

**Economics Legislation Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Industry Portfolio  
Budget Estimates Hearing 2014-15  
2-3 June 2014

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**AGENCY/DEPARTMENT:** CSIRO

**TOPIC:** CSIRO Redundancies

**REFERENCE:** Question on Notice (Hansard, 2 June 2014, page 19)

**QUESTION No.:** BI-6

**Senator CARR:** What is the process you will undertake in regard to redundancies?

**Ms Bennett:** The process is set out in our enterprise agreement. In the main it means that managers determine the detail areas that are impacted and we then enter into staff consultations. It is a very formal process of individual discussions. If you wish to have the details perhaps it is easier for me to provide them on notice.

**Senator CARR:** Would you do that? I particularly would like to know what the level of consultation will be with affected business units. What is the method of selection? Is it first on-last off? What is the arrangement?

**ANSWER**

The Redeployment and Redundancy process that applies in the CSIRO is set out at Schedule 3 of the CSIRO Enterprise Agreement 2011-14 and includes consultation and information on how redundancy decisions are made.

Schedule 3 and Clause 57 are provided at Attachment A.

## SCHEDULE 3 – REDEPLOYMENT AND RETRENCHMENT

### 1. Application

(a) These provisions do not apply to:

(i) an officer appointed on probation whose appointment has not been confirmed; or

(ii) an officer appointed for a specified period including casual appointment.

Officers on a specified term employment have access to redeployment and other provisions in accordance with [Schedule 2](#).

### 2. Potentially Redundant Officers

(a) An officer is potentially redundant if:

(i) the officer is included in a group of officers, which group comprises a greater number of officers than is necessary for the efficient and economic working of CSIRO;

(ii) the services of the officer cannot be effectively used because of technological, structural or other changes in the work methods of CSIRO or changes in the nature, extent or organisation of the functions of CSIRO; or

(iii) the duties usually performed by the officer are to be performed in a different city and the officer is not willing to perform duties at that city.

### 3. Consultation

(a) Where, due to organisational change or restructuring, ten or more officers are likely to become potentially redundant, the following information shall be made available, in writing, to the relevant unions:

- details of the circumstances causing the potential redundancy situation;
- the impact of the proposed change upon science, research capabilities and/or support for these areas;
- the anticipated number of officers affected and their level, functional area and location; and
- the method of identifying potentially redundant officers.

Where the provision of this information will allow an individual officer to be identified, all but the identifying information will be made available.

(b) Consultation in accordance with [Clause 57](#) will then occur so that options and measures to reduce the need for, and mitigate the impacts of, redundancies can be fully explored.

(c) Officers will be notified that they can request the involvement and assistance of a representative. Where requested, the representative can participate in discussions concerning that officer.

#### **4. Voluntary Redundancy Substitution**

(a) An officer who is potentially redundant may exchange positions with another officer who would not contest redundancy. This is referred to as Voluntary Redundancy Substitution. Voluntary Redundancy Substitution is entirely at CSIRO's discretion and will only be approved where CSIRO determines that the skills of both individuals are a close match and that there will be no adverse impact on ongoing work requirements. Discussions will occur with each individual officer before final approval by CSIRO.

(b) Substitution will only proceed where no suitable redeployment opportunities are identified.

(c) CSIRO will, on an annual basis, make all officers aware of the option of being listed on a Voluntary Redundancy Substitution register which will be maintained by CSIRO Human Resources. CSIRO will not refuse an officer's election to be placed on the register. Additionally, when Business Units are undertaking organisational change or restructuring they will advise all officers at that time of the opportunity for voluntary redundancy substitution.

#### **5. Identification of individual officers from an impacted group of officers**

(a) After voluntary redundancy substitution has been considered, in any situation where the number of roles available is fewer than the current number of officers occupying those roles, the following process will be adopted.

(b) The responsible Line Manager will use available knowledge and information to undertake an assessment of each officer against the organisational requirements for the role/s developed in line with the applicable work classification standards. The principles of procedural fairness will be applied. The officer will have the opportunity to provide information if they so choose, however they will not be required to make a formal application for their existing role.

(c) The final decision will be made by the responsible Line Manager and affected officers will be advised. Where it is determined that there is no ongoing organisational requirement for the officer's skills, the officer will be advised that they are potentially redundant and will be provided with information in accordance with sub-paragraph 6(a).

