

Redundancy in the Queensland Public Service 1859–1999

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Abstract

Public service employment has traditionally been perceived as secure and permanent. This security has been reduced in recent years, as economic pressures and broader public sector reforms have resulted in the redundancy of many public servants. While many consider this to be a revolutionary trend, a review of the Queensland public service demonstrates that redundancies have long been a feature of public sector employment. The nature of redundancy appears to have changed over time, with earlier redundancies being largely related to adverse economic circumstances, and more recent redundancies being less related to economic cycles than to organisational choices to restructure. The legislative provisions for redundancy have also changed and become more flexible and accessible. This combination of the change in the nature of redundancy, and the more accessible provisions, provides scope for redundancy to become a means of political dismissal.

Introduction

The recent trend toward extensive use of redundancy in public services might be seen as novel or revolutionary, in light of public perceptions of public service employment as secure and permanent. But is redundancy a new phenomenon for public services and, if not, is there a difference between its current and previous occurrence?

This paper considers these questions. It begins with a general discussion of the traditional rationale for public service employment security, and then reviews trends with redundancy in Australia in recent decades. The analysis continues through a case study of the Queensland public service employment framework, to investigate the availability of redundancy provisions and to consider whether there are changes in the use of redundancy. (Note that it is not the aim of this paper to compare redundancy or employment security between the public and private sector, only to consider its use in the public sector.)

The paper demonstrates that absolute employment security was not a fact of law, and was not a practice at various times. Redundancy provisions have long been a feature of public service employment legislation, and an option for governments. They occurred in all major periods of economic crisis and recession. Perceptions that the recent spate of redundancies is novel have perhaps arisen from the choice not to use the redundancy provisions in the long period of post-war prosperity. Analysis of the legislative provisions suggests that the nature of redundancy has changed over time. Earlier redundancies were largely related to economic circumstances and supported by opportunities for re-employment as possible. More recent redundancies in Queensland appear to be less related to economic cycles than to

organisational choices to restructure, as evident in the more flexible and accessible redundancy provisions and removal of opportunities for re-employment. There was no apparent correlation between political party and the use of redundancy, and extensive redundancies occurred under both Labor and conservative governments. The paper suggests that the change in the nature of redundancy, and the more accessible provisions, provides scope for redundancy to become a means of political dismissal.

A note on terminology: this paper uses the term “redundancy” to encompass all situations where employees lose their job through no personal act or fault, but because the employer no longer wishes the job in question done. Retrenchment is another term for redundancy (CCH 48-400), and is also used in this paper.

General analysis of public service tenure

Prior to the 1850s, public services in Britain and Australia were plagued by problems of corruption and inefficiency. A "spoils to the victor" system flourished, under which public service positions were the gift of a politician or department head (Stanton 1978:2). All civil service appointments were filled through political patronage, to meet some personal or political obligation, and usually with little consideration of the competence of appointees. There was little employment security, as each new government sought to employ its own supporters, often at the expense of existing employees (Cohen 1965:38-41; Gladden 1954:144; Jackson 1993:2).

A crisis in British administration led to the landmark Northcote-Trevelyan *Report on the Organisation of the Permanent Civil Service* in 1853, which provided a blueprint for the transformation from a patronage system to a career service model. The Report noted that government:

could not be carried on without the aid of an efficient body of **permanent** officers ... possessing sufficient **independence**, character, ability, and experience to be able to advise, assist, and to some extent, influence, those who are from time to time set over them. (my emphasis)

Public services were reformed to foster a politically neutral career service in line with Westminster traditions. The major elements of the career service model included: standardised conditions of employment; administration by an independent agency; merit-based recruitment through competitive examination; merit-based promotion; a code of rights and protections; and adherence to the principles of a career service (such as employment security). These conventions were adopted in Australia, and were the standard model for public service employment until the 1980s (Caiden 1965).

