

Annexure “D”

Media release by the Respondent dated 5 November 2012



Media Release

5.30pm, 5 November 2012

New arrangements for metropolitan fire stations

Starting today, Fire & Rescue NSW (FRNSW) will introduce measures designed to curb excessive overtime costs incurred by high levels of sick leave and absenteeism.

"With just one third of the financial year gone, nearly 70 per cent of the \$10 million 2012/13 overtime budget has already been spent. So I have decided to take steps to reduce the blow out in overtime by extending our long standing practice of moving fire fighting resources between fire stations in a responsible way," Commissioner Mullins said.

"Fire & Rescue NSW (FRNSW) has a sophisticated resource allocation model that will see firefighters from a small number of metropolitan fire stations sometimes being re-deployed to cover areas of greater need."

Commissioner Mullins advised that these arrangements will only be in place where firefighters taking sick or other unplanned leave result in minimum safe crewing levels not being met.

"The few fire stations moved to cover staffing shortfalls elsewhere in metropolitan areas, will be covered by crews from other nearby stations," Commissioner Mullins said.

The implementation of these arrangements follows the Fire Brigade Employees' Union (FBEU) rejection of alternative measures for reining in overtime costs.

"These arrangements for staffing and resource allocation will address overtime costs while ensuring that appropriate levels of fire and emergency protection are maintained.

"With nearly 100 fire stations in the greater Sydney area and a well practiced system of deploying resources when and where required, FRNSW has the capacity and the capability to routinely move fire engines to areas of higher need.

"These arrangements will have minimal impact on response times or fire services to the community and are no different to arrangements that have been standard practice for over 100 years," Commissioner Mullins concluded.

For further information see the attached Q&A sheet or view the following video:
<http://youtu.be/S58ko6H88xo>



QUESTIONS AND ANSWERS

Why is Fire & Rescue NSW pinpointing sick leave and overtime?

- Fire & Rescue NSW has the highest rate of sick leave of any government agency in the State and any fire service in Australia.
- This rate of sick leave has led to the overtime bill blowing out to \$24 million in 2011/12 – more than \$7 million over budget. With just one third of this financial year gone, approximately 70 per cent of the 2012/13 overtime budget has already been spent.
- The blow-out in sick leave and overtime is not sustainable and must be contained.

What does the overtime reduction strategy involve?

- Commissioner Mullins has decided to extend the 'century-long' long-standing practice of moving and using fire engines according to risk and need. **This practice is not new.**
- These arrangements will involve moving up resources between fire stations where firefighters taking sick or other forms of unplanned leave impacts safe crewing levels.

Why isn't Fire & Rescue NSW considering other alternatives?

- The FBEU was provided with every possible opportunity to propose alternate measures to save money and clamp down on absenteeism.
- Unfortunately these alternatives were rejected by the FBEU membership. The resource movement arrangements are a responsible use of Fire and Rescue resources.

How many fire stations will be affected?

- Only a small number of fire stations in metropolitan areas (including a very limited number of support units in Newcastle, Wollongong and the Blue Mountains areas) will be affected.
- Reduced absenteeism will obviously reduce the need for stations and firefighters to be relocated to areas of greatest need.

Why is Fire & Rescue NSW targeting overtime?

- Expenditure on overtime in July was \$2.2 million, against a budget of \$830,000. Since July, more than \$7 million of the \$10 million overtime budget has already been spent.
- Tackling overtime and sick leave will deliver immediate savings while other measures are implemented.

Won't this strategy impact on response times?

- Fire engines will still reach incidents within acceptable response times. Only a few fire stations will be included in the new arrangements. All of these are in close proximity to other fire stations.

Annexure “E”

FACT SHEET - TOLING

FACT SHEET – TOLING

When and how were TOLing arrangements first instituted?

