

Implementing budget reprioritisations in the Victorian Public Service

Guidance Materials

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Context

The Victorian Government has endorsed a range of budget initiatives which will necessitate reprioritisation of existing activities and resources across the Victorian Public Service (VPS).

This policy sets out the Victorian Government's approach to implementing the reprioritisations required in the VPS arising from these initiatives.

Application

This policy applies to all public service body heads ('Employers') in respect of all non-executive level public service Employees and all savings requirements (including those arising from the Independent Review of the Victorian Public Service review (also referred to as the 'Silver Review') as well as any reprioritisations arising from the 2023-24, 2024-25, 2025-26 and 2026-27 Budgets. VPS Employers may use this policy to acquit multiple savings requirements.

Executive level public service Employees may also be subject to savings requirements but are not covered by this policy. However, VPS Employees who were Executive level public service Employees and have exercised a right of return under s.27 of the *Public Administration Act 2004* (Vic) (PA Act) are covered by this policy.

This policy applies until **30 June 2027** unless replaced sooner.

Principles for implementing budget reprioritisations in the VPS

In implementing budget reprioritisations Employers must apply the following principles:

Existing Legal and Policy Framework must be applied

The existing legal and policy framework must be applied including the obligations set out in the Victorian Public Service Enterprise Agreement 2024 (VPS Agreement) as well as its underpinning common policies or any other relevant enterprise agreement – see [Attachment A](#), the *Public Sector Industrial Relations Policies 2025* (IR Policies), *Occupational Health and Safety Act 2004* (Vic) (OHS Act), Administrative Guidelines on Engaging Labour Hire in the Victorian Public Service and Administrative Guidelines on Engaging Professional Services in the Victorian Public Service. All Employers must comply with their obligations and entitlements outlined in these instruments as amended or enhanced by this policy.

The inter-relationship between these instruments and this policy is set out in more detail in the table below:

Table 1: Inter-relationship between the instruments and this policy

Instrument	Inter-relationship between the instruments and this policy
VPS Agreement and underpinning common policies (or other relevant enterprise agreement – see Attachment A)	The enterprise agreement applies, and its terms must be complied with, except where this policy provides a more generous entitlement in which case this policy will apply.
IR Policies	This policy overrides the IR Policies to the extent of any inconsistency for the duration of this policy.
OHS Act	The OHS Act applies including the OHS Regulations.

The arrangements in this policy are expressed to apply to until 30 June 2027, after which (to the extent the instruments listed above remain in operation), the instruments listed in the table above will apply as per their terms (and this policy will cease to have any application).

Psychosocial Hazards

To assist Employers to comply with their obligations under the *Occupational Health and Safety (Psychological Health) Regulations 2025* (Vic) (Psychological Health Regulations), WorkSafe Victoria has developed a Psychological Health Compliance Code (the Code). This policy does not replace or cover all obligations under the Psychological Health Regulations or the Code. Employers must maintain their own OHS processes to manage psychosocial hazards and ensure their compliance.

Employers can use the tool at Appendix B of the Code to help identify hazards and apply the relevant controls described in Appendix C to address and mitigate those risks. Additional information on Workload Management is also available in the [Workload Management Common Policy](#).

Consultation obligations must be met

All consultation obligations with Employees and unions must be followed and Employers must, as part of their implementation planning, allow sufficient time for genuine consultation with Employees and unions where major change likely to have a significant effect on Employees is required. Proposals to manage savings initiatives involving significant reprioritisations will likely require consultation under the relevant enterprise agreement clause. Employers must also ensure specific consultation obligations for Employees on long term absences from the workplace (for example, on parental leave or leave due to a workplace injury) are met. Employers will also have regard to any significant financial or personal hardships raised by Employees (including Employees living in regional or rural communities) during the consultation processes prior to its finalisation.

Even where the threshold for formal consultation is not met, Employers must still ensure genuine information sharing and discussion with Employees and unions in a flexible way which is appropriate for the circumstances.

Workforce planning and mobility is key

Workforce planning and mobility must be at the heart of the Employer's approach to implementing reprioritisations. As such, Employers must make every effort to responsively mobilise Employees to support changing government priorities where there are reasonable opportunities to do so.