The traditional requirement for officers to be **permanent** and **independent** recognised the political nature of the public service work environment, and was a major difference from private sector employment relations. Tenure was not just a good employment practice, but also an important element of an integrated career

service model, essential for effective policy development and service delivery in a political environment. Employment security enabled a professional and impartial public service to provide frank and fearless advice without fear of dismissal. A non-partisan public service was able to serve any government, and did not need to be dismissed upon a change of government. Significant appeal processes assisted to protect against political dismissal, and ensure that dismissal was only for purposes of misconduct or inefficiency, and not for political or other inappropriate grounds. Writers in the 1980s and 1990s generally agreed that employment structures had made it difficult to remove public service employees (Gardner 1993:138; McCallum 1984:23; McCarry 1988; McCarry 1994; Wilenski 1986:205).

These views have led to surprise at the recent spate of redundancies in public services, and perceptions that they are novel. However, the public service is not alone in its experience. In the last two decades, employment security across industries has declined in comparison to the period of relative employment security in the 1960s and 1970s. Changes to the labour market have “rendered almost obsolete the conventional notion of a full-time, permanent job carried out for most of one’s working life” (ACIRRT 1999:126). In some cases these changes have resulted in part-time or temporary jobs rather than full-time permanent jobs (which is beyond the scope of this paper), and in other cases this has led to the redundancy of full-time permanent employees, who are forced to change careers. These changes were initially related to economic pressures and unemployment, but have now become almost a permanent feature of the economic landscape:

In the case of organisational restructuring, large numbers of jobs were lost purely through management decisions about the future shape of the organisations. The state of the business cycle had little to do with this process of organisational change, though managers often took advantage of business downturns to implement their strategies for change (ACIRRT 1999:147).

The sacking of workers in these circumstances was referred to in sanitised terms as “down-sizing” and later “right-sizing”(ACIRRT 1999:147-8). Littler et al (1997:66) agreed that, while “downsizing” is not a new phenomenon, several aspects of it are new:

The targets of downsizing changed in the 1980s: from blue-collar workers in the 1960s and 1970s to white-collar workers and middle managers in recent years. Second, past lay-offs were reactive phenomena: a reaction to economic crisis was typically plant closures. Now, downsizing is disassociated from the business cycle and is just as likely to be a proactive phenomenon. Third, associated with the above, downsizing is seen to be a restructuring strategy with intent to achieve a new organizational structure or a new level of competitiveness.

These changes have been matched to some small extent by industrial changes. The ILO *Termination of Employment Convention 1982 (No 158)* provides basic standards in relation to termination of employment, requiring a valid reason for the dismissal, and the ability to challenge dismissal before an impartial body. The 1984 *Termination, Change and Redundancy (TCR)* decision expanded the range of obligations related to dismissal, including consultation and notification

requirements, and severance payments. Similar state legislation was progressively introduced, although these protections have since been watered down (Creighton and Stewart 2000:291).

By the mid-1990s, the public sector was a leader in downsizing. For ideological and economic reasons, governments have altered traditional forms of public administration and reduced the size of government through methods such as privatisation, outsourcing, contracting and commercialisation. Together with general organisational restructuring, these reforms have led to increased redundancies. As in the private sector, redundancies first occurred amongst blue-collar workers in public sector authorities and utilities, and then spread to white-collar workers and middle managers (Littler 1997 in ACIRRT 1999:147-8).

Creighton and Stewart (2000:331) suggest that the reduction in safeguards against termination in public employment is a recent phenomenon:

As with other distinctive aspects of public sector regulation, the protections have in recent times been diminished or even abrogated by conservative governments intent on introducing private sector standards and practices in the public sector.

McCarry challenges this notion of a decline in traditional public employment rights:

Retrenchments on the scale which has occurred could not have been imagined until about a decade ago. So the workers' security of employment, their tenure, seems to have declined. Yet in legal terms, tenure in the public sector has not died. In legal terms it never existed. In general, there has always been at least adequate and often ample power to terminate the services of public sector workers. In fact, in some services, the state of the law was such that employees had less legal security than workers in the private sector (McCarry 1994:138).

Further, McCarry suggests that even if tenure had been legislated, this was only a provisional protection as governments can change the rules "unilaterally by a stroke of the legislative pen". The changes to legislation have not been as radical as the number of retrenchments might suggest, although the existing provisions have been simplified and strengthened. Rather, the increase in redundancies may be the result of the preparedness to abandon previously unarticulated assumptions and expectations, and "tear up ... the implicit contract" (McCarry 1994:144,149).

