

CONFIDENTIAL

Discussion Paper for NTWWC COM on implications and directions for NTWWC with termination of Community Based Employment Advisory Services (CBEAS) funding contract from the Fair Work Ombudsman (FWO) – August 2016

1. Background

NTWWC were informed in February 2016 that the CBEAS funding from the Federal FWO was a terminating budget measure and would conclude on 30 June 2016. After extensive communications and campaigning for a reinstatement of our funding alongside the other two Working Womens' Centres, FWO offered a further six month contract until 31 December 2016 for an amount of \$202,898.

The implication of this is a loss of approximately \$404,000 annually in funded revenue (not including GST).

FWO have advised that they will announce a competitive tender process in August. It is highly unlikely that, should we be successful at tender, the funds will replace what we are losing. It is also very possible that the tender may require different service models. At this stage we believe it is unlikely the tender will encompass gender-specific service delivery. It is likely to focus on migrant workers, in particular international students.

While all options for restoration of full federal funding are still being explored, as well as lobbying the NT government for additional resources, the service is faced in the short term and possible long term with operating on a significantly reduced budget.

2. Guiding principles we have been working to so far:

- That we maintain the current status of the service and continue delivering services and meeting all contract obligations until 31 December 2016;
- That all attempts be made to restore funding levels before significant organisational change affecting both NTWWC clients and staff be initiated;
- That we make all attempts to secure additional funding from the incoming NT Government, potentially attached to the Alice Springs office;
- That we make all attempts to secure alternative funding from the Commonwealth Government via the Department of Employment;
- That we tender for any available funds from FWO in August;
- That we engage a consultant to assist in developing restructure models to determine ongoing staffing requirements and service models;
- That we strive to keep the service alive, even if that ends up being in name only.

3. Now we are recommending, in addition to maintaining the above principles:

1. That we maintain operation as usual with the current staffing structure retaining all current positions until the specifics of the FWO Tender are announced and/or NTG and/or Federal commitments are solid (or until 31 December 2016 whichever comes first).
2. That we attempt in the uncertain meantime to minimise any job changes (apart from those which were already planned to finish in this time)¹ and keep organisational and technical knowledge capital within NTWWC.
3. To commence a Review/Restructuring process as soon as the decision of the Tender is announced (November/Dec) (with all preparation done beforehand as much as possible) to determine ongoing staffing requirements and service structure models. We will need this review to be done in a matter of weeks, to ensure there is time for COM consideration of the report and adequate staff consultation.
4. To work to get additional commitments from NTG prior to November (so these outcomes can be included in the restructuring plans).
5. To develop a plan and infrastructure to support the service and staff during the coming months – to ensure maximum consultation, support and transparency for staff in what will be a difficult period;
6. That the COM ensure they are fully informed of all the background information, including consultation obligations in the EA, and that they are actively involved;
7. If restructuring and redundancies are to occur, a consultation period of 4 weeks is recommended, followed by a notice period (of 2-5 weeks, depending on the length of service of the employee). This means we must factor in at least 9 weeks from the time restructuring options are explored. That we quarantine NTWWC surplus funds to fund consultation (and, if necessary notice periods) if these occur after 31 Dec. (Approximately \$50,000 per month)
8. That we aim to give notice, and only pay out notice in lieu if it is unavoidable due to time constraints.
9. That we explore all options to keep the Alice Springs office open as part of the review process, including co-location.

NB It is unfortunate but unavoidable that most of this work will need to take place in November, December and January, which are traditionally times when leave is taken and availability of COM members is low. How will we address this? It will be crucial that the Directors have access to COM support and decision making during this time.

¹ two staff positions will end on or by 31 December 2016, our Trainee Admin Officer (this position ends when her training is complete) and our fixed term ILO, whose contract terminates on 31 Dec.