#### **6. Advice and information to individual impacted officer**

(a) Where an individual officer is likely to become redundant the Senior Manager will, at the earliest practicable time, advise the officer of the situation and at the same time will provide the officer with the following information:

- details of the circumstances which have given rise to the potential redundancy;
- why the individual officer's position has been identified as potentially redundant;
- potential redeployment, including retraining prospects, within the Business Unit and more broadly, within CSIRO;
- other options available which may prevent the redundancy;
- a written estimate of the financial termination benefits which apply for each of the redundancy options (including income maintenance) in the event that redundancy is confirmed; and
- comprehensive information concerning redeployment and redundancy procedures and the assistance that CSIRO Human Resources will provide.

(b) Where an officer has requested the involvement of a representative, they will be provided with the information in respect of the officer concerned.

## **7. Redeployment**

(a) CSIRO will carry out an organisation-wide survey, of existing and foreseeable vacancies which are at, or one level below, the officer's substantive CSOF level and in the same functional area. The minimum period over which this survey will be conducted will be 2 months or a shorter period may be agreed between CSIRO and the officer.

(b) A position will be considered to be a suitable opportunity if that officer meets all the essential selection criteria for the position either immediately, or could reasonably be expected to do so after a reasonable period of retraining (up to six months in the case of vacancies with indefinite tenure).

(c) Where an officer accepts redeployment within CSIRO to a position of lower classification than their substantive classification level, payment will be at the rate necessary to bring their salary up to the salary received immediately before the date of redeployment for the following period:

(i) in the case of officers who have twenty or more years of service – 14 months; or

(ii) in the case of other officers – eight months.

The income maintenance period shall commence on the day of transfer to a position of lower classification.

(d) Where an officer secures further employment in CSIRO, and is required to move house in order to take up the appointment, the officer will be eligible for the same conditions as would apply had the officer been promoted to that position.

(e) For the purposes of calculating salary, allowances referenced in 10 (e) will apply.

## **8. Retrenchment**

(a) Formal written notification

Where there are no apparent redeployment opportunities and the redundancy is to proceed, the officer will be formally advised in writing. This notification will detail the various options in terms of the timing of termination and the relevant benefits (if applicable).

This notification shall provide formal notice of five weeks (or nine weeks in the case of officers over 67) which will commence 4 weeks from the date of the formal written notification.

(b) Cessation within 10 working days of receiving formal written notification.

If an officer does not contest redundancy and agrees to a termination date that is within 10 working days of receipt of their formal written notification the officer shall be paid the equivalent of 8 weeks pay in addition to the lump sum or income maintenance benefit, (where applicable). During this 10-day period the officer must provide written advice as to their preferred benefit.

(c) Cessation after 10 working days of receiving formal written notification

(i) Officers who choose to remain with CSIRO beyond the 10 working days following the receipt of their formal written notification, will receive, in addition to the lump sum or income maintenance benefit (where applicable) the remainder of the formal notice period referred to in subparagraph 8(a).

(ii) During the notice period the officer will continue to be eligible for redeployment within CSIRO. Employment will terminate at the completion of the period of notice if the officer remains excess to CSIRO's requirements. Where, prior to the completion of the notice period, the officer seeks appointment to an advertised vacancy but has not been assessed by the end of the notice period, employment will be extended until the officer's suitability for that position has been determined.

(d) Financial planning, skilling and career support

When requested by an officer, CSIRO will fund up to two visits to a CSIRO nominated outplacement service to obtain job seeking skills, career assessment and planning and CV preparation. In lieu of this, the officer may request an equivalent amount to undertake relevant training. In addition, CSIRO will fund one visit to a mutually agreed financial adviser.

## **9. Lump Sum Payment**

(a) An eligible officer who is retrenched will receive a lump sum payment calculated in accordance with this paragraph UNLESS the officer elects in writing to receive income maintenance.

(b) Subject to a minimum payment of 4 weeks pay and a maximum of 48 weeks pay, the Lump Sum payable to a retrenched officer will be 2 weeks salary for each completed year of continuous service PLUS a pro-rata payment for any additional completed months of continuous service, subject to any minimum amount the officer is entitled to under the *Fair Work Act 2009*.

Where the lump sum payable under this sub-paragraph exceeds the sum of salary that would be payable were the officer to continue in employment until they reach the age of 67, the officer will receive the greater of:

- the sum of salary that would be payable were the officer to continue in employment until they reach the age of 67; or
- the amount of redundancy pay the officer is entitled to receive under the *Fair Work Act 2009*.

(c) Calculation of Lump Sum

Where an officer has less than 24 years full time service, the redundancy payment will be calculated on a pro rata basis for any period where an officer has worked part time hours during his or her period of service.