Case Study – Queensland Public Service

This paper considers these concepts of redundancy in a case study of the Queensland public service. The time period of the study is from the establishment of the colony in 1859 until the reforms of the late 1980s and 1990s. It draws primarily on public service legislation and annual reports. Statistics were available for some of the earlier periods, but unfortunately were not as readily available in later periods. Public services include employees of all skill and classification levels, and the redundancy figures do not identify which cohorts were targeted by various redundancy exercises, and secondary sources are used to speculate on this as and when possible.

The case study confirms McCarry's argument that employment security was never a legislated right and, on the contrary, there has always been scope for redundancy. In times of economic crisis, these provisions were used extensively. The case study also supports Littler et al's contention that the nature of redundancy has changed from being a purely economic response to being a broader organisational strategy.

Civil Service Act 1863

Redundancy provisions were available from the very beginning in the Queensland public service. In 1860, the first Governor of Queensland claimed to support the British public service conventions of merit and tenure. The *Civil Service Act 1863* aimed to establish "an equitable and uniform system of appointment promotion and dismissal". It provided for redundancy in cases of abolition of office:

When the services of any officer are dispensed with in consequence of the abolition of the office he holds or otherwise and not through any fault of his own he shall as compensation receive for each year of service on month's salary according to the rate paid him at the time of such abolition and a proportionate sum for any additional period less than a year (s.8).

The new concept of tenure was under threat in the late 1860s. The Act was criticised as almost taking "control of the officers out of the hands of Government". Many parliamentarians argued against tenure as encouraging public servants to believe they could do anything they liked, and that removal of tenure would solve all performance problems. Others reiterated the reasons for maintaining a permanent apolitical civil service, rather than the roundabout of the US spoils system where old servants were turned out upon each change of government. They suggested that performance problems were not caused by the Act but rather bad appointments and lack of supervision (QPD 18 April 1866:56-60; 15 June 1869:333-339). However, politicians bowed to public pressure by retrenching and dismissing civil servants (Caiden 1965:38). The *Civil Service Acts Repeal Act 1869* rescinded the 1863 Act and public service unemployment was unregulated for the next 20 years.

Civil Service Act 1889

While there was no spoils system or definite cycle of expansion and retrenchment, public servants were worried about their lack of rights, and campaigned successfully for review and reform (Caiden 1965:48). An 1889 Royal Commission reported that the ad hoc system was ineffective, and that legislation was required (Royal Commission 1889:24).

The new *Civil Service Act 1889* protected against any harsh or political decisions, but still provided for retrenchment:

no officer in the Service shall be dismissed therefrom or suffer any other penalty in respect thereof except in the manner set forth in this act; but nothing herein contained

shall be taken to prevent the Governor in Council reducing the number of officers in any department, or dispensing with the services of any officers.... (s.33)

It attempted to ameliorate this situation by providing for re-employment of retrenched officers:

Any competent officer whose services may be dispensed with through no fault of his own, but in consequence of the reduction of the number of officers in any Department ... shall ... have a prior claim to re-appointment without examination when a vacancy occurs in any branch of the Service in the same class in which he was last employed. (s.71)

Tenure was compromised by the financial depression of the early 1890s. The new Civil Service Board had to defend itself against public criticism. In its first year of operation, amidst criticism that it had made “haphazard retrenchments”, it noted the dilemma of balancing the need to reduce expenditure against its reluctance to discharge “old and well-trained officers” during a depression, when alternative work was unlikely to be available. It considered that the Legislature anticipated gradual improvement of efficiency through administration of the new Act, and that natural attrition would achieve the required reductions in officers and salaries (Fraser 1958:3; CSB 1890:12). By 1893, the depression had become more severe, and criticism of the Board escalated. It struggled to highlight its efforts to assist in expenditure reduction, outlining discussions with departments that had failed to identify budget reductions (Ministerial Letterbooks Fol: 40, 90). Notwithstanding the public criticism, many officers were retrenched during this period. Table 1 demonstrates that 265 officers, approximately 16% of the workforce, were retrenched between 1890 and 1895, with peak retrenchments of 6.08% in 1891 and 5.83% 1893. This is compared to generally low rates of voluntary turnover. There is no data available to indicate the classification level of those made redundant.

