

Submission to the NSW Local Government Remuneration Tribunal

30 January 2019

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1. Opening

The Local Government and Shires Association of New South Wales, also known as Local Government NSW (“**LGNSW**”), is the peak body for Local Government in NSW representing the interests of all NSW general-purpose councils and associate members including special-purpose county councils, the Lord Howe Island Board and the Norfolk Island Regional Council.

LGNSW is registered as an industrial organisation of employers under the *Industrial Relations Act 1996* (NSW) and separately under the *Fair Work (Registered Organisations) Act 2009* (Cth).

LGNSW makes this submission pursuant to section 243(2)(b) of the *Local Government Act 1993* (NSW) (“**Act**”).

In its determination of 17 April 2018, the Local Government Remuneration Tribunal (“**Tribunal**”) deemed it appropriate to award an increase of 2.5% in councillor and mayoral fees, considering key economic indicators and initiatives for Local Government reform.

We thank the Tribunal for the opportunity to provide a written submission in respect of the Tribunal’s 2019 review of the fees payable to councillors and mayors.

2. Executive Summary

This submission is in two parts.

The first part of the submission concerns the categorisation of councils.

It is noted in the 2018 determination that the categorisation structure remains unchanged from 2017. LGNSW generally supports the categorisation structure implemented by the Tribunal in 2017.

The second part of the submission concerns the quantum of the increase in fees for councillors and mayors to be determined by the Tribunal. We reiterate our long-held view that the current arrangements for setting councillor and mayoral fees is inadequate. Existing councillor and mayoral fees do not properly compensate them for the significant workload and range of responsibilities of elected members, which are expanding.

Local Government reform has seen significant changes to the way in which councillors perform their duties. In accordance with legislative amendments to the Act, councillors are required to plan strategically using the Integrated Planning and Reporting Framework to deliver effective and efficient services to meet the diverse needs of their local community, and there is increased expectations placed on councillors concerning community engagement.

Recent amendments to the Act prescribe ongoing professional development training for councillors, in addition to participating in mandatory inductions.

In support of this submission, LGNSW engaged a consultancy company, Mastertek Pty Ltd to prepare a report that analyses the remuneration paid to elected councillors and mayors.

This submission also provides a comparison of councillor and mayoral fees with the fees paid to chairpersons and directors of not-for-profit companies and government bodies in addition to the fees received by councillors and mayors in other states and NSW State MPs.

Pending essential reform in this area, LGNSW argues in support of an increase in fees for councillors and mayors equal to the maximum available increase (2.5%) given the statutory limitations.

3. Part 1 - Categorisation

Section 239 of the Act provides that the Tribunal must, at least once every 3 years:

- (a) Determine categories for councils and mayoral offices; and
- (b) Place each council and mayoral office into one of the categories it has determined.

The determination of categories by the Tribunal is for the purpose of enabling the Tribunal to determine the maximum and minimum fees to be paid to mayors and councillors in each of the categories so determined.

In 2017 the Tribunal determined a new categorisation model for remuneration purposes. Each of the 128 councils (either new or existing) was allocated into one of the following nine categories:

Metropolitan

- Principal CBD;
- Major CBD;
- Metropolitan Large;
- Metropolitan Medium; or
- Metropolitan Small.

Non-metropolitan

- Regional City;
- Regional Strategic Area;
- Regional Rural; or
- Rural

LGNSW notes that as the Tribunal is only required to review the categories every three years, an extensive review of categories will occur in 2020.

The Tribunal has advised that, if requested, it will review the allocation of individual councils as part of the 2019 review. The Tribunal will not, however, alter the groups or the criteria which apply unless there is a very strong case to do so.

Inner West Council ("IWC")

Inner West Council ("IWC") has made a submission to the Tribunal seeking re-categorisation from "Metropolitan Medium" to "Metropolitan Large". In support of this position, IWC draws upon the fact that the Department of Planning has grouped Inner West with other councils with a population in excess of 200,000 for the Mandatory Independent Hearing and Assessment Panels.

The IWC Local Government Area currently has an estimated resident population of 202,424 and projected to reach over 230,000 by 2036. High population growth can be attributed to IWC being a key player in relation to regional infrastructure and key strategic policy directions for the State.

