

SEQ distribution and retail water reform

Workforce framework 2009

The SEQ Distribution and Retail Water Reform Workforce Framework

The SEQ Distribution and Retail Water Reform Workforce Framework (the Workforce Framework) is a critical step towards finalising Stage Two of the South East Queensland (SEQ) water reform program. The Workforce Framework protects the terms and conditions of employment for employees affected by the transfer of water and wastewater functions from the 10 SEQ local governments to the three Distributor-Retailers established under the *South East Queensland Water (Distribution and Retail Restructuring) Act 2009* (The Act). This includes staff transferring from an SEQ local government to a Distributor-Retailer and staff remaining in the employment of a local government and undertaking work on behalf of a Distributor-Retailer in accordance with a service level agreement.

The Workforce Framework was negotiated by the Council of Mayors SEQ on behalf of the SEQ local governments and the Australian Services Union, the Australian Workers' Union and the Queensland Council of Unions with input from relevant State agencies, including the Department of Justice and Attorney-General (Industrial Relations), Queensland Treasury, the Department of Infrastructure and Planning (Local Government) and the Queensland Water Commission.

The Workforce Framework was approved by the Attorney-General and Minister for Industrial Relations on 20 December, 2009 pursuant to section 79 of the Act.

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1. Title

- 1.1 The SEQ Distribution and Retail Water Reform: Workforce Framework 2009, ("the Framework") has been established by the Council of Mayors (SEQ) Water Reform Human Resource Consultative Committee ("the HRCC") to assist Councils, employees and the new water entities during the water reform process.

See details of the proposed new water entities in Attachment 1.

- 1.2. The Framework recognises that:

- 1.2.1 The CEOs of the Councils are responsible for identifying the positions and the employees to transfer to new water entities and identifying the work and the employees that will remain employed by Councils.
- 1.2.2 The CEOs of the new water entities are responsible for establishing the organisational structure of the new water entities and confirming appointments of employees transferring from the Councils to the new water entities taking into account advice from CEOs of the Councils as described in this Framework; and
- 1.2.3 The CEOs of the Councils are responsible for identifying the work to be performed under Service Level Agreements that will be provided to the new water entities and to identify those employees who will remain employed by Councils and issuing notifications to these employees; and
- 1.2.4 The CEO of the Council and the CEO of the new water entity shall meet and agree as far as possible the positions and employees to transfer to new water entities. The final decision lies with the CEO of the Council. If there is disagreement over a particular position/s and employee/s to be transferred the matter shall be referred to the Queensland Industrial Relations Commission (QIRC) for a declaration under Section 273A of the *Industrial Relations Act 1999* in relation to the disagreement, as an "industrial matter".
- 1.2.5 The Framework is directed at ensuring the implementation of the reform with minimal operational impact on Councils. Councils and new water entities and unions are committed to the principles and processes prescribed in this Framework for the purposes of determining the transfer of employees to the new water entities and to manage the continued employment of employees who are identified to remain with Councils.
- 1.2.5 Upon finalising the Framework, the HRCC will recommend that the State Government approves the Framework and give it legal force and effect through the legislation (*South-East Queensland Water (Distribution and Retail Restructuring)* and *Natural Resources Act 2009*).

2. Commencement and Expiry

- 2.1 The Framework:

- was made on 13 October 2009;
- commences on 20 December 2009; and
- expires three years from when the employee transfers to the new water entities, or three years from the date nominated in the notification to employees who will remain with the Council, or on 30 June 2013 for any new employee employed by a new water entity on or after 1 July 2010.

- 2.2 The Framework is intended to cover the period of reform which comprises both interim and transition periods as defined:

Interim Period - the period from (the date the Framework commences) until the date of the transfer of employees to the new water entities or until the date nominated in the notification to employees confirming their employment will continue with the Council.

Transition Period - the period from the end of the interim period until the Framework expires.

3. Objectives of the Framework

- 3.1 The objective of the Framework is to establish terms and conditions of employment that are consistent with the principles outlined below, that will apply during the reform period and to prescribe the minimum enforceable employment standards and practices to apply during the reform period.

- 3.2 The purpose of the Framework is to establish:

- A supportive and transparent framework to apply for employees during the reform period.
- A set of principles and practices, which Councils and the new water entities will adhere to in the treatment of their employees during the reform period.
- Appropriate and fair treatment of employees during the reform period.
- A consistent set of parameters to be used by Councils and the new water entities to assist in making the reform period as seamless and as efficient as possible.
- An avenue for employees to utilise so disputes can be resolved quickly, efficiently and sensitively; and a basis for “modelling” best practice change management practices.

4. Relationship to Existing Employment Arrangements

- 4.1 The Framework shall be read and interpreted wholly in conjunction with applicable industrial instruments and existing employment arrangements. Such arrangements include those stipulated by relevant human resources policies and procedures. Where any inconsistency exists between the Framework and applicable industrial instruments and employment arrangements, whichever provides a more favourable outcome to an employee will apply.

5. Application

- 5.1 The Framework applies to the councils and new water entities.

- 5.2 The Councils are listed in Attachment 2.

- 5.3 The Framework will apply to employees (as defined in this Framework) of councils and the new water entities employed on awards and enterprise agreements and employees on individual common law contracts, except as otherwise provided in this Framework.

- 5.4 The Framework also applies to all permanent and long term temporary/maximum term employees and long term casual employees who are employed in the councils during the reform period, subject to the limitations of their particular terms of engagement.

- 5.5 The Framework does not apply to:

5.5.1 New employees engaged temporarily during the interim period to perform work in preparation of the establishment of the new water entities;

5.5.2 Independent contractors who provide a service to councils, or

5.5.3 To employees engaged by labour hire companies that provide a service to councils or the new water entities. To avoid any doubt, this means that these categories of employees and contractors are excluded from the identification and transfer principles and processes provided for in this Framework.

5.6 The Framework does not apply to day-to-day employment matters outside the reform process and as such it does not apply to the normal employment during the reform period.

6. Reform Dispute Resolution Process

6.1 The objective of this dispute resolution process is to:

- promote the resolution of disputes or matters that may give rise to an industrial dispute, by measures based on consultation, co-operation and discussion;
- to reduce the level of industrial confrontation; and
- to avoid interruption to the performance of work and the normal operational services of existing businesses.

