



No. 3 of 2025

REPORT OF THE REMUNERATION TRIBUNAL

2025 Review of Minimum and Maximum Remuneration for Local Government Chief Executive Officers

INTRODUCTION

1. In September 2021, section 99A of the *Local Government Act 1999* (SA) (**LG Act**) came into effect. This section requires the Remuneration Tribunal (**Tribunal**) to determine the minimum and maximum remuneration payable to Chief Executive Officers (**CEOs**) of Councils.
2. On 16 June 2023, the Remuneration Tribunal issued its inaugural Determination and Report of Local Government CEO minimum and maximum remuneration levels. Report 4 of 2023 details the approach of the Tribunal at that time and the issues which led to the inaugural Determination.
3. On 28 June 2024, the Tribunal issued a second Report and Determination in which it advised that it was undertaking a substantial review of the inaugural Determination, which it anticipated would be concluded by the end of 2024. As an interim step, the Tribunal provided a 2% increase to the maximum remuneration amounts.
4. The Tribunal has been provided with a substantial amount of information, together with widely divergent submissions.
5. In this Report the Tribunal has detailed its approach to this comprehensive review and explained the process and approach adopted to establish a series of bands which consider key Council characteristics. The Tribunal took the unusual step of issuing a draft Determination and Report on 20 January 2025 to the Premier, Minister for Local Government, Local Government Association of South Australia (**LGA**) and to the Mayors and CEOs of each Council to afford procedural fairness to these parties to provide further comment and submissions on the proposed approach of the Tribunal by 12 March 2025. The Tribunal has endeavoured to address the further comments and submissions provided to it in this Report.
6. The Tribunal has adopted a framework for the grouping of Councils which is based on total operating income as the primary indicator of CEO role complexity. Four other Council characteristics have been incorporated into this framework to recognise critical distinguishing factors between Councils (projected population growth, population dispersion, distance from Adelaide, socio-economic advantage / disadvantage). The framework provides for eight bands

of Councils, with a separate category for the Adelaide City Council. Minimum and maximum remuneration levels have then been allocated to each band.

TABLE OF CONTENTS

Topic	Page
Legislative provisions and jurisdiction	2
The Inaugural Report	3
Submissions in response to consultation paper	4
Meetings with Mayors	10
Individual Council applications for increased maximum remuneration amounts	10
Submissions in response to the draft report and determination	11
The Tribunal's approach to reviewing maximum and minimum amounts	25
What is included in the total remuneration package	28
Characteristics that differentiate Councils	32
Remuneration ranges	39
Exemption for the District Council of Coober Pedy	40
Phased in compliance	41
Frequency of reviews	41
Next steps for Councils	42
Operative date	42

LEGISLATIVE PROVISIONS AND JURISDICTION

7. Section 14 of the *Remuneration Act 1990 (SA)* (**Act**) provides that the Tribunal has jurisdiction to determine the remuneration, or a specified part of the remuneration, payable in respect of certain offices, if that jurisdiction is conferred upon the Tribunal by any other Act or by the Governor, by proclamation.
8. Section 99A of the LG Act confers jurisdiction upon the Tribunal to determine the minimum and maximum remuneration that may be paid or provided to CEOs of Councils constituted under the LG Act.
9. That jurisdiction is confined to the specification of minimum and maximum amounts only. It is not within the Tribunal's jurisdiction to determine allowances in addition to the minimum and maximum remuneration amounts. It follows that the Tribunal must adopt a consistent approach to the definition of what is, and what is not, included within the definition of remuneration. This Report seeks to provide further clarity in this respect.
10. Additionally, it is important that the Tribunal notes that section 147(5) of the *Statutes Amendment (Local Government Review) Act 2021 (SA)* is significant in that it refers to CEOs who were holding office at the commencement of the LG Act.

11. This section states:

“The remuneration of a chief executive officer holding office on the commencement of section 99A of the principal Act (as inserted by this Act) is not affected during the term of that office by a determination under section 99A.”

12. Notwithstanding some of the submissions made since the draft Report was issued, the Tribunal has adopted the position that Councils who had contracts with their CEO in place prior to 20 September 2021, when the LG Act commenced, are not generally obligated to comply with the Tribunal’s determinations, to the extent to which these contracts may be inconsistent. The Tribunal has not sought to differentiate between Councils in this respect, given the stated object of the LG Act was that the Tribunal should set salaries for Council CEOs to provide assurances to communities that CEOs are paid appropriately for the work they do. It is a matter for Councils to determine whether they are obliged to comply with this and previous Determinations of the Tribunal.
13. Four Councils and their respective CEOs, the City of West Torrens, Barunga West Council, Regional Council of Goyder and District Council of Mount Remarkable, raised jurisdictional issues in their written submissions and via oral submissions of Counsel on 19 March 2025. The Tribunal has considered the jurisdictional issues raised and notes this decision reflects the jurisdiction available to the Tribunal and its attendant obligations.
14. Any Council that is unsure about its obligations to comply with this Report and Determination, or the various components that constitute remuneration as provided for in this Report or Determination, should seek legal and/or tax advice.

THE INAUGURAL REPORT

15. Information initially provided to the Tribunal in 2023 demonstrated widely divergent approaches to how remuneration was defined and assessed, and demonstrated significant and largely unexplained diversity between remuneration amounts for Councils. The inaugural Determination placed Councils in remuneration bands that were determined based on the data provided by Councils in relation to the total remuneration package of their CEO. The bandwidth for each band varied between \$6,240 and \$32,240. The inaugural Report identified significant differences in how Councils assessed and reported on CEO remuneration. The most significant differences related to how the value of motor vehicles, housing and additional leave entitlements were recognised. In the inaugural Report the Tribunal set out its approach to the definition and quantification of remuneration, which stated:

“67. The Tribunal’s preference is to progress toward establishing minimum and maximum remuneration levels founded on an assessment of skill and competence levels. Such an approach would allow the flexibility to set remuneration consistent with the challenges confronting a given council. However, the limited information available to the Tribunal, combined with the very small number of submissions, simply does not support such an approach at this time. Councils are encouraged to make submissions about such an approach in the future.

68. The Tribunal is not able to determine the minimum and maximum remuneration levels based on factors such as the geographical size of the council, revenue of the council and other factors as listed in paragraph 18 above. It considers these factors to be sensible criterion to guide any future determinations of the Tribunal, however, under the current legislation such an approach requires the cooperation of councils.

69. For this inaugural review, the Tribunal has determined to group councils into eight bands. While these bands have some generally common characteristics, the Tribunal recognises differences and potential anomalies in terms of council characteristics within and between some of these bands. Each band is based on the data provided by councils in relation to the total remuneration package of their CEO. The Tribunal has then applied assumptions in relation to the value of the provision of a motor vehicle and any additional leave entitlements beyond that of usual administrative staff. This has resulted in a figure described as an “adjusted total remuneration package” for each CEO who is covered by this review.”

16. In June 2024, the Tribunal issued Report and Determination 1 of 2024 which noted that a substantial review of the inaugural Determination was being undertaken and provided for a 2% increase to the maximum amounts. In that Report the Tribunal indicated its intention to complete this review by the end of 2024. Rather than issuing its final Report and Determination at that time, the Tribunal determined to provide a draft in January 2025 for comment and further submissions by 12 March 2025.

SUBMISSIONS IN RESPONSE TO CONSULTATION PAPER

17. Following the inaugural Determination, the Tribunal received limited feedback from Councils about its approach. This went to concern about groupings and the extent to which individual Councils would seek reviews based on their circumstances.
18. The Tribunal met with the LGA to discuss future approaches, including the costs associated with any review. The Tribunal notes that these costs are ultimately allocated to Councils by virtue of the LG Act.
19. In February 2024, the Tribunal issued a brief consultation paper which identified options for comment and consideration by Local Government CEOs, Mayors, and elected members. Consistent with the requirements of section 10(2) of the Act, the Premier and the Minister for Local Government were also invited to make submissions in response to this paper.
20. The Tribunal received 35 submissions in response to the consultation paper. The entities that made submissions are listed below.

Council	Submission made on behalf of	Summary of issues raised
Kangaroo Island Council	Council	<ul style="list-style-type: none"> Position description and small amount of information provided in relation to remuneration arrangements.
District Council of Orroroo Carrieton	CEO	<ul style="list-style-type: none"> Remote locality issues and access to essential services. Considerations of size of the workforce. Legislative responsibility is the same for all CEOs. Support for individual expert review.
Mayor, Wattle Range Council	Individual	<ul style="list-style-type: none"> Suggested use of elected member bands and noted close alignment with McArthur Categories and Australian Council of Local Government classifications.

City of Tea Tree Gully	Council	<ul style="list-style-type: none"> • Provided specific Council characteristics and complexities of the role. • Suggested use of elected member bands.
Lower Eyre Council	Council	<ul style="list-style-type: none"> • Support for individual expert review. • Whilst it was not resolved by Council, some members wanted to raise concerns about the Tribunal inadvertently placing Council's under financial pressure to provide a remuneration package they cannot afford and suggested another viable option may be to allow Council's to determine remuneration for their CEO.
Whyalla City Council	Council	<ul style="list-style-type: none"> • Supported an individual expert review. • Suggested use of elected member bands. • Proposed a more limited definition of remuneration with increased regional allowances. • Noted that the motor vehicle setting process needs to be clarified as well as the provision of accommodation. • Noted the salary for a temporary/interim/acting CEO has not been considered by the Tribunal.
City of Mount Gambier	Council	<ul style="list-style-type: none"> • Provided specific Council characteristics and complexities of the role. • Proposed use of a combination of elected member bands and the WA system. • Suggested further clarification of remuneration definitions.
Administrator, District Council of Coober Pedy	Administrator	<ul style="list-style-type: none"> • Proposed an individual expert review with costs shared by the SA Government. • Requested better recognition of regional and remote locality issues, access to essential services including accommodation and cost of living issues, resourcing issues and additional responsibility for distribution of electricity and water supply.
Naracoorte Lucindale Council	Council	<ul style="list-style-type: none"> • Suggested use of elected member bands and/or Australian Council of Local Government classifications and/or McArthur salary survey. • Utilise information already received by the Tribunal.
Mayor, City of Marion	Individual	<ul style="list-style-type: none"> • Suggested use of WA model and elected member bands. • Considerations to geographic size, revenue, number of electors, diversity and complexity of CEO functions and duties. • Possible use of Local Government Association grouping approach to determine membership fees.

