



The Hon Barry O'Farrell MP

Premier of NSW

Minister for Western Sydney

MEDIA RELEASE

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NEW GOVT AXES UNATTACHED LIST

The NSW Government will scrap Labor's 'no forced redundancies' policy for the NSW public service, NSW Premier Barry O'Farrell announced today.

This follows a review which found there are currently 390 excess employees in the public service – and 56 of them have not held a permanent role for at least 12 months.

Mr O'Farrell said he was appalled 25 of the employees have not had a permanent role for more than five years – but they are still being paid out of the public purse.

This includes one TAFE employee declared excess in 1995, another in 1999, and two RTA employees declared excess in 2001.

He said the time had come to end the 'no forced redundancy' agreement which allows public servants to be paid for so long without a permanent job.

"Under the previous Labor Government there was no incentive for excess public servants to find another job," Mr O'Farrell said.

"The former system allowed them to drift in limbo indefinitely – and that was bad for them, for the public service and for taxpayers.

"Naturally we want to help any public servant who genuinely wants to find a new role when their job has become redundant.

"But we are not going to stand by and allow a few public servants make a joke of the system by refusing to take any new role for years on end.

"It is costing taxpayers about \$5.3 million a year to employ the 56 public servants who have not held a permanent role for 12 months or more – and that sort has to stop."

Mr O'Farrell said Cabinet had decided to:

- End Labor's 'no forced redundancies' policy in the NSW public service;
- Shorten the period for retaining excess employees from 12 months to 3 months;
- Reduce severance payments for public servants who reject an initial offer for voluntary redundancy; and,
- Offer a one-off incentive payment of \$10,000 for current excess employees to accept a new voluntary redundancy offer – so they exit the public service within a month.

Mr O'Farrell said the new arrangements will begin on August 1.

These provisions will not impact on frontline workers such as school teachers, police, nurses, ambulance officers and rail workers who are covered by different Acts to other public servants.

"The changes are in line with the NSW Liberals & Nationals' election commitment to reform the unattached employees list.

"Excess employees will receive a fresh voluntary redundancy offer immediately.

"They must accept the offer and exit the public service within a month or they will be covered by the new policy.

"It is no longer an option for those without jobs to stay indefinitely – and be paid indefinitely."

Mr O'Farrell said the changes were estimated to save taxpayers around \$16 million a year.

"These changes will not only reduce the cost to taxpayers but they will make the public service more flexible and efficient," he said.

"Government departments will be more willing to restructure and adjust their workforces because they won't have to carry the cost of an excess employee indefinitely.

"Under the current system, the 12 month retention period can expire and nothing happens. That's why we have people on the payroll 5 years after they left their permanent role.

"We are going to bring the NSW public service into line with other businesses – and that means providing a redundancy system which is fair but sensible," Mr O'Farrell said.

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