Major developments such as Westconnex, Parramatta Road Urban Transformation, Sydenham to Bankstown Urban Renewal Corridor and the Bays Precinct will substantially increase the population size.

IWC has experienced an average of 2% annual GRP growth since 2001. This growth has been largely driven by expansion in the real estate and construction sectors. In comparison with the NSW state average, the Inner West has a higher proportion of businesses in the professional, scientific and technical services sector.

LGNSW supports the submission of IWC to the Tribunal.

Central Coast Council (“CCC”)

Central Coast Council (“CCC”) has made a submission seeking re-categorisation on the grounds that, following amalgamation it should be more appropriately categorised as a “Regional City”, given the size and capacity of LGA.

With a residential population of 335,309, CCC is the third largest LGA by population in NSW. This is projected to increase to 414,615 by 2036. Given the proximity to Sydney, housing affordability and lifestyle, CCC is highly attractive to families who still work in Sydney and older retired residents.

The Central Coast region has established itself as a significant economic, social, cultural and sporting region in NSW. This is demonstrated by the growing presence of the Central Coast Local Health District, NSW TAFE campuses and University of Newcastle Ourimbah camps, in addition to sporting facilities which are home to the Central Coast Mariners and host national Rugby League and Rugby Union fixtures.

Tourism plays a significant role in the growth of CCC, with approximately 9% of total tourism expenditure in regional NSW occurring in CCC. It is also noted that CCC continues to provide water and wastewater services as the third largest urban water supply system in NSW.

LGNSW supports the submission of CCC to the Tribunal.

North Sydney Council (“NSC”)

North Sydney argues that it should be re-categorised from “Metropolitan Small” to “Metropolitan Medium” based with North Sydney’s commercial and residential centres rapidly expanding.

North Sydney LGA’s population is extremely dense with 61.51 people per hectare. In comparison to “Metropolitan Medium” and “Metropolitan Large” councils, the North Sydney LGA has the highest population density. The North Sydney area population forecast for 2019 is 75, 944 and forecast to grow by 11.16% by 2036.

As the second largest Central Business District (CBD), North Sydney Council attracts a non-resident working population of 62,122 people. The Sydney Metro will introduce two new train stations at North Sydney and Crows Nest in North Sydney LGA, to support projected population growth.

Total tourism and hospitality sales in the North Sydney LGA for 2016/17 was \$698.3 million. Major international attractions include Luna Park, North Sydney Olympic Pool, Bradfield Park, North Sydney Oval and Wendy Whiteley’s Secret Garden. It is also noted that North Sydney LGA hosts a significant number of overnight visitors.

LGNSW supports the submission of NSC to the Tribunal.

Willoughby City Council (“WCC”)

WCC seeks re-categorisation from “Metropolitan Small” to “Metropolitan Medium” and has filed a submission with the Tribunal in support of its position, noting the significance of WCC’s economic influence, scale of operations and extent of regional servicing.

Chatswood and St Leonards are two major centres located within WCC. Chatswood is a major centre for shopping, office employment, professional services, in addition to recreation and leisure facilities. St Leonards is projected to continue to provide more jobs and services to the region than the largest centre in the Northern Beaches (categorised as metropolitan large).

WCC services a large non-residential population. Chatswood receives over 20 million shopper visits and 330,000 international visitors each year. Additionally, the Royal North Shore Hospital, other private hospitals and nearby health services in St Leonards contribute to large numbers of non-residential visitors.

LGNSW supports the submission of WCC to the Tribunal.

Muswellbrook Shire Council (“MSC”)

MSC seeks re-categorisation from “Rural” to “Regional Rural” and has filed a submission with the Tribunal in support of its position noting the importance of its contribution to infrastructure in the Upper Hunter Region, in addition to the array of health and professional services provided to the wider community.

MSC is home to Federal military infrastructure including the Myambat Munitions Facility (the largest facility of its type in Australia), in addition to coal mining operations throughout the LGA. Each coal mining operation is classified as a State Significant Development and are noted as significant contributors to the State Government budget through coal royalties.

LGNSW supports the submission MSC to the Tribunal.

Norfolk Island Regional Council (“NIRC”)

NIRC seeks re-categorisation from “Rural” to “Regional Rural” and has filed a submission with the Tribunal in support of its position, noting particularly the extent of services provided by the Council.

