No. 4 of 2026

REPORT OF THE REMUNERATION TRIBUNAL

2026 Review of Minimum and Maximum Remuneration for Local Government Chief Executive Officers

---

EXECUTIVE SUMMARY

1. The Remuneration Tribunal (**Tribunal**) has reviewed Report and Determination 3 of 2025 which provides for the minimum and maximum remuneration payable to Chief Executive Officers (**CEOs**) of Local Government Councils.

2. As explained in this Report, the Tribunal has reviewed the Remuneration Framework set out in Report 3 of 2025[1] and which underpins Determination 3 of 2025.

3. This Review follows submissions made to the Tribunal after it decided to make available the Mercer Report, which was prepared by Mercer Consulting (Australia) Pty Ltd (**Mercer**). This Report is referenced in Report & Determination 3 of 2025 (**Mercer Report**). It is a review of a separate nature from the annual review of minimum and maximum remuneration amounts foreshadowed in Report 3 of 2025[2] (**2026 Annual Review**).

4. The 2026 Annual Review includes consideration of Report and Determination 4 of 2024 relating to the CEO of the District Council of Coober Pedy.

5. Notwithstanding, and to remove any confusion, the Tribunal has contemporaneously undertaken the 2026 Annual Review in conjunction with this Review and published its reasons in this Report.

6. The Tribunal has not determined that changes to Determination 3 of 2025 with respect to either Council Bands or the placement of Councils within the Council Bands are required. However, the Tribunal has expanded the bandwidth of the Remuneration Ranges by increasing the maximum Remuneration amount of each Remuneration Range applicable to each of the Council Bands by 4%. This is a one-off adjustment to the Remuneration Framework established by the Tribunal and does not apply to the District Council of Coober Pedy.

7. Following a separate consideration, the Tribunal has also undertaken the 2026 Annual Review. To reflect inflationary movements over the past 12 months, it has applied a 4% increase to the maximum amounts for each of the Remuneration Ranges and to the maximum amount applicable to the District Council of Coober Pedy.

---

[1] Remuneration Tribunal – Report Relating to Determination 3 of 2025 [64] - [125] and [14] of this Report.
[2] Remuneration Tribunal – Report Relating to Determination 3 of 2025 [130].

8. Neither increase can be regarded as justification for remuneration increases for CEOs. They simply provide scope for Councils to consider increases within the revised maximum amounts applicable to the Remuneration Ranges.

9. The Tribunal has issued an accompanying Determination which applies from 1 July 2026.

BACKGROUND

10. The *Remuneration Act 1990* (SA) (**Act**) provides the Tribunal with the jurisdiction to determine the remuneration, or a specified part of the remuneration payable in respect of certain offices, if such jurisdiction is conferred by the Tribunal by any other legislation.

11. Section 99A of the *Local Government Act 1991* (SA) **(LG Act)** provides that the Tribunal will, from time to time, determine the minimum and maximum remuneration that may be paid or provided to the CEOs of Local Government Councils.

12. As the Tribunal has noted at paragraph 2 of this Report, this Review comprises of a review of the Remuneration Framework which the Tribunal established in Report 3 of 2025 and which underpins Determination 3 of 2025.

13. The Remuneration Framework is comprised of multiple parts. The Tribunal has determined to set out those parts here to improve the readability of this Report.

14. The **Remuneration Framework** is comprised of the following components as discussed in Report 3 of 2025:

    a. The **Council Grouping Model**, which provides the mechanism to group comparable Councils;[3]
    b. The **Council Bands** represent the distribution of Councils after the application of the Grouping Model (being the Adelaide City Council and Council Bands 1 to 8 in Determination 3 of 2025);[4]
    c. The **Remuneration Ranges** are the minimum and maximum remuneration amounts applicable to each Council Band;[5] and
    d. **Remuneration** as defined by the Tribunal in Report & Determination 3 of 2025.[6]

THE REVIEW PROCESS

15. On 23 February 2026 the Tribunal provided to Councils, and published, the Mercer Report which was referenced in Report 3 of 2025. On 23 February 2026, in accordance with sections 10(2) and 10(4) of the Act, the Tribunal invited submissions by 20 April 2026 in respect of this Review from:

    a. the Local Government Association of South Australia (**LGA**); and
    b. the Elected Members and CEOs of each South Australian Local Government Council.

