full time employee, it would make it very difficult to meet the customer needs if the employee was to take extended leave. It would be very difficult to manage even 6 weeks at a time
Cannot grant this amount of leave off at one time due to operational requirements of the business. Also greatly affects cash flow and requires another staff member to have increased hours, or a new, temporary team member added to cover the employee whilst they are away.
Increased costing liability
Our employees perform physical work and so need to have sufficient down time to maintain their health.
Liability that could cost business more in future and large cash flow hit if leave
Too hard to cover
Has financial implications i.e. annual pay increases Workplace & Safety issues and wellbeing
Being a small business having employees accrue large amounts of A/L then wanting to take it at once becomes a huge impost on the day to day running of our business. This scenario could potentially cause operations to have severe reduction in output or even cease altogether - depending on the employee. Also, there is the situation where leave is accrued at one rate of pay and when a pay increase is given then when leave is taken it is paid at the higher rate. Unless the accrual is for a specific reason eg: overseas trip, then we encourage our employees to take leave before leave accrues to much.
holding costs to the business wage increases effect leave accrued vales
It is a priority for employees to take regular rest periods (leave) for their own well being
It is a greater cost to the organisation.
I believe leave should be taken regularly so staff receive the benefit of having a break. It is also a financial decision as we do not want that leave liability.
- should be taken regularly for rest and refreshment - disruptive to operations if any individual suddenly decides to take a limp of leave greater than 1 year's entitlement - depending on increments in salary, the longer one allows it to accrue, the greater \$ value one pays out when it's taken
it is a liability that impacts budgets when accruing over 2 or more financial year periods Can impact on available employees and therefore rosters
To ensure staff are taking their annual leave on a regular basis to ensure health and safety and staff wellbeing is maintained
- So it is not a cash liability when they leave organisation. - Good for the employee to take leave
Leave is paid out at current salary so the liability tot he organisation increases with excessive accumulation of leave.
Because employees need to have a break for their own health and well-being. It also builds up a

large liability in our annual leave provisions in the Balance Sheet
Financial costs and staff coverage of person away for extended period of leave
Employee health Cost when leave is taken at a higher rate than rate when leave is earned
Payout excessive when Employee eventually wants to take holidays.
because if these weeks are taken in one period , it would cause a dislocation to my business , labour wise and financially
The hard work our staff do is recognised and we monitor the amount of leave staff have to ensure they are getting the breaks they need to maintain a healthy work/life balance
This presents both a financial liability on the company, but also means significant time needs to be invested in finding resources to fill the role whilst an employee is away for extended periods.
Taking leave is important for the employees welfare Wage increases impacting unusually high leave entitlements is a cost burden
We believe that our employees need to take appropriate annual leave, I order that they are able to fully function in the workplace and for their own health and well being.
This is company policy and we feel that employees should take their leave in the relevant year for a good balance of work life
Because of the need to have qualified staff on duty, it is too difficult to arrange cover if extended periods of leave are taken.
Extra cost to organisation.
The cost goes up each year and staff may suffer burnout
Cost value & ensuring colleagues have & use entitlements.
Cashflow liability, Difficulty in covering staff when they are away for long periods
Cost associated to this.
LIABILITY JUST GROWS AND GROWS LEAVE ACCRUED AT ONE PAY RATE ARE PAID OUT YEARS LATER AT A HIGHER RATE. THIS IS ESPECIALLY TRUE FOR LONG SERVICE LEAVE.
Impact on cash-flow and budgeting for large payouts.
Cost and difficulty involved in replacement staff for extended periods. And financial impact if they decide to leave.
It is a increasing liability , also extened holidays can influence the operation of the business
As we are a small business with a small cashflow to have that mush money owing to an employee is not a good business move, as if he/she decides to leave it will be a termination payout which the business may not be able to handle
Accrued cost Difficulties created for work continuity in the workplace Affects other employee's ability to take leave
It will affect the operations if these employees want to take long leave at once. Also it will incur a big lump sum pay out to the terminated staff. Another reason is if an employee has not had any holiday he/she may be burned out from work and will have higher chance of injury.
Award rates continually increase, like to avoid paying AL at higher rate. Also, preventing cash flow issues when employee does take leave.
cumulative cost impost...a resignation may occur at an untimely timeline during business trade and strain cash flow
We feel that the clients dont like them to be away from the salon for long periods
It is a liability to the organisation, it is not permitted, it is also important to keep the employees fresh through the year,
Cash flow purposes generally - manage payouts etc
The amount of money put aside is a liability and each time there is a wage increase the liability increases
Paid out at a higher rate. It is a family business and costs are important
Leave is to allow employees to relax & de-stress. Prepare freash for work. Meet family gaols etc
To hard to allow six weeks leave,put to much strain on other staff members
Because we run a tight ship and need staff to take their leave so they don't need to take a big chunk in one go - it would through operation out.
TO much financial commitment
We believe if employees accumulate 4 weeks leave they should take that leave sometime in the next 6 months, by which stage they will have 6 weeks leave. More if they work public holidays and weekends. Leave accumulated which is delayed in being taken is more expensive for the employer if taken later because of annual pay rises, leave loading etc. It is an unreasonable expectation that