The Council displays many characteristics of “Regional Rural” councils, particularly with regards to education, recreation and tourism, which are among key criteria for Regional Rural categorisation (p.15 of the 2017 determination). NIRC provides essential services such as electricity and telecommunications, in addition to operating an international airport. Taking into consideration tourism numbers, which account for an additional one-third of the population each week, NIRC exceeds the population of councils categorised as “Rural”, which typically have a population below 20,000.

LGNSW supports the submission of NIRC to the Tribunal.

4. Part 2 – Councillor and Mayoral Fees

The Tribunal is required by legislation to give effect to the NSW State Government's *Public Sector Wages Policy* ("**wages policy**") when determining the maximum and minimum amounts of fees to be paid to mayors and councillors. Presently the Tribunal's capacity to make determinations that would remunerate councillors and mayors adequately and fairly for sustained increases in workload and responsibility is hamstrung by the capped amount of 2.5 percent as per the wages policy.

Councillors and mayors have not been appropriately recompensed for the significant time involved in undertaking their office duties for some time now.

This part of the submission considers the roles and responsibilities of councillors and will draw a comparison between the fees paid to mayors/councillors and the fees paid to chairpersons/directors of both not-for-profit companies and government bodies. This comparison is appropriate given that ss. 226 and 232 of the Act create a parallel between the role of mayors/councillors and those of chairpersons/directors of other corporate entities.

A comparison of fees paid to mayors and councillors in Local Government in NSW and Queensland will then demonstrate that despite the duties of elected members being comparable across states, NSW's elected members are poorly remunerated when compared to their Queensland counterparts.

The roles and responsibilities of councillors and mayors

The Act prescribes the roles and responsibilities of mayors and councillors collectively as the governing body of council, and as individual members of the governing body.

It should be noted that councillors comprise the governing body of a council in the same way that a board of directors is the governing body of a corporation. The Act prescribes the collective role of a council's governing body as follows:

- to direct and control the affairs of the council in accordance with the Act
- to provide effective civil leadership to the local community
- to ensure as far as possible the financial sustainability of the council
- to develop and endorse the community strategic plan, delivery program and other strategic plans, programs, strategies and policies of the council
- to review the performance of the council, including service delivery

Councillors are required to work together collectively to make decisions which guide the activities of council and set the strategic direction for the local community. In order to exercise these functions, councillors need to understand the characteristics and needs of their community and the types of services required.

Councillors have a wide range of legislative responsibilities with which they need to acquaint themselves. In addition to the Act, there are a number of other laws which councils are responsible for implementing. For example, the span of service powers provided to councils varies greatly from building and development controls under the *Environmental Planning and Assessment Act 1979* to the control of noxious weeds under the *Noxious Weeds Act 1993*.

With respect to individual councillors, the Act prescribes the role as follows:

- to be an active and contributing member of the governing body
- to participate in the development of the Integrated Planning and Reporting framework
- to represent the collective interests of residents, ratepayers and the local community
- to make all reasonable efforts to acquire and maintain the skills necessary to perform the role of a councillor.

In accordance with the Act, councillors are required to carry out their functions in a way that provides the best possible value for residents and ratepayers. Councillors are individually accountable to the local community for the performance of the council.

Local Government reform has seen significant changes to the way in which councillors perform their duties. In accordance with legislative amendments to the Act, councillors are required to plan strategically using the Integrated Planning and Reporting Framework to deliver effective and efficient services to meet the diverse needs of their local community, and there is increased expectations placed on councillors concerning community engagement.

Ongoing Professional Development Requirements

The nature of the role of elected members is such that they are required to make all reasonable efforts to acquire and maintain the skills necessary to perform their roles. The Act now regulates induction and other professional development for mayors and councillors.

On 18 December 2018, the Office of Local Government (“**OLG**”) published the *Councillor Induction and Professional Development Guidelines* (“**Guidelines**”) to assist councils to develop and deliver induction and ongoing professional development activities for their mayor and councillors in compliance with the proposed regulations.

In accordance with the guidelines and the Act, elected Local Government representatives are subject to minimum professional development requirements that do not apply to NSW State MPs and chairpersons/directors of not-for-profit and government bodies.

Both newly elected and returning councillors are required to participate in a mandatory induction program for each council term.