16. The Tribunal requested that the notice be published in the LGA Circular inviting submissions by 20 April 2026.

17. The Tribunal also placed a notice on its website from 23 February 2026 inviting submissions from affected persons by 20 April 2026.

18. As this Review commenced during the caretaker period before the 2026 State Election, the Tribunal deferred inviting submissions from the Premier, Minister for Local

[3] Remuneration Tribunal – Report Relating to Determination 3 of 2025 [90] – [109].
[4] Remuneration Tribunal – Report Relating to Determination 3 of 2025 [108] and Determination 3 of 2025 [3], [6].
[5] Remuneration Tribunal – Report Relating to Determination 3 of 2025 [110] – [123] and Determination 3 of 2025 [3], [6].
[6] Remuneration Tribunal – Report Relating to Determination 3 of 2025 [64] – [87] and Determination 3 of 2025 [4], [5].

Government and Minister for the City of Adelaide until the election had concluded and after they had been sworn in.

19. Accordingly, on 27 March 2026, in accordance with sections 10(2) and 10(4) of the Act, the Tribunal wrote to and invited submissions by 20 April 2026 in respect of this review from:

    a. the Honourable Premier of South Australia – as the Minister responsible for the Act who may make submissions or introduce evidence in the public interest;
    b. the Minister for Local Government, as Minister responsible for the LG Act; and
    c. the Minister for the City of Adelaide, as Minister responsible for the *City of Adelaide Act 1998* (SA).

20. The invitations also included a copy of the Mercer Report, which accompanied the Determination under review. The invitation for submissions expressly invited any affected party to make submissions on the Mercer Report by 20 April 2026.

21. On 8 April 2026 the City of Mount Gambier sought an extension of time for submissions to 22 April 2026. On 8 April 2026 the Tribunal granted a sector wide extension of time for the receipt of submissions until 30 April 2026 and informed the sector of the extension by letter and by updating the notice on its website.

22. On 23 April 2026 the Berri Barmera Council sought an extension of time for submissions to 28 April. The Tribunal advised the Berri Barmera Council that an extension of time had been granted for all submissions until 30 April 2026.

23. Kelledy Jones, the lawyers representing the LGA, the Regional Council of Goyder and the City of West Torrens made two requests for extensions of time when they made the requests for further information from the Tribunal as detailed below:

    a. 10 April 2026 (on behalf of the LGA and two Councils) for a further 4 weeks from the provision of further information from the Tribunal. While further information was provided in response to this request, the Tribunal noted that a sector wide extension of time had been provided to 30 April 2026; and
    b. 27 April 2026 on behalf of the Regional Council of Goyder and City of West Torrens, a further four weeks from 30 April 2026. This request for an extension of time was declined by the Tribunal. The Tribunal's decision in this respect took into account that the Councils had been able to consider this issue since February 2026. The Tribunal also set out in its letter to Kelledy Jones of 29 April 2026 the following reasons for declining to grant the extension of time:

        - your clients have been in receipt of the Report of the Tribunal since May 2025, and the Mercer Report since 23 February 2026;

        - the majority of the information used by Mercer was and is publicly available;

        - the Report of the Tribunal otherwise refers to publicly available information;

        - there is nothing new in the documents produced on 20 April 2026 in response to Ms Riddle's letters, which is not summarised in the Mercer Report, Report of the Tribunal, or otherwise available to your clients;

        - your clients, or at least you were on notice that there was a possibility that the current Determination would be reviewed after it was published in May 2025 because you threatened judicial review throughout the review process which culminated in the current Determination, and have had nearly a year to engage consultants to benchmark the relevant CEOs;

- Other councils have engaged consultants to benchmark their own CEOs between the time of the current Determination being published and the 2026 Review. There is nothing which has inhibited your clients from engaging consultants during this time; and
- Any further delay is likely to impact on the Annual Review and potentially disadvantage other CEOs and councils.

The Tribunal was also concerned that further extensive delays had the potential to cause unfairness to the majority of Councils who had provided submissions.