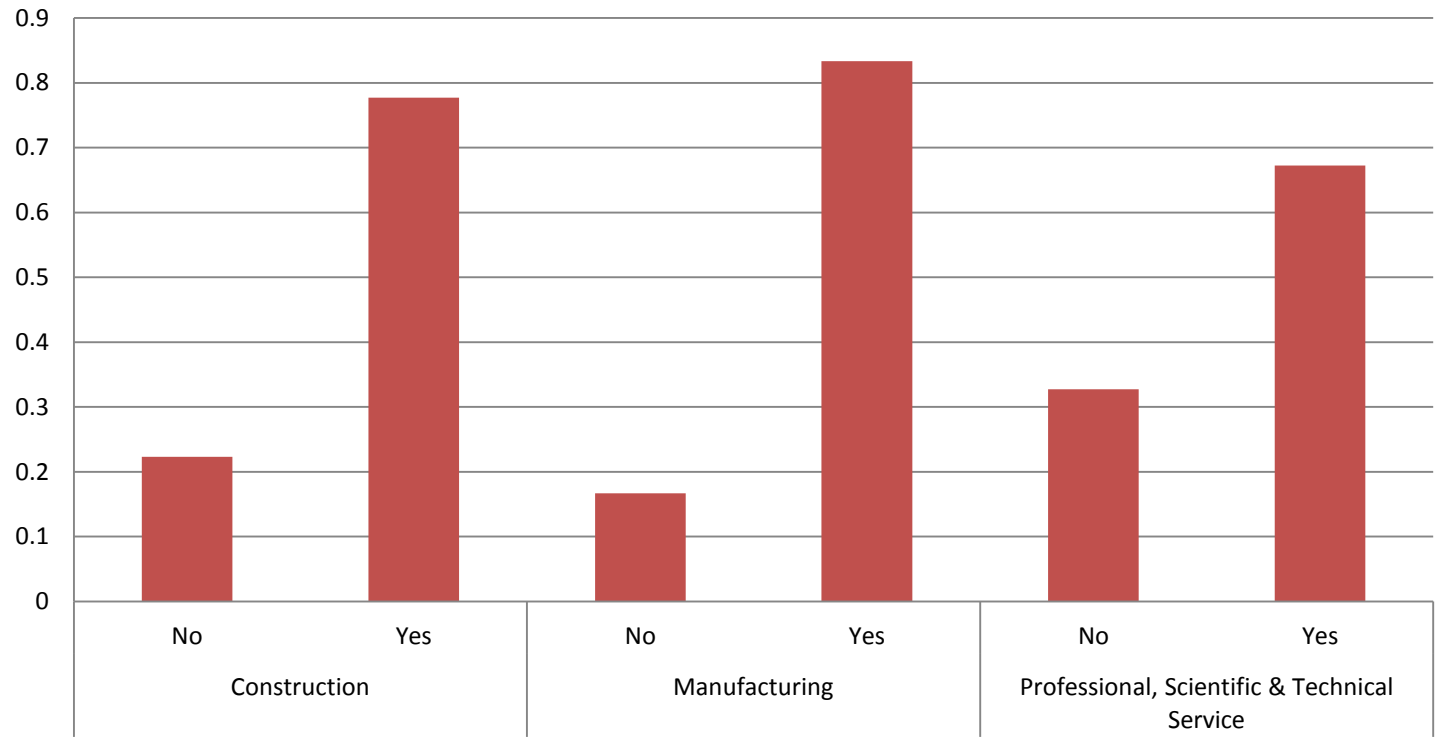
leave can be accumulated beyond a total of 6 weeks and anything over that figure should be taken or cashed in. Clearly the arguments for paid leave are that staff need a break after working a lengthy period, why should they then be entitled to accumulate it. The two ideas are contradictory.
Excessive payouts on leaving employment
Employees prone to burnout without sufficient holidays. Increased costs associated with pay rises impacting on accrued leave values. Potential for employees to request extended periods of leave with little or no back up planned.
Aged Care can be difficult work and it is appropriate to ensure people get a decent break. Where operational capacity exists, we will try to meet employees' desires wherever possible.
1. If an employee leaves, I will need to find the funds to pay them out. 2. It is important that my employees have time off as they will work better
We don't mind if it is for a special occasion but not on a regular basis. If all employees accrue more than 6 wks, there would not be enough employees to cover during periods of annual leave taken.
Accruing more 6 weeks of leave may cause cashflow problems to our organisation.
too hard to budget for the expense and to organise alternative staff
Leave is offered to ensure adequate rest and recuperation. Difficulty in cover staff away on leave for extended periods of time.
cost
Leave will be payable at a higher rate than in the period it accrued. Cash flow issues in paying out large balances on retirement. Concerns that employees are getting insufficient opportunity to revitalise and are instead attempting to "bank" their leave to take as they enter retirement.
In a small business its hard for cash flow and as hairdressers we deal with people direct and appointments. so if you are not there for six weeks or longer the business then risks losing clientele
very difficult to manage when one employee is away for more than 6 weeks , as we dont have enough back up to cover. requires skills to work in our pharmacy . we cant just hire anyone . and also the cost between very exoerenced staff and not experienced is very minimal , we dont have enough resources to implement training for short term staff to cover a leave of 6 weeks or more . also we have noticed that the staff are not as productive if they dont have their breaks at least once a year or at least 4 weeks per year ,,,,,wages for operating after hours are too high and this is eating into our opportunity to hire extra fulltime staff to cover long leaves