Background Information for COM:

- a) current structure & staffing
- b) current operating budgets
- c) redundancy costs and surplus calculations
- d) timeframes and principles/policies re restructuring, redundancy and staff consultation

a) Current structure and structure after 31 Dec (if maintained)

Position	Level	Hours before 31 Dec	Hours after 31 Dec (assuming no additional funds)
Director – permanent	8	40 (38 plus 2 hrs for overlap as job share), Shared between AD & RU (20 each)	40 (38 plus 2 hrs for overlap as job share), Shared between AD & RU (20 each)
Additional Director hours – fixed term	8	5 (fixed term till 31 Dec 2016) AD	N/A
Senior Project Officer - perm	8	7 – RU	7 – RU
Senior Industrial Liaison Officer - perm	6	15 - AC	15 – AC
Industrial Liaison Officers – Darwin x 1 – perm	5	1x 22.8– ML (but perm position is 38)	1x 22.8?– ML (but perm position is 38)
Industrial Liaison Officers – Alice x 2 – perm	5	1x38- CP (8 of these hours are fixed term till 31 Dec 2016) 1 x 30 - unfilled	1x30- CP (would need to explore options for retaining Alice office how/whether to fill second position)
ILO – fixed term	5	15 (AH – fixed term till 31 Dec 2016)	N/A
Finance Officer	4	12 - LB	12 – LB
Admin Officer – Trainee till 31 Dec 2016 (or on completion of traineeship)	Trainee	22.5 - GT	N/A – options for admin support will need to be explored, or absorbed by current staff
Total staff & hours		8 staff – 177.3 hours	6 staff (7 if fill second Alice ILO) – 126.8 (unless ML reclaims perm hours)

b) Current wages for 2016/7 (as per draft budget and including on costs) compared with funding (estimates only):

	Jul – Dec 16	Jan – Jun 17 (without FWO contract)
NTWWC current staff wages	\$207,064 (from budget)	\$157,107 ²
Funding	\$296,994	\$93,496 (NTG only)
All other Expenses	\$94,774	\$85,280
Deficit	-\$4,844	-\$148,891

² Note this is without any admin support and without filling second Alice position

c) Redundancy calculations

Name	Years of service	unpaid mat leave	LWOP	Completed years	weeks pay	notice required	1 weeks pay	severance	annual leave - estimate	annual leave loading 17.5%	LSL \$	notice (only paid if unable to give notice)	severance + A/L + LSL + notice
Lianne Blanch	18/9/11 - 31/1/17	0	0	5	10	5	434.75	4347.5				2173.75	
Anastasia Coroneo	19/7/2010 - 31/1/17	8 months	13 mths	5	10	4	663.7	6637				2654.8	
Anna Davis	2/12/04 - 31/1/17	N/A	N/A	10+	16	5	1283.5	20536				6417.5	
Melly Lewis	1/12/08 - 31/1/17	12 months (2012), all 2014 paid		7	13	4	1523.5	19805.5				6094	
Claire Pirrett	6/3/13 - 31/1/17			3	7	4	1372.03	9604.21				5488.12	
Rachael Uebergang	17/7/02 - 31/1/17	N/A	N/A	10+	16	4	1386.18	22178.88				5544.72	
TOTALS								83109.09	50000	8750	52000	28372.89	225353

Surplus

By our calculations, we would have approximately \$117,001 in surplus at the end of December 2016, taking into account all liabilities including full redundancies (and notice), lease breaking, tender and restructure costs. This translates to approximately 2 months extended service at current service levels, subsidised by NTWWC money. Note that current service levels include FWO contract requirements which would not be applicable after 31 Dec.

d) Timeframes and principles for restructuring

All COM should be familiar with the relevant sections of the EA (extracted at the end of this paper), in particular:

- Clause 7 EA: onus on employer to consult and provide full information in writing to staff affected by proposed major change
- Clause 33.1: Notice provisions, 2-5 weeks notice required, to be paid in lieu if not given.
- Clause 34 – Redundancies. Notice must be given to the Union and employees as soon as such situation becomes apparent, but before any decision as to redundancies is actually made. The Centre must provide written info and have discussions with employees as soon as practicable. Redundancy payments as per Clause 34.3. Redundancy provisions do not apply to trainees or fixed term employees.
- If restructuring and redundancies are to occur, a consultation period of 4 weeks is recommended, followed by a notice period for any redundancies (of 2-5 weeks, depending on the length of service of the employee). This means we must factor in at least 9 weeks from the time restructuring options are explored.