Mayor, District Council of Yankalilla	Individual	<ul style="list-style-type: none"> Supported an individual expert review. Suggested use of elected member bands.
Southern Mallee District Council	CEO	<ul style="list-style-type: none"> General support for the Port Adelaide Enfield Council CEO submission.
City of Charles Sturt	CEO	<ul style="list-style-type: none"> Support for the Port Adelaide Enfield Council CEO submission. Supported an individual expert review, with the cost shared on a scalable formula, rather than an equal basis.
Copper Coast Council	Council	<ul style="list-style-type: none"> Supported an independent expert review and/or use of elected member bands. Proposed a more limited definition of remuneration increasing regional allowances and excluding Fringe Benefits Tax.
The Rural City of Murray Bridge	CEO and elected members	<ul style="list-style-type: none"> Proposed a more limited definition of remuneration with increased regional allowances, akin to WA model.
Manager, People and Culture, City of Port Lincoln	Council	<ul style="list-style-type: none"> Supported an individual expert review.
City of Port Adelaide Enfield	CEO with support indicated by 51 CEOs	<ul style="list-style-type: none"> No support for an independent expert review. Support for the WA type approach linked to existing elected member bands and suggested banding approach in this regard.
City of Adelaide	Council	<ul style="list-style-type: none"> Support for an independent expert review.
City of Campbelltown	Council CEO performance management review Panel Chair	<ul style="list-style-type: none"> Support for an independent expert review.
Mayor, City of Holdfast Bay	Individual	<ul style="list-style-type: none"> Support for the WA type approach linked to existing elected member bands, with the opportunity to make submissions where unique factors exist. There should be capacity for individual Councils to obtain reviews based on work value considerations.
City of Playford	Council	<ul style="list-style-type: none"> Supported equivalent banding between elected members and CEOs with remuneration levels assessed by a consultancy firm. Future reviews should reflect the complexities of growing communities.
City of Salisbury	Council	<ul style="list-style-type: none"> Supported use of an independent expert review whereby consideration is given to

		categorisation similar to elected member bands, having regard to role, size, population, revenue, economic, social, demographic and regional factors.
Barunga West Council	Council	<ul style="list-style-type: none"> • Supported consideration of elected member bands. • Supported use of an independent expert review, with the same entity engaged who developed the WA model. • Proposed a more limited definition of remuneration with increased use of regional allowances and excluding Fringe Benefits Tax. • Proposed a remoteness allowance.
District Council of Kimba	Council	<ul style="list-style-type: none"> • Supported an individual expert review. • Suggested use of elected member bands. • Proposed a more limited definition of remuneration with increased regional allowances. • Noted that the motor vehicle setting process needs to be clarified as well as the provision of accommodation. • Noted the salary for a temporary/interim/acting CEO has not been considered by the Tribunal.
Wakefield Regional Council	CEO	<ul style="list-style-type: none"> • Suggested some variables may include rateable and type of properties, size of the Local Government area, proximity to major urban centres, assets under management vs ability to raise rates, commercial operations, community facilities, lack of services. • With impacts on remuneration including security of tenure, length, complexity of role, organisational structure, physical location, vehicle and housing allowances, competition from other employment sectors, relevant experience required.
Tatiara District Council	Council	<ul style="list-style-type: none"> • Supported use of an independent expert review and consideration of use of the elected member bands.
Wudinna District Council	CEO and Mayor	<ul style="list-style-type: none"> • Supported consideration of elected member bands. • Supported use of an independent expert review, with the same entity engaged who developed the WA model. • Proposed a more limited definition of remuneration with increased use of regional allowances and excluding Fringe Benefits Tax.

City of Onkaparinga	Council CEO Performance Management Committee	<ul style="list-style-type: none"> Supported use of an independent expert review / adoption of the WA model. Supported use of the elected member bands.
Coorong District Council	Council	<ul style="list-style-type: none"> Supported the Port Adelaide Enfield Council CEO submission. Supported adoption of the WA model linked to existing elected member bands. Proposed increased flexibility for Councils to set CEO remuneration.
	Elected members	<ul style="list-style-type: none"> CEO remuneration should be a self-determining role of Councils. Regional Councils need flexibility in package arrangements to compete against larger metropolitan Councils.
The District Council of Ceduna	CEO	<ul style="list-style-type: none"> Supported an individual expert review. Suggested use of elected member bands. Proposed a more limited definition of remuneration with increased regional allowances. Noted that the motor vehicle setting process needs to be clarified as well as the provision of accommodation. Noted the salary for a temporary/interim/acting CEO has not been considered by the Tribunal. Provided some Council characteristics.
Yorke Peninsula Council	Council	<ul style="list-style-type: none"> Information about current remuneration and position description provided.
Mid-Murray Council	Council	<ul style="list-style-type: none"> Proposed use of an independent expert review with consideration of the WA model and possible application of the elected member bands. Any anomalies to be reviewed by exception. Recommended the bands be indexed annually by an independent standard such as CPI with the opportunity to request exemptions based on individual circumstances or performance. Reviews to then be considered on a 4-year cycle.
The Corporation of the Town of Walkerville	Council	<ul style="list-style-type: none"> Supported the use of an independent expert review. Raised concerns about the effectiveness of the legislation and provided information about its recent recruitment process.
District Council of Grant	CEO and elected members	<ul style="list-style-type: none"> Supported use of the elected member bands consistent with the Port Adelaide Enfield Council CEO submission.

		<ul style="list-style-type: none"> • Noted that salary bands should be broader and overlapping. • Suggested the Tribunal be tasked with reviewing unfair contract clauses/conditions. • Proposed a more limited definition of remuneration with increased use of regional allowances and excluding Fringe Benefits Tax.
City of Port Augusta		<ul style="list-style-type: none"> • CEO Remuneration information and position description provided.

21. On 14 May 2024, the Tribunal met with Mark Withers (CEO City of Port Adelaide Enfield), Tony Harrison (CEO City of Marion) and Maree Wauchope (CEO Barunga West Council). The Tribunal also separately met with the following representatives from the Whyalla City Council, Mayor Phill Stone, Kathy Jarrett (Director Corporate), Grant Jennings (Manager Finance and Knowledge Management) and Sue King (Manager People and Culture).
22. In terms of the submissions generally, while there was broad support for a changed approach to setting minimum and maximum remuneration amounts, there was substantial diversity in the proposed approach. Very few submissions addressed current remuneration arrangements as distinct from proposing a broad approach.
23. The submissions indicated little support for Councils to make individual applications to the Tribunal on an ad-hoc basis.
24. There was substantial support for the Tribunal’s proposition that it could engage a specialist remuneration advisor to review individual CEO roles and provide advice to the Tribunal. Some concerns about the cost associated with this approach were noted.
25. Council submissions referred the Tribunal to various approaches, including the Western Australian approach and the current groupings for Local Government elected members.
26. Despite a request to this effect, less than a third of the Councils provided their CEO’s position description.
27. A group submission made by the Port Adelaide Enfield CEO, supported by a significant number of Council CEOs, proposed an approach, broadly modelled on the Western Australian system, which reflected “market rates” and recognised regional issues, provided for 7 bands with substantial differences between the minimum and maximum amounts in each band.
28. The Tribunal has also accessed and considered substantial data about the characteristics and attributes of Councils. This data includes the following information:
 - ACLG Codes and Council in Focus groups
 - Council total operating income
 - Council staff size
 - Council areas
 - Council locations, including distance from Adelaide
 - Population density
 - Population dispersion
 - Council growth projections and histories
 - Socio-Economic indexes for Councils (based on Australian Bureau of Statistics data)

MEETINGS WITH MAYORS

29. The Tribunal has consulted directly with 21 Mayors about how CEO performance and remuneration issues are addressed. The information these Mayors provided, together with the submissions, disclose a reasonable degree of consistency to the approach of remuneration setting processes. This process consistency contrasts sharply with the significant differences in remuneration amounts for similar Councils, which were noted in the Tribunal's inaugural Report.
30. The Tribunal noted that Councils utilise external advisors to assist them, or a sub-committee of the Council, in reviewing CEO performance. On the premise that the Council is satisfied with that performance, the external advisor then commonly provides advice about comparable remuneration or remuneration increases. This advice typically proposes increases aligned with the Council's general enterprise agreement, whilst noting remuneration ranges of Councils based on the external advisor's knowledge of other Councils. In this regard, the comparisons may not relate to objectively determined groups of Councils. This approach has resulted in substantial intermittent remuneration adjustments. The approach to setting a remuneration level when a new CEO is appointed is highly variable, with some Councils bringing in new and less experienced CEO's at substantially lower remuneration rates than their predecessors, with the expectation that rates for these CEOs will increase significantly as their performance develops. Many of the Mayors with whom the Tribunal consulted advised that they relied heavily on the bands set by the Tribunal as a guide to reviewing CEO remuneration. The Tribunal noted substantially different approaches to remuneration in predominantly rural areas and in areas where there has been a long serving CEO.

INDIVIDUAL COUNCIL APPLICATIONS FOR INCREASED MAXIMUM REMUNERATION AMOUNTS

31. On 9 July 2024, the Tribunal received an application and submission from the Principal Administrator of the District Council of Coober Pedy for an increase in the maximum amount of remuneration it could pay to recruit a new CEO. This application followed multiple unsuccessful recruitment attempts. The Tribunal addressed this application in its Report 4 of 2024. The District Council of Coober Pedy is currently covered by a separate Determination, Determination 4 of 2024.
32. During the consultations with Mayors, another Council foreshadowed an application to increase the maximum amount payable to attract an appropriate candidate. This Council did not subsequently formally pursue this request, and the Tribunal was advised that a suitable applicant had been selected within the existing bands.
33. On 11 September 2024, the City of Holdfast Bay applied to have the maximum amount it could pay to a new CEO increased. While the City of Holdfast Bay subsequently advised that it received a range of applications, and the Tribunal has noted that an appointment has been made, the City of Holdfast Bay maintained its request to have the maximum amount increased. This application was addressed by the Tribunal in its Report 18 of 2024 where the Tribunal declined to make an individual Council Determination and advised that the City of Holdfast Bay position would be considered as part of this broader review.
34. The Tribunal has reviewed each of these Councils as part of this broader review.

SUBMISSIONS IN RESPONSE TO THE DRAFT REPORT AND DETERMINATION

35. On 20 January 2025, the Tribunal issued a draft Determination and Report to the Premier, Minister for Local Government, the LGA and Mayors and CEOs of Councils to provide them with an opportunity to identify issues they considered may not have been adequately considered in the development of the remuneration framework. This approach proposed a primary criterion of total operating income and four weighted modifying criteria (projected population growth, population dispersion, distance from Adelaide, socio-economic advantage/disadvantage). A copy of the draft Report and Determination was also posted on the public notices section of the Tribunal's website.
36. Submissions and further comment on the draft Determination were invited by 12 March 2025. The Tribunal advised it was not limiting the range of factors about which comments may be made, however, comments about the nature of the remuneration framework, or about potential implementation issues were particularly invited.
37. The Tribunal noted that most Councils, Mayors and CEOs who had made submissions in writing and put their views in person to the Tribunal, asserted that their Council was unique or different. The Tribunal acknowledges differences between Councils but, short of setting a minimum and maximum remuneration level for each individual Council, a grouping mechanism is a necessary component of any sustainable remuneration arrangement.
38. Furthermore, the Tribunal noted it arrived at a separate assessment for the District Council of Coober Pedy in September 2024 because of its unique circumstances (see Determination 4 of 2024) and that the application of the approach in the proposed framework resulted in a different maximum amount applicable to Coober Pedy. The Tribunal highlighted that the District Council of Coober Pedy, as the most remote Council and most differentiating Council, may wish to provide further advice to the Tribunal about the framework. A submission was received from the Principal Administrator of the District Council of Coober Pedy, which is summarised in the table below.
39. The Tribunal further noted that the adoption of this approach did not prohibit a Council from seeking an individual review of its banding and that Councils with demonstrable concerns about the effect of their band allocation would be expected to provide information that establishes the basis for their position relative to other Councils. Councils were requested to identify the impact of the currently specified minimum and maximum amounts, in the context of the model that the Tribunal had outlined in its draft Report, rather than simply referring to traditional comparisons with other Councils.
40. The Tribunal subsequently received submissions from 29 entities in response to its draft Report and Determination. The entities that made submissions are listed below.