It has always been standard practice for Fire & Rescue NSW (FRNSW) to take fire stations offline when firefighters attend training, undertake hazard reduction burns, or participate in other non-operational activities. **This has been occurring for over 100 years on a routine basis.**

Fire stations are only taken offline in areas where they can be covered by crews from an adjoining area within FRNSW response time standards, or alternatively, another fire engine and crew “stand by” while the local crew are otherwise engaged, to maintain response coverage.

Changes in 2008

In 2008 the practice of temporarily taking identified on-call fire stations offline due to staff shortages was commenced, following a decision of the Full Bench of the Industrial Relations Commission (IRC) in settlement of the 2008 Award.

One of the decisions of the IRC was that it was possible for FRNSW to temporarily take offline 32 retained fire stations when falling below minimum crewing levels (crew of 4), rather than working overtime to keep them on line, without compromising response coverage.

Retained firefighter response coverage and crewing levels.

Since the 2008 decision and introduction of the new policy, a range of retained fire stations have regularly been temporarily taken offline, without incident.

In addition to a number of regional fire stations, five retained fire stations in Metropolitan Sydney have also been taken offline at various times since the introduction of the policy:

- Merrylands
- Riverstone
- Mortdale
- Ingleburn
- Rhodes

What happens when a permanent fire station is taken offline?

Fire & Rescue NSW routinely takes 10-15 permanent stations offline in Sydney, and up to 20 fire stations can be taken offline at any one time without seriously impacting on service delivery (response time standards).

For example, on 26 September 2012 18 Sydney fire crews were offline for training and hazard reduction burns, and the average response times across Sydney that day were 7.5 minutes.

Before a permanent fire station is taken offline for training or other purposes, a risk assessment is undertaken by senior staff. The risk assessment determines whether the



station can be adequately covered by surrounding resources. If this is the case, the station can be taken temporarily offline.

In some circumstances, another fire station may be identified to 'move up' temporarily to that fire station to maintain coverage.

Has the FBEU ever taken fire stations offline?

The FBEU has been very militant in the past and has regularly engaged in industrial action, including requiring its members to attend 'stop work' meetings. This has resulted in up to 30 fire stations being taken offline, for hours at a time.

During the most recent industrial dispute on 21 June 2012, the FBEU withdrew all labour across Metropolitan Sydney, including rescue, hazmat and Triple Zero call takers, as well as most fire stations in the Wollongong and Newcastle areas. This effectively meant that more than 150 fire crews were "TOL'ed" by the union. It is therefore disingenuous of the union to claim that avoiding overtime costs at a handful of stations is dangerous.

What is proposed?

FRNSW plans to extend TOL arrangements to situations where crews are short staffed due to sick leave and other short term absences. This will enable significant savings in overtime costs.

How will the new arrangements work?

Fire & Rescue NSW is extending TOLing arrangements to situations where crews fall below the minimum level (i.e. Station Officer plus three firefighters) due to sick leave and other short term absences.

A permanent fire station will only be taken offline following a risk assessment by senior staff. The risk assessment will determine whether the station can be adequately covered by surrounding resources. If this is the case, the station may be taken temporarily offline.

In some circumstances, another fire station may be identified as a 'move up'. This means that the crew from another fire station will be temporarily deployed to that fire station to maintain coverage.

The stations that may be TOLed are mainly located in metropolitan areas, including a limited number of stations in Newcastle, Wollongong and the Blue Mountains, in locations where nearby fire stations are positioned to provide coverage within target response times. On a "normal" day, the proposed new TOL arrangements would involve far fewer stations than the up to 15 stations that are routinely taken offline for ordinary business.

Two TOLing scenarios are set out below:

Scenario 1

Leichhardt Fire Station falls below the standard minimum crewing level of Station Officer and 3 firefighters.

Fire & Rescue NSW's modelling indicates that the nearby fire stations at Balmain, Drummoyne and Pyrmont are positioned to provide adequate coverage within the target response time of ten minutes.