6.2 Grievance by Employee

The dispute resolution process steps are outlined under clause 6.4. However any employee of a council or a new water entity, who feels aggrieved as a result of a decision, which they regard as being inconsistent with this Framework, can also at any time raise, or their Union representative can raise, the matter directly with the relevant CEO who is ultimately responsible for the Framework's implementation during the reform process.

6.3 The following are excluded from this process:

- a grievance or dispute about the establishment of the new water entities; or
- the merit of the terms and conditions outlined within this Framework to implement the reforms.

6.4 Grievance Process

Throughout the process the employee/s may request their relevant Union representative to participate or represent the employee/s. If both parties agree, the matter can proceed directly to the QIRC (stage three). The Dispute Resolution Procedure is as follows:

Stage One

The employee(s) and/or relevant Union representative will contact the relevant Manager or Human Resources representative within the relevant entity and attempt to settle the issue at that level.

Stage Two

If the issue is not settled at Stage One, the employee(s) and/or the relevant Union representative and, if requested by the employee(s), the relevant Union Official will meet with the Manager and the CEO or delegate of the relevant entity within seven (7) working days after the end of Stage One in an attempt to resolve the matter.

The CEO/Council will make a determination on the matter after no more than fourteen (14) working days from the date that Stage Two notification commenced, in order that the CEO/Council has sufficient opportunity to adequately consider the matter in an attempt to resolve the matter.

Stage Three

Where the matter is not resolved within 14 days of the completion of Stage Two the employee and/or the relevant Union representative can take unresolved grievance or

dispute pertaining to the matter to the Queensland Industrial Relations Commission (QIRC) for conciliation and/or arbitration under Section 273A of the Industrial Relations Act 1999 to resolve the grievance or dispute, as an “industrial matter”.

Note: If an employee accesses this process before the QIRC and the employee is simultaneously pursuing the same matter concerning the reform in another jurisdiction or under an industrial agreement, the employee must inform the QIRC or relevant tribunal if that is the case.

At each stage of this procedure a record should be made of the time and date of discussions and relevant outcomes.

7. Staff Support Reform Principles

7.1 The following set of principles underpin the reform period.

- Public ownership of water assets will be maintained;
- Labour savings are not, and never have been, a driver for reform
- Staff and Unions have been, and will continue to be, engaged throughout the implementation process;
- There will be no forced redundancies of employees affected by the water reform;
- There will be no forced relocations for 12 months from the date of transfer;
- Workers’ entitlements and conditions will be protected;
- The terms and conditions of employment contracts will be honoured; and
- The Queensland Government will enact legislation to ensure that employees transferring from councils to the new water entities are protected.

7.2 The following supporting principles underpin the Framework.

- Maximise employment security for affected employees;
- Maximise the retention of skilled and experienced employees;
- Minimise the impact on affected employees;
- Maximise employee and union involvement in the changes;
- Contracts of employment will be honoured;
- Maximise support to employees throughout the reform process;
- Treat employees fairly and with respect;
- Merit and equity in all appointments;
- Prompt and sensitive dispute resolution;
- No overall loss of employment;
- No overall reduction in working conditions;
- No overall disadvantage to employees;
- No forced relocations for 12 months from transfer;
- An employee’s substantive terms and conditions including substantive classification level will not be changed and they will be maintained until a new industrial instrument is made;
- The Framework applies in conjunction with existing industrial instruments; and
- Unions’ right of access to workplaces.

7.3 The new industrial agreements for the new water entities will be established in the state industrial relations system.

8. Prescribed Employment Practices for Transition

The following employment practices will give effect to the Staff Support Reform principles.

Employment conditions - Interim period

During the interim period all Councils will continue to apply the terms of all applicable industrial instruments and arrangements.

Employment conditions - Transition Period

Employees who transfer to the new water entities will do so on the terms and conditions of employment existing immediately prior to transfer. This includes transferring on the employee's terms and conditions including substantive classification level and where relevant, increment.

Employees who receive notification to remain employees of council will do so on the terms and conditions of employment existing immediately prior to the reform period. This includes the employee's terms and conditions including substantive classification level and where relevant, increment.

8.1 Job Security

- 8.1.1 The Framework ensures that there are no forced redundancies or no overall loss of employment directly as a result of the water reforms within the Councils and the new water entities during the reform period.
- 8.1.2 While there will be no forced redundancies as a consequence of implementing the water reform, matters arising from ordinary management business such as dismissals for poor performance, incapacity or misconduct by employees of existing businesses are not covered by this provision.
- 8.1.3 Employees will not be financially disadvantaged when participating in any re-training, re-skilling or other reform strategies.
- 8.1.4 The water reform process does not:
 - a) Interrupt an employee's continuity of service; or
 - b) Reduce the employee's benefits or remuneration or classification level and increment level; or
 - c) Affect the employee's existing or accruing rights to superannuation or recreation, sick, long service or other leave; or
 - d) Entitle the employee to a termination or redundancy payment from the previous employer as a result of no longer being employed by a Council.

8.2 Industrial Environment

- 8.2.1 During the reform period all employees will maintain, as a minimum, their terms and conditions of employment as they existed prior to the transition period, including the employee's income, same salary level and employees terms and conditions including substantive classification level and where relevant, increment level. Such terms will be referred to as "maintained or transferred" terms and conditions of employment".
- 8.2.2 The Framework may, in some instances, supplement maintained or transferred terms and conditions of employment, industrial instruments and arrangements applying to individual employees, but for reform related activities only and as such, should be read in conjunction with maintained or transferred terms and conditions of employment applying to employees, subject to this Framework.
- 8.2.3 Where under maintained or transferred terms and conditions of employment, a term or condition of employment, such as a wage increase or new arrangement is due to be implemented during the reform period, such terms and conditions of employment will be administratively implemented by the new water entities.

- 8.2.4 New industrial agreements will be made between the relevant parties (the union/s and new water entities) under the Queensland Industrial Relations Act 1999 within 12 months of the transfer of employees, unless the parties to the new agreement agree to extend the period of time to make a new agreement. If there is no agreement to extend the period of time, the parties can refer the matter to the QIRC for conciliation and/or arbitration. If the parties agree to extend the period of time, the transferred terms and conditions remain in place until new agreements are negotiated and made
- 8.2.5 For the purposes of the new industrial agreements the “no disadvantage” test must be based on the transferred terms and conditions of all the transferred industrial agreements (and relevant awards) that applied immediately to each individual employee prior to the transfer of employees to the new water entities. The “no disadvantage” test must be applied so as to ensure that the new industrial agreement must not, on an overall basis, disadvantage employees in relation to the terms and conditions that transferred with the employees to new water entities (that is, the conditions the employees were engaged under with the council).

