

REPORT

and

DETERMINATIONS

of

THE LOCAL GOVERNMENT REMUNERATION
TRIBUNAL

under

SECTIONS 239 AND 241

of the

LOCAL GOVERNMENT ACT 1993

1 MAY 1995



LOCAL GOVERNMENT REMUNERATION TRIBUNAL
Level 12, 169-183 Liverpool Street, SYDNEY 2000
Telephone (02) 286 7300

The Honourable Mr. E. Page, MP
Minister for Local Government
Level 2, 151 Macquarie Street
Sydney NSW 2000

1 May 1995

Dear Minister,

Pursuant to Section 244 of the Local Government Act 1993, I wish to advise that Determinations have been made in accordance with Sections 239 and 241 of the said Act.

The Determinations and a Report thereon are forwarded for publication in accordance with Section 245 of the said Act.

Yours faithfully,

A handwritten signature in black ink, appearing to read "C.L. Cullen".

The Honourable Mr. Justice C.L. Cullen.

i

EXECUTIVE SUMMARY

The Local Government Remuneration Tribunal was set up as an independent body under section 235 of the *Local Government Act 1993* to establish fees for elected local government representatives. The Act implemented wide ranging reforms of the local government industry. The Tribunal is the first of its kind in Australia. Its role is to determine categories for councils, county councils and mayoral offices and to place each council, county council and mayoral office into one of the categories it has determined. Pursuant to Section 400 (as amended by the *Local Government (Miscellaneous) Act 1994*), the Tribunal now has power to make a determination for chairpersons.

The Tribunal was appointed in February 1994. It is assisted by two Assessors in its deliberations. The Act requires that one Assessor is the Director-General of the Department of Local Government, the other is nominated by the Minister for Local Government.

The Tribunal must make a report to the Minister by 1 May each year as to its determinations of categories and the maximum and minimum amounts of fees to be paid during the following year to mayors, councillors, chairpersons and members of county councils.

The Tribunal's first Report and Determinations were tabled in Parliament on 12 May 1994 less than three months from its inception. Because of the limited material and time available, the Tribunal stipulated that its first Determinations should be regarded as Interim Determinations which would be reviewed after a full investigation.

The Interim Determinations established three special categories and five other categories. The Tribunal determined that the minimum fee and maximum fee for a councillor for 1994/95 for all categories was \$5,000. A separate fee of \$1,000 was determined for members of county councils. It also determined that mayors were to receive an additional \$5,000, except where a greater fee was currently being received. In this case, the "status quo" could be retained. At that time the Tribunal had no power to make a determination in relation to chairpersons of county councils.

In the period since the Interim Determinations were tabled, the Tribunal has undertaken an extensive programme of meetings and hearings throughout the State. The purpose of these meetings was to hear from representatives of local government and other interested persons on councils' regulatory and service functions and the roles and functions performed by mayors, councillors and chairpersons and members of county councils. The Tribunal heard from 86 councils and organisations at 16 locations throughout the State. In addition, the Tribunal received 92 written submissions.

Summary of the Determined Fees.

It should be noted that a number of councils have been recategorised. The full list of councils and their categories are set out in the body of the Report.

Councillors and Members of County Councils.

Minimum Fees

In the light of the information obtained in the review, the Tribunal has determined that the minimum fees that shall operate for the period 1 July 1995 to 30 June 1996 are as follows: \$5,000 for Categories 5, 4, 3 and 2; \$7,500 for Category 1; \$10,000 for Category S2; \$15,000 for Category S1 and, finally, \$1,000 for Category S3.

Maximum Fees

The maximum fees that shall operate for the period are \$5,000 for Category 5, \$6,000 for Category 4; \$10,000 for Categories 2 and 3; \$12,500 for Category 1; \$15,000 for Category S2; \$20,000 for Category S1; and \$3,000 for Category S3.

Mayors and Chairpersons.

Minimum Fees

The minimum fees that shall operate for Mayors and Chairpersons for the period are \$5,000 for Categories 4 and 5; \$10,000 for Categories 2 & 3; \$15,000 for Category 1; \$20,000 for Category S2; \$50,000 for Category S1; and \$2,000 for Category S3.

Maximum Fees

The maximum fees for the period are \$7,500 for Category 5; \$12,000 for Category 4; \$20,000 for Categories 2 and 3; \$30,000 for Category 1; \$40,000 for Category S2; \$75,000 for Category S1; and \$5,000 for Category S3.

In keeping with section 248 of *the Act*, a council must pay each councillor an annual fee in accordance with the Tribunal's Determinations. Accordingly, a council may, having regard to the category established by the Tribunal:

- (i) fix a fee that is equal to, or greater than, the minimum but not greater than the maximum for the appropriate category; or
- (ii) where no fee is fixed, pay the appropriate minimum fee determined by the Tribunal.

A council must pay the same fee for each councillor.

TABLE OF CONTENTS

<u>Chapter</u>	<u>Page</u>
1. INTRODUCTION	1
2. FACT FINDING PROGRAMME	2
Hearings	4
General Comments	6
3. BACKGROUND	8
The role of councillor as a member of the governing body	9
The role of councillor as an elected person	10
Recompense for council service	10
The time commitment of mayors and councillors	12
The role of members and chairpersons of county councils	14
The basis of assessment of fees	16
4. CATEGORIES	21
The basis of categorisation	21
Category 5 - Small Rural Councils	25
Category 4 - Rural/Urban Councils	26
Category 3 - Rural Regional Councils	27
Category 2 - Suburban Councils	31
Category 1 - Urban Regional Centres	34
Category S1 - Sydney City Council	38
Category S2 - Newcastle City Council	41
- Wollongong City Council	42
Category S3 - County Councils	43
Recategorisation of certain councils	49
Note on categorisation	55
5. OVERSEAS COMPARISONS	
New Zealand	56
California	57
Relevance of overseas experience	61

6. FEES

The History of Fees & Allowances	- Councillors	64
	- Mayors	66
Submissions of the parties		67
Minimum fees for councillors/members		72
	- Categories 2, 3 & 4	74
	- Category 1	75
	- Categories S1 & S2	75
	- Category S3	75
Maximum fees for councillors/members		75
Additional Fee for Mayors/Chairpersons		77
Deputy Mayor		79
Expenses		80
7. DETERMINATION OF CATEGORIES OF COUNCILS FOR 1995		82
8. DETERMINATION OF ANNUAL REMUNERATION FEES FOR COUNCILLORS AND MAYORS		87

9. ATTACHMENTS

1. Notification of Local Government Remuneration Tribunal Hearings
2. Dates of Venues of Hearings
3. List of Written Submissions
4. Invitation to suburban councils
 - dated 22 September 1994
5. Summary of County Councils
6. California Government Code - § 36516
 - Compensation of councilmen under ordinance
7. Maps
 - New South Wales Local Government Areas
 - Sydney, Newcastle & Wollongong

1. INTRODUCTION

The Local Government Remuneration Tribunal (the Tribunal) was set up under Chapter 9, Part 2, Division 4 of the Local Government Act 1993 (*the 1993 Act*). It is the first of its kind in Australia. *The 1993 Act* implements wide-ranging reforms of local government and was introduced in response to concerns regarding the performance of elected members of councils. The Tribunal is required to deal specifically with the remuneration of such elected persons. Its role is to determine categories for councils, county councils and mayoral offices and to place each council, county council and mayoral office into one of these categories. It is required also to determine the minimum and maximum annual amounts of fees to be paid to councillors and members of county councils and chairpersons of county councils and mayors. There are approximately 2,000 such persons in New South Wales, all of whom will be directly affected by the Tribunal's determinations.

The Tribunal had the assistance of two assessors, Mr Garry Payne, Director-General, Department of Local Government and Ms Di Edwards, a former Councillor of Ballina Shire Council, pursuant to s.236 of *the 1993 Act* for the purposes of determining categories and fees for 1995/96 and the Executive Officer, Ms Elayne Jay.

2. FACT FINDING PROGRAMME

On 22 April 1994, the Tribunal made its first Report and Determinations pursuant to Sections 239 and 241 of the *Local Government Act 1993* (*the 1993 Act*). The statutory requirement for the Tribunal to table its first report within three months of its establishment, in February, 1994, precluded the Tribunal from carrying out a full investigation into the role and functions of local government elected representatives. In the Preface to the Report made on 22 April 1994, the Tribunal stated:

Because of the limited material and time available to formulate the present determination it necessarily must be regarded as an interim determination which will need to be reviewed after a full investigation. (Preface, Report and Determination of the Local Government Remuneration Tribunal under Sections 239 and 241 of the Local Government Act 1993, 22.04.94, p.ii.)

The need for the investigation was brought about by the lack of information on a wide range of issues relating to the matters dealt with by councils and the manner in which councillors and mayors carried out their duties. This was particularly the case in relation to the new statutory roles and functions of councillors and mayors:

Much of the material supplied in submissions to the Tribunal relied substantially upon the performance of activities which are no longer relevant; particularly so in relation to mayors. (Preface, Report, 1994, p.i.)

There was a need for information on the activities, experience, skills and time needed for the average councillor and mayor in each category to effectively and efficiently carry out their duties under the current legislation. The Tribunal determined that such a review required an extensive consultation process with a wide range of elected and appointed local government representatives and other interested individuals and groups.

In addition to the roles and functions of elected representatives, the issues the Tribunal needed to address related to their occupations, background and experience; community activities before and after election; time spent in community interaction and consultation; and the preparation for, and duration of, meetings. Other matters to be considered included special issues and problems councils were addressing, including long and short term planning and policy development.

Finally, the Tribunal sought to consult with councils as to the impact of the Interim Determinations in the particular circumstances of each council. The Interim Report and Determinations attracted an active and frank debate which was much appreciated. It is only by such debate that the resolution of this difficult task can be effected.

Closely related to the question of the quantum of annual fees is the reimbursement of out-of-pocket expenses and the provision of other facilities to councillors and mayors pursuant to s.252 of *the 1993 Act*. A survey of all councils carried out by the Tribunal in March 1995 indicated that there is a significant variation in the number and type of expenses reimbursed by individual councils. While most councils reimbursed travelling expenses and subsistence, a number did not reimburse any expenses and others not only reimbursed a wide range of expenses but also provided other facilities.

It was as a consequence of the complexity and range of information sought that the Tribunal decided that the information necessary could only be obtained by consulting individually with local government representatives. While there were some similarities with the Local Government Grants Commission consultation procedures, no previous comprehensive study had been undertaken specifically on the roles and functions of elected representatives of local government. The

Tribunal visited various locations throughout the State to ensure that representatives of even the most remote communities could be heard without more than a half day's travel each way. The Tribunal decided that all hearings would be open to the public unless a hearing in camera was requested.

Hearings.

Sixteen locations were established covering the metropolitan, north-west, far-west, north-east, west, south-west, central north, and the central south districts. Eighteen days of hearings were fixed. The Executive Officer was directed to ensure that, as far as possible, a representative cross section of local government was heard, including representatives of county councils, interested associations and residents.

An invitation to all councils to attend a hearing at nominated centres and/or make a written submission was prepared and faxed to all councils on 22 June, 1994. Councils were asked to focus particularly on matters relating to Sections 21, 226, 232 and 241 of the 1993 Act. A copy of the invitation, guide to matters to be considered and the itinerary and schedule are attached. (*Attachment 1*)

Other than the councils classified as Category S1 and S2 which were granted unlimited time, each council was allocated approximately one half hour to present its material. The following matters were addressed: councillors' background and experience, community activities engaged in both before and after election to the council, the time spent on meetings, including preparation time, the functions of the council, as well as the issues, problems and future direction, recommended remuneration levels for both councillors and mayors, the ratio of the mayor's remuneration to councillors, items covered in council's expense policy and the appropriateness or otherwise of the council's categorisation under the Interim

Determinations. Where appropriate, matters particular to the individual councils were discussed.

On the first day of the hearings set down for metropolitan councils, representatives from the Local Government and Shires Associations (LGSA) and Penrith Council requested leave to observe the proceedings. Based on the Tribunal's intention that all hearings were to be public, other than where a council specifically requested a hearing in camera, the request was granted. An LGSA representative was present at all subsequent hearings. No objections were raised to the presence of these representatives.

The response of regional and rural councils was very gratifying. Many travelled considerable distances to place information before the Tribunal. Several provided the venue for surrounding councils but, due to prior commitments themselves, had to attend hearings at other centres. Some councils, while declining the invitation to attend a hearing, prepared written submissions. A small number attended as observers, some of whom later sought to be heard either on that day, or on a subsequent day.

In all, the Tribunal heard from 86 councils, 7 county councils, the Country Mayors' Association, the LGSA and several members of the public. A copy of the schedule of hearings is attached. (*Attachment 2*). In addition, the Tribunal received 86 written submissions. A list is attached. (*Attachment 3*).

Towards the end of the fact finding programme, a preliminary assessment of the information provided by suburban councils raised fundamental questions regarding the basis for the categorisation established in the Interim Determinations. The Tribunal concluded that to distinguish suburban councils from regional rural councils, it would require information in addition to population and expenditure which

was relied on specifically to support the contention that the duties of elected representatives of suburban councils were more demanding. As a consequence, the Tribunal set aside 12 October 1994 and circulated an invitation to suburban councils to attend hearings on that date. A copy of the letter, dated 22 September 1994 is attached. (*Attachment 4*).

It was a matter of disappointment to the Tribunal that this hearing day had to be cancelled as had been the previous suburban council hearing day set down for 13 July. Only one council responded to the written invitation. After approaches by the Executive Officer to a pre-determined representative cross-section of suburban councils, several councils agreed to present oral submissions and others provided written submissions. A number chose merely to adopt the submissions of the LGSA.

In addition to this material, the Tribunal had the advantage of receiving first-hand information from New Zealand and California concerning the organisation and operation of local government in those countries.

General Comments.

Local government functions relate to matters arising pursuant to *the 1993 Act* within the area of each council (s.219). There are, at times, some overlapping functions as regional development gathers momentum and also in relation to specific matters such as those dealt with by county councils. However, fundamentally councils are concerned with the administration of *the 1993 Act* in relation to the fixing and collection of property rates and other charges and the management of borrowings and loan funds to enable them to provide services and to carry out certain regulatory functions pursuant to other statutes which are detailed in *the 1993 Act*.

Councils are statutory corporations and the positions of mayors and councillors are created by statute. The State Government has power under *the Constitution Act* to do so and also has power to determine the remuneration, if considered appropriate, to be paid. This power has been delegated to the Tribunal whose determinations:

*"...may not be challenged, reviewed, quashed or called into question before any court in any legal proceedings, or restrained, removed or otherwise affected by proceedings in the nature of prohibition, mandamus, certiorari or otherwise".
(s.246)*

But just as the Tribunal was created by *the 1993 Act*, it is restrained in its function by the provisions of *the 1993 Act*. Parliament is answerable to the community of New South Wales for *the 1993 Act* and the Tribunal is so answerable to the community through the Parliament for the integrity of its determinations.

3. BACKGROUND

Pursuant to *the 1993 Act* a council is a body corporate (s.220). The elected representatives comprise the governing body of the council (s.222). The governing body's role is to direct and control the affairs of the council in accordance with *the 1993 Act* (s.223). The words "*in accordance with the Act*" are important in demonstrating the significant changes in direction which are thereby effected particularly in regard to the role of the governing body of a council.

The statutory responsibilities are detailed in s.232:

232. (1) The role of a councillor is, as a member of the governing body of the council:

- to direct and control the affairs of the council in accordance with this Act
- to participate in the optimum allocation of the council's resources for the benefit of the area
- 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 management plans and revenue policies of the council.

(2) The role of a councillor is, as an elected person:

- 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.

The role of councillor as a member of the governing body.

Section 84 of *the 1919 Act* stated:

For the purposes and subject to the provisions of this Act each council shall be charged with the local government of its area, and shall have the general control of the working and business of such local government.

The mayor had considerable power as "the Chief Executive Officer" of the council subject only to restraints expressly imposed by the Act or by resolution of council.

The provisions of s.232(1) of *the 1993 Act* indicate clearly its emphasis. A powerful direction is given for the council to act as a "governing body" to exercise important express functions. These functions are to be exercised in consonance with councillors' role as elected persons. It underlines the concept of group action and responsibility. Accordingly, *the 1993 Act* points to the integration of policy making and the allocation of financial resources in attempting to achieve the long term goals of a council. The determination of a workable plan of action is subject to continued evaluation of service delivery. Such programmes can only be achieved by communication between the council, management and residents. Ultimately, however, the council is responsible for the determination of the goals. The council makes the decisions which are reflected in the achievement of these goals. Policy making must be followed by the allocation of funds and the implementation of such policies by management.

All the service functions of a council involve budgetary allocations to meet service objectives. The General Manager makes the day to day decisions as to the manner of providing such services to the community subject to available resources. There is a need for programme performance measurement to assess the efficiency of a council and community satisfaction with the quality of service.