Council	Submission made on behalf of	Summary of issues raised
Copper Coast Council	Council	<ul style="list-style-type: none"> • Council supports the adoption of the primary and modifying the criteria with weighting. • Hopes changes to proposed banding will not result in reductions to current CEO agreements or their plans for renewal. • Recommends phased in compliance over 1-2 years or renewal of CEO contract where appropriate.

Kangaroo Island Council	Council	<ul style="list-style-type: none"> • The proposed band, noting that it provides an increased band range, means Council is still not able to provide candidates with a competitive package, nor does the band provide a platform for Council to attract candidates with specific relevant experience. • Alignment of CEO total package determinations through historic CEO payment information does not provide enough opportunity for individual councils to develop dynamic fiscal and leadership strategic paths. • Key baseline grading does not enable recognition of recruitment difficulties for Councils such as Kangaroo Island Council, who face significant water gap and unique off mainland recruitment challenges. • The four modifying criteria restricts regional and remote councils. • Council banding supports a false economy. Candidates recruited are not necessarily candidates who are able to contribute to the skills and experience a Council need. • Restrictions on total remuneration packages, provides no flexibility for Councils to self-determine their CEO package. Regional councils need flexibility to compete against larger metropolitan Councils and the private sector, to attract strong candidates and their families to their communities. • Legislative requirements and responsibilities for all Council CEOs are set and do not vary based on size nor location of the Council. • A banded remuneration system disadvantages all Council CEOs.
Whyalla City Council	CEO	<ul style="list-style-type: none"> • The CEO recommends the following changes to the draft determination: <ul style="list-style-type: none"> ○ Remove housing (or accommodation) benefit for non-metropolitan Councils from definition of remuneration ○ Remove Fringe Benefit Tax from definition of remuneration. ○ Add an additional 'weighting criteria' for regional capital cities (Mount Gambier and Whyalla) to elevate these two councils up one band (to Band 3). ○ CEO responsibilities as listed within the Local Government Act and Work Health and Safety Act to be

		<p>the base determinant for the complexity of CEO responsibilities.</p> <ul style="list-style-type: none"> ○ Operating revenue being used as a weighting criterion (with a lower weighting) as opposed to the principal determinant of the complexity of role.
Whyalla City Council	Council	<ul style="list-style-type: none"> ● Council proposed the following suggestions for potential improvements: <ul style="list-style-type: none"> ○ Applying ranged scoring to remove anomalies from the model. ○ Applying a more consistent approach to revenue bands. ○ Issues with usual Total Operating Revenue as a base. ○ Weighting of Characteristics and inclusions of a “wildcard”.
City of Burnside	Council	<ul style="list-style-type: none"> ● Requests that the Tribunal reclassify the City of Burnside as a Band 3 Council rather than Band 4 based on an increase in total operating income since the last review. ● States that this reclassification is crucial to ensure fair and competitive remuneration for their newly appointed CEO, and to ensure that the salary band expectations remain as were advertised and the contract signed. ● Notes the complexities and unique challenges faced by the Council, including highly engaged and affluent population, significant media scrutiny, and ongoing political challenges that make the CEO role more challenging than most. ● Reiterates the benchmarking and the mitigating factor of Council not increasing rates during the COVID-19 pandemic as consideration for the City of Burnside’s classification to Band 3.
City of Salisbury	Council	<ul style="list-style-type: none"> ● Council supports the proposed updated band and remuneration classification for the City of Salisbury.
Adelaide Plains Council	Council	<ul style="list-style-type: none"> ● The Council supports the re-aligning of elected member remuneration bands with those of the CEO remuneration bands.
District Council of Coober Pedy	Principal Administrator	<ul style="list-style-type: none"> ● Council was able to appoint a suitable CEO for a three year term within the band in Determination 4 of 2024. ● Council requests that the Tribunal allows them to work within the scope of

		Determination 4 of 2024 for the life of the current contract.
District Council of Orroroo Carrieton	Council	<ul style="list-style-type: none"> • Council seeks that the Tribunal reconsiders the Band 8 Council composition. • Council asks that the Tribunal consolidate the total operating income of Bands 7 and 8, which forms the primary variable when differentiating the bands, such that both Orroroo Carrieton and Karoonda East Murray would then sit within a reconstituted Band 7. • Council considers that being designated in the lower band, will affect its standings within the broader local government sector and negatively influence its capacity to attract and retain prospective CEO candidates.
Alexandrina Council	Council	<ul style="list-style-type: none"> • Council supports the proposed criteria which includes council total revenue, projected population growth, population dispersion, distance from Adelaide and socio-economic advantage/disadvantage.
Campbelltown City Council	Council	<ul style="list-style-type: none"> • Two-year timeframe for compliance considered restrictive and manifestly unfair to the incumbent, especially as it doesn't take into consideration the performance of the CEO. • Councils be allowed to apply for exceptions based on performance and complexity. • Councils have the opportunity to engage Mercer to undertake an individual review for their CEOs remuneration for consideration by the Tribunal. • Council supports a framework to reward high performing CEOs, rather than one that appears to punish them for performing well and providing budgets that are financially sustainable, and ties remuneration to criteria, some of which is not able to be influenced by high performance. • Reducing or freezing remuneration for CEOs within the sector will likely have a flow-on effect.
City of Onkaparinga	CEO Performance Committee	<ul style="list-style-type: none"> • The draft determination puts Council in a better position to offer competitive and appropriate remuneration for the CEO whilst complying with the Remuneration Tribunal.
Eastern Regional Alliance	City of Burnside; Campbelltown	<ul style="list-style-type: none"> • The submission identifies the practical and operational implications if the draft determination is adopted.

	<p>City Council; City of Norwood Payneham & St Peters; City of Prospect; City of Unley; and Town of Walkerville</p>	<ul style="list-style-type: none"> • The draft determination does not consider: <ul style="list-style-type: none"> ○ remuneration bands that reflect operational complexities and challenges of different councils, beyond simply total operating income; ○ an integrated, more nuanced grouping approach that considers council size, geographical challenges, population diversity, and strategic functions; ○ or allow Councils to seek exceptions or reviews based on unique operational requirements; ○ an equitable and flexible market aligned remuneration framework for CEOs to ensure competitiveness in attracting and retaining experienced CEOs; ○ how specific weightings were reached, specifically why 60% was attributed to population growth; ○ a more nuanced framework that recognises tenure and long-standing service; ○ inflationary pressures, effectively reducing CEO salaries in real terms; ○ how long the draft determination will operate for; and ○ the introduction of a longer compliance period beyond 2 years.
<p>City of Unley</p>	<p>Council</p>	<ul style="list-style-type: none"> • Council supports the submission of the Eastern Region Alliance. • The Council submits that the draft determination does not consider: <ul style="list-style-type: none"> ○ equitable and flexible market aligned remuneration framework for CEOs to ensure competitiveness and retaining of an experienced CEO; ○ a more nuanced framework that recognises tenure and long-standing service, but also to provide provisions for performance-based adjustments; and ○ fails to consider inflationary pressures, effectively reducing the CEOs total remuneration package. • The Council proposes that the proposed arrangements adopt a ‘grandfathering’ approach to maintain the current CEO TRP until the current contract expires.

		<ul style="list-style-type: none"> • If adopted, it is proposed that Council will be allowed to apply for exceptions based on performance and complexity. • If the Tribunal sets a 'phased in compliance' period, the Tribunal should allow for more than 2 years to achieve compliance.
Town of Walkerville	Council	<ul style="list-style-type: none"> • Council proposes that the existing contracts with current CEOs should be honoured and grandfathered out for the remaining term of the existing contract (rather than a 2-year phase in period); and • The Tribunal review the band that the Town of Walkerville has been included in as the Council believes it will hamper future efforts to recruit a suitable CEO. • The Council has been disrupted by not having continuity in this key leadership position which has seen the Council being on its 3rd CEO in 3 years. • Using revenue as the primary criteria may encourage behaviour contrary to sector and community interests.
Yorke Peninsula Council	CEO	<ul style="list-style-type: none"> • The current classification does not adequately account for the financial and operational burden of maintaining year-round services to accommodate for influx during the peak holiday periods. • Some CEOs will need to fund any additional leave via salary deductions, while others will not if the contract specifies RDOs. Further clarification is required. • Council spans 5,834km² with 485km of coastline, which includes significant coastal management responsibilities. Council manages the largest road network of any SA Council (3,900km). • Regional councils managing dispersed communities are not adequately addressed, particularly considering critical water and waste infrastructure challenges. • The current assessment through the use of ratios per the modifying criteria does not fully recognise the complexities, nor the additional governance, infrastructure, and community service responsibilities placed on the Yorke Peninsula Council. • The CEO of 14 years will potentially be personally affected by a significant reduction in the total remuneration package by the proposed new maximum and setting of the band. Current package arrangements have been negotiated through good faith

		<p>and contractual agreements with 4 terms of Council.</p> <ul style="list-style-type: none"> • Should these recommendations be endorsed, Councils across the State are at a significant risk of losing highly experienced and capable CEO's, in particular regional areas. • Requests that the Tribunal re-examine its band classification and weighting methodology to ensure council's unique service delivery responsibilities are fully reflected.
Town of Gawler	Executive Manager	<ul style="list-style-type: none"> • Should the draft determination in the current form be implemented, this has the potential for our CEO, to rethink their employment with Council. • The ability to prescribe salary ranges for the bands of grouped Councils, in some cases resulting in a severe reduction, calls into question the binding nature of contracts Councils enter into with a CEO and legal implications when the conditions have been agreed between the parties.
Regional Council of Goyder	CEO	<ul style="list-style-type: none"> • Sets out his personal circumstances. • The CEO believes the approach taken by the Tribunal fails to appropriately consider the personal and financial impacts of the proposed determination on hardworking regional CEOs. • Requests the Tribunal reviews its draft report and determination in relation to the Council's proposed, amended, banding, and engage directly with the Council, and the CEO on specific circumstances that must be further accounted for.
Regional Council of Goyder	Council	<ul style="list-style-type: none"> • The Council states that the current draft determination: <ul style="list-style-type: none"> ○ denies the natural justice elements in terms of a failure to afford procedural fairness; ○ predetermination and the failure to observe the right to a fair hearing; ○ the proposal by the Tribunal to make a further Determination, interferes with the current Determination and the remuneration set by the Council; ○ the Tribunal has a lack of jurisdiction to make a new Determination; and ○ the Tribunal has failed to act 'judicially'.