8.3 Confirmation Arrangements of Employment Conditions

- 8.3.1 Prior to the commencement of the transition period, Councils shall provide each employee who is either transferring to the new water entity or remaining with Council with a certificate of accrued entitlements, which shall include the following information:
- Position (attaching a copy of recent position description) and work location;
 - Salary level, classification level and increment;
 - Allowances;
 - Any over award payments;
 - Award/agreement coverage;
 - Superannuation fund and contribution rate;
 - Hours of work;
 - Length of service;
 - Any special conditions of engagement including relevant factors relating to Career development/progression consistent with performance management plans; and
 - Details of accrued leave and other entitlements (e.g. RDO’s, TIL/TOIL)
- 8.3.2 Continuity of service
- This includes recognising a transferred employee’s entitlement to continuity of service with the Councils as if the previous service had been with the new water entities for the purposes of accruing long service, annual and sick leave. An employee remaining with Council will have their employment service continue.
- 8.3.3 Accrued Entitlements for transferred employees
- 8.3.3.1 Employees will transfer to the employ of the new water entities with no less than their existing employee entitlements. This includes, but is not limited to long service leave, annual leave, sick leave accrued in respect of their employment and service with the former Council as if the previous service had been with the new water entities.

- 8.3.3.2 In the event an employee accepts a voluntary redundancy or, after three years of the transfer, is made redundant, the employee's employment with all Queensland Councils shall count for the purposes of calculating redundancy payments.
- 8.3.3.3 Any changes to the application of transferring accrued entitlements is subject to the agreement of the parties and legal viability.
- 8.3.3.4 Where any applicable award or agreement or regulation provides for the portability of long service leave or sick leave accruals between local government entities and between local government and State government entities, this entitlement will continue to apply to the relevant employees after transitioning to the new water entities.

8.3.4 Other Entitlements

- 8.3.4.1 The parties recognise that in Water and Sewerage Operations a significant part of an employee's income is derived from overtime, on call arrangements and systematic allowances (including but not limited to Live Sewer and Work under Extraordinary Difficult or Unpleasant Conditions payments). Furthermore, the parties recognise that where on call, rostering and overtime arrangements have been established employees will have based work/life balance choices on these arrangements.

Therefore, to ensure no disadvantage to employees, financially and in terms of family/lifestyle commitments, live sewer rostering and overtime arrangements will not be changed until there has been:

- a) Consultation with relevant unions and employees; and
- b) If an agreement cannot be reached refer to the dispute resolution process.

Where formal agreement is made and an employee is disadvantaged by such a decision the provisions of this Framework (including but not limited to Income Maintenance in accordance with the terms of the Framework) will apply.

- 8.3.4.2 Where a motor vehicle or other entitlement is part of an employee's salary package (for example, the costs of the running a motor vehicle are reimbursed) or an employee has private use of a supplied motor vehicle and the benefit has been removed, then negotiated value of the benefit will form part of the employee's gross salary, or a lump sum payment as compensation will be negotiated between the employee and or their union representative and the employer.
- 8.3.4.3 All rights held by employees and applicable processes under the Workers Compensation and Rehabilitation Act 2003 continue under the new water entity. The new water entities will need to ensure their continued workers' compensation insurance coverage.
- 8.3.4.4 Employees who transfer to a new water entity will not be required to serve a probationary period or qualifying period of employment unless the employee at the time of transition is already serving a probationary period. This period must be completed in accordance with the transferred terms and conditions of employment as provided for in this Framework and the *Industrial Relations Act 1999* (QLD).

8.4 Interim period

- 8.4.1 The Framework requires that during the interim period:
- 8.4.1.1 The CEOs of Councils and the CEOs of the new water entities have a mutual obligation to ensure that the new water entities are appropriately staffed to enable them to function effectively and so that Councils may appropriately maintain their operations and perform the work if required under a Service Level Agreement.
 - 8.4.1.2 The CEOs of the new water entities are responsible for establishing the organisational structures for these entities.
 - 8.4.1.3 The CEOs of Councils are responsible for identifying the positions and potential employee occupants of those positions who will transfer to the new water entities and for identifying the positions and employees performing work under a Service Level Agreement and who will remain Council employees.
 - 8.4.1.4 The CEOs of the new water entities shall meet with the CEOs of councils to resolve, as far as possible, the employees to transfer to the new entities. The CEOs will apply their best endeavours to reach an agreed outcome as soon as possible after the appointment of the relevant new water entity's CEO.
 - 8.4.1.5 Following the above process, the ultimate decision regarding the transfer of employees will be made by the CEO of the Council.
 - 8.4.1.6 There will no forced change in work locations or relocations during the Interim Period as a consequence of this water reform.
 - 8.4.1.7 The Framework is directed at ensuring the implementation of the reform with minimal operational impact on affected workplaces.
- 8.4.2 During the interim period, a council employee may be seconded on a temporary basis to perform work in preparation for the establishment of new water entities. Existing merit recruitment and selection processes will be applied. Appointments will be made by secondment only and the employee will remain employed by the Council. The terms and conditions of the employee will be in accordance with the employing council.
- 8.4.3 Excluding the new Water Entity's Chief Executive Officer (CEO) and Executive Management Team (positions reporting directly to the CEO), all appointments made during the interim period will be temporary only and will not extend beyond the transfer date. The appointment of the CEO of the new water entity may be made in advance of the transfer date and will be in accordance with South-East Queensland Water (Distribution and Retail Restructuring) and Natural Resources Act 2009 and will be subject to an internal advertising process and may be subject to a concurrent (internal and external) advertising and selection process.
- 8.4.4 New employees engaged on a temporary basis by Councils to perform work for the preparation of the establishment of the new water entities will not be eligible to be transferred to a new water entity or will not receive notification to remain with Council in accordance with this Framework.
- 8.4.5 Councils will continue to operate the water businesses during the interim period. Until the commencement of the transition period appointments to vacant positions in Council water businesses will be in accordance with the relevant existing industrial instrument.

