

MINISTER FOR EMPLOYMENT, TRAINING AND  
INDUSTRIAL RELATIONS

PUBLIC SERVICE COMMISSIONER

1. TITLE: **Retrenchment**

2. PURPOSE: To prescribe action to be taken in relation to tenured public service employees who are retrenched and the conditions and entitlements available to these employees.

3. LEGISLATIVE PROVISIONS: Sections 34 and 81 of the *Public Service Act 1996*.

4. APPLICATION: 4.1 Schedule A of this directive is the responsibility of the **Public Service Commissioner**.

4.2 Schedule B of this directive is the responsibility of the **Minister for Employment, Training and Industrial Relations**.

4.3 Schedules A and B apply to tenured public service employees.

It does not apply to public service employees -

- who are engaged on a temporary basis under section 112(2)(a) or 113(2)(a) of the *Public Service Act 1996*; or
- who are engaged on a casual basis under sections 112(2)(b) and 113(2)(b) of the *Public Service Act 1996*; or
- who are on contracts under the *Public Service Act 1996*\*; or
- whose employment is terminated in accordance with disciplinary action, or retirement because of mental or physical incapacity.

\*NOTE – Officers under section 70 contracts who revert to tenured public service employment will regain their eligibility on reversion.

4.4 Schedule A applies to all tenured public service employees, with the exception of section 4 which applies only to senior executives or senior officers.

4.5 Schedule B does not apply to officers of the senior executive service or senior officers.

5. STANDARD: The entitlements and requirements prescribed in the Schedules apply.

6. EFFECTIVE DATE: This directive is to operate from **1 July 1999**.

**7. VARIATION:** The provisions in Schedule B may be varied in accordance with certified agreements made under Chapter 6, Part 1 of the *Industrial Relations Act 1999* or a decision of an industrial tribunal of competent jurisdiction.

**8. INCONSISTENCY:** Sections 34 and 117 of the *Public Service Act 1996* and section 687 of the *Industrial Relations Act 1999* apply if there is a conflict with an act, regulation or industrial instrument.

**9. SUPERSEDES:** Directive 2/98 "*Retrenchment*"

**10. PREVIOUS**

**REFERENCES:** Directive 22/97 "*Retrenchment*"  
Directive 7/97 "*Retrenchment*"  
Directive 7/96 "*Retrenchment*"  
*Public Sector Management Standard for Staffing Options to Manage Organisational Change in the Queensland Public Sector*  
Circular 8/91

**11. MISCELLANEOUS:**

Government policy is to redeploy employees where possible. This directive should be read in conjunction with directives – *3/99 Deployment and Redeployment*; and *4/99 Medical Deployment and Redeployment*; and *the Employment Security Policy: Organisational Change Guidelines*.

**12. RESPONSIBILITIES:**

**12.1 The Minister for Employment, Training and Industrial Relations** has issued clauses 1, 2, 3, 4.2, 4.3, 4.5, 5, 6, 7, 8, 9, 10, 11 and 12.1 and **Schedule B** of this directive.

**12.2 The Public Service Commissioner** has issued clauses 1, 2, 3, 4.1, 4.3, 4.4, 5, 6, 9, 11 and 12.2 and **Schedule A** of this directive.

## SCHEDULE A

### RETRENCHMENT

#### REQUIREMENTS

#### 1. HOW RETRENCHMENT IS TO PROCEED

- 1.1 The Public Service Commissioner shall approve the retrenchment of tenured public service employees, other than Senior Executive Service Officers, only in exceptional circumstances, upon the recommendation of the Chief Executive, of the department in which the retrenchment package is to be offered.
- 1.2 A retrenchment of a surplus tenured public service employee may occur after being provided with retraining, transfer and/or redeployment opportunities for minimum periods as specified in the Public Service Commissioner Directive *Deployment and Redeployment*, and for whom the Public Service Commissioner is satisfied that retraining, transfer or redeployment are no longer viable options, or where the Public Service Commissioner determines that a surplus employee is not participating actively in the deployment process.
- 1.3 The Chief Executive shall ensure that the provisions of the *Income Tax Assessment Act 1936 and Regulations* are complied with when issuing a retrenchment package to an employee.
- 1.4 If applicable, the Chief Executive shall ensure that the requirements specified in sections 88 and 89 of the *Industrial Relations Act 1999* are met for consultation with employee organisations and notification to the relevant Commonwealth department whose primary function is helping unemployed people find work.

#### 2. REPORTING

- 2.1 Each department shall state in its Annual Report the number of retrenchments made in the previous financial year and the total monetary value of the severance benefits as specified in Schedules A or B.