24. The Tribunal received 19 submissions. Kelledy Jones Lawyers lodged submissions on behalf of the LGA, the City of West Torrens and the Regional Council of Goyder and sought to make oral submissions for each of these entities. A Tribunal Hearing was held on 2 June 2026 to consider submissions from Kelledy Jones on behalf of the LGA, the City of West Torrens and the Regional Council of Goyder. At the hearing the LGA, Mayor of the Regional Council of Goyder, the CEO of the Regional Council of Goyder and the Mayor of the City of West Torrens also made submissions in their own right.

CONSIDERATION

Relevant Determinations of the Tribunal

25. Section 99A of the LG Act came into effect in September 2021. This section requires the Remuneration Tribunal to determine the minimum and maximum remuneration payable to CEOs of Councils.

26. On 16 June 2023, the Tribunal issued Report 4 of 2023 and Determination 4 of 2024, its inaugural Determination and Report (**Inaugural Determination & Report**). The Inaugural Determination & Report detailed the issues considered by the Tribunal in determining its position. Whilst it is not necessary that the Tribunal repeat that background, it is relevant to note that the Tribunal identified different approaches adopted by Councils to the quantification of remuneration. Additionally, the Tribunal identified substantial differences in the remuneration paid to Council CEOs in Councils which had significant common characteristics. The Inaugural Determination & Report utilised groupings of Councils which were founded on the then current remuneration of CEOs to define minimum and maximum remuneration amounts. The Tribunal noted that it did not consider this represented a sustainable long-term approach because it did not address inconsistencies in Council approaches. The approach adopted by the Tribunal in the Inaugural Determination & Report reflected the divergencies in Council approaches and the limited information and assistance provided to the Tribunal.

27. The Tribunal subsequently issued a consultation paper in January 2024 (**Consultation Paper**) and invited Councils to express views about matters to be considered to develop a more sustainable approach to setting minimum and maximum remuneration levels. Around half of the Councils responded to the Consultation Paper. The Councils were divided about the best approach to setting minimum and maximum remuneration amounts.

28. Having considered the broad range of Council views about the most appropriate approach, the Tribunal resolved to obtain assistance from a remuneration consultant to assist in the development of a sustainable future approach.

29. On 28 June 2024, in Report and Determination 1 of 2024 (**Report & Determination 1 of 2024**), the Tribunal applied a 2% increase to the minimum and maximum remuneration amounts in the Inaugural Determination & Report. The Tribunal advised that it was undertaking a substantial review of the Inaugural Determination & Report.

30. On 20 January 2025, the Tribunal issued the draft Determination and Report (**Draft Determination & Report**). Councils and CEOs were invited to respond to the Draft Determination & Report. Report 3 of 2025 records that 29 entities responded to this invitation.

31. These responses were considered by the Tribunal in reaching its final conclusions.

32. Report 3 and Determination 3 of 2025 were the culmination of substantial deliberations on the part of the Tribunal. This included a second survey of Councils to determine remuneration levels, interviews with Mayors, Councillors and CEOs, and consideration of the publicly available data relative to each Council's characteristics.

33. In Report 3 of 2025, the Tribunal noted the substantial number of submissions put to it. These submissions suggested a wide diversity of approaches.

34. Some of the submissions put to the Tribunal included position descriptions for Council CEOs. While the Tribunal considered all the information provided to it, Report 3 of 2025 notes that the Tribunal reached its conclusions based on the definition of the role of a Council CEO in section 99 of the LG Act.