It may well be that some councils, pursuant to *the 1919 Act*, acted in accordance with the objectives of *the 1993 Act*. However, the significant difference in structure is the express separation of day-to-day management from the council and/or the Mayor to the General Manager. This change in responsibility affects not only the need for the concentration by councillors on important matters of community concern but also the need to devote time to reading, researching and interviewing in order to make informed and balanced judgments. It was pressed by a number of persons that it was important that some inducement should be provided to attract a wider range of elected representatives to deal more effectively with corporate decision making.

The role of councillor as an elected person.

While it is not considered that the role of councillor as an elected person has significantly changed, s.232(2) emphasises the role of councillor as representative of the community as a whole. This is an important factor in ensuring the efficient operation of the governing body of the council.

Recompense for council service.

The recompense for council service pursuant to *the 1919 Act* was essentially reimbursement for expenses incurred in connection with the office of mayor or president and fees paid to all members of a council including the mayor or president up to a maximum of \$3,000 per annum. The history of such allowances and fees is dealt with at p.64 of this Report.

The provisions of s.29A. (1) of *the 1919 Act* relating to expenses limited the payment for expenses incurred to each day on which a member of council:

- (a) attends a meeting of the council or a meeting of any committee of the council;
- (b) carries out an inspection within the area in compliance with a resolution of the council; or
- (c) undertakes business of the council outside the area in compliance with a resolution of the council.

Travelling expenses were payable in accordance with s.28 of the 1919 Act, but likewise limited to travelling and subsistence on specified duties.

Historically, mayors notwithstanding their chief executive role, and members of the council were regarded, in effect, as performing honorary community services with some provision for recompense for prescribed incurred expenses. It was pursuant to the operation of the 1919 Act that the present mayors and councillors nominated for office and were elected. Attention was given by many of the persons who made submissions, in large part, to the deficiencies of recompense for the time spent on council and representative activities granted by the 1919 Act. Many such expenses claimed to have been incurred did not comply with s.29A. of the 1919 Act.

It is a matter of note that most councillors have been involved in community work before assuming the role of councillor or mayor. These activities were stated to intrude considerably into their time, both private and work. Such time was stated to be necessary to enable councillors and mayors to perform their functions adequately. There is no doubt that communication with the community is an essential background for the performance of their duties at regular council meetings and other special and committee meetings of council and representation on other committees involving staff and/or community representation. The proper functioning of these committees and council meetings depends upon communication of the community's needs and problems to the council.

There were other time-consuming matters which were detailed, such as attendance at functions. There is, of course, a distinction between attendance on behalf of the council in which the council has some defined positive role in the function and the normal public relations functions arising from the expectations of the community that their elected councillors should show an interest in these community activities by their attendance and sometimes by donations. These factors cannot be evaluated separately but necessarily have to be taken into account in determining the value of the contribution of councillors and mayors in regard to formulating effective council policies reflecting community needs and aspirations.

The time commitment of mayors and councillors.

The amount of time spent on council business by mayors and councillors was raised in various ways in the course of the investigation. The evidence indicates that a substantial number of councillors and mayors, in particular, spend lengthy periods on council business and associated interviewing, reading and preparation.

As to the time spent in reading and preparation, such activities could be said to be a normal incident of many occupations, for example, teaching. Regard is usually paid to such activities in the determination of the rate of pay for attendance during ordinary hours. The Tribunal adopts a similar course in the Determinations of mayors' and councillors' fees. In addition, the value of the contribution of councillors and mayors is enhanced by their involvement in other occupations. The variety of occupations of councillors and mayors is a reflection in large part of the council area which they represent. A council profile, in general, could be expected to be a reflection of the community. The activities in which councillors and mayors are involved in their normal occupations enables them to remain in touch with the community and adds to their value in evaluating competing community needs.

Varying degrees of involvement of councillors and mayors in day-to-day management matters were demonstrated. It was stated that such involvement was unavoidable in performing their perceived tasks as councillors and mayors. In general, however, this was not the case. For example, the Penrith Council delegated almost entirely its development applications because of its involvement in major planning and environment matters. In general, it could be stated that the further the councillors and mayors moved from day-to-day management matters the more effective they became as a governing body.

To function in an effective manner requires a considerable intrusion into the working and leisure time of councillors, particularly of mayors. It also may involve a wide range of expenditure in regard to travel, donations, telephone expenses and other incidents which are incurred in dealing frequently with the public. There is no doubt that the performance of the duties of both mayor and councillors involves intrusion into their privacy. These activities could be said to be supplementary to the performance of their roles as councillors and mayors. It enables them to maintain their position as community leaders and advisors, to assist individuals in the community to understand council policies and decisions and to advise as to procedures for the redress of any alleged unfairness arising from the decisions or actions of the council or its staff. Nevertheless, most mayors and councillors were still able to continue their normal occupations albeit, in some cases, at a reduced level. This was usually effected either by attending the council office outside normal business hours or by taking time off from their normal occupation during the day. It was contended by some that, regardless of population or location of the council, the time spent on council activities varies little.

The 1993 Act, by the delegation of the administration of the day-to-day management of the council to the General Manager, requires the exercise of

considerable discretion by mayors and councillors dealing with complaints. The importance of their work and the value thereof depends largely upon the knowledge and innovation of mind which they bring to bear in attempting to develop policies for the future as well as monitoring existing policies and amending them as necessary, according to the needs of the community. It was submitted by the LGSA that the role of councillors specified in *the 1993 Act* is more onerous than under *the 1919 Act* (s.232). This view has some basis as a result of greater emphasis on forward planning and accountability associated with the transfer of day to day management matters to the General Manager. It is clear that *the 1993 Act* requires a greater quality of service, within the council's resources, in the creation and review of policies and their implementation. Councils' charter places more emphasis on the contentious issue of the environment and the long term and cumulative effects of councils' decisions and the need for residents to understand how the funds of the council are derived and spent.

The role of members and chairpersons of county councils.

The 1993 Act prescribes:

- s. 390. (1)** A county council must have a governing body elected by its constituent councils.
 - (2)** Provisions concerning the membership of a county council's governing body are to be as prescribed by the proclamation establishing the county council.
 - (3)** A member of a county council is to be elected from among the councillors of the constituent councils in accordance with the regulations.
 - (4)** The governing body of a county council is responsible for managing the affairs of the county council.
-
- s. 391. (1)** The chairperson of a county council is the person elected to the office of chairperson by the members of the county council from among their number.

- (2) The chairperson holds office for one year, subject to this Act.

The 1993 Act was amended by the Local Government Legislation (Miscellaneous Amendments) Act 1994 by the insertion of s.391A to state the role of a chairperson of a county council, namely:

s.391A. The role of the chairperson of the county council is:

- (a) to preside at meetings of the county council; and
- (b) to exercise such other functions of the county council as the county council determines.

The members of county councils are delegate councillors of the constituent councils.

s. 395. (1): A county council must employ a general manager.

(2) The general manager of a county council has the same functions in relation to the county council as the general manager of a council has in relation to the council.

s. 396. A county council is required to meet at least 4 times each year.

It was stated in the Interim Report that:

21. *The fees for Councillors of County Councils (other than Electricity Authorities).*

The assessment of a proper fee has to have regard to the fact that the delegate councillors of county councils have to perform their normal council functions for which they are to receive a fee. Their role as delegates of their respective councils is bestowed upon them by resolution of their respective councils. Accordingly, they could be reimbursed for any expenditure involved in attending such county council meetings as required. Their major functions are the formation of policy directly in accord with the particular function carried out by each county council. It is also an important point to remember that the delegation is from the constituent council as is the representation. The delegate is accountable to such constituent council. This differs from the

primary role of a councillor as representative of the electors. The roles of the county council and the chairperson are essentially concerned with general policy which is given effect to by the general manager. It seems that the attendance at meetings of the county council in addition to the time involved in preparation for such meeting forms the essential basis of the additional functions carried out by such members.

The basis of assessment of fees.

The fees which are being determined are based upon the existence of an expenses policy which has been adopted by councils in accordance with the 1993 Act. While it is a matter for each individual council to determine how much of such incurred expenditure should be absorbed within the fee, the fees have been determined on the basis that provision has been made, on application, for councillors to be recompensed for expenditure reasonably incurred in relation to their council duties. It is a matter of discretion for each council according to the particular circumstances of that council to determine the extent of any absorption. It appears to have been a practice, particularly for some rural councils, to require councillors and mayors to absorb most incurred expenses in their fees.

It is the common experience in New South Wales that the substantial majority of councillors and mayors are involved in some other employment or engagement, either full-time or part-time. It became clear in the course of the enquiries made by the Tribunal that mayors who claimed to be "full-time" mayors were indeed involved in council activities for hours in excess of normal working times. However, most, but not all, still managed to effectively participate in other income-earning activities. The minimum fees are determined on the basis that councillors and mayors are performing a community service in addition to their normal occupations. It is the usual practice to programme the attendance of councillors and mayors outside normal business hours for meetings and other activities to accommodate their other

time commitments. Their duties do not require continuous attendance during the course of each working day.

The ceremonial role of the mayor, as distinct from the mayor's role as chairperson of the governing body, was emphasised particularly in the cities of Sydney, Newcastle and Wollongong because of their regional, national and international significance. However, it must be stated that the mayor's role is not a presidential role unless a council completely subjugates its responsibilities under *the 1993 Act* particularly in regard to ss.377 and 380. The mayor's position, as councillor, is recognised by the payment of the same fee as other councillors for the performance of a councillor's duties and responsibilities. The duties performed as mayor attract an additional fee for extra delegated duties and functions actually performed. As stated in the Interim Report, the mayor is Chairperson of the council and committee meetings and acts between council meetings by delegation on behalf of the council. The extent to which councils have been prepared to delegate such functions to the mayor varies widely. It appears to have been based largely on the experience and/or personality of the mayor and the efficiency of the management staff appointed by the council. It is apparent that the delineation between the General Manager and senior officers of the council and the mayor and the council is still undergoing a transition from *the 1919 Act* to *the 1993 Act* in some councils. It must be emphasised, however, that the determination of fees is based upon adherence to the provisions of *the 1993 Act*.

As to the time taken in the performance of policy development in particular at council meetings, there has been some criticism that councils spend an unnecessarily lengthy period of time debating minor issues. This was a practice which appears to have developed from *the 1919 Act*. Concentration on minor issues not only tends to obscure the important policy making functions of councils but tends to create the perception that the councils are not seriously involved in

matters which are properly of concern to the community. The correction of such perceptions is necessarily dependent upon the efficiency of the mayor as chairman of the meetings and of the General Manager in preparing agendas for meetings which can be reasonably determined at council meetings and which emphasise essential issues. Nevertheless, whatever may be the perceptions concerning the activities of some councils, these Determinations are based upon the true role of the council in performing its functions pursuant to *the 1993 Act*.

Councils are expressly accountable for the adoption of a management plan and revenue policy (*Chapter 13 of the 1993 Act*). They are now required, *inter alia*, to effectively formulate and adopt proper policies for the current and future benefits of the local community. What has to be taken into consideration is the organised manner in which local community needs are addressed. The fees determined by the Tribunal are based on the real merits of the work of councillors and mayors in performing their statutory duties; that is, in formulating, effecting and assessing policies and directions in relation to the particular requirements of each council. This is a task which can only be performed properly by persons who have a real interest in the wide variety of community activities which are part and parcel of life in each council area. There is necessarily involved a voluntary component, in other words, a genuine belief in contributing to the community which, while not being capable of being assessed separately, needs to be taken into account in determining the real value of the hours expended in such duties.

The assessment of the fees, therefore, has to take into account the effectiveness of councillors communicating the needs of the community to council meetings for consideration and making decisions giving effect to policies so formulated in the community's interest. Such activities must be based not on the length of the debate and the times spent in attending to matters of individual concern involving essentially management detail, but rather the quality of the decisions

formulated and made by council as a whole. In other words, it is council policy which is the important factor rather than the individual concerns to which councillors give varying periods of time. The latter vary widely from council to council and from councillor to councillor. It is a matter largely for each councillor and each council to decide to what extent they will become personally involved.

The minimum fees determined provide the statutory minimum payment for councillors and mayors. They are based on an assessment of the average council in each category. As with any averaging, the fees may be generous for some councils but modest for others. The maximum fees provide the necessary ambit of discretion to enable each council to assess its performance compared with other councils in its category. Such discretion enables each council to determine whether its performance as a whole compared with the other councils justifies a payment in excess of the minimum to its councillors and/or mayor. It is conceivable that because of significant delegations by a council to the mayor, this situation may warrant a fee greater than the minimum for the mayor, but not for councillors. The reverse situation could also apply. Any council decision granting fees to the mayor and/or councillors above the minimum will, of course, need to be reassessed in the following year's determinations by the Tribunal.

All these issues are matters of relevance in attempting to evaluate the knowledge, skills and community interests of councillors and mayors. It is an essential feature of the requirement of effective councillors and mayors that they have a continuing community interest base. There was evidence to indicate that their election to council was based on their identification with community affairs by the electors. The maintenance of their effectiveness requires the continuation of such contact involving varying, but at times significant, intrusion into their private lives. This time factor has been taken into account in considering the value of their input. While it was stated in the Interim Report that a councillor did not need to

bring specialised managerial skills to the task of councillor, the councillor's role necessarily involves the acquisition of knowledge of community needs to enable the assessment of measures to satisfy such needs. In the absence of any relevant training facilities, they have to acquire such knowledge during their term of office. The ability to make decisions in the formulation of policy requires a considerable degree of discipline, common-sense, knowledge and balance. These abilities have to be distinguished from debating skills. It is the capacity of deciding council policy and then effectively implementing such policy in the community interest, despite possible minority disagreement, which is an essential factor in enabling a council to operate effectively. Such decisions bind all councillors and the council can then delegate the task of implementation to the General Manager and his staff. In turn, councillors have a duty to inform the community of the need and desirability of implementing such policy. The principle of open management in *the 1993 Act* provides encouragement for community interest and participation. It should thereby have a monitoring influence particularly in relation to the financial management of the council. (See, for example, Sections 418, 419, 420 re Public Notice of Financial Reports. Sections 405, 406 re Public Notice of Draft Management Plans and Sections 253, 254 re Public Notice of Proposed Policy Concerning Expenses and Facilities.)

It is equally clear that the community should have a similar interest in any resolution of the council which determines fees for councillors and mayors in excess of the statutory minima determined by the Tribunal and the basis upon which such fees are fixed in accordance with the guidelines outlined in the Tribunal's Report.

4. CATEGORIES

The basis of categorisation.

The basis of categorisation in the Interim Determinations was discussed at length with councils and the LGSA in the course of the Tribunal's inquiries. Claims for recategorisation made by a number of councils are dealt with later in this Report. Nothing was put to distinguish the category of any council from that of its mayoral office. It is proposed, therefore, to place each council and its mayoral office in the same category.

The LGSA contended that population and expenditure should be the primary source of categorisation and that adjustments then be made on the basis of the other factors listed in s.240 of *the 1993 Act*. There is some support for this approach because of its quantifiable nature. The other factors have varying degrees of subjectivity associated with them but some necessarily impact on expenditure. Population has been used as a primary means of classification of councils not only in Australia but also in New Zealand and California. However, while it is obviously a relevant factor, the purpose of the classification is what needs to be observed. Pursuant to *the 1993 Act*, the determination of categories is for the purpose of determining the fees to be paid to mayors and councillors (s.239). In determining such categories, the Tribunal has taken into account the matters requiring consideration and in doing so has discovered a tendency for certain councils to exhibit enough common features that they may be classified within identifiable groups.

Small rural councils generally adjoin large rural/urban councils. Some contain entirely rural areas apart from a small number of villages and small towns. Accordingly, their services relate largely to rural roads and bridges with some limited water and sewerage services and other urban needs in the villages and small towns

contained within their boundaries. Their role differs from the rural/urban councils which are involved in wider servicing activities including the provision of water and sewerage and in many cases the management of commercial activities, such as stockyards, airports, sporting and cultural amenities, public gardens and parks, including golf courses, in addition to rural projects. In some cases, major bridge works and flood mitigation matters are managed in addition to weed eradication and other rural services when they are not delegated to county councils.

Non-metropolitan urban councils or rural regional councils are rural councils containing a large town or city which is generally regarded by the community as the regional centre of activity. Many such councils are experiencing population growth and are involved in extensive development projects to cater for their expanding populations. On the other hand, Broken Hill, for example, is involved in the extensive revitalisation of a former mining town to create a tourist centre. The major works involve the rejuvenation of the environment, the further development of major cultural and arts activities and the creation of tourist attractions.

Suburban councils are councils dealing essentially with urban services. These activities relate, for example, to the renovation of older areas and/or expansion of new areas. Although these councils tend to have a larger population than the rural councils they usually service smaller areas and provide a narrower range of major services.

Urban regional councils are large metropolitan multi-purpose organisations which service large and diverse local populations in metropolitan regional centres. Typically, their activities are extensive and significant both locally and nationally and are concentrated within a central business district. Many are experiencing periods of growth in residential and commercial population necessitating town planning activities and the provision of community services on a scale greater than that of

other rural or urban councils. They serve as regional centres to a number of suburban council areas and have a wide base of economic activity.