As a result, Leichhardt Fire Station is TOLed for the duration of the firefighter's sick leave. The remaining crew members then fill vacancies at other fire stations in the Sydney Metropolitan Area, further reducing the need for overtime.

Scenario 2

Chester Hill Fire Station falls below the standard minimum crewing level of Station Officer and 3 firefighters.

Chester Hill Fire Station is designated as a station that cannot be TOLed due to the risk profile of the local area and the limited ability of neighbouring fire stations to provide coverage.

Fire & Rescue NSW deploys a crew from Leichhardt Fire Station (which can be TOLed) to provide coverage at Chester Hill Fire Station. The remaining three crew members from Chester Hill are deployed to other fire stations in the Sydney Metropolitan area, where there are vacancies.



RECEIVED

4 APR 2013

ADMINISTRATIVE
DECISIONS TRIBUNAL

No. 123306

IN THE ADMINISTRATIVE DECISIONS TRIBUNAL)
GENERAL DIVISION)
SYDNEY REGISTRY)

BETWEEN:

FIRE BRIGADE EMPLOYEES' UNION OF NEW SOUTH WALES

Applicant

AND:

FIRE AND RESCUE NSW

Respondent

AFFIDAVIT

On 4 April 2013, I, Darren Husdell, Director of Human Resources, Fire and Rescue NSW of Level 10, 227 Elizabeth Street, Sydney NSW 2000, say on oath:

- 1 This affidavit made by me accurately sets out the evidence that I would be prepared, if necessary, to give in court as a witness.
- 2 The affidavit is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I will be liable to prosecution if I have wilfully stated in it anything I know to be false or do not believe to be true.

FRNSW

- 3 The Respondent, Fire and Rescue NSW (FRNSW), is a department of State with the duties, powers and functions set out in the *Fire Brigades Act 1989*.
- 4 I joined Fire and Rescue NSW (FRNSW) in 2010 and currently hold the position of Director of Human Resources. The duties and responsibilities of my position involves leading and directing the strategic planning and delivery of human resource services in the areas of workforce planning, health and safety, employee relations, industrial relations, performance management and union

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negotiations to ensure the effective attraction, retention, development and management of staff.

- 5 The role provides specialist advice to the Commissioner, Deputy Chief Executive and other members of the executive to support organisational reform and identify and implement opportunities for improvement. A key function of the role is to lead and direct the management of relationships with key unions, negotiate and resolve disputes, and provide advocacy in the various tribunals and courts for resolving industrial disputes (such as the Industrial Relations Commission).
- 6 I have held several executive positions at Director and General Manager level, and have extensive experience in industrial relations and human resources having worked in both the public and private sectors. Previously, I was employed as Director Industrial Relations with both the NSW Department of Education and Training and the Western Australian public service, as well undertaking work for the Northern Territory government to develop a bargaining strategy.
- 7 FRNSW is a large and complex organisation with over 14,000 employees in a number of occupational groups. Its workforce comprises 3,444 permanent firefighters, 3,795 part-time retained firefighters, approximately 7,000 community fire unit officers, and 380 trades and administrative staff. In order to manage such a large and diverse workforce, my role is responsible for the management and execution of organisational and cultural change to support and reinforce on-going change, reform and improvement.
- 8 A key part of this reform involves balancing efficient transactional functions of FRNSW with the provision of expertise and strategic HR advice and services. The position develops and leads the FRNSW industrial relations strategy and negotiates on behalf of the organisation with unions.
- 9 In providing advice, I am responsible for ensuring that management practices meet human resource policy requirements and the expectations of government, and comply with the legislative and government policy framework. This includes ensuring that negotiating parameters comply with the Government's Public Sector Wages Policy.
- 10 I am a member of the Executive Leadership Team (ELT) within FRNSW which comprises the Commissioner, Deputy Chief Executive, Deputy Commissioner and other Executive Directors. The ELT advises the Commissioner on setting strategic direction, monitors organisational performance and makes decisions on planning and allocation of resources.



