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ACT Government City and Environment	CED Executive Leadership Group Meeting Paper

Agenda item	5
Meeting date	Meeting #4 of 2026, 20 March 2026
From	Jaime Elton, Executive Branch Manager - PSC
Subject	Excess Officers Discussion Paper – Redeployment and Voluntary Redundancy
Attachments	Attachment 1: Voluntary Redundancy Process Map

Purpose/recommended action

To provide an overview of the 'Redeployment and Voluntary Redundancy' process for discussion.

Background

1. Voluntary redundancy (VR) is a discretionary workforce management option within the ACTPS excess officer framework. It is not the default outcome and must be considered after genuine consultation and redeployment efforts, and in accordance with the Enterprise Agreement and the Public Sector Management Act.
2. The process is designed to balance organisational efficiency with employee support, while prioritising **redeployment, mobility and retention of capability** wherever possible. The People, Safety and Culture (PSC) Branch has commenced work on a mobility register and there is a whole of government (WhoG) Mobility Framework.
3. Current budget for the 2025-2026 financial year is $841,647,000. The expected budget for 2026-2027 is $778,821,000, a difference of $62,826,000. In considering **our annual staffing salaries are ≈ $452,261,335*** (based on salaries, overtime, higher duties, allowances and penalties – excluding super, compensation, parental leave and other oncosts), our **average staffing salary is ≈ $107,783**. To meet the difference, that would require **a reduction of ≈ 583 staff members** (a 14% reduction in the total workforce size). *Full employee costs are estimated at ≈ $129,162 per employee each year.
4. The below paper sets out the current WhoG process for voluntary redundancies, for discussion.
5. For any VR to take effect 1 July 2026, the process would need to be commenced by end March 2026 to account for the process outlined below.

Issues

Identification of roles to be considered excess

6. The guidance material is deliberately absent in identifying specific roles, allowing executive judgement based on business needs.

7. The business need is anchored to ***surplus to requirements and why the role is surplus.*** The framework provides further considerations:

   a. **Quantitative surplus (too many roles of the same type)**

      "A class of officers comprises a greater number than is necessary for the efficient and economical working of the directorate".

      This implies that roles performing the same or similar work at the same level may be grouped and offered VRs.

   b. **Functional or structural change**

      "The services of the officer cannot be effectively used because of technological or other changes in work methods, or changes in the nature, extent or organisation of functions".

      This implies that roles that have been affected by automation, digital uplift, operating model redesign, consolidation or centralisation, are potentially legitimate VR candidates.

   c. **Workforce reshaping to enable deployment**

      Enterprise Agreements explicitly allow VRs to be offered **outside an immediate redundancy cohort.**

      Importantly, nothing prevents the Delegate from inviting officers who are not in a redundancy situation to express interest in voluntary redundancy, particularly where such redundancy would permit the redeployment of a potentially excess or excess officer.

8. While the framework does not prescribe the type of roles that could be considered excess, they implicitly guide selection through required considerations. Roles most defensibly considered for excess are:

   a. roles in oversupplied cohorts
   b. roles tied to legacy or declining functions
   c. roles with high replaceability and low time-criticality
   d. roles where removal does not materially increase service or safety risks.

9. Understanding what roles are critical is an important foundation to making decisions around staffing, including following any VR process (see related paper).

10. There are multiple ways a VR process can be run – from an individual level through to a directorate-wide level/grouping.

11. An open VR round could be offered across the directorate. Consideration would need to be given to eligibility (eg. non-critical roles) or opening this up to the whole workforce. An open VR would have various service and operational impacts that would not be well understood until the process was run, and there would need to be clear documentation around what work would cease and which roles were critical and still required to be filled.

12. A tiered status rating could be used to determine the eligibility of whether a position is considered excess, for example:

Tier	Workforce planning implication	Excess/VR position
Tier 1 – Strategic core	Loss creates unacceptable safety/statutory risk	Protected – not suitable for VR
Tier 2 – Operational engine	Essential to daily service delivery	Strong presumption against VR
Tier 3 – Specialist support	Valuable but consolidatable	Conditional VR candidate
Tier 4 – Non-core/legacy	Low risk to discontinue	Primary VR pool

13. The following outlines the high-level steps associated with the Excess Officer – Voluntary Redundancy provisions:

a. **Organisational Change and Consultation**

i. Directorate undertakes an evidence-based review of organisational structure.

ii. Where positions may become surplus, **formal consultation** with unions commence (under Clause L of the Enterprise Agreement).

iii. Once union consultation is completed, employees are advised of:

- Potential excess impacts,
- Redeployment options, and
- The availability and dollar value of voluntary redundancy.

iv. Where multiple officers are affected at the same level, expressions of interest may be invited.

b. **Consideration period**

i. Employees have a **one-month consideration period** from the date of the offer to respond to notice of potentially excess. No notice of redundancy can be issued until this period ends.