We have notified employees if they leave the organisation they must take their leave in payments... we cannot afford one big lump sum. However it has not been an issue to date but it could be in the near future. We currently have 4 full time employees, but the rest are casual.
financial liability - leave earned rate vs leave paid rate if carried over. Employees need to have sufficient rest/recreation to ensure ensure personal health, reduce sick leave requirements and work efficiently.
can affect cash flow if they want to cash it in all at once
Cant afford the loss of work support or \$ for longer than 2-4 weeks at a time.
If an employee was to want to take 6 weeks or more in one hit it would put the business under a lot of strain.
The business cannot afford to pay out the accrued annual leave if they leave the company and usually if they have that many they go overseas and request annual leave for long period of time which we can't afford for them to be away from the salon.
Staff need to have leave break from organisation - we allow staff to carry extra leave if they are planning extended holidays eg overseas, Australian safari.
Encourage all employees to use their annual entitlement in the year accrued for employee benefit (they need a holiday) and as periods of leave longer than 4-6 weeks in any one period provides operational challenges to ensure adequate staffing.
One is safety as they need to have a break and refresh. To we have only 16 employees and cannot afford for employees to be away for long periods of time due to staff.
Increased level of liabilities. Becomes unmanageable. People really do need a break, even those who think we cannot do without them. If their employment ceases it is a large lump-sum payout. We are not-for-profit so cash flow is closely managed.
Work Place Health and Safety and the Health and Wellbeing of the employee.
We are a smallish business and It can put strain on our cash flow if they leave
We have an annual closedown at Christmas time each year for 3 weeks. Our production relies on a certain number of people being present at the same time.
It would be an issue if they wanted to take it all off at once