Employers must explore ways to mobilise Employees likely to be affected by the budget reprioritisations to any new or growth areas in the entity in which vacancies are likely to arise, prior to declaring Employees in areas of decline or cessation surplus to requirements – see mobility section below for further information. This expectation is consistent with the powers enshrined in sections 28 & 31A of the PA Act, which permit a public service body head to transfer or assign an Employee to duties consistent with their employment classification, skills, and capabilities on terms no less favourable, and the mobility principles outlined in clause 15 of the VPS Agreement.

Employers must have regard to the gender impacts of their budget reprioritisation decisions

In implementing budget reprioritisations, Employers must have regard for the actual or potential gender impacts, including by considering how different forms of discrimination - like sexism, ableism, racism and sexism - can overlap and intersect, which may arise when implementing budget reprioritisations. Employers must take steps to address gender inequality where implementation of budget reprioritisation decisions is likely to disproportionately affect Employees of a particular gender.

In circumstances where budget reprioritisation decisions are determined to have a direct and significant impact on the public, Employers are required to undertake a Gender Impact Assessment under the *Gender Equality Act 2020* (GE Act). For more information about gender assessments, please see the website for the [Commission for Gender Equality in the Public Sector](#).

Use of labour hire, contractors, professional services and consultants must be consistent with existing guidance

Use of consultants, contractors or labour hire must be consistent with whole-of-VPS administrative guidelines, which:

- provide that professional services should not be engaged to undertake work identified as a universal and enduring public service function
- limit engagement of labour hire.

Consultants, contractors, and labour hire must not be used to replace VPS Employees impacted by reprioritisations.

Further guidance on the use of labour hire and consultants in the VPS is outlined in the following guidelines:

- Administrative Guidelines on Engaging Labour Hire in the Victorian Public Service; and
- Administrative Guidelines on Engaging Professional Service in the Victorian Public Service.

The Government will engage with the Community and Public Sector Union (CPSU) to identify ways to ensure the use of labour hire, contractors, consultants, and professional services is consistent with its secure employment commitments.

Termination of employment is an option of last resort

Consistent with the IR Policies, where an individual's role is declared surplus, the priority should be on redeployment, wherever possible. Workforce planning and mobility must be at the heart of the Employer's approach to implementing reprioritisations. As such, Employers must make every effort to responsively deploy Employees to support changing government priorities where there are reasonable opportunities to do so.

Review of roles following natural attrition is an essential element of achieving workforce reductions, ensuring thoughtful workforce planning and budget funding considerations – see changes to workplace arrangements or team profiles section below for further information.

Early Retirement Schemes (ERSs) should not be used "at large" or across the entire department to give effect to budget reprioritisations. Targeted ERSs may only be used in limited circumstances as outlined in this Policy (see below for further advice).

The other separation packages outlined in this policy should only be used as an option of last resort. Employers must make every effort to responsively deploy Employees to support changing government priorities before separations are considered.

Career support services must be provided to affected Employees

Employees must be provided with appropriate career and other support including:

- assistance with identifying their skills, developing resumes and cover letters, preparation and techniques for job interviews
- approval for time release to undertake a course of study that will facilitate the transition to alternative employment, including but not limited to a short course such as those focus on government and government investigations
- time release to participate in career support activities/workshops and/or job interviews, and
- employment references where appropriate.

To support Employees to voluntarily find alternative employment, Employers should ensure career support activities are available to all Employees. In addition, Employees eligible to receive a separation package must be provided with access to independent financial advice.

Appropriate strategies must be in place to manage workload

Employers must maintain appropriate strategies and processes to ensure Employees do not have workloads which present a risk to their health and safety.

Tools for implementing budget reprioritisations in the VPS

To give effect to any required changes to workforce composition, Employers may use any of the following tools, alone or in combination. **Attachment B** summarises the order of priority for these tools and this process and relevant entitlements will apply to cessation arising from budget reprioritisations initiated on or before 30 June 2027, after which the relevant termination packages will revert to those outlined in the IR Policies.

Workforce reductions implemented in accordance with this policy must be monitored by departments and reported back to Government periodically.