#### 3. RE-EMPLOYMENT:

- 3.1 Employees who receive a retrenchment entitlement specified in Schedules A or B and who are subsequently re-employed in a Queensland Government entity as a consultant, or on a casual, part time or full time basis for a total cumulative period of more than twenty (20) working days, in one or more Queensland Government entities, shall be entitled to retain only that portion of the severance benefit applicable to the period of time for which they were not employed in a Queensland Government entity, or a minimum of twenty days salary, whichever is the greater.
- 3.2 A tenured part time employee who receives a retrenchment package for the loss of one tenured part time job and who retains another part time job in the Queensland Public Service, shall be required to refund the portion of severance benefit to which they are not entitled should they subsequently increase their part time hours during the period to which the severance benefit applies.
- 3.3 As a condition of re-employment, an appointee paid a severance benefit is required to refund to the Crown that portion of the severance benefit to which they are not entitled. The Chief Executive of the re-employing agency is responsible for implementing procedures to collect this portion.

## SCHEDULE A

### RETRENCHMENT

#### 4. ENTITLEMENTS FOR TENURED SENIOR EXECUTIVE SERVICE (SES) AND SENIOR OFFICERS

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| <p>4.1 The Governor in Council shall approve the retrenchment of SES officers after consultation with the Public Service Commissioner.</p> <p>4.2 The retrenchment payments for SES and senior officers is compensation for loss of job tenure. The retrenchment entitlement consists of the following:</p> <p>(a) Accrued Recreation Leave (if the employee is performing higher duties at the date of termination, the calculation shall be consistent with Directive <i>Higher Duties Allowance</i> issued by the Minister for Employment, Training and Industrial Relations).</p> <p>(b) Accrued Long Service Leave for employees who have worked for at least one year, on the basis of 1.3 weeks for each year of continuous service and a proportionate amount for an incomplete year of service (if the employee is performing higher duties at the date of termination, the calculation shall be consistent with Directive <i>Higher Duties Allowance</i> issued by the Minister for Employment, Training and Industrial Relations).</p> <p>(c) A severance benefit of two weeks' pay per year of service and a proportionate amount for an incomplete year of eligible service, paid at the employee's substantive appointed level (minimum four weeks, maximum 52 weeks).</p> | <p>4.3 Tenured part time officers who are declared surplus shall be entitled to a severance benefit of two weeks' full time pay per year of service and a proportionate amount for an incomplete year of eligible service (minimum four weeks, maximum 52 weeks) calculated on total full time equivalent years of service. Officers who hold two or more tenured part time jobs shall only be entitled to severance benefit calculated on the proportion of full time equivalent years of service applicable to the part time job from which they are declared surplus.</p> <p>4.4 Officers whose previous employment is recognised for the purpose of calculating long service leave entitlement shall also be entitled to severance benefit based on their period of previous recognised employment. This provision is conditional upon the total severance benefit not exceeding 52 weeks.</p> <p>4.5 Officers whose previous employment is recognised for the purpose of calculating long service leave entitlement and who have received a severance benefit from their previous employer, shall only be entitled to a severance benefit calculated on their current period of employment.</p> <p>4.6 Superannuation benefit is calculated according to the formula prescribed under the conditions of the superannuation scheme of which the employee is a member.</p> <p>4.7 Officers who are retrenched will be entitled to relocation expenses on the basis of arrangements specified under rulings issued by the Minister for Employment Training and Industrial Relations.</p> |
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## SCHEDULE B

### RETRENCHMENT

#### ENTITLEMENTS

##### Entitlement

A person entitled to a retrenchment package as per Schedule A shall receive -

- accrued recreation leave;
- accrued long service leave for employees who have worked for at least one year, on the basis of 1.3 weeks for each year of continuous service and a proportionate amount for an incomplete year of service;
- a severance benefit of two weeks pay per year of service and a proportionate amount for an incomplete year of eligible service, paid at the employee's substantive level (that is not at the level at which the employee may be performing higher duties). The minimum benefit is based on salary for four weeks, the maximum is based on salary over a 52 week period.

Employees whose previous employment is recognised for the purpose of calculating long service leave entitlement and who have received a severance benefit from their previous employer, shall only be entitled to a severance benefit calculated on their current period of employment.

##### Part time employees

Tenured part time employees whose work is declared surplus to requirements shall be entitled to a severance benefit. The benefit provides for two weeks full time pay per year of service and a proportionate amount for an incomplete year of eligible service (minimum four weeks, maximum 52 weeks). A year of service is calculated on the total full time equivalent years of service.

Employees who hold two or more tenured part time jobs shall only be entitled to a severance benefit calculated on the proportion of full time equivalent years of service applicable to the part time job from which they are declared surplus.

##### Recognition of prior service

Employees whose previous employment is recognised for the purpose of calculating long service leave entitlement shall also be entitled to a severance benefit. This benefit is based on their period of previous recognised employment. This provision is conditional upon the total severance benefit not exceeding 52 weeks pay.

##### Superannuation

Superannuation benefit is calculated according to the formula prescribed under the conditions of the superannuation scheme of which the employee is a member.

##### Relocation expenses

Employees who are retrenched will be entitled to relocation expenses on the basis of arrangements specified under other ministerial directives.

Separation packages included within this directive are compensation for loss of job tenure.