When	What
End Nov	Tender outcome known (and possibility of NTG additional funding known). COM seek advice on service restructuring .
End Dec	COM receives restructuring report, considers and decides on model. Consultation period commences, Chair/COM reps meets with all staff. Staff receive restructure plan; staff are informed of redundancy options and information. Staff are reminded of counselling options under EA. Union is informed as per EA. End of FWO contract (31 st). From now on operating on NTG money plus our own funds.
End Jan	Deadline for staff to submit expression of interest for redundancy Notice period for involuntary redundancy commences Service restructure commences.
End Feb	Deadline for involuntary redundancies. Operating on NTG money only (surplus will likely have depleted) Service restructure in place

7.

CONSULTATION CLAUSE

(1) This term applies if the employer:

- (a) has made a definite decision to introduce a major change to production, program, organisation, structure or technology in relation to its enterprise that is likely to have a significant effect on the employees; or
- (b) proposes to introduce a change to the regular roster or ordinary hours of work of employees.

Major change

(2) For a major change referred to in paragraph (1)(a):

- (a) the employer must notify the relevant employees of the decision to introduce the major change; and
- (b) subclauses (3) to (9) apply.

(3) The relevant employees may appoint a representative for the purposes of the procedures in this term.

(4) If:

- (a) a relevant employee appoints, or relevant employees appoint, a representative for the purposes of consultation; and
- (b) the employee or employees advise the employer of the identity of the representative; the employer must recognise the representative.

(5) As soon as practicable after making its decision, the employer must:

- (a) discuss with the relevant employees:
 - (i) the introduction of the change; and
 - (ii) the effect the change is likely to have on the employees; and
 - (iii) measures the employer is taking to avert or mitigate the adverse effect of the change on the employees; and
- (b) for the purposes of the discussion--provide, in writing, to the relevant employees:
 - (i) all relevant information about the change including the nature of the change proposed; and
 - (ii) information about the expected effects of the change on the employees; and
 - (iii) any other matters likely to affect the employees.

(6) However, the employer is not required to disclose confidential or commercially sensitive information to the relevant employees.

(7) The employer must give prompt and genuine consideration to matters raised about the major change by the relevant employees.

(8) If a term in this agreement provides for a major change to production, program, organisation, structure or technology in relation to the enterprise of the employer, the requirements set out in paragraph (2)(a) and subclauses (3) and (5) are taken not to apply.

(9) In this term, a major change is **likely to have a significant effect on employees** if it results in:

- (a) the termination of the employment of employees; or
- (b) major change to the composition, operation or size of the employer's workforce or to the skills required of employees; or
- (c) the elimination or diminution of job opportunities (including opportunities for promotion or tenure); or
- (d) the alteration of hours of work; or
- (e) the need to retrain employees; or
- (f) the need to relocate employees to another workplace; or
- (g) the restructuring of jobs.

Change to regular roster or ordinary hours of work

(10) For a change referred to in paragraph (1)(b):

- (a) the employer must notify the relevant employees of the proposed change; and
- (b) subclauses (11) to (15) apply.

(11) The relevant employees may appoint a representative for the purposes of the procedures in this term.

(12) If:

- (a) a relevant employee appoints, or relevant employees appoint, a representative for the purposes of consultation; and
- (b) the employee or employees advise the employer of the identity of the representative; the employer must recognise the representative.

(13) As soon as practicable after proposing to introduce the change, the employer must:

- (a) discuss with the relevant employees the introduction of the change; and
- (b) for the purposes of the discussion--provide to the relevant employees:
 - (i) all relevant information about the change, including the nature of the change; and
 - (ii) information about what the employer reasonably believes will be the effects of the change on the employees; and
 - (iii) information about any other matters that the employer reasonably believes are likely to affect the employees; and
- (c) invite the relevant employees to give their views about the impact of the change (including any impact in relation to their family or caring responsibilities).

(14) However, the employer is not required to disclose confidential or commercially sensitive information to the relevant employees.

(15) The employer must give prompt and genuine consideration to matters raised about the change by the relevant employees.

(16) In this term: "**relevant employees**" means the employees who may be affected by a change referred to in subclause (1)

33.1 Notice of termination by employer

In order to terminate the employment of a permanent employee the Centre shall give the following notice:

Period of continuous service	Period of notice
1 year or less	1 week
Over 1 year and up to the completion of 3 years	2 weeks
Over 3 years and up to the completion of 5 years	3 weeks
Over 5 years of completed service	4 weeks

In addition to this notice, employees over 45 years of age at the time of the giving of the notice with not less than two years continuous service, are entitled to an additional week's notice.

