

REPORT

and

DETERMINATION

of

THE LOCAL GOVERNMENT REMUNERATION TRIBUNAL

under

SECTIONS 239 AND 241

of the

LOCAL GOVERNMENT ACT 1993

15 April 2010

LOCAL GOVERNMENT REMUNERATION TRIBUNAL

2010 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 26 November 2009 the Tribunal wrote to all mayors advising of the commencement of the 2010 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.
3. 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 Tribunal last undertook a fundamental review of the categories of councils in 2009. In undertaking that review the Tribunal 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. While the groupings remain unchanged, the Tribunal decided to apply descriptive titles to the categories which more accurately reflect the nature of the differences between the various groups.
4. The next review of categories is scheduled to take place during the 2012 review. Until then the Tribunal does not expect to move councils within categories unless there is a significant change in the role and responsibilities of individual councils.

5. 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.

2010 REVIEW

6. The LGSA provided a submission on fees and related matters. As in previous years, the LGSA have recommended that fees be set as a percentage of the annual salary paid to NSW Members of Parliament. The LGSA has also provided information on the impact of State Government planning reforms on councillors' workloads and the additional responsibilities associated with the integrated planning and reporting amendments to the Act.
7. The Tribunal received 22 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:
 - integrated planning and reporting reform
 - planning reforms, including the Joint Regional Planning Panels
 - interstate comparisons
 - categorisation
 - workload
 - attracting high quality candidates to nominate for election to local government.

Integrated Planning and Reporting Reform

8. The Act was amended on 1 October 2009 to provide for an integrated planning and reporting framework. These reforms replace the requirement for councils to prepare separate Management Plans and Social Plans with an integrated plan. It also includes a new requirement to prepare a long-term Community Strategic

Plan and Resourcing Strategy. A number of submissions have argued that there are additional responsibilities associated with the implementation of these reforms. In addition, councillors, it is argued, face additional challenges associated with the intricacies of further legislative reform.

9. The 2009 amendments build on the reforms in the 1993 Act. One of the features of the 1993 Act was the devolution of council management to the newly created General Manager position. Councillors were meant to set the broad policy directions for councils and the General Manager was to implement them.
10. The Tribunal is not convinced that the introduction of the Integrated Planning and Reporting (IP&R) reforms impose any additional workload on councillors. Rather, the reforms represent a shift in the way councils undertake their planning and reporting functions. The reforms aim to streamline and simplify the planning and reporting process, as well as assist councillors to focus their attention on the issues of strategic importance to their community. The new planning and reporting framework is a tool to enable councillors to focus strategically on social, economic, environmental and civic issues.

Planning reforms

11. The Tribunal has examined the impact of State Government planning reforms on the role and responsibilities of councillors. These reforms include the introduction of the Planning Assessment Commission, the Joint Regional Planning Panels (JRPP), the NSW Housing Code and other initiatives of the NSW Government.
12. A number of submissions have commented on the impact these changes have on the roles and responsibilities of councillors and mayors. The Tribunal is advised that the role of a councillor as a council-appointed member of a Joint Regional Planning Panel (JRPP) is provided for under the Environmental Planning and Assessment Act 1979 (EP&A Act). This role is both separate and additional to the role of a councillor under the Local Government Act. While

there may be some additional work for the appointed councillor, there should be minimal, if any, change in the work for other councillors. Councillors appointed to the JRPPs are paid a fee covering increase in responsibility.

13. The NSW Housing Code came into effect on 27 February 2009. The purpose of the Code is to simplify the planning process for new houses and alterations and additions to existing homes. Dwellings complying with the provisions of the Code can bypass formal council Development Application (DA) procedures and receive approval in 10 days or less from an accredited certifier. The Department of Planning has published figures which show that in 2008, 90 per cent of new detached houses required the lodgement of a Development Application (DA) and that the average time taken for a council to process a DA in Sydney ranged from 34 to 254 days.

14. The Housing Code provides a streamlined alternative to the DA process because it is not based on a 'merit-based' assessment. Under the Housing Code, any complying development proposal which satisfies the standards in the Code must be approved.