35. The Tribunal's considerations recognised the relevant provisions of section 99A of the LG Act which state:

> (1) Subject to this section, the remuneration of the chief executive officer of a council will be determined by the council.
>
> (2) The Remuneration Tribunal will determine (from time to time) the minimum and maximum remuneration that may be paid or provided to chief executive officers of councils.
>
> (3) In making a determination under subsection (2), the Remuneration Tribunal must have regard to any matter prescribed by the regulations.
>
> (4) A determination under subsection (2)—
>
> (a) may differ based on any factor including, for example, the geographical location of a council or group of councils (such that different minimum and maximum remuneration may be paid or provided to chief executive officers from different councils); and
>
> (b) may provide for minimum and maximum remuneration that may be paid or provided to chief executive officers to be indexed in accordance with the determination.
>
> (5) The regulations—
>
> (a) may make further provision in relation to a determination of the Remuneration Tribunal for the purposes of this section; and
>
> (b) may modify the application of section 10 of the *Remuneration Act 1990* in relation to a determination under this section.
>
> (6) Sections 17 and 19 of the *Remuneration Act 1990* do not apply in relation to a determination under this section.
>
> (7) A reference in the *Remuneration Act 1990* to determining remuneration payable in respect of an office will, for the purposes of this section, be taken to include a reference to determining the minimum and maximum remuneration payable in respect of the office.
>
> (8) Despite any other Act or law, the reasonable costs of the Remuneration Tribunal in making a determination under this section are to be paid by the

LGA under an arrangement determined by the Minister from time to time after consultation with the LGA and the President of the Tribunal.

(9) The LGA may recover the reasonable costs incurred by the Remuneration Tribunal in making a determination under this section as a debt from the councils to which the determination relates.

(10) A council must ensure that the remuneration of its chief executive officer is within the relevant minimum and maximum remuneration determined by the Remuneration Tribunal for the purposes of this section.

36. As it recorded in Report 3 of 2025 the Tribunal obtained advice from Mercer, a remuneration advisory firm, about common approaches to the definition of remuneration. These were explained in Report 3 of 2025 at paragraphs 64 to 87 and broadly reflected the conclusions reached in the Inaugural Determination & Report. Having conferred with Mercer, the Tribunal determined to include housing costs within the concept of remuneration as they represent an employment cost to the Council and to the ratepayers. This conclusion was also explained in Report 3 of 2025.[7] The Tribunal noted this issue primarily impacts more remote Councils and contributed to its recognition of distance as a consideration in the setting of minimum and maximum remuneration amounts. In Report 3 of 2025 the Tribunal noted that it had adopted a different position in respect to housing costs than Mercer. Mercer also noted this difference in the Mercer Report.

37. Prior to its engagement with Mercer, the Tribunal considered a broad range of factors and data which described Council characteristics and concluded that no single factor could be relied on to determine minimum and maximum CEO remuneration levels. In conjunction with Mercer, the Tribunal identified the key characteristics of Councils that impacted on CEO remuneration considerations. Its primary consideration was total operating income as an indicator of CEO complexity. The components of total operating income were detailed in Report 3 of 2025 at paragraphs 91 to 96. That conclusion was arrived at collaboratively with Mercer rather than reflecting a finding in the Mercer Report. As part of that collaborative approach, the Tribunal benefited from Mercer's experience in considering collective remuneration approaches. At the commencement of its engagement of Mercer the Tribunal and Mercer agreed on the key principles that underpinned the approach ultimately adopted by the Tribunal.

38. Additionally, and again in consultation with Mercer, the Tribunal endorsed four other modifying criteria which were accorded reduced weighting but were nevertheless identified as significant considerations relevant to the demands and expectations of Council CEOs. These were projected population growth, population dispersion within a Council area, distance from Adelaide, and socio-economic advantage/disadvantage.[8] In each case, the Tribunal used the most recent publicly available data.[9] This formed the basis for the Council Grouping Model. All these factors were developed through a series of discussions involving the Tribunal and Mercer. Mercer provided the Tribunal with statistical expertise to demonstrate the outcome of concepts being considered by the Tribunal.

39. As the Tribunal recorded in Report 3 of 2025, the Tribunal then grouped Councils using that criteria. Multiple grouping approaches were developed, trialled and tested against the information available to the Tribunal.

[7] Remuneration Tribunal – Report Relating to Determination 3 of 2025 [78] – [82].
[8] Remuneration Tribunal – Report Relating to Determination 3 of 2025 [100] – [101].
[9] Remuneration Tribunal – Report Relating to Determination 3 of 2025 [100] – [105].