8.4.6 The CEOs of the new water entities will establish a new organisational structure subject to the terms of clause 8.5 no later than 2 months prior to the transmission of business to be implemented on 1 July 2010 which produces the best organisational result having regard to the number and titles and classification of positions identified to be transferred whilst minimising employee impact and taking into account advice from councils concerning existing roles, activities and employees and applying the terms of this Framework.

8.5 Identification of Employees to either transfer to new water entities or remain with council

8.5.1 (a) During the interim period Council CEOs will identify by no later than 3 months prior to transmission of business the following:

1. The number, title and classification of existing positions that will be transferred to the new water entities; and
2. The work required, and the number, title and classification of positions, that will be performed by Councils under Service Level Agreements for the new water entities.

(b) During the reform period, in conjunction with clause 8.15 (Service Level Agreements), Council CEOs, in negotiation with the CEOs of new water entities may decide within two years from 1 July 2010, to identify employees who are to transfer to the new water entities after 1 July 2010 or confirm after 1 July 2010 employees who may remain working with the Council. Therefore the identification process under 8.5.1 (a) (2) may not be completed 3 months prior to transmission of business.

This information under 8.5.1 (a) and (b) will be provided to the new water entities CEOs and the Water Reform (Distribution and Retail) Employment Consultative Committee.

8.5.2 The process of identifying employees, those transferring to the new water entities and those remaining with Councils, will be based on a consideration of Council operational requirements, the water entity's organisational structure and operational requirements and the employee's capabilities and circumstances.

8.5.3 Transferring employees will be transferred to the new water entity organisational structure developed by the CEOs of the new water entities in accordance with their existing structure and reporting lines (save for reporting to the relevant executive manager identified in the high level structure) and with entitlements as provided for in this Framework. This means that a transferring employee will not be required to apply for their position in the new water entity's organisational structure.

8.5.4 Where a Council has identified a position to transfer to a new water entity and the work for this position is performed by more than one employee, the following process will be conducted to fill the position prior to transfer.

- (i) The CEO of the Council will seek expressions of interest from interested and relevant employees to transfer to the new water entity.
- (ii) If positions cannot be filled on a voluntary basis by employees with suitable skills relevant to the position then the CEO of the Council will nominate potential employees to transfer to the new water entity based on a consideration of Council operational requirements, the water entity's organisational structure and operational requirements

and the relevant employee's capabilities and circumstances. The CEOs will then meet in accordance with clause 8.4.1.4 and with the provisions of this Framework.

- (iii) The aim of this process is to make decisions that minimise hardship to each employee and achieves operational effectiveness of both Council and the new water entities; and
- (iv) Where an employee presents evidence that the transfer to the new water entity will cause that employee undue hardship, the CEO of the Council, in consultation with the employee and their Union representative, will discuss appropriate alternatives to deal with such cases. Voluntary redundancy will be considered as a last resort.
- (v) The ultimate decision initiating any transfer of employees will be made by the Council CEO and will take effect by virtue of (refer legislation).

8.5.5 The aim of this process is to make decisions that minimise hardship to each employee and achieves operational effectiveness of both the Council and the new water entities.

8.5.6 Confirmation of notice to transfer or remain with Council

Transferring employees

8.5.6.1 Transferring employees identified to transfer to the new water entities will be notified by the new water entities one month prior to actual transfer. Refer to clause 8.3.1 for the statement of transferred conditions.

8.5.6.2 This notification will identify the position in the new water entity's organisational structure that the employee will transfer and be appointed to and confirmation that their terms and conditions of employment will be transferred and protected three years from the date of transfer.

Employees remaining with Councils

8.5.6.3 Councils are encouraged to notify employees identified to remain working with Councils under Service Level Agreements one month prior to 1 July 2010. The date nominated in the notification will be the effective date. Refer to clause 8.3.1 for the statement of transferred conditions.

8.5.6.4 Otherwise, Councils have up to two years from the 1 July 2010 to identify and notify employees working under Service Level Agreements who are to remain working with the Council. This notification will identify the employee's position and confirm that their terms and conditions of employment will be protected from the effective date nominated in the notification.

8.5.7 Confirmation of appointment to a position

New water entity organisation structure

8.5.7.1 Transferring employees will be appointed to positions in the new water entity organisation structure by transfer on the same terms and conditions of employment existing immediately prior to the transfer in

accordance with the details provided on the transfer certificate (refer clause 8.3.1).

- 8.5.7.2 If the number of transferred employees result in a surplus number of employees in the new water entity's organisational structure, the CEO of the new water entity will consider retraining and/or redeployment options.
- 8.5.7.3 The new water entity must ensure that appropriate and reasonable training and assistance is provided to transferring employees so as to support the employee and maximise job effectiveness and job satisfaction.
- 8.5.7.4 If where prior to a transfer an employee presents evidence that the transfer to the new water entity has caused undue hardship, the CEO of the new water entity in consultation with employees and their Union representative, will discuss appropriate alternatives or arrangements consistent with the provisions of this Framework to deal with such cases. Voluntary redundancies will be considered as a last resort.
- 8.5.7.5 Any grievance arising from this process should be pursued in accordance with the Dispute Resolution Procedure.

Employees remaining with Council

- 8.5.7.6 Employees identified to remain employed by Council will receive confirmation of this and the position that they will perform on the same terms and conditions of employment existing immediately prior to the date nominated in the notice to remain with Council in accordance with the details provided on the transfer certificate (refer clause 8.3.1).
- 8.5.7.7 If the number of employees identified to remain with Council results in a surplus number of employees the CEO of the Council will consider retraining and/or redeployment options.
- 8.5.7.8 The Council must ensure that appropriate and reasonable training and assistance is provided to these employees so as to support the employee and maximise job effectiveness and job satisfaction.
- 8.5.7.9 When an employee presents evidence that the change has caused undue hardship, the CEO of the Council in consultation with employees and their Union representative, will discuss appropriate alternatives or arrangements consistent with the provisions of this Framework to deal with such cases. Voluntary redundancies will be considered as a last resort.
- 8.5.7.10 Any grievance arising from this process should be pursued in accordance with the Dispute Resolution Procedure.

8.5.8 Selection and appointment process

Selection and appointment post transfer process for vacant positions within the new water entities organisational structure within 3 months following transfer shall be based on the following:

- 8.5.8.1 (a) Appointment to remaining vacant positions in the new water entity's organisational structure will be by closed merit in accordance with the following process.