(d) For the purposes of calculating salary at the date of termination, the following allowances will be included:

(i) Enhanced Responsibility Allowance, if it was received for a continuous period of at least 12 months prior to formal advice being given under sub-paragraph 8(a);

(ii) Payment for shift work, restriction duty or overtime where it was received regularly i.e. in 50% or more of the pays received in the 12-month period preceding the giving of notice under sub-paragraph 8(a). The amount included will be the average fortnightly payment during the 12 month period; and

(iii) First Aid Allowance, Superior Performance Rating (Premium Step) and AAHL Site Allowances.

## **10. Income Maintenance after termination**

(a) Where the formal advice under sub-paragraph 8(a) is given, officers who elect to take the income maintenance option will be entitled to receive payments for the following period:

(i) in the case of officers who have twenty or more years of service – 14 months; or

(ii) in the case of other officers – eight months;

and provided that the sum payable under this sub-paragraph shall not exceed the sum of salary that would be payable were the officer to continue in employment until the age of 67.

(b) The income maintenance period shall commence on the day after termination.

(c) During periods of income maintenance former officers will be eligible to apply and compete on merit for internally advertised vacancies.

(d) The amounts to be paid by way of income maintenance shall be calculated as follows:

(i) where the former officer is unemployed, payment will be at a rate equivalent to their salary at the date of termination less any amount received by way of unemployment relief.

(ii) where the former officer obtains employment outside CSIRO, payment (if any) will be at the rate necessary to bring their salary from that employment to the salary level at the date of termination.

(e) For the purposes of calculating salary at the date of termination, the following allowances will be included:

(i) Enhanced Responsibility Allowance, if it was received for a continuous period of at least 12 months prior to formal advice being given under sub-paragraph 8(a);

(ii) Superior Performance Rating (Premium Step), but only for that part of the period of income maintenance that would have been paid, had the officer not been in receipt of income maintenance under the terms in this Schedule;

(iii) Payment for shift work, restriction duty or overtime where it was received regularly i.e. in 50% or more of the pays received in the 12-month period preceding the giving of notice under sub-paragraph 8(a). The amount included will be the average fortnightly payment during the 12 month period; and

(iv) First Aid and AAHL site allowances.

(f) During the period of income maintenance, former officers will be required to provide acceptable evidence of income (from employment or unemployment relief) in order to establish and maintain eligibility for income maintenance.

## **11. Retention in Employment**

(a) An officer may seek the Senior Manager's agreement to sacrifice all or part of their income maintenance period (on a week for week basis) in return for an equivalent period of retention in employment. There is no entitlement to retention in employment and agreement to this arrangement is totally at the Senior Manager's discretion. There is no requirement for the Senior Manager to justify the response to such a request. Where a period of retention is agreed, this period

will not be taken into account for the purposes of determining the income maintenance entitlement (e.g. if an officer gains 20 years service during the retention period, this does not create an entitlement to 14 months income maintenance).

## 12. Service for Redundancy Pay Purposes

For the purpose of calculating an entitlement in accordance with paragraphs 9 and 10 of this schedule, “service” means:

- service in CSIRO;
- Government service as defined in section 10 of the *Long Service Leave (Commonwealth Employees) Act 1976*;
- service with the Commonwealth (other than service with a joint Commonwealth–State body or a body corporate in which the Commonwealth does not have a controlling interest) which is recognised for long service leave purposes;
- service with the Australian Defence Forces;
- service in another organisation where:

(i) an officer was transferred from that organisation with a transfer of function; or

(ii) an officer engaged by that organisation on work within a function is appointed as a result of the transfer of that function to the CSIRO and such service is recognised for long service leave purposes.

**Service not to count as service for redundancy pay purposes** – Any period of service which ceased in any of the following ways will not count as service for redundancy pay purposes:

- retrenchment; retirement on grounds of invalidity; inefficiency or loss of qualifications; forfeiture of office; dismissal; termination of probation appointment for reasons of unsatisfactory service; or voluntary retirement at or above the minimum retiring age applicable to the officer or with the payment of an employer-financed retirement benefit.

**Earlier periods of service** – For earlier periods of service to count there must be no break between the periods except where:

(a) the break in service is less than one month and occurs where an offer of employment with CSIRO was made and accepted by the officer before ceasing employment with the preceding employer; or

(b) the earlier period of service was with CSIRO and ceased because the officer was deemed by CSIRO to have resigned on marriage.