Mayors and councillors are required to make all reasonable efforts to participate in activities offered to them as part of an induction or ongoing professional development program to assist them to acquire and maintain the skills necessary to perform their roles. As part of council’s professional development program, the mayor and each councillor are subject to an ongoing professional development plan.

LGNSW notes that many councils have already implemented induction and other professional development training for their mayor and councillors in anticipation of the Guidelines being published.

The new induction and other professional development training requirements should be considered by the Tribunal when determining the maximum and minimum amounts of fees to be paid to mayors and councillors.

Introduction of Joint Organisations

The introduction of the Joint Organisation model to Local Government in NSW presents unique challenges to the role of councillors. Joint Organisations were introduced as a forum for local councils and the NSW Government to work collaboratively on regional strategic priorities such as jobs, education and transport.

Eighty-five councils in regional NSW are now members of the 13 joint organisations: Canberra Region, Central NSW, Far North West, Far South West, Hunter, Illawarra Shoalhaven, Mid North Coast, Namoi, New England, Northern Rivers, Orana, Riverina and Murray, and Riverina.

Given that the Joint Organisations are in the early stages of formation, it is unclear as to the full extent that they will impact upon the role of councillors in NSW. However, it is apparent that their initial formation has already resulted in some councillors taking on additional duties. We note that it is not a requirement for councillors who sit on the boards of Joint Organisations to be remunerated for their additional duties and responsibilities.

Councillor Work Value Review

LGNSW engaged Mastertek Pty Ltd (the “**Consultant**”) to conduct an independent review of the current remuneration paid to elected councillors and mayors. The review was to assess the view of LGNSW that fees do not adequately reflect councillors’ and mayors’ statutory responsibilities, in addition to the time and nature of work undertaken on behalf of their communities.

The review involved a survey of all councillors in NSW as the main method of obtaining information regarding the volume of work and time commitment. Interviews were also held with a selection of councillors representing a range of councils and individual perspectives.

The Consultant has prepared a report analysing the findings (“the “**report**”)¹ (a copy of this report is attached and marked “**Attachment 1**”). We draw the Tribunal’s attention to the key findings of the report which form the conclusions and recommendations.

Clarification of the role

A key consideration of the review was whether or not the roles of elected representatives are full-time roles or not and whether they should be remunerated as such.

An overwhelming 86.9% of respondents reported that the role has become more complex over time, highlighting the expansion of the role of a councillor. It is noted that this increasing complexity has a direct impact on the time requirements of the role.

The survey found that respondents spent an average of 45.6 hours per week fulfilling their duties as a councillor. This is a significant increase from the Consultant’s 2006 review where the average was 21.9 hours per week.²

When the time commitment of councillors is broken down according to council categorisation, we find that a councillor of a regional rural council works an average of 44.85 hours per week.

In many cases the requirements of the role are in excess of the hours worked in a standard full-time position of 38 hours, according to the *Fair Work Act 2009* (Cth) definition. Whilst the Consultant has not advocated for the role of councillor to be considered full-time, the observation has been made that in many cases the role could be full-time comparable, and councils should have the ability to remunerate them as such where appropriate.

Potential Impact of Current Remuneration Arrangements

Recognising the increased complexity of the role and time commitments associated, the next question addressed in the survey also considered the impact of the current remuneration arrangements on the pool of individuals that are willing and able to stand for office.

The findings indicate that those who do not have the appropriate personal financial circumstances are unable to undertake the equivalent of a full-time role without reasonable

¹ Councillor Value Review, published by Mastertek Pty Ltd., 2018

² Mayor and Councillors Remuneration & Classification Review, published by Mastertek Pty Ltd., 2006

recompense. 53.5% of respondents reported that since becoming a councillor their annual income has decreased.

85.5% of all councillors are over 45 years of age, highlighting the under-representation of younger elected representatives.

In relation to gender distribution, the Consultant's report reveals an 11.7% male dominant gap, with only 43.4% female survey respondents. Except for the 45-54 age bracket, the results suggest a clear under representation of female elected representatives in Local Government. These findings are no surprise given the long-standing trend in Local Government with respect to a lack of gender diversity.

There has also been a change in levels of education of those undertaking the role of councillor. Councillors are now more educated than ever before with 29.7% of respondents having completed a post graduate degree. This contrasts with the 2006 findings which identified high school as the highest level of education for a majority of councillors.