The FBEU

- 11 I understand that the Applicant, Fire Brigade Employees' Union of New South Wales (FBEU), is a State Industrial Organisation registered under the *Industrial Relations Act 1996*. Virtually all fire fighters employed by FRNSW are members of the FBEU.

FBEU's application for access to government information

- 12 I understand that the FBEU has made an application under the *Government Information (Public Access) Act 2009 (GIPA Act)* to FRNSW for access to government information relating to FRNSW's possible strategies to meet the NSW Government labour expenses cap, including but not limited to the temporary off line policy (TOL Policy).
- 13 I also understand that, pursuant to a Notice of Decision dated 28 September 2012 (**Decision**), FRNSW informed the FBEU that it would release some documents in full. FRNSW also informed the FBEU that it would release other documents in part and refuse to release a number of other documents (**Withheld Documents**).
- 14 I understand that FRNSW subsequently provided access on 13 February 2013 to the FBEU a number of the previously Withheld Documents, as set out in paragraphs 2.1 and 2.2 of the Submissions.
- 15 Therefore, as at the date of this affidavit, the only documents to which access has not been provided in full are (adopting the numbering in the Schedule of Documents attached to the Decision):
- (a) Document 38 -- email from me to the ELT dated 15 June 2012.
 - (b) Document 40 -- Briefing to the Minister for Police and Emergency Services dated 9 July 2012.
 - (c) Document 50 -- email from Rebecca Burdick to Brad Scutella and Les Tree dated 17 April 2012 attaching Briefing to the Minister for Police and Emergency Services dated 17 July 2012.
 - (d) Document 79 -- email correspondence between Mark Brown and Jim Smith dated 27 July 2012.
 - (e) Document 81 -- email from Shane Kempnich to Mark Brown dated 30 May 2012.



- (f) Document 60 – email from Adam Summons, Chief Financial Officer of FRNSW, to the ELT dated 24 July 2012.

I will refer to these six documents as the "Remaining Withheld Documents."

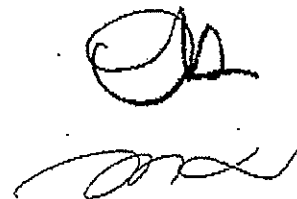
- 16 Access to the Remaining Withheld Documents has been refused in full to the FBEU on the ground that there is an overriding public interest against disclosure of information contained in each document.
- 17 Document 84 in the Schedule of Documents has been released to the FBEU with redaction of certain information contained in column 6 of the document based on there being an overriding public interest against disclosure.

NSW Public Sector Wages Policy 2011

- 18 An important context for the relevant public interest considerations against disclosure is the NSW Public Sector Wages Policy 2011 as updated in April 2012 (**Wages Policy**). Annexed to this affidavit and marked "A" is a copy of the Wages Policy.
- 19 FRNSW must comply with the Wages Policy. Paragraph 2.1 of the Wages Policy provides that it applies to all public sector agencies.
- 20 Section 3 of the Wages Policy sets out the basic framework of the policy, which is that increases in remuneration or other conditions of employment that increase employee related costs by more than 2.5% per annum can be awarded, but only if sufficient employee related cost savings have been achieved to offset the increased employee related costs (see paragraphs 3.1.3 and 3.1.4 of the Wages Policy).

Deliberative process – item 1(e) in the Table to section 14

- 21 FRNSW is involved in a continuing internal deliberative process regarding the implementation of strategies to achieve budget savings and to identify potential options for such savings, whether such measures are ultimately implemented or not. The information in the Remaining Withheld Documents concerns these ongoing deliberative processes.