The categorisation of councils by population results in undue weighting to suburban councils. Particularly, is this so when the type of population is taken into account. For example, other councils in addition to the resident population have other groups of population, either short term, long term or both. The presence of these persons creates a need for additional facilities, maintenance, cleaning, safety, and other infrastructure requirements.

Population statistics are compiled by the Australian Bureau of Statistics according to "the place of usual residence". The term "usual residence" appears to refer to the residence occupied for more than 6 months of the year. In addition to such residents, however, other groups of population have a significant impact on the types and levels of services and facilities councils are required to provide. Such groups may be termed temporary, itinerant, hidden and transient persons. Councils with high temporary populations (residents for more than one or two nights but less than 6 months) include Byron, Gosford, Wyong, Shellharbour and Cooma Monaro. Itinerant populations (residents less than two nights) were evident at Coffs Harbour, Broken Hill, Cobar and Hay. Hidden populations (residents not registered on electoral rolls) are present at Walgett and Canterbury. Transient populations (persons present during working and shopping hours) are significant at councils with large CBD's such as Sydney, Newcastle, Wollongong, Parramatta, North Sydney and Willoughby. Parramatta, for example, has a resident population of 133,000 and a transient workforce of 35,000. Other councils with beaches and harbour foreshores and those with daily tourist attractions require the provision of infrastructure and services but do not contribute directly to the rate base. Unlike California, councils in New South Wales do not have sales tax powers.

As to the weighting to be given to expenditure, consideration needs to be given not only to the moneys received from rates but also from grants and other sources. It is more fruitful to consider the manner in which the moneys are spent rather than the quantum simpliciter. This involves an examination of policies and the manner and effectiveness of their implementation. Time spent on planning policies is not reflected in current expenditure. Impressive policy formation and implementation strategies were evident in regional centres involving in many cases the need for consultation with neighbouring councils and the implementation of compatible policies concerning matters of common interest. Other councils, particularly suburban councils, by contrast, emerged as more homogenous communities and had a narrower focus. In some Sydney suburban councils, for example, attention has now been centred on social services. It is also interesting to observe that some councils located in rural areas, such as Armidale and Queanbeyan, in effect, operate similarly to suburban councils.

The use of expenditure rather than the nature and volume of business, while quantifiable, encompasses all outgoing payments by a council including all expenditure on capital equipment financed from borrowings. It does not appear to be a reliable indicator of activity as it would tend to advantage councils which borrow heavily and disadvantage others which have endeavoured to reduce their level of debt, such as Cessnock and Canterbury.

It is accepted however that population and expenditure are very significant matters to be taken into account in determining the category appropriate to each council.

Category 5 - Small Rural Councils.

The activities of small rural councils are predominantly concerned with providing a broad range of community services, usually on a day-to-day basis. They include the provision of road services and the maintenance of roads, bridge maintenance, weed eradication, rubbish collection, the provision of water and sewerage services, maintenance of public conveniences and recreational grounds, and in some instances the need to provide emergency services and tourist promotion on a small scale. In this respect, it is usual for councils to spend more than 50% of their budget on road construction and maintenance. They are confined in their activities by limited facilities and funds.

A large percentage of council representatives have some association with the land and rural activities. This often necessitates much travel time for councillors to attend regular meetings and other council activities. High costs associated with travelling are due to the large area of the council and the long distances which therefore need to be travelled by councillors and mayors to perform their duties. The proportionally high cost of communication by councillors and mayors was also raised. These additional costs of travelling and communicating between councillors and members of the community are seen as factors unique to rural councils.

The councillors and mayors are generally involved in a broad range of community affairs. Given the large geographic area covered by these councils, some councils contended that a large number of councillors was required to effectively service the widespread population. General council meetings usually take place once per month and other committee meetings once per week. With a few exceptions, the council budget is usually of the order of \$5-6 million per annum.

The main problems confronting these councils are the difficulties of communication due to the wide and diverse distribution of the population. The lack

of finance and facilities including the comparatively large overheads of administrative staff confine these councils to relatively routine functions. There is therefore less need for a committee structure and such activities are dealt with at general council meetings. As the number of council meetings is usually restricted because of the large distances required to be travelled by councillors a significant degree of delegation is given to the mayor between council meetings. The mayor also plays a large part in representing the council at community functions.

Category 4 - Rural/Urban Councils.

Category 4 councils on average have 9 councillors and are engaged in more meeting hours per councillor than those councils listed in Category 5. Although the services provided by Category 4 councils are often similar in scope to those provided by Category 5 councils, the scale of operations in maintaining these services, and therefore the depth of operations is notably larger. One of the main problems raised in submissions from these councils was that of balancing competing interests, given the diversity of the community served. In this respect, issues pertaining to continued urban growth and development are often in conflict with the traditional rural lifestyle enjoyed by many people in the community.

In rural councils the mayors and councillors have a visible profile. They are usually prominent in the townships and have daily contact with many residents in the course of day-to-day activities. It is to be noted that, unlike suburban councils, the residents of rural councils generally reside and work within the council area. There is, accordingly, a closer community of interest.

The majority of councils contended that they served a diverse population and in many instances reported a greater infiltration of urban settlement beyond the concerns of most councils in Category 5. However, consistent with Category 5

councils it was acknowledged that there still exists a strong community role and responsibility placed on councils in performing their duties. In general, Category 4 councils have less problems with the cost of travelling and communicating with community members and other councillors, given that the size of the area covered is usually less than that of Category 5 councils. However, area size cannot be overlooked in relation to councils such as Cobar, Moree Plains and Wentworth.

Typical functions of Category 4 councils include all of those listed for Category 5 councils. Additionally, they have a wider interest in corporate planning and development issues and often engage in tourism promotion on a significant scale. They are also engaged in activities such as industrial development and planning, environmental matters, and the operation of small regional airport facilities. The diversification of activities is evident in councils such as Singleton where power generation development is currently occupying a significant percentage of council time. State and Federal government funding for the introduction of regional development programmes has also been achieved by the initiative of some councils. Regional concerns are of importance to these councils given that regional development and extending relations with surrounding councils through the establishment of joint committees helps promote the local area. Category 4 councils have also highlighted the need to give greater consideration to balancing the needs of an urban and rural population. In many instances, the amalgamation of rural and urban councils has achieved satisfactory outcomes despite the potential for competing interests between urban and rural communities.

Category 3 - Rural Regional Councils.

Category 3 councils are best described by two words - regionalism and growth. The major town centres of regional council areas are important centres of commerce, trade, work and recreation for thousands of people in and outside the

local government area which these towns serve. Furthermore, the towns and their environs are often the hub of regional growth which has important implications for not only the regions themselves but for the overall economic well being of the State of New South Wales.

The creation of a separate classification for regional councils arose out of a request from councils that the Tribunal entertain this option. Typically these councils cover a smaller local government area than Category 4 or 5 councils. Category 3 council areas cover rural, urban and industrial activities. The areas are not necessarily defined by a large rural landscape dominated by agriculture but are essentially urban environments which often have a viable tertiary sector functioning beside a traditional farming sector. Regional council areas often consist of a major town or city which itself is surrounded by several other smaller towns or villages.

Regional townships are important centres for the services they provide to the region's population. It is often the case that large regional towns service a population beyond the local government area residents. For example, Albury has a local government area of 103 sq kms and a population of 42,600 although 100,000 use the City and Council services. Typically a regional town centre provides a range of government and non-government services. These often include two or more hospitals including a regional public hospital providing specialist services. Community health facilities are also available in many regional townships in addition to a range of counselling services and youth and other community programmes. Some towns feature a Department of Social Security office, the CES and a local office of the Department of Housing. The councils usually provide a library service which in many cases is a regional library with branches in outlying towns. Broken Hill provides a mobile library service to locations outside its local government area. Regional centres such as Wagga Wagga and Albury have council sponsored art

galleries which not only cater for cultural interest but actively encourage the cultural and artistic development of the region.

Category 3 councils are responsible for functions typical of most councils in NSW such as garbage collection, swimming pools, maintaining parks and gardens, building standards, environmental health and planning and development. However, like other rural councils they are usually responsible for water and sewerage supply. They often have in place flood mitigation or weed eradication programs and councillors sit on regional committees or county councils which deal with these problems. In addition, Category 3 councils have many characteristics which are similar to suburban councils. This is largely due to the urban nature of the large town centres. Category 3 councils usually maintain cemeteries and in some cases a crematorium. Many offer a range of community based services including day care centres, retirement villages and childcare centres, libraries, tourist centres and sports facilities. Some Category 3 councils operate a regional airport. In most cases these airports have regular flights to capital cities including Sydney, Melbourne, Brisbane and Adelaide.

Regional councils cover some of the fastest growing areas in the State. A notable growth area are parts of the Northern Rivers Region and far North Coast. Murwillumbah and surrounding districts have a growth rate of 5% and a population of 60,000. Coffs Harbour local government area is growing at a rate of 3% per annum with a population of 55,000. Ballina has a 4.3% growth rate and a population of over 30,000 and Lismore is growing at a rate of 2.4% with a population of 60,000. With the exception of Lismore, all these areas are experiencing growth rates well above the national average. Growth in these districts has been stimulated by the movement and resettlement of people from southern climates as well as tourism. The councils are under pressure to provide new housing requiring extensive rezoning in some instances. The rapid development of the North Coast

has led to the creation of troublesome pockets of high unemployment particularly among youth. For example, in the Byron local government area there is an unemployment rate of 22%. Another problem facing North Coast councils is the need to balance development with environmental concerns. A further common interest to councils in the Northern Rivers region is the significant cost of road maintenance which is made necessary as a direct result of flooding.

The far North Coast is not the only region experiencing high growth. Port Stephens local government area has a growth rate of 5.6%. It is experiencing extensive residential development in Raymond Terrace and like councils on the far north Coast, Port Stephens has the task of managing development with particular regard to the environment. Albury is growing at 3% per annum and Wagga Wagga has a growth rate of over 2%.

Councils such as Broken Hill are pursuing economic growth through the cultivation of tourism. The council has attracted funding from the NSW Department of Development to look into the feasibility of constructing a National Mining Museum in several kilometres of disused mine tunnels. The council actively promotes the heritage values of Broken Hill through various tours of heritage sites and the sponsorship and display of prominent local art and sculpture. Coffs Harbour has also demonstrated its plan for the management of that region's growth. The Federal Government is constructing a National Sports Stadium in Coffs Harbour and the council is building infrastructure to support this development including an upgraded airport and runway facilities. The council envisages that the Sports Stadium will be an integral part of the City's future growth as it will be the venue of major national and state sporting events.

To summarise, Category 3 is a unique classification which is reserved for regional councils. This category is equivalent to Category 2 which includes the

majority of metropolitan Sydney councils. Category 3 recognises the growth and development which is taking place in many Category 3 council areas and the additional work load and pressure placed on councillors as a result. In some instances this growth exceeds the growth rates of some Category 1 councils. Category 3 also recognises the size and importance of these local government areas as regional centres. The facilities offered in the town and city centres are often used by people other than rate payers, including people from neighbouring districts as well as tourists. Category 3 councils cover a wide range of both small and large councils. Shoalhaven is the largest council in terms of population and Armidale, Byron and Broken Hill amongst the smallest. However, the Tribunal is not limited to population alone in determining council categories. It has been stated elsewhere in this Report that there are a number of factors which influenced the Tribunal in classifying councils for the determination of fees. The maximum fee determined for Category 3 provides an appropriate range for each council to determine its relativity within such range.

Category 2 - Suburban Councils.

Category 2 is comprised of councils within the Sydney suburban belt. These councils have populations larger than the rural based towns but their activities generally are not as widespread. Such activities in turn have neither the scale nor diversity of operation of Category 1 councils. Furthermore, Category 2 suburban council areas are not experiencing the growth which is taking place in many Category 1 councils. The largest and most dynamic Category 1 councils tend to be in Sydney's west and this is partly due to the rapid growth of the region including a population growth of 7.6%. Many Category 2 councils have an infrastructure which is over 100 years old. This results in a great deal of their expenditure being spent in maintenance and replacement.

Category 2 councils areas stretch from Sydney's north and north west to the south, middle harbour and inner west and east. With such a large geographical coverage they have a wide demographic profile. Accordingly, Category 2 councils serve communities of varying socio-economic means, ethnicity and ages. Each of these factors poses different obligations and responsibilities on councils as each community has its own expectations and needs. For example, issues affecting multiculturalism including multilingual services is a pressing need for residents in the Canterbury area but of less significance to the residents of Mosman.

The main activities of a typical suburban council were stated to be:

- the design and maintenance of public works such as roads, footpaths, drainage, carparks and traffic management;
- waste and environmental services such as garbage collection, recycling, street sweeping, ordinance inspections and dog control;
- the upkeep of parks and reserves;
- approval of building and development applications;
- monitoring services such as building control, health, food control and inspection, dog registration
- strategic planning, childcare, community development, library services;
- supervision of community relations;
- provision of facilities such as public halls and swimming pools.

The environment in one way or another, is an issue to which most Category 2 councils have regard. Many councils submitted policies outlining their plans for improving the urban environment. Most of the councils have embraced recycling in recent years partly in a response to community concerns and partly also to reduce

disposable waste. Some of the councils are particularly concerned in reducing traffic congestion and other problems associated with traffic, including noise. Others are involved in improving and maintaining parks and wildlife reserves as a means of providing open space for recreation and contribution to environmental planning. Baulkham Hills and Ku-ring-gai Councils, for example, manage large areas of open space including bushland and reserves. In addition, Baulkham Hills regulates activities associated with part of the Hawkesbury River. Urban stormwater run off into rivers and waterways is another complex issue which faces many councils.

Comparisons made of the business papers of suburban and rural regional councils indicated that the time required for councillors to read meeting papers was approximately the same and that the types of matters considered by the respective councils were similar in content and complexity. Rural regional councils, in general, deal with a wider breadth of issues as a result of their proximity to agricultural areas whereas suburban councils are more concerned with detailed aspects of civic operations and concentrate on individual applications to a greater extent. The range of policy issues to be decided therefore tends to be less broad in suburban councils although the volume of detail is large. In other words, the nature and volume of business dealt with appeared, in broad terms, to be equivalent.

It is to be noted, however, that substantial issues are arising for suburban councils in regard to the requirements now imposed on them. For example, higher housing densities are now required within existing infrastructural networks. Sewerage, drainage, roads and related services, including waste and stormwater management, therefore, must be maintained and developed with regard to the demands of a larger, more densely housed population. The impact of urban planning strategies designed to address these issues will be felt amongst the communities concerned well into the next century. Many instances were cited in

regard to community opposition to such developments, particularly claims that developments are not in keeping with the existing amenity of the area.

Category 1 - Urban Regional Centres.

Category 1 councils are typically large multi-purpose organisations which serve as regional centres for the interests of a wider number of residents. Each has its own commercial centre and requirements particular to its area and local residents. The councils have between 9-15 councillors, including the mayor.

Category 1 councils have a wide and diverse range of activities which support a large population. Multiculturalism is a typical factor in councils located within the Sydney metropolitan region although other councils have experienced similar trends in cultural diversity. Category 1 councils have high levels of expenditure required to maintain and develop civic interests. Most have City status but there is no significant difference in either the scale or type of activity arising therefrom.

Their activities generally include:

Construction and maintenance of roads and bridges, street lighting, civil works, residential and industrial development and planning, traffic management, waste and water management, sewerage, community services and health, recreation and tourism, arts, libraries and museums, parks and gardens, cemeteries and the provision of emergency services.

Penrith Council is characteristic of Category 1 councils. Penrith includes urban, rural and commercial areas, including the central business districts of Penrith City and St Marys. Penrith has adopted a policy of promoting opportunities for self-sufficiency in association with its growing population, manufacturing, construction and recreation facilities. With its diverse economic base and widespread population, Penrith has become the regional centre of western Sydney. This has

been continued in association with the steady growth in business and residential population since the 1970's. Population by the year 2000 is expected to be more than 200,000. Annual growth of approximately 2.2% has made it necessary for the council to adopt a highly organised scheme of strategic, operational and financial planning to address the concerns of the expanding business and residential needs. The planning of 30,000 new homesites for the Australian Defence Industries site and 38,000 homesites around Glenmore Park and Mt Pleasant requires considerable attention. Penrith is a University city with 45,000 students attending the University of Western Sydney and Werrington TAFE.

Penrith is also a major sporting and cultural centre with the Dame Joan Sutherland Performing Arts Centre a highlight of the city centre. Panthers Leagues Club, football ovals and a showground indicate the wide range of sporting and recreation facilities within the area. The development of the Lakes Scheme to host various Olympic aquatic events has required a close monitoring by the council of the rehabilitation of shale, sand and hard rock quarries particularly because of environmental issues. Flood mitigation and drainage are very important considerations in such a sensitive area as the Nepean River. The council has a highly organised infrastructure to deal with building applications and to provide support in implementing council's strategic planning objectives particularly as old industrial areas are redeveloped. Transport and traffic management is also an important service requirement of the Penrith region.