Table 1 Redundancy in the Queensland Public Service from 1890-1895

Year	Total Workforce	Redundancies		General Turnover / Resignations	
		Number	%	Number	%
1890	1759	34	1.93%	24	1.36
1891	1660	101	6.08%	40	2.41
1892	1634	22	1.35%	16	.98
1893	1544	90	5.83%	14	.91
1894	1555	15	0.96%	8	.51
1895	1582	3	0.19%	8	.51
		265		110	

Source: CSB Annual Reports 1890-1895

The Board made significant efforts to follow the re-employment provisions under the Act (CSB 1891:6; 1893:3). A list of retrenched officers was maintained, and many were re-employed from 1890-1892, with fewer re-employed in the worst stages of the depression from 1893-1895 (*Register of Officers Eligible for Re-employment*). In addition to retrenchments, the *Special Retrenchment Act 1893* reduced salaries by 10% and was described as an “unnecessarily harsh thing” (Bernays 1919:134-136). The depression hit all colonies hard. Caiden noted that, at first, governments made the public

service a scapegoat, stopping projects, reducing salaries and removing conditions, but eventually they had to accept the necessary costs of administration and the advantages in efficiency and morale to be gained from orderly personnel practices (Caiden 1965:42).

Public Service Act 1896

The *Public Service Act 1896* largely repeated the 1889 Act provisions. It continued the previous limitations on dismissal of employees, notwithstanding the Governor-in-Council's right to downsize and retrench (s.40), and the provision to re-employ retrenched officers where possible (s.51). The lack of superannuation provisions meant that there were many older employees in the service who could not be retired without inflicting hardship (PSB 1899:6).

Patronage began to increase in this period (Scott et al 2001:55). Temporary employment was a means of circumventing strict merit selection processes, and while the number of temporary employees had been reduced in the early 1890s due to the depression, it began to escalate again after 1896 (QPD 22 October 1896:1263). The Board was unable to resist political interference and was over-ruled by the Government on salary and appointment matters (Caiden 1965:48; PSB 1899:3). Premier Dickson supported patronage, endorsing the view that individuals who had supported his government should have first call on any vacancies in the public service (Scott et al 2001:55). The Government's predisposition toward political patronage in recruitment may have extended to retrenchment, and it is *possible* that retrenchments were not just used for economic purposes, but also as a disguise for political dismissals.

Public Service Act Amendment Act 1901

The redundancy provisions continued in the *Public Service Act Amendment Act 1901*. This period saw a radical change in public sector management, with the Public Service Board functions being taken over by the executive. This was the antithesis of the convention of removing personnel decisions from political interference.

As in previous periods, tenure was affected by adverse economic circumstances in this period. The *Special Retrenchment Act 1902* led to further wage reductions and redundancies. Table 2 demonstrates that 127 officers were retrenched between 1902-1905, peaking at 7.3% in 1902, and totaling more than 16% of the workforce over a four-year period. [Note that the transfer of officers to the new federal public service had reduced the total workforce in 1901.] It is of interest that, despite the retrenchment of nearly 16 percent of the workforce, there was only an overall reduction of 3.6% of the workforce. While this might be explained in a number of ways, including a lack of service-wide planning and redeployment, it also raises questions regarding the genuine need to retrench these positions and officers. There

was also a higher percentage of “voluntary” turnover than in the previous economic downturn of the 1890s, which also challenges the need for retrenchment, and perhaps suggests that there were other than economic motives for this period of retrenchment under the politically managed Board.

