

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Budget Estimates

29 May 2012

Question: BR15
Topic: Voluntary Redundancy Process
Proof Hansard Page: 61-62

Senator Bushby asked:

Senator BUSHBY: In terms of those who accepted voluntary redundancies, what sorts of packages are they getting?

Mr Clarke: The process is not finished yet. Expressions of interest do not close for another week, so I do not have my final numbers.

Senator BUSHBY: Presumably they are being offered a package in order to take it?

Mr Clarke: Yes, it is an entitlement for staff that is, non-SES staff that is hardwired based on their employment history.

Senator BUSHBY: Without going into that in detail, would you mind taking on notice how that hardwired process works?

Mr Clarke: Yes, of course.

Senator BUSHBY: Thank you.

Mr Clarke: I should, for the record, clarify that while all of my remarks to date have been in regard to non-SES staff, I am executing a similar process not identical in an administrative sense but in effect a similar process for my SES staff.

Senator BUSHBY: Would you mind taking on notice the process you are putting in place for the SES, as well?

Mr Clarke: Of course.

Senator CAMERON: Perhaps use a more diplomatic word than executing, when people are losing their jobs.

Mr Clarke: Thank you, Senator; you are right.

Answer:

Voluntary Redundancy Package for non-SES staff

In accordance with the Department of Resources, Energy and Tourism Enterprise Agreement 2011-14, the *Public Service Act 1999* and *Public Service Commissioner's Directions 1999* non-SES staff offered a voluntary redundancy received a package containing following entitlements:

- A severance payment – this is a lump sum calculated on the following scale:

Length of Service	Redundancy Pay
1 year but less than 2 years	4 weeks salary
2 years but less than 3 years	6 weeks salary
3 years but less than 4 years	7 weeks plus a pro rata payment for each month of service beyond 3.5 years of service

Employees with at least 4 years service are entitled to redundancy severance pay of 2 weeks salary per completed year of continuous service, plus a pro-rata payment for completed months of service since the last completed year of service. The maximum amount payable will be 48 weeks salary. Part year service will be included on a pro-rata basis according to completed months. Only continuous service with the Commonwealth counts for severance payment purposes;

- Payment in lieu of any unused portion of the consideration period;
- A notice period of four or five weeks (age dependent) salary and payment in lieu of notice;
- Payment in lieu of any unused Recreation Leave credits, including pro-rata payment for Recreation Leave accrued since your last credit; and
- A payment for accrued Long Service Leave calculated on a pro-rata basis where eligible service is more than one year, including any prior service recognised for Long Service Leave purposes.

The rate of payment is the employee's full-time salary, adjusted on a pro-rata bases for periods of part-time service.

Voluntary Redundancy Package for SES staff

The offer of voluntary redundancy for SES staff was struck in accordance with section 37 of the *Public Service Act 1999* and the *Public Service Commissioner's Directions 1999* which gives the Secretary the power to offer an ongoing SES employee the opportunity to retire with an incentive.

The Commissioner's Directions on retirement with an incentive set the minimum requirements that must be met (Clause 6.7 of the Directions). These include:

- The employee has been given information about available options for reassignment, including assignment to duties at a lower classification level;
- The employee has been given access to financial advice and career counselling; and
- The Commissioner has agreed to the amount to be paid as an incentive to retire.

The amount to be paid as the incentive to retire was a negotiation between the Secretary and the SES employee concerned. The standard APS redundancy formula of two weeks of salary per year of service, to a maximum of 48 weeks of salary was used. Incentives also included payment in lieu of any unused Recreation Leave and Long Service Leave credits, including pro-rata payment for Recreation Leave accrued since your last credit.