The LGSA submitted that several of the councils placed by the Tribunal in Category 1 in the Interim Determinations were more properly characterised as Category 2 councils. This submission was based upon categorisation in accordance with population and expenditure and did not take into account any analysis of councils' activities. An analysis, based solely upon the criteria of population and expenditure, does not necessarily provide an accurate

representation of the magnitude and significance of these councils' operations without an examination of the scale and diversity of councils' activities and, in particular, the nature and volume of business dealt with.

North Sydney was placed in Category 1 in the Interim Determinations on the basis that it is not only a large suburban council but also serves as an adjunct to the central business district of the City of Sydney. The magnitude and type of civil works necessary to service such a city area requires a substantial role for its councillors and mayor. North Sydney has a large itinerant working population which requires the provision of an extensive range of facilities and services in addition to those services normally provided for permanent residents. These matters were and still are considered (in the light of the submission of the council) to balance the smaller resident population.

South Sydney borders the Sydney CBD and as such is an integral link in the operations of the city centre. Its industrial region services the Sydney CBD, the airport and Port Botany. The council is responsible for the maintenance of 224 kms of roads including the Harbour Tunnel, in addition to feeder roads to the airport and Port Botany. The volume of traffic which utilizes these facilities is considerable. South Sydney hosts approximately 2.3 million tourists per annum in areas such as Kings Cross, Sydney Park, Moore Park and the Showground. It has a large labour force of 96,000 in addition to the resident population of 70,000. Sewerage and drainage problems associated with Ultimo and Waterloo are significant. On these grounds, South Sydney will be retained in Category 1.

Liverpool, like Penrith, is one of the fastest growing local government areas in NSW. Its population is expected to double during the next 10 to 15 years according to official demographic indicators. Population growth of this magnitude places considerable new pressures and demands on the council in terms of policy

development and the delivery of services, the provision of infrastructure and the protection of the environment.

In addition, Liverpool's economy will receive a massive stimulus from the construction of the international airport at Badgery's Creek which will create commercial, employment and tourism opportunities. Major road and rail connections will be built to service the airport. A new southern railway line between Glenfield and Badgerys Creek and a \$200 million national highway will enhance Liverpool's importance as a business and residential centre. Substantial demands have been placed upon the council to plan for the projected increase in magnitude and diversity of activity in the Liverpool region. This will require consideration of additional strategic and operational planning policies. It is not proposed to change the category of Liverpool from Category 1.

Blue Mountains was listed in Category 1 in the Interim Determinations because of the need for the provision of facilities for the large number of townships constituting the council. There is a further need to balance the interests of developers, tourism, the environment and the needs and demands of a growing population bearing in mind that large sections of the Blue Mountains are under consideration for World Heritage Listing. Other matters considered were the proximity of the threatened Hawkesbury River system. The council's physical terrain, distribution of population and diversity of interest of the communities in the lower and upper mountains raise particular problems in the settlement of overall policy. However, while these factors are relevant considerations, nothing was placed before the Tribunal by the council to indicate what measures the council had taken or the nature and volume of business dealt with by the council in regard thereto. Nor was any other material matter which would provide the necessary weight to outweigh its relatively lower population and expenditure to distinguish it

from suburban councils. Accordingly Blue Mountains will be classified as Category 2 for 1995/96.

Further examination of material received by the Tribunal in relation, in particular, to the nature and volume of business dealt with by Baulkham Hills, Canterbury, Hornsby and Randwick does not distinguish these councils from Category 2 councils and Shoalhaven from Category 3 councils. Accordingly, they will be so categorised.

Category S1

Sydney City Council.

The Tribunal has had the advantage of detailed written and oral submissions from the Lord Mayor of the Sydney City Council and two councillors. There is no issue that Sydney City Council occupies a unique position in local government in New South Wales as the City of Sydney is the State's prime commercial, recreational and ceremonial centre.

It was submitted that the City is the seat of State Government, the financial and commercial hub of the South Pacific region and Australia's principal international gateway. Its features attract 64% of overseas visitors. Although only 18,200 persons are eligible to vote, over 500,000 persons enter the city each day, including 185,000 workers.

The City's significant features and functions are summarised as:

- the seat of Government and the focus for the judiciary of the State's legal system;
- the centre for the major financial and commercial institutions of the State and the financial centre of the Pacific;

- the cultural and entertainment centre of the State and a mirror of Australian culture and tradition;
- the gateway to Australia for overseas tourists and visitors and be the main centre for tourism in Australia;
- the focus for the major civic, ceremonial and religious activities of the City, New South Wales and Australia;
- the sustenance and encouragement of residential development in selected areas so that a vibrant, attractive and lively city centre can flourish;
- a multipurpose centre specialising in higher order retailing serving the needs of visitors, workers and residents of the city, metropolis and State;
- the hub for major domestic passenger and freight services - road, rail and air;
- a principal centre of intellectual activity, media and communications as well as a catalyst to promote Australia's intellectual development;
- a major centre for the professions and through its Universities an educational centre of excellence;
- a principal centre for the provision of higher order, specialised medical services;
- a centre for port operations, in association with Port Botany and the home base for the Royal Australian Navy.

The functions and responsibilities of the Lord Mayor are in consonance with the functions of the Council summarised above. As an example of the level of such responsibility the Lord Mayor is Chairperson of the Central Sydney Planning Committee (CSPC) pursuant to the provisions of the *City of Sydney Act 1988*. The CSPC is the consent authority, *inter alia*, for all developments in excess of \$50 million in value. In 1993, sixteen developments considered and approved amounted to some \$700 million.

In addition to the statutory role of a mayor, the Lord Mayor has a unique civic and ceremonial role and is an *ex officio* member of the Sydney Committee (Chairperson), Sydney Organising Committee for the Olympic Games (Vice

Chairperson), Sydney Cove Authority (Director) Council of the Capital City Lord Mayors (Member) and the City West Management Committee (Member). The ceremonial function of the office of Lord Mayor in hosting and attending functions is extensive and time consuming, as is the role of patron to a large number of community, state, national and international organisations.

Notwithstanding the extensive delegations granted to the Lord Mayor, the seven councillors are heavily involved in the performance of the council's functions. As with the Lord Mayor, the other councillors deal with resource allocation, policy making and performance review of a corporate body with a budget of \$120 million per annum.

The council has four committees - Finance, Planning, Cultural and City Services and Projects and Special Spaces. Of the councillors, four serve as Chairpersons of the committees. In addition, the council has a Properties Committee which is a committee of the whole council.

In their role as councillors, they have been nominated or appointed as members of a wide range of external organisations and authorities. Details were supplied of a number of delegations to councillors, for example, to the East Circular Quay Project Control Group and to jointly oversight the East Circular Quay project and the City West Panel to provide advice to the City West Development Corporation. Detailed information was furnished as to the time spent at council meetings, functions, reading, preparation, correspondence, telephone calls and attending to constituent business. It was a feature of community and civic meetings that these events were usually held during the week which interfered with the normal occupation either as self-employed persons or employees.

Category S2.**Newcastle City Council.**

The City of Newcastle is perceived as the region's service, administrative and cultural centre. It is the second largest city in New South Wales. Newcastle is a city of significant regional importance with industrial bases, international port facilities, and serves as a major railway link. It has outstanding education and health care facilities. It has major residential, commercial and tourism activities and is one of the nation's major industrial areas. Because of its significance in the Hunter Valley region its activities have a major impact upon surrounding areas.

Twelve councillors (including the mayor) constitute the governing body of the council which has a budget of \$120 million per annum and permanent staff of 982. Five main activities - community development, economic development, environmental management, urban development and city management - are incorporated in the framework of the City Enhancement Plan. Five strategy committees have been created to discuss, plan and refine the City Enhancement Plan programmes.

The mayoral role in Newcastle is extended in regard to its ceremonial and representative capacity because of the regional importance, large industrial bases and international port facilities of the city. The Lord Mayor represents the council on a number of external bodies, liaises and has contact with organisations and individuals of national and international significance. These contacts were stated to be important in promoting the interest of the city in developing politically sensitive policies and making direct contact with the "decision makers" of business and other organisations.

Wollongong City Council.

Wollongong City Council occupies a narrow coastal strip of 713 sq kms with 180,000 residents. It was stated to be a city of diversity, regional importance and growth. The city contains a steel-making complex and a wide range of metal-based industries producing goods for both the domestic and overseas markets. The council is actively engaged in the marketing of land by sale and lease to encourage the relocation of industries to the area. Port Kembla has the potential to become one of the most important bulk export ports and the council is involved in the port's development.

New developments to the value of \$150 million have transformed the Central Business District. The initiative of the Council led to the redevelopment of half a city block into a shopping complex, and the establishment of a Civic Centre Precinct containing both government and cultural functions. Over the past two years 15,000 square metres of additional office space have reinforced Wollongong as a major service centre for the Illawarra region and the southern part of New South Wales. With the advantage of beaches and Lake Illawarra, the local community is being encouraged to assist the council in maintaining the natural environment. In 1994 the council received the National Environment Award. A body, Tourism in Wollongong, has been established to encourage tourism, an industry already generating \$350 million per annum and employing 6,500 people. The University of Wollongong is a fast growing university employing 1500 staff and injecting \$110 million per annum into the local economy.

The council performs its service functions with a staff of 935 (permanent and casual) through the elected corporate body of 15 councillors including the mayor. The council's performance is reviewed through executive management reviews, Lord Mayor/Executive Meetings, Executive Committee Meetings and Organisational Reviews. As an example of the implementation of urban design, the council has

imposed a three kilometre stretch of foreshore adjacent to the City, including major restoration of national resources, improvement of vehicle, cycle and pedestrian access and substantial construction and upgrading of sporting and recreation areas with the necessary infrastructure.

Category S3

County Councils.

A county council is a confederation of local councils of a specific area with a charter to deal with a problem, or need, common to member councils. County councils are established to ensure a co-ordinated and co-operative approach to remedying the common problem and to maximise access to state and federal funding, allowing for a more comprehensive and strategic solution.

County councils are autonomous local government bodies constituted under *the 1993 Act*. Delegates are elected from constituent councils, usually two from each. Chairpersons are elected each year by members of the respective county councils. It is to be noted that between two and eight councils constitute each of the county councils involved in the functions indicated below.

Except where the county council is self-funding, constituent councils provide a level of contribution according to a formula which can include a range of factors, for example, land area, number of rate assessments, road lengths and a base amount. Services provided on a "user pays" basis by the county council also provide funds.

The separate functions of such councils are as follows:

Abattoir

Cudgegong (Abattoir) County Council

Eradication of Noxious Plants

Castlereagh-Macquarie County Council
Central Murray County Council
Central Northern County Council
Far North Coast County Council
Far North-Western Slopes County Council
Hawkesbury River County Council
Mid-Western County Council
New England Tablelands County Council
Southern Slopes County Council
Upper Hunter County Council
Upper Macquarie County Council

Water Supply

Central Tablelands County Council
Lower Clarence County Council
Rous County Council

Flood Control

Clarence River County Council (including eradication of aquatic pests)
Richmond River County Council

It was decided that all these county councils should be placed in Category S3 in the Interim Determinations. The LGSA agreed with the Determination that Category S3 is necessary to cater for the special nature of county councils. Nothing was put in the course of the present investigation to alter that classification.

It should be noted that on 30 July 1993 Northern Riverina County Council, Oxley County Council and Southern Riverina County Council, being county councils with electricity functions, were dissolved.

The Tribunal has the advantage of details of a survey conducted by the LGSA. This survey indicated that the chairpersons of county councils, on average, spent 4.6 hours per week on council activities. Their average remuneration was

\$3,172.00 per annum. The members spent approximately 2 hours per week on council business activities and received an average of \$1,371.00 per annum.

The Tribunal sought more information on a range of factors relevant to the operations of county councils. The Tribunal found that county councils fall into fairly homogeneous groups according to their functions so far as funding arrangements and staff numbers are concerned. Noxious Weed Councils, for instance, obtain 50% of their funding from the State Department of Agriculture. Constituent councils are levied for the remaining 50%. Staff numbers range from four to 11. Flood mitigation and control councils obtain their funds from federal, state and local government sources. These councils have seven and 13 staff respectively. Water supply councils are entirely self-funding with staff numbers ranging from 17 to 36. The one Abattoir Council, Cudgegong, is also entirely self funding and has more than 250 permanent staff as well as daily and seasonal casuals. (A summary of the functions, membership, sources of funds, and staffing is provided in *Attachment 5*.)

The Tribunal heard from representatives of Lower Clarence, Clarence, Castlereagh and Far North West County Councils during the course of the fact finding programme conducted throughout the State. However, to obtain an insight into the detailed operation of county councils, the Tribunal held several special hearings. Mid-Western, Central Tablelands and Cudgegong County Councils, representing noxious weeds, water supply and abattoir county councils, respectively, are three county councils dealt with in this Report in detail.

The Mid-Western County Council is a noxious weeds county council dealing with the problems of rural Australia. It has two delegates from Rylstone Shire Council, two from Coolah Shire Council and four from Mudgee and Cudgegong Councils as a result of the amalgamation of those two councils. The county council meets on a needs basis, but generally four to five times per annum. The

Chairperson usually represents the Mid-Western Council on the enlarged area of the Macquarie Valley Noxious Plants Advisory Committee. The latter meets usually five or six times per annum and the meetings are held often at distant points within the State, necessitating a lot of travelling. All the weeds officers in the area representing the various councils and county councils make reports to each meeting of the particular weeds which are becoming a problem. Often this is the first alert that councils receive concerning the development of new weed growth. The Mid-Western County Council services a large area embracing Rylstone, Coolah and Mudgee. The council has four permanent staff and additional county staff as required outside the winter months. During the winter the permanent staff are engaged in property inspections. The council performs a good deal of contract work with the existing staff during that period. The contract work is carried out on a fee for service basis. The expenditure of the council is about \$430,000 of which \$60,000 to \$90,000 is derived from contract spraying.

The contributions received by the council are derived from the constituent councils determined by a reviewable three year agreement. The Government grant received for treatment of noxious weeds is now running at \$125,000 to \$130,000 per annum. In addition to these amounts, the sale of weedicides to land owners provides a profit of some \$4,000 to \$5,000 per annum and the council receives some \$90,000 per annum for contract work. The spraying season normally runs from early November until April. Depending upon the type of weather, the council employs up to six casual workers for periods up to three months.

At the council meetings, the General Manager advises regularly on the financial situation and any trends as to the manner in which work should be adjusted to cater for any changes. A lengthy report is received also from the Chief Weeds Officer as to the work being done in the area. He also informs the members of notices issued to landholders throughout the Shires and recommendations for any

particular action which may be necessary. There is often correspondence considered and the Chairperson usually goes to other larger area meetings. The meetings usually commence at 2 pm and last for about three hours.

The reports received from the Chief Weeds Officer, permit the Members and Chairperson to accumulate a reasonable knowledge of the weed situation and the development of weedicides to control such growth. The delegates usually are farmers or graziers and bring some weed knowledge to their task.

The practice of delegates to the Mid-Western County Council is to report individually to their council and to answer any questions usually about finances and weed control generally. Because of their expertise in weed control delegates normally expect to receive a number of enquiries from the rural industry. The General Manager of the county council is a part-time employee so that many of the enquiries are directed to members of the county council. There seemed to be general agreement that the \$1,000 fee plus car expenses was considered adequate. It was stated that the role of a member of a county council in a farming community led to contact on a day-to-day basis. There is a need for members of the county councils to ensure that the community is satisfied with the operations of the council.

The Cudgegong County Council operates an abattoir on a commercial basis with a budget of approximately \$18 million and is an important organisation in the region generating benefits to employees and primary producers. Its income is derived from its service charges for the slaughter of stock. The abattoir produces additional income from by-products. It was stated that the abattoir is an industry which changes dramatically dependent upon the level of primary production. There is a great variability in service requirements depending upon the weather and market conditions.

Council meetings are held on the second Thursday of each month, usually commence at 3 pm and last for some three hours. In addition there can be up to eight special meetings. The special meetings last for about three hours. Between meetings there is liaison between the Chairperson and the General Manager or Director of Finance. The abattoir is financially independent of the councils. It was stated that an abattoir county council member has a more responsible role than that of a weeds control council. With a workforce of some 250 employees, the operation of the abattoir has a significant effect on the local town and region. At the present time the Chairperson receives an additional allowance of \$4,000. Members of council receive \$1,000 in addition to travelling expenses.

The Central Tablelands County Council was formed to overcome the severe and frequent water shortages that beset the district prior to its inception. The Council has been in operation for over 50 years and originally served seven central New South Wales rural shires. After two governmental reviews, the operations have been rationalised. The council now serves three local government areas, Blayney, Cabonne and Weddin. There are six delegates, two from each of the constituent councils. The council has 16 full time staff to administer a complex, integrated system of about 5,000 connections, for a total population of approximately 11,000. In addition to the domestic water service, the Council services major commercial interests, including an abattoir, tannery, pet food company and a food processing plant. The system includes reservoirs, pumping stations and treatment plants. Staff are maintained at each location to provide both routine maintenance and emergency services to ensure the provision of a 24 hour service.

