

South Gippsland Shire Council has released the following document for public comment:

- **Councillor Allowances**

The document (attached) was endorsed for public exhibition at the Council Meeting on 28 June 2017.

The document is available for public comment until:

5.00pm, 2 August 2017

The document can be accessed on Council's website www.southgippsland.vic.gov.au or from Council's main office, 9 Smith Street, Leongatha from 8.30am to 5.00pm and South Gippsland libraries.

Submissions are preferred via email and should be addressed to the Chief Executive Officer:

submission@southgippsland.vic.gov.au

Alternatively submissions will also be accepted in writing addressed to:

Chief Executive Officer
South Gippsland Shire Council
Private Bag 4
Leongatha, VIC 3953

For further enquiries, please contact Council on 5662 9200, or via email submission@southgippsland.vic.gov.au

6.12. COUNCILLOR ALLOWANCES

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

Council is required to review and determine the level of the Mayor and Councillor allowances by 30 June 2017. This report proposes to retain the current level of Mayoral and Councillor allowances as set in accordance with s.74(1) of the Local Government Act 1989 (Act). South Gippsland Shire Council is classified as a Category 2 level council. The Mayoral and Councillor allowances are designated at the upper level of Category 2.

The Mayoral allowance is currently \$76,521 per annum and the Councillor allowance is \$24,730. In addition to the allowances, the Mayor and Councillors receive an additional 9.5% superannuation contribution. These amounts are adjusted annually in accordance with Ministerial advice and gazettal.

The Councillor Allowance review is subject to a formal s.223 public consultation process. This formal submission process will commence on Tuesday 4 July and conclude at close of business on Wednesday 2 August 2017. Submissions will be heard at 11.15am on Wednesday 16 August 2017 at the Council Chambers Leongatha. If no submissions are received, Council's determination today will remain in place until the next review after the 2020 general elections, unless otherwise determined by a resolution of Council.

RECOMMENDATION

That Council:

- 1.** Reviews the Mayoral and Councillor allowances in accordance with s.74(1) of the Local Government Act 1989 and determines:
 - a.** To set the Mayoral and Councillor allowances at the upper level of Category 2 per annum, with a further compulsory 9.5% superannuation contribution;
 - b.** That the allowance and superannuation contribution remain in place until the next review after the 2020 general elections, subject to any annual adjustments applied by the Minister under section 73B of the Act.
- 2.** Approves commencement of the statutory procedures to invite public submissions on the Mayoral and Councillor allowances pursuant to s.74 (4) of the Local Government Act 1989.

- 3.** Authorises the Chief Executive Officer to undertake the administrative procedures necessary to enable the Council to carry out its functions under s.223 of the Local Government Act, 1989 in respect of the statutory procedure outlined under recommendation 2.
- 4.** Gives public notice on Tuesday 4 July 2017 and on Council's website to commence a s.223 Public Consultation process in accordance with s.74(4) of the Local Government Act, 1989 inviting written submissions from the community on the Mayor and Councillor Allowances Review by close of business (5.00pm) on Wednesday 2 August 2017.
- 5.** In the Public Notice on Tuesday 4 July 2017 states:

 - a.** South Gippsland Shire Council has reviewed the Mayoral and Councillor Allowances and determined they remain at the upper level of a Category 2 Council and these levels be maintained until the next review after the 2020 general elections. The current Mayoral allowance being \$76,521 per annum and Councillor allowance being \$24,730 per annum, plus a compulsory 9.5% superannuation contribution. These amounts will be adjusted annually in accordance with Ministerial advice and gazettal.
 - b.** As at 1 December 2016, Category 2 council allowances can be set within the range of \$10,284 to \$24,730 for Councillors and up to \$76,521 for Mayors, per annum.
 - c.** Copies of the Councillor Allowances Report, are available for inspection on Council's website www.southgippsland.vic.gov.au and at the Council Office, 9 Smith Street Leongatha from 8.30am to 5.00pm between 4 July and 2 August 2017.
 - d.** A person proposing to make a submission under s.223 of the Local Government Act must do so by 5.00pm on Wednesday 2 August 2017. Late submissions will not be considered by Council.
 - e.** Submissions must be addressed to the Chief Executive Officer, South Gippsland Shire Council and it is preferred they be sent via email to submissions@southgippsland.vic.gov.au. Alternatively submissions can be addressed to Private Bag 4, Leongatha 3953, or delivered to the Council Office, 9 Smith Street Leongatha.
 - f.** All formal submissions will be considered in accordance with s.223 of the Act.
 - g.** Any person making a written submission is required to state in their submission if he or she wishes to appear in person, or be represented

by a person specified in their submission, at an open hearing to be heard in support of their submission.