		<ul style="list-style-type: none"> • The Council proposes that the Tribunal provide an exemption or variation to its Report allowing for the Council to remunerate the CEO at no less than the current remuneration within the current band and at a level appropriately considered for the unique role he undertakes. • The Council also proposes that the Tribunal review its Report and proposed Determination in relation to Council's banding and engage directly with the Council on the specific exceptionality of its circumstances and inclusions that must be further accounted for.
Mid Murray Council	Council	<ul style="list-style-type: none"> • Council broadly supports the Tribunal objectives of: <ul style="list-style-type: none"> ○ Minimum and maximum remuneration amounts need to reflect the complexity of roles and responsibilities necessary to allow Councils to recruit and retain appropriately skilled and qualified CEOs. ○ Remuneration minimums and maximums must provide a significant degree of assurance to council ratepayers, that their CEO is being remunerated accordingly. ○ The most useful market data available is the actual remuneration currently paid to South Australian council CEOs. ○ The LGA's position of reducing the number of bands and increasing the spread of remuneration permitted under each band. • Council does not support the setting of a minimum level of remuneration. • Council's position is that it should be at the Council's discretion to set the starting remuneration level when a new CEO is appointed based on the skills, experience and qualifications of the CEO. • Council should be able to adjust the remuneration level accordingly, with the time in the role, further experience and performance, if warranted. • Council does not agree with the modifying criteria and that the single most significant characteristic to be assessed should be total operating income, nor should the 4 modifying criteria be the only other factors considered.

		<ul style="list-style-type: none"> • Council proposes that the remuneration level should be based on CEO position descriptions and responsibilities, the skills and experience required to undertake the role, the population size, density and characteristics of a Council district, isolation and distance factors, accommodation issues, consideration of tenure and contract duration, remuneration for comparable positions, recognition of attraction and retention approaches and challenges, and performance of the CEO. • Council's position is that any determination which the Tribunal makes should not impact on the remuneration presently agreed between Council and its CEO. • Council requests that the draft determination includes a 'grandfathering' provision. • If the Tribunal does not consider the provision, then any 'phasing-in' period should be longer than the proposed 2 years, such as 5 years. • Council proposes that bonuses should be excluded from the TRP as they can be used as an incentive to deliver KPIs.
Local Government Association	President & CEO	<ul style="list-style-type: none"> • The LGA has the following concerns with the draft determination: <ul style="list-style-type: none"> ○ Misunderstanding of the 'position description' of the CEO; ○ Creation of conflict between employment contracts and draft determination; ○ Reduced application of SALGR Act transitional provision through delay; ○ Concerns with respect to adequacy and validity of 'phased in compliance' transitional scheme; ○ Relevance of cost saving; ○ Difficulty in understanding assumptions and calculations; ○ Issues with operating income, population growth, distance from Adelaide and population dispersion, socio-economic status, importance of existing 'market', importance of relevant market comparison information; ○ Potential impacts on remuneration of other staff; ○ Treatment of housing allowances/expenses; ○ Importance of indexing and ongoing uncertainty;

		<ul style="list-style-type: none"> ○ Need for clarity about number of bands; ○ Uncertainty regarding commencement date(s); and ○ Time given for response. <ul style="list-style-type: none"> ● The LGA proposes the following: <ul style="list-style-type: none"> ○ Fewer bands with broader spread ○ 'Grandfathering' provision ○ Longer phasing in period ○ Changes and increased clarity with respect to data, assumptions and weighting ○ Remove housing allowances (and other similar allowances) from definition of remuneration for rural and regional councils ○ Compare remuneration to the market ○ Frequency of reviews ○ Further consultation (with a further placeholder determination if necessary)
District Council of Mount Remarkable	Acting CEO	<ul style="list-style-type: none"> ● The Council states that the current draft determination: <ul style="list-style-type: none"> ○ denies the natural justice elements in terms of a failure to afford procedural fairness; ○ predetermination and the failure to observe the right to a fair hearing; ○ The proposal by the Tribunal to make a further Determination, interferes with the current Determination and the remuneration set by the Council; ○ The Tribunal has a lack of jurisdiction to make a new Determination; and ○ The Tribunal has failed to act 'judicially'. ● The Council proposes that an exemption or variation be granted, allowing for the Council to remunerate the CEO at no less than the current remuneration within the current band and at a level appropriately considered for the unique role he undertakes. ● The Council also proposes that the Tribunal review its report and proposed determination in relation to the Council's banding and engage directly with the Council on the specific exceptionality of its circumstances and inclusions that must be further accounted for.

District Council of Kimba	Mayor	<ul style="list-style-type: none"> • Previous challenges for the CEO role have included potential loss of primary care medical services in Kimba and involvement in the Federal Government’s search for a site to store low to intermediate level radioactive waste. • In Kimba’s case, remuneration must often exceed that of neighbouring coastal Councils to incentivize, attract and retain the best candidate. • CEOs in rural and regional areas face additional responsibilities and heavier workloads. • Additional time off, travel concessions and vehicle use (used to offset pressures), should not be factored into remuneration calculations.
District Council of Kimba	CEO	<ul style="list-style-type: none"> • The proposed determination has disparities between Regional and Metropolitan CEO remuneration, attraction and retention challenges, cost of living adjustments and regional disparities and recognition of additional responsibilities issues. • The draft determination does consider the establishment of a clear remuneration framework, recognition of CEO leadership in Local Government and flexibility within the framework. • The CEO recommends that the Tribunal consider regional loading, CEO workload factors and incentive structures for regional CEO retention.
City of West Torrens	Council & CEO	<ul style="list-style-type: none"> • The CEO provided a personal statement of the personal and financial impacts. • Council does not believe the report accurately or appropriately considers the growth projections in relation to the Council’s operating income. • A reduction in the maximum CEO remuneration will pose implications, with respect to other senior staff remuneration. • The Council has questioned the validity of the forecasted population growth data. • The Council states that the current draft determination: <ul style="list-style-type: none"> ○ denies the natural justice elements in terms of a failure to afford procedural fairness; ○ predetermination and the failure to observe the right to a fair hearing; ○ The proposal by the Tribunal to make a further Determination, interferes with the current

		<p>Determination and the remuneration set by the Council;</p> <ul style="list-style-type: none"> ○ The Tribunal has a lack of jurisdiction to make a new Determination; and ○ The Tribunal has failed to act 'judicially'. <ul style="list-style-type: none"> • The Council proposes that an exemption or variation be granted, allowing for the Council to remunerate the CEO at no less than the current remuneration within the current band and at a level appropriately considered for the unique role he undertakes. • The Council also proposes that the Tribunal review its report and proposed determination in relation to the Council's banding and engage directly with the Council on the specific exceptionalities of its circumstances and inclusions that must be further accounted for.
City of Tea Tree Gully	Council	<ul style="list-style-type: none"> • Council supports the proposed updated band and remuneration classification for the City of Tea Tree Gully.
City of Playford	Council	<ul style="list-style-type: none"> • Councils suggest that superannuation should be reported in line with actual cost to Council to accommodate circumstances such as defined benefits scheme caps at 9.3%; and transitional timeframes look to be extended to be greater than 2 years. • When considering the level of scrutiny Local Government and CEO salaries receive, it seems illogical that the Tribunal would arrive at a determination that calculates and reports on a TRP that is based on incorrect superannuation benefits.
City of Mitcham	CEO	<ul style="list-style-type: none"> • The CEO does not support the proposed use of operating revenue as the primary benchmark – using this will decrease community confidence in the decisions of Council. • If the draft determination is implemented, the integrity of the role and advice from administration in all decisions involving revenue will be questioned and become part of the political debate, which is detrimental to good governance. • Councils not experiencing growth and not receiving increased rate revenue face significantly increased pressure to deliver more community outcomes with less.

		<ul style="list-style-type: none"> The CEO supports providing housing as not being included in the definition of remuneration for regional councils.
City of Adelaide	Council	<ul style="list-style-type: none"> The proposed reduction of the minimum CEO pay level in the remuneration band applied to the City of Adelaide creates real attraction and retention barriers. Specifically: <ul style="list-style-type: none"> It exacerbates the non-competitiveness of City of Adelaide CEO remuneration in comparison to that of CEOs of other Australian Capital Cities It lowers the midpoint of the band payable to below the current level The minimum payable is considerably lower than the maximum paid in the next lower band of other local government area CEOs. Council recommends increasing the minimum and maximum remuneration payable in the band applied to at least \$450,000 and \$500,000, to mitigate attraction and retention risks. Councils seeks further clarification regarding whether or not the costs of memberships of professional associations are considered salary components.
Barunga West Council	Council & CEO	<ul style="list-style-type: none"> The CEO provided a personal statement of the personal and financial impacts. The Council states that the current draft determination: <ul style="list-style-type: none"> denies the natural justice elements in terms of a failure to afford procedural fairness; predetermination and the failure to observe the right to a fair hearing; The proposal by the Tribunal to make a further Determination, interferes with the current Determination and the remuneration set by the Council; The Tribunal has a lack of jurisdiction to make a new Determination; and The Tribunal has failed to act 'judicially'. The Council has a range of concerns relating to the operating income, remuneration framework, modifying criteria

		<p>and the Tribunal's objectives and determination report considerations.</p> <ul style="list-style-type: none"> • The Council proposes that the Tribunal should provide an exemption or variation to its report allowing for the Council to remunerate its CEO at no less than the current remuneration and at a level appropriately considered for the unique role they undertake.
City of Norwood Payneham & St Peters	CEO	<ul style="list-style-type: none"> • The CEO supports the submission that has been made by the Local Government Association. • The CEO supports the submission that has been made by the Eastern Regional Alliance.
Eyre Peninsula Local Government Association	Executive Officer	<ul style="list-style-type: none"> • The framework should consider the unique challenges faced by regional councils. • The Eyre Peninsula LGA believes that the introduction of a dedicated remuneration band (or bands) tailored to regional circumstances is paramount. • Recognising additional incentives (relocation expenses, housing allowances, and vehicle provisions) within the remuneration framework would allow for more equitable competition with metropolitan counterparts. • The Eyre Peninsula LGA suggests that any final determination should explicitly offer recognition of relocation challenges, allowing councils the flexibility to provide additional support where needed. • The Eyre Peninsula Local Government Association requests that the Tribunal consider: <ul style="list-style-type: none"> ○ Introducing a separate remuneration band, or at least distinct recognition, for regional CEOs. ○ Including specific provisions for relocations costs and allowances as a standard part of the remuneration framework for regional CEO roles. ○ Acknowledging that these measures, while modest, would help regional councils remain competitive in attracting skilled executives, ensuring the ongoing delivery of vital services and the effective governance of our communities.

