

REPORT

and

DETERMINATION

of

THE LOCAL GOVERNMENT REMUNERATION TRIBUNAL

under

SECTIONS 239 AND 241

of the

LOCAL GOVERNMENT ACT 1993

24 April 2014

Local Government Remuneration Tribunal

2014 Report

Introduction

The role of Assessor to the Tribunal (pursuant to section 236(1)(b) of the *Local Government Act 1993*) was undertaken by Ms Helen L'Orange from 1 March 2004 until the expiration of her appointment on 11 December 2013. The Tribunal wishes to express its appreciation of Ms L'Orange's contributions over the last several years. This position is currently vacant.

Section 1 Background

1. Pursuant to Section 241 of the *Local Government Act 1993* (the LG Act) the Local Government Remuneration Tribunal hereby determines in each category of council, the maximum and minimum amount of fees to be paid to mayors and councillors of councils, as well as chairpersons and members of county councils.
2. The Tribunal is also required, pursuant to section 239 of the LG Act, to determine the categories of councils and mayoral offices at least once every 3 years. The Tribunal last undertook a fundamental review of the categories of councils in 2012 and will next consider this matter in 2015.
3. In determining the minimum and maximum fees payable to each of the categories, the Tribunal is required, pursuant to section 242A of the LG Act, to give effect to the same policies on increases in remuneration as those that the Industrial Relations Commission is required to give effect to under section 146C of the *Industrial Relations Act 1996*, when making or varying awards or orders relating to the conditions of employment of public sector employees.
4. The current policy on wages pursuant to section 146(1)(a) of the *Industrial Relations Act 1996* is articulated in the Industrial Relations (Public Sector Conditions of Employment) Regulation 2011. The effect of the Regulation is that public sector wages cannot increase by more than 2.5 per cent, and this includes the minimum and maximum fees payable to councillors and mayors.

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Section 2 2013 Review

5. In undertaking the 2013 review the Tribunal noted that a number of initiatives were under way to improve the strength and effectiveness of local government in NSW.

These included:

- the work of the Independent Local Government Review Panel to drive key strategic directions identified in the Destination 2036 initiative
- the work of the Local Government Acts Taskforce to review the *Local Government Act 1993* and the *City of Sydney Act 1988*
- the engagement of the NSW Treasury Corporation (TCorp) to report on the financial sustainability of Local Government in NSW.

6. Given the significant work being undertaken by both the NSW Government and local councils to drive and deliver local government reform, the Tribunal did not call for general submissions from individual councils as part of the 2013 Annual Review.

7. The Tribunal's Report and Determination of 2013 provided a general increase of 2.5 per cent which was consistent with the NSW Wages Policy. The Tribunal advised that it would monitor the progress of these initiatives over the coming year.

Section 3 2014 Annual Review

8. On 20 January 2014, the Tribunal wrote to all mayors advising of the commencement of the 2014 Annual Review.

9. In writing to mayors the Tribunal noted that the final reports of the Independent Local Government Review Panel and the Local Government Acts Taskforce were released on 8 January 2014. These reports make a series of recommendations for reform, some of which address remuneration for councillors and mayors.

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10. At the time of commencing the annual review it was not expected that a decision on, or implementation of, any proposed reforms would be finalised prior to the Tribunal making its determination on or before 30 April 2014. For that reason the Tribunal, as it did in 2013, did not call for general submissions from individual councils for the 2014 review.
11. While general submissions were not requested, councils were welcome to raise with the Tribunal any issues of concern. The Tribunal received two submissions from individual Councils. The submissions sought consideration of the following matters:
- the Tribunal to determine the maximum statutory increase of 2.5 percent as permitted by the legislation
 - the Tribunal to benchmark mayoral and councillor fees with that of a State Member of Parliament
 - the Tribunal to introduce a professional remuneration structure for councillors to improve accountability and performance.
12. The Tribunal also received a submission and met with representatives of Local Government NSW (LGNSW). Given the statutory limitations in place LGNSW has requested that councillor and mayoral remuneration should be increased by the full 2.5 per cent for 2013-14.
13. In addition to requesting the maximum increase of 2.5 percent, LGNSW has sought a professional remuneration structure to ensure that local government attracts appropriately qualified people. LGNSW continues to advocate that elected representatives face increasing challenges, associated with managing council workload, family responsibilities and paid work, and that the significant time involvement is not appropriately recompensed through the current remuneration levels.
14. LGNSW also provided the Tribunal with an overview of the current reform initiatives and their expected impact on the role and responsibilities of councillors and mayors. The anticipated changes will, in the opinion of LGNSW, warrant a review of the remuneration structure, and a subsequent increase in fees.