When asked about their occupation, 20.3% of councillors noted they are fully-retired. Only 8.2% of all councillors receive no financial support other than the fees they receive from council.

The profile of a councillor in NSW reflects a pool of candidates which are largely retired, semi-retired or independently wealthy. An increase to the fees paid to elected representatives will help improve the quality of candidates and broaden the pool of potential future councillors, to ensure better community representation.

Fees paid to chairpersons and directors of not-for-profit and government bodies

This part of LGNSW's submission makes reference to the 2018 Australian Board Remuneration Survey ("**Board Members Survey**")³ (a copy of which is attached and marked "**Attachment 2**"). The Board Members Survey is based on remuneration data covering 1021 Boards, inclusive of government bodies and not-for-profit bodies.

This submission will use the remuneration paid to directors of boards and board chairpersons of both government bodies and not-for-profit bodies as comparators against the remuneration paid to mayors and councillors in NSW Local Government. LGNSW submits that a parallel exists between directors of boards and councillors, and chairpersons of boards and mayors, given the role of both the mayor and councillors as provided for in ss. 226 and 232 of the Act.

Four councils were selected for comparison. These councils vary in size, location and categorisation. The remuneration of the mayor and councillors at each council has been assessed against the average remuneration paid to the chairpersons and directors of a comparable government or not-for-profit organisation. Comparability is assessed on two dimensions: total revenue and total number of full time employees ("**TFTE**") of the organisation/council.

Camden Council and a comparable Government body (based on TFTE)*

Position	Total No. Full-time Employees	Average Remuneration	Maximum Remuneration
Chairman-Government Body	301-400	\$56,204	-

³ Australian Board Remuneration Survey Report, published by McGuirk Management Consultants Pty Ltd., 2018.

Mayor – Camden Council	387	-	\$49,193
Difference in the average remuneration paid to the Chairman of a Government body and the Mayor of Camden Council: \$7,011			
Director- Government Body	301-400	\$28,263	-
Councillor – Camden Council	387	-	\$15,193
Difference in the average remuneration paid to a Director of a Government body and a Councillor of Camden Council: \$13,070			

*All figures extracted from Tables 5.17 and 5.19 of Attachment 1

The TFTE at Camden Council is 387,⁴ compared to 301-400 for a government body. Yet the chairman of a government body with a comparable number of TFTE to Camden Council will earn on average \$7,011 p.a. more than the mayor of Camden Council. It should also be noted that a director of a government body will earn on average \$13,070 p.a. more than a councillor on Camden Council.

Hornsby Shire Council and a comparable Government body* (based on total revenue)

Position	Total Revenue of Organisation/Council	Average Remuneration	Maximum Remuneration
Chairman – Government Body	\$160-240M	\$92,379	-
Mayor – Hornsby Shire Council	\$188.7M	-	\$87,590
Difference in the average remuneration paid to the Chairman of a Government body and the Mayor of Hornsby Shire Council: \$4,789			
Director – Government Body	\$160-240M	\$45,258	-
Councillor – Hornsby Shire Council	\$188.7M	-	\$23,950
Difference in the average remuneration paid to a Director of a Government body and a Councillor of Hornsby Shire Council: \$21,308			

*All figures extracted from Tables 5.17 and 5.19 of Attachment 1

The total revenue of Hornsby Shire Council is \$188.7 million,⁵ compared to \$160-\$240 million for a government body. Yet the chairperson of a government body of comparable revenue to Hornsby Shire Council will earn on average \$4,789 more p.a. than the mayor of Hornsby Shire Council. Similarly, a director of a government body will earn on average \$21,308 p.a. more than a councillor on Hornsby Shire Council.

Brewarrina Shire Council and a comparable not-for-profit body* (based on total revenue)

Position	Total Revenue of Organisation/Council	Average Remuneration	Maximum Remuneration
Chairman - Not for Profit	\$10-\$20M	\$47,122	-
Mayor - Brewarrina Shire Council	\$16.4M	-	\$35,758
Difference in the average remuneration paid to the Chairman of a not-for-profit body and the Mayor of Brewarrina Shire Council: \$11,364			
Director -	\$10-\$20M	\$21,606	-

⁴ Office of Local Government, Time Series Data, 2016-17.