As a small business, employees wishing to take large blocks of holidays (i.e. when they have accrued >6 weeks of hols) causes large rostering issues in store. Also staff should maintain a healthy work/life balance and it is the belief of the business that taking regular annual holidays assists in this.
We work in a service based industry and we can not have team members away from work for more than 4 weeks at a time. It disrupts the business too much
Just cause
We believe that holidays are important for our employees to keep them healthy and give them time with their family and loved ones.
The well being of our employees is a priority, therefore we encourage employees to take regular leave to rest and relax.
The well being of our employees is a priority, therefore we encourage the taking of leave regularly to rest and relax.
It is a liability to our company. Promotes extended periods of time off work which is difficult to schedule around. Staff are happier when they take regular holidays.
Will be paid at higher rate when wages increase
Health & wellbeing of staff, costs of accruing
Requirement to accrue funds to cover annual leave.
Being in the situation where an employee can take as much as 6 weeks off can cause an issue with workflow within the firm. Also, we take the view that people need a break.
We prefer not to have the overhead of employees having more than 6 weeks leave
Want staff to take leave to keep their minds fresh and body healthy. Don't want the financial liability
We believe that annual leave is there for a reason and that workers really do need to use up their annual leave in a calendar year so as not to burn themselves out.
as a small business it can just make it hard with cashflow . with apprentices you would be possibly paying them at a higher rate than if you make them take them when they are due.
Employees should be encouraged to take planned annual leave for a number of reasons; - Employees should take leave to rest, recuperate and de-stress. This leads to better moral and more productive will make employees in the long run. there should be a work/life balance -It also prevents employees accruing large amounts of leave which are costly if cashed out or can make staffing difficult is large amounts of accrued leave are taken in one go.
Upsets clientele rotations
Employees need to have a break from their work to have a rest and recuperate. I prefer my employees to take a portion of extended leave as unpaid leave rather than build up holidays over 2 to 3 years, and keep working continuously.
Company wants to ensure employees have time for rest and recreation. Also balance sheet implications.
leave accrued some years prior to taking becomes costly if the leave is not taken within a reasonable period ie our organisation aims for leave being taken no more than 2 years following accrual of the leave.
It is important that employees take annual leave for the purpose of taking a break and recharge. It is positive for health and wellbeing. On the Business side we like to reduce our leave liability and keep it under control.
We are a small business and cash flow can be a problem.
Because it is a debt that continually increases
We try to minimise outstanding liabilities. Form of fraud minimisation Employee health
We allow employees to accrue up to 8 weeks leave but otherwise we prefer the staff to take it as they need rest and rejuvenation time. It is not health or a fair work/life balance if employees go for an extended period of time without taking leave.
Due to the higher cost of paying out large leave balances as wages rise
MAKES THE LEAVE LIABILITY TOO HIGH
Employee then has the right for extended leave.
Health and Wellbeing of our employees - we encourage our employees to take leave to spend with their families or to devote time to non work related activities.
We believe they should take regular breaks for their wellbeing
- The leave liability impost on the business owner. Particularly if the leave is accrued in one FY and then taken in the next FY as it is paid at a higher rate than what it was accrued at. - Health and safety for the employee - we believe it is important for employees to have a work/family balance. Employees