Table 2 Redundancies in the Queensland Public Service from 1902-1905

Year	Total Workforce	Redundancies		General Turnover/ Resignations	
		Number	%	Number	%
1902	794	58	7.3%	37	4.66
1903	788	33	4.19%	28	3.55
1904	765	33	4.31%	28	3.66
1905	785	3	0.38%	24	1.78
		127	16.49%		

Source: PSB Annual Reports 1902-1905

The Board claimed to regret such severe measures and, where possible, retrenched officers were re-appointed as suitable temporary or permanent vacancies occurred (PSB 1904:4). The position began to improve after 1904, and subsequent Board Annual Reports indicate small numbers of re-admissions.

The legislation restricted the circumstances in which temporary employment could be used. Excessive use of temporary employment outside of these legislated circumstances continued to be a difficulty and, in 1904, the Board was again urging departments to make permanent rather than temporary appointments (PSB 1904:4). As discussed earlier, this predisposition toward patronage may have resulted in retrenchments being used for political as well as economic purposes.

Public Service Act 1922 - 1987

The *Public Service Act 1922* significantly reshaped public sector employment through enhancement of the career service conventions, and operated largely unchanged until the end of the 1980s. Labor Governments held office throughout most of the early part of this period, except for the conservative Moore Government from 1929 to 1932 during the peak of the depression. Conservative governments held office throughout the latter part of period, from 1957-1987, with the National Party as the senior coalition partner until 1983, but governing in its own right until 1989.

The 1922 Act continued a provision for redundancy, but through regulation rather than legislation. The Act provided that the Public Service Commissioner could make regulations for a range of purposes, with one of those purposes being the transfer, demotion or redundancy of surplus officers:

Where a greater number of officers is found to be employed in any department than ... necessary for the efficient working thereof, providing as circumstances require for the transfer of any officer who is in excess to another office of equal classification and salary; or if no such office is available, to an office of lower classification and salary or either of

them; or for his retirement if he cannot be usefully and profitably employed elsewhere in the Service [s.51 (1)(iv)].

The subsequent 1923 Regulations (r.108) carried almost identical wording to the Act, and remained materially unchanged until 1988 (Howatson 1988:18).

The 1922 Act continued the provision to re-appoint retrenched officers without examination or probation:

On the recommendation of the Commissioner, any person having at any time, either before or after the commencement of this Act, retired from any office in the Public Service shall, if not more than sixty years of age, be eligible for appointment by the Governor in Council to the Service without examination, and also, if so recommended, without probation. [s18(3)(iii)].

Patronage through temporary appointments continued. The primary public service union, the General Officers Association (GOA) noted that these were mainly ministerial/political appointments, and questioned the point of having rules on age and qualifications for admission if anyone could enter by a side door (GOA Sept 1919; Oct 1920; Sept 1921). Nonetheless, the 1922 Act allowed considerable scope for patronage and/or evasion of merit through continued loose provisions for temporary employment that allowed indefinite temporary employment in some circumstances [s.18(3)(v)]. Unlike permanent recruitment, departments had considerable autonomy in temporary employment, which made permanent heads susceptible to politician's requests for favours (Howatson 1988:9). As in earlier periods, this disposition toward patronage made it possible that retrenchments were used for political as well as economic reasons.

In the early 1920s, under the Theodore Labor Government, there were significant economic difficulties and numerous public service retrenchments (Whitehouse and Wiltshire 1987:51-52). By 1920, Queensland's unemployment of 16% was more than double the Australia-wide figures. There were further round of wage reductions and retrenchments, with nearly 600 public servants retrenched in the 12 months to June 1922 (Scott et al 2001:88), representing approximately 8% of the workforce. In 1924, the Public Service Commissioner warned departments that they should be strongly staffed and avoid the false economy of "misguided cheeseparings" (PSC 1923:33). However by November 1927, department heads were advised that the government was "financially embarrassed", and there was a need to reduce expenditure (PSC 1928:10).

In 1929, the conservative Moore Government came to power at the same time as an economic crisis of unparalleled severity. Dissatisfied with the Industrial Court decision to cut salaries by 6%, the Government introduced its own *Salaries Act 1930*, cutting public service salaries by 10%-15% in 1930, and a further 5% in 1931. The Government defended these measures as better than retrenchment and unemployment. [By 1932, the seven state governments had reduced their public service salary bills by more than £10 million, with Queensland achieving a 15.1%

reduction.] The Public Service Commissioner applied these measures as gently as possible, and found savings in contingency expenditure, which enabled a graduated scale and timing of salary reductions (Fraser 1986:8; Lack 1961:64,78,99,106,109; PSC 1931).