⁵ Office of Local Government, Time Series Data, 2016-17.

Not for Profit			
Councillor – Brewarrina Shire Council	\$16.4M	-	\$11,128
<i>Difference in the average remuneration paid to a Director of a not-for-profit body and a Councillor of Brewarrina Shire Council: \$10,478</i>			

The total revenue of Brewarrina Shire Council was \$16.4 million in 2015/16.⁶, compared to \$10-\$20 million for a not-for-profit organisation. Yet the chairperson of a not-for-profit organisation of comparable revenue to Brewarrina Shire Council received on average \$11,364 more p.a. than the mayor of Brewarrina Shire Council. Similarly, a director of the not-for-profit organisation received on average \$10,478 p.a. more than a councillor on Brewarrina Shire Council.

Albury City Council and a comparable not-for-profit body (based on TFTE)*

Position	Total No. Full-time Employees	Average Remuneration	Maximum Remuneration
Chairman- Not for Profit	401-600	\$84,717	-
Mayor – Albury City Council	442	-	\$61,517
<i>Difference in the average remuneration paid to the Chairman of a not-for-profit body and the Mayor of Albury City Council: \$23,200</i>			
Director- Not for Profit	401-600	\$30,633	-
Councillor – Albury City Council	442	-	\$19,297
<i>Difference in the average remuneration paid to a Director of a not-for-profit body and a Councillor of Albury City Council: \$11,336</i>			

* All figures extracted from Tables 5.14 and 5.16 of Attachment 1

The TFTE at Albury City Council is 442,⁷ compared to 401-600 for a not-for-profit organisation. Yet the chairperson of a not-for-profit organisation with a comparable number of TFTE to Albury City Council receives on average \$23,200 p.a. more than the mayor of Albury City Council. Similarly, a director of a not-for-profit organisation receives on average \$11,336 p.a. more than a councillor on Albury City Council.

The above comparisons highlight the fact that current arrangements for setting councillor and mayoral fees do not properly compensate elected members for the increased workload and responsibilities over time. It is totally unacceptable that in some cases, councillors receive \$21,308 per year less than their counterparts at government bodies. It should also be noted that chairpersons and directors of not-for-profit organisations often do not have the same legal and civic responsibilities of elected members as prescribed under the Act.

Fees paid to mayors and councillors in NSW and Queensland

Queensland's eight (8) tiered categorisation structure is formulated on the basis of similar legislative criteria to that set out in s. 240 of the Act. Section 242 of the *Local Government Regulation 2012* (Qld) provides that in establishing categories, the Tribunal must have regard to factors such as the size, population, demographics and geographical terrain of Local Government areas. The categories for councils in NSW align well with Queensland's categories.

⁶ Office of Local Government, Time Series Data, 2016-17.

⁷ Office of Local Government, Time Series Data, 2016-17.

This part of the submission will compare the remuneration of elected members in Local Government in NSW and Queensland. This comparison is appropriate given the parallel between the roles of elected members across States (for example, s. 232 of the Act and s. 12 of the *Local Government Act 2009* (Qld)).

Similarly to the earlier analysis, four councils were selected for comparison. These councils vary in size, location and categorisation. The remuneration of the mayor and councillors at each council has been assessed against the remuneration paid to the mayor and the councillors at comparable councils in Queensland. Comparability is assessed on two dimensions: total revenue and total number of full time employees (“TFTE”) of the council in each state.

Camden Council (NSW) and Scenic Rim Regional Council (Queensland) (based on TFTE)

Position	Total No. Full-time Employees (301-400)	Maximum Remuneration
Mayor – Scenic Rim Regional Council	370	\$127,898
Mayor – Camden Council	387	\$49,193
Councillor – Scenic Rim Regional Council	370	\$67,945
Councillor – Camden Council	387	\$15,193
<i>Difference in the maximum remuneration paid to the Mayor of Scenic Rim Regional Council and the Mayor of Camden Council: \$78,705</i>		
<i>Difference in maximum remuneration paid to Councillors of Scenic Rim Regional Council and Councillors of Camden Council: \$52,752</i>		

The TFTE at Camden Council is 387 for 2016-17,⁸ compared to 370 at Scenic Rim Regional Council.⁹ Yet the mayor of a Queensland council with a comparable number of TFTE to Camden receives \$78,705 p.a. more than the mayor of Camden Council. Similarly, a councillor at Scenic Rim Regional Council receives \$52,752 p.a. more than a councillor on Camden Council.