- h.** Copies of submissions, (including submitter's names and addresses) will be made available at the Hearing and the Council Meeting at which the submissions are considered, and Council is required to make submissions available for public inspection for a period of twelve months.
 - i.** The time, date and place for hearing of submissions.
 - j.** Following consideration of the submissions, Council may amend or not amend the level of allowances within the Category 2 range.
- 6.** Authorises the Chief Executive Officer to fix the time, date and place for the s.223 hearings of persons who have indicated in their written submission that they wish to be heard in support of their submissions, as Wednesday 16 August 2017 at 11.15am at the Council Chambers, Michael Place, Leongatha;
- 7.** Appoints all Councillors in attendance to hear the submissions;
- 8.** Advises those persons who have indicated in their written submissions that they wish to be heard in support of their submission, of the date, time and place of the hearings of submissions, as soon as practicable;
- 9.** Requires the submissions be brought in a report to the Ordinary Council Meeting in September for final determination on Council allowances. If no submissions are received Council's determination from this report will be the final decision of Council and no further report will be required.

MOVED: Cr Skinner
SECONDED: Cr McEwen

THAT COUNCIL:

- 1. REVIEWS THE MAYORAL AND COUNCILLOR ALLOWANCES IN ACCORDANCE WITH S.74(1) OF THE LOCAL GOVERNMENT ACT 1989 AND DETERMINES:**
 - a. TO SET THE MAYORAL AND COUNCILLOR ALLOWANCES AT THE UPPER LEVEL OF CATEGORY 2 PER ANNUM, WITH A FURTHER COMPULSORY 9.5% SUPERANNUATION CONTRIBUTION;**
 - b. THAT THE ALLOWANCE AND SUPERANNUATION CONTRIBUTION REMAIN IN PLACE UNTIL THE NEXT REVIEW AFTER THE 2020 GENERAL ELECTIONS, SUBJECT TO ANY ANNUAL ADJUSTMENTS APPLIED BY THE MINISTER UNDER SECTION 73B OF THE ACT.**
- 2. APPROVES COMMENCEMENT OF THE STATUTORY PROCEDURES TO INVITE PUBLIC SUBMISSIONS ON THE MAYORAL AND COUNCILLOR ALLOWANCES PURSUANT TO S.74 (4) OF THE LOCAL GOVERNMENT ACT 1989.**
- 3. AUTHORISES THE CHIEF EXECUTIVE OFFICER TO UNDERTAKE THE ADMINISTRATIVE PROCEDURES NECESSARY TO ENABLE THE COUNCIL TO CARRY OUT ITS FUNCTIONS UNDER S.223 OF THE LOCAL GOVERNMENT ACT, 1989 IN RESPECT OF THE STATUTORY PROCEDURE OUTLINED UNDER RECOMMENDATION 2.**
- 4. GIVES PUBLIC NOTICE ON TUESDAY 4 JULY 2017 AND ON COUNCIL'S WEBSITE TO COMMENCE A S.223 PUBLIC CONSULTATION PROCESS IN ACCORDANCE WITH S.74(4) OF THE LOCAL GOVERNMENT ACT, 1989 INVITING WRITTEN SUBMISSIONS FROM THE COMMUNITY ON THE MAYOR AND COUNCILLOR ALLOWANCES REVIEW BY CLOSE OF BUSINESS (5.00PM) ON WEDNESDAY 2 AUGUST 2017.**
- 5. IN THE PUBLIC NOTICE ON TUESDAY 4 JULY 2017 STATES:**
 - a. SOUTH GIPPSLAND SHIRE COUNCIL HAS REVIEWED THE MAYORAL AND COUNCILLOR ALLOWANCES AND DETERMINED THEY REMAIN AT THE UPPER LEVEL OF A CATEGORY 2 COUNCIL AND THESE LEVELS BE MAINTAINED UNTIL THE NEXT REVIEW AFTER THE 2020 GENERAL ELECTIONS. THE CURRENT MAYORAL ALLOWANCE BEING \$76,521 PER ANNUM AND COUNCILLOR ALLOWANCE BEING \$24,730 PER ANNUM, PLUS A COMPULSORY 9.5% SUPERANNUATION**

CONTRIBUTION. THESE AMOUNTS WILL BE ADJUSTED ANNUALLY IN ACCORDANCE WITH MINISTERIAL ADVICE AND GAZETTAL.