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15. The Tribunal wishes to place on record its appreciation to LGNSW for its participation and assistance during the 2014 Annual Review process.

Section 4 Comments

16. The Independent Local Government Review Panel and the Local Government Acts Taskforce make a broad range of recommendations which, if adopted in full or in part, could deliver significant reforms across local government in NSW.
17. The Government has called for public submissions and Councils have been encouraged to provide comment on the final reports of the Panel and the Taskforce by 4 April 2014. The Government has indicated that it will consider the final reports, including submissions received, and prepare its response. That response has not been available to the Tribunal at the date by which it must make its determination for 2014.
18. The Tribunal notes that the Panel has made a number of comments in relation to the adequacy of the existing remuneration arrangements and has proposed structural changes which may have an impact on the roles and responsibilities of councillors and mayors. Suggested changes include amendments to the LG Act to provide greater clarity in relation to the role of councillors and mayors. It has been proposed that in larger councils and in major regional councils, the role of mayor, and in some instances that of the deputy mayor, should be expanded to a full time office and remunerated accordingly. The Panel has also suggested that professional development programs be made available to councillors and that remuneration should be increased in recognition of enhanced skills.
19. In making its determinations the Tribunal is required to have regard to the provisions of the existing LG Act. The LG Act prevents the Tribunal from determining any fees for Deputy Mayors and also requires that the Tribunal apply the Government's wages policy, which currently provides for a cap on increases of 2.5 per cent.

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20. The Tribunal currently has regard to the role of councillors and mayors in determining the fees that apply to each of the categories of councils. The existing remuneration model is based on that first determined by the Tribunal in 1995. While there have been adjustments in both the categories of councils and the level of fees, these have not been significant. This in part recognises that the roles and responsibilities of councillors and mayors, as outlined in the legislation, have also not changed significantly since the commencement of the LG Act in 1993, notwithstanding any increases in workload.
21. The Panel has proposed that the roles and responsibilities of councillors and mayors be broadened. These additional functions, if introduced, are likely to have an impact upon the workload, and the skills and capabilities required of elected representatives.
22. The Tribunal continues to support initiatives which will bring about improvements in the local government sector. Further reforms such as council amalgamations and steps to increase resource sharing and joint planning, have previously received and will continue to receive the support of the Tribunal, in that those reforms should result in greater structural efficiencies and should contribute to the long term viability of local government in NSW.
23. The Tribunal will continue to monitor the progress of reform.

Fees

24. The Tribunal is required to have regard to the Government's wages policy when determining the increase to apply to the minimum and maximum fees that apply to councillors and mayors. The public sector wages policy currently provides for a cap on increases of 2.5 per cent.
25. The Tribunal has reviewed the key economic indicators, including the Consumer Price Index and Wage Price Index, and finds that the full increase of 2.5 per cent available to it is warranted. On that basis, having regard to the above, and after taking the views of the Assessor into account, the Tribunal considers that an increase

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of 2.5 per cent in the fees for councillors and mayors is appropriate and so determines.

Local Government Remuneration Tribunal

(signed)

Helen Wright

Dated: 24 April 2014

Determinations of the Local Government Remuneration Tribunal effective on and from 1 July 2014

Determination No 1- Pursuant to Section 239 of Categories of Councils and County Councils Effective From 1 July 2014

Category - Principal City (1)

Sydney

Category - Major City (3)

Newcastle

Parramatta

Wollongong

Category - Metropolitan Major (2)

Blacktown

Penrith

Category - Metropolitan Centre (16)

Bankstown

Hurstville

Sutherland

Campbelltown

Lake Macquarie

Warringah

Fairfield

Liverpool

Willoughby

Gosford

North Sydney

Wyong

The Hills

Randwick

Hornsby

Ryde

Category – Metropolitan (21)