15. It is expected that the Housing Code provisions will significantly reduce the number of DAs requiring council approval. The Department of Planning's information sheet makes the following assessment of the impact of the Code,

"...The increasing use of exempt or complying development will reduce local councils' development assessment workload. This will save councils time and money and free up council resources to concentrate on more complex development applications and strategic planning for their local government area.

The Tribunal emphasises that strategic planning is a key role of councillors.

16. The Tribunal considers that on balance the new planning reforms should result in Councils having a reduced role in local planning decisions.

Interstate comparisons

17. A number of submissions, including that received by the LGSA, continue to support a shift to a remuneration model similar to that applied in Queensland, ie, that remuneration for councillors and mayors be determined as a percentage of the salary of a Member of Parliament.
18. The Tribunal has considered this matter previously and provided its reasons for rejecting such a proposal in its 2008 Report (paragraphs 20 to 25). The submission has not provided any additional information which would warrant a change in the Tribunal's view on this matter.

Categorisation

19. The Tribunal has received a number of submissions from councils seeking categorisation to another category or the creation of a new category. The Tribunal last undertook a fundamental review of the categories of councils in 2009. In undertaking that review the Tribunal 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. As noted above, the Tribunal did change the titles of the various categories to more accurately describe each category.
20. The next review of categories is scheduled to take place during the 2012 review. Until then the Tribunal does not expect to move councils within categories unless there is a significant change in the role and responsibilities of individual councils. On the basis of the information received, the Tribunal finds that there is no compelling case to further adjust the categories at this time.

Workload

21. A number of submissions have sought an adjustment in fees to reflect the increasing amount of time councillors are spending on council business. As the NSW *Local Government Act 1993* provides for a high level of delegation to council staff, the amount of time devoted to local government is largely within the discretion of councils themselves. An increase in time spent does not of itself necessarily indicate any change in the roles and responsibilities of councillors.

The ability to attract suitable candidates to stand for election.

22. The Tribunal has again considered whether the level of fees is sufficient to attract quality candidates to stand for election. It has been repeatedly argued that the lack of an adequate fee means that better quality candidates are not seeking election. The Tribunal has yet to see any submission suggesting criteria which might reasonably be used to assess the quality of candidates.

23. The Act does not provide for any formal qualifications to stand for election to council. Section 232 of the Act provides that councillors perform a dual role. 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.*

24. From information contained in the Division of Local Government's *Candidates and Councillors 2008: Report on the survey of Local Government Elected Members and Candidates for elections held in September 2008*, the Tribunal notes that nearly 50 percent of councillors elected in the 2008 election listed their occupation as either, "Professional", or "Self Employed." While the number of candidates seeking election for local government fell slightly, when compared with the number standing in the previous two local government elections, there were on average 3 candidates for every councillor position.
25. On the basis of such information, the Tribunal is not convinced that the fee levels are an impediment either to the quality or number of candidates seeking election to local government in NSW.
26. In determining the level of increase for the 2010 review the Tribunal has had regard to the improving economic conditions as Australia emerges from the Global Financial Crisis and key economic indicators, including the Consumer Price Index and the Labour Price Index.
27. Having regard to the above, and after taking the views of the Assessors into account, the Tribunal considers that an increase of 3.0 per cent in the fees for councillors and mayors is appropriate and so determines.

Local Government Remuneration Tribunal

Helen Wright
Dated: 15 April 2010

DETERMINATION PURSUANT TO SECTION 239 OF CATEGORIES OF COUNCILS AND COUNTY COUNCILS EFFECTIVE FROM 1 JULY 2010

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 2010 are determined as follows:

	Councillor/Member Annual Fee		Mayor/Chairperson Additional Fee*	
	Minimum	Maximum	Minimum	Maximum
Principal City	21,770	31,930	133,190	175,250
Major City	14,500	23,950	30,840	69,780
Metropolitan Major	14,500	23,950	30,840	69,780
Metropolitan Centre	10,880	20,320	23,130	53,980
Metropolitan	7,250	15,970	15,430	34,860
Regional Rural	7,250	15,970	15,430	34,860
Rural	7,250	9,570	7,700	20,890
County Council – Water	1,440	7,980	3,090	13,110
County Council - Other	1,440	4,780	3,090	8,710

*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

Helen Wright
Dated: 15 April 2010