**Report No:** GE505

**REPORT TITLE:** Review and Proposed Setting of Councillor and Mayoral Allowances

**SOURCE:** Megan Kruger, Manager Governance

**DIVISION:** Corporate Services

**file nO:** HCC12/816

**POLICY:** -

**STRATEGIC OBJECTIVE:** 5.3 Provide responsible and transparent governance, services and infrastructure which responds to and supports community needs.

**Attachments:** 1. *LGV Bulletin 08/2021 Review of Councillor Allowances*

2. *Recognition and Support: The Victorian Government's Policy Statement on Local Government Mayoral and Councillor Allowances and Resources April 2008*

3. *Victoria Government Gazette Mayoral and Councillor Allowances Adjustment 13 November 2019*

4. *Victorian Government Gazette Mayoral and Councillor Allowance Categories*

1. Summary of Report:

1.1 Under section 74 of the Local Government Act 1989, Council is required to conduct a review of its Councillor and Mayoral Allowances within six months of the general election or before 30 June 2021, whichever is later.

1.2 In conducting this review, Council should be cognisant that it is ranked the fourth highest Council in the State (excluding the City of Melbourne) in the Local Government Victoria Mayoral and Councillor Allowances category classification system. Given the municipality’s large population to Councillor ratio, its location within a significant growth corridor, its cultural diversity, the economic challenges for its residents and its high ranking in the classification system, it is recommended that Council should continue with the previous practice of paying the Mayoral and Councillor allowance at the maximum allowable for a Category 3 Council.

2. RECOMMENDATION:

**2.1 THAT Council, in conducting a review of the Councillor and Mayoral Allowances under Section 74(1) of the Local Government Act 1989, proposes to set the Councillor allowance at $31,444 plus 9.5% (as an equivalent amount to the Superannuation Guarantee contribution) equating to $34,431, and the Mayoral allowance at $100,434 plus 9.5% (as an equivalent amount to the Superannuation Guarantee contribution) equating to $109,975.23.**

**2.2 THAT in accordance with sections 74(4) and 223 of the Local Government Act 1989, public notice be given that a review of the Councillor and Mayoral Allowances is being conducted, and submissions will be received on the proposed allowances from 24 March 2021 until 21 April 2021.**

2.3 **THAT in accordance with Section 223 of the Local Government Act 1989, Submitters will have the opportunity to be heard by a Committee of the Whole Council to speak in support of their submission, if they wish to do so, on Monday 17 May 2021 at 6:30pm at the Town Hall Broadmeadows, or by electronic means if restrictions levels in Victoria do not allow for in-person meetings.**

3. Legislative Powers:

Section 39 Local Government Act 2020.

Section 74 and 223 Local Government Act 1989.

4. Financial Implications:

The proposed budget for 2021/2022 has provision for the Councillor and Mayoral Allowances of $351,072 and $112,135, respectively.

5. ENVIRONMENTAL SUSTAINABILITY CONSIDERATIONS:

Environmental Sustainability has been considered and the recommendations of this report give no rise to any matters.

6. CLIMATE CHANGE ADAPTATION CONSIDERATIONS:

There are no considerations that impact on climate change adaptation as a result of this report.

7. CHARTER OF HUMAN RIGHTS APPLICATION:

The Charter of Human Rights and Responsibility has been considered and the recommendations of this report give no rise to any matters.

8. Community Consultation:

8.1 Council, in conducting its review of the Councillor and Mayoral Allowances, will place public notices on Council’s website and in the Northern Star Weekly, inviting public comment and submissions on the proposed allowances.

8.2 Submitters will have the opportunity to be heard by a Committee of the Whole Council to speak in support of their submission, if they wish to do so, on Monday 17 May 2021 at 6:30pm at the Town Hall Broadmeadows, or by electronic means if restrictions levels in Victoria do not allow for in-person meetings. Council’s website will also advise of the proposed allowances and submission process.

9. Discussion:

9.1 Section 39 of the Local Government Act 2020 sets out the details in relation to allowances for Mayors, Deputy Mayors and Councillors.