Changes to workplace arrangements or team profiles

Employers should consider the extent to which savings can appropriately be achieved through changes to workplace arrangements or team profiles which may preserve ongoing employment. This might include, for example:

- natural attrition and non-renewal of impacted fixed term appointments subject to any relevant workload considerations,
- changing workforce composition through vacancy management in a manner consistent with the relevant classification and value range descriptors outlined in the enterprise agreement and subject to any workload considerations, and/or
- giving consideration to requests for alternative work arrangements from Employees, including part-time fractions, utilisation of leave and other such arrangements, consistent with the **VPS Flexible Work Policy**.

Mobility

Mobility principles in the VPS Agreement recognise that the work required of a modern career public service is not static but always changing for a variety of reasons. Consistent with these principles and the common **mobility policy**, Employers must consider whether there are opportunities for Employees to be responsively mobilised to other or growth areas of the department to support changing government priorities.

Where, in implementing allocated budget reprioritisations, Employers also have new or growth areas in which vacancies are likely to arise, Employers must consider whether such vacancies can reasonably be filled by assigning current Employees who are suitably qualified and experienced and likely to be declared surplus to the vacant role. This should be considered prior to declaring

Employees in areas of decline or cessation surplus or considering whether the vacant roles in the new or growth area should be filled by advertising in accordance with usual recruitment practices.

Early Retirement Schemes

Criteria for using Early Retirement Schemes

Employers may consider utilising Early Retirement Schemes (ERS) only where:

- that mechanism is suitable for giving effect to the specific reorganisation of the Employer's operations required to implement specific savings arising from budget reprioritisations, and
 - an ERS was run as part of the Workforce Transition arrangements to give effect to the 2021/22 Budget savings, which resulted in an over-subscription such that another ERS targeted to the same work area(s) will provide those unsuccessful candidates with an opportunity to reapply, or
 - a work area(s) affected by current budget reprioritisation was not in scope of the Department's ERS to give effect to the 2021/22 Budget savings.

Employers should not create new "at large" or "department wide" voluntary ERS to give effect to the current reprioritisations. Where an ERS is considered an appropriate mechanism for giving effect to budget reprioritisations, an age eligibility requirement must be applied. The age eligibility criteria must be at least 50 years of age (or preferably a higher age if it is suitable to give effect to the scheme) at the date of separation from the VPS.

Re-employment restrictions that apply to voluntary separations made under an ERS

Where Employers elect to use a voluntary ERS, with the prior approval of the Australian Taxation Office (ATO) and in accordance with the above stipulations, it is expected that the re-employment restrictions outlined in the IR Policies in relation to Voluntary Departure Packages (VDP) will be applied.

Applicable separation package for voluntary separations made under an ERS

The applicable separation package to be applied to those Employees who accept a voluntary separation under an ERS, will be the early retirement package (ERP) outlined below, where the application for approval of the scheme is submitted to the ATO on or before 30 June 2027. After this date the relevant package will revert to the VDP as outlined in the IR Policies.

Where the application for approval of the ERS is submitted to the ATO on or before 30 June 2027 and the scheme is being used consistent with this Guidance Material, the ERP will be:

- four weeks' pay, irrespective of the Employee's length of service,
- a lump sum early retirement incentive of up to \$15,000 (for a full-time Employee),
- two weeks' pay for each completed year of continuous service to a maximum of 15 years, and
- an additional four weeks' pay for Employees who are over 54.

Expectations of Government on Employers who elect to use an ERS

Where an Employer elects to use an ERS, they are responsible for determining the parameters and limitations on access to, and implementation of, ERSs in accordance with ATO rules and practice, but in general it would be expected that:

- Employees must be in paid and ongoing employment to be eligible
- Departments would apply an age limit for eligibility (in a manner which is consistent with relevant legislation noting that only those Employees below the pension age should be eligible). The age eligibility criteria must be at least 50 years of age (or preferably a higher age if it is suitable to give effect to the scheme) at the date of separation from the VPS
- access to ERPs should be limited to a class of Employees that can be objectively determined, who are affected by a reprioritisation, and not apply at large to all Employees in a Department or division
- eligibility criteria, and any specific exclusions, should be tailored to the area or function affected by the reprioritisation, and
- an objective process for determining priority in the case of oversubscription would be developed.