The county council meets every second month for approximately three hours. The decision to adopt a "user pays" system required an extensive consultative process with the community, constituent councils and bodies, such as chambers of commerce. This greatly increased the time required to carry out the functions of

members between meetings. However, the consultative process appears to have been successful in facilitating the acceptance of the user pays system. In common with the other water supply councils, Central Tablelands is now a self-funding body and no longer requires contributions from constituent councils or government sources.

Recategorisation of Certain Councils.

Section 240 of the 1993 Act sets out the criteria for the determination of council categories and identifies seven factors to be employed in the consideration of such classification: -

- 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 following councils have been reviewed for recategorisation: -

Dumaresq.

Dumaresq Council is located close to a large regional centre (Armidale) and is engaged in activities which are more extensive than Category 5 councils. In many instances, committees attended by councillors are closely linked with activities of Armidale (a Category 3 council) including membership of a Joint Planning Committee. The council is involved in Tourism and Airport development which has

regional significance and owns and administers the Armidale Regional Airport which is used by over 60,000 passengers a year.

The nature of business dealt with by the council and the regional significance of some of its activities support its claim. Dumaresq will be reclassified as Category 4.

Griffith.

Griffith City Council has submitted that it should be recategorised from Category 4 to Category 3. Factors such as population, size of the area and the high rate of development in Griffith were detailed to support recategorisation. In particular, Griffith has significant regional importance through the provision, for example, of major regional services - wine production, commercial television and radio facilities. These development activities have led to the establishment of a multi-million dollar export contract in the region from important export industries, predominantly in the areas of wine and rice production.

A case has been made out for recategorising Griffith as Category 3.

Maitland.

Maitland's submission for recategorisation contains quantitative and qualitative analyses of Council's position in respect of s.240 matters both specifically and in comparison to other councils. Its particular regional characteristics necessitate the development and implementation of policy and management strategies that take into account a diversity of activities of increasing national and international significance in an expanding and developing community .

The impact upon the region by the growth and development of the adjoining Councils of Port Stephens, Newcastle and Lake Macquarie requires long term strategic planning to take into account projected forecasts of the expansion of these urban centres.

In the light of the specific characteristics outlined in their submission, Maitland has established that its activities are equivalent to Category 2 councils. However, for the reasons given in this Report, it is proposed to place Maitland in the new Category 3.

Walgett.

Walgett outlined the problems peculiar to its region. The existence of a large hidden population involved with mining operations at Lightning Ridge requires the council to provide suitable amenities. According to council's submission, a large proportion of this population is not registered on council's electoral role. Walgett, therefore, has the responsibility of providing services for a population whose size is greater than that shown upon the official register and taken into account when resources are allocated by State and Federal Governments. This imposes a burden on the council's budgeting and planning strategies. For example, the council has been required to provide a new water supply and sewerage system at Lightning Ridge to service a population of at least 6,000 although the census population is 1,800. Submissions are currently before the council for a new hospital and high school at Lightning Ridge. The considerable increase in building development has increased the volume of business dealt with by the council.

Walgett has an area of 22,077 sq kms with a widely distributed registered population of 8,200 and its expenditure and number of employees is similar to Category 4 councils. It is also has a considerable Aboriginal population which resides mostly on two Mission Stations and comprises 50% of the overall town

population. There are special demands placed upon council in regard to the provision of services to the Mission Stations.

Walgett will be reclassified as Category 4.

Wellington.

Wellington Council is a multi-purpose council involved in a diversity of functions and activities. Comparisons were made with the functions of Sydney suburban councils. The submission is impressive in regard to the diversity and magnitude of the council's operation. The particular successes that the council has initiated in its various financial activities include government gas contracts. The demonstrated highly organised nature of Wellington Council's operations is indicative of a regional council which is motivated and competent. The receipt of significant grants in association with a growing population has increased the volume of business dealt with and is placing increased demands on the council's responsibilities. However, considered overall, Wellington is not distinguishable from other Category 4 councils such as Forbes, Glenn Innes and Parkes.

Willoughby.

Willoughby covers an area of 23 sq kms has a population of approximately 54,000, employs an administrative staff of approximately 350, has 21,600 rate assessments per annum and a total annual income and expenditure of \$33 million. Estimated annual population growth for the area over the next five years is 5%. The population and expenditure of Willoughby compares with other councils in Category 2. The council includes Chatswood and St. Leonards which contain significant retail and commercial activities and high density residential areas.

Chatswood is the only centre in the Northern suburbs which has a purpose built rail, bus and car interchange servicing transport from the northern suburbs,

north-western suburbs, western suburbs and northern beaches. It has been developed as a regional centre designed to service the requirements of the residents of the area. Specialist services include the administration of national bushland and harbour foreshores and the "Walter Burley Griffin Estate" in Castlecrag is of national significance.

An application case was made for recategorisation of Willoughby Council from Category 2 to Category 1. However, while Willoughby is an established suburban regional centre, its activities are not distinguishable from Category 2 councils such as Kogarah and Hurstville. It is not proposed at this stage to alter its categorisation.

Wingecarribee.

Wingecarribee is a region whose economy has traditionally been based upon rural production. Although this type of activity continues to play a significant role in the community, the region's substantial economic base now includes tourism. The region also contains several industrial developments and a thriving commercial sector. The population is approximately 35,000 with one of the highest growth rates in NSW. The problems arising from the population expansion and commercial development in an environmentally sensitive area have increased. In addition, the potential effects upon this semi-rural region under the council's control from suburban development of the Sydney metropolitan area need to be under constant review.

Projected metropolitan growth figures for the region suggest increasing responsibilities for the council. Responsibility for the maintenance of the major water catchment area for Sydney imposes upon Wingecarribee a greater regional significance. Recently a \$25 million water augmentation scheme operating in conjunction with the Public Works Department was initiated and the commencement

of a \$35 million sewerage augmentation scheme has been forecast in the next 10 years. The location and nature of the area places considerable pressure and workload upon council. The council employs about 300 persons and has an annual budget of approximately \$40 million. Wingecarribee Council is similar in both size and activity with councils in Category 3 and will be so classified.

Wollondilly.

Wollondilly does not have the characteristics of a suburban council within the Sydney metropolitan region and accordingly is recategorised from Category 2 to a Category 3 council.

Other Councils.

The following councils have been recategorised from Category 3 to Category 2:

Burwood, Concord, Drummoyne, Hunters Hill, Lane Cove, Mosman, Strathfield.

Each of these councils is a suburban council within the Sydney metropolitan region. The functions and responsibilities of suburban and urban/rural regional centres differ considerably. However, as discussed elsewhere in this Report, the nature and volume of business were considered to be equivalent. For convenience, therefore, it was decided to categorise these councils as suburban councils in terms of their basic characteristics.

Baulkham Hills, Blue Mountains, Canterbury, Hornsby and Randwick have been placed in Category 2 and Shoalhaven in Category 3 for the reasons given elsewhere in this Report.

Note on categorisation.

It must be stressed that the categorisation of councils by the Tribunal is dependent upon the material supplied by each council in relation to the area which it administers and the manner in which it operates as a corporate body in accordance with its responsibilities under *the 1993 Act*.

Because of the limited material supplied by many councils, particularly suburban councils, if a review is sought, the Tribunal is prepared to receive such material concerning the matters outlined in s.240(1) of *the 1993 Act* for consideration in the 1996 Report and Determinations.

5. OVERSEAS COMPARISONS

New Zealand.

Information concerning local government in New Zealand was provided by Sir Brian Elwood, an Ombudsman with jurisdiction in respect of, *inter alia*, local government affairs. Local government was subject to significant reform in New Zealand from 1 November 1989. The process reduced the number of local authorities from around 800 to 87. The functions of local government are now performed by regional councils and territorial authorities. The *Local Government Act (N.Z.)* does not specify the powers or duties of mayors, chairpersons or councillors. The conduct of such elected representatives is governed by the general law, the *Local Authorities' Members Interests Act 1968* and the council's standing orders.

The role of mayor, chairperson and councillor in New Zealand has developed by tradition and practice. Members of the council determine policy, make decisions on resource level and allocation, levy rates, make by-laws, monitor the council's performance, represent the interests of the ratepayers and the residents, provide community leadership and facilitate communications between community and council.

The mayor has no executive function and no direct responsibility for the Chief Executive. The practice is widely accepted that the mayor and Chief Executive have a responsibility to ensure effective communication between the elected and officer components of the council organisation. The mayoralties of the larger cities have become full-time occupations for most incumbents as a result of the workload and high accountability requirements to residents. Whether to make the position full-time is a matter of personal choice and the incumbent can pursue other activities.

In regard to remuneration the New Zealand government decided to move beyond seeing service at local government level as a significantly voluntary service with cost reimbursement to a position attracting remuneration consistent with the responsibilities of office and the public environment in which such responsibilities were exercised. The Cabinet approved a benchmark using a Minister without Portfolio's salary. This applied to the highest maximum salary for mayors of the major cities. Maximum payments were set for a number of broad categories of councils and the actual levels within such limits were determinable by each council. It was the intention that within the said maximum it was for each council to determine the actual remuneration paid and to be politically accountable for that decision. Population was the sole criterion used for the categorisation of councils.

According to Sir Brian Elwood:

The maximum level of remuneration for regional and territorial council members following reform was generous by traditional New Zealand standards for such remuneration, but was considered justified by the Government in light of the new era and responsibilities ushered in by the substantial reform to which local government was subjected.

The benchmark with Ministerial remuneration, however, has been abandoned since 1989 after councils almost universally adopted the maximum levels of remuneration.

California.

A different picture is presented in California where the Tribunal conferred with representatives from the League of California Cities, Mayors and City Managers of the Cities of Sacramento, Sunnyvale, Claremont, Westminster and San Gabriel and

a large group of residents from Alhambra and San Gabriel after an address on local government in New South Wales and the present task of the Tribunal. The State of California has nearly 7,000 agencies including cities, counties, special districts, school districts and a multiplicity of regulatory agencies. Of this group the general law cities and charter cities are the matters of interest as they correspond with councils in New South Wales. Council members are elected by popular vote and mayors either by popular vote or by council members.

In general, the payment to council members of general law cities is now controlled by a government code (§.36516(a)), which permits a city council to establish by ordinance a salary up to a ceiling determined by the city's population. (See *Attachment 5*). The electorate may approve a higher salary. A directly-elected mayor may receive additional compensation with the consent of the electorate or by ordinance of the city council. The salary established by council action may be increased but the amount of such increase cannot exceed 5% for each calendar year.

An expense must meet four requirements to be reimbursable. It must be an expense for a member of the city council; it must be an actual expense; the expense must have been incurred in the performance of official duties; and it must be a necessary expense.

The largest council is San Jose with a population of 822,013 and a council of 11 members. All remaining councils have 9 or less members, the overwhelming majority being 5. The monthly payment for council members ranges from nil to \$905 per month (\$10,860 p.a.) (Sacramento). The outstanding exception is San Jose with a payment of \$4,400 per month (\$52,800 p.a.). For mayors, the payment ranged from nil to \$2,000 per month, except for San Jose of \$6,666.66 per month (\$80,000 p.a.).

At Sacramento City Council with a population of 391,222 the budget is \$414 million per annum. The major concerns involve the construction of freeways, restaurants and industrial areas. The council of 9 members meets for 48 weeks of the year on a fortnightly basis although it is usual for meetings of some kind or other to be held weekly. The council has also established four committees. The council meetings commence at 7 pm every Tuesday and the usual period of the meeting is three or four hours. At present the mayor receives \$2,083 per month and council members \$500 per month. Their compensation is supplemented by expense allowances and medical, dental and life insurance cover.

The City of Sunnyvale Council has 7 council members including the mayor. It has a population of 125,000 residents in a geographical area of 24 square miles. It has a rapidly increasing population and has taken a great interest in the development of a pleasant living area adjacent to hi-tech industrial development with Stanford University nearby. The population is expected to grow rapidly to 200,000. The council has a staff of 750 - 800 and operates police and fire services involving 280 of the staff. The council emphasised that it employs only two persons - the City Manager and the City Attorney. The council sets policy in relation to resource allocation, services, long-term strategic planning, land use and budgets. Matters including development applications are only directly considered by council in any detail if they are outside policy, affect boulevards or require policy changes. The Charter of Sunnyvale City Council provides for payment of \$1,300 per month for the mayor and \$900 per month to other council members. It was stated that council members spent some 20 to 30 hours per week on council responsibilities and the mayor some 25 to 30% more time.

Information was provided by two mayors and a City Manager from three councils in the Los Angeles area - Claremont, Westminster and San Gabriel.

These councils held meetings every fortnight commencing at 6 or 7 pm and taking times up to four or five hours. Sometimes other meetings were held in intervening weeks for special issues but these were generally very short, sometimes only 15 minutes.

The council members perform similar local government functions to NSW councillors. It was the usual practice for council not to deal with individual development applications unless special reasons were involved. The fire service and police functions which are generally major organisations are like the other functions of the council, delegated to the City Manager. It was generally stated that the nature of local government in California was community driven. There was a strong emphasis on commitment to community service as a basis for offering for election to council. In other words, local government was not seen as a continuing occupation. Some councils have imposed a limit of two terms of four years and there is a move generally to limit representation to such terms. The visual profile of the mayor or member of council is a person engaged in a full-time occupation giving service to the community. The level of fees paid was determined in 1986 and has not been adjusted either by the councils or by ordinance. However, the opportunity is available to members of councils and mayors to seek election or appointment to other agencies, some of which attract remuneration.

As indicated, it was almost universal practice for councils to restrict the council to five members. Although in a few cases the number was seven or nine, it was stated that five was adequate. This number had the advantage that it did not require the division of council affairs into committees and enabled decisions to be made promptly. The matters of policy dealt with by councils include the absorption of ethnic communities and involvement in regional matters, especially in regard to the construction of freeways and the provision of water and sewerage. The councils have a common practice of forming workshops whereby long-term policies are

considered and the recommendations and other material arising therefrom are filed for revival should an immediate policy decision not be required.

Relevance of Overseas Experience.

There is a marked difference in approach to local government between New Zealand and California. In the former country a large number of local authorities has been re-organised into 87 regional councils, territorial authorities and special purpose authorities. The attempt to formulate payments to elected representatives using the benchmark of a Minister without Portfolio as the highest maximum salary for mayors of major cities has not been successful. It is difficult to compare this new structure with the present system of local government in New South Wales.

In California, organisation of local government is essentially community-driven, no doubt because of the history of settlement in that State. The determination of the form of representation and payment therefore is essentially a local matter. There is, however, a similarity with New South Wales in the manner in which local government operates. The informed input of the community has resulted essentially in councils of five elected representatives (including the mayor) who serve for no more than two terms of four years. Mayors are usually elected for one or two year terms. There is a firmly held view that such service should be regarded as community service and not as a long-term career. The division of functions and responsibilities between the council and City Manager appears to be in accordance with the objectives of the 1993 Act. It is best exemplified by the City of Sunnyvale Council.

Based on the discussions with mayors, members of council, management staff and the written material supplied, the structure of local government, the responsibilities and mode of operation of Californian councils are similar to New

South Wales under *the 1993 Act*. A comparison was made between the business papers of a NSW regional council, a Sydney suburban council and a Californian suburban council. The matters handled by the councils, for example, financial, traffic development and planning, were similar. There was a corresponding balance between forward business planning and other matters. The range of matters considered by the Sydney suburban council was less but more time was expended on individual development applications and more detailed aspects of council management.

The California experience provides useful background in assessing the value of the contribution of elected local government representatives in New South Wales. Particularly is it so because of the influence of community input and the impact of results arising therefrom. It is to be noted that the number of members of councils in New South Wales is approximately twice that of California. The view was expressed by Californian local government representatives that it was not necessary, with a council of five members, to form committees to deal with the workload of the council. Councils with a fewer councillors are able to effectively deal with the matters as a full council. It was said that the length of debate was significantly reduced by the smaller sized councils and decisions reached more promptly.

A clear distinction in function and responsibility has been established between the council and the City Manager. It could be said that the councils in California are operating in consonance with s.232 of *the 1993 Act*. There was general acceptance that the role of council members was conceived as a public duty to perform community service most commonly for a limited period on a part-time basis. The quantum of fees was never raised as a contentious issue. However, it must be observed that there were opportunities to serve on other boards, commissions and agencies which may attract additional compensation for that service. Council

members may also be reimbursed for actual and necessary expenses incurred in the performance of official duties. In addition, §.36516(d) of the California Government Code authorises a council member to receive benefits such as medical, dental, disability, life and retirement insurance "*provided the same benefits are available and paid by the city for its employees*".

6. FEES.

The History of Fees and Allowances.

Councillors.

