

2.15 – REDUNDANCY. STAND DOWNS OR REDUCED WORKING HOURS IN CASE OF EMERGENCIES, PANDEMICS, FINANCIAL DISTRESS, INDUSTRIAL ACTION AND/OR OTHER UNFORSEEN EVENT CAUSING THE CESSATION OF WORK OR REQUIREMENT TO REDUCE STAFF NUMBERS POLICY

1. INTRODUCTION

The purpose of this policy is to establish a series of protocols and processes that are transparent and understood by staff, elected officials and the community when Council is required to consider redundancies or suspend work due to any event where Council needs to address financial emergencies or cessation of work due to any unforeseen issue or emergency.

2. POLICY OBJECTIVE

The policy objective is to establish a process that deals with the methodology of redundancy which is transparent and understood by staff, councillors and the community. Living and working in a small remote community creates a set of dynamics and issues that councils in Australia do not have to contend with. This policy provides a fairer methodology in terms of applying redundancies and protecting financial assets of the Council when it is subject to external or internal issues which cause financial distress. Those issues include, Pandemics, reduced airline travel and tourism, financial distress through other unforeseen events and industrial action which may suspend operations of council. This policy provides additional options for both the Council and employees to consider including: -

- Reduced working hours
- Specific sections closing instead of all the council
- Unpaid stand down provisions
- Payment of annual leave, long service leave and sick leave during stand-downs
- Options or redeployment, training for potential redundant employees
- Steps to redundancy which first commences with voluntary nominations

3. POLICY SCOPE

This policy covers the employment of all staff within the employee relations field and supplements the Enterprise Agreement 2020-2023

4. DEFINITIONS

NIL

5. LEGAL AND POLICY FRAMEWORK

Fair Work Act 2009 (Cth)

Norfolk Island Regional Council Enterprise Agreement 2020

6. IMPLEMENTATION

6.1 Communication

This policy will email to all staff and Section Leaders and Team Leaders will be requested display on notice boards. The policy will be made available on Council's website.

6.2 Associated Documents

NIL

7. POLICY

7.1 Consultation

Council is required to meet and consult with the duly elected staff consultative committee at least a minimum of 7 days prior to any announcement or decision to reduce staff numbers under any circumstance.

Council should provide all relevant information to the respective members of the staff consultative committee as well as representative Unions and such information should include all relevant financial details affecting Council and if relevant the details of the disaster or issue impacting the finances of council which create a need by the Council to consider reducing labour costs.

7.2 Pre-Existing Vacancies

If a vacancy or alternative position exists and is required to be filled for operational reasons and is vacant the employee should be considered for redeployment to that vacancy before being made redundant and Council should provide reasonable training for that candidate to be suitable for the role unless specific qualifications are required.

7.3 Future Vacancies

Employees made redundant are not precluded from applying for future vacancies that occur but selection will still be on merit.

7.4 Casuals & Contractors

For the purpose of this policy, Council will review all casual and contractor positions prior to implementing any redundancies and will reduce casuals and contractors where appropriate.

7.5 The Process Steps

7.5.1 The First Step

The First Step undertaken by Council will be to invite voluntary redundancies first and in such instance the Council will call for volunteers. This may also extend to staff who can volunteer to accept unpaid stand downs for a period of up to six months. Staff may also volunteer to reduce their working hours on an individual basis and these requests should not be unreasonably denied. This step will be advertised for 7 days.

This stage covers

- Voluntary redundancies
- Voluntary stand downs without pay up to six months
- Voluntary reduction of working hours to a 9 day or 8 day fortnight or other combination subject to mutual agreement between the employee and the Council.

Acceptance of volunteers either for redundancy, reduced hours or stand downs is subject to operational requirements and may not be approved. Management will consult with the relevant team leader.

Any employee who volunteers to stand down shall not be targeted for redundancy upon return. However this does not mean that the position could not be declared redundant and will be dependent upon the financial situations/industrial action that Council is facing at the time.

Any employee who voluntarily accepts to be stood down without pay for a period of up to 6 months will continue to have their annual leave and sick leave accrue during this period. Long service leave will similarly continue to accrue.

Any employee who voluntarily stands down on a without pay basis will be provided with priority of re-engagement over any staff who have been made redundant or over new staff but no guarantee can be provided that any other position will be available. If no position is available then the employee shall be eligible for redundancy with their annual leave, sick leave and long service accruing through this period. Redundancy clause in the Enterprise Agreement applies including redeployment and transfer to lower duties.

7.5.2 The Second Step

Council may consider a council wide reduction in hours to a 9 day or 8 day fortnight. If Council is to undertake this step a full 14 day pay period must be given in warning to the staff and those employees who do not volunteer may refuse a reduction in hours. For the purpose of this policy a reduction in hours can only be through mutual consent.

7.5.3 The Third Step

If Council need to take further steps to reduce costs, the next stage in the process is that Council will offer an option to an employee either (a) to be made compulsorily redundant or (b) accept a compulsory unpaid stand down for a period of not more than 12 months. The stand down is purely voluntary and requires the employee consent. This does not preclude Council from nominating a position for redundancy which is not considered productive or essential to Council services. If a position is nominated as non-essential or not productive, Council will declare that position redundant and no stand down provision will apply.

7.6 Overseas Redundancies

Any employee made compulsorily redundant who has been recruited from overseas defined as Australia or New Zealand only will have the cost of their relocation facilitated and paid by Council back to any location in Australia or New Zealand and Council will pay the freight forwarder and travel agent for goods and person to be returned to the nominated location subject to a maximum ceiling of \$10,000 per employee and any costs which are above that, then the employee will be required to pay the additional costs. The employee will have 90 days to exercise this option from the moment of being made redundant otherwise the claim lapses.

7.7 Individual Section Stand-Downs

There may be circumstances where through any unforeseen event an individual section or department may be required to close down completely due to a cessation of work, flights and/or cessation of tourists or goods to the island enabling departments to continue working. In such

circumstances employees may choose to be stood down for a period not exceeding 12 months without pay as an alternative to redundancy with seven days' notice.

Any affected employee who volunteers to stand down will continue to accrue annual leave, sick leave or long service leave during periods of unpaid stand downs if not made redundant or where their section or department is not permanently closed.

Affected employees who elect to have their annual leave paid out or long service leave (subject to length of service eligibility) may be paid out these entitlements during this period of stand down.

8. REVIEW AND VERSION CONTROL

Policy Number	2.15		Responsible Officer	Manager People and Culture
Effective Date	16 December 2020		Next Review Date	December 2023
Version Number	Version	Resolution No.	Effective Date	Version description
	V1	2020/216	16 December 2020	Developed and Adopted