

# Workforce transition (including managing excess employees)

## Key points

- Public Service agency restructures require systematic planning that focuses on ensuring the agency has the capabilities it needs to fulfil its responsibilities.
- Voluntary redundancy programs can be an effective response to a range of challenges, including a need to reduce costs or to minimise the number of affected employees in advance of a restructure.
- An ongoing employee in the Public Service who is declared excess can choose voluntary redundancy or pursue redeployment.
- Until the release of new workforce transition rules and guidance, the existing workforce transition policies under the *Public Sector Employment and Management Act 2002* remain in place.

'Workforce transition' refers to the reorganisation of an agency's workforce associated with restructure of the agency, voluntary redundancies and managing excess employees.

The *Government Sector Employment Act 2013* (GSE Act) and the supporting regulation and rules provide the framework for managing workforce transition.

## Agency restructures

If a restructure is likely to make a significant number of employees excess, the agency is required to follow a systematic plan for the restructure that includes:

- identifying the capabilities that the agency needs to fulfil its responsibilities

- consulting with employees and unions
- considering affected employees for placement in new roles.

## Voluntary redundancy programs

An agency can use a voluntary redundancy program to respond to a range of challenges, including to reduce costs or minimise the number of employees who might be affected by a restructure.

The program will involve inviting some or all of the employees to express interest in being offered a voluntary redundancy.

A person who accepts a voluntary redundancy cannot work in the NSW public sector (as defined by the *Government Sector Employment*



*Regulation 2014*) within the period to which their redundancy payment relates unless arrangements have been made to pay back the relevant proportion of the payment.

## Managing excess employees

The head of a Public Service agency can declare an ongoing non-executive employee to be excess.

An excess employee receives an upfront choice of a voluntary redundancy package or a three month retention period during which the employee will be given assistance in seeking redeployment.

If the retention period expires without the employee having been redeployed, the agency head terminates the employment of the excess employee and the employee receives a retrenchment payment. The maximum payment will be less than half the maximum voluntary redundancy payment.

## What policies cover workforce transition?

Key workforce transition guidelines include:

- PSC Directive 2011-014, [Agency change management guidelines](#)
- PSC Directive 2011-023, [Voluntary redundancy program guidelines](#)
- PSC Directive 2011-007, [Managing excess employees](#)
- PSC Directive 2011-009, [Case management and redeployment guidelines](#).

New rules and guidance are being developed to replace these policies. In the meantime, the above policies will remain in force.

## Who is covered?

The Voluntary redundancy program guidelines apply to the government sector, which in this context does not include state owned corporations.

The other guidelines apply only to the Public Service (which does not include state owned corporations, the Health Service, the Teaching Service, the Transport Service, the NSW Police Force, or the fire fighters in Fire & Rescue NSW).

## Would you like more information?

To read the GSE Act and other supporting instruments, such as the GSE Regulation and GSE Rules, visit the [EmploymentPortal](#)

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