41. Most of the submissions went to the integrity of the approach proposed by the Tribunal, the impact on some CEOs in relation to their salary and benefits and, in some instances, indicated their misunderstanding of the legislation.
42. On 19 March 2025, the Tribunal provided the City of West Torrens, Barunga West Council, Regional Council of Goyder and District Council of Mount Remarkable (collectively the four legally represented Councils) the opportunity to make oral submissions on the jurisdictional issues they had collectively raised as well as on the substantive review. Those Councils were legally represented. The four Councils submitted that reducing a salary in this climate, with the cost of living and standard of living, would have a draconian effect on the four CEOs. In relation to phasing in compliance over two years, as proposed in the draft Determination, the four legally represented Councils submitted that it does not go far enough. An example of a grandfathering provision was provided to the Tribunal and it was submitted that the Tribunal needed to make that order as the Tribunal does not have the legislative power to do anything but that. Counsel for the four Councils also took the Tribunal through various provisions of the LG Act. They referred to the provisions of the LG Act which they contended gave Councils general CEO appointment authority and argued that the Tribunal had exercised its jurisdiction in its inaugural Determination such that it could not now interfere with arrangements between Councils and their CEO.
43. In relation to subsection 99A(10), which provides that Council must ensure that the remuneration of its chief executive officer is within the relevant minimum and maximum remuneration amounts determined by the Tribunal, the four legally represented Councils submitted that the word “relevant” must mean the current minimum and maximum that are then in force at that time. Therefore, Council determines what the CEO is remunerated at, save for the restriction in subsection 99A(2). The four legally represented Councils submit that once that is done, and provided the remuneration is within the minimum and maximum remuneration amounts, then in respect of the CEO that has been appointed, the power of the Tribunal is spent. The four legally represented Councils said the practical effect is that once the Council enters into a contractual relationship or other appointment with the relevant CEO, it can do so with certainty and it can ensure that upon appointment of the CEO it has complied with the requirement.
44. Separately on 19 March 2025, the Tribunal met with the LGA who was legally represented. The LGA did not dispute the Tribunal’s jurisdiction. They expressed a preference for a grandfathering provision but, if that was not accepted, then a longer phase in period than two years should apply. The LGA undertook to provide the Tribunal with current CEO remuneration amounts, calculated consistently with the Tribunal’s definition of remuneration and contract terms.
45. The Tribunal also met with the CEO of the City of Whyalla to discuss their submission further.

THE TRIBUNAL’S APPROACH TO REVIEWING MINIMUM AND MAXIMUM AMOUNTS

46. The approach outlined below was detailed in the Tribunal’s draft Report, however the Tribunal has acknowledged various amendments which reflect consideration of the responses received to the draft Report.
47. Consistent with its inaugural Report, the Tribunal considers that a more sustainable longer-term approach is necessary. Notwithstanding all the information which the Tribunal now has, it remains aware that some Councils have not provided submissions and that a significant proportion of the submissions note unique characteristics of their Council.

48. It is also clear to the Tribunal that at least some Councils may have misunderstood the definition of remuneration and particularly, motor vehicle costing approaches and that some elected members, and possibly some CEO's may benefit from clarification of the principles being applied by the Tribunal. The Tribunal has provided additional clarification later in this Report.
49. The Tribunal acknowledges at the outset that the nature of its jurisdiction is inherently limited to the specification of minimum and maximum remuneration. It is not within the Tribunal's jurisdiction to determine allowances in addition to the minimum and maximum remuneration amounts. Accordingly, the Tribunal has reviewed an array of factors that are commonly considered in establishing remuneration levels. These range from regional attraction and retention components of remuneration to the recognition of the many functions undertaken by Local Governments that are outside of traditional expectations.
50. The Tribunal has adopted an approach whereby it seeks to achieve the following broad objectives:
 - Minimum and maximum remuneration amounts need to reflect the complexity of roles and responsibilities necessary to allow Councils to recruit and retain appropriately skilled and qualified CEOs.
 - Remuneration minimums and maximums must provide a significant degree of assurance to Council ratepayers, that their CEO is being equitably remunerated.
 - The minimum and maximum remuneration amounts need to provide an appropriate degree of guidance to elected members to assist them in setting and reviewing CEO remuneration.
 - Any system of setting minimum and maximum remuneration must be capable of simple and low-cost revision to facilitate regular review.
51. The Tribunal has reviewed possible approaches against these broad objectives. The significant diversity of remuneration levels noted in the inaugural Report means that some Councils with similar characteristics pay their CEOs quite different remuneration, while some CEOs are paid similar remuneration despite working for Councils with substantially different characteristics.
52. The information available to the Tribunal confirms that the capability and performance of both elected members and CEOs impacts on remuneration considerations. However, recognition of performance issues is the prerogative of elected members and, if necessary, the State Government. Councils have the capacity to take account of CEO performance issues when setting remuneration between the minimum and maximum amounts set by the Tribunal.
53. The Tribunal does not consider a system where individual Council's apply to the Tribunal requesting a review of their CEO's remuneration is sustainable. Such a system would be administratively cumbersome and could create perceived or actual remuneration discrepancies between Councils.
54. A common argument put to the Tribunal prior to issuing its draft Report and Determination was that the grouping arrangement traditionally applied by the Tribunal to assess elected member allowances should have been used as the basis for the grouping of CEO remuneration. These propositions similarly fail to meet the Tribunal's broad objectives. In its Report 2 of 2022, the Tribunal expressed reservations about the current groupings and invited affected parties and stakeholders within the Local Government sector to consider alternative approaches. The current groupings have their genesis in very dated population comparisons. If these same groupings were applied to CEOs, they would create significant anomalies and fail to recognise

other characteristics of Councils relevant to the role complexity of CEOs. Furthermore, the gap between minimum and maximum remuneration levels would likely be so substantial that the objectives of providing assurances to Council ratepayers and guidance to elected members would not be met.

55. The Tribunal also considered use of the Australian Classification of Local Government (**ACLG**) categories, determined by the Australian Bureau of Statistics, as the basis for setting remuneration. The ACLG categories are based on population and population density, resulting in 16 categories for South Australian Councils. The Tribunal was not satisfied that the factors included in this system properly characterised CEO functions and, in any event, using such a system led to unsustainably large and inconsistent remuneration groupings.
56. The Tribunal has reviewed the Western Australian system of specifying minimum and maximum remuneration levels. This approach was considered in the development of the LG Act. The Western Australian system has now been in operation for many years and was initially established following a comprehensive review of each CEO job role at that time. Of more recent times, the number of groups of Councils has been reduced by regulation. Western Australia also has a longstanding and relatively consistent approach to the recognition of regional locations across public and many private sector occupational groups. There is no equivalent mechanism in South Australia. The Western Australian local government structures are significantly different to the South Australian structures in that there are many more smaller Councils. Finally, the adoption of the Western Australian approach would result in gaps between minimum and maximum remuneration amounts that are so substantial that they would also fail to meet the objectives of providing assurances to local communities and guidance to elected members.
57. The approach suggested by the significant group of CEOs who supported the submission of the Port Adelaide Enfield Council CEO also results in such a gap between minimum and maximum remuneration amounts that it fails to meet the Tribunal's objectives. Additionally, the Tribunal is not satisfied that such an approach would be sustainable on a long-term basis, particularly given the reservations it expressed in 2022.
58. The Tribunal considered engaging a remuneration specialist to consult individually with each Council to assess appropriate remuneration arrangements. It decided such an approach would be both time consuming, and unnecessary given the substantial material already available to compare Councils. Such an approach would also impose a significant additional cost burden on the Local Government sector and would have the potential to become obsolete quickly.
59. The Tribunal has adopted an approach which considers Council characteristics that impact on the complexity of the role. These characteristics need to have appropriate weightings attached to them and the overall approach must be consistent with common remuneration setting processes applied to public and private sector organisations.
60. A specialist remuneration advisory firm, Mercer Consulting (Australia) Pty Ltd (**Mercer**), was engaged to assist the Tribunal in ensuring the integrity and consistency of the component parts of remuneration considerations, and to facilitate a process by which the Tribunal could assess and weight the characteristics of Councils considered relevant to remuneration.
61. The brief given to Mercer had two broad components. Firstly, Mercer was asked to review the Tribunal's approach to, and definition of total remuneration package components, to provide maximum assistance to Councils and ensure a consistent and equitable approach to establishing minimum and maximum remuneration levels, in accordance with the direction on the total remuneration spread being provided to Mercer by the Tribunal.

62. Secondly, Mercer was asked to assist the Tribunal in developing bands or groups of Councils within a framework comprising of minimum and maximum remuneration levels determined by the Tribunal. For the avoidance of doubt, Mercer was not engaged to undertake an individual review of each Council, which would have had a significant cost associated with it.
63. In selecting the appropriate remuneration specialist, the Tribunal complied with the South Australian Government contracting approach. Additionally, because of the potential for any acknowledged expert in this field to be associated in some way within the Local Government sector, the Tribunal received advice and guidance about its contracting processes from a probity advisor and has ensured that Mercer has undertaken this function in a manner which is separate from the remuneration advice that it may provide to Councils. It is appropriate that the Tribunal notes the Mercer contribution with thanks.

What is included in the Total Remuneration Package

64. In its inaugural Report the Tribunal stated the following:

“44. In determining what constitutes remuneration, the Tribunal has considered the following components:

 - Monetary remuneration
 - Superannuation, including the statutory minimum employer contributions, any salary sacrifice component and any additional payments made by a council
 - Annual leave loading
 - Additional leave entitlements
 - Bonuses and performance incentives - in cash or otherwise
 - The private benefit value of any motor vehicle and/or equipment (excluding mobile telephones and portable computing equipment provided to the CEO by the council)
 - School or childcare fees, including school uniforms
 - Newspaper/magazine/online subscriptions
 - Personal travel or any other benefit taken in lieu of salary by the CEO (and immediate family at the discretion of the council)
 - Health insurance
 - Any and all allowances
 - Any other form of payment - cash or otherwise
 - Any Fringe Benefits Tax paid by council in respect of any of the above.”
65. While the Tribunal is satisfied that the inclusion of these components is consistent with commonly applied remuneration definitions, it determined to review these considerations.
66. The various consultations with Councils disclosed a degree of confusion on the part of some Councils about how certain components should be costed. In many instances, Councils requested that the Tribunal provide clarity in this regard.
67. The Tribunal has reviewed remuneration approaches through the survey information available from its 2022/23 CEO survey. Mercer has provided additional guidance on these issues, which has been, with the exception of housing and accommodation, generally accepted by the Tribunal.