Prejudice legitimate business, commercial, professional or financial interests: item 4(d) in the Table to section 14

- 22 It is a legitimate business and professional interest for FRNSW to withhold documents from the FBEU containing information relating to its industrial strategy.
- 23 Further, the current industrial award applying to permanent fire fighters will expire in February 2014. This means that in the latter half of 2013, FRNSW will commence negotiations with the FBEU as to the terms of the new award to take effect from 21 February 2014. This new award will cover such conditions as pay, rates of overtime, leave allowances and so on. Negotiations for a new retained fire fighter award are about to commence, as this award expired in February 2013.
- 24 It is a requirement for FRNSW to comply with the Government's Wages Policy when negotiating a new award. The Wages Policy specifies that Cabinet approval is required for bargaining parameters and sets out the requirements for employee related cost salary savings to fund increases and what may or may not be included in an award.
- 25 In light of the nature of the information, and in the context of the pending award negotiations with the FBEU, disclosure of the information in the Remaining Withheld Documents would have a significant prejudicial impact on:
- (a) FRNSW's ability to frankly canvass its potential options for budget savings;
 - (b) FRNSW's bargaining position vis-à-vis the FBEU, given that it would not only undermine FRNSW's bargaining position or strategy (before it was settled internally by the ELT and before it was approved by Cabinet), but the FBEU may misrepresent or selectively disclose the information and trigger industrial action; and
 - (c) the ability of FRNSW to make effective financial decisions in relation to the management of the organisation if potential budget savings strategies are effectively foreclosed by action or lobbying by the FBEU, or by other sources of political pressure.
- 26 Releasing proposed and preliminary ELT considerations in the Remaining Withheld Documents regarding initiatives to manage employee-related costs, prior to entering into negotiations with the FBEU, would prejudice FRNSW's ability to conduct award



negotiations and directly prejudice FRNSW's legitimate professional, financial and business interests.

- 27 Given the requirement for FRNSW to obtain Cabinet endorsement of its proposed bargaining parameters, the premature release of employee-related savings strategies, as contained in documents 38, 40, 50 and 60, and also options noted in document 81, would also directly prejudice FRNSW's professional standing and reputation with the NSW Government by not complying with the requirement for Cabinet endorsement before releasing the strategies to the FBEU.

Prejudice current or future court proceedings: item 3(c) of the Table to section 14

- 28 Document 60 in the Schedule of Documents contains details of discussions regarding potential labour expense savings, whether implemented or not. This is FRNSW's potential industrial strategy, and may evolve into firm industrial strategy and FRNSW's strategy for managing its involvement in IRC proceedings with the FBEU in the future.
- 29 Therefore, disclosure of document 60 would be reasonably likely to prejudice FRNSW in IRC proceedings in the foreseeable future by revealing FRNSW's industrial strategies to manage the conduct of IRC proceedings. Effectively, this would be an abuse of process.

Prejudice the effective exercise of an agency's functions: item 1(f) of the Table to section 14

- 30 FRNSW's key duties and functions (set out in the *Fire Brigades Act 1989*) relate to the protection of life and property. However, it must also comply with the directions and policies of the NSW Government concerning the management of services and expenditure within and by the agency.
- 31 FRNSW and the FBEU are regular parties to proceedings in the Industrial Relations Commission of New South Wales (IRC). Recently, they were parties to a dispute in the IRC relating to the TOL policy (being IRC proceedings 829 of 2012) (IRC proceedings).
- 32 FRNSW and the FBEU are also parties to a number of other IRC proceedings relating to disputes as to measures to be implemented by FRNSW to achieve significant reductions in labour costs growth as directed by the NSW Treasury.



industrial action taking the form of bans, strikes, limitations, and disputes before the IRC.

