Review of the Standard Contracts for General Managers and Senior Staff

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Review of Standard Contracts

Prior to 1993
• Senior staff were covered by industrial awards.

1993 (1993 Act replaces the 1919 Act)
• The new Act:
  o Excludes general managers and other senior staff from access to arbitral functions under the *Industrial Relations Act 1996* (s340).
  o Requires the general manager and other senior staff to be employed under contracts that are performance based (s338).
  o Contractual terms vary from council to council (there was no standard).
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2006

- Section 338 is amended to allow for the making of one or more standard forms of contract for the employment of general managers and other senior staff.
- The first standard contracts of employment receive DLG (now OLG) approval and commence operation.
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DLG Circular No: 06-52, 16 August 2006 (senior staff contract):

“The new requirements ensure consistency and certainty in employment relationships at the management level in local government and reflect community expectations by providing greater transparency and accountability. They also ensure appropriate flexibility by allowing certain contractual matters to be left to the parties to negotiate, namely:

• duration of the contract (within legislative limits)
• structure and level of the remuneration package and
• performance-based requirements.”
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The 2013 review – Proposed changes included:

• Specific clause in relation to policy application
• Restrictions on early renewals depending on the length of the contract
• Standard position description template for General Managers
• Three (3) potential options for increasing remuneration:
  - Better than satisfactory performance (clause 8.3)
  - SOORT (clause 8.5); and
  - At risk performance increase (PROPOSED)
• Mediation highlighted as an option prior to termination.
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What happened to the 2013 proposed changes?

Nothing
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2019 – there are renewed calls for the standard contracts to be reviewed.

Should the standard contract for senior staff be removed altogether?
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Issues to consider:

• Is the standard contract (for senior staff) a performance management tool OR a device to dismiss?

• Should senior staff have access to arbitral functions under the *Industrial Relations Act 1996* (e.g. alleged unfair dismissals & industrial disputes)?

• Coverage under the *Local Government (State) Award* – what if any transitional arrangements would be required to transition senior staff back to award coverage (i.e. salary systems, workplace change, etc)?