

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Budget Estimates Spill-over Hearing June 2017

Communications Portfolio

NBN Co Limited

Question No: 294

NBN Co Limited

Hansard Ref: Page 23-24, 15/06/2017

Topic: Staff Redundancies

Senator Urquhart, Anne asked:

Senator URQUHART: I have one question on redundancies. I refer to question on notice 161, which was asked in March, I think, in regard to redundancies at NBN Co. The response indicates 91 staff were made redundant in 2016. In part 2 of the question, which was about the total cost of redundancies, it stated the redundancy costs of \$10.934 million, also for the 2016 calendar year. Or does that capture several years?

Mr Morrow: That would be the total over the period of time. Stephen, did you see this question on notice?

Mr Rue: Without seeing the calculation, I think what it means is 91 people in the 12 months to December 2016, and \$10.9 million in the same period of time.

Senator URQUHART: Right. That comes out at an average of \$120,000 per redundancy. How can it be that high?

Mr Morrow: Typically, with contracts that are in place, for the middle management and above group there is a three-month payout window. That \$100,000 could be factored into that. I think there are some other outsourcing expenses that occur. But if you want the breakdown of that detail we can provide that.

Senator URQUHART: If you could provide a breakdown and the details of that it would be useful. It seems very expensive to me. You get a redundancy and walk out with \$120,000. There are not too many workers around Australia that get that after 12 months.

Mr Morrow: I can tell you that we do follow common marketplace practices. But we will double-check that and give you the details.

Answer:

Redundancy entitlements are conditional based on employee level and hire date. Additionally redundancy payouts will also include any owed annual leave and long service leave and this is the case in the figure reported in QoN 161. The figure is also skewed due to a small number of senior executive redundancies in the period [termination benefits for Key Management Personnel are disclosed in the Annual Report].

Removing these personnel, and also the leave entitlements, brings the figure to just over \$6 million for the period.