



Inquiry into the Fiscal Sustainability of the ACT

Answer to question on notice

Asked by: Jo Clay MLA

Addressed to: Treasurer

Redirected to: Minister for the Public Service

Reference: CED Targeted Positions

Hearing: 16 June 2026

In relation to: **CED Targeted Positions**

Question received: 15 July 2026

Answer Due: 22 July 2026

The Auditor-General noted that average fulltime employees within the ACT Public Service was 24,689 in 2021 and was 30,245 in June 2025. In QON 6 I asked if the ACT Government had modelled how many average fulltime employees they would have in the public sector over the next 3 years and you advised there were no specific year-by-year forecasts published in the Budget and each directorate managed its own budget.

Since asking this question, the City and Environment Directorate has targeted up to 130 positions for voluntary redundancy and reports state that there are more to come in other directorates.

- (1) What services or functions are ceasing as a result of the 130 voluntary redundancies?
- (2) How do you envisage the remaining staff to be able to absorb the functions of the departing staff on such a scale?
- (3) If directorates are managing this process individually, how is ACT Government ensuring that the community is not losing services it needs?
- (4) What central process is established to monitor the need for staff to provide services to the community?
- (5) What central process is established to monitor impacts of workforce changes on staff wellbeing and on service delivery?

- (6) Why did the ACT Government expand by over 20% in the previous four years?
- (7) Were the additional 5,556 positions necessary to deliver services to the Canberra community? If not, why were they created? If so, how will the ACT Government deliver these services if it reduces FTE?
- (8) Why didn't the ACT Government increase revenue to ensure it could afford the additional 5,556 positions that it created?
- (9) Is there a recruitment freeze at the moment?
- (10) Is Government taking steps to avoid creating permanent positions and if so, what is Government doing to ensure workers' rights are protected and Fair Work Act provisions are followed?
- (11) Noting union evidence to this inquiry about the compliance of contracting arrangements in the ACT Government, and noting the Minister for the Public Service's inability to confirm if arrangements were compliant or not, what steps has ACT Government taken to ensure that all temporary contracting arrangements are compliant and that worker's rights are respected?
- (12) Noting that voluntary redundancies often result in the most employable staff leaving to get a job elsewhere, and that VR often affects morale, what steps is ACT Government taking to retain good employees?
- (13) Noting that Government does not track frontline versus non frontline positions, how will Government know if these cuts affect frontline services?
- (14) Which unions were consulted on the decision to offer voluntary redundancies and at what point in the decision-making process were they consulted?

Rachel Stephen-Smith MLA: The answer to the Member's question is as follows:

- (1) The final number and profile of redundancies is dependent on both the Expressions of Interest (EOI) received and the voluntary redundancy offers made and agreed to. At this stage, no specific services or functions have been confirmed to cease as a direct result of the City and Environment Directorate (CED) voluntary redundancy (VR) program. The program is not about targeting particular jobs, teams or services. Rather, it is intended to better align the directorate's workforce with available funding, government priorities and community needs. Further consideration of resource reprioritisation and service changes, if necessary, will occur once the profile of voluntary redundancies is known.
- (2) All expressions of interest have been assessed against three criteria: public and team safety, service delivery requirements and government priorities. Maintaining service delivery and workforce capability has been a key consideration throughout the VR process. For teams affected by workforce changes, CED is committed to supporting workforce redesign, role realignment and work program reprioritisation to ensure critical services continue to be delivered safely and effectively. Consultation has been ongoing throughout the VR process and will continue with teams and Ministers.
- (3) While directorates are managing their own voluntary redundancy programs, each directorate remains responsible for ensuring it can continue to deliver government priorities and meet the needs of the community.

In CED, VRs have not been assessed solely on employee interest – instead, they have been assessed against service delivery requirements, public and team safety considerations, and government priorities. Positions have only been approved for VR where the level of impact and risk is assessed as manageable and it is appropriate to do so.

Following the VR process, CED will continue to review and prioritise work programs in line with government priorities. This may include streamlining, reprioritising or discontinuing lower-priority activities where appropriate, while ensuring resources remain focused on delivering the services that are most important to the community. CED is committed to supporting workforce redesign and service delivery adjustments where needed to address any gaps that might result from workforce changes.

- (4) The EOI process, specifically through the assessment panel, considers the impact to service delivery. Through business planning initiatives the directorate will reprioritise work programs in line with government priorities and will ensure critical services continue to be delivered safely and effectively.
- (5) Staff wellbeing is being monitored through an established WHS risk assessment. Monitoring mechanisms include increased reporting of incidents and issues through Safety Portal and the Employee Relations team. Monitoring of absenteeism rates and workers compensation case numbers for increases. Monitoring of EAP usage numbers and referral numbers to Before Blue as well as feedback opportunities for Health and Safety Representatives through scheduled meetings.