The post-war period was one of economic prosperity – public service employment continued to grow, and there was little need to use statutory powers to reduce government activities or staffing levels (McCarry 1994:150). The policy of the government from the 1940s until 1988 was to guarantee that officers would not be retrenched, and reductions in staff numbers were achieved by natural attrition (Howatson 1988:18). No doubt it was this long period of prosperity, without retrenchments, that led to more recent perceptions regarding the sacrosanct tenure of public servants.

Public Service Management and Employment Act 1988

The 1988 Act under the National Party Government 1988-1989.

This legislation was formulated and introduced in the latter stages of the long-reign of the National Party Government. The Premiership of Joh Bjelke-Petersen crumbled amidst political and industrial turmoil, and three Premiers held office in a two-year period. A major review of the Queensland public service was undertaken in 1987, and the resulting Savage Report led to new institutional and legislative arrangements that weakened the career service conventions. The period was over-shadowed by a major corruption Inquiry into the police force, and some of these recommendations regarding politicisation were applicable across the whole service.

The Savage Report criticised the inflexibility of the existing system as having no provisions for redundancy or early retirement, in light of longstanding career service concepts that granted affected officers wide options and salary maintenance for an indefinite period (Savage 1987:57-58). This was only partly true, as the 1922 Act **did** contain provisions for redundancy. Nonetheless, the career service conventions were maintained, with redundancy intended as a last resort where other options for retraining and redeployment were not possible, and with subsequent opportunities for re-employment of retrenched officers.

Savage considered that this career focus was inflexible and created difficulties, particularly upon creation of new statutory authorities. He suggested that continued employment only applied to satisfactory service and the *availability of work*, and a redundancy scheme did not alter this. He recommended a scheme with options including retraining, redeployment, salary maintenance, termination and redundancy payments, and early retirement of officers over a certain age (Savage 1987:57-58).

The Labor Party opposed any legislative prerogative for retrenchments, which it considered could become the first option to overcome budgetary difficulties, and was generally not appropriate in a career service, (QPD 20 April 1988:6237). The Government countered that Queensland was the only Australian public service without such explicit legislated provisions (QPD 21 April 1988:6300).

The new *Public Service Management and Employment Act 1988* (s.28) provided:

28. Retrenchment. Where the Governor in Council is satisfied that-
- (a) the services of an officer of the public service can no longer be gainfully utilized in the office held by the officer because the office has become redundant;
 - (b) it is not practicable to retrain or redeploy the officer; and
 - (c) the redundancy arrangements approved by the Governor in Council have been complied with in relation to the officer,
- he may terminate the services of the officer by way of retrenchment in accordance with those redundancy arrangements.

This provision provided more flexibility, relaxing the criteria from “cannot be usefully and profitably employed elsewhere” to “it is not practicable to retrain or redeploy the officer”. However, these retrenchment provisions were not as radically dissimilar to previous provisions as Labor suggested. No information has been located regarding the use of this provision in the short space before the subsequent change of government in 1989, at least in part due to the decentralisation of HRM activities and discontinuation of centralised personnel monitoring in this period.

The 1988 Act under the Goss Labor Government 1989-1996

By 1989, the combination of industrial unrest, the dissatisfaction of public servants, and concerns regarding corruption, contributed to the election of the Goss Government, which promised administrative, electoral and Parliamentary reform, included extensive review and restructuring of departments (Goss 1989). Before the 1989 election, Goss promised that:

no retrenchments will arise as a result of this restructuring under a Goss government and any net decline in the number of public service positions dedicated to a particular area will be met by natural attrition (Goss 1989).

However, the Public Sector Management Commission (PSMC) did not rescind, but rather extended, the retrenchment provisions under the PSME Act. The departmental reviews usually resulted in consolidation of functions, flattening of structures and removal of excessive layers of management, and in some cases spilling of senior management positions (Davis 1995:108). Labor claimed that the large-scale restructuring highlighted the inadequacies in previous redundancy management policies, and addressed these through *Public Sector Legislation Amendment Act 1991* and the *Policy for the Management of Redundancy in the Queensland Public Sector* (PSMC 1992; QPD 22 May 1991:7752-3,8094).

