15.3 Review of ADM2 Long Service Leave

<table>
<thead>
<tr>
<th>Location</th>
<th>Town-wide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting officer</td>
<td>Graham Olson</td>
</tr>
<tr>
<td>Responsible officer</td>
<td>Anthony Vuleta</td>
</tr>
<tr>
<td>Voting requirement</td>
<td>Simple majority</td>
</tr>
<tr>
<td>Attachments</td>
<td>{attachment-list-do-not-remove}</td>
</tr>
</tbody>
</table>

Recommendation from the Policy Committee

That Council:
1. Notes the review of ADM2 Long service leave;
2. Resolves that there be no changes to ADM2 Long service leave.

Purpose

To review Policy ADM2 Long Service Leave.

In brief

- In September 1999 Council created policy “ADM2 Long Service Leave” detailing conditions for the taking of long service leave entitlements by Town employees (See attachment 1).
- The obligation to provide Long Service Leave entitlements to Town employees is outlined in the Local Government Act 1995. The conditions of entitlement for receiving the benefits of long service leave are detailed in the Local Government (Long Service Leave) Regulations.
- As a condition of employment, the Town maintains Management Practice MP045 Long Service Leave to provide guidance to employees on the terms, conditions and processes necessary to receive this employment benefit (See Attachment 2).
- As the CEO is responsible for the administration of employment conditions within the Town, and long service leave is a legislated employment condition, it is considered unnecessary for the Council to maintain a policy for the management of this staff entitlement.

Background

1. Council at its meeting on 20 August 2019 adopted a work plan to complete the review of several policies. Policy ADM2 Long Service Leave was one of the policies identified for review.
2. Long service leave is a paid leave entitlement for Town employees who have worked continuously within Local Government for a specified period. Full time, part time and casual employees are entitled to long service leave.
3. The Town’s long service leave obligations are outlined in the Local Government Act 1995 (Clause 5.48).
4. Long service leave benefits for Town employees are provided in accordance with the Local Government (Long Service Leave) Regulations (As at 15 June 2001). The Town’s employee’s entitlement to these benefits are recognised in the Town of Victoria Park Enterprise Agreement 2016 (Clause 24).
5. To administer these staff entitlements the Town maintains Management Practice MP045 Long Service Leave detailing the procedures and guidelines for the provision of these staff benefits.

**Strategic alignment**

<table>
<thead>
<tr>
<th>Civic Leadership</th>
<th>Strategic outcome</th>
<th>Intended public value outcome or impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>CL05</td>
<td>Innovative, empowered and responsible organisational culture with the right people in the right jobs.</td>
<td>The Town is seen to maintain management practices and procedures that ensure employees are treated fairly regarding their entitlements.</td>
</tr>
<tr>
<td>CL08</td>
<td>Visionary civic leadership with sound and accountable governance that reflects objective decision-making.</td>
<td>The Town is seen as compliant to the legislative conditions governing the entitlement for long service leave.</td>
</tr>
</tbody>
</table>

**Engagement**

*No Engagement*

**Legal compliance**

- Section 2.7 of the *Local Government Act 1995*
- Section 5.48 of the *Local Government Act 1995*
- Local Government (Long Service Leave) Regulations

**Risk management consideration**

<table>
<thead>
<tr>
<th>Risk and consequence</th>
<th>Consequence rating</th>
<th>Likelihood rating</th>
<th>Overall risk analysis</th>
<th>Mitigation and actions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Compliance</strong></td>
<td>Minor</td>
<td>Possible</td>
<td>Minor</td>
<td>A management practice governing oversite of the process allows for easier application of legislative changes.</td>
</tr>
<tr>
<td>Inconsistency in application of entitlements with various sources of guidance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Industrial Action</strong></td>
<td>Minor</td>
<td>Possible</td>
<td>Minor</td>
<td>One source of guidance aligned to the legislative requirements of the relevant regulations.</td>
</tr>
<tr>
<td>Inconsistency in application of entitlements with various sources of guidance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Financial implications**

| Current budget | Sufficient funds exist within the annual budget to address this recommendation. |
Analysis

6. The CEO is responsible for the management of the day to day operations of the Town. As a staff entitlement the responsibility for the administration of the long service leave conditions and processes is considered an operational issue.

7. The Town contacted 32 other councils to determine whether they maintained a council policy or a management practice to administer long service leave provisions. The 7 responses received all confirmed they had a management practice. No council informed us that they had a council policy for long service leave provisions.

8. The Town’s procedures that are outlined in Management Practice MP045 Long Service Leave have been developed in accordance with the Local Government (Long Service Leave) Regulations.

9. Council Policy ADM2 Long Service Leave deals specifically with the taking of accrued long service leave within a specified time, and the possible deferral of accrued long service leave to a later date. These provisions are currently in Management Practice MP045 Long Service Leave.

10. As a condition of employment, the administration of the benefits associated with long service leave provision is a responsibility of the Town’s Chief Executive Officer.

11. On this basis, it is recommended that council policy ADM2 Long Service Leave be repealed.

Relevant documents

7.4.1. ADM2 – Taking of Long Service Leave (Attachment 1)

7.4.2. Management Practice MP045 Long Service Leave (Attachment 2)

Further consideration

12. The Policy Committee at its meeting on 19 February 2020 considered the following:
   (a) The Committee discussed how the Town has had significant leave liability. It was suggested that if this policy was repealed and replaced with a Management Practice, then Council would have no oversight or control over when or how staff take leave.