9.2 Section 39(1) and (2) of the Local Government Act 2020 provide that a Mayor, Deputy Mayor or Councillor is entitled to receive an allowance in accordance with a Determination of the Victorian Independent Remuneration Tribunal.

9.3 Section 39(6) provides that until the first Determination is made by the Victorian Independent Remuneration Tribunal sections 73B and 74 to 74B of the Government Act 1989 continue to apply, even though they have been repealed.

9.4 On 8 February 2021 Local Government Victoria provided advice to councils that a Determination by the Victorian Independent Remuneration Tribunal is not expected until late 2021, and therefore the process under the Local Government Act 1989 should be commenced (Attachment 1).

9.5 Under section 74(1) of the Local Government Act 1989, Council is required to conduct a review of the allowances paid to Councillors within six months of a general election, or by the next 30 June whichever is earlier.

9.6 In order to undertake the review, Councillors need to understand the current legislative arrangements for payment of Councillor and Mayoral allowances. The source document for explaining these arrangements is ‘Recognition and Support, The Victorian Government’s Policy Statement on Local Government Mayor and Councillor Allowances and Resources, April 2008’ (Attachment 2).

9.7 Victorian councils are placed into one of three categories, determined by total revenue and estimated resident population. The category to which a council belongs is determined by council’s total revenue (discounted) with the current estimated population and dividing by 100. The category in which a council sits is determined by a point score, with each category being defined by the following scores:

Category 1: 0 – 40 points

Category 2: 41 – 190 points

Category 3: 191 plus points

9.8 Each of the above categories provides a discretionary range for each council to pay Councillor and Mayoral allowances. The current allowance range is:

*Category 1*: Councillors $8,833 to $21,049 per annum

Mayor up to $62,884 per annum

*Category 2*: Councillors $10,914 to $26,245 per annum

Mayor up to $81,204 per annum

*Category 3*: Councillors $13,123 to $31,444 per annum

Mayor up to $100,434 per annum

9.9 Notice was given in the Victorian Government Gazette on 13 November 2019 of the revised limits and ranges for Mayoral and Councillor Allowances, which took effect on 1 December 2019 (Attachment 3). Please note that no adjustment was made in 2020.

9.10 The Minister for Local Government may review which category a council will be in. A change in category may come about by changes in a council’s total revenues or population resulting in a change in the calculation of the council’s points.

9.11 Attached is a Government Gazette Notice from 23 December 2019 advising which councils fall within each category. This is the most recent Ministerial determination regarding council categories (Attachment 4).

9.12 Hume City Council is classified a Category 3 council. Advice received from Local Government Victoria is that Hume City Council’s current point calculation is 453.9 as of 2019, when points were last calculated. This places Hume as the fourth highest ranked council in Victoria (City of Melbourne of excluded). The range in ascending order of councils is:

1. Casey

2. Greater Geelong

3. Wyndham

4. Hume

9.13 Given that Hume City Council is ranked so highly in the State, it is appropriate that Councillors of Hume City Council are paid at the higher end of the discretionary range. Hume is located within a growth corridor and has a cultural and socio-economic diverse population.

9.14 These factors combine to require a level of commitment, both in time and availability, from Hume City Councillors. The level of councillor responsibility and commitment required is reflective in Hume City Council’s ranking in Victoria as calculated using the total revenue (discounted) and estimated population.

9.15 Given these factors, Council has previously determined to propose that the Mayoral and Councillor allowance be the maximum payable to a Category 3 Council, and it is recommended that this determination continues.

9.16 Submitters will have the opportunity to be heard by a Committee of the Whole Council to speak in support of their submission, if they wish to do so, on Monday 17 May 2021 at 6:30pm at the Town Hall Broadmeadows, or by electronic means if restrictions levels in Victoria do not allow for in-person meetings.

10. Conclusion:

## The review of the Councillor and Mayoral Allowances has taken into consideration the size of the Council; the complexity of issues brought before it and the ensuing workloads for Councillors and it is proposed that Councillors be paid the maximum amount in the range.

















