- (b) Applications can be called for any vacancy from transferred employees within the specified water business areas and a 'closed merit' selection undertaken.
- (c) Recruitment outside "closed merit" will only occur when it has been determined in consultation with the consultative committee established under the new water entities that a suitable candidate does not exist with transferred employees.
- (d) Selection must continue to be made in accordance with requirements of equal employment opportunity and anti-discrimination.

8.5.8.2 New positions must be classified in accordance with classification structures within existing agreements until a new agreement is negotiated.

8.5.8.3 Any grievance arising from this process should be pursued in accordance with the Dispute Resolution Procedure within this framework.

8.6 Redeployment

8.6.1 If after the commencement of the transition period an employee is deemed to be surplus to organisational requirements, the employee may be appointed by redeployment to another position.

8.6.2 Surplus employees must participate actively in the redeployment process by making themselves available to be considered for vacancies, accepting reasonable redeployment and retraining opportunities and being proactive in searching and applying for jobs.

8.6.3 Surplus employees must be provided with appropriate and reasonable training and assistance so as to enhance redeployment opportunities and to maximise job effectiveness and job satisfaction.

8.6.4 Employees will not be financially disadvantaged when participating in any retraining, re-skilling or other reform strategies. That is, employees will receive no less than their maintained or transferred salary.

8.6.5 Redeployment at level or higher

Surplus employees may be offered redeployment to another suitable position, at the same or higher classification level, with similar terms and conditions and location. The classification and terms and conditions will be based on the employee's maintained or transferred classification level and terms and conditions.

8.6.6 Redeployment to lower level

8.6.6.1 An employee who is deemed to be surplus may be offered redeployment to a suitable position that is a lower classification level than their maintained or transferred classification level and terms and conditions. Redeployment to a suitable lower classified position can only occur by agreement. If an employee accepts redeployment to a lower level classification the employees maintained or transferred income will be maintained for a period of 12 months from the date of redeployment.

8.6.6.2 After twelve (12) months, the redeployed employee will revert to the highest pay-point of the new classification level of the redeployed position. This period can be extended by the CEO of the employer.

8.6.6.3 During the twelve (12) month income maintenance period, the redeployed employee will be considered for appointment to any position that arises with a classification level equivalent to that of their maintained or transferred classification level. If the employee is deemed to be suitable by the CEO of the employer for the position, the redeployed employee may be appointed to the position. The CEO of the employer must take into account any existing agreement provision relating to redeployment arrangements that may be more favourable than the provisions outlined in this Framework.

8.6.6.4 Where an employee accepts redeployment to a lower classification level position, and at the end of 3 months working in this position the redeployed employee is dissatisfied with the redeployed position, the redeployed employee can make a request to the CEO of the employer to be reconsidered for employment options such as redeployment to another suitable alternative position, re-training or re-skilling. If a suitable role cannot be identified after all these options have been exhausted, the employee can then be considered for a Voluntary Redundancy, in accordance with Attachment 4 of this Framework. It should be noted, that poor performance is not an excuse for Voluntary Redundancy under this Framework and should be managed in accordance with industrial agreements or policies related to poor performance. However genuine consideration must be given to the factors surrounding those cases where an employee has agreed to work in a position that is significantly different from their previous position and is experiencing difficulty.

8.7 Work Locations and Impact on Travelling Arrangements

8.7.1 As far as practicable, work locations should be maintained, as they existed prior to the commencement of the transition period. If an employer intends to change work locations of any employee to which this Framework applies, they will consult with employees and their unions prior to making any final decision regarding permanent changes to work locations. This consultation should be based on a business case justifying the change in work locations.

8.7.2 Where the employer have attempted to ensure that both operational and personal requirements are addressed, but nonetheless an employee is able to demonstrate she/he will suffer undue hardship as a result of the new work location (for example: proven difficulties for the employee to balance work and family responsibilities), Voluntary Redundancy may be offered by the relevant water entity as a last resort option following exhaustion of other redeployment options such as deployment to another position, re-training and/or re-skilling.

8.7.3 In assessing hardship, the employer will consider the impact on employees' personal circumstances, including family-life balance. The CEOs of the employer will consult with employees and Unions, prior to making any final decision regarding permanent changes to work locations and requirement for an employee to travel as a consequence of a change in work location.

8.7.4 Should an employee be required to change work locations and work at a location remote from the work location or the council workplace, the employee may be entitled to a redundancy. However, the employee will have the option to move to the new work location with the new water entity, consistent with the provisions of this Framework.

- 8.7.5 This provision will not apply to employees employed by the new water entities after the commencement of the transition period.

Travel Expenses

- 8.7.5.1 As a consequence of a change in work locations, it may be necessary for employees to travel extra distance to and from home on a daily basis to the new work location. Extra travelling can only occur where an employee can reasonably travel to and from home on a daily basis to the new work location and this does not cause undue hardship to the employee.
- 8.7.5.2 If the travelling distance is excessive and an employee is required to move residence closer to the new work location, then the employee may be entitled to relocation expenses provided for in this Framework.
- 8.7.5.2 When a employee is required to travel greater than 5 km from their previous workplace location to a new work location travelling expenses will be paid to the employee in accordance with existing industrial instruments or with the safety net provisions outlined in Attachment 3 - Definitions, whichever is the greater. This does not apply where an employee is on contract and the terms of the contract provide for the travelling expenses to travel to and from home to work.
- 8.7.5.3 Consideration shall be given to those employees who incur extra costs as a result of change in work location to the use of public transport to travel to and from home to the new work location. The employee may be required to provide evidence of any extra costs incurred as a result of the change in travelling arrangements.
- 8.7.5.4 Where a employee is required to travel greater than 5 kilometres from their previous work location to a new work location the travel will occur during the employees usual ordinary work hours.
- 8.7.5.5 Where a employee will be caused undue hardship as a result of the transfer, Voluntary Redundancy is a last resort option following exhaustion of other redeployment options such as deployment to another position, re-training and/or re-skilling. Employees will not be financially disadvantaged when participating in any retraining, re-skilling or other reform strategies.
- 8.7.5.6 This provision will not apply to employees employed by the new water entities after the commencement of the transition period.

