

**REPORT**

**and**

**SPECIAL DETERMINATIONS**

**Of**

**THE LOCAL GOVERNMENT REMUNERATION**

**TRIBUNAL**

**Under**

**SECTION 242**

**of the**

**LOCAL GOVERNMENT ACT 1993**

**19 DECEMBER 2005**

## **REPORT:**

On 13 April 2005 the Tribunal issued its 2005 annual Report and Determinations, pursuant to Sections 239 and 241 of the *Local Government Act 1993* (the Act). In particular the Tribunal noted that:

*“...The Minister for Local Government, the Hon Tony Kelly MLC, has advised the Tribunal that the Department of Local Government will undertake a review of the expenses policies adopted by councils with a view to guidelines being developed. Councils are currently required, pursuant to section 252 of the Act, to adopt a policy for the payment of expenses to mayors, deputy mayors and other councillors.*

*As the issues surrounding the payment of fees and expenses are related, the Minister has requested that the Tribunal defer its review of categories until such time as the Department has completed its review. One option being considered is the central regulation of expenses and whether different categories of councils should have variable expense structures.”*

The Tribunal made no changes to the categories of Councils or the fees for Councillors and Mayors from those determined in 2004.

On 29 June 2005 the Minister for Local Government advised the Tribunal that the payment of expenses review was nearing completion and that guidelines were in the final stages of preparation. Legislation has since passed through Parliament requiring councils to have regard to the guidelines developed by the Department of Local Government. As a result, the Minister issued a special reference to the Tribunal to review its determinations of 13 April 2005.

On 19 July 2005 the Tribunal wrote to all councils and the Local Government and Shires Association of NSW advising of the Special Reference from the Minister. The Tribunal further advised that it intended;

*“...as far as practicable, to complete its review of specific categories of Councils. In particular, the Tribunal will be concentrating on the current category structure to determine whether it is still appropriate given the changes that have occurred since it was established in 1995. In addition the Tribunal will consider the categorisation of newly amalgamated councils.”*

In undertaking this review the Tribunal advised that it would be relying on the submissions received for the 2005 annual review but that Councils would be welcome to make any further submissions

## **REVIEW:**

### CATEGORISATION:

Section 240 of the Act provides that the Tribunal in determining categories of Councils will have regard to the following criteria.

- the size of areas
- the physical terrain of areas
- the population of areas and the distribution of the population
- the nature and volume of business dealt with by each council
- the nature and extent of the development of areas
- the diversity of communities served
- the regional, national and international significance of the council
- such matters as the Remuneration Tribunal considers relevant to the provision of efficient and effective local government
- such other matters as may be prescribed by the regulations.

The Tribunal in 1995 determined the categories of Councils based on the abovementioned criteria. Since then the Tribunal has considered individual applications. Where there has been a case established to the Tribunal's satisfaction that the original categorisation should be amended, this has occurred.

As part of the 2006 review the Tribunal is examining its original criteria particularly in light of amalgamations and having regard to submissions received seeking recategorisation. On the basis of this review, and after considering the views of the Assessors, the Tribunal will

determine whether any changes to the current category structure are appropriate as well as the Councils within each Category.

FEES:

In reviewing the fees for Councillors and Mayors contained in the Tribunal's determination of 13 April 2005, the Tribunal has now had regard to key economic indicators including CPI and AWOTE. The Tribunal has also had regard to increases in salaries received through awards and increases received by Members of Parliament. After considering the views of the Assessors, the Tribunal considers that a 4 percent increase in fees effective on and from 1 July 2005 is appropriate on this occasion. The categorisation issue will be settled in the 2006 Report.

**Local Government Remuneration Tribunal**

(The Honourable Charles L Cullen QC)

**Dated: 19 December 2005**

**DETERMINATION PURSUANT TO SECTION 242 OF CATEGORIES OF COUNCILS AND COUNTY COUNCILS EFFECTIVE FROM 1 JULY 2005**

<b>Category S1 (1 Council)</b>	Sydney
<b>Category S2 (3 Councils)</b>	Newcastle Parramatta Wollongong
<b>Category S3</b>	County Councils
<b>Category S4</b> (engaged in significant commercial activities)	County Councils

