

REPORT

and

DETERMINATION

of

THE LOCAL GOVERNMENT REMUNERATION TRIBUNAL

under

SECTIONS 239 AND 241

of the

LOCAL GOVERNMENT ACT 1993

28 April 2011

LOCAL GOVERNMENT REMUNERATION TRIBUNAL

2011 ANNUAL REVIEW

REPORT

BACKGROUND

1. Pursuant to Section 241 of the *Local Government Act 1993* (the Act) the Local Government Remuneration Tribunal hereby determines in each category of council, the maximum and minimum amount of fees to be paid to mayors and councillors of councils, as well as chairpersons and members of county councils.
2. On 8 November 2010 the Tribunal wrote to all mayors advising of the commencement of the 2011 annual review. In respect of this review the Tribunal advised councils that it would be undertaking a review of the minimum and maximum fee levels for each category but would not be reviewing the categories at this time. In accordance with Section 239 of the Act the Tribunal is required to determine the categories of councils and mayoral offices at least once every 3 years. The next review of categories is scheduled to take place during the 2012 review.
3. The Tribunal also wrote to the Presidents of the Local Government and Shires Associations (LGSA) in similar terms, and subsequently met with the Presidents. The Tribunal wishes to place on record its appreciation to the Presidents for making time to see the Tribunal

2011 REVIEW

4. The LGSA provided a submission on fees and related matters. As in previous years, the LGSA has recommended that fees be set as a percentage of the annual salary paid to NSW Members of Parliament. The LGSA has also provided an overview of the various factors contributing to the role and

workload of councillors including training and development, financial sustainability, impact of climate change, cost shifting and increased accountability and transparency in decision making.

5. The Tribunal also received 16 submissions from individual councils. The majority of those submissions supported an increase in the fees payable to councillors and mayors. The submissions also addressed the following issues:
 - workload
 - complexity of issues
 - training and development
 - expenses
 - categorisation
6. The Tribunal has had regard to the submissions received and to comments made by the Associations in regard to the level of fees. Suggestions that fees be set as a percentage of the salary of a Member of Parliament are not supported for reasons stated in previous reports. Should there be significant change to or restructure of local government in NSW the Tribunal would comprehensively review the fee structure at that time.
7. A number of submissions have raised the increasing complexity of council work, in particular responsibilities associated with integrated planning and reporting and planning and development reform. It is argued that these, and other functions, add to the workload of councillors and thereby warrant an increase in remuneration. The Tribunal confirms its remarks previously made several times to the effect that that an increase in workload does not in itself reflect a change in the roles and responsibilities of councillors, which is the test for considering whether any increase in remuneration is warranted. Additional planning and reporting requirements, for example, are reflective of changed modes of work rather than a fundamental shift in the role and responsibilities of office.

8. The role of a councillor is outlined in section 232 of the Act. That is:

As a member of the governing body of the council, a councillor's duties include:

- *to provide a civic leadership role in guiding the development of the community strategic plan for the area and to be responsible for monitoring the implementation of the council's delivery program*
- *to play a key role in the creation and review of the council's policies and objectives and criteria relating to the exercise of the council's regulatory functions*
- *to review the performance of the council and its delivery of services, and the delivery program and revenue policies of the council.*

As an elected person, the role of a councillor includes:

- *to represent the interests of the residents and ratepayers*
- *to provide leadership and guidance to the community*
- *to facilitate communication between the community and the council.*

9. Ongoing training is essential to ensure councillors have timely access to the information necessary to perform their roles and responsibilities effectively. The Tribunal is pleased that both the Division of Local Government in the Department of Premier and Cabinet and the Local Government and Shires Association offer professional development opportunities for both new and existing councillors and mayors. Since the last election in September 2008 1,061 or 83% of councillors have attended a councillor information seminar provided under the NSW Government's Councillor Development Strategy. These seminars covered roles and responsibilities, code of conduct and meeting practice. A further 26 seminars were held in 2010 and 2011 covering financial reporting, recruitment and oversight of general managers and an update of the code of conduct. Professional development is also provided through the Associations' Learning Solutions Unit which conducted twenty-one councillor workshops from January to June 2010 with courses including *Financial Skills for Councillors* and *Integrated Planning and Reporting*. Councillors and mayors should avail themselves of professional development opportunities to ensure they have a clear understanding of their roles and responsibilities and have the necessary skills to perform effectively.