8.8 Relocations

This provision is to be read in conjunction with clause 8.7.1

- 8.8.1 No employee will be forced to relocate for 12 months from the commencement of the transition period.
- 8.8.2 If an employee voluntarily relocates to establishes a new place of residence in order to continue to undertake the relevant duties and responsibilities at the new workplace the employee will be entitled to Relocation expenses in accordance with existing industrial instruments or Attachment 3 – Definitions; and

- 8.8.3 Up until the time the employee voluntarily relocates, the employee will be entitled to travel expenses in accordance with Attachment 3 – Definitions.
- 8.8.4 If an employee is required to establish a new place of residence after 12 months following the commencement of the transition period the employee will be entitled to Relocation expenses in accordance with existing industrial instruments or Attachment 3 – Definitions.
- 8.8.5 Up until the time an employee relocates, the employee will be entitled to travel expenses in accordance with Attachment 3 – Definitions.
- 8.8.6 If an employee agrees to relocate, they will be given up to 12 months to make the appropriate arrangements however the employee can relocate sooner than 12 months if they elect to.
- 8.8.7 Where an employee chooses not to relocate, Voluntary Redundancy is a last resort option following exhaustion of other redeployment options such as deployment to another position, re-training and/or re-skilling.
- 8.8.8 This provision will not apply to new employees employed by the new Water Entitles after the commencement of the transition period.

8.9 Voluntary Redundancy

- 8.9.1 Where an employee will be caused undue hardship as a result of the reform, Voluntary Redundancy is a last resort option following exhaustion of other redeployment options such as redeployment to another position, re-training and/or re-skilling.
- 8.9.2 The range of employment options should be fully explored for employees who are deemed to be surplus as a result of the reform. These options can include redeployment or appointment to another position.
- 8.9.3 The offering of Voluntary Redundancy packages to surplus employees should be a last resort option after all other reasonable and practical alternatives have been explored and exhausted.
- 8.9.4 The offering of Voluntary Redundancy is subject to Australian Taxation Office policy and approval.
- 8.9.5 Employees shall be reimbursed an amount of up to \$250 towards costs incurred in obtaining personal financial advice before accepting the offer of a Voluntary Redundancy.
- 8.9.6 Voluntary Redundancy packages will be in accordance with Voluntary Redundancy provisions as outlined in existing industrial instruments or contract provisions. Where no provisions exist or where they are inferior overall, the provisions outlined in Attachment 4 apply as “safety net” arrangements. Note: This means that the employee is entitled to either the provisions of their existing industrial instrument or the safety net but not a combination of both.

8.10 Consultation and Employee Engagement

Employees and/or their Union representative will continue to be consulted through this process via the Water Reform (Distribution and Retail) Employment Consultative Committee and the Water Reform Human Resource Water Consultative Committee or successor overarching body.

In accordance with the Water Reform Workforce Framework (hereafter referred to as “the Workforce Framework”), a Water Reform Employment Consultative Committee

(hereafter referred to as “Consultative Committee”) will be established for each grouping of councils that are establishing new water entities across a sub-region of South-East Queensland.

These groupings are comprised of the following constituent Councils:

- a) Brisbane City Council, Ipswich City Council, Lockyer Valley, Scenic Rim and Somerset Regional Councils
- b) Moreton Bay Regional Council and Sunshine Coast Regional Council
- c) Gold Coast City Council, Logan City Council and Redland City Council

8.10.2 Composition of Consultative Committee

The composition of the Consultative Committee will be management representatives from each of the constituent councils and each relevant union, as representatives of local government employees affected by the water reform. The Chair of the Consultative Committee will be determined by the Consultative Committee at its first meeting.

8.10.3 Role of the Consultative Committee

The role of the Consultative Committee is to:

- Ensure that the transfer of employees proceeds efficiently in all respects;
- Provide advice relating to industrial relations issues associated with the reform process including the transfer of employees.
- Provide an avenue to address any industrial and employment issues as they arise;
- Provide information on issues impacting on employees as a result of the reform process, including the transfer of employees to propose and recommend strategies for resolution;
- Ensure appropriate communication and information sharing with employees about the reform process, including the transfer of employees;
- Provide an avenue for employee consultation and for unions to represent members regarding the transition to the new water entities and the reform process;
- Liaising and communicating with the Water Reform HRCC (or successor overarching body) regarding progress and issues relating to the transfer and reform process; and
- Review the proposed positions to be transferred to the new water entities.

While the Consultative Committee is not a decision making body, recommendations to resolve issues may be made by the committee to the Water Reform HRCC (or successor overarching body).

Notwithstanding the role of the Consultative Committee, any grievances and disputes may be progressed using Clause 6 Reform Dispute Resolution Process under the Framework

8.10.4 Intention of the Consultative Committee

The intention of the Consultative Committee is to:

- actively promote the resolution of employee issues in a spirit of collaboration and cooperation through respectful discussion and problem solving; and
- provide a forum for raising employment-related issues associated with the reform process including the transfer of employees and to the interpretation and application of the the SEQ Distribution and Retail Water Reform: Workforce Framework 2009.

8.10.5 Administration of the Consultative Committee

The Consultative Committee will determine the chair at its first meeting.

The Management Representatives on the Consultative Committee are responsible for the administration and secretariat functions of the group

The Consultative Committee will ensure that an accurate record of meeting proceedings is maintained and published to local government employees affected by the water reform.

Resources, including meeting rooms, will be made available by the respective constituent councils during the term of the Consultative Committee.

All Consultative Committee meetings will be held in paid ordinary work time. Reasonable travel arrangement will be put in place so as to not disadvantage employees who attend.

Methods of communication with employees affected by the reform will be determined at the first meeting of the Consultative Committee and constituent councils will ensure that necessary resources are dedicated to assist in the agreed communication approach. Constituent councils will ensure that resources are available in order to publish the records of meetings.

8.10.6 Transformation of Consultative Committee

Following the establishment of the new water entities and the transfer of staff to the new water entities, the Consultative Committee shall be reconstituted as the Employment Consultative Committee, and water entity management representatives will replace Council management representatives and will continue in accordance with the terms established for the Consultative Committee.

8.10.7 Term of the Consultative Committee

The term of the Consultative Committee is linked to the date of the transmission of business and the transfer of employees and resources to the new water entity and thus the Consultative Committee will transform to the

Employee Consultative Committee upon the date of transmission of business and transfer of employees and resources.