ii. If no response is received, the employee is provided with an excess notice and a voluntary redundancy election.

iii. If a response is received, the delegate must consider before a notice of excess status is provided.

iv. The employee may nominate to shorten this one-month consideration period.

c. **Notice of excess status provided to the employee**

i. After consideration period, the delegate will invite affected officers to elect voluntary redundancy or redeployment. This election process will determine whether an offer is made no early than one month from the date of notice of excess status.

ii. Where multiple officers are affected at the same level, expressions of interest may be invited.

d. **Information and support to inform the decision**

i. To enable an informed choice, the delegate must provide advice on:

- severance pay, notice and leave entitlements

- redeployment prospects and career transition opportunities across the ACTPS.

ii. Employees are encouraged to seek **independent financial and superannuation advice.** The Directorate/Government funds up to **$1,000** for accredited financial counselling.

e. **Decision and notice**

i. If the employee accepts the voluntary redundancy, the delegate issues a notice of retirement.

ii. The notice period is **one month,** or **five weeks** I the employee is over 45 with at least two years of continuous service. (Payment in lieu of notice may apply if agreed).

f. **If voluntary redundancy is declined**

i. If an employee **does not accept** the voluntary redundancy, the employee enters the **seven-month excess retention and deployment period.**

ii. During this period, an offer of VR cannot be remade, and the employee is placed on the WhoG redeployment panel and redeployment options continues to be actively pursued.

g. **At the conclusion of 7-month retention period**

i. Once the retention period ends and the employee has **not been redeployed,** the delegate must offer the employee a **formal choice,** consistent with Enterprise Agreement provisions.

ii. **Offer a transfer to a suitable vacant position**

iii. **Reduction in classification** to a suitable lower-level vacant position

iv. **Retirement with severance (mandatory outcome if no transfer occurs)**

- If no suitable position at level is available, or a suitable position is offered and rejected, or there are no positions available at a lower level, or the employee does not agree to be reclassified, then the employee is required to **retire from the ACTPS with severance pay.**
- The severance pay is calculated as the **equivalent of the voluntary redundancy entitlement, minus the salary already paid during the 7-month retention period.**

Financial implications

14. Below is a hypothetical example demonstrating the potential savings by deploying the 'excess officer' provisions:

Indicative VR payout based on the following assumptions:

- For a mid-band officer at ~$105k with ~5 years' service and ~4 weeks accrued annual leave, an **"average" ACTPS VR payout typically lands in the $55k–$60k gross range**, before tax.
- For a Senior Officer Grade A at ~$163k with ~8 years' service and ~4 weeks accrued annual leave, and ~100 days long service leave, an **"average" ACTPS VR payout typically lands in the $150k gross range**, before tax.
- For modelling purposes, an average voluntary redundancy cost of approximately $100,000 can be assumed. (This represents a midpoint between lower-cost exits (e.g. mid-band employees with limited leave accrual) and higher-cost exits (e.g. senior employees with accrued leave entitlements).

- Based on an average voluntary redundancy cost of approximately $100,000 per employee, a workforce reduction of 596 staff would result in an indicative gross cost of **approximately $59.6 million**. Actual costs will vary by classification, length of service and leave accruals, with senior and long-tenured roles materially exceeding the average.

Benefits and sensitivities

15. **Benefits:**

- The Excess Officer and Voluntary Redundancy provisions provide a lawful and enterprise-agreed way to reduce workforce size.
- Voluntary redundancy allows staff to exit by choice rather than compulsion.
- The framework supports workforce change where roles are no longer required due to structural or functional changes.
- Redeployment can be prioritised before redundancy, helping retain critical capability across the ACTPS.
- The process includes consultation, notice, and support, which strengthens procedural fairness and defensibility.
- Voluntary redundancy can be used strategically to enable redeployment of other excess officers.

16. **Sensitivities:**

- The acceptance of voluntary redundancy is employee-driven, so the organisation cannot control who accepts an offer.
- There is a risk of losing experienced or critical capability if roles are not carefully filtered. Core to this will be understanding what critical roles exist across CED.
- Voluntary redundancy involves significant upfront costs, including severance and leave payouts.
- Savings are realised over time, while costs are incurred immediately.
- High uptake by senior or long-tenured employees can increase costs and distort workforce shape.
- Excess and redundancy processes can negatively affect morale and engagement if not well managed.
- The process is subject to close union, workforce and public scrutiny, increasing reputational risk.

Communications

17. The deployment of Excess Officer and Voluntary Redundancy provisions is likely to attract media attention focused on job losses, service impacts and severance costs. These risks can be mitigated through clear messaging that emphasises voluntariness, protection of critical services, redeployment or mobility as the first option, and the long-term sustainability benefits of workforce reshaping. Early engagement with staff and unions, and disciplined communication, are critical to managing reputational risk.

File location:
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