68. The Tribunal has adopted the following definitions of remuneration components for inclusion in the Determination accompanying this Report:

Component	Definition
Monetary remuneration	Base salary (cash component).
Superannuation	Includes employer superannuation contributions, any salary sacrifice component, and any additional payments made by a Council.
Annual Leave Loading	As defined in the relevant employment contract.
Additional Leave Entitlements	Dollar value of additional leave provided over and above statutory entitlement, except where this is provided to allow remotely based CEOs to travel to their hometown or capital city to commence / return from leave.
Bonuses	Dollar value of any bonuses or performance incentives, whether received in cash or kind.
Motor Vehicle	<p>The value of the cash allowance or the private benefit value of the motor vehicle to the CEO using either the Prime Cost (depreciation), Operating Cost, or Statutory Formula in accordance with the ATO rules.</p> <p>Must include FBT payable by the CEO.</p> <p>Refer to: https://www.ato.gov.au/calculators-and-tools/fringe-benefits-tax-car-calculator</p>
Housing Allowance	<p>The dollar value of any housing allowance or rental subsidy and associated FBT. Consistent with the ATO remote area FBT requirements.</p> <p>Note, designated remote areas are exempt from FBT – refer to:</p> <p>https://www.ato.gov.au/businesses-and-organisations/hiring-and-paying-your-workers/fringe-benefits-tax/types-of-fringe-benefits/accommodation-and-location-related-fringe-benefits/remote-area-fbt-concessions/fringe-benefits-tax-remote-areas</p>
Other Fees and Allowances	<p>Includes, but not limited to, any or all of the following:</p> <ul style="list-style-type: none"> • School or childcare fees, including school uniforms • Newspaper/magazine/online subscriptions • Value of perquisites provided to the CEO i.e. memberships • Personal travel or any other benefit taken in lieu of salary by the CEO (and immediate family at the discretion of the council) • Health insurance • Any and all other allowances • Any other form of payment - cash or otherwise • Any Fringe Benefits Tax paid by council in respect of any of the above

Total Remuneration Package (TRP)	The total of all the above components.
----------------------------------	--

69. Consistent with the approach taken in the inaugural Report, the Tribunal has concluded that mobile telephones and portable computing equipment provided to CEOs, fundamentally for work purposes, but which may be used for reasonable personal use, should not be regarded as remuneration for these purposes. The Tribunal considers that these items are inherent requirements for a CEO role and, in any event, any additional reasonable use represents a minimal additional cost such that separating personal and business use involves unreasonable administrative costs.
70. The Tribunal has not included professional development costs that directly relate to the performance of CEO duties and membership of professional associations related to the performance of CEO functions in its assessment of remuneration.
71. The Tribunal has not included one-off payments that relate directly and solely to relocation expenses in its consideration of remuneration and notes there was no opposition to this approach in response to the draft Report and Determination.

Motor Vehicles

72. The Tribunal notes that Councils may approve the provision of a motor vehicle to a CEO as part of the CEO's remuneration package, as a tool of trade or offer a motor vehicle allowance by way of additional remuneration.
73. The Tribunal obtained advice from Mercer on the inclusion of motor vehicles in a CEO's remuneration package. The Tribunal noted that a combination of accounting and remuneration packaging approaches are applied by Councils and concluded that, because of the diversity of vehicle cost assessments, and private use components, it is not possible to establish a common benefit value that can notionally be attached to the provision of a vehicle.
74. Having considered Mercer's advice, the Tribunal is of the view that if a motor vehicle is provided as part of the remuneration package, determining a benefit value depends on the type, cost and the extent of personal use of the vehicle along with other assumptions. The provision of the vehicle will be subject to Fringe Benefits Tax (**FBT**). The benefit value of the vehicle, FBT attributable to personal use and all other monetary components and allowances in lieu of provision of a motor vehicle, other than as a tool of trade, must be included in the CEO's total remuneration. It must not cause the CEO's total remuneration package to exceed the maximum of the remuneration range of the relevant band. Councils are responsible for complying with the requirements of the Australian Taxation Office (**ATO**) in relation to the calculation of the benefit and FBT, using any of the ATO approved methods. If a motor vehicle is provided as a tool of trade, the Tribunal understands no FBT is payable.
75. Further, a cash equivalent allowance in lieu of a motor vehicle will form part of the total remuneration package and form part of the CEO's total remuneration.
76. The Tribunal has not detailed the different approaches to motor vehicle costings adopted by the ATO as these are readily available to Councils. However, the Tribunal strongly recommends that Councils recognise that any benefit, relating to a motor vehicle, including the associated FBT, is included in, and not separate from, the CEO's total remuneration package.
77. Following the release of the draft Report and Determination, some submissions reiterated rural and remote CEOs were, of necessity, required to travel further distances such that their motor vehicle costs should not be treated as a component of remuneration. The Tribunal is unable to

agree with this proposition. Some CEOs elect to commute long distances and FBT costing methods recognise total distances travelled. In any event, the provision of a vehicle to a CEO is a cost to the Council such that the Tribunal considers it must be recognised.

Housing and Accommodation

78. The information available to the Tribunal confirms that Councils may offer housing or accommodation, or a housing allowance to a CEO to attract and/or retain that CEO or where suitable housing is not available.
79. The Tribunal acknowledges that the provision of housing in designated remote areas is exempt from FBT under the *Fringe Benefit Tax Assessment Act 1986* (Cth) and that the ATO is currently reviewing the relevant definitions and that the cost of Council owned housing is variable.
80. Mercer recommended that the provision of housing/accommodation or a housing allowance in a remote location not be included in the definition of remuneration. The Tribunal has not accepted this recommendation because it is concerned that such an approach creates potential substantial inequities, depending on the definition of remoteness for FBT purposes. Additionally, the Tribunal is concerned that the exclusion of housing provision or allowances from the definition of a total remuneration package, effectively invites its inclusion in areas where this is not currently applicable or required, with consequent cost implications for the Councils concerned. However, as explained later in this Report, the Tribunal has recognised locational remoteness as a factor in setting minimum and maximum remuneration bands.
81. This means that the cost of housing or accommodation, or an allowance for housing, is a component of remuneration and should be recognised as such. The determination of the amount to be included in the total remuneration of the CEO is the amount that would be used to calculate the FBT payable (whether FBT is payable or not per ATO Remote Area definitions). The application of FBT is then a matter which is dependent on whether the relevant town or city is exempted from FBT by the ATO.
82. The Tribunal has reviewed its approach to recognition of the provision of houses and housing allowances, following requests made to this effect after the draft Report was issued. However, housing and housing allowances remain a cost to Councils that the Tribunal considers must be recognised. Further, some payments to CEOs reflect arrangements of a personal choice to benefit the CEO and other Councils have intimated they would like to fund housing benefits in the CEOs package but are unable to do so largely because of available housing. The Tribunal has also noted that, if housing costs were excluded, the potential for iniquitous remuneration arrangements is likely to increase. Had the legislation been framed to enable recognition of allowances, the Tribunal may have adopted a different view.

Superannuation

83. There are different superannuation arrangements adopted for Local Government CEOs. These include accumulation-based schemes and defined benefit funds, with varying employer contributions. The Tribunal has adopted the position that employer superannuation costs, regardless of the scheme, need to form part of the total remuneration package.

Annual Leave of more than 4 weeks per annum

84. Two discrete arrangements for additional annual leave have been considered by the Tribunal.

- 85. Arrangements for purchased additional leave, whereby the additional leave is funded by additional working hours or through a reduction in weekly or monthly pay, do not represent an additional benefit.
- 86. In contrast, the Tribunal is aware of arrangements for CEOs where annual leave of more than four weeks per year is part of the remuneration package without any reduction in remuneration. This circumstance represents an additional cost imposed on a Council so that the amount of leave in addition to four weeks needs to be added to the annual total remuneration package amount. The Tribunal is of the view that where additional leave is granted to remotely based CEOs to enable them to travel or return to their hometown or city without unduly impinging on the annual leave entitlement, this additional leave grant should not be included in the calculation of total remuneration.
- 87. The Tribunal notes that there was no opposition to this approach following the release of the draft Report and Determination.

Characteristics of Councils that differentiate between Council CEOs

- 88. To develop its approach to grouping and comparing Councils, the Tribunal has received substantial assistance from Mercer to ensure that its consideration of Council characteristics properly relate to expectations of CEOs. This analysis of Council characteristics that relate to the demands of CEOs has been conducted in two stages. The initial stage involved a comparison of the characteristics considered relevant to the complexity of the CEO role to establish a framework for consideration of Councils. The second stage has involved identifying appropriate minimum and maximum remuneration amounts.
- 89. As was the case in its inaugural Determination, the Tribunal has not included Roxby Downs Council in this review. This is because Roxby Downs Council operates under an indenture agreement and has an entirely different funding and operating base to every other Council.

Primary and Modifying Criteria

- 90. In consultation with Mercer, the Tribunal considered all the available data about Council characteristics. It then selected the following primary and modifying criteria:

CRITERIA		KEY MEASURE (SOURCE)	RATIONALE
PRIMARY CRITERIA	Revenue	Total operating income (Source: SA Local Government Grants Commission Database Reports)	Total operating income - General Rates; Other Rates; Other Charges; Mandatory and Discretionary Rebates & Remissions and Write-offs; Total Rates; Statutory Charges; User Charges; Grants, Subsidies and Contributions; Investment Income; Reimbursements; Other Income; Share of Profit - Joint Ventures & Associates. Reflects the scale and complexity of operations on an ongoing basis.

MODIFYING CRITERIA	Projected population grown	Annualised population growth based on data from 2021 to 2031 (Source: SA Department for Trade and Investment)	Adopting both a historical and projected view over a 10 year period smooths out/reduces any potential projection anomalies/errors. Any significant infrastructure and service delivery impacts on Council as a result of projected population growth would tend to be based on a longer term planning horizon. This measure picks up the complexities associated with future planning and infrastructure development that is not captured in the total operating income of Council or the other modifying criteria.
	Population Dispersion	Population dispersion based on estimated average distance (in kilometres) between each person in the council area and the centre of population for the region (Source: Keystone Data)	Population dispersion considers both population and geography. It reflects the travel demands placed on Chief Executives in geographically dispersed councils that is not captured by total operating income, or the other modifying criteria. It also acts as a proxy for a travel allowance.
	Distance from Adelaide	Distance of primary council location from GPO Adelaide (Source: SA Remuneration Tribunal)	Recognises the need to travel to access services not available within the council area (e.g. medical and education) which, while not directly impacting the complexity of the CEO role, creates greater distance and travelling challenges for CEOs in rural and remote areas.
	Socio-economic Advantage / Disadvantage	SEIFA index of relative socio-economic disadvantage, decile (Source: ABS)	SEIFA is a commonly used measure to assess the socio-economic status of an area and accounts for differences in complexities of councils with different levels of socio-economic advantage/disadvantage. Council areas with a lower decile are considered more complex.