<p>who do not take their leave regularly tend to not have this balance which can be seen through performance and or behaviour issues in the workplace. - Planning for the business - so that rosters and staffing mixes can be appropriately planned.</p>
<p>Carrying the liability and we like our staff to take leave each year.</p>
<p>We like to keep our accumulated leave / liabilities to a minimum</p>
<p>It is a cost to our business and we would rather have staff run down their leave. Being in retail and hair and beauty industry staff turnover is quite high therefore we are always paying out leave on resignation and it affects our cash flow. Whilst we do not have any staff member accrue this number of weeks I would like provisions there fore business owners to request staff take leave when required.</p>
<p>their health and wellbeing</p>
<p>It is a liability as it is harder to accommodate such a large amount of leave over a short period of time. We also think they receive annual leave for a good reason- to ensure a sensible balance of work and family</p>
<p>Due to the liability it creates on the P and L ALso means they have not had a break from the workplace for some time, we promote work / life balance and feel staff should have a break</p>
<p>Work/Life balance reasons promarily, plus the annual leave liability keeps increasing in value as pay rises or national wage increases are awarded</p>

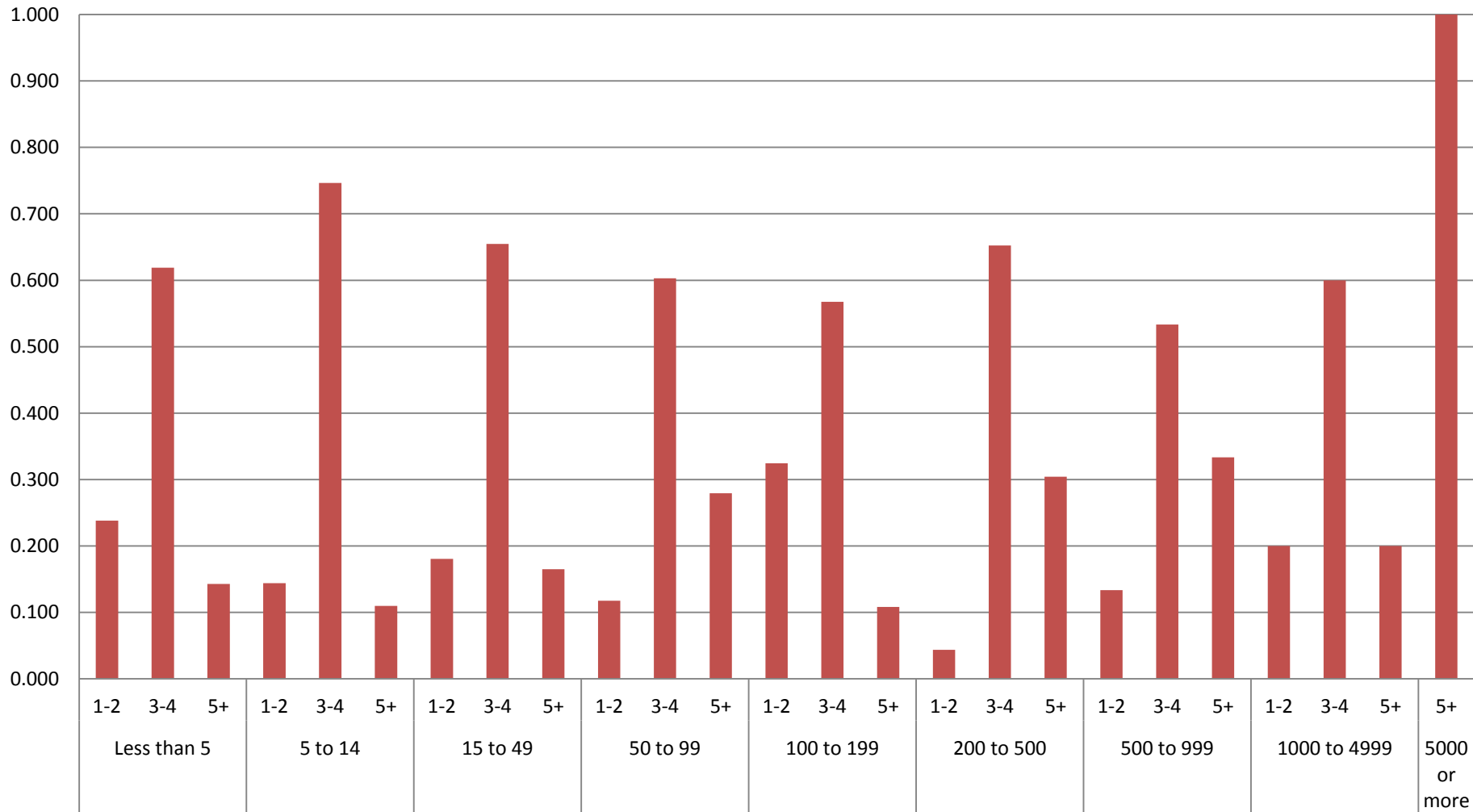
Industry sector and close down

Since 1 January 2010, has your organisation closed down all or part of its operations at any time during the year to allow employees to take leave?



Size of employer within Manufacturing industry vs Close downs

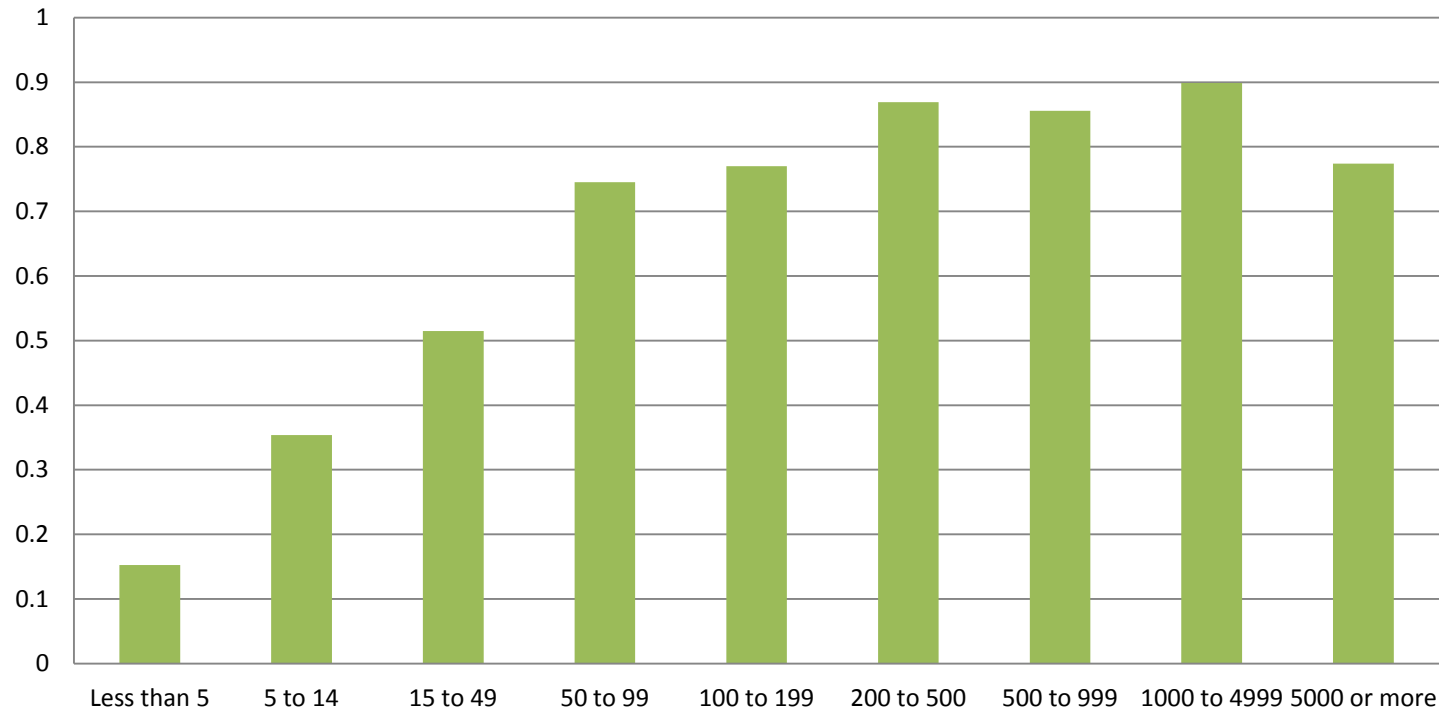
Q. On how many occasions since 1 January 2010 has your organisation closed down all or part of its operations?