**Absences during a period of service** – Absences from duty which do not count as service for long service leave purposes will not count as service for redundancy pay purposes.

## 13. Independent Review

(a) An officer may seek an independent review under [Schedule 4](#) in relation to other redundancy issues which do not impinge on the validity of the decision to retrench him/her (i.e. the purpose of the independent review cannot be to question the redundancy itself).

(b) An officer may bring an action against termination of employment under [Clause 86](#) of this Agreement.

## 57. STAFF PARTICIPATION AND CONSULTATION

(a) 57(b) to 57(j) applies if:

(i) CSIRO has made a definite decision to introduce a major change to production, program, organisation, structure, or technology in relation to its enterprise; and

(ii) the change is likely to have a significant effect on officers of the enterprise.

(b) CSIRO must notify the relevant officers of the decision to introduce the major change.

(c) The relevant officers may appoint a representative for the purposes of the procedures in this term.

(d) If:

(i) a relevant officer appoints, or relevant officers appoint, a representative for the purposes of consultation; and

(ii) the officer or officers advise CSIRO of the identity of the representative;

CSIRO must recognise the representative.

(e) As soon as practicable after making its decision, CSIRO must:

(i) discuss with the relevant officers:

- the introduction of the change; and
- the effect the change is likely to have on the officers; and
- measures CSIRO is taking to avert or mitigate the adverse effect of the change on the officers; and

(ii) for the purposes of the discussion — provide, in writing, to the relevant officers:

- all relevant information about the change including the nature of the change proposed; and
- information about the expected effects of the change on the officers; and
- any other matters likely to affect the officers.

(f) However, CSIRO is not required to disclose confidential or commercially sensitive information to the relevant officers.

(g) CSIRO must give prompt and genuine consideration to matters raised about the major change by the relevant officers.

(h) If a term in the Enterprise Agreement provides for a major change to production, program, organisation, structure or technology in relation to the enterprise of CSIRO, the requirements set out in subclauses (b), (c) and (e) are taken not to apply.

(i) In this term, a major change is *likely to have a significant effect on officers* if it results in:

(i) the termination of the employment of officers; or

(ii) major change to the composition, operation or size of CSIRO's workforce or to the skills required of officers; or



(iii) the elimination or diminution of job opportunities (including opportunities for promotion or tenure); or

(iv) the alteration of hours of work; or

(v) the need to retrain officers; or

(vi) the need to relocate officers to another workplace; or

(vii) the restructuring of jobs.

(j) In this term, *relevant* officers means the officers who may be affected by the major change.

(k) Consistent with subclause 57(a), where CSIRO has made a definite decision to introduce major change, consultation shall occur before the major change is introduced.

In all other circumstances, where initiatives or proposals have implications for the employment of staff or affect the way work is to be performed, CSIRO shall consult with affected officers and their representatives.

(l) Consultation facilitates informed decision making, particularly on matters that affect the employment of staff and provides officers and their representatives with a genuine opportunity to influence the decision maker. It is not joint decision making nor does it constrain the prerogative of management to make decisions.

(m) Consultation can take many forms but regular meetings are encouraged as they provide an avenue for sharing information, receiving feedback, generating ideas and resolving workplace issues in a spirit of cooperation and trust. Where decisions are made following workplace consultation with staff, feedback will be provided to staff on the broad inputs considered and the rationale for the decisions made.

(n) The parties to the Agreement recognise that Consultative Council and other consultative mechanisms exist to discuss issues that may have organisation wide impact, including those that may result in significant strategic or resource allocation changes. The following matters have been identified by the parties as issues to be discussed in 2011, through Consultative Council or other consultative mechanisms:

- initiatives to support the psychological health and well being of staff;
- staff and science capabilities at regional sites;
- staff allocation to projects;
- the application of [Clause 11](#) arrangements; and
- employment of trades apprentices.

(o) CSIRO shall provide annually, by 31 October each year demographic and employment data covering the following:

- the number of indefinite, specified term and casual officers by gender; age; non English speaking background; ATSI background and business unit;
- the number of specified term officers by Business Unit; functional area; CSOF level and State;
- the number of part time officers;
- the number of specified term staff cessations by length of service;
- the number of commencements and cessations of indefinite, specified term and casual officers by functional area and Business Unit;

- the number of market related employment arrangements, including details of Business Unit, State, functional area and CSOF level;
- the number of formal appeals and grievances; and
- the number of redundancies by:
  - (i) Business Unit;
  - (ii) Functional area;
  - (iii) CSOF level.