(6)(7)(8)

The ACT Public Service workforce has been growing at a sustained higher rate since the beginning of the COVID-19 pandemic. Multiple factors have influenced this growth, much of which was essential to support the community through the pandemic, and to facilitate social and economic recovery. Throughout this period the Government paused, reduced or waived fees, charges and taxes to support economic growth and business activity, and to limit the effect of cost-of-living impacts on many Canberrans.

Over this period the Government has also made significant investments to support our public hospital system in response to the pandemic and ongoing demand growth. This has had an impact of an increased workforce. The ACTPS has a robust and strong employment framework, which promotes secure employment, and many temporary positions have become permanent positions over this period. This has included the insourcing of essential frontline services, including cleaning services at public schools, public housing maintenance and other essential city services, as well as the acquisition of North Canberra Hospital.

The Government monitors the size and growth of the public service through the Budget process. In the 2025-26 Budget, the ACT Government included a multi-year Whole of Government Expenditure Reform program. Through this program, the Government will contain the rate of growth in expenditure across a range of agencies and support reprioritisation of government activities with government and community priorities. This is supported by enhanced budgetary control frameworks.

In developing each year's Budget, the Government balances its commitments to delivering high-quality services and infrastructure with the need for a sustainable and stable revenue

base. Decisions to increase revenue are informed by a range of factors, including current economic conditions, cost-of-living impacts and the Government's fiscal strategy.

- (9) No, there is not a recruitment freeze, but mobility strategies across the ACTPS are increasingly important. Directors-General will continue to implement workforce measures appropriate to their directorate, to better align staff to priority areas, reshaping the workforce to provide stability in the long term.
- (10) No.
- (11) Please refer to the response provided as part of the Inquiry into the Fiscal Sustainability of the ACT www.parliament.act.gov.au/__data/assets/pdf_file/0017/3044330/QON-05-Answer-CMTEDD-Contracting-arrangements-for-public-sector-staff-CLAY.pdf

Positions are created as required. The establishment of new roles is undertaken by way of a Smart Form which incorporates relevant elements of the *Public Sector Management Act 1994* and the *Financial Management Act 1996*. Workers' rights are further protected under the Territory's enterprise agreements, which provide for employee consultation if there are proposals to introduce changes that would have a significant effect on an employee or a group of employees.

The Territory also has a secure workforce conversion process which is provided for in enterprise agreements and complies with casual conversion and fixed term contract limitations outlined in the *Fair Work Act 2009 (Cth)*.

- (12) The CED VR process has been designed to balance workforce realignment with the need to retain the capability required to deliver services and government priorities. Not every expression of interest will result in a VR. Maintaining workforce capability is a key consideration in all decisions, and EOIs will only be approved where the directorate can continue to operate effectively.

VRs will be offered based on roles and functions – not performance. Risk assessments have been undertaken at the directorate and branch/team level (draft until impacts known – VRs assessed, notified and accepted/declined), and individual role reviews have been prepared for each role that has received an expression of interest.

Communications to CED employees have been very clear that the expectation is not that employees will need to do more with less. Rather, it is about realigning work programs, priorities and workforce capability with available funding. Following the VR process, executives will continue to review and prioritise work programs and will be supported to redesign workforces and service delivery where necessary to address capability gaps.

CED has committed to invest in its retained workforce and will retain a portion of salary savings within affected branches to support, where required, workforce redesign and capability uplift. This will help to build a sustainable workforce for the future.

CED recognises the potential impact of organisational change on employee wellbeing and morale. Support is being provided to employees through change management resources, leadership support, wellbeing materials, the Employee Assistance Program and other wellbeing initiatives to support employees and managers through this period of change.

(13) All expressions of interest have been assessed against three criteria: public and team safety, service delivery requirements and government priorities. This ensures decisions are made with regard to the operational impact of each role. CED has a good understanding of what positions are frontline roles across the organisation. EOIs associated with roles that support critical or direct service delivery have generally been assessed as ineligible, except in limited circumstances such as where a service is no longer delivered or a function has been duplicated due to historical arrangements.

(14) The following unions were notified by email of CED's intention to run a VR round on 28 May 2026:

- Professionals Australia;
- Construction, Forestry and Maritime Employees Union;
- Health Services Union;
- Electrical Trades Union of Australia, NSW Branch;
- Community and Public Sector Union;
- Transport Workers Union, NSW Branch;
- Australian Manufacturing Workers' Union;
- Australian Workers' Union, NSW Branch; and
- NSW Plumbers' Union.

Unions have been engaged throughout the EOI and assessment process. No decision on EOI Eligibility was taken until 8 July 2026. Daily, or in some weeks bi-weekly, meetings were held with the above Unions all invited.

Approved for circulation to the Select Committee on the Fiscal Sustainability of the ACT.

Signature:



Date:

30/7/26

By the Minister for the Public Service, Rachel Stephen-Smith MLA