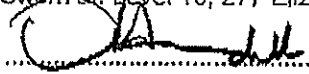
- 34 In my view, the comparatively high level of disputes is driven, in part, by misrepresentations on the part of the FBEU. For example, FRNSW recently provided information about overtime budget overruns. However, the FBEU published and circulated a distorted view of this information in FBEU's SITREP 3/2013 which is annexed to this affidavit and marked "B".
- 35 Other examples of what I see as misrepresentations include an article published and circulated by the FBEU about a delay in progressing a new disciplinary process. This is in:
- (a) SITREP 9/2013 which is annexed to this affidavit and marked "C"; and
 - (b) an article about TOLing in SITREP 2/2013 which is annexed to this affidavit and marked "D".
- 36 Disclosure of the Remaining Withheld Documents in the Schedule of Documents would be reasonably likely to prejudice the effective exercise of FRNSW's functions by:
- (a) causing a diversion of resources (both financial and in terms of personnel) from the protection of life and property to defend IRC proceedings and provide extra cover for essential services in times of work stoppages;
 - (b) causing unnecessary interruptions to the provision of FRNSW's essential services; and
 - (c) having a negative effect of the morale of FRNSW employees which detracts from the commonality of purpose inherent in the services provided by FRNSW to the community.
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I make this affidavit on oath conscientiously believing the same to be true, and by virtue of the provisions of the *Oaths Act 1900*.

Sworn at: Level 10, 277 Elizabeth Street, Sydney on Thursday, 4 April 2013

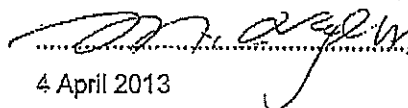
 [signature of Darren Husdell]

in the presence of an authorised witness, who states: I, Michael Najem, a solicitor of the Supreme Court of NSW with a current practicing certificate, certify the following matters concerning the making of this affidavit by the person who made it: [** please cross out any text that does not apply*]

1 *I saw the face of the person ~~OR *I did not see the face of the person~~ because the person was wearing a face covering, but I am satisfied that the person had a special justification for not removing the covering, and

2 *I have known the person for at least 12 months ~~OR *I have not known the person for at least 12 months, but I have confirmed the person's identity using an identification document and the document I relied on was~~

3 Credit Card [describe identification document relied on]

 [signature of Michael Najem]
4 April 2013

Filed By: Sparke Helmore Lawyers
Level 16, 321 Kent Street
Sydney NSW 2000

On behalf of: Respondent

IN THE ADMINISTRATIVE DECISIONS TRIBUNAL
GENERAL DIVISION
SYDNEY REGISTRY

)
) No. 123306
)

BETWEEN:

NSW FIRE BRIGADE EMPLOYEES' UNION

Applicant

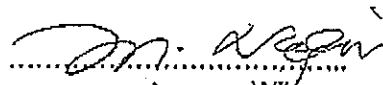
AND:

FIRE AND RESCUE NSW

Respondent

EXHIBIT "A"

This is exhibit "A" to the affidavit of Darren Husdell sworn on 4 April 2013.


.....
Witness

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NSW Public Sector Wages Policy 2011

June 2011

NSW Department of Premier and Cabinet

NSW Public Sector Wages Policy 2011

Updated April 2012

NSW Department of Premier and Cabinet

1. Introduction

- 1.1. The primary aim of this policy is to ensure better services and value for the public. In this context, the Government is committed to a policy of fair working conditions and allowing increases in remuneration and other conditions of employment that do not reduce services and are consistent with maintaining fiscal sustainability.
- 1.2. Since 1997 real average wage increases in the NSW public sector have increased by 21.9 per cent. The policy is designed to maintain the real value of public sector wages over the medium term in line with the mid-point of the Reserve Bank of Australia's target range for inflation over the cycle.
- 1.3. Employee related costs are the largest component of Government expenditure, accounting for almost half of Government expenses.