In 1991, Chief Executives were given greater flexibility to offer early retirement during major organisational change, and employees were given more options to sever their career service employment. The retrenchment provision was extended to

include situations when the duties were performed by another officer, and when an officer elected not to participate in redeployment or retraining:

28. Retrenchment. Where the Governor is satisfied that -

- (a) an officer no longer holds an office, or the office held by an officer is surplus to the requirements of the departments concerned because-
 - (i) the duties of the office are no longer required; or
 - (ii) the duties of the office are being performed by the holder of another office; and**
- (b) it is not practicable to retrain or redeploy the officer **or the officer notifies the chief executive of the department concerned, in writing, that the officer elects not to be retrained or redeployed;** and
- (c) redundancy arrangements under the regulations or the standards, or approved by the Governor in Council, have been complied with in relation to the officer.

he may terminate the services of the officer by way of retrenchment in accordance with those redundancy arrangements.

These changes facilitated increased redundancy during the first term of the Goss Government (Davis 1993:iii). However, Goss avoided the large-scale redundancies that characterised reform in other states, partly due to a favourable budget position, and partly due to a relatively small public sector that could absorb some displaced employees to service an expanding population base (Davis 1995:126).

The earlier redundancy provisions before 1988 only applied to surplus positions, and appear to have been utilised in times of economic crisis, with subsequent opportunity for re-employment as economic circumstances improved. Conversely, the legislative changes since 1988 were generally introduced in response to new circumstances and requirements, such as the increasing transfer of services to statutory authorities under the National Party, or the organisational restructuring under the Goss Government. They also removed the earlier provision for re-employment when circumstances improved.

Further changes occurred in 1994, when the *Policy for the Management of Redundancy* was replaced with the new *Standard for Staffing Options to Manage Organisational Change (SOMOC)*. This standard emphasised the Government's preference of retaining its employees throughout organisational change, but once all alternatives had been considered, a chief executive could determine officers to be surplus, and decide whether to refer them to the redeployment unit or offer a Voluntary Early Retirement package (VERs). The previous policy had only allowed redundancy in the case of *surplus positions*, while this policy allowed for redundancy in the case of *surplus people* such as when a position was re-graded or re-located.

While no data is available, the redundancies in this period were largely focused on senior and perhaps middle management levels, as these were the levels targeted by the departmental reviews.

Public Service Act 1996

The new Borbidge Government promised to reverse the central control of the Goss Government, and weakened the career service conventions. It further revised redundancy provisions through the new *Public Service Act 1996*. The Act provided

that if employees are surplus, the chief executive must act under a directive (s.81). Further, the Act gave the Premier the right to direct that surplus employees be dealt with in accordance with rulings of the Public Service Commissioner (s.31). This moved these powers from the Governor-in-Council to the Premier, opening the way for ministerial interference in staffing and redundancy decisions and effectively allowing the Premier to get rid of anyone he wanted to (QPD 8 Aug 1996: 237-2238; 5 Sept 1996:2528). This was the antithesis of the career service model intention of removing all political interference or control over personnel decisions.

The Borbidge Government gradually replaced the PSMC standards of employment with briefer Directives. Directive No 7/96 provided that the PSMC standard for *Staffing Options to Manage Organisational Change* would continue to apply, and further Directives outlined the process and benefits for VERS in compensation for the loss of tenure (No 6/97), and the processes for surplus employees who rejected, or were not eligible for, a VER, including offer of deployment (transfer at level) or redeployment (transfer to a lower level) and reasonable retraining opportunities for at least six months (No 20/97, No 4/98). Retrenchment was only available for surplus employees who had had opportunities for retraining, transfer or redeployment (No 7/97).