Ashfield

Holroyd

Marrickville

Auburn

Hunters Hill

Mosman

Botany

Kogarah

Pittwater

Burwood

Ku-ring-gai

Rockdale

Camden

Lane Cove

Strathfield

Canada Bay

Leichhardt

Waverley

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from 1 July 2014

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

Category - Rural (77)		
Balranald	Gloucester	Narromine
Bellingen	Greater Hume	Palerang
Berrigan	Gundagai	Parkes
Bland	Gunnedah	Oberon
Blayney	Guyra	Richmond Valley
Bogan	Gwydir	Singleton
Bombala	Harden	Snowy River
Boorowa	Hay	Temora
Bourke	Inverell	Tenterfield
Brewarrina	Jerilderie	Tumbarumba
Cabonne	Junee	Tumut
Carrathool	Kiama	Upper Hunter
Central Darling	Kyogle	Upper Lachlan
Cobar	Lachlan	Uralla
Conargo	Leeton	Urana

Determinations of the Local Government Remuneration Tribunal effective on and
from 1 July 2014

Coolamon	Lithgow	Wakool
Cooma-Monaro	Liverpool Plains	Walcha
Coonamble	Lockhart	Walgett
Cootamundra	Mid-Western	Warren
Corowa	Moree Plains	Warrumbungle
Cowra	Murray	Weddin
Deniliquin	Murrumbidgee	Wellington
Dungog	Muswellbrook	Wentworth
Forbes	Nambucca	Yass Valley
Gilgandra	Narrabri	Young
Glen Innes Severn	Narrandera	

TOTAL GENERAL PURPOSE COUNCILS	152
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Category - County Councils Water (5)

Central Tablelands	Riverina Water
Goldenfields Water	Rous
MidCoast	

Category - County Councils Other (9)

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

TOTAL COUNTY COUNCILS	14
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Determinations of the Local Government Remuneration Tribunal effective on and from 1 July 2014

Determination 2 - Pursuant to Section 241 of Fees for Councillors and Mayors

Pursuant to s.241 of the *Local Government Act 1993*, the annual fees to be paid in each of the categories to councillors, mayors, members and chairpersons of county councils effective on and from 1 July 2014 are determined as follows:

Category	Councillor/Member		Mayor/Chairperson	
	Annual Fee		Additional Fee*	
	Minimum	Maximum	Minimum	Maximum
Principal City	\$24,430	\$35,820	\$149,460	\$196,660
Major City	\$16,280	\$26,880	\$34,600	\$78,300
Metropolitan Major	\$16,280	\$26,880	\$34,600	\$78,300
Metropolitan Centre	\$12,210	\$22,800	\$25,950	\$60,580
Metropolitan	\$8,130	\$17,930	\$17,310	\$39,110
Regional Rural	\$8,130	\$17,930	\$17,310	\$39,110
Rural	\$8,130	\$10,740	\$8,640	\$23,440
County Council – Water	\$1,620	\$8,960	\$3,460	\$14,710
County Council - Other	\$1,620	\$5,360	\$3,460	\$9,780

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

Local Government Remuneration Tribunal

(signed)

Helen Wright

Dated: 24 April 2014

Circular Details	14-12 / 19 May 2014 / A377953
Previous Circular	<i>Circular 13/27 – Determination of the Local Government Remuneration Tribunal</i>
Who should read this	Councillors / General Managers
Contact	Council Governance Team - 4428 4100
Action required	Council to Implement

2014/15 Determination of the Local Government Remuneration Tribunal

What's new or changing

- The Local Government Remuneration Tribunal has determined an increase to mayoral and councillor fees of 2.5 per cent for the 2014/15 financial year, with effect from 1 July 2014.

What this will mean for your council

- Sections 248 and 249 of the *Local Government Act 1993* require councils to fix and pay an annual fee based on the Tribunal's determination of 2.5% for the 2014/15 financial year.

Key points

- The level of fees paid will depend on what category the council is in.
- A council cannot fix a fee higher than the maximum amount determined by the Tribunal.
- If a council does not fix a fee, the council must pay the minimum fee determined by the Tribunal.
- The Tribunal has not reviewed the categories of councils during the 2014 review. It will next consider this in 2015.

Where to go for further information

- The Tribunal's report and determination is available on the Office of Local Government's website at www.dlg.nsw.gov.au



Ross Woodward
Chief Executive
Office of Local Government