Hornsby Shire Council (NSW) and Bundaberg Regional Council (Queensland) (based on total revenue)

Position	Total Revenue of Council (\$160-240M)	Maximum Remuneration
Mayor – Bundaberg Regional Council	\$228M	\$148,536
Mayor – Hornsby Shire Council	\$188.7M	\$87,590
Councillor – Bundaberg Regional Council	\$228M	\$85,994
Councillor – Hornsby Shire Council	\$188.7M	\$23,950
<i>Difference in the maximum remuneration paid to the Mayor of Bundaberg Regional Council and the Mayor of Hornsby Shire Council: \$60,946</i>		
<i>Difference in the maximum remuneration paid to Councillors of Bundaberg Regional Council and Councillors of Hornsby Shire Council is: \$62,044</i>		

⁸ Office of Local Government, Time Series Data, 2016-17.

⁹ Department of Local Government, Racing and Multicultural Affairs, Queensland Local Government Comparative Data, 2016-17.

The total revenue of Hornsby Shire Council was \$188.7 million in 2016-17,¹⁰ compared to \$228 million at Bundaberg Regional Council.¹¹ Yet the mayor at a Queensland council of comparative revenue to Hornsby Shire Council will earn \$60,946 more p.a. than the mayor of Hornsby Shire Council. Similarly, a councillor at Bundaberg Regional Council will earn on average \$62,044 p.a. more than a councillor on Hornsby Shire Council.

Brewarrina Shire Council (NSW) and Boulia Shire Council (Queensland) (based on total revenue)

Position	Total Revenue of Council (\$10-20M)	Maximum Remuneration
Mayor – Boulia Shire Council	\$17.3M	\$78,279
Mayor - Brewarrina Shire Council	\$16.4M	\$35,758
Councillor – Boulia Shire Council	\$35.5M	\$24,264
Councillor – Brewarrina Shire Council	\$16.4M	\$11,128
<i>Difference in the maximum remuneration paid to the Mayor of Boulia Shire Council and the Mayor of Brewarrina Shire Council: \$42,521</i>		
<i>Difference in the maximum remuneration paid to Councillors of Boulia Shire Council and Councillors of Brewarrina Shire Council is: \$13,136</i>		

The total revenue of Brewarrina Shire Council was \$16.4 million in 2016-17,¹² compared to \$17.3 million at Boulia Shire Council.¹³ Yet the mayor at a Queensland council of comparable revenue to Brewarrina Shire Council will earn \$42,521 more p.a. than the mayor of Brewarrina Shire Council. Similarly, a councillor at Boulia Shire Council will earn \$13,136 p.a. more than a councillor on Brewarrina Shire Council.

Albury City Council (NSW) and Central Highlands Regional Council (Queensland) (based on TFTE)

Position	Total No. Full-time Employees (401-600)	Maximum Remuneration
Mayor – Central Highlands Regional Council	449	\$124,989
Mayor – Albury City Council	442	\$61,517
Councillor – Central Highlands Regional Council	449	\$66,400
Councillor – Albury City Council	442	\$19,297
<i>Difference in the maximum remuneration paid to the Mayor of Central Highlands Regional Council and the Mayor of Albury City Council: \$63,472</i>		
<i>Difference in the maximum remuneration paid to Councillors of Central Highlands Regional Council and Councillors of Albury City Council: \$47,103</i>		

¹⁰ Office of Local Government, Time Series Data, 2016-17.

¹¹ Bundaberg Regional Council, Annual Report, 2017-18.

¹² Office of Local Government, Time Series Data, 2016-17.

¹³ Boulia Shire council, Annual Report, 2017-18.

The TFTE at Albury City Council is 442 for 2016-17,¹⁴ compared to 449 at Central Highlands Regional Council.¹⁵ Yet the mayor of a Queensland council with a comparable number of TFTE to Albury City Council receives \$63,472 p.a. more than the mayor of Albury City Council. Similarly, a councillor at Central Highlands Regional Council receives \$47,103 p.a. more than a councillor on Albury City Council.