**Category 1A (2 Councils)**

Blacktown  
Penrith

**Category 1. (16 Councils)**

Bankstown	Liverpool
Baulkham Hills	North Sydney
Campbelltown	Randwick
Fairfield	Ryde
Gosford	Sutherland
Hornsby	Warringah
Hurstville	Willoughby
Lake Macquarie	Wyong

**Category 2. (21 Councils)**

Ashfield	Lane Cove
Auburn	Leichhardt
Botany	Manly
Burwood	Marrickville
Camden	Mosman
Canada Bay	Pittwater
Canterbury	Rockdale
Holroyd	Strathfield
Hunters Hill	Waverley
Kogarah	Woollahra
Ku ring Gai	

### **Category 3. (32 Councils)**

Albury City	Greater Taree
Armidale Dumaresq	Griffith
Ballina	Hastings
Bathurst Regional	Hawkesbury
Bega Valley	Kempsey
Blue Mountains	Lismore
Broken Hill	Maitland
Byron	Orange
Cessnock	Pt Stephens
Clarence Valley	Shellharbour
Coffs Harbour	Shoalhaven
Dubbo	Tamworth Regional
Eurobodalla	Tweed Heads
Gt Lakes	Wagga Wagga
Goulburn Mulwaree	Wingecarribee
Queanbeyan	Wollondilly

### **Category 4. (33 Councils)**

Bellingen	Moree Plains
Cabonne	Murray
City of Lithgow	Muswellbrook
Cobar	Nambucca
Cooma-Monaro	Narrabri
Cootamundra	Narrandera
Cowra	Parkes
Deniliquin	Richmond Valley
Forbes	Singleton
Palerang	Snowy River
Gilgandra	Tumut
Glen Innes Severn	Walgett
Gunnedah	Wellington
Inverell	Wentworth
Kiama	Yass Valley
Leeton	Young
Mid-Western Regional	

**Category 5. (44 Councils)**

Balranald	<u>D</u> ungog	Narromine
Berrigen	Gloucester	Oberon
Bland	Greater Hume	Temora
Blayney	Gundagai	Tenterfield
Bogan	Guyra	Tumbarumba
Bombala	Gwydir	Upper Hunter
Boorowa	Harden	Upper Lachlan
Bourke	Hay	Uralla
Brewarrina	Jerilderie	Urana
Carrathool	Junee	Wakool
Central Darling	Kyogle	Walcha
Conargo	Lachlan	Warren
Coolamon	Liverpool Plains	Warrumbungle
Coonamble	Lockhart	Weddin
Corowa	Murrumbidgee	

**TOTAL GENERAL PURPOSE COUNCILS 152**

**Category S3 (10 Councils)**

Castlereagh – Macquarie	New England Weeds
Central Murray	Richmond River
Far North Coast	Southern Slopes
Hawkesbury River	Upper Hunter
Mid Western	Upper Macquarie

**Category S4 (6 Councils)**

Central Tablelands	MidCoast
Cudgong	Riverina Water
Goldenfields Water	Rous

**TOTAL COUNTY COUNCILS 16**

**DETERMINATION PURSUANT TO SECTION 242 OF FEES FOR COUNCILLORS AND MAYORS**

Pursuant to s.242 of the Local Government Act 1993, the annual fees to be paid in each of the categories to Councillors, Mayors, members and chairpersons of County Councils effective on and from 1 July 2005 are determined as follows:

	<b>Councillor/Member Annual Fee</b>		<b>Mayor/Chairperson Additional Fee*</b>	
	Minimum	Maximum	Minimum	Maximum
Category 5	6,110	6,720	6,490	11,040
Category 4	6,110	8,060	6,490	17,595
Category 3	6,110	13,440	12,990	29,345
Category 2	6,110	13,440	12,990	29,345
Category 1	9,160	17,110	19,480	45,455
Category 1A	12,215	20,160	25,970	58,765
S4	1,220	6,720	2,600	11,040
S3	1,220	4,030	2,600	7,335
S2	12,215	20,160	25,970	58,765
S1	18,330	26,885	112,155	147,575

\*This fee must be paid in addition to the fee paid to the Mayor/Chairperson as a Councillor/Member (s.249(2)).

**Local Government Remuneration Tribunal**

(The Honourable Charles L Cullen Q.C.)

**Dated: 19 December 2005**