In addition to the terms established for the Consultative Committee, the Employment Consultative Committee shall be responsible for the negotiation of new industrial agreements.

8.11 Union Rights and Responsibility in the Workplace

- 8.11.1 It is acknowledged that Unions perform an important role in representing employees and in assisting new water entities with the reform process, and will, therefore, be consulted as part of the reform process.
- 8.11.2 Accordingly, any officer of a Union with existing coverage in Councils will have access to the workplace to provide information, advice and representation to employees regarding the water reform process.
- 8.11.3 This right of access is subject to the Union officer notifying the new water entities CEOs or a responsible manager or equivalent person in charge and must produce the Union officer's authorisation if required.
- 8.11.4 Entry shall not be unreasonably withheld, but access and the activities undertaken thereafter shall not interrupt the normal continuity of work or business operations of Council or those of the new water entities.
- 8.11.5 Union delegates are entitled to attend union training on full pay in order to improve their effectiveness as delegates. A notice from the relevant Union confirming the details of such training may be required and leave arrangements applied in accordance with existing industrial instruments.

8.12 Contract Employees

- 8.12.1 Should the term of an employment contract for an on-going role expire during the reform period, the contract shall be re-negotiated and renewed or extended provided that the employees' performance continues to be satisfactory.
- 8.12.2 The only exception to the above, is where a short – term project contract has been made and the term of the project or short term assignment concludes.
- 8.12.3 Contracted employees shall have all contracts honoured by the new water entities as if such employees were employed by a Council.
- 8.12.4 The CEOs of New Water Entities and the Councils must take into account any contracted employees on extended leave such as long service leave and parental leave at the time the reform commences and how that may impact on the contract term.

8.13 New Employees

- 8.13.1 New permanent employees employed after the commencement of this Framework during the reform period by the councils and the new water entities will be covered by the provisions contained within the Framework in accordance with its terms. Furthermore:
 - 8.13.1.1 Terms and conditions of employment for new employees during the interim period will be set in accordance with the existing industrial agreements and arrangements of the employing Council;

8.13.1.2 Terms and conditions of employment for new employees of the new water entities during the transition period (these employees are not transferring employees as defined) will be the industrial instrument of the geographical location of the Council that the employee would have been appointed if the reform did not occur and these arrangements will continue until new industrial instruments are established for the new water entities.

8.14 Long Term Temporary/Maximum Term and Casual Employees

8.14.1 Long term temporary/maximum term employees and long term casuals who either transfer to the new water entities or who remain employed by Council will be employed on no less favourable terms than applied to their employment with the Councils with no loss of continuity of service.

8.14.2 Continued employment of temporary/maximum term and casual employees, other than long term temporary/maximum term and casuals shall be at the discretion of the CEO of the employer contingent upon, and having regard to, operational needs and the circumstances of the engagement of the temporary or casual employee.

8.15 Service Level Agreement (SLA) arrangements

8.15.1 There will be no forced redundancies of any employee affected by this reform as defined in this Framework.

8.15.2 The provisions under the Framework, including job security for a three year term, applies from the date an employee transfers to a new water entity or from the date nominated in the notification as the date the employees will continue their employment with the Council.

8.15.3 It is acknowledged that SLAs may be in operation from 1 July 2010 to assist new water entities where some business systems and processes will not be in place on 1 July 2010 when the new water entities commence operations.

8.15.4 Prior to 1 July 2010, Councils are called to identify the work under SLAs provided to the new water entities and to identify those employees performing such work and notifications will be issued to such employees to confirm:

8.15.4.1 If the work they are performing will transfer to the new water entity and if they will transfer with the work; or

8.15.4.2 If the employee is to remain working with the Council.

Employees identified to transfer to the new water entity, will be given notice of the transfer and the provisions of the Framework will apply from the transfer date.

In the case of those employees identified to remain working with the Council, the provisions of the Framework will apply from the date nominated in the notification as the date the employees will remain employed with the Council.

8.15.5 It is acknowledged that some of the new water entities may need longer to establish new systems whilst the SLA arrangements are in place and Councils may not be able to identify by 1 July 2010 the work provided to new entities under SLAs and identify employees performing such work. In these circumstances, Councils have up to two years from 1 July 2010 to implement the process and principles under subclause 8.15.4 above.

- 8.15.6 Councils and new water entities are encouraged to coordinate a common date that is suitable for each entity to issue notifications to SLA employees and to coordinate a common transfer date for SLA employees transferring to the new water entities after 1 July 2010.
- 8.15.7 It is acknowledged that the Framework provides for voluntary redundancy process for surplus employees as a last resort should the new water entities in consultation with unions review its organisational structure during the transition period. (See Clause 8.9.3 under the Framework.)

8.16 Miscellaneous

During the reform period, a transferred employee who has transferred conditions that are derived from an award, certified agreement or workplace agreement may enforce those transferred conditions under the Industrial Relations Act 1999. The *South-East Queensland Water (Distribution and Retail Restructuring)* and *Natural Resources Act 2009* also includes such a provision.

Attachment 1 - New distribution and retail water entities

1. Brisbane City Council, Ipswich City Council, Lockyer Valley, Scenic Rim and Somerset Regional Councils
2. Moreton Bay Regional Council and Sunshine Coast Regional Council
3. Gold Coast City Council, Logan City Council and Redland City Council

Attachment 2 – Councils affected by reform

Brisbane City Council

Gold Coast City Council

Ipswich City Council

Lockyer Valley Regional Council

Logan City Council

Moreton Bay Regional Council

Redland City Council

Scenic Rim Regional Council

Somerset Regional Council

Sunshine Coast Regional Council

Attachment 3- Definitions

(Unless the context dictates to the contrary, the following definitions will apply.)

Closed Merit - Merit (defined as the best person for the job) is assessed from an applicant pool made up of the transferred employees only.

Continuity of Service - The service of an employee employed by an affected local Council and who is transferred to a new water entity will have their previous service acknowledged by the new water entity employer. As such, the transfer to the new water entity will not affect the transferred employee's continuity of service.

Council – A Council listed in Attachment 2.

Employee – Any employee partially or wholly performing work for the water section of Council who either remains an employee of a Council or is transferred to a new water entity or is employed by a new water entity on or after 1 July 2010.

Employer – either a Council listed in Attachment 2 or a new water entity listed in Attachment 1.