Extensive job losses occurred throughout 1996 and 1997, and public sector unions noted the not-so-voluntary nature of voluntary redundancy packages. TAFE was extensively affected, with more than 800 job losses (SPSFQ Dec 1996:2; Jun 1997:3). The Government issued a policy for *Employment Security for the Queensland Public Service* in September 1997, and *Organisational Change Guidelines* in December 1997. These two documents appeared contradictory, with one providing “feel-good” statements about employment security, and the other giving the “the green light” to outsourcing, and the prospect of further redundancies. Employment security was an issue in the June 1998 election, when the SPSFQ sought a commitment to no restructuring for two years (SPSFQ Feb 1998:3).

The Beattie Labor Government won the 1998 election, and took notice of public servants’ concerns. Beattie claimed that his transition to Government was done with minimal restructuring and no threat to job security, which was welcomed by both public servants and the community (QPD 5 August 1998:1607-1608). The policy framework was revised to reflect the Beattie Government’s promises regarding minimisation of redundancy: a new policy virtually prohibited contracting-out of services; the employment security policy was revised; and employment security commitments were contained in most public sector enterprise bargaining agreements for 2000 (OPSC 1999:36). Notwithstanding this reduction in redundancy for tenured public servants, other trends toward contract employment for senior public servants provided other avenues for political consideration in dismissals.

Analysis and Conclusion

Tenure was one of the central conventions of public sector employment, in recognition of the political nature of the work, and it was intended that this be reflected in all employment processes. The Queensland case study supports several conclusions regarding the nature of public sector employment security, and the similarities and differences from private sector circumstances. First, it has challenged perceptions about the secure nature of traditional public service employment. It confirms McCarry's argument that tenure was never a legislated entitlement and, on the contrary, public service legislation always provided for retrenchments. There have been spates of redundancies throughout Queensland's history, generally in times of economic crisis, when public servants may not have had any more security than their private sector counterparts. Economic prosperity since World War 2 resulted in little use of these provisions. Recent legislative changes **did not introduce** redundancy provisions, but did make such provisions easier to access in a wider range of circumstances.

Second, the findings may indicate that Littler's argument regarding the changing nature of redundancy applies in the public sector. In earlier times, the legislative provisions restricted redundancy to surplus positions, with scope for re-employment of retrenched officers in the future. During these times, redundancy was used in times of economic downturn, to assist with financial crises. However from 1988, the legislative provisions were modified several times to meet new requirements. Queensland had lesser rates of redundancy due to a better financial position than other Australian states. However, redundancy was still used extensively to assist with the organisational changes and improvements as a result of department reviews.

The control of redundancy has changed. In earlier times, it was a decision made by a central personnel agency, which also arranged re-employment of retrenched officers as possible. In recent times, it is a decision to be made by a department head, placing such decisions closer to political influence. This was in keeping with the general devolution of personnel decisions. Legislative amendments in 1996 gave the Premier specific powers to intervene in redundancy decisions – the antithesis of the convention of removing personnel decisions from political interference.

There appeared to be little correlation between the governing party and trends in redundancy in Queensland. Redundancy was related to public sector reforms and economic circumstances rather than political party, and large-scale redundancies occurred under both conservative and Labor governments. Excessive redundancies throughout the 1990s made tenure a highly political issue, and elicited employment security promises at the 1996 and 1998 elections.

What does this mean for the convention of tenure, which was designed in part to prevent the dismissal of employees for political reasons? As a side issue, the paper has indicated the ongoing scope for temporary employment, which is used not just

for numerical flexibility, but also as a tool of patronage. Temporary employment is generally subject to less-stringent merit selection processes, and is often decided at department level where chief executives were more susceptible to political interference. This predisposition to patronage in recruitment raises questions regarding whether redundancy provisions were also used to effect political dismissals. It is difficult to confirm whether earlier redundancy decisions were always mass redundancies, or whether they included individual and potentially political decisions. Folklore and caricatures (such as Yes Minister) have often noted that public services will restructure whole departments in order to remove one incumbent. Appeal processes were available to challenge any dismissals for political reasons, but required the dismissed employee to make a complaint, and by 1988 were no longer available at senior levels. The changing nature of redundancy, from being an economic necessity to being a result of general organisational restructuring, provides even further scope for redundancy to become a means of political dismissal.

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