10. The Tribunal has also received advice that there is an expectation in some councils that councillors are to pay for some or all of their expenses from their annual fee. Expenses reasonably incurred by councillors are outside provisions made under the annual fee determinations. The policy in regard to the payment of expenses is outlined in the Division of Local Government's publication *"Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors in NSW, October 2009"*. In accordance with that policy, councillor expenses and facilities policies should set levels of expenses and facilities to realistically account for costs incurred by councillors independent of the level of their annual fees.
11. The Tribunal is aware that councils play a pivotal role in developing and sustaining local communities. The Tribunal acknowledges that significant work has already been done in the area of long term strategic planning by councils. Part of this planning involves the rationalisation of common activities to the benefit of local communities. The Tribunal has been made aware of recent initiatives in collaborative arrangements between councils, including the sharing of waste removal, library and corporate services between councils. The Division of Local Government has advised that councils have reported over 800 collaborative arrangements, an increase from 403 reported in 2007. The Division is also working with the Local Government and Shires Associations of New South Wales, Local Government Managers Australia, and the Strategic Alliance Network to develop ways to share this information, build relevant skills, and promote further council collaboration.
12. The Tribunal will continue to monitor local government initiatives and inform itself of the new State Government's direction for local government. The Tribunal notes that the newly elected Coalition Government has announced changes to the Environmental Planning and Assessment Act which will return some planning responsibilities back to local councils. The Tribunal will review these changes when the legislation is amended and will monitor the impact on councillor and mayor responsibilities.

13. The Tribunal acknowledges the valuable contribution councillors and mayors make to our communities and has determined an appropriate increase. Having regard to the factors discussed in the report, and after considering key economic indicators, and after taking the views of the Assessors into account, the Tribunal considers that an increase of 4.2 per cent in the fees for councillors and mayors is appropriate and so determines.

2012 REVIEW OF CATEGORIES

14. The Tribunal has received two submissions from councils seeking categorisation to another category or the creation of a new category. The Tribunal last undertook a fundamental review of categories during the 2009 review. That review found that there was no strong case to significantly alter the current categories of councillor and mayoral offices or to move individual councils between categories. The Tribunal did however apply descriptive titles for each of the categories to more accurately reflect the nature of differences between the different groups.

15. In accordance with Section 239 of the Act the Tribunal is required to determine the categories for councils and mayoral offices for the purpose of determining fees at least once every three years. Accordingly the Tribunal will again review the categories in 2012.

16. Section 240 of the Act requires the Tribunal to determine categories according to the following matters:

“240 (1)

- *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.”*

17. To ensure there is sufficient time to consider the relevant issues and undertake consultation the Tribunal will commence the 2012 review earlier than usual. Councils will be asked to consider the existing categories and where appropriate suggest alternative models of categorisation.

18. It is expected that the Tribunal will write to all councils and the associations in September inviting submissions for the 2012 review of categories.

Local Government Remuneration Tribunal

Helen Wright
Dated: 28 April 2011

DETERMINATION PURSUANT TO SECTION 239 OF CATEGORIES OF COUNCILS AND COUNTY COUNCILS EFFECTIVE FROM 1 JULY 2011

Category - Principal City (1)

Sydney

Category - Major City (3)

Newcastle
Parramatta
Wollongong

Category - Metropolitan Major (2)

Blacktown
Penrith

Category - Metropolitan Centre (16)

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

Category – Metropolitan (21)

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 - Regional Rural (32)

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

Category - Rural (77)

Balranald	Gloucester	Narromine
Bellingen	Greater Hume	Palerang
Berrigan	Gundagai	Parkes
Bland	Gunnedah	Oberon
Blayney	Guyra	Richmond Valley
Bogan	Gwydir	Singleton
Bombala	Harden	Snowy River
Boorowa	Hay	Temora
Bourke	Inverell	Tenterfield
Brewarrina	Jerilderie	Tumbarumba
Cabonne	Junee	Tumut
Carrathool	Kiama	Upper Hunter
Central Darling	Kyogle	Upper Lachlan
Cobar	Lachlan	Uralla
Conargo	Leeton	Urana
Coolamon	Lithgow	Wakool
Cooma-Monaro	Liverpool Plains	Walcha
Coonamble	Lockhart	Walgett
Cootamundra	Mid-Western	Warren
Corowa	Moree Plains	Warrumbungle
Cowra	Murray	Weddin
Deniliquin	Murrumbidgee	Wellington
Dungog	Muswellbrook	Wentworth
Forbes	Nambucca	Yass Valley
Gilgandra	Narrabri	Young
Glen Innes Severn	Narrandera	

TOTAL GENERAL PURPOSE COUNCILS

152

Category - County Councils Water (5)

Central Tablelands	Riverina Water
Goldenfields Water	Rous
MidCoast	

Category - County Councils Other (9)

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

TOTAL COUNTY COUNCILS 14

DETERMINATION PURSUANT TO SECTION 241 OF FEES FOR COUNCILLORS AND MAYORS

Pursuant to s.241 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 2011 are determined as follows:

	Councillor/Member Annual Fee		Mayor/Chairperson Additional Fee*	
	Minimum	Maximum	Minimum	Maximum
Principal City	22,680	33,270	138,780	182,610
Major City	15,110	24,960	32,140	72,710
Metropolitan Major	15,110	24,960	32,140	72,710
Metropolitan Centre	11,340	21,170	24,100	56,250
Metropolitan	7,550	16,640	16,080	36,320
Regional Rural	7,550	16,640	16,080	36,320
Rural	7,550	9,970	8,020	21,770
County Council – Water	1,500	8,320	3,220	13,660
County Council - Other	1,500	4,980	3,220	9,080

*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

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