"Local Government elected officials have traditionally been seen as civic-minded citizens providing a voluntary service to the community. The *Local Government Act, 1919* reflected this philosophy. Accordingly, while it authorised payment of reasonable allowances to members of councils towards out-of-pocket expenses, it did not authorise any other payment. Only expenses, relating to conveyance and subsistence in travelling to and from meetings or committees of council, inspections and certain conferences, were covered. Receipt of any other payments could make the recipient subject to a special disqualification within the meaning of *the Act* and liable to ouster proceedings and heavy penalties."

By 1950, however, the concept of local government as a purely voluntary service was being questioned. This followed the 1948 introduction in England of legislation establishing a "financial loss" allowance compensating elected officials for loss of earnings as well as expenses which the member would not otherwise have incurred. At the Local Government Association of NSW Conference in that year a resolution was carried that *the Local Government Act, 1919* be amended to provide for the refund of any loss incurred by way of salary, wages, professional fees, or the like sustained by elected officials. The 1954 Conference carried a resolution to the effect that the Association was not opposed to the payment of loss of earnings or other reasonable losses properly incurred provided that expenses in relation to loss of earnings did not exceed £3 a day. A limit of £250 was recommended on the amount which could be received in any one year.

Some expressed the view that, while the service given should remain voluntary, it was inappropriate for local government officials to be required to forego

both income and any out-of-pocket expenses that were not specified in *the Act*. Others considered that elected local government officials should be paid in the same way that elected officials in other spheres of government were paid. The Shires Association of NSW remained opposed to recoupment.

None of these recommendations were adopted by the Government until 1963 when the *Local Government (Payment of Fees) Amendment Act* was introduced. Two methods of paying the allowances were considered:

- a fee for attending to council business, ie, meetings, inspections, etc;
- the recoupment of earnings lost by attending to council business and any additional expenses other than travelling, etc.

The first method was favoured as the second was viewed as giving rise to anomalies. Also, payment by fee did not prejudice the voluntary nature of local government. Certain objections were raised on the basis that the payment of fees would eventually lead to the establishment of a career local government politician.

The Act authorised the payment of allowances to a maximum of £3 per meeting and £250 per year, in keeping with the Local Government Association Conference resolution in the previous decade. In his Second Reading Speech, the then Minister for Local Government and Minister for Highways, Mr Hills, stated that the Government considered that these allowances did not involve the payment of salaries but the

"recoupment of persons who are out of pocket because of their services on council business." (*Hansard*, p4545, 28 August, 1963.)

Moreover, the Minister clearly indicated that the provisions were not to be mandatory but were to be at the discretion of individual councils.

In 1981 allowances were increased to a maximum of \$1,000 per year, with a maximum per meeting of \$30. The previous maximum of \$500 (£250) was considered inadequate.

Following a review by the Department of Local Government in 1987, the Government increased the maximum payable for each meeting to \$60 with a ceiling of \$3,000 per year.

Section 29(1) of the 1919 Act authorised payment of an allowance to a mayor or president by the Council. Unlike councillor's allowances, however, there was no statutory limit because mayoral and presidential allowances related to actual expenses. The Act required that the amount be fixed at the first meeting of the council after the election and thereafter, until the next election, at the first meeting each year." (*Report and Determinations of The Local Government Remuneration Tribunal under Sections 239 and 241 of the Local Government Act 1993, 22 April 1994, pp.29-31.*)

Mayors.

Since 1979, the annual allowance or fee paid to the Lord Mayor of Sydney (excluding the Deputy Lord Mayor's allowance) and Chief Commissioner is as follows:

<u>Period</u>	<u>Per Annum</u>
1979-1980	\$35,000
1980-1981	\$40,000
1981-1982	\$45,000
1982 - April 1984	\$51,500
April 1984 - Sept 1984	\$70,000
Sept 1984 - Sept 1985	\$82,000
April 1987 - July 1988	\$36,000
July 1988 - Dec 1988	\$72,000
Jan 1989 - Sept 1989	\$82,600
Sept 1989 - Sept 1990	\$84,816
Sept 1990 - Sept 1991	\$91,680
Sept 1991 - present	\$77,000
1 July 1993 to present	\$77,000

Note: The fees payable to Councillors of the Sydney Council were the same as those paid to all other councillors.

Submissions of the parties.

The LGSA relied on comparisons with the fees of councillors in Queensland and New Zealand. It was submitted that because of the similarities of the functions of the councils in New Zealand and New South Wales it was appropriate to compare respective levels of remuneration. Reference was made to the ratio of the remuneration to average weekly earnings. Comparisons were also made with chairpersons and directors of statutory authorities and with chairpersons and directors of public companies and with Members of Parliament. These were stated to be benchmarks upon which to test the fees which were determined by the Tribunal.

The submission of the LGSA that population be used as the appropriate benchmark for categorisation and the suggested incremental fee structure

necessarily infers that there is a linear relationship between the population and the value of the services of the mayors and councillors and that this forms the rationale for such an incremental fee structure.

The qualification of the population measure by expenditure does not significantly affect this relationship. However, it introduces a random element if adopted simpliciter because no regard is paid to the basis of funds for such expenditure or the projects or services to which they were applied. It was found to be an unsound guide when used for the purposes of grading senior officers of councils. (See *In re Town, Shire and Country Clerks*, 1976 AR 5-37).

A further difficulty in using population as the main parameter in determining categories and hence fees is considered at page 23 of this Report.

The LGSA also referred to the statutory roles and responsibilities of Queensland councils which, it was submitted were "almost identical" with local government in New South Wales. A table was produced for ten councils with populations ranging from 2,850 to 140,000, demonstrating time spent, mayoral allowance, additional meeting fees and travelling allowances. Because of the inadequacy of the statistics it is not possible to accept the claim that there is a clear correlation between the size of the council, the level of remuneration and time spent on council activities. (No information was available in relation to councillors' allowances.)

An examination of the material shows that the highest allowance is paid to the mayor of Rockhampton despite a significantly lower population and less time spent than the Gold Coast mayor. Nevertheless, as claimed, the allowances cited in general appeared to be in excess of the Tribunal's Interim Determination of \$10,000 (including councillor's fee of \$5,000). However, this is not necessarily so if regard is paid to the status quo provisions of the Interim Determinations that:

any mayor currently in receipt of an allowance pursuant to Clause 14(2) of the Local Government Act 1993 - Regulation greater than the prescribed interim fee of \$5,000 may continue to be paid such fee in lieu of the interim fee subject to any necessary adjustment arising from a council resolution pursuant to s.252, until the next Determination.

It was submitted by LGSA that the Tribunal needs to consider all aspects of the statutory role of the councillors and the council hours spent in undertaking such role. Emphasis was placed on the time involved in carrying out the functions and remuneration was dependent upon the size of the council measured by population and expenditure. It was suggested that following categorisation on this basis, other factors should then be considered to re-assess particular councils. It was further submitted that the larger a council, the more time was spent on council activities. The LGSA proposed a ratio of 3 : 1 for the remuneration level for mayors (inclusive of the councillor fee) to that of councillors.

Evaluation of the ceremonial role of councillors and mayors cannot be quantified. As to the claim made in relation to some councils that the mayoral position was "full-time", there is no doubt that a mayor can use all his available time on council affairs if he so elects. Discussions with a number of mayors indicate that this is so particularly in regard to retired persons or those who elected to cease their normal occupation.

Submissions were made by Newcastle that the base salary of a Member of Parliament and the median of the local government market should be used as guides to proper remuneration for the mayor and councillor, respectively. It was claimed that mayors sometimes represent a constituency larger in population and area than those represented by Members of Parliament. The incorporation of an allowance for superannuation in the fee was also supported.

At the outset it should be stated that, at the present time, local government representation has not progressed to the status of an independent career. This is borne out by the fact that the overwhelming majority of local government representatives are engaged in other employment activities, either full-time or part-time.

The mayor is chairman of a council of some 7 to 15 councillors supported by a staff headed by a General Manager. A council has the capacity to delegate such of its functions to the mayor as it decides in accordance with *the 1993 Act*. This delegation appeared to vary from council to council but inevitably it has to be observed that the greater the delegation to the mayor, the less the performance of council members. However, this differs only in degree from that of each councillor. The mayor, and other councillors do not, in effect, represent the council as individuals whatever may be some public perception. Both councillors and mayors are expected to play both leadership and communication roles with the public (s.232(2)) on behalf of the council.

There is no doubt that it is expected that councillors, pursuant to the *1993 Act*, should be involved in active participation in community affairs. The principle of open management in *the 1993 Act* is intended to encourage local interest and participation as a monitoring influence on councils. This public accountability is expressly highlighted in Sections 418, 419 and 420 re Public Notice of Financial Reports; Sections 405 and 406 re Public Notice of Draft Management Plans and Sections 253 and 254 re Public Notice of Proposed Policy concerning expenses and facilities.

It is equally clear that the public has a similar interest in any resolution of council determining fees for councillors and mayors in excess of the statutory minimum determined by the Tribunal and the basis upon which such fees are

justified. The discretion granted to councils in determining such fees is represented by the difference between the minimum and the maximum fixed by the Tribunal. The rationale of these parameters is presented in the report of the Tribunal which is a public document. It is, therefore, inherent that the public has a right and, in fact, a duty to monitor any council resolution seeking to exercise such discretion and to be informed of the basis of its exercise.

The differing views of councillors and mayors of the role and of their expectations was apparent from discussions with local government representatives, both elected and employed. Their role was seen to range from a voluntary to a full-time salaried position. Others saw it as a training ground for entry to a political career. While some envisaged local government representation as a career, it is apparent from the nature and structure that the community service structure of *the 1993 Act* is directed more to the devolution of local government - in other words, directed to creating a structure whereby local communities are more directly concerned in the management of local affairs.

This was evident in California and has already made significant progress in some councils in New South Wales. An interesting feature of the California structure is that, even with wards, members of councils are elected by all residents. This was intended to ensure that members of council focused on the area as a whole and to so reduce competition between sectional interests. Such a structure, of course, is compatible with the small corporate membership of five.

The Tribunal has been unable to ascertain from its investigations that larger representation of 15 or more members has led to more effective management. Indeed, it must be observed that such numbers could lead to the involvement of councillors in sectional disputes and a multiplicity of activities which, in many cases,

appear to fall more properly within the delegated powers of the General Manager and his staff within the council's determined policies.

Fundamentally, the Tribunal is looking to the performance of the governing body of the council. It is to the effectiveness of the governing body in relation to the functions detailed elsewhere in this Determination that attention has been concentrated in determining the value of the input of members of such governing bodies. It seems clear that the value of the decision making of that body is not necessarily enhanced by increasing the number of its members. In fact, the opposite could very well be the case. Accordingly, it is appropriate to take into account the number of councillors in assessing the value of the contribution of each councillor. A comparison of two councils indicated that the business papers of one council of 14 members and one council of 9 members did not exhibit any significant difference as to the matters or the effectiveness with which the matters were dealt.

Minimum fees for councillors/members.

In the Interim Report it was stated (at p.36):

At this stage it is not possible to depart from the position that the same minimum fee should be payable for all councils. It is consistent with the concept that there is an ascertainable minimum level of responsibility and accountability common to all councillors which should be appropriately remunerated.

If such level of remuneration cannot be financed by a council then it raises the issue of the viability of such council, either as to the number of councillors or as to its independent operation. The principle of an annual fee has apparently been adopted by the 1993 Act on the basis that it is not considered appropriate that a monetary penalty be imposed upon councillors who fail in their duty to act properly in accordance with the obligations arising from election to a council. Rather it is to point out that councillors are required to attend to their duties and obligations diligently and, for discharging that function, will be equitably compensated. It is a matter for the electors to take

appropriate action if they fail to do so. It is noted that Section 37 of the 1919 Act concerning disqualification from office for non-attendance has not been repeated in the 1993 Act.

There should be established some common fundamental minimum requirements of responsibility and accountability to the community for which monetary recompense is justified in the public interest.

The fees were set in the environment of average weekly earnings for full-time adults of \$655.70 per week or \$34,000 per annum (NSW November 1993).

Some Category 5 councils, Temora, Barraba, Brewarrina, Coolamon, Culcaim, Gundagai, Holbrook, Murrumbidgee, Tallaganda and Weddin raised concern at the cost impact of such a fee on council's finances. The financial difficulties of rural councils has been intensified by the protracted drought. Various suggestions were made that no minimum fee be fixed or that it should be set at some lower level. This issue was debated with the LGSA. The latter strongly supported the minimum determination of the Tribunal of \$5,000 per annum and stated that if any council was unable to meet such financial obligation then the question of amalgamation should be considered. Taking into account the fact that there are 70 councils in Category 5, the Tribunal accepts the representative submission of the LGSA. There exists the opportunity for special cases, if established by any Council, to be referred by the Minister to the Tribunal for a special determination pursuant to Section 242 of the 1993 Act.

Accordingly the minimum fee of \$5,000 for Category 5 councils shall operate for the period 1 July 1995 to 30 June 1996.

Categories 2, 3 & 4.

It is to be noted that the minimum of \$5,000 for Category 5 councils was based on an average number of 9 councillors. Some of these councils had 12 councillors and it was in regard to such councils claiming difficulty in the payment of fees that the comment was made by the Tribunal in the Interim Report that the question of the number of councillors and/or the viability of the council should be seriously considered. Similarly it is noted that Category 4 councils have an average membership of 10 councillors with a maximum of 13. The average number of councillors for Category 2 and Category 3 councils is 12 with a maximum of 15.

Because the Tribunal is determining statutory minimum fees it is important that such fees are not set at too high a level because of the widely varying operations of the councils involved in these three categories. Rather, the view is taken that if the minimum fee in the Interim Determinations is retained for the ensuing 12 months, councils will have the opportunity to re-assess the membership of the council in regard to the sharing of the responsibilities of each councillor. Many references were made in the course of the hearings to the failure of some councillors to fulfil their obligations. It was for this reason, in particular, that there was support for individual performance payments rather than the same payment for all councillors. At this stage, the preferred course is to allow for a wider difference between minimum and maximum fees. This places squarely on councils the exercise of discretion to demonstrate their participation beyond the basic statutory functions and responsibilities required of each councillor pursuant to Sections 248 and 249 of the 1993 Act. Accordingly, it is proposed that the minimum of \$5,000 per annum be retained for Categories 2, 3 & 4 for the period 1 July 1995 to 30 June 1996.

Category 1.

This category has been confined to a more restricted group of councils. Accordingly the Tribunal proposes to determine a minimum of \$7,500 for the period 1 July 1995 to 30 June 1996 to recognise the higher level of responsibility for the councils retained in the category.

Categories S1 & S2.

Sydney performs its functions with 7 councillors compared with 12 for Newcastle and 15 for Wollongong. Taking into account such membership and the functions and responsibilities of councillors as a minimum requirement, the Tribunal considers that the appropriate minimum for Category S2 is \$10,000 and for S1, \$15,000 for the period 1 July 1995 to 30 June 1996.

Category S3.

The minimum annual fee of \$1,000 fixed by the Interim Determinations shall be retained as the minimum fee for members of county councils for the period 1 July 1995 to 30 June 1996.

Maximum fees for councillors/members.

The purpose of the maximum fee is to provide an appropriate discretionary power for councils to determine, in council and subject to scrutiny by residents, a fee for councillors in excess of the statutory minimum. This will necessarily be determined by an evaluation of the functions and responsibilities which are actually performed by all councillors. In other words, councils will be assessing such

functions and responsibilities in accordance with the other councils in that category. It was evident that when this discretion was exercised in relation to mayoral allowances the resolutions of councils varied widely without any rational basis being given for their determination. It is to be expected that subject to the matters discussed in this Report councils will give proper attention to the exercise of such discretion in view of the fact that they will be compared with other councils and that their evaluation will be open to scrutiny not only by the public but also by the Tribunal in determining fees for the ensuing year.

Based on an assessment of the material which was made available, the Tribunal has decided that the maximum fees for the period 1 July 1995 to 30 June 1996 shall be \$5,000 per annum for Category 5, \$6,000 for Category 4, \$10,000 for Category 3, \$10,000 for Category 2, \$12,500 for Category 1, \$15,000 for S2 and \$20,000 for S1. The maximum annual fee payable for Category S3 shall be \$3,000 for 1995/96.

It should be stated that full attention was given to the submissions which were made by the LGSA and councils individually in relation to Queensland and New Zealand. However, these views, particularly as to fees, have to be assessed on the basis of the rationale for the level of such fees. It also has to be balanced by the methodology and quantum of fees paid in California where the emphasis has been placed essentially on community-driven standards.

The quantum from these other areas were used not as guides but rather as testing points based on the Tribunal's attempt to assess the merits of the work performed and as it is performed at the present time in NSW. It inevitably involved some subjective judgments but this was effected after widespread contact with a large number of people. Special attention was also given to criticisms of some of the comments and findings of the Interim Report. These matters have been dealt

with in the present Report. As indicated, it is open to a council in the exercise of its discretion to determine the extent of the participation of the mayor. On the other hand, the mayor in turn should likewise have a discretion to decide the extent of his/her involvement in council affairs and the extent of the delegation which he/she will accept or which he/she will confer on the General Manager. It may very well vary, as appears to be the case, according to the individual decision of the mayor.