- b. AS AT 1 DECEMBER 2016, CATEGORY 2 COUNCIL ALLOWANCES CAN BE SET WITHIN THE RANGE OF \$10,284 TO \$24,730 FOR COUNCILLORS AND UP TO \$76,521 FOR MAYORS, PER ANNUM.**
- c. COPIES OF THE COUNCILLOR ALLOWANCES REPORT, ARE AVAILABLE FOR INSPECTION ON COUNCIL'S WEBSITE WWW.SOUTHGIPPSLAND.VIC.GOV.AU AND AT THE COUNCIL OFFICE, 9 SMITH STREET LEONGATHA FROM 8.30AM TO 5.00PM BETWEEN 4 JULY AND 2 AUGUST 2017.**
- d. A PERSON PROPOSING TO MAKE A SUBMISSION UNDER S.223 OF THE LOCAL GOVERNMENT ACT MUST DO SO BY 5.00PM ON WEDNESDAY 2 AUGUST 2017. LATE SUBMISSIONS WILL NOT BE CONSIDERED BY COUNCIL.**
- e. SUBMISSIONS MUST BE ADDRESSED TO THE CHIEF EXECUTIVE OFFICER, SOUTH GIPPSLAND SHIRE COUNCIL AND IT IS PREFERRED THEY BE SENT VIA EMAIL TO SUBMISSIONS@SOUTHGIPPSLAND.VIC.GOV.AU. ALTERNATIVELY SUBMISSIONS CAN BE ADDRESSED TO PRIVATE BAG 4, LEONGATHA 3953, OR DELIVERED TO THE COUNCIL OFFICE, 9 SMITH STREET LEONGATHA.**
- f. ALL FORMAL SUBMISSIONS WILL BE CONSIDERED IN ACCORDANCE WITH S.223 OF THE ACT.**
- g. ANY PERSON MAKING A WRITTEN SUBMISSION IS REQUIRED TO STATE IN THEIR SUBMISSION IF HE OR SHE WISHES TO APPEAR IN PERSON, OR BE REPRESENTED BY A PERSON SPECIFIED IN THEIR SUBMISSION, AT AN OPEN HEARING TO BE HEARD IN SUPPORT OF THEIR SUBMISSION.**
- h. COPIES OF SUBMISSIONS, (INCLUDING SUBMITTER'S NAMES AND ADDRESSES) WILL BE MADE AVAILABLE AT THE HEARING AND THE COUNCIL MEETING AT WHICH THE SUBMISSIONS ARE CONSIDERED, AND COUNCIL IS REQUIRED TO MAKE SUBMISSIONS AVAILABLE FOR PUBLIC INSPECTION FOR A PERIOD OF TWELVE MONTHS.**
- i. THE TIME, DATE AND PLACE FOR HEARING OF SUBMISSIONS.**
- j. FOLLOWING CONSIDERATION OF THE SUBMISSIONS, COUNCIL MAY AMEND OR NOT AMEND THE LEVEL OF ALLOWANCES WITHIN THE CATEGORY 2 RANGE.**

- 6. AUTHORISES THE CHIEF EXECUTIVE OFFICER TO FIX THE TIME, DATE AND PLACE FOR THE S.223 HEARINGS OF PERSONS WHO HAVE INDICATED IN THEIR WRITTEN SUBMISSION THAT THEY WISH TO BE HEARD IN SUPPORT OF THEIR SUBMISSIONS, AS WEDNESDAY 16 AUGUST 2017 AT 11.15AM AT THE COUNCIL CHAMBERS, MICHAEL PLACE, LEONGATHA;**
- 7. APPOINTS ALL COUNCILLORS IN ATTENDANCE TO HEAR THE SUBMISSIONS;**
- 8. ADVISES THOSE PERSONS WHO HAVE INDICATED IN THEIR WRITTEN SUBMISSIONS THAT THEY WISH TO BE HEARD IN SUPPORT OF THEIR SUBMISSION, OF THE DATE, TIME AND PLACE OF THE HEARINGS OF SUBMISSIONS, AS SOON AS PRACTICABLE;**
- 9. REQUIRES THE SUBMISSIONS BE BROUGHT IN A REPORT TO THE ORDINARY COUNCIL MEETING IN SEPTEMBER FOR FINAL DETERMINATION ON COUNCIL ALLOWANCES. IF NO SUBMISSIONS ARE RECEIVED COUNCIL'S DETERMINATION FROM THIS REPORT WILL BE THE FINAL DECISION OF COUNCIL AND NO FURTHER REPORT WILL BE REQUIRED.**

CARRIED UNANIMOUSLY

REPORT

The Mayor and Councillors provide a significant contribution in time and effort to represent all community members within the Shire, at Council. The Mayor and Councillors are not Council staff and therefore are not paid a salary. Section 74 of the Local Government Act 1989 (Act), recognises the contribution of Mayors and Councillors does warrant the need for an allowance to compensate them for the contribution they provide to the community.

The State Government has established a category based standard and assigned all Victorian councils to the category most appropriate to a council's size and population. Each category has a range with a minimum and maximum limit. The ranges are reviewed and adjusted annually by the Minister with new ranges normally gazetted in November.

Each newly elected Council must determine the level of allowances to be paid within the applicable category range by 30 June following an election. South Gippsland Shire Council is determined to be a Category 2 Council.

As at 1 December 2016 the Minister for Local Government determined that the range and limits for a Category 2 Council are to be between \$10,284 and \$24,730 for Councillors, and up to \$76,521 for Mayors.

The previous Council determined Mayor and Councillors allowances would be set at the upper level of the Category 2 range. These rates continue until Council reviews and determines the level applicable. The allowances have been maintained at the current level in the Annual Budget 2017/18 and in the four year Strategic Resource Plan. None of the Proposed Annual Budget 2017/18 s.223 submissions received raised concerns about Councillor allowances.

As a final stage in this review a person has a right to make a submission under s.223 of the Act. The submission period will be open from Tuesday 4 July to close of business (5.00pm) Wednesday 2 August 2017. Formal written public submissions may be sent to the Chief Executive Officer. Late submissions will not be considered.

Submitters are able to indicate in their submission if they wish be heard in regard to their submission. The date set to hear any submissions is Wednesday 16 August at 11.15am in the Council Chambers. All submissions would then be presented to Council for final consideration and determination at the September Ordinary Council Meeting.

If no submissions are received, Council's determination today will remain in place until the next review after the 2020 general elections, unless otherwise determined by a resolution of Council.

Local Government Victoria provided advice in March 2013 that each Council must pay the equivalent of the Superannuation Guarantee contribution, currently 9.5%, to all Councillors. This is paid in addition to the allowance and may also be adjusted by the Minister for Local Government annually.

Councillors are also entitled to reimbursement of expenses and provision of resources and facilities as outlined in Council's Councillor Support and Expenditure Policy.

CONSULTATION

A briefing on Councillor allowances and resources support was provided to Councillors on 8 and 9 November 2016. The increasing complexity of Local Government issues, along with increasing community expectations regarding access to and support from Councillors, were considered important factors in maintaining the allowances at the upper level for a Category 2 Council. It was considered that even this level of allowance did not reflect the true value of time and effort Councillors provide to the community in their roles.

Councillor allowances are contained in the Annual Budget 2017/18 (Budget) and four year Strategic Resource Plan. There were no submissions raised during the s.223 submissions on the Budget in regard to Councillor allowances.

RESOURCES

Mayor and Councillor allowances are funded within the Budget and the four year Strategic Resource Plan, at the upper level set for Category 2 councils. The Budget also contains the compulsory 9.5% superannuation contribution. It also covers out-of-pocket reimbursements and resource support for Councillors in the performance of the Council responsibilities, in accordance with the Councillor Support and Expenditure Policy.

RISKS

Section 74 of the Act requires Council to review and determine Mayor and Councillor allowances. Setting Councillor allowances at the upper level of the applicable range supports current Councillors in their role and seeks to attract a broader range of future candidates at the 2020 general election. Determining a lower level within the range may be a detractor to current Councillors and future candidates, resulting in potentially lesser quality representation.

REFERENCE DOCUMENTS

Council Policy

Annual Budget 2017/18 and Long Term Financial Plan
Councillor Support and Expenditure Policy July 2016

Legislative Provisions

Local Government Act 1989, ss.74 and 223.