

**REPORT**

and

**DETERMINATION**

of

**THE LOCAL GOVERNMENT REMUNERATION TRIBUNAL**

under

**SECTIONS 239 AND 241**

of the

**LOCAL GOVERNMENT ACT 1993**

**8 April 2013**

# Local Government Remuneration Tribunal 2013 Report

## Section 1 Background

1. Pursuant to Section 241 of *the Local Government Act 1993* (the LG 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 3 December 2012 the Tribunal wrote to all mayors advising of the commencement of the 2013 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.
3. In determining the minimum and maximum fees payable to each of the categories, the Tribunal is required, pursuant to section 242A of the LG Act, to give effect to the same policies on increases in remuneration as those that the Industrial Relations Commission is required to give effect to under section 146C of the *Industrial Relations Act 1996*, when making or varying awards or orders relating to the conditions of employment of public sector employees.
4. The current policy on wages pursuant to section 146(1)(a) of the *Industrial Relations Act 1996* is articulated in the Industrial Relations (Public Sector Conditions of Employment) Regulation 2011. The effect of the Regulation is that public sector wages cannot increase by more than 2.5 per cent, and this includes the minimum and maximum fees payable to councillors and mayors.
5. The Tribunal's Report and Determination of 2012 provided a general increase of 2.5 per cent which was consistent with the NSW Wages Policy.
6. The Tribunal also advised councils that it would not be reviewing the categories of councils during the 2013 Review. In accordance with Section 239 of the LG Act the Tribunal is required to determine the categories of councils and mayoral offices at

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least once every 3 years. The Tribunal last undertook a fundamental review of the categories of councils in 2012. In undertaking that review the Tribunal found that there was no strong case to significantly alter the current categories of councillor and mayoral office or to move individual councils between categories.

## Section 2 2013 Annual Review

7. The Tribunal is aware that a number of initiatives are currently under way to improve the strength and effectiveness of local government in NSW. These include:
  - the appointment of the Independent Local Government Review Panel to drive key strategic directions identified in the Destination 2036 initiative
  - the appointment of the Local Government Acts Taskforce to review the *Local Government Act 1993* and the *City of Sydney Act 1988*
  - the engagement of the NSW Treasury Corporation (TCorp) to report on the financial sustainability of Local Government in NSW.
8. Given the significant work being undertaken by both the NSW Government and local councils to drive and deliver local government reform, and the limitations placed on the Tribunal in respect of determining increases in fees, the Tribunal did not call for general submissions from individual councils as part of the 2013 Annual Review. While general submissions were not required, the Tribunal advised councils that they were still able to raise any issues of concern relevant to the review.
9. The Tribunal also wrote to the Presidents of the Local Government and Shires Associations (the Associations merged on 1 March 2013 to become Local Government NSW (LGNSW)) in similar terms.

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10. The Tribunal received three submissions from individual Councils. The submissions sought consideration of the following matters:

- the Tribunal to determine the maximum statutory increase of 2.5 percent as permitted by the legislation
- the Tribunal to benchmark mayoral and councillor fees with that of a State Member of Parliament
- the Tribunal to introduce a professional remuneration structure for councillors to improve accountability and performance.

11. The Tribunal also received a submission and met with representatives of LGNSW. Given the statutory limitations in place LGNSW has requested that councillor and mayoral remuneration should be increased by the full 2.5 per cent for 2013-14.

12. In addition to requesting the maximum increase of 2.5 percent, LGNSW has sought a professional remuneration structure to ensure that local government attracts appropriately qualified people. LGNSW continues to advocate that elected representatives face increasing challenges, associated with managing council workload, family responsibilities and paid work, and that the significant time involvement is not appropriately recompensed through the current remuneration levels.

13. LGNSW also provided the Tribunal with an overview of the current reform initiatives and their expected impact on the role and responsibilities of councillors and mayors. The anticipated changes will, in the opinion of LGNSW, warrant a review of the remuneration structure, and a subsequent increase in fees.

14. The Tribunal wishes to place on record its appreciation to LGNSW for its participation and assistance during the 2013 Annual Review process.

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### **Section 3 Findings**

15. The Tribunal has been advised that significant progress has been made in developing proposals for local government reform in NSW.
  
16. The Independent Local Government Review Panel undertook an extensive consultation program with stakeholders across NSW during 2012. Its third discussion paper “Future Directions”, which is due at the end of April, will include ideas for reform – including suggestions for better governance, improved financial management, stronger regions and boundary changes. The Panel is expected to make its final report to the Minister for Local Government, the Hon Don Page MP, in July/August 2013.
  