Payment in lieu of the notice will be made if the appropriate notice period is not required to be worked. Employment may be terminated by the employee working part of the required period of notice and by the Centre making payment for the remainder of the period of notice.

The period of notice does not apply in the case of dismissal for serious misconduct; or to employees engaged for a specific period of time or for a specific task or tasks; or to casual employees.

34. REDUNDANCY

This clause must be read in conjunction with the Award and the National Employment Standards.

34.1 General

Redundancy shall mean a situation where the Centre is deemed to have an excess of employees because of a reduction in work available or a reduction in funds for the Centre and such reduction results in the termination of an employee or employees.

The Centre will give notice of any such situation to the union and to employees potentially directly affected as soon as such situation becomes apparent, but before any decision as to redundancies is actually made by the Centre.

The Centre shall have discussions as soon as practicable with employees potentially directly affected and with the union, and/or with any representative appointed by affected employees. Discussions shall include, amongst other things, the reasons for the proposed redundancy (or redundancies), measures to avoid or minimise the redundancy (or redundancies) and measures to mitigate the adverse effects of any redundancy (or redundancies) on employees concerned.

For the purposes of discussion the Centre shall as soon as practicable, provide in writing to employees concerned (and/or their representatives) and the union, all relevant information about the proposed redundancy (or redundancies) including the reasons for the proposed redundancy (or redundancies), the number and categories of employees likely to be affected, and the period over which the redundancy or redundancies are likely to be carried out.

34.2 Period of Notice of Redundancy

The Centre will give employees notice of redundancy in accordance with clause 33.1 of this Agreement.

34.3 Redundancy Payment

Employees are entitled to the following amount of redundancy payment, in addition to the periods of notice in clause 33.1:

Period of Continuous Service	Redundancy Payment
1 year or less	Nil
At least 1 year but less than 2 years	4 weeks pay
At least 2 years but less than 3 years	6 weeks pay
At least 3 years but less than 4 years	7 weeks pay
At least 4 years but less than 5 years	8 weeks pay
At least 5 years but less than 6 years	10 weeks pay
At least 6 years but less than 7 years	11 weeks pay
At least 7 years but less than 8 years	13 weeks pay
At least 8 years but less than 9 years	14 weeks pay
At least 9 years but less than 10 years	16 weeks pay

10 years or more	16 weeks pay
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34.4 Written Notice

The Centre shall, as soon as practicable, but prior to the termination of the employee's employment, give to the employee a written notice containing, among other things, the following;

- The date and time of the proposed termination of the employee's employment.
- Details of the monetary entitlements of the employee upon the termination of the employment including the manner and method by which those entitlements have been calculated.
- Advice as to the entitlement of the employee to assistance from the Centre, including time off without loss of pay in seeking other employment, or arranging training or retraining for future employment.
- Advice as to the entitlements of the employee should the employee terminate their employment during the notice period.

34.5 Payment in Lieu Treated as Service

If the Centre makes payment in lieu for all or any of the period of notice then the period for which such payment is made shall be treated as service for the purposes of computing any service related entitlements of the employee arising pursuant to this agreement and shall be deemed to be service with the employer for the purposes of the Northern Territory Long Service Leave Act as amended.

34.6 Transfer to lower paid duties

Where an employee is transferred to lower paid duties by reason of redundancy the same period of notice must be given as the employee would have been entitled to if the employment had been terminated and the Centre may make payment in lieu thereof of an amount equal to the difference between the former ordinary rate of pay and the new ordinary time rate for the number of weeks of notice still owing.

34.7 Employee leaving during notice period

An employee given notice of termination in circumstances of redundancy may terminate employment during the period of notice. If so, they shall be entitled to receive the benefits and payments they would have received under this clause had they remained with the employer until the expiry of the notice, but will not be entitled to payment in lieu of notice.

34.8 Job Search Entitlement

During the period of notice of termination, an employee shall be allowed up to one day's time off without loss of pay during each week of notice for the purpose of seeking other employment.

34.9 Employees exempted

The provisions of this clause do not apply to:

- employees terminated as a consequence of serious misconduct that justifies dismissal without notice;
- apprentices;
- trainees;
- employees engaged for a specific period of time or for a specified task or tasks; or
- casual employees.