Additional Fee for Mayors/Chairpersons.

In the Interim Report it was said (at p.41):

Local government has operated pursuant to the tradition of voluntary service. It was not until recent years that any payment of a fee was seriously contended. In 1987, the first serious steps were taken to provide recompense in some concrete way for the services so rendered. The contribution of mayors has been a matter of particular concern because of the extra time devoted to the management of councils' affairs. It has been customary for some time for mayors to be paid an allowance in recognition of expenses incurred in connection with his office pursuant to s.29 of the 1919 Act.

Allowances paid to mayors varied widely in accordance with local practice without any ascertainable common factor. The option was given to councils by the Tribunal in the Interim Report to retain the status quo pending the current Determination. These allowances were not found to have been made with any consideration as to the degree of delegation, specific functions, scope, accountability or performance.

As stated in the Interim Report (p.43):

The mayoral allowances which are presently being paid do not provide a proper guide to the determination of annual fees on the criteria established by the 1993 Act.

Those findings were confirmed by the current investigation. From the information received during the investigation by the Tribunal, after making the Interim Determinations, nothing has been put which provides a basis for the minimum fee of mayor to be increased beyond \$5,000 for Categories 4 & 5. A strong case was put by many persons that the basic functions and responsibilities of mayor were similar for such councils. In the case of Categories 2 & 3 a minimum of \$10,000 is determined. However, it was clear from the individual cases put by some councils that the performance of the mayor and the amount of delegation was significant. It is on this basis that it is proposed to grant a discretion for such councils to appropriately reward mayors for the exercise of such delegated duties. It is proposed that the maximum additional fee payable to the mayor shall be \$7,500 for Category 5, \$12,000 for Category 4 and \$20,000 for Categories 3 & 2. As to Category 1, compared with the other four categories and the exhibited functions and responsibilities of the mayor, the range of the additional fee shall be a minimum of \$15,000 to a maximum of \$30,000. After examining in some detail the submissions of the Category S2 councils, it is proposed that the minimum fee shall be \$20,000 and the maximum, \$40,000. In the case of the Category S1, taking into account the history of the allowance, the current fee and the remuneration received for the mayor's additional role in the Sydney Organising Committee for the Olympic Games and Sydney Cove Authority the appropriate fees for 1995/96 shall be \$50,000 as the minimum and \$75,000 as the maximum. The maximum fee makes provision, inter alia, for the payment of a fee therefrom for any Deputy Mayor elected by a Council.

Pursuant to Section 400 (as amended by the *Local Government (Miscellaneous Amendments) Act 1994*), the Tribunal now has power to make a determination for chairpersons. Accordingly, it is proposed that the additional fee to be paid to chairpersons in addition to the members' fee shall be a minimum annual

fee of \$2,000 and a maximum annual fee of \$5,000 for the period 1 July 1995 to 30 June 1996.

It is important to state that the additional fee for mayor is added to the councillor fee based upon the performance of an average councillor. In other words, it is possible that the councillor fee may be set at the minimum and the mayor's additional fee at the maximum in the particular category. However, it could reasonably be expected that the proper functioning of a council would result in councillors and mayors being assessed proportionately bearing in mind that the categorisation of a council and its mayoral office is the same. The fees, as stated earlier in the Report, are determined on the basis that the position of mayor permits such person to engage in other remunerative activities.

Deputy Mayor.

The 1993 Act provides:

s.231(1) (1) The Councillors may elect a person from among their number to be the deputy mayor.

(2) The person may be elected for the mayoral term or a shorter term.

(3) The deputy mayor may exercise any function of the mayor at the request of the mayor or if the mayor is prevented by illness, absence or otherwise from exercising the function or if there is a casual vacancy in the officer of mayor.

(4) The councillors may elect a person from among their number to act as deputy mayor if the deputy mayor is prevented by illness, absence or otherwise from exercising a function under this section, or if no deputy mayor has been elected.

There is no provision in *the 1993 Act* to empower the Tribunal to determine a fee for a deputy mayor or for a councillor elected pursuant to sub-section (4) if there is no deputy mayor. The determination of an annual fee for each category would be difficult to assess because of the uncertainty as to which, if any, function of the mayor may be exercised and the extent to which any deputy mayor or councillor may elect to so act. Accordingly, in the present Determination, the performance of any such functions shall be deemed to be shared by all councillors and included in their fees except where the council has determined a fee for the time "*the deputy mayor acts in the office of the mayor*" pursuant to s.249(5). The maximum fees make provision, *inter alia*, for the payment of a fee to a Deputy Mayor elected by a council.

Expenses.

The 1993 Act provides:

s.252(1) (1) A council must adopt a policy concerning the payment of expenses incurred by, and the provision of facilities to, the mayor, the deputy mayor (if there is one) and the other councillors in relation to discharging the functions of civic office.

(2) The policy may provide for fees payable under this Division to be reduced by an amount representing the private benefit to the mayor or councillor.

253. Before adopting a policy for the payment of expenses or provision of facilities, the council must give at least 28 days' public notice of the proposal.

254. The council or a council committee all the members of which are councillors must not close to the public that part of its meeting at which a policy for the payment of expenses or provision of facilities is adopted or at which any proposal concerning those matters is discussed or considered.

NOTE: Section 428 (2) (f) requires a council to include, in its annual report:

- the total amount of money expended during the year on mayoral fees and councillor fees
- the council's policy on the provision of facilities for, and the payment of expenses to, councillors
- the total amount of money expended during the year on providing those facilities and paying those expenses.

During the course of the present enquiry, councils were in the process of formulating policies concerning the payment of expenses and the provision of facilities. The extent of previous policies ranged from total absorption of expenses in councillors' fees to payments for an extensive range of claimed expenditures. It was pressed by some councillors and mayors that they (and their wives if required to attend) should be reimbursed for the extra cost, for example, of formal clothing to attend functions, child minding, personal gifts and donations and all other expenses associated in any way directly or indirectly with their position as elected persons. The extent to which councils are prepared to reimburse councillors and mayors for such incurred expenses is a matter for the exercise of discretion by each council subject to public scrutiny.

It is to be noted that the entitlement to expenses and facilities is confined to the discharge of "the functions of civic office". It is reasonable to expect that the recompense to councillors for such functions should be equitable in that no councillor should be disadvantaged compared with other councillors in performing civic duties on behalf of the council.

**7. DETERMINATION OF CATEGORIES OF COUNCILS AND COUNTY
COUNCILS FOR 1995**

S1 (1 Council)	Sydney
S2 (2 Councils)	Newcastle Wollongong
S3	County Councils
1. (14 Councils)	Bankstown Blacktown Campbelltown Fairfield Gosford Lake Macquarie Liverpool North Sydney Parramatta Penrith South Sydney Sutherland Warringah Wyong
2. (29 Councils)	Ashfield Auburn Baulkham Hills Blue Mountains Botany Burwood Canterbury Concord Drummoyne Hawkesbury Holroyd Hornsby Hunters Hill Hurstville Kogarah Ku-ring-gai

Lane Cove
Leichhardt
Manly
Marrickville
Mosman
Pittwater
Randwick
Rockdale
Ryde
Strathfield
Waverley
Willoughby
Woollahra

3. (31 Councils)

Albury
Armidale
Ballina
Bathurst
Bega Valley
Broken Hill
Byron
Camden
Cessnock
Coffs Harbour
Dubbo
Eurobodalla
Goulburn
Grafton
Great Lakes
Greater Taree
Griffith
Hastings
Kempsey
Lismore
Maitland
Orange
Port Stephens
Queanbeyan
Shellharbour
Shoalhaven
Tamworth
Tweed Heads
Wagga Wagga Wagga Wagga
Wingecarribee
Wollondilly

4. (30 Councils)

Bellingen
Casino
Cobar
Cooma Monaro
Cootamundra
Cowra
Deniliquin
Dumaresq
Forbes
Glen Innes
Greater Lithgow
Gunnedah
Inverell
Kiama
Leeton
Maclean
Moree Plains
Mudgee
Muswellbrook
Nambucca
Narrabri
Narrandera
Parkes
Richmond River
Singleton
Tumut
Walgett
Wellington
Wentworth
Young

5. (70 Councils)

Balranald
Barraba
Berrigan
Bingara
Bland
Blayney
Bogan
Bombala
Boorowra
Bourke
Brewarrina
Cabonne
Carrathool
Central Darling
Conargo
Coolamon

Coolah
Coonabarabran
Coonamble
Copmanhurst
Corowa
Crookwell
Culcaim
Dungog
Evans
Gilgandra
Gloucester
Gundagai
Gunning
Guyra
Harden
Hay
Holbrook
Hume
Jerilderie
Junee
Kyogle
Lachlan
Lockhart
Manilla
Merrwa
Mulwaree
Murray
Murrumbidgee
Murrurundi
Narramine
Nundle
Nymboida
Oberon
Parry
Quirindi
Rylstone
Scone
Severn
Snowy River
Tallaganda
Temora
Tenterfield
Tumbarumba
Ulmarra
Uralla
Urana
Wakool
Walcha
Warren

Weddin
Windouran
Yallaroi
Yarralumla
Yass

TOTAL COUNCILS 177

Local Government Remuneration Tribunal



(The Honourable Mr. Justice C.L. Cullen)

Dated: 1 May 1995

8. DETERMINATION OF ANNUAL REMUNERATION FEES FOR COUNCILLORS AND MAYORS

Pursuant to s.241 of the 1993 Act, the annual fees to be paid in each of the categories determined under s.234 to councillors, mayors, members and chairpersons of county councils during the period 1 July 1995 to 30 June 1996 are determined as follows:

	Councillor/Member Annual Fee		Mayor/Chairperson Additional Fee*		
	Minimum	Maximum	Minimum	Maximum	
Category 5	5,000	-	5,000	-	7,500
Category 4	5,000	-	5,000	-	12,000
Category 3	5,000	-	10,000	-	20,000
Category 2	5,000	-	10,000	-	20,000
Category 1	7,500	-	12,500	-	30,000
S3	1,000	-	3,000	-	5,000
S2	10,000	-	15,000	-	40,000
S1	15,000	-	20,000	-	75,000

*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 Mr. Justice C.L. Cullen)

Dated: 1 May 1995

NOTIFICATION OF LOCAL GOVERNMENT REMUNERATION TRIBUNAL
HEARINGS

TO ALL COUNCILS

THE GENERAL MANAGER

In accordance with the information set out in the Report of the interim Determination of the Local Government Remuneration Tribunal, the Tribunal is preparing a program of meetings and hearings in Sydney and at various locations throughout the State.

The purpose of these meetings is to hear from representatives of local government and other interested persons on councils' regulatory and service functions and the roles and functions performed by Mayors, Councillors and members of County Councils, in accordance with the relevant sections of the Local Government Act 1993. (Attachment 1) The aim of the program is to acquire information that will assist in the preparation of the Remuneration Tribunal's next Determination, due not later than 1 May, 1995.

The Tribunal is also prepared to entertain submissions from those Councils which seek reconsideration of their 1994/1995 categorisation in the interim Determination of 22 April 1994. Such submissions should deal, in particular, with the matters detailed in s.240(1) of the Act which are considered to make them distinguishable from the other councils included in their category.

Those persons proposing to attend the meetings of the Tribunal are invited to submit brief written submissions, as early as practicable, but not later than Wednesday, 31 August 1994. Some time will be allocated to such persons for the purpose of speaking to the submissions.

The Tribunal would appreciate your co-operation in bringing this matter to the urgent attention of the Mayor; all Councillors; members of County Councils (other than electricity authorities) associated with the Council; and interested members of the public, such as, representatives of rate payers, etc. The hearings are confined to establishing appropriate fees within the framework of the 1993 Local government Act. Persons making submissions should be familiar with its provisions. The Tribunal is, of course, bound by those provisions and is not able to take into account comments not consistent with the relevant sections.

A list of dates and venues for the proposed hearings are attached. (Attachment 2) Regional venues are located in the nominated centres' council buildings, with the exception of Tamworth. Please note that booking is essential. Bookings by 5 July 1994 on 02 266 8540.

Elayne Jay
Executive Officer
22 June 1994

LOCAL GOVERNMENT REMUNERATION TRIBUNAL HEARINGS

MATTERS TO BE CONSIDERED

Local Government Act 1993:

Section 21, (Under Chapters 7 and 8 of this Act, respectively):

Service Functions:

- Providing community health, recreation, education & information services
- Environmental protection
- Waste removal and disposal
- Land and property, industry & tourism development & assistance.

Regulatory Functions:

- Approvals
- Orders
- Building certificates

Ancillary Functions:

- Resumption of land
- Powers of entry and inspection

Section 226—Role of Mayor

The role of Mayor is:

- to exercise, in cases of necessity, the policy-making functions of the governing body of the council between meetings of the council
- to exercise such other functions of the council as the council determines
- to preside at meetings of the council
- to carry out the civic and ceremonial functions of the mayoral office.

Section 232—Role of Councillors

(1) The role of a Councillor is, as a member of the governing body of the council:

- to direct and control the affairs of the council in accordance with this Act
- to participate in the optimum allocation of the council's resources for the benefit of the area
- to play a key role in the creation and review of the council's policies and objectives and criteria relating to the council's regulatory functions
- to review the performance of the council and its delivery of services, and the management plans and revenue policies of the council.

(2) The role of a councillor is, as an elected person:

- 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

METROPOLITAN	WEST
Venue: Level 12 Remington Centre 169-183 Liverpool Street SYDNEY NSW 2000 Date: 12 & 13 July 1994 Time: 10 am to 4 pm	Venue: DUBBO Date: 22 August 1994 Time: 9 am to 4 pm
	Venue: BATHURST Date: 23 August 1994 Time: 11 am to 4 pm
NORTH WEST	SOUTH WEST
Venue: MOREE Date: 19 July 1994 Time: 9 am to 3 pm	Venue: GOULBURN Date: 9 August 1994 Time: 11 am to 5 pm
Venue: GLENN INNES Date: 20 July 1994 Time: 9 am to 1 pm	Venue: COOMA Date: 10 August 1994 Time: 9 am to 2 pm
Venue: BALLINA Date: 21 July 1994 Time: 8 am to 2 pm	Venue: WAGGA WAGGA Date: 11 August 1994 Time: 9 am to 3 pm
FAR WEST	Venue: YOUNG Date: 12 August 1994 Time: 9 am to 1 pm
Venue: BROKEN HILL Date: 29 August 1994 Time: 10 am to 4 pm	
Venue: HAY Date: 30 August 1994 Time: 10 am to 4 pm	CENTRAL NORTH Venue: NEWCASTLE Date: 16 August 1994 Time: 9 am to 5 pm
NORTH EAST	CENTRAL SOUTH
* Venue: TAMWORTH ** Date: 8 September 1994 Time: 9 am to 2 pm	Venue: WOLLONGONG Date: 17 August 1994 Time: 11 am to 4 pm
** Venue: PORT MACQUARIE ** Date: 9 September 1994 Time: 9 am to 3 pm	

Please phone (02) 266 8540 to book a time at the most convenient Centre on the date specified. Bookings by 5 July 1994.

