

2008

Government Response  
to the recommendations of the  
Local Government  
(Councillor Remuneration  
Review) Panel Report

April 2008





## Adequacy of the quantum of allowances

### Recommendation 1

That the quantum of the allowances for Mayors and Councillors be set in two parts as follows:

- Part A: Current maximum allowances adjusted to restore the relative value of the Mayoral and Councillors' allowances set in 2000 based on the increase applied to Victorian Statutory and Executive Officers' payments by the Victorian Government over the period 2000-2007 (30.46%).

The Part A allowances for each category should be as follows:

- Category 1 Councillor: \$ 15,700, Mayor: \$ 47,000
  - Category 2 Councillor: \$ 19,600, Mayor: \$ 60,700
  - Category 3 Councillor: \$ 23,500, Mayor: \$ 75,000
- Part B: Application of the equivalent of the Superannuation Guarantee Contribution (SGC) (currently 9%) to Part A for those Councils that are not Eligible Local Governing Bodies (ELGBs).

**GOVERNMENT RESPONSE: Endorsed but with the retention of an allowance range for each Category as follows:**

Part A: (2007-08 figures)

	<b>Councillor: Min/Max</b>	<b>Lord Mayor Melbourne</b>	<b>Mayor Min/Max</b>	<b>Deputy Lord Mayor Melbourne</b>
Category 1	\$6,500 / \$15,700		Up to \$47,000	
Category 2	\$8,100 / \$19,600		Up to \$60,700	
Category 3	\$9,800 / \$23,500		Up to \$75,000	
Melbourne	\$32,600	\$143,500		\$58,700



## Three category model

### **Recommendation 2**

That the three-category structure be retained and the following arrangements apply

- the model continue to be based on the current population and revenue formula with the current thresholds to determine categories
- the current approach of discounting for inflation by adjustment using the Consumer Price Index (CPI) to maintain the relative value of the revenue established by the 2000 Policy to continue
- annually assess and identify Councils eligible to move up into the next category without the need to make a special application to a Local Government Panel. A mechanism to be included in the Act to give effect to the results of this process
- Councils with points below the category thresholds to continue to have the opportunity to make application to a Local Government Panel for category changes based on exceptional circumstances
- provision should be made for the Minister for Local Government to request a Local Government Panel to review the category of a Council

**GOVERNMENT RESPONSE: Endorsed**



## Adjustment of allowances

### **Recommendation 3**

That increases applicable to Victorian Statutory and Executive Officers be applied to Victorian Mayoral and Councillor allowances and that a mechanism be included in the *Local Government Act 1989* to give effect to such movements.

**GOVERNMENT RESPONSE: Endorsed.**



## Expenses, guidelines and resources support for Mayors and Councillors

### **Recommendation 4**

That all Councils provide all of the following as a minimum toolkit:

#### **Resources/facilities mandatory**

- Administrative support for the Mayor
- Office for Mayor
- Vehicle for Mayor
- Computer – desktop or laptop
- Mobile phone and landline
- Stationery
- Access to fax/copier
- Website development as part of Council website

#### **Reimbursement**

- Travel - including reimbursement of public transport costs
- Phone - re-imbusement of relevant call costs
- Internet
- Child care/family care

#### **Council can determine the following**

- Access to pool car for Councillors
- Office space and furniture

**GOVERNMENT RESPONSE: Endorsed**



## Changes to the Local Government Act 1989

### Recommendation 5

**(a) Conflict of interest**

That a blanket exemption under s80 to allow Councils to vote to become an Eligible Local Governing Body without the need for an individual application for Ministerial exemption from conflict of interest provisions.

**(b) Levels of remuneration, escalation, category ranges**

That s74 of the Local Government Act 1989 be amended to give effect to the Panel's recommendations regarding set levels of remuneration for each category by eliminating ranges and Council reviews of allowances.

**(c) Changes of category**

That:

- s74C of the Act be amended to provide a process to give effect to changes of category resulting from an annual review of revenue and population data.
- s74C (2) be retained for exceptional circumstances cases and that the Act include a definition for exceptional circumstances.
- s74C of the Act be amended to provide for the Minister for Local Government to request that a Local Government Panel review the category status of a Council.

**(d) Reimbursement of expenses**

That s75 of the Act be amended to require Councils reimburse Councillors or members of Council Committees for necessary out of pocket expenses incurred while performing duties as a Councillor and that a definition of duties be provided.

**(e) Guidelines on expenses reimbursement and provision of resources and facilities support**

- The Act be amended to provide for regulations to be made to require provision of minimum resources and facilities for Mayors and Councillors.
- The Local Government (General) Regulations 2004, Part 5 'Information to be made available to the public', Section 11 'Documents to be provided to the public' be amended to require that Council policies for expenses and resources/facilities support to Mayors and Councillors be made available for public inspection and to make available information on actual expenses paid on behalf of or reimbursed to Mayors and Councillors.

**(f) That the Act be further amended as necessary to give effect to the Panel's recommendations.**

**GOVERNMENT RESPONSE:** Noted for inclusion in the proposed amendments to the Local Government Act 1989. Item (b) to be amended to retain allowances ranges.



## Frequency of formal reviews

### **Recommendation 6**

Any further remuneration reviews should only occur when there is either a significant change in role or responsibility identified or an accumulation of minor changes which, when taken together, constitute a justification for remuneration review.

**GOVERNMENT RESPONSE: Endorsed**