Size of employer vs Cashing out requests

Q. Since 1 January 2010, have any of your organisation's employees asked to cash out a portion of their annual leave?*

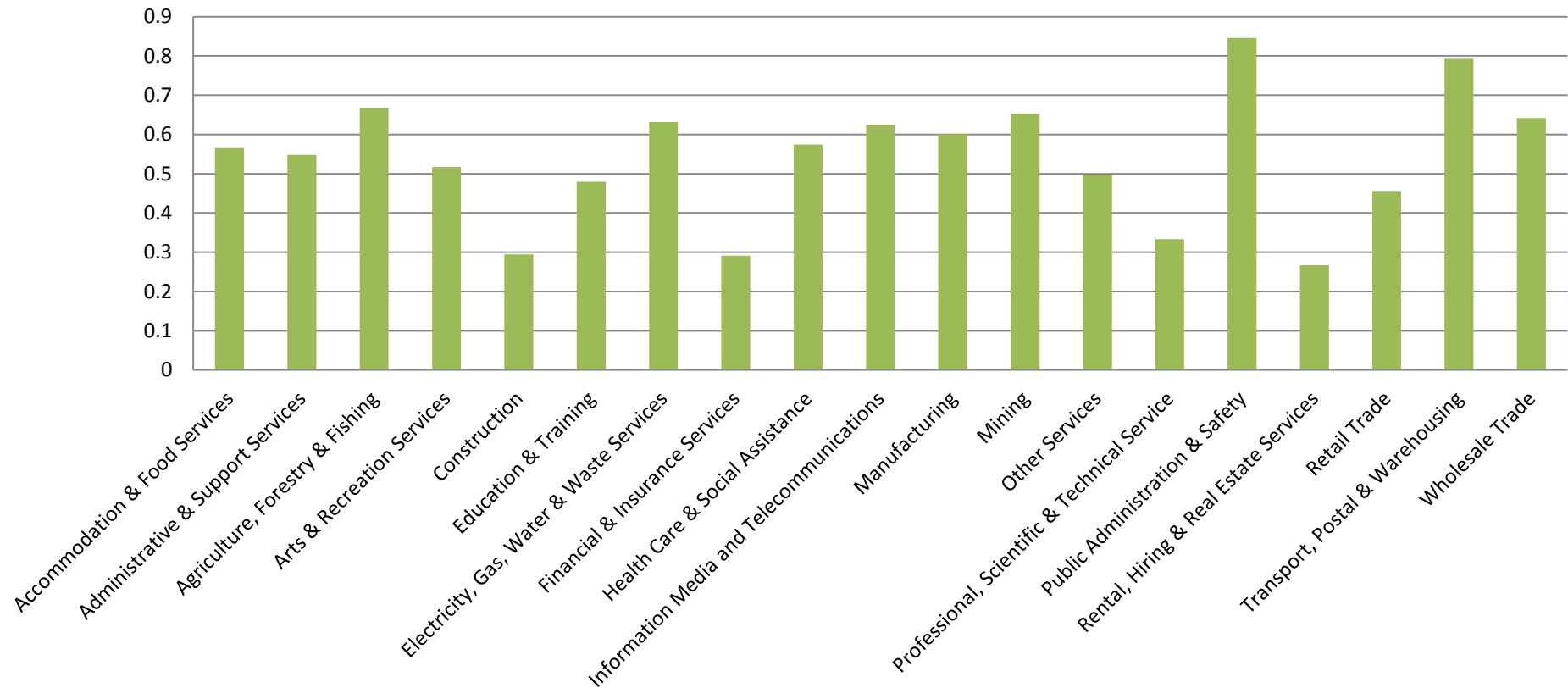
** graph shows the percentage of 'Yes' responses*