Employers are responsible for seeking ATO approval for any ERS prior to implementation and should allow sufficient time for that approval to be obtained. Employers should also ensure any applicable consultation obligations are met.

There is no obligation on Employers to use ERSs ahead of the other separation packages outlined in this policy if it does not meet their operational needs.

Separation Packages

The IR Policies acknowledge that in some instances restructure of workplaces or changes to existing work practices may result in redundancies. Departments and agencies are required to pursue all possible means to secure continuation of employment of affected Employees, including but not limited to, redeployment and retraining.

Involuntary redundancies and payment of Targeted Separation Packages (TSPs) are to be used only as the last resort. Involuntary terminations of employment must be used in a manner consistent with the following guidance. This policy provides for two other types of separation package prior to the payment of a TSP which remains the option of last resort.

Consultation obligations must be followed

Where, in implementing budget reprioritisation, an Employer proposes to restructure their organisation, they must follow consultation obligations outlined in the applicable enterprise agreement.

Given the nature of the changes required to implement the savings requirements, it is anticipated that clause 11 processes will be the mechanism to implement the changes. Consistent with the obligations in the VPS Agreement, the change proposals will be provided to the CPSU and will provide the detail of the change processes. This will include detail in relation to the matching and EOI processes as well

as clearly identifying the roles which will be surplus to requirements and no longer be required to be performed in the new structure.

In advance of commencing formal clause 11 processes, departments and agencies should provide high level information to the CPSU in relation to the savings allocation as well as the business areas in scope of the change processes.

Where the proposed restructure of an affected area results in fewer positions in the structure than current, the Employer will call for volunteers amongst affected Employees who are not matched to a role in the new structure who wish to be paid an Applicant Separation Package prior to running an EOI to fill unmatched roles.

While Employers may elect to call for volunteers amongst affected Employees not matched to a role in the new structure prior to running an EOI to fill unmatched roles, they are not obliged to accept any or all Employees' applications to depart the VPS immediately. Any interest expressed in departing the VPS immediately and being paid an Applicant Separation Package under this policy will be subject to operational requirements and confirmation by the Employer the Employee's exit would assist the Employer achieve its budget reprioritisation requirements.

Attachment B details the approach and entitlements which apply when an Employer accepts an expression of interest to leave the VPS from an affected Employee who is not matched to a role in the new structure.

Redeployment period

When an Employee's position is declared surplus by the Employer a redeployment period of at least 3 months applies. Employers may consider extending the redeployment period on a case-by-case basis. Where it will assist the Employee transitioning to another role, this can be extended by up to an additional 3 months (or a longer period by agreement).

The Employer and the Employee may also agree for some or all of the redeployment period to be paid in lieu (on a pro-rata basis), as part of the payment of an Immediate Separation Package, where the Employee who was not matched to a role in the new structure and has been unsuccessful in obtaining a role in the new structure through the EOI process would prefer to end their VPS employment immediately. This applies to Employees whose expression of interest in receiving an Applicant Separation Package (referred to above) is not accepted by the Employer as well as those Employees who are not matched to a role in the new structure but who do not express interest in immediate departure from the VPS and who have been unsuccessful in being matched to a role in the new structure.

In circumstances where an affected Employee does not opt to be paid the Immediate Separation Package and the redeployment period in lieu, they will commence the redeployment process.

Attachment B details the options and entitlements which apply for Employees whose are unsuccessful through an EOI process for the filling of an unmatched role in the new structure and in what circumstances an Employer may agree to pay an Employee's redeployment period in lieu.

Salary Maintenance where Employees accept roles at a lower grade

If an Employee accepts a lower grade role prior to 30 June 2027 because of budget reprioritisations, 12 months' salary maintenance is to be provided. Where practicable, extended redeployment support

may be offered to an Employee as an alternative to offering a lower grade role with salary maintenance.

Priority access and career supports

The VPS Agreement and the [Redeployment Common Policy](#), provides that during a redeployment period, Employees have priority access to vacancies within the VPS. Employers are expected to provide a range of career and other support services and/or retraining opportunities as outlined in [this policy](#), the IR Policies and Schedule A of the VPS Agreement.