17. During 2012 the Minister for Local Government also announced that the legislative framework for local government in NSW would be rewritten and modernised. A Local Government Acts Taskforce was appointed to consult with stakeholders and the public to make recommendations for a new Local Government Act that is responsive to the current and future needs of the community. The Taskforce will take into account the outcomes and recommendation of the Independent Local Government Review Panel and is expected to release a discussion paper in late April with further consultation to occur throughout the year.
  
18. The Tribunal continues to support initiatives which will bring about improvements in the local government sector. In addition, the Tribunal welcomes the collaborative approach taken by the Government and the local government sector to bring about reform. The Tribunal notes that the Panel’s discussion paper “Future Directions” and the reports of the Taskforce and TCorp, which are expected to be published in April 2013, were not available as at the time of the Tribunal making the 2013 annual determination. The Tribunal will monitor the progress of these initiatives over the coming year.

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19. As outlined at the beginning of the report the Tribunal is now required to have regard to the Government's wages policy when determining the increase to apply to the minimum and maximum fees that apply to councillors and mayors. The public sector wages policy currently provides for a cap on increases of 2.5 per cent.

20. The Tribunal has reviewed the key economic indicators, including the Consumer Price Index and Wage Price Index, and finds that the full increase of 2.5 per cent available to it is warranted. On that basis, and having regard to the above, and after taking the views of the Assessors into account, the Tribunal considers that an increase of 2.5 per cent in the fees for councillors and mayors is appropriate and so determines.

### **Local Government Remuneration Tribunal**

(Signed)

**Helen Wright**

Dated: 8 April 2013

Determinations of the Local Government Remuneration Tribunal effective on and from 1 July 2013

**Determination No 1- Pursuant to Section 239 of Categories of Councils and County Councils Effective From 1 July 2013**

**Category - Principal City (1)**

Sydney

**Category - Major City (3)**

Newcastle

Parramatta

Wollongong

**Category - Metropolitan Major (2)**

Blacktown

Penrith

**Category - Metropolitan Centre (16)**

Bankstown

Hurstville

Sutherland

Campbelltown

Lake Macquarie

Warringah

Fairfield

Liverpool

Willoughby

Gosford

North Sydney

Wyong

The Hills

Randwick

Hornsby

Ryde

**Category – Metropolitan (21)**

Ashfield

Holroyd

Marrickville

Auburn

Hunters Hill

Mosman

Botany

Kogarah

Pittwater

Burwood

Ku-ring-gai

Rockdale

Camden

Lane Cove

Strathfield

Canada Bay

Leichhardt

Waverley

Canterbury

Manly

Woollahra

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<b>Category - Regional Rural (32)</b>		
Albury	Dubbo	Orange
Armidale Dumaresq	Eurobodalla	Port Macquarie-Hastings
Ballina	Great Lakes	Port Stephens
Bathurst	Goulburn Mulwaree	Shellharbour
Bega Valley	Queanbeyan	Shoalhaven
Blue Mountains	Greater Taree	Tamworth
Broken Hill	Griffith	Tweed
Byron	Hawkesbury	Wagga Wagga
Cessnock	Kempsey	Wingecarribee
Clarence Valley	Lismore	Wollondilly
Coffs Harbour	Maitland	

<b>Category - Rural (77)</b>		
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

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<b>Category - Rural (77) - Cont</b>		
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	

<b>TOTAL GENERAL PURPOSE COUNCILS</b>	<b>152</b>
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<b>Category - County Councils Water (5)</b>	
Central Tablelands	Riverina Water
Goldenfields Water	Rous
MidCoast	

<b>Category - County Councils Other (9)</b>	
Castlereagh – Macquarie	Richmond River
Central Murray	Southern Slopes
Far North Coast	Upper Hunter
Hawkesbury River	Upper Macquarie
New England Tablelands	

<b>TOTAL COUNTY COUNCILS</b>	<b>14</b>
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Determinations of the Local Government Remuneration Tribunal effective on and from 1 July 2013

**Determination 2 - 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 2013 are determined as follows:

Category	Councillor/Member Annual Fee		Mayor/Chairperson Additional Fee*	
	Minimum	Maximum	Minimum	Maximum
Principal City	\$23,830	\$34,950	\$145,810	\$191,860
Major City	\$15,880	\$26,220	\$33,760	\$76,390
Metropolitan Major	\$15,880	\$26,220	\$33,760	\$76,390
Metropolitan Centre	\$11,910	\$22,240	\$25,320	\$59,100
Metropolitan	\$7,930	\$17,490	\$16,890	\$38,160
Regional Rural	\$7,930	\$17,490	\$16,890	\$38,160
Rural	\$7,930	\$10,480	\$8,430	\$22,870
County Council – Water	\$1,580	\$8,740	\$3,380	\$14,350
County Council - Other	\$1,580	\$5,230	\$3,380	\$9,540

\*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**

(signed)

Helen Wright  
Dated: 8 April 2013