2. Application of the Policy

- 2.1. The NSW Public Sector Wages Policy 2011 ("the policy") applies to all public sector agencies ("agencies") including Public Service Departments, other Divisions of the Government Service, State Owned Corporations including their subsidiaries and independent statutory bodies.
- 2.2. The policy applies to all matters before the Industrial Relations Commission of New South Wales ("the IRC") and to any negotiations, variations, claims or offers by agencies that impact on remuneration or other conditions of employment, whether or not they are formalised in an industrial instrument.
- 2.3. For the purposes of this policy, an industrial instrument shall mean an award, agreement, common law contract or any other arrangement regulating the remuneration or other conditions of employment of public sector employees (including executives and CEOs).
- 2.4. Local agreements – including local working hours arrangements made pursuant to clause 10 of the *Crown Employees (Public Service Conditions of Employment) Award 2009* and any successor award – must also comply with the policy.
- 2.5. Provisions such as leave reserved matters that are in existing industrial instruments will continue to apply until the instruments are superseded. However, any claims arising from those provisions will be subject to this policy.
- 2.6. No offers may be made in relation to an increase in employee related costs until bargaining parameters have been approved in accordance with this policy.
- 2.7. This wages policy replaces the previous policy distributed in Memorandum M2007 – 12.

3. The Policy

- 3.1. The policy provides:
 - 3.1.1. Public sector employees are entitled to guaranteed minimum conditions of employment, as defined in this policy.
 - 3.1.2. Equal remuneration for men and women doing work of equal or comparable value.

- 3.1.3. Public sector employees may be awarded increases in remuneration or other conditions of employment that do not increase costs by more than 2.5 per cent per annum.
- 3.1.4. Increases in remuneration or other conditions of employment that increase employee related costs by more than 2.5 per cent per annum can be awarded, but only if sufficient employee related cost savings have been achieved to fully offset the increased employee related costs. For this purpose:
 - 3.1.4.1. whether relevant savings have been achieved is to be determined by agreement of the relevant parties or, in the absence of agreement, by the IRC, and
 - 3.1.4.2. increases may be awarded before the relevant savings have been achieved, but are not payable until they are achieved, and
 - 3.1.4.3. the full savings are not required to be awarded as increases in remuneration or other conditions of employment.
- 3.1.5. Awards and orders are to resolve all issues the subject of the proceedings (and not reserve leave for a matter to be dealt with at a later time or allow extra claims to be made during the term of the award or order). However, this does not prevent further variations made with the agreement of the relevant parties.
- 3.1.6. Changes to remuneration or other conditions of employment may only operate on or after the date the relevant parties finally agreed to the change (if the award or order is made or varied by consent) or the date of the IRC's decision (if the award or order is made or varied in arbitration proceedings).
- 3.1.7. Policies regarding the management of excess public sector employees are not to be incorporated into industrial instruments.
- 3.2. Paragraph 3.1.6 does not apply if the relevant parties otherwise agree or there are exceptional circumstances.
- 3.3. The relevant parties in relation to a matter requiring agreement under this section are the employer and any other party to the proceedings that is an industrial organisation of public sector employees with one or more members whose interests are directly affected by the matter.

4. Guaranteed Minimum Conditions of Employment

- 4.1. The guaranteed minimum conditions of employment are as follows:
 - 4.1.1. Unpaid parental leave that is the same as that provided by the National Employment Standards.
 - 4.1.2. Paid parental leave that applies to the relevant group of public sector employees on the commencement of this policy.
 - 4.1.3. Employer payments to employee superannuation schemes or funds (being the minimum amount prescribed under the relevant law of the Commonwealth).
 - 4.1.4. Long service or extended leave (being the minimum leave prescribed under Schedules 3 and 3A of the *Public Sector Employment and Management Act 2002* or the *Long Service Leave Act 1955*, whichever Act is applicable to the employment concerned).

4.1.5. Annual leave (being the minimum leave prescribed under the *Annual Holidays Act 1944*).

4.1.6. Sick leave entitlements under section 26 of the *Industrial Relations Act 1996*.

4.1.7. Public holiday entitlements under the *Public Holidays Act 2010*.

4.1.8. Part-time work entitlements under Part 5 of Chapter 2 of the *Industrial Relations Act 1996*.

4.2. For the purposes of achieving employee related cost savings, existing conditions of employment of the kind but in excess of the guaranteed minimum conditions of employment may only be reduced with the agreement of the relevant parties in the proceedings.