40. Finally, the Tribunal then applied the information about remuneration provided by Councils and the LGA to its Grouping Model.[10] While the Tribunal undertook this task through a collaborative approach with Mercer, the Tribunal determined that the Remuneration Ranges, being the range between the lowest rate and the highest rate should be fundamentally based on the South Australian local government sector. That decision reflected the Tribunal's assessment of the Remuneration Ranges and the submissions put to the Tribunal that, apart from requests that the Tribunal adopt the West Australian approach there were minimal arguments put for a lower rate than the lowest already paid and minimal argument put for a rate higher than the highest rate being paid. The establishment of the Remuneration Ranges involved numerous discussions with Mercer and the assessment of various minimum and maximum models to test the most sustainable approach. The Tribunal adopted the position that extremely broad ranges between the lowest and the highest remuneration rates for Council Bands meant that the process was of little benefit to Councils and the community at large. Within this constraint, the Tribunal made extensive use of Mercer's information technology expertise but was, at every stage of the process, the decision-maker.

41. The Council Bands ultimately adopted by the Tribunal cannot be usefully compared with the bands adopted in the Inaugural Determination & Report as they were developed on an entirely different basis. While Mercer made some preliminary suggestions about the number of Remuneration Ranges and Council Bands, the Tribunal decided to increase the number of Remuneration Ranges and Council Bands to make the Remuneration Ranges a more useful guide for CEOs, Councils and the community at large. That decision reflected the extent to which many Councils were unable to articulate a robust process to set and increase CEO remuneration amounts.

42. Mercer's involvement assisted the Tribunal in the development and testing of grouping approaches, but Mercer did not provide an expert report in the sense that they unilaterally developed a model which the Tribunal then implemented without modification.

The Mercer Report

43. Because of the extent to which some submissions put to the Tribunal since the release of Report and Determination 3 of 2025, have asserted that Mercer was either given instructions that have not been disclosed or, conversely, provided the Tribunal with information which has not been disclosed, the Tribunal has decided to set out its engagement with Mercer.

44. Mercer provides expert remuneration advice to a broad range of public and private sector entities. Before contracting with Mercer, the Tribunal engaged a probity advisor to ensure that both the contracting process was commercially appropriate and provided adequate differentiation from any association Mercer may have with local government in South Australia.

45. Mercer was commissioned by the Tribunal to assist it in two key aspects:

    a. In the Inaugural Determination & Report the Tribunal defined the components of remuneration to which it had regard. The Tribunal noted that Councils applied a broad range of remuneration approaches. In undertaking the comprehensive review which led to Report 3 of 2025 the Tribunal sought expert advice on the recommended approach to a common definition of what should be included in remuneration.[11] The components suggested by Mercer were consistent with the Tribunal's position apart from the

[10] Remuneration Tribunal – Report Relating to Determination 3 of 2025 [110] – [116].
[11] Remuneration Tribunal – Report Relating to Determination 3 of 2025 [64] – [87].

inclusion of housing costs, where the Tribunal determined that these should be included because they represented a cost to the relevant Councils. The Tribunal's conclusion in this respect is explained in paragraphs 78 to 82 of Report 3 of 2025.

b. The Mercer advice involved assisting the Tribunal's consideration of the key factors that were to be considered in differentiating between Councils for the purpose of establishing minimum and maximum remuneration amounts, together with the weighting to be attached to those characteristics. The diversity of remuneration arrangements was so significant that no one single Council characteristic could be fairly relied on to compare Councils. Indeed, the diversity of Council views about the Tribunal's ultimate conclusions demonstrates the extent to which a series of characteristics required consideration, with differing weighting attached. For instance, had the Tribunal accepted the submissions made by some Councils to rely on the eight groups historically used as the basis for allowances for Councillors (**Councillor Groups**), the discrepancy between CEO remuneration for Councils with similar characteristics would have either been so substantial that the process would be discredited or made useless because of the diversity in remuneration arrangements. The objectives adopted by the Tribunal required that the base data used to compare Councils be publicly accessible and demonstrably robust. These objectives provided the basis for the guiding principles set out in the Mercer Report (see ***Table 3: Guiding Principles***[12]) (**Guiding Principles**) and extracted below:

Table 3: Guiding Principles

Principle	Descriptor
Legislative Compliance	The framework must comply with the legislation in terms of setting only minimum and maximum levels of remuneration.
Logical Criteria	The criteria must provide a useful proxy to determine the complexity and demands required of CEOs, and therefore enable fair and equitable categorisation. Each criterion should be assessing a specific element. While some criteria may be inter-related, they should not assess the same or similar element, so as to avoid double counting.
Measurable Criteria	The criteria must be clearly defined and easy to measure, assess, and explain, and be predominantly quantitative measures.
Easy to Assess Measures	Evidence-based data from authoritative sources must be available and easily accessible to enable fair and objective assessments against each criterion.
Transparent, Fair and Equitable	The framework must be constructed in a way that is easy to understand/explain and enables the criteria to be applied to all councils in a consistent, fair and equitable manner, and therefore result in a defensible categorisation outcome.
Flexible and Future Proof	The framework should provide sufficient flexibility for the Tribunal to consider and implement variations to the framework to cater for changed circumstances

46. The Tribunal participated in the development of the Guiding Principles with Mercer and accepted them. The Tribunal utilised Mercer's expertise to assist its consideration of the most appropriate criteria and the weighting of each characteristic. In each instance the Tribunal's considerations and conclusions in Report 3 of 2025 were arrived at in accordance with the Guiding Principles. Mercer also provided information technology-based expertise to take the weightings adopted by the Tribunal into account. In applying

[12] Mercer Consulting (Australia) Pty Ltd, *CEO Remuneration Framework Review SA Local Government Councils* (Report, January 2025) 8.

those weightings, the Tribunal considered the impact of its conclusions on each of the individual Councils.

47. The Mercer Report reflects these allocated tasks.

48. The Tribunal was responsible for the development of the Remuneration Framework, and it did so with Mercer's technical assistance. The work undertaken with Mercer was primarily achieved through a series of workshops and discussions. Documents and spreadsheets developed through this process reflected draft approaches being considered by the Tribunal as it developed its report. The Tribunal has not and does not intend to make public, drafts of its decisions or its working papers.

49. The minimal areas of disagreement between Mercer and the Tribunal are identified in Report 3 of 2025 and the Tribunal went to great lengths to explain its position with respect to those differences in that 2025 Report, and, again, in this Review.

50. The Tribunal had substantially completed drafting Report 3 of 2025 when it received the Mercer Report so that the Mercer Report itself was not relied on and simply confirms the collaborative approach within the parameters set by the Tribunal. As the Tribunal utilised Mercer's remuneration expertise, it considered it was appropriate to note in Report 3 of 2025, the matters where Mercer and the Tribunal disagreed.

51. The Mercer Report was not initially provided because the Tribunal endeavoured to comprehensively explain its decision-making process and Mercer had requested that the report not be published.

Requests for Additional Information

52. The Mercer Report was provided to the LGA and to all Councils on 23 February 2026. Submissions in response to the Mercer Report were initially invited by 20 April 2026 and extended by the Tribunal to 30 April 2026. A detailed timeline on the extensions of time for submissions has been provided earlier in this Report.

53. On 10 April 2026, Kelledy Jones, representing the LGA, the City of West Torrens and the Regional Council of Goyder forwarded to the Tribunal letters in similar terms requesting an extension of time for submissions and substantial additional materials including:

    1. all drafts, working copies, notes, emails, and other documentation relating to the preparation of the Mercer Report, including any letters or emails of instruction and meeting notes with respect to the same, inclusive of any information received and considered by Mercer in the preparation of the report;

    2. all drafts, working copies, notes, emails and other documentation received and considered by the Tribunal in making its Determination with respect to the *Determination of the Remuneration Tribunal Minimum and Maximum Chief Executive Officer Remuneration* No. 3 2025, that have otherwise not been uploaded to the Tribunal's website and referred to in the Determination.

54. In its response to Kelledy Jones on 20 April 2026 the Tribunal refused the extension of time request and drew Kelledy Jones' attention to the Mercer Report which identified the critical information reviewed and analysed by Mercer, as well as additional information and documents obtained or produced by the Tribunal for Mercer's consideration. Report 3 of 2025 also addressed the Draft Determination & Report which was provided for comment and specified the critical information received and considered by the Tribunal.