Income – Is the weekly wage/salary of the transferred employee including all regular and systematic overtime payments, penalties and allowances.

Income Maintenance - For the purpose of income maintenance relating to redeployment, wage or salary will mean the weekly wage/salary of a redeployed employee who was receiving regular and systematic overtime payments and allowances in their former position shall be calculated as the total of their wage/salary payments (including regular and systematic overtime and allowances) received in the twelve (12) months prior to the date of the redeployment divided by 52.

Industrial Instrument and Arrangement - A contract of employment or letter of appointment, established employment practice, and if otherwise not stipulated, shall mean an award or workplace agreement (including a Certified Agreement, Preserved State Agreement – PSA, a pre-reform certified agreement, a Notional Agreement Preserving State Awards – NAPSA and Local Area Work Agreements (however named)).

Long Term Temporary/Maximum term or Casual employee - An employee engaged as a long term temporary/maximum term or casual employee of a Council who has been employed on a regular and systematic basis for several periods of employment for at least one year immediately before 1st July 2010. That is, they have worked for the same Council and undertaken the same role and function for a period of 12 months or more.

New Water Entities - New water entities will be non-Corporations Law entities as detailed in Attachment 1.

Reasonable - Having regard to the skills, experience, qualification, past work practices and work environment and shall apply to travel arrangements which shall not adversely disadvantage an employee, whether financially or by its impact on an employee's family responsibilities or personal circumstances.

Redeployment – The process whereby an employee is deemed to be surplus to organisational requirements, and consequently the employee may be offered another suitable position in the new water entity organisational structure.

Reform Period - Is both the interim and transition periods.

Relevant Employee – Is an employee with skills relevant to the requirement of the position identified to transfer and who is working in the affected area providing the services to the water business immediately prior to the transfer process.

Relocation - As a result of the reform an employee is required to establish a new place of residence in order to continue to undertake the relevant duties and responsibilities at the new water entity.

Relocation Expenses - As defined in schedule A the Attorney-General and Minister for Industrial Relations, Directive No 11/09, as amended.

Safety Net provisions - The safety net provisions provided in the Framework act as minimum terms and conditions if more beneficial than the terms and conditions of the employees engaged in affected Councils or those established by the new water entities or if such provisions are not covered.

Substantive Salary/Wages and Conditions - Is the employee's ordinary weekly earnings and shall include over award payments but shall not include higher duty payments.

Transfer –Employees will transfer and be appointed to positions in the new water entities and commence employment with the new water entities under the same terms and conditions as determined by this Framework upon the cessation of the employment with the Council. All employment of transferring employees with Councils will cease at the time they transfer to the new water entities.

Transferred/Transferring employee – A Council employee who transfers to the new water entities..

Travel expenses - Is the payment to compensate the employee for additional distance and time travelled to and from home from their former Council workplace to a new work location. The payment for the additional distance will be a rate per kilometre (in accordance with the rates set by the ATO and amended from time-to-time).

Distance - Travel expenses will be paid to an employee who is required to travel greater than 5 kilometres from the previous Council work location to a new water entity work location.

Time - Travel expenses payment will also be for any additional time taken to travel a distance greater than 5 kilometres from their former Council work location to the new water entity work location paid at the employee's ordinary time earnings.

Voluntary Redundancy - Occurs following a decision by the CEO of the new water entity that the job an employee was doing is no longer required and the employee accepts the offer of voluntary redundancy in accordance with this Framework.

Weeks pay - For the purpose of redundancy, weeks pay means an employee's ordinary time rate of pay, which shall not, unless otherwise provided for as part of an employee's industrial agreement, instrument or arrangement, include overtime, penalty rates, disability allowances, non permanent shift allowances, allowances for travel or other ancillary payments or entitlements and does not include payment for the periods of recreation leave, long service leave, the notice period or the incentive payment. The weeks pay shall include higher duties allowance if an employee was receiving higher duties continuously for six months or longer immediately prior to the transition.

Attachment 4 – Voluntary Redundancy Entitlements

1. Voluntary Redundancy packages provided by this Framework are compensation for loss of job tenure.
2. The offering of Voluntary Redundancy packages must comply with Australian Taxation Office requirements.
3. A Voluntary Redundancy package shall include the following:
 - (a) Accrued recreation leave;
 - (b) Accrued long service leave for employees who have worked for at least one year, on the basis of award entitlements (for federal award employees this being 1.3 weeks and for state award employees this being .86667) for each year of continuous service and a proportionate amount for an incomplete year of service;
 - (c) A severance payment of two (2) weeks pay per year of service and a proportionate amount for an incomplete year of recognized service paid at the employee's substantive appointed level. The minimum payment is four (4) weeks pay and the maximum is 52 weeks, provided that no employee shall receive less than the severance benefit under the Termination, Change and Redundancy Statement of Policy issued by the Queensland Industrial Relations Commission;
 - (d) Notice of termination in accordance with the transferred industrial instrument that applied to the employee; and
 - (e) Any other payments that the employee is entitled to in accordance with the transferred industrial instrument that applied to the employee.
4. Tenured part time employee's severance payment is calculated on 2 weeks full-time pay per year of service and a proportionate amount for an incomplete year of recognized service (minimum 4 weeks, maximum 52 weeks). The benefit is calculated on total full-time equivalent years of service.
5. Employees who hold two or more tenured part – time jobs shall be entitled to a severance benefit calculated only on the proportion of full-time equivalent years of service applicable to the part-time job from which they are declared surplus.
6. Incentive payments in addition to severance benefit may be offered once only to encourage employees to terminate on/by a specified date. The payment will be \$6,500 or eight (8) weeks' pay at the employee's substantive level, whichever is the greater.
7. The incentive payment reduces by the equivalent of one (1) week's pay for each week the employee delays the proposed termination date.
8. Tenured part-time employees who are offered an incentive payment shall be entitled to a proportion of the incentive payment, which will be adjusted to reflect the proportion of full-time hours worked by the employee. For example, if .5 is the proportion of full-time hours worked by an employee for the position, the incentive payment applicable be \$3,250 or 8 weeks salary, calculated at the employees usual part-time rate (ie in this example, .5) whichever is the greater.
9. Superannuation benefit is calculated according to the formula prescribed under the conditions of the superannuation scheme of which the employee is a member.