Payment of Separation Packages

Under this policy there are three types of separation packages which are payable in different circumstances. These are:

Table 2: Circumstances separation packages are payable

Package	Circumstances the package is payable
Applicant Separation Package	Paid to affected Employees who are not matched to a role in the new structure and who make an Application to Depart the VPS Immediately (Application) in accordance with Step 3 of Attachment B in this policy.
Immediate Separation Package	Paid to affected Employees who are not successful through the EOI process to fill an unmatched role in the new structure and who seek immediate cessation of employment (within 4 weeks) after being notified of being unsuccessful in the EOI process, in accordance with Option 1 of Step 4 of Attachment B in this policy.
Targeted Separation Package	Paid to affected Employees who are not successful through the EOI process to fill an unmatched role in the next structure and who elect to commence redeployment and are unsuccessful in obtaining another role at the conclusion of the redeployment period in accordance with Option 2 of Step 4 of Attachment B in this policy.

[Attachment B](#) outlines the packages that will apply in each circumstance.

For the purposes of the calculations set out at [Attachment C](#), periods of leave without pay do not break continuity but do not count as service for the purposes of calculating a separation package. However, when calculating separation packages, Employers should have regard to inequitable outcomes that may result from the averaging approach to calculating separation packages. Employers should exercise discretion to ameliorate individual calculation outcomes on a case-by-case basis having regard to factors including gender equity, intersectionality, and caring responsibilities.

Notice of termination of employment

Consistent with the IR Policies, Employers must also provide notice of termination or payment in lieu of notice in addition to the relevant package.

Workload Management

Employers have a responsibility under the OHS Act to provide and maintain a safe work environment, including providing a safe and healthy workload for Employees.

Employers must maintain appropriate strategies and processes to ensure Employees do not have workloads which present a risk to their health and safety.

Where workload concerns are raised, they must be managed in accordance with clause 14 of the VPS Agreement and the process set out in the [Workload Management Common Policy](#).

Other relevant public service enterprise agreements

Overwhelmingly Employees in the VPS have their terms and conditions of employment governed by the VPS Agreement.

Where budget reprioritisation decisions affect public service Employees covered by the enterprise agreements (or their successor enterprise agreements that come into effect during the life of the policy) outlined below, those Employees will also have the benefit of the processes and entitlements outlined in this policy. This will be subject to ensuring those entitlements and processes are at least as beneficial to the Employee as any entitlement payable under the applicable enterprise agreement.

1. Department of Energy, Environment and Climate Action — *Field Staff and Wild Dog Controllers Agreement 2021*
2. Department of Transport and Planning — *Department of Transport – Roads Occupations Enterprise Agreement 2021*
3. Department of Health — *MCH Nurses (Department of Health) Agreement 2021*
4. Department of Families, Fairness and Housing — *Disability Services Enterprise Agreement 2022-25*
5. Emergency Services Superannuation Board — *ESSSuper Enterprise Agreement 2025*

Process for managing budget reprioritisations in the VPS

The table outlines a proposed approach to managing budget reprioritisations in the VPS.

Prior to commencing the process outlined in this table it is expected Employers have considered and explored alternate outcomes short of involuntary termination of employment to give effect to the budget reprioritisations, this includes where appropriate and consistent with the terms of this policy the use of:

- Changes to workplace arrangements or team profiles
- Early Retirement Schemes

Where it is decided that involuntary terminations are required to give effect to budget reprioritisations, the following process must be followed:

Table 3: Process for managing budget reprioritisations in the VPS for processes commencing from 1 July 2026

Steps	Description
1. Options for Internal Mobility	<p>Opportunities for internal mobilisation to any growth or new areas must be considered.</p> <p>Where opportunities for internal mobilisation are identified, a public service body head may transfer or assign an Employee to duties consistent with their employment classification, skills and capabilities on terms no less favourable within their organisation.</p> <p>These powers will be exercised consistent with the mobility common policy and s28 and 31A of PA Act.</p>
2. Proposal for major change	<p>Departments will develop proposals for major change and commence the clause 11 process in consultation with the union and Employees. The Employer's proposal for change will clearly identify the roles which will no longer be required to be performed in the new structure.</p>
3. Outcome of major change proposal	<p>Once a new structure has been decided:</p> <p>For Employees who are matched to a role in the new structure consistent with the business rules</p> <p>Process concludes.</p> <p>For Employees who are not matched to a role in the new structure (including lapsing programs where the functions are no longer required to be performed)</p> <p>The Employer will provide an opportunity for Employees whose role is no longer required in the new structure and who are not matched to a role in the new structure (Affected Employee) to make Application to Depart the VPS</p>