55. In its response to Kelledy Jones of 20 April 2026, the Tribunal provided the instructions given to Mercer in the form of correspondence dated 27 August 2024 (**Letter of Instruction**), together with a document titled *Master Spreadsheet* which summarised the information collected from Councils and other sources (**Master Spreadsheet**). The Tribunal also identified the extent to which the documents requested by Kelledy Jones were either publicly available or were available from the parties that Kelledy Jones represented. Information not released by the Tribunal consisted of records of confidential discussions between the Tribunal and interested persons such as Mayors. This information was regarded by the Tribunal as useful context in arriving at the conclusions in Report 3 of 2025.

56. On 21 April 2026 the Tribunal advised the LGA and all Councils of its response to Kelledy Jones and offered the same materials to them.

57. On 27 April 2026, the Tribunal received further correspondences from Kelledy Jones, representing the Regional Council of Goyder and the City of West Torrens. In these similar letters Kelledy Jones expressed disappointment at the Tribunal's response and repeated its request with reference to the following:

> Specifically, we reiterate our request that the Tribunal supply our office with the following:
>
> - provision of notes of instruction, and other information used in the commission, by the Tribunal, for the Mercer Report, including any terms of reference; and
> - data and statistical information relied upon in the preparation of the Mercer Report that have not been referenced in the Mercer Report, or which are otherwise not publicly available; and
> - working copies of the Mercer Report, documents that are not referenced in the released Mercer Report and not currently, publicly available on the website of the Tribunal.

58. Kelledy Jones requested this information by the close of business 29 April 2026. Kelledy Jones advised that both the Regional Council of Goyder and the City of West Torrens had decided to engage suitably qualified consultants to undertake benchmarking reviews of CEO remuneration to inform their submissions and requested an extension of time of a further four weeks for their submissions.

59. The Tribunal responded to Kelledy Jones on 29 April 2026. It confirmed that it had again reviewed the requests and recorded its response in the following terms:

Provision of notes of instruction, and other information used in the commission, by the Tribunal, for the Mercer Report, including any terms of reference.	The Tribunal considers that this request has been satisfied for the following reasons: 1. The Tribunal's instructions to Mercer are contained in the Tribunal's letter to Mercer of 27 August 2024 (**Letter of Instruction**) which was provided to you on 20 April 2026. 2. The terms of reference provided by the Tribunal to Mercer are also contained in Letter of Instruction which you have received.
Data and statistical information relied upon in the preparation of the Mercer Report that have not been referenced in	The Tribunal has provided you with the data and statistical information relied upon in the preparation of the Mercer Report as an attachment to its letter of 20 April 2026.

the Mercer Report, or which are otherwise not publicly available.	
Working copies of the Mercer Report, documents that are not referenced in the released Mercer Report and not currently, publicly available on the website of the Tribunal.	The Tribunal has determined that there is no basis to release working copies of the Mercer Report. The Tribunal is unclear about what documents you refer to. It is satisfied that the documents you have been provided allow for a fair consideration of the matter.

60. The Tribunal recommended that the City of West Torrens and the Regional Council of Goyder consider all the information available to them since May 2025. The Tribunal noted that it was unfortunate that these Councils had only resolved to undertake benchmarking studies just before the extended deadline for submissions. This further request for an extension of time was refused.

61. The requests for documents by Kelledy Jones on 10 April 2026 and 27 April 2026 appear to be made on a premise that misunderstands the task before the Tribunal. The requests appear to contemplate the provision of documents akin to that of discovery of the kind ordered in inter partes disputes before a court or tribunal or, in the case of the documents sought in relation to the engagement of Mercer, expert witness discovery. The Tribunal's deliberations are not of this nature, but a process of administrative decision making with respect to which the Tribunal must afford affected parties a reasonable opportunity to be heard. It is in this proper context that the Tribunal considered the requests made by Kelledy Jones.

62. Much of the Tribunal's deliberations were conducted through a series of iterative workshops. Draft documents were generally prepared at the request of the Tribunal and represented draft considerations of the Tribunal. The Tribunal considers that Report 3 of 2025 records the key principles it adopted and its reliance on publicly available information.

63. Given the comprehensive nature of the Report 3 of 2025, the Tribunal was not satisfied that all the information requested by Kelledy Jones was necessary or appropriate to be provided. The Tribunal confirmed that many of the documents referenced in the Mercer Report and Report 3 of 2025 were publicly available, and that both Reports comprