

MAYORAL AND COUNCILLOR ALLOWANCES

ACTING DIRECTOR COMMUNITY AND CORPORATE SERVICES

In providing this advice to Council as the Manager Governance and Risk, I Krysten Forte have no interests to disclose in this report.

EXECUTIVE SUMMARY

Mayors and councillors are entitled to receive an allowance while performing their duties as an elected official. Pursuant to section 39 of the *Local Government Act 2020* (LGA 2020), allowances for the Mayor, Deputy Mayor and Councillors are provided in accordance with a Determination of the Victorian Independent Remuneration Tribunal under the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019*.

Despite the repeal of the allowance provisions under the *Local Government Act 1989* (LGA 1989), those sections of the *Local Government Act 1989* continue to apply in respect of allowances until such time as the first Determination is made by the Victorian Independent Remuneration Tribunal. This is in line with section 74 of the *Local Government Act 1989*.

Accordingly, Council is required to review and determine the level of mayoral and councillor allowances within the period of 6 months after a general election or by the next 30 June, whichever is later.

A person has a right to make a submission under section 223 of the *Local Government Act 1989* in respect of a review of allowances.

OFFICER'S RECOMMENDATION

That Council:

- Endorses, in principle, the setting of the Mayoral and Councillor allowances at the top level 1 category which is:
 - Mayoral Allowance - \$62,884
 - Councillor Allowance - \$21,049
 - Plus, an additional 9.5% of the above allowances is payable as an equivalent of the Commonwealth Superannuation Guarantee.
- Authorises commencement of the statutory process of the Mayor and Councillor allowance in accordance with Part 5 of the *Local Government Act 1989*, by giving public notice of its intention to make the Mayor and Councillor Allowance and inviting submissions under section 223 of the Act;
- Note that the invitation of submissions will be from Wednesday 19 May to Tuesday 15 June 2021;

- That the Chief Executive Officer be given authority to make all the administrative amendments in relation to conducting a meeting under s223 of the *Local Government Act 1989* that has been scheduled to be undertaken at the Ordinary Council Meeting scheduled for Tuesday 22 June 2021;
- Receive a report to a Special Council Meeting scheduled for 29 June 2021 to consider the adoption of the Mayoral and Councillor Allowances.

BACKGROUND

Mayors and councillors are entitled to receive remuneration in the form of an allowance while performing their duties as an elected official.

As outlined in the executive summary, until such time as the Victorian Independent Remuneration Tribunal makes its first determination on allowances, the provisions of the LGA 1989 continue to apply in respect of the review and determination of mayoral and councillor allowances. Therefore, councils are required to undertake a review of allowances in accordance with section 74 of the *Local Government Act 1989*.

Section 74 requires a Council to review and determine the level of allowance within the period of 6 months after a general election or by the next 30 June, whichever is later.

The allowance set will remain in effect for the full term of the Council being 2020-2024 subject to an annual review by the Minister for Local Government or a Determination by the Victorian Independent Remuneration Tribunal, expect in late 2021.

Any review of mayoral and councillor allowances must involve public consultation under section 223 of the *Local Government Act 1989*.

KEY ISSUES

Under the *Local Government Act 1989* the Victorian Government sets the upper and lower limits for all allowances paid to the mayor and councillors by Order in Council with reference to the size and constituency of the municipality. Council then needs to establish an allowance within the range prescribed by the Ministerial order.

The range in which Hepburn Shire Council sit is category 1. The current range for Category 1 is:

- **Councillors \$8,833-\$21,049**
- **Mayor up to \$62,884**

The current allowance that the Councillors receive is at the top of the Category 1.

- Councillors fortnightly pay \$806.45 based on annual pay of \$22,960, less 9.50% super (super of \$76.60)

- Mayor fortnightly pay \$2,409.35 based on annual pay of \$68,594.24, less 9.50% super (super of \$228.89).

Mayoral and councillor allowances are also subject to the addition of the equivalent of the superannuation guarantee (9.5%).

Note that this percentage is scheduled to increase to 10.0% from 1 July 2021.

In determining allowances, consideration should be given to the scale and increasing complexity in the roles of both the mayor and councillors. The duties of a councillor demand time, energy and commitment with many reducing their time in paid employment to meet the demands of the role. While an allowance helps in part to compensate councillors, it does not reflect the actual value of the time and commitment they contribute to the role and the community.

It is recommended that Council support in principle the setting of the mayoral and councillor allowances for the 2020-2024 Council term at the maximum of the allowable range of category 1.

The process and timing for determining mayoral and councillor allowances is proposed below:

Stage	Date
Endorse allowances in principle for public consultation	Tuesday 18 May 2021
Public notice of submissions	Wednesday 19 May 2021
Close of submissions	Tuesday 15 June 2021
Hearing of submissions	Tuesday 22 June 2021
Council to determine and adopt allowances	Tuesday 29 June 2021
Allowances come into effect from the date of adoption	Tentatively Tuesday 29 June 2021

POLICY AND STATUTORY IMPLICATIONS

Council Plan 2017-2021

High Performing Organisation

16. Deliver good governance and integrity in all our actions and take steps to improve organisational efficiency including regular process improvements.

The provision of mayoral and councillor allowances supports elected representatives in the performance of their role which entails contributing to the strategic direction

of the Council through the development and review of key strategic documents including the Council Plan.

GOVERNANCE ISSUES

The Charter of Human Rights and Responsibilities Act 2006 (the Charter) is a Victorian law that sets out the basic rights, freedoms and responsibilities of all people in Victoria.

As public authorities, the Charter requires local councils to consider human rights when they make, interpret and apply laws, develop policies and provide day-to-day services.

Local councils must ensure that:

- *all council decisions give proper consideration to human rights*
- *all actions, policies and services are compatible with human rights*
- *local laws are interpreted and applied consistently with human rights*
- *people who work on behalf of councils do so in a way that respects human rights*

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

SUSTAINABILITY IMPLICATIONS

One of the Overarching governance principles in section 9 of the Local Government Act 2020 is that the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

There are no sustainability implications associated with this report.

FINANCIAL IMPLICATIONS

One of the Overarching governance principles in section 9 of the Local Government Act 2020 is that the ongoing financial viability of the Council is to be ensured. Consider whether the subject matter of the report contains any budgetary implications or considerations.

A continuation of existing allowances, account for the increase in superannuation, will be accommodated in Council's 2021/2022 budget.

RISK IMPLICATIONS

Consider risks resulting from taking this action, to the project and to the organisation as applicable. If no risks, leave text as below.

There are no risk implications associated with this report.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Council adopted its Community Engagement Policy

(<https://www.hepburn.vic.gov.au/wp-content/uploads/2021/02/Hepburn-Shire-Community-Engagement-Policy.pdf>) on 23 February 2021. Officers must address the Policy in this section, including the project score and engagement plan.

Also explain whether collaboration with other Councils and Governments and statutory bodies was sought, and if so, what the collaboration provided.

Section 74(4) of the *Local Government Act 1989* provides that a person has a right to make a submission under section 223 of the *Local Government Act 1989* in respect of a review of allowances.

Council must give public notice specifying that the mayoral and councillor allowances are being reviewed and invite submissions.

The Act provides that the submission period must be open for at least 28 days from the date of publication of the notice.

Notice will be placed in local publications, on Council's website and social media channels inviting submissions.

Extract from Section 223 of the *Local Government Act 1989*

The following provisions apply if a person is given a right to make a submission to the Council under this section (whether under this or any other Act)—

(1)

(a) the Council must publish a public notice—

(i) specifying the matter in respect of which the right to make a submission applies;

(ii) containing the prescribed details in respect of that matter;

(iii) specifying the date by which submissions are to be submitted, being a date which is not less than 28 days after the date on which the public notice is published;

(iv) stating that a person making a submission is entitled to request in the submission that the person wishes to appear in person, or to be represented by a person specified in the submission, at a meeting to be heard in support of the submission;

(b) if a request has been made under paragraph (a)(iv), the Council must—

(i) provide the person with the opportunity to be heard in support of the submission in accordance with the request at a meeting of the Council or of a committee determined by the Council;

(ii) fix the day, time and place of the meeting;

(iii) give reasonable notice of the day, time and place of the meeting to each person who made a request;

(c) if the committee determined under paragraph (b)(i) is not responsible for making the decision in respect of which the submissions have been made, the committee must provide a report on its proceedings, including a summary of hearings, to the Council or the special committee which is responsible for making the decision;

(d) the Council or special committee responsible for making the decision must—

(i) consider all the submissions made under this section and any report made under paragraph (c);

(ii) notify in writing, each person who has made a separate submission, and in the case of a submission made on behalf of a number of persons, one of those persons, of the decision and the reasons for that decision.