91. The Tribunal has adopted the position that the primary criteria is total operating income (as defined in reports periodically issued by the SA Local Government Grants Commission) as described in the above table. There is a close correlation between total operating income and staffing numbers and close links between recognition of significant additional functions undertaken by some Councils beyond the normal range of Council activities. In short, as operating income increases, so too does the overall complexity of the CEO role.
92. The Tribunal has utilised the SA Local Government Grants Commission’s publicly available total operating income data for the 2022/23 financial year as the latest available data.
93. Various submissions referred to the SA Local Government Grants Commission data being outdated, with other submissions providing that the use of total operating income as the primary criteria could create conflicts of interests between the interests of the CEO and the Council and its ratepayers. It was suggested in these submissions that there may be more of an incentive for a CEO to pursue income generating projects, even if they are not necessarily in the

Council's best interests, to ensure that the total operating income of the Council increases and therefore their remuneration increases. In contrast, it was submitted that there may be a similar incentive for Council's to not approve income generating projects if it creates the risk that the Council will need to pay its CEO higher remuneration, noting this could impact on rate increases and grant opportunities. To the extent that this proposition suggests that a Council or CEO may engage in conduct that is contrary to a Council's interests, that is a matter beyond the Tribunal's remit. If this was the case, the Tribunal would expect the Minister, Council, CEO or relevant authority (such as the Ombudsman) to take appropriate action. For its part, the Tribunal is satisfied that the use of total operating income as the primary criteria does not invite or sanction inappropriate conduct.

94. The Tribunal notes that some individual and Council submissions that opposed the use of total operating income as the primary criteria appeared to be primarily concerned that this criterion resulted in a lower maximum remuneration amount than they considered appropriate, rather than establishing as part of their submission why such a widely applied characteristic should not be used as the primary criteria.
95. In relation to submissions that the SA Local Government Grants Commission total operating income data being from the 2022/23 financial year is outdated, the Tribunal highlights that it is the most up to date publicly available data. Furthermore, given the data is from a previous financial year, this reduces the risk that a CEO might seek to increase Council's total operating income to receive a potential remuneration increase. In any event, the Tribunal is of the view that this is a matter for Councils to manage.
96. The Tribunal's initial assessments excluded Adelaide City Council and involved the allocation of each Council to one of eight bands based on the total operating income ranges shown below.

Band	Upper	Lower
1	\$210M	\$140M
2	\$140M	\$76M
3	\$76M	\$56M
4	\$56M	\$38M
5	\$38M	\$21M
6	\$21M	\$15M
7	\$15M	\$6M
8	\$6M	\$0

97. The Tribunal has considered the most appropriate approach to be applied to the Adelaide City Council given its relatively high total operating income, its relatively low population base, and the extent to which there are over 400,000 daily users of Council facilities and services, most of which involve non-residents. The Adelaide City Council has a vastly different constituent base consisting of predominantly corporate enterprises. It also has a strong commercial focus, owns and manages two significant subsidiary operations (the Adelaide Central Market Authority and the Adelaide Economic Development Authority), together with the Kadaltilla/Adelaide Park Lands Authority.
98. While the option of a market-based assessment for the Adelaide City Council, drawing on data from similarly sized organisations across Australia was considered, this approach was ultimately rejected because it did not properly consider local government specific characteristics. Comparisons with other capital city CEOs was also not preferred because of the diversity of the other state approaches.

99. Ultimately, the Tribunal determined to create an additional band for the Adelaide City Council, using the same methodology that was applied to other Councils. This approach most accurately reflects the recruitment patterns for the Adelaide City Council over the past 15 years. It means that, while there are 9 bands of Councils, the highest band is applicable only to the Adelaide City Council. None of the modifying criteria considered below have application to the Adelaide City Council.
100. The Tribunal has selected four other criteria which are factors most likely to require further differentiation between Councils which was not captured by total operating income considerations.
101. These are:
- a. Projected population growth which impacts on a Council's planning and service delivery requirements and hence the demands and expectations of a CEO. This was determined to be the most significant modifying factor.
 - b. Population dispersion which is a measure of the estimated average distance between each person in a Council area and the population centre for that region. This is a measure of relevance to regional Councils as it represents additional service delivery and complexity demands on the CEO. The Tribunal has relied on data from 2021 to 2031 provided by the SA Department for Trade and Investment.
 - c. Distance from Adelaide measured from the primary Council location. This reflects isolation, attraction, and retention issues, together with the challenges associated with functioning in more remote locations with substantially increased distances.
 - d. Socio-economic advantage/disadvantage. This has been assessed using the Australian Bureau of Statistics Socio-Economic Index for Areas and takes account of differences in the complexities of Councils with differing levels of socio-economic advantage or disadvantage. The greater the degree of comparative disadvantage, the greater the complexity of the CEO role.
102. The Tribunal defined measures of each of these modifying criteria and attached a score of between 1 and 3, depending on the characteristics of the Council. These scores were then weighted, depending on the Tribunal's assessment of the significance of the modifying criteria.
103. This approach is summarised in the following Table prepared by Mercer.

Level of Complexity	Score	Projected population Growth	Population Dispersion	Distance from Adelaide	Socio-economic Status (SEIFA)
Low Complexity	1	Less than 0.56% per annum	Less than 8.45km	Less than 187.1km	Greater than or equal to decile 7
Medium Complexity	2	From 0.56% up to 0.89% per annum	From 8.45km up to 17.3km	From 187.1km up to 382km	Between decile 6 and 4
High Complexity	3	Greater than or equal to 0.89% per annum	Greater than or equal to 17.3km	Greater than or equal to 382km	Less than or equal to decile 3
Weighting		60%	10%	10%	20%

104. Except for the SEIFA score, the Tribunal applied a low complexity or a score of 1 to Councils with less than the 50th percentile for that category. A medium level complexity or a score of 2 was allocated to Councils between the 50th percentile and the 75th percentile and a high

complexity rating or a score of 3 was applied to Councils in the upper 25th percentile. The reverse approach was applied with respect to the SEIFA Index. These percentiles are based on the actual distribution of data across the Councils.

105. The weighted average was then utilised to determine if a Council could increase levels by one category from its initial placement using total operating income. This was done by using a cut-off point of a weighted average greater than 2.2, which recognises a prudent buffer above the weighted average medium complexity score of 2, as shown in paragraph 84. This is consistent with the approach adopted by the Tribunal in setting the highest level of complexity for each of the modifying criterion at the 75th percentile.

106. A table showing the application of these modifying criteria is shown below.

Council	Projected Population Growth	Population Dispersion	Distance from Adelaide	Socio-Economic Status
Onkaparinga	2	1	1	2
Charles Sturt	3	1	1	1
Salisbury	2	1	1	3
Port Adelaide Enfield	3	1	1	2
Playford	3	1	1	3
Marion	2	1	1	1
Tea Tree Gully	2	1	1	1
Holdfast Bay	1	1	1	1
West Torrens	2	1	1	1
Mitcham	1	1	1	1
Mount Barker	3	1	1	1
Campbelltown	3	1	1	1
Alexandrina	3	2	1	2
Unley	2	1	1	1
Burnside	2	1	1	1
Adelaide Hills	2	2	1	1
Norwood Payneham & St Peters	3	1	1	1
Murray Bridge	3	1	1	3
Barossa	3	2	1	1
Mount Gambier	2	1	3	3
Yorke Peninsula	2	3	2	2
Copper Coast	3	1	1	3
Whyalla	1	1	3	3
Gawler	3	1	1	2
Port Augusta	1	1	2	3
Victor Harbor	3	1	1	2
Wattle Range	1	3	3	3
Port Pirie	1	1	2	3
Mid Murray	2	3	1	3
Light	3	2	1	1
Prospect	2	1	1	1
Loxton Waikerie	1	3	2	2
Port Lincoln	2	1	3	3
Berri Barmera	1	1	2	3
Renmark Paringa	1	1	2	3
Kangaroo Island	3	3	2	1
Naracoorte Lucindale	1	2	2	2

Tatiara	1	3	2	2
Clare and Gilbert Valleys	1	2	1	1
Coorong	1	3	1	3
Wakefield	1	3	1	3
Grant	2	2	3	1
Coober Pedy	1	1	3	3
Lower Eyre Peninsula	1	3	3	1
Adelaide Plains	3	2	1	2
Yankalilla	3	1	1	2
Northern Areas	1	2	2	2
Goyder	1	3	1	3
Streaky Bay	1	3	3	1
Ceduna	1	2	3	3
Walkerville	2	1	1	1
Franklin Harbour	1	1	3	2
Mount Remarkable	1	3	2	2
Southern Mallee	1	3	2	1
Kingston	1	2	2	2
Robe	1	1	2	1
Barunga West	1	2	1	3
Tumby Bay	2	2	3	1
Cleve	2	2	3	2
Wudinna	1	2	3	1
Kimba	1	2	3	1
Flinders Ranges	1	3	2	3
Peterborough	1	1	2	3
Elliston	1	3	3	2
Karoonda East Murray	1	3	1	2
Orroroo Carrieton	1	2	2	1

107. The adoption of this approach resulted in 11 Councils being moved up into the next highest band.

108. A Table showing the final Council grouping after the modifying criteria were applied is shown below.

Council	Initial Band based on Total operating income	Weighted Average Modifying Categories	Adjusted Band
Onkaparinga	1	1.8	1
Charles Sturt	1	2.2	1
Salisbury	1	2.0	1
Port Adelaide Enfield	1	2.4	1
Playford	2	2.6	1
Marion	2	1.6	2
Tea Tree Gully	2	1.6	2
Holdfast Bay	2	1.0	2
West Torrens	3	1.6	3
Mitcham	3	1.0	3

Mount Barker	3	2.2	3
Campbelltown	3	2.2	3
Alexandrina	3	2.5	2
Unley	3	1.6	3
Burnside	4	1.6	4
Adelaide Hills	4	1.7	4
Norwood Payneham & St Peters	4	2.2	4
Murray Bridge	4	2.6	3
Barossa	4	2.3	3
Mount Gambier	4	2.2	4
Yorke Peninsula	4	2.1	4
Copper Coast	4	2.6	3
Whyalla	4	1.6	4
Gawler	5	2.4	4
Port Augusta	5	1.5	5
Victor Harbor	5	2.4	4
Wattle Range	5	1.8	5
Port Pirie	5	1.5	5
Mid Murray	5	2.2	5
Light	5	2.3	4
Prospect	5	1.6	5
Loxton Waikerie	5	1.5	5
Port Lincoln	5	2.2	5
Berri Barmera	5	1.5	5
Renmark Paringa	5	1.5	5
Kangaroo Island	5	2.5	4
Naracoorte Lucindale	5	1.4	5
Tatiara	6	1.5	6
Clare and Gilbert Valleys	6	1.1	6
Coorong	6	1.6	6
Wakefield	6	1.6	6
Grant	6	1.9	6
Cooper Pedy	6	1.6	6
Lower Eyre Peninsula	6	1.4	6
Adelaide Plains	6	2.5	5
Yankalilla	6	2.4	5
Northern Areas	7	1.4	7
Goyder	7	1.6	7
Streaky Bay	7	1.4	7
Ceduna	7	1.7	7
Walkerville	7	1.6	7
Franklin Harbour	7	1.4	7
Mount Remarkable	7	1.5	7
Southern Mallee	7	1.3	7
Kingston	7	1.4	7
Robe	7	1.1	7
Barunga West	7	1.5	7
Tumby Bay	7	1.9	7
Cleve	7	2.1	7
Wudinna	7	1.3	7
Kimba	7	1.3	7
Flinders Ranges	7	1.7	7
Peterborough	7	1.5	7

Elliston	7	1.6	7
Karoonda East Murray	8	1.4	8
Orroroo Carrieton	8	1.2	8

109. The District Council of Coober Pedy has been exempted from this Determination for reasons provided later in this Report. For transparency though, the Tribunal has left the District Council of Coober Pedy in the above tables to show how the primary and modifying criteria would otherwise have applied.