Steps	Description
	<p>Immediately (Application). Employees who are matched to a role in the new structure or in an area not affected by the budget reprioritisations are not eligible to make an Application, given they continue to hold roles in the new structure.</p> <p>While an Affected Employee can make an Application, the Employer is not obliged to accept any or all Applications. Where there are more Affected Employees making an Application than would be required to fulfill the number of departures needed to give effect to the budget reprioritisations, Employers should accept Applications based on objective criteria that best meet the savings ask of the Employer.</p> <p>Affected Employees whose Application is accepted by the Employer will be paid either an Applicant Separation Package or the financial equivalent of an Immediate Separation Package if more generous for the Employee (see below). Affected Employees whose Application is accepted must cease employment within 4 weeks of being notified of the Employer's acceptance of their Application (unless a longer period is agreed by the Employer). Affected Employees whose Application is accepted by the Employer will be paid the more generous of:</p> <ul style="list-style-type: none"> • an Applicant Separation Package consisting of the following elements: <ul style="list-style-type: none"> • four weeks' pay, irrespective of the Employee's length of service • a lump sum early separation incentive of up to \$15,000 (for a full time Employee) • two weeks' pay for each completed year of continuous service to a maximum of 15 years, and • an additional four weeks' pay for Employees who are over 54, or • the financial equivalent of an Immediate Separation Package which will include: <ul style="list-style-type: none"> • four weeks' pay, irrespective of the Employee's length of service, • a lump sum payment of \$10,000 (or pro-rata for part-time Employees) • two weeks' pay for each completed year of continuous service to a maximum of 10 years • payment of a 3-month redeployment period in lieu. <p>Affected Employees whose Application is accepted by the Employer at this stage will be restricted from re-employment, either directly or through a labour hire agency, or from receiving a fee for service from a VPS Employer for a period of 18 months. This restriction does not preclude re-employment in the broader Victorian public sector.</p>

Steps	Description
4. Commence EOI for vacant roles in the new structure	<p>Affected Employee who are:</p> <ul style="list-style-type: none"> ○ currently in a role no longer required by the Employer, and ○ who are not matched to a role in the new structure; and ○ who choose not to make an Application or whose Employer does not accept their Application <p>will be invited to express interest in filling vacant roles within the new structure. Employees must actively participate in the EOI process. Employees who fail to actively participate in the EOI process may be precluded for expressing interest in an Immediate Separation Package in step 4 below.</p> <p>Where after following the Application process in step 3 above the savings ask of the Employer remains unmet, then the Employer will run a EOI process to fill vacant unmatched roles within the new structure.</p> <p>For Affected Employees who are successful through the EOI process to fill a vacant role in the new structure</p> <p>Process concludes.</p> <p>For Affected Employees who actively participated in the EOI process but are not successful through the EOI process to fill an unmatched role in the new structure</p> <p>Affected Employees whose role is no longer required in the new structure and who remain without a position in the new structure following the EOI process will have two options:</p> <ul style="list-style-type: none"> ● Option 1 – Immediate cessation of employment (within 4 weeks) and be paid an Immediate Separation Package (see below) and payment in lieu of the 3-month redeployment period. The Immediate Separation Package will include: <ul style="list-style-type: none"> ○ 4 weeks' pay, irrespective of the Employee's length of service, and ○ a lump sum payment of \$10,000 (for pro-rata for part-time Employees), and ○ two weeks' pay for each completed year of continuous service to a maximum of 10 years. <p>Cessation of employment will occur within 4 weeks (unless a longer period is agreed with the Employer, with any longer period resulting in an equal diminution of the lump sum being paid in lieu of the redeployment period).</p>

Steps**Description**

Employees who accept an Immediate Separation Package will be restricted from re-employment in the VPS on an ongoing basis or as an Executive Employee, either directly, or from receiving a fee for service from a VPS Employer for a period of 3 months. This restriction does not preclude re-employment as a non-ongoing non-Executive Employee or from employment in the broader Victorian public sector.

- **Option 2** – participate in the 3-month redeployment period which will be undertaken in accordance with existing custom and practice. Affected Employees who are unsuccessful in obtaining another role at the conclusion of the redeployment period will be paid a Targeted Separation Package consisting of:
 - 4 weeks' of pay, irrespective of the Employee's length of service; plus
 - 1 additional week pay if the Employee is over 45 years of age and has completed at least 2 years of continuous service; plus
 - two weeks' pay per each completed year of continuous service up to a maximum of 10 years

No re-employment restrictions, either in the public service or sector, apply to Affected Employees who are paid a Targeted Separation Package.

For Affected Employees who fail to actively participate in the EOI process and are not successful through the EOI process to fill an unmatched role in the new structure

Employees who fail to actively participate in the EOI process may be precluded from expressing interest in an Immediate Separation Package and may be declared surplus and will be required to participate in the 3-month redeployment period, which will be undertaken in accordance with existing custom and practice.

Employees who are unsuccessful in obtaining another role at the conclusion of the redeployment period will be paid a Targeted Separation Package consistent with the elements outlined in Option 2 above.

For Affected Employees who accept another ongoing position in the VPS or an Executive position in the VPS prior to receiving their Immediate Separation Package under Option 1 above

Employees who accept another ongoing position in the VPS or an Executive position in the VPS before receiving their Immediate Separation Package payment will no longer be eligible to receive the payment under option 1 above, because they will, similarly to an Employee who is successfully redeployed, maintain employment in the VPS in an alternate role such a separation payment

Steps**Description**

is not necessary. Employees that have accepted another ongoing position in the VPS or an Executive position in the VPS prior to receiving payment of an Immediate Separation Package must make a declaration to their Employer to that effect and the Employee will subsequently not be entitled to be paid the Immediate Separation Package.

For Affected Employees who are a candidate for another ongoing position in the VPS or an Executive position in the VPS prior to receiving their Immediate Separation Package under Option 1 above

Where a recruitment process is not yet finalised for an Affected Employee who is a candidate for another ongoing position in the VPS or an Executive position in the VPS, Employers will defer payment of an Immediate Separation Package amount under Option 1 above, until the outcome of the process is known.

For Affected Employees who are a candidate for any other position in the VPS (including fixed-term positions) prior to receiving their Immediate Separation Package under Option 1 above

Employees who are candidates for any other position in the VPS (including fixed-term positions), prior to receiving payment of an Immediate Separation Package, must make a declaration to their Employer to that effect. For the purposes of this obligation, Employees are required to declare their continuing candidacy for other roles in the VPS where they have applied for an Executive or non-Executive role in the VPS and have been:

- short-listed for an interview as part of the recruitment process for that role, or
- interviewed as part of the recruitment process for that role, or
- advised they are the preferred or successful candidate for a role and are awaiting the finalisation of recruitment paperwork before accepting a new role in the VPS.

For the purposes of this section Employees are not required to declare roles they have applied for but have not yet been short-listed for an interview or for any unresolved recruitment processes for roles outside of the VPS. For the avoidance of doubt, the purpose of the declaration is to compel discussion between Employers and Employees about their eligibility for a separation package and any opportunity to remain employed in the VPS.

Calculation basis for separation package

Calculation of Continuous Service for the purpose of a separation package

Continuous service for separation packages refers to Victorian public sector agency employment only. Employment with the Commonwealth, other States or Territories, or local government is not included, even where such service may be included for the purpose of calculating other Employee entitlements, for example, long service leave.

Continuous service for the purposes of redundancy includes all periods of service in any Victorian public sector agency. This is provided there are no breaks in service between or within each period of service (other than due to breaks caused by approved leave) and provided that no special separation/redundancy payments have previously been made with respect to any of those periods.

As outlined above, periods of leave without pay do not break continuity but do not count as service for the purposes of calculating an Employee's entitlement.

Effect of part-time or casual continuous service on the calculation of weekly pay for the purposes of a separation package

The calculation of each week's pay will be affected by an Employee's current or past part-time or casual continuous service. Employers should exercise discretion to ameliorate individual calculation outcomes on a case-by-case basis having regard to factors including gender equity, intersectionality, and caring responsibilities.

