

Government backs away from sacking surplus staff in council mergers

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Local Government Minister Paul Toole initially intended to dismiss general managers. Photo: Nick Moir

The state government has pulled back on plans to dismiss general managers who are not awarded jobs in interim merged councils after warnings it would face lawsuits from those left without a job.

Instead, it has issued new guidelines, telling senior council staff they will be transferred to the interim councils, and one of up to three general managers given the role of interim general manager.

The merged council then will decide who keeps their job after local government elections.

Nonetheless, the plans for council mergers are likely to lead to a \$10 million to \$20 million redundancy bill for surplus general managers, especially as several councils have renewed their contracts on generous terms. With the contracts usually running for five years, some councils will face big payouts.

Local Government Minister Paul Toole indicated in late March that he intended to dismiss all councillors and general managers and appoint either an administrator or a hand-picked council, who would work with one general manager.

In recent weeks, the Department of Premier called for expressions of interest from councillors and general managers interested in roles in the merged councils.

The proposal has led to outrage in the local government sector as the body which represents managers, the Local Government Professionals Australia (NSW), has warned that the minister has no power to dismiss general managers, who are employed by councils.

"I think they quickly realised that they can't do what they intended to do," president Barry Smith said. "General managers are not employees of the state and I think when they got some legal advice, it led to the change."

A new memo was issued by the Department of Premier and Cabinet last week.

It said all general managers would move to the interim council if they wished, and the merged council would decide their future.

The government's merger agenda has spawned multiple legal challenges from councils.

A challenge from the Woollahra Council will be heard on Wednesday. If individual councillors or general managers are dismissed as part of the process, more legal action is likely.

A spokesman for the Department of Premier defended the process, saying: "It's appropriate for the government to seek a pool of qualified people to ensure a seamless transition to new councils that proceed.

"The FAQs subsequently provided, clarified information contained within the original letter."

<http://www.smh.com.au/nsw/government-backs-away-from-sacking-surplus-staff-in-council-amalgamations-20160418-go8z18.html>