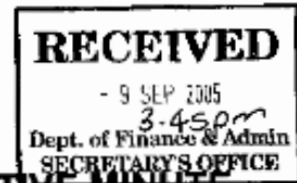




Australian Government
Department of Finance and Administration

STAFF-IN-CONFIDENCE



EXECUTIVE MINUTE

Secretary

Through:
Ms Mason

General Manager, Ministerial and Parliamentary Services

Dr Watt
It is pleasing to see this issue satisfactorily concluded.

SecCorro Number:
ISEC003891

J m
9/9/05

Completion of the review of termination entitlements by the Prior Service Entitlements Taskforce

Due Date: 14 September 2005

Heads a good conclusion

Recommendation:

That you:

- i. **note** that the Ministerial and Parliamentary Services' (M&PS) Prior Service Entitlements Taskforce (PSET) has completed the review of the termination entitlements of certain staff formerly employed under the *Members of Parliament (Staff) Act 1984* (MOP(S) Act) and the Task Force has been disbanded.

Issue:

2. PSET has completed the review of the termination entitlements of former staff employed under the MOP(S) Act who were terminated between 1 July 1998 and 30 June 2004.

Background:

3. In July 2004, the Department of Finance and Administration (Finance) received updated legal advice concerning staff employed under the MOP(S) Act whose employment was terminated. The advice states that, in certain circumstances, these staff may be entitled to payment in lieu of notice and/or pro rata long service leave (LSL) that was originally not calculated upon cessation of their employment. This legal advice followed the case of S22 who took the Commonwealth to the Australian Industrial Relations Commission on the issue of correct entitlements.

4. PSET was established on 4 August 2004 to conduct a review of the individual termination circumstances of former MOP(S) Act employees whose employment was terminated between 1 July 1998 and 30 June 2004 and assess their eligibility to receive a payment.

5. PSET identified 837 former MOP(S) Act employees for inclusion in the review. Finance wrote to all affected former MOP(S) Act employees advising them of the review and asking the employee to provide their consent to allow Finance to contact any

STAFF-IN-CONFIDENCE

Page 1 of 3

STAFF-IN-CONFIDENCE

subsequent employers to determine whether or not their MOP(S) Act employment had been recognised by these employers for LSL purposes. If their MOP(S) Act service was recognised, then no subsequent LSL payments were payable.

6. In relation to the issue of payment in lieu of notice, where the reasons for termination were not clear from the former employee's personnel file, Finance wrote to the employing Senators and Members asking if they would provide information about the circumstances of the former employee's termination. A response has now been received from all Senators and Members contacted.

7. Finance received 564 responses from former MOP(S) Act employees with 558 employees electing to be included in the review. In January 2005, Finance sent follow up correspondence to employees who had not responded to the initial advice. At the time of this report, 273 former employees have yet to respond. PSET has used all available public information sources in an attempt to contact the outstanding employees to advise them of the review. Should any of the 273 former MOP(S) Act employees subsequently contact Finance they will have their file reviewed by the HR Services team within M&PS' Client Services Branch.

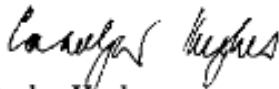
8. During the review, PSET identified 301 former MOP(S) Act employees entitled to receive an additional payment not originally calculated upon cessation of their employment. The total cost of payments made was \$1,797,729.05. The largest single payment made was \$37,328.42 (gross), with the average gross payment being \$5,972.52.

9. Interest was applied to the payment of LSL and notice entitlements. The Reserve Bank of Australia's 90-day Bank-Accepted Bill Rate, less 10 basis points was the rate used, calculated daily from the day after termination until the date of advice of payment. This rate is equivalent to the rate used on outstanding debts owed to the Commonwealth.

10. During the review, PSET identified 5 former staff members who owed an outstanding debt to the Commonwealth, with a combined total of \$2,455.94. The team ensured that all debts were recovered prior to payment being made.

Consultation:

11. A steering committee was established within M&PS at the beginning of the project. The committee comprised representatives from M&PS Legal and Contracts Branch (then known as Legal and Review), Entitlements Management Branch, Entitlements Policy Branch and Client Services Branch (then known as the Service Centre). Regular meetings were held to monitor PSET's progress and address any issues, with monthly reports provided to all committee members.



Carolyn Hughes
A/g Branch Manager
Client Services Branch
Ministerial and Parliamentary Services
9 September 2005

STAFF-IN-CONFIDENCE

STAFF-IN-CONFIDENCE**Endorsement of recommendations by Secretary:**

- i. It is recommended that you **note** that the Ministerial and Parliamentary Services' (M&PS) Prior Service Entitlements Taskforce (PSET) has completed the review of the termination entitlements of certain staff formerly employed under the *Members of Parliament (Staff) Act 1984* (MOP(S) Act) and the Task Force has been disbanded.

NOTED
Amid

I J Watt
14 September 2005

Reference: PIG04/02192
Contact Officer: S22
Telephone: [REDACTED]
Location: TB 3B.20
e-mail: S22@finance.gov.au

STAFF-IN-CONFIDENCE