Locations:

City - 169-183 Liverpool Street, Sydney

Regions - Council Building of the nominated centres

** Dates to be confirmed.

ATTACHMENT 3

WRITTEN SUBMISSIONS

Organisation	Author	Title	Name	Role		
LG&S Associations	Woods	Cr	P	Pres		
Brian Elwood New Zealand		Sir		Ombudsman		
Hunter Region Assoc of Councils						
Country Mayors	Brassil	Cr	P	Mr		
Council	Category	Councillors	Author	Title	Name	Role
Sydney	S1	7 Sartor	Cr	F	Mr	
Sydney	S1	7 Sutherland	Cr	D	Cr	
Sydney	S1	7 Walton	Cr	J	Cr	
Newcastle	S2	12 Fielding	Mr	G	A/GM	
Wollongong	S2	15 Campbell	Cr	D	Mr	
Clarence Riv CC	S3	Ham	Mr	PD	Mr	
Cudgegong CC	S3	Earle	Mr	R	Dir of Corp	
Far Nth West CC	S3	Quelch	Mr	CR	GM	
Council	Category	Councillors	Author	Title	Name	Role
Banksia	1	12 Heiter	GM	AB	GM	
Baulkham Hills	1	12 Mead	Mr	D	GM	
Blacktown	1	15 Johnson	Mr	DG	GM	
Campbelltown	1	16 Oales	Cr	MM	Mr	
Canterbury	1	13 Gorrie	Cr	J	Mr	
Fairfield	1	15 Campolongo	Cr	T	Mr	
Gosford	1	10 O'Connor	Cr	D	Mr	
Lake Macq	1	16 Kilpatrick	Cr	John	Mr	
Liverpool	1	20 Syme	Cr	D	Cr	
Nth Sydney	1	16 Kempshall	Mr	RD	GM	
Parramatta	1	19 Swords	Mr	B	GM	
Penrith	1	15 Beamer	Cr	D	Mr	
Randwick	1	15 Burgess	Mr	AV	GM	
Sth Sydney	1	9 Bourke	Mr	JW	GM	
Sutherland	1	14 Rayner	Mr	JW	GM	
Warringah	1	9 Symons	Mr	R	A/GM	
Wyong	1	10 Rosser	Mr	RL		

<i>Council</i>	<i>Category</i>	<i>Councillors</i>	<i>Author</i>	<i>Title</i>	<i>Name</i>	<i>Role</i>
Botany	2	13 Patterson	Mr	JF	GM	
Hurstville	2	12 Wallace	Mr	HEJ	GM	
Ku-ring-gai	2	10 Vescllo	Mr	J	Dep TC	
Leichhardt	2	12 Woodward	Mr	AW	GM	
Manly	2	12 Smith	Mr	G	Mr	
Marrickville	2	12 Mills	Mr	CR	GM	
Willoughby	2	15 Bellby	Mr	MJ	GM	
Woollahra	2	15 Leach	Cr	D	Mr	

<i>Council</i>	<i>Category</i>	<i>Councillors</i>	<i>Author</i>	<i>Title</i>	<i>Name</i>	<i>Role</i>
Albury	3	12 McLeish	Cr	AJ	Mr	
Ballina	3	9 Johnson	Cr	K	Mr	
Bathurst	3	12 O'Meara	Cr	PG	Mr	
Bathurst	3	12 Crisp	Cr	CA	Cr	
Broken Hill	3	11 Boyle	Mr	Ken	GM	
Coffs Harbour	3	9 Wright	Mr	JJ	GM	
Drummoyne	3	12 Loyd	Mr	Russell	GM	
Eurobodalla	3	9 Ratcliffe	Mr	AW	GM	
Goulburn	3	12 Horner	Mr	Ron	GM	
Hastings	3	12 Intermann	Ms	J		
Hastings	3	11 Magann	Mr	JL	GM	
Hunters Hill	3	9 Phipson	Mr	W	GM	
Kempsey	3	9 Peters	Mr	BJ	GM	
Maitland	3	15 Marin	Cr	J	Mr	
Mosman	3	12 Howard	Cr	V	Dep Mr	
Port Stephens	3	12 Watson Will	Cr	B	Cr	
Queanbeyan	3	12 Wright	Cr	JC	Mr	
Tamworth	3	12 Pullinger	Mr	BF	GM	
Tweed Head	3	12 Boyd	Cr	MR	Mr	
Wagga Wagga	3	15 Brassil	Cr	P	Mr	

<i>Council</i>	<i>Category</i>	<i>Councillors</i>	<i>Author</i>	<i>Title</i>	<i>Name</i>	<i>Role</i>
Bellingen	4	9 Doyle	Mr	PJ	GM	
Casino	4	9 Schipp	Mr	RV	GM	
Cobar	4	11 Ramslander	Mr	Don	GM	
Cooma Monaro	4	9 Wilson	Cr	G	Mr	
Cootamundra	4	12 Cooper	Mr	DN	GM	
Griffith	4	12 Behl	Mr	R	GM	
Gunnedah	4	12 Dullon	Mr	DN	GM	
Klarna	4	8 Petschler	Mr	B	GM	
Leeton	4	12 Pluls	Mr	RC	GM	
Narrandera	4	9 Edwards	Cr	DJ	Mr	
Wellington	4	9 Kelly	Mr	AB	GM	
Wentworth	4	10 Harding	Mr	S	GM	
Wingecarribee	4	12 Reynolds	Cr	P	Dep Mr	

<i>Council</i>	<i>Category</i>	<i>Councillors</i>	<i>Author</i>	<i>Title</i>	<i>Name</i>	<i>Role</i>
Balranald	5	10 Foster	Mr	RJ	GM	
Bingara	5	8 Wearne	Cr	J	Mr	
Bogong	5	9 Buller	Mr	R	GM	
Bombala	5	9 Croskell	Mr	KH	GM	
Brewarina	5	12 Page	Mr	JK	GM	
Cabonne	5	12 Fleming	Mr	GL	GM	
Cent Darling	5	12 Sellhorst	Ms	Gabriel	GM	
Coolamon	5	9 Kiss	Mr	Terry	GM	
Dumeresq	5	6 Tydd	Mr	DL	GM	
Gulgandra	5	9 Mann	Mr	PA	GM	
Gundagai	5	8 Tickner	Mr	GAJ	GM	
Holbrook	5	7 Reichel	Mr	DA	GM	
Junee	5	9 McInnes	Mr	T	GM	
Merriwa	5	7 Hadfield	Mr	MJ	GM	
Murray	5	9 Anderson	Cr	DS	Mr	
Murrumbidgee	5	9 Goodsall	Mr	PJ	GM	
Severn	5	8 Clifford	Cr	AM	Mr	
Tallaganda	5	9 Park	Cr	K	Mr	

<i>Council</i>	<i>Category</i>	<i>Councillors</i>	<i>Author</i>	<i>Title</i>	<i>Name</i>	<i>Role</i>
Temora	5	12	Leany	Mr	ET	GM
Tenterfield	5	10	Earl	Mr	BD	GM
Walgett	5	12	Mitchell	Cr	CJ	Mr
Warren	5	12	Kershaw	Mr	M	GM
Weddin	5	10	Phillips	Mr	JC	GM

ATTACHMENT 4

Dear

In July, 1994, the Local Government Remuneration Tribunal began a series of hearings in Sydney, and at various locations throughout the State, on the service and regulatory functions of councils and the roles of mayors, councillors and members of county councils (other than electricity authorities). The Tribunal planned to hear from more than ninety councils, county councils and interested groups and individuals in sixteen centres by the end of October, 1994. Most of this plan has been completed.

The Tribunal now has a wide range of information on the issues, problems, and policies developed to deal with local government administration and planning, mainly in non-metropolitan areas. It also has information on the background and experience of councillors and mayors of these councils, the time involved in carrying out their functions under the Local Government Act 1993, as well as, suggested remuneration levels and categorisation deemed appropriate by council representatives. This detailed knowledge will enable the Tribunal to revise the categorisation of such councils before determining appropriate fees.

Due to the low response rate of metropolitan councils, however, the Tribunal has less information on metropolitan councils and councillors, such as, the background and experience of councillors and mayors; time spent on duties and functions; the issues and problems dealt with; the processes of communication and consultation with ratepayers; and the medium and longer term aims and objectives that enable councils to develop strategic planning and policy.

The Tribunal again invites your council to make a submission, or an additional submission, to the Tribunal on 12 October, 1994, at the Tribunal Rooms, Level 12, 169 - 183 Liverpool Street, Sydney. Bookings can be made by contacting me on 266 8540.

Yours sincerely

Elayne Jay
Executive Officer
22 September 1994

COUNTY COUNCIL SUMMARY

COUNTY COUNCILS	No of Cnty Crs	FUNCTION	Member Councils	Sources of Funds	Staff	Meetings per yr
Castlereagh Macquarie CC	10	Eradicating noxious weeds	Gilgranda; Walgett; Coonamble; Warren; Coonabarabran	Noxious Plants Advisory Comm'ee & member councils	10 F/T 5 Cas	6
Upper Macquarie CC	10	Eradicating noxious weeds	Blayney; Oberon; Bathurst	State Govt; member councils	8	11
Central Northern CC	10	Eradicating noxious weeds	Quirindi; Nundle; Murandji; Tamworth	50% Dept of Ag; 50% member councils	8	5 + 1 spec
Far North Western Slopes CC	10	Eradicating noxious weeds	Inverell; Bingara; Yalleroi	50% Dept of Ag; 50% member councils	5 F/T 2 P/T	7
Mid Western CC	7	Eradicating noxious weeds	Mudgee; Rylstone; Coolah	50% Dept of Ag; 50% member councils	4 perm + 3 cas	4 + 1 spec
Far North Coast CC	10	Eradicating noxious weeds	Casino; Byron; Tweed; Ballina; Copmanhurst; Richmond River; Ballina; Kyogle	50% Dept of Ag; 50% member councils	12 F/T 2 P/T	11
Hawkesbury River CC	8	Eradicating noxious weeds & aquatic pests	Hawkesbury; Penrith; Baulkham Hills; Blacktown	50% Dept of Ag; 50% member councils	7 F/T 1 P/T	5 + 1 spec
New England Tablelands CC	10	Eradicating noxious weeds	Dumaresq; Uralla; Guyra; Armidale; Walcha	50% Dept of Ag; 50% member councils	5 F/T 2 P/T	6
Upper Hunter CC	6	Eradicating noxious weeds	Muswellbrook; Scone; Singleton	50% Dept of Ag; 50% member councils	4	4
Central Murray CC	10	Eradicating noxious weeds	Deniliquin; Berrigan; Murray; Windouran; Conargo	50% Dept of Ag; 50% member councils	5 F/T 1 P/T	4 + 1 spec

COUNTY COUNCILS	No of Cnty Crs	FUNCTION	Member Councils	Sources of Funds	Staff	Meetings per yr
Southern Slopes CC	8	Eradicating noxious weeds	Boorowa; Harden; Yass; Young	50% Dept of Ag; 50% member councils	5	8
Rous CC	9	Water Supply - bulk	Lismore; Byron; Ballina; Richmond River	100% user pays + small amt govt funds	36	11 + 4 spec
Central Tablelands CC	6	Water Supply	Cabonne; Weddin; Blayney	100% user pays + small amt govt funds	16	6 + 1 spec
Lower Clarence CC	10	Water supply	Grafton; Maclean; Ullarra; Copmanhurst	100% user pays + small amt govt funds	17	12
Clarence River CC	10	Flood mitigation /construction Eradicating aquatic pests	Grafton; Maclean; Ulmarra; Nymboida; Copmanhurst	2 pts Fed; 2pts State; 1 pt LG	13	11
Richmond River CC	4	Flood Control	Richmond River; Ballina; Lismore	2 to 1 State; 2 to 1 LG If in local govt area	7	6 + 14 spec
Cudgegong Abattoir CC	6	Abattoir	Mudgee; Rylstone; Gulgong	Self sufficient	250	12

Attachment 6

CALIFORNIA GOVERNMENT CODE

§ 36516. Compensation of councilmen under ordinance

(a) A city council may enact an ordinance providing that each member of the city council shall receive a salary, the amount of which shall be determined by the following schedule:

(1) In cities up to and including 35,000 in population, up to and including three hundred dollars (\$300) per month;

(2) In cities over 35,000 up to and including 50,000 in population, up to and including four hundred dollars (\$400) per month;

(3) In cities over 50,000 up to and including 75,000 in population, up to and including five hundred dollars (\$500) per month.

(4) In cities over 75,000 up to and including 150,000 in population, up to and including six hundred dollars (\$600) per month.

(5) In cities over 150,000 up to and including 250,000 in population, up to and including eight hundred dollars (\$800) per month.

(6) In cities over 250,000 population, up to and including one thousand dollars (\$1,000) per month.

For the purposes of this section the population shall be determined by the last preceding federal census, or a subsequent census, or estimate validated by the Department of Finance.

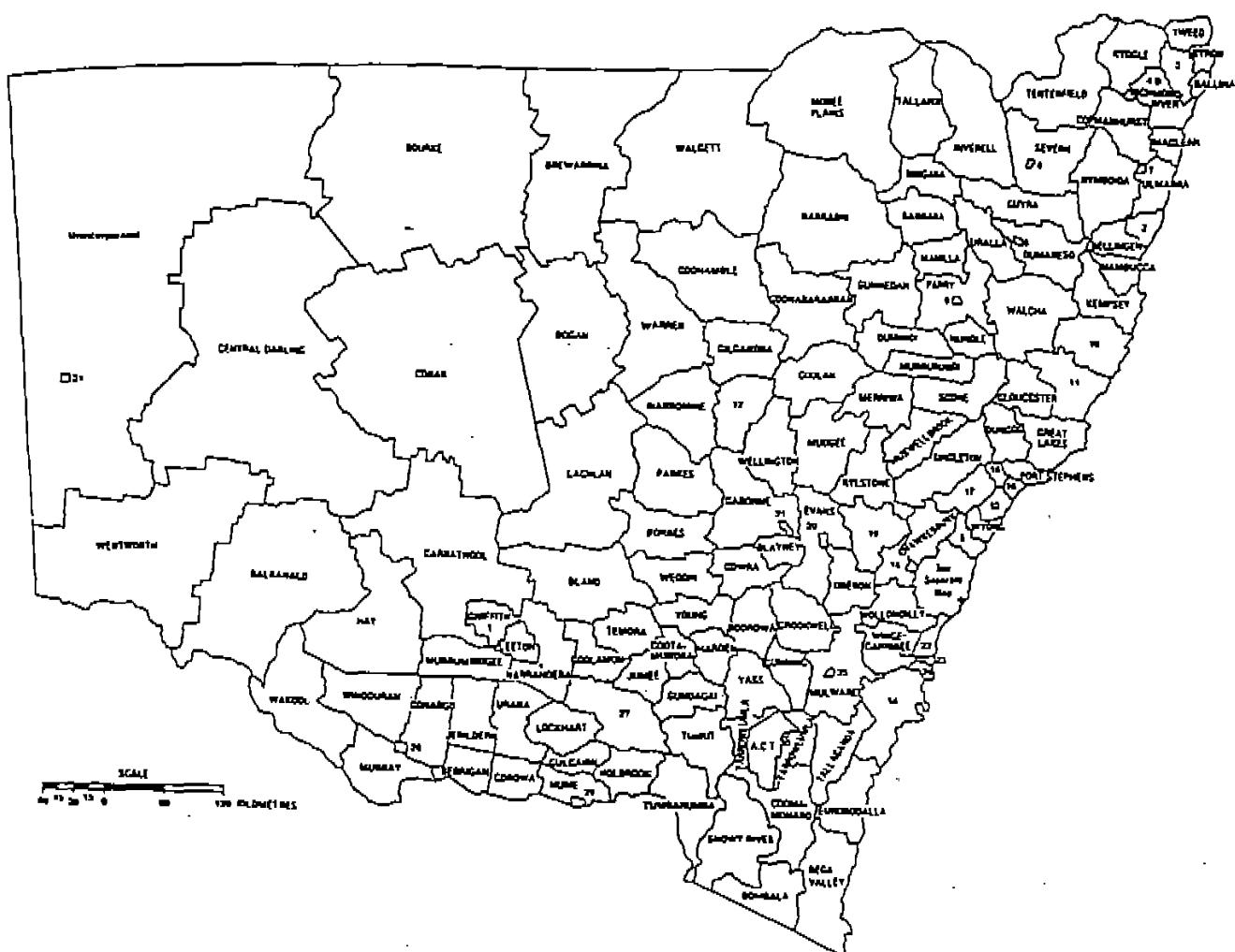
(b) At any municipal election, the question of whether city council members shall receive compensation for services, and the amount of compensation, may be submitted to the electors. If a majority of the electors voting at the election favor it, all of the council members shall receive the compensation specified in the election call. Compensation of council members may be increased beyond the amount provided in this section or decreased below the amount in the same manner.

(c) Compensation of council members may be increased beyond the amount provided in this section by an ordinance or by an amendment to an ordinance but the amount of the increase may not exceed an amount equal to 5 percent for each calendar year from the operative date of the last adjustment of the salary in effect when the ordinance or amendment is enacted. No salary ordinance shall be enacted or amended which provides for automatic future increases in salary.

(d) Any amounts paid by a city for retirement, health and welfare, and federal social security benefits shall not be included for purposes of determining salary under this section provided the same benefits are available and paid by the city for its employees.

Attachment 7

NEW SOUTH WALES LOCAL GOVERNMENT AREAS



CMES

- | | | | | |
|--------------------------|----------------------------|-----------------------------|-------------------------|----------------------|
| 1. CITY OF GRIFFITH | 8. CITY OF ARMIDALE | 15. CITY OF Maitland | 22. CITY OF WOLLONGONG | 29. CITY OF ALBURY |
| 2. CITY OF COFFS HARBOUR | 9. CITY OF TAMWORTH | 16. CITY OF NEWCASTLE | 23. SHELLHARBOUR | 30. CITY OF QUEANBE |
| 3. CITY OF Lismore | 10. HASTINGS | 17. CITY OF CESSNOCK | 24. KIAMA | 31. CITY OF BROKEN B |
| 4. CASINO | 11. CITY OF GREATER TAREE | 18. CITY OF BLUE MOUNTAINS | 25. CITY OF GOULBURN | |
| 5. CITY OF GOSFORD | 12. CITY OF DUBBO | 19. CITY OF GREATER LITHGOW | 26. DELETED | |
| 6. CITY OF GLEN INNES | 13. CITY OF LAKE MACQUARIE | 20. CITY OF BATHURST | 27. CITY OF WAGGA WAGGA | |
| 7. CITY OF GRAFTON | 14. CITY OF SHOALHAVEN | 21. CITY OF ORANGE | 28. DENILUCUN | |



SYDNEY, NEWCASTLE & WOLLONGONG LOCAL GOVERNMENT AREAS