5. Definition of Employee Related Costs and Cost Savings

5.1. Employee related costs are the costs to the employer of the employment of public sector employees, being costs related to:

5.1.1. the salary, wages, allowances and other remuneration payable to the public sector employees; and

5.1.2. superannuation and other personal employment benefits payable to or in respect of the public sector employees.

5.2. Employee related cost savings are savings:

5.2.1. that are identified in the award or order of the IRC that relies on those savings, and

5.2.2. that involve a significant contribution from public sector employees and generally involve direct changes to a relevant industrial instrument, work practices or other conditions of employment, and

5.2.3. that are not existing savings as defined in paragraph 5.3, and

5.2.4. that are additional to whole of government savings measures (such as efficiency dividends), and

5.2.5. that are not achieved by a reduction in guaranteed minimum conditions of employment below the minimum level.

5.3. Savings are existing savings if they are identified in a relevant industrial instrument made before the commencement of this policy (or in an agreement contemplated by such an industrial instrument) and are relied on by that industrial instrument, whether or not the savings have been achieved and whether or not they were or are achieved during the term of that industrial instrument.

6. Additional Requirements

6.1. In addition to the requirements of the policy stipulated above, industrial instruments must conform to the following principles:

6.1.1. Government policies on workforce matters cannot be included in an agency's bargaining parameters unless approved by the Cabinet Standing Committee on the Expenditure Review ("the Expenditure Review Committee").

- 6.1.2. The Government supports all public sector employees having access to salary sacrifice arrangements for superannuation and other purposes. Agencies negotiating industrial instruments should consider including such arrangements.
- 6.1.3. In considering employment conditions, agencies should have regard to the inclusion of appropriate arrangements to allow public sector employees to balance their work and personal lives, particularly at times when they may have caring responsibilities.
- 6.1.4. New industrial instruments should not predate the expiry of existing instruments.
- 6.1.5. Remuneration and other conditions of employment must be negotiated concurrently and, where possible, contained in a single, comprehensive industrial instrument.
- 6.1.6. All awards and agreements should contain the following no extra claims clause:
- The parties agree that, during the term of this [award/agreement], there will be no extra wage claims, claims for improved conditions of employment or demands made with respect to the employees covered by the [award/agreement] and, further, that no proceedings, claims or demands concerning wages or conditions of employment with respect to those employees will be instituted before the Industrial Relations Commission or any other industrial tribunal.*
- The terms of the preceding paragraph do not prevent the parties from taking any proceedings with respect to the interpretation, application or enforcement of existing [award/agreement] provisions.*
- 6.1.6.1. Any variation from these words must be approved by the Expenditure Review Committee.
- 6.1.7. Memorandums of Understanding and other unregistered agreements are not to be entered into without the approval of the Expenditure Review Committee. Ongoing commitments in previously signed MoUs should be adhered to.

7. Examples of Employee Related Cost Savings

- 7.1. As a guide, measures from which employee related cost savings may arise include:
- 7.1.1. where they result in direct changes to the provisions of an industrial instrument or to working conditions including changes to staffing levels, human resource policies, rostering arrangements, workforce composition, work intensity or job redesign, provided they lead to savings
- 7.1.2. changes to conditions of employment which increase employee productivity and which will be realised as a cost saving
- 7.1.3. the expansion of the scope of work public sector employees perform in ways that enhance their productivity and realise savings
- 7.1.4. the agreed implementation or modification of workforce management policies which result in better utilisation of staff.
- 7.2. Examples of employee related cost savings include:
- 7.2.1. changes to rostering arrangements to better reflect customer service
- 7.2.2. increases to normal working hours that involve direct customer interaction
- 7.2.3. reduction in the days of absence allowable before a medical certificate is required