The significant gap in remuneration between elected members in NSW and Queensland is significant, as highlighted by the above comparisons. This can be attributed to the Queensland Tribunal 's commitment to bringing the remuneration of elected members in Local Government into line with that of State MPs, as put forward in LGNSW's 2017 submission.

In some cases, NSW mayors receive \$78,705 per year less than their counterparts in local government in Queensland. When looking at the fees paid to councillors, there is a significant gap in remuneration between councillors in NSW and Queensland. In most cases this gap is larger than the total remuneration received by NSW councillors annually. LGNSW submits that this inequity is not acceptable.

Fees paid to mayors and councillors and the salaries of State MPs

LGNSW maintains that it is appropriate to draw comparisons between the remuneration of mayors and State MPs. We reiterate our previous submissions and provide the following reasons as to why a comparator with MPs is valid:

Both mayors and State MPs:

- undertake activities representing the interests of their constituents;
- attend State, Commonwealth and Local Government functions;
- participate in the activities of recognised political parties, including national, State and regional conferences, branch meetings, electorate council meetings, executive meetings and committee meetings;
- are elected by their communities; and
- are accessible by the public to receive petitions, complaints and the like.

It is due to the identified similarities between mayors/councillors and State MPs, that mayoral/councillor remuneration is insufficient when measured against their skill, competence and training.

The base salary for State MPs is \$165,066. State MPs also receive an electoral allowance composed of a base allowance, additional allowance, recognised office holder allowance (except independents) and an independents allowance.

In total, the minimum remuneration for an MP (base salary plus electoral allowance) is \$230,006. The following table highlights the difference between the minimum remuneration for State MPs (\$230,006) with the maximum remuneration of mayors across all NSW councils:

Council Category	Maximum Mayoral Remuneration	Difference between State MP Minimum Remuneration and Maximum Mayoral Remuneration
Principal CBD	\$217,080	\$12,926
Major CBD	\$107,620	\$122,386
Metropolitan Large	\$86,440	\$143,566
Metropolitan Medium	\$66,860	\$163,146

¹⁴ Office of Local Government, Time Series Data, 2016-17.

¹⁵ Department of Local Government, Racing and Multicultural Affairs, Queensland Local Government Comparative Data, 2016-17.

Metropolitan Small	\$43,150	\$186,856
Regional City	\$97,370	\$132,636
Regional Strategic Area	\$86,440	\$143,566
Regional Rural	\$43,170	\$186,836
Rural	\$25,880	\$204,126

LGNSW submits that there is a clear nexus between the roles and responsibilities of elected member in Local Government and NSW State MPs, and as such, it is reasonable to expect that the remuneration of these elected members be better aligned. At its best, maximum mayoral remunerations fall \$12,926 short of the minimum remuneration of NSW State MPs and, at its worst, it falls \$204,126 short. These figures would be considerably more disparate where councillor remuneration is considered.

In its 2018 determination the Tribunal observed that it does not have jurisdiction to require the payment of superannuation to elected representatives. Notwithstanding this, we note that in 2008 the Victorian Local Government Remuneration Review Panel made a recommendation for councillor remuneration to include a payment for superannuation equivalent to the Superannuation Guarantee (currently 9.5%). As a result, elected members in Victoria were brought into line with community standards and are now paid superannuation equivalent to the Superannuation Guarantee. LGNSW reiterates our invitation to the Tribunal to make a recommendation to the NSW State Government for councillor remuneration to include a payment for superannuation equivalent to the Superannuation Guarantee.

5. Conclusion

LGNSW supports the Tribunal's categorisation model, as outlined in the 2017 determination. Muswellbrook Shire Council and Norfolk Island Council are seeking to be re-categorised from "Rural" to "Regional Rural", and we support both councils' submission to the Tribunal. We also support the submission of Willoughby City Council seeking to be re-categorised from "Metropolitan Small" to "Metropolitan Medium".

In relation remuneration, the Tribunal must increase the fees paid to mayors and councillors by no less than the maximum of 2.5%. Councillors and mayors are already well behind, with concern that the current fee structure fails to recognise the work of elected representatives and is inadequate to attract and retain individuals with the necessary skills and experience to perform the role.

We thank the Tribunal for receiving our submission and look forward to meeting with you to discuss these matters further.

Yours sincerely



Cr Linda Scott
President
 Local Government and Shires Association NSW