

9 November 2017

Redundancy and Long Service Leave entitlements: your best protection against privatisation

The NSW Government wants WaterNSW staff to accept a substandard enterprise agreement without legally enforceable redundancy entitlements, putting in doubt millions in accrued employee entitlements and making it easier to sell the state owned corporation to private interests in future.

The Government's plan also involves changes to long service leave which would for the first time allow WaterNSW to direct staff to take Long Service Leave and lower the associated financial liability.

If the proposal is successful it means some staff WaterNSW staff (State Water Corporation staff) would be forced to relinquish their existing entitlements and accept the Government's plan to move redundancy entitlements into policy alone.

This means the NSW Government, WaterNSW or a new private provider could change, reduce or abolish the corporation's redundancy policy (Managing Excess Employees) at their discretion, leaving staff significantly worse off should they be retrenched in future.

Currently, WaterNSW staff are entitled to a maximum of 52 weeks' pay in the event that their job becomes redundant and they choose to accept an offer of voluntary redundancy.

Under the Fair Work Act 2009, staff with 10 or more years of service are only entitled to 12 weeks' pay on redundancy.

In other words, if staff accept the current mooted proposal, they risk forfeiting 40 weeks' pay.

This, combined with proposed changes to Long Service Leave, suggest to us that the NSW Government wants to lower potential employee related expenses and keep privatisation on the table as a genuine option in future years.

Current redundancy and leave entitlements provide significant financial security for all WaterNSW staff and need to be maintained in any future enterprise agreement.

They also make privatisation less attractive for a potential private provider by adding significant additional costs (liabilities) to any future sale.

Enforceable redundancy entitlements not unique in NSW public sector enterprise agreements

The NSW Government has agreed to include redundancy entitlements in other federal enterprise agreements, including the existing State Water Corporation EA, TAFE and in the Power Industry.

The Wages Task Force has not required these to be removed, as long as no new ones are introduced.

Put simply, there is no good reason why WaterNSW staff should accept anything less than the protection of their existing redundancy entitlements by law.

Don't accept a substandard enterprise agreement – demand a better deal.

Please note, all members of the Public Service Association of NSW are also members of the CPSU NSW. Members retain their membership if/when transferring between the Public Service and Government Services such as State Owned Corporations.