Industry vs Request for cash out

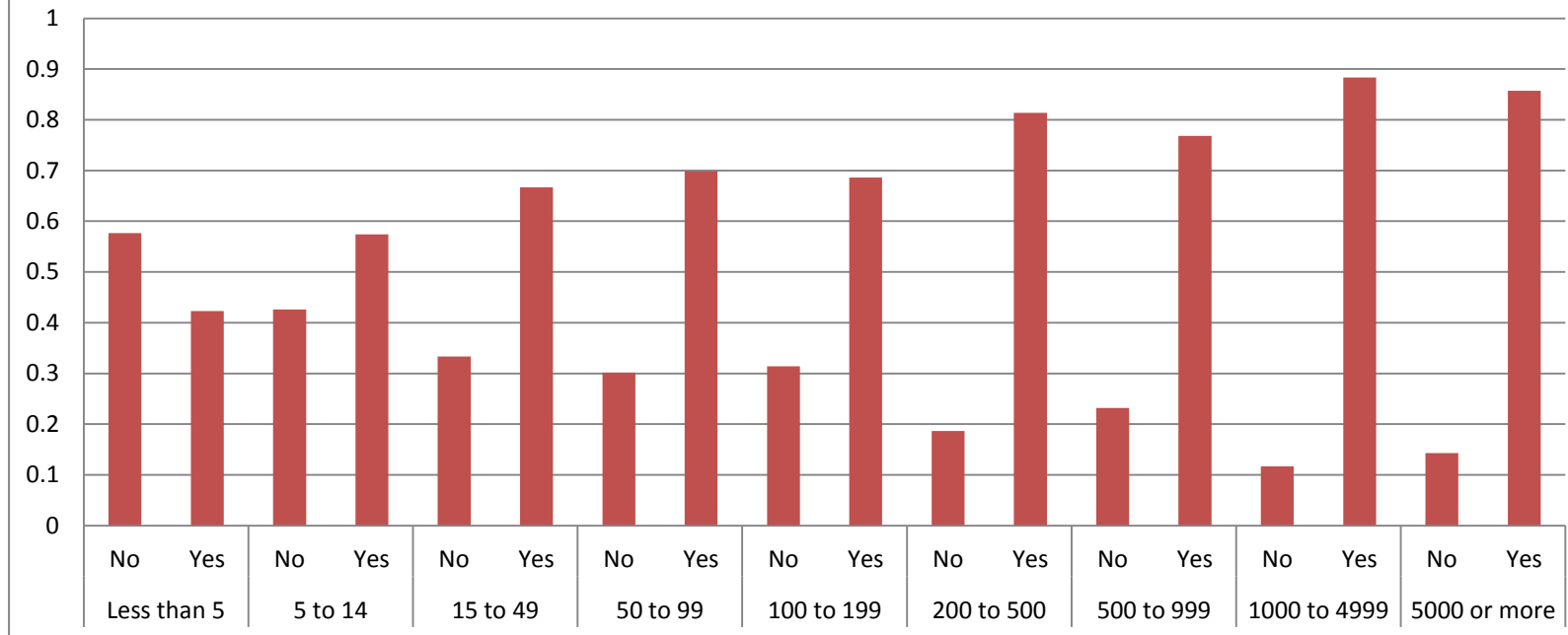
Q. Since 1 January 2010, have any of your organisation's employees asked to cash out a portion of their annual leave?*

** graph shows the percentage of 'Yes' responses*



Size of employer vs Requests leave in advance

Q. Since 1 January 2010, have any of your employees requested a period of annual leave in advance (ie before they have sufficient accrued leave to cover the request)?



Size of employer vs Respondents that indicated that they incur extra fees for processing payroll outside the usual pay period, as percentage of Total Respondents of that size