Remuneration Ranges

110. Having developed a model for the grouping of Councils, the Tribunal has applied the 2022/23 CEO remuneration levels to this structure with a further increase factored in for the period from the July 2024 Interim Report and Determination.

111. The Tribunal has adopted \$190,000 as the lowest minimum remuneration amount. The Tribunal believes this is less than the current minimum CEO remuneration levels and hence gives Councils in that lower range enhanced capacity to apply a lower starting salary to a new, inexperienced CEO.

112. The Tribunal's approach reflected the extent to which the Council CEO market is essentially an internal South Australian market. Consequently, the Tribunal commenced the consideration of the monetary amounts by first looking at the lowest and highest current remuneration. It then reduced the lowest current remuneration amount and increased the highest current remuneration amount to maximise flexibility for Councils.

113. The Tribunal then considered different band number options in terms of the impact on bandwidth. Eight bands were confirmed to be the optimum number and midpoints calculated on a sliding scale with each midpoint being initially proposed as the minimum amount for the next band. This provided bandwidths that progressively increased to reflect increasing remuneration amounts.

114. In response to the draft Report, the LGA submissions, together with those of some regional Councils, were to the effect that the minimum amounts proposed in the draft Report were too high for some Councils to afford. The Tribunal has agreed to reduce the proposed minimum amounts that were specified in the draft Report, using \$190,000 as a base for bands 7 and 8 (i.e. the previous proposed minimum for band 7 was \$207,650, that band is now reduced to \$190,000). As a result, the minimum of each band then become the minimum for the band immediately above it (i.e. band 7's minimum was \$207,650, which then becomes the minimum for band 6).

115. In adopting this approach, the Tribunal may seek further comment on these minimum amounts in three years' time, as it is concerned that if a Council is not adequately remunerating its CEO, it may not be able to attract someone with the necessary skills and experience.

116. The overlapping remuneration ranges are intended to provide Councils with increased flexibility in establishing remuneration levels, particularly when recruiting inexperienced CEOs.

117. The submissions and information, provided in response to the draft Report by the LGA and some Councils detailed the total remuneration packages of CEOs by individual Councils. The Tribunal has some reservations about this data in terms of its consistency, but it has provided a useful point of comparison. The Tribunal would, however, like to thank the LGA for its recent efforts in collecting data.

118. Councils with remuneration arrangements which exceed the proposed maximum remuneration levels, have not, with the exceptions addressed below, demonstrated that their current remuneration level is set on objective Council characteristics rather than the personal characteristics of what may be extremely competent CEOs. The Tribunal is not prepared to determine a position based on the personal traits, characteristics or performance of CEOs.
119. In confirming this position, the Tribunal notes that some Councils have proposed changes to the Tribunal’s approach. These changes would have the effect of benefitting those Councils but would cause a corresponding concern for other Councils which has not been addressed.
120. The Tribunal also reviewed its decision that, without considering Adelaide City Council, eight bands was a sustainable grouping of Councils. It considered a lesser number of bands, but this created such a broad bandwidth that the value of the banding to elected members and Council ratepayers would be substantially reduced and hence run counter to the established objectives. An increased number of bands was also considered but this created a system which required substantially more maintenance and more frequent reviews, which again ran counter to the sustainability objective.
121. The Tribunal also considered the Adelaide City Council response to the draft Report but is not satisfied that any sustainable basis has been proposed for a broader range. Should such a case be put in the future, it will be considered by the Tribunal.
122. The allocation of Councils to the bands is shown in the Table below.

Band	Number of Councils	Minimum	Maximum	Bandwidth
Adelaide City Council	1	\$386,710	\$458,557	\$71,847
1	5	\$323,763	\$419,580	\$95,817
2	4	\$296,243	\$383,916	\$87,673
3	8	\$271,062	\$351,283	\$80,221
4	10	\$248,022	\$321,424	\$73,402
5	12	\$226,940	\$294,103	\$67,163
6	7	\$207,650	\$269,104	\$61,454
7	18	\$190,000	\$246,230	\$56,230
8	2	\$190,000	\$225,301	\$35,301

123. The Tribunal’s interim 2024 Report and Determination applied a 2% increase to the maximum remuneration levels. For the purpose of this assessment, the Tribunal applied a further increase, since that interim 2024 decision. This approach appears broadly consistent with enterprise agreement based wage increases in the Local Government sector. It does not consider any significant CEO remuneration adjustments that may have occurred since 2022/23. Again, this formed part of the Tribunal’s decision to issue a draft Determination in January 2025.

Exemption for the District Council of Coober Pedy

124. The Tribunal has considered the position of the District Council of Coober Pedy. The Principal Administrator advised in their submission that the Council was able to appoint a suitable CEO for a three year term as a result of Determination 4 of 2024. The submission outlined that the total remuneration package was made within the range of \$197,600 - \$274,437 and that annual increases for the remainder of the contract term would be made based on the CEO growing in capacity and capability. On this basis, they continued to rely on the submissions previously put which outline the unique challenges faced by the District

Council of Coober Pedy and requested to be allowed to work within the scope of Determination 4 of 2024 for the life of the current contract.

125. The Tribunal has determined to exempt the District Council of Coober Pedy from this Determination, with Determination 4 of 2024 continuing at the present time.

PHASED IN COMPLIANCE

126. In its draft Report, the Tribunal proposed to permit a phased in compliance with the minimum and maximum remuneration levels over two years. The LGA and the legally represented Councils (City of West Torrens, Barunga West Council, Regional Council of Goyder and District Council of Mount Remarkable) suggested that a grandfathering provision be used instead to grandfather salary arrangements put in place by Councils. The Tribunal is of the view that it does not have jurisdiction to implement such a provision and notes Parliament set out transitional provisions in section 147(5) of the *Statutes Amendment (Local Government Review) Act 2021*. This section states:

“The remuneration of a chief executive officer holding office on the commencement of section 99A of the principal Act (as inserted by this Act) is not affected during the term of that office by a determination under section 99A.”

127. Whilst each Council should seek its own legal advice about the individual circumstances of its CEO’s appointment or reappointment, the Tribunal observes that a term of office appears to be singular, with a re-appointment representing a new term of office. On this basis, a CEO holding office on 20 September 2021 (the commencement of section 99A of the LG Act) appears to be excluded from the operation of the Tribunal’s determination during that term of office only. Even if jurisdiction existed to grandfather arrangements, the Tribunal would not have adopted such an approach as it confirms remuneration arrangements which are at odds with the general approach applied by the Tribunal.
128. The Tribunal has considered the remuneration and contract duration information provided by the LGA and has relied on that information as the basis for an extension of the phasing in period for compliance with the minimum and maximum remuneration amounts. This period has been extended to 31 December 2027 in consideration of current contract durations.
129. The Tribunal observes that some existing CEOs appeared to lock themselves into further contracts at a time when the draft Determination was out for consultation and both the Council and CEO were on notice that there was likely to be a change in the applicable minimum and maximum bandwidth. The Tribunal has not had regard to those arrangements as its task and jurisdiction is to merely set the minimum and maximum remuneration from time to time, with individual Council’s being responsible for its CEO’s contract and employment arrangements. Compliance with the Determination and contractual terms that take account of the Tribunal’s Determinations are a matter for individual Councils.

FREQUENCY OF REVIEWS

130. The Tribunal intends on reviewing the minimum and maximum remuneration amounts annually. While it recognises that the common Local Government enterprise agreement approach is to link wage movements with consumer price movements, the Tribunal has declined to establish an automatic linkage of that nature. There are many organisations and occupations where CEO remuneration is not automatically tied to inflation and, particularly relative to Local Government which is substantially funded by ratepayers, an absolute guarantee of inflation matching wage increases is not considered appropriate.

131. Separately, the Tribunal notes concerns that Councils need to adapt to the framework and advises that it does not currently intend on reviewing the framework until 2028.
132. The Tribunal confirms that the District Council of Coober Pedy is exempt from this Determination and is instead covered by Determination 4 of 2024. The Tribunal highlights that Councils who can provide evidence of exceptional circumstances, as is the case for the District Council of Coober Pedy, are at liberty at any time to make an application to the Tribunal for review. Whilst any Council may make an individual application, the Tribunal recognises that remote Councils who have circumstances that impact on the role and skills required of their CEO, which are distinguishable from the responsibilities of the CEO more generally, may wish to take up this option.

NEXT STEPS FOR COUNCILS

133. The Tribunal does not have the jurisdiction nor desire to provide legal or tax advice to Councils, relating to FBT, but notes different approaches to these issues and recommends that individual Councils review those approaches.
134. The Tribunal continues to strongly urge elected members of Councils to seek from their staff a complete explanation of their current CEO remuneration against the component elements of the total remuneration which is explained in this Report and the Determination. Without such an understanding, there is a substantial risk that this Report could be misunderstood and misapplied because the component parts of a CEO's remuneration under the terms of a contract or even traditional reporting structure may differ from the approach adopted by the Tribunal. Further, the Tribunal's discussions with Mayors disclosed continuing potential for a misunderstanding of the legislative function of minimum and maximum remuneration levels.
135. The Tribunal notes, as it did in its draft Report, that it is the responsibility of each Council to set CEO remuneration within the specified minimums and maximums.
136. The Tribunal anticipates that Councils will also consider the implications of remuneration adjustments for their CEOs, on the senior staff who report to their CEOs.

OPERATIVE DATE

137. The Tribunal notes section 99A(6) of the LG Act provides that sections 17 and 19 of the Act do not apply. Accordingly, the date of operation cannot be retrospective.
138. The accompanying Determination will come into operation on and from 1 July 2025.



Matthew O'Callaghan
PRESIDENT



Donny Walford
MEMBER



Mark Young
MEMBER

Dated: 16 May 2025