

Senators shocked by `generous' AWI redundancy payouts



 AWI chief executive Stuart McCullough and chairman Wal Merriman during Senate Estimates in Canberra.

Australian Wool Innovation (AWI) is on the back foot defending payments of up to \$531,371 in termination and ex-gratia fees to retrenched staff.

AWI chief executive Stuart McCullough faced a Senate Estimates Committee hearing in Canberra where Nationals Senator John Williams questioned why staff on salaries from \$200,000 to \$300,000 were paid nearly a full year in redundancy and ex-gratia payments.

The payouts followed the industry group's restructure which slashed nine positions from its Sydney headquarters last March.

Mr McCullough said the severance payouts included accrued leave and notice period, plus "human element" payments of nearly \$100,000 for each person in some cases.

"Some of these people were in their 60s, some were single mothers with three kids," he said.

"There is human element to the retrenchment to these people in their 60s late 50s – they're unlikely to get another job.

"(The) redundancies we made were run past the board which approved these payment figures, so we went about expediting the departure of these people."

Senator Williams called them generous "sorry" payments.



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A former staff member profiled worked for AWI for six years as a consultant and five years full-time on \$211,000 annual salary received \$73,758 ex-gratia, while another retrenched employee on \$311,000 received nearly \$100,000 ex-gratia.

"This is far superior and more generous than the public service," Senator Williams said.

"... Woolgrowers have suffered enormously for decades and this bloke was on \$310,000/year plus super – it is not as if he was desperate for money anyway."

Labor senator Alex Gallacher slammed the decision and said payout equivalent to \$20,000 year for five years' service, on top of legal requirements, was excessive.

"You have no legal obligation to pay someone \$97,000 that has worked for you for six years... I am curious why you thought that was a great deal?" Senator Gallacher said.

"It doesn't stand up to scrutiny by the wider community.

"I wouldn't like to be a levy payer in your organisation."

AWI chairman Wal Merriman defended the board's decision to approve the payments.

"It was a commercial decision," Mr Merriman said.

"You start sacking them all and you end up in court. How much does that cost you?"

The Senate Rural and Regional Affairs and Transport Legislation Committee was forced to take a brief recess during proceedings to discuss the item for fear Senator William's line of questioning could potentially identify the individuals subject to AWI's payouts.

Mr McCullough asked for a requested summary of the detailed payments to be taken on notice, however Committee chair and Queensland Nationals Senator Barry O'Sullivan adjourned the hearing until the information was provided.

"This is estimates and we will delve into these financial matters to ensure financial transparency across everything," Senator O'Sullivan said.

Senator O'Sullivan said it was a "balancing act" for the Senators to decide between protecting individual privacy but also had to administer public transparency, which the hearings were designed to achieve, on government spending and programs.

AWI told the Committee it had also presented details of the payouts to Agriculture and Water Resources Minister Barnaby Joyce in confidence which Senator O'Sullivan asked also be presented to the Committee to help with answering questions and to improve transparency.

Mr McCullough said there was "nothing to hide here" but Senator Williams said the "far too generous" termination payouts were "a disgrace".

<http://www.farmonline.com.au/story/4497631/senators-shocked-by-generous-awi-redundancy-payouts/?cs=5373>