Calculation of packages based on ordinary pay

Redundancy packages must be calculated based on the definition of ordinary pay in the relevant enterprise agreement. If there is no definition of ordinary pay, redundancy packages must be paid on the basis of an Employee's base salary, not including allowances and penalties.

Calculation basis

ASPs must be calculated in accordance with the below table:

Element	Basis for calculation
4 weeks' pay, irrespective of the Employee's length of service; plus	Actual salary/FTE at the time of separation
a lump sum early separation incentive of up to \$15,000 (for a full-time Employee); plus	Pro-rata based on current FTE at time of separation
2 weeks' pay per each completed year of continuous service up to a maximum of 15 years.	See definition of Continuous service above Average FTE across the last 15 years of continuous service
An additional four weeks' pay for Employees who are over 54.	Actual salary/FTE at the time of separation

ISPs must be calculated in accordance with the below table:

Element	Basis for calculation
4 weeks' pay, irrespective of the Employee's length of service; plus	Actual salary/FTE at the time of separation
a lump sum payment of \$10,000 (pro-rata for part time Employees); plus	Pro-rata based on current FTE at time of separation
2 weeks' pay per each completed year of continuous service up to a maximum of 10 years	See definition of Continuous service above Average FTE across the last 10 years of continuous service
Payment in lieu of redeployment period (up to 3 months)	Actual salary/FTE at the time of separation

TSPs must be calculated in accordance with the below table:

Element	Basis for calculation
4 weeks' pay, irrespective of the Employee's length of service; plus	Actual salary/FTE at the time of separation
1 additional week pay if the Employee is over 45 years old and has completed at least 2 years of continuous service; plus	Actual salary/FTE at the time of separation
2 weeks' pay per each completed year of continuous service up to a maximum of 10 years	See definition of Continuous service above

Victorian Public Service Employers

The table lists VPS Employers subject to this policy, as at 25 May 2026, who are covered by Part 3 of the *Public Administrations Act 2004* (Vic) and the VPS Agreement, but is subject to change from time to time as new VPS Employers are established or other changes occur.

The full searchable list of Victorian government Employers is provided by the [Victorian Public Sector Commission: https://www.vpsc.vic.gov.au/about-public-sector/list-public-sector-Employers](https://www.vpsc.vic.gov.au/about-public-sector/list-public-sector-Employers)

Public Service Employers	
CenITex	Office of the Legal Services Commissioner
Cladding Safety Victoria	Office of the Ombudsman Victoria
Commission for Children and Young People	Office of the Road Safety Camera Commissioner
Court Services Victoria	Office of the Victorian Electoral Commission
Department of Education	Office of the Victorian Information Commissioner
Department of Energy, Environment, and Climate Action	Parliamentary Workplace Standards and Integrity Commission
Department of Families, Fairness and Housing	Portable Long Service Benefits Authority
Department of Government Services	Public Record Office Victoria
Department of Health	Safe Transport Victoria
Department of Jobs, Skills, Industry and Regions	Safer Care Victoria
Department of Justice and Community Safety	Social Services Regulator
Department of Premier and Cabinet	Suburban Rail Loop Authority
Department of Transport and Planning	Victoria Police (Public Service)
Department of Treasury and Finance	Victorian Auditor-General's Office
Environment Protection Authority	Victorian Collaborative Centre for Mental Health and Wellbeing
Essential Services Commission	Victorian Disability Worker Commission
Family Violence Prevention Agency (Respect Victoria)	Victorian Early Childhood Regulatory Authority
Game Management Authority	Victorian Equal Opportunity and Human Rights Commission

Independent Broad-based Anti-Corruption Commission	Victorian Fisheries Authority
Infrastructure Victoria	Victorian Gambling and Casino Control Commission
Integrity Oversight Victoria	Victorian Government Solicitors Office
Labour Hire Licensing Authority	Victorian Infrastructure Delivery Authority
Local Government Inspectorate	Victorian Public Sector Commission
Office of Public Prosecutions	Victorian Skills Authority
Office of the Chief Parliamentary Counsel	Violence Reduction Unit
Office of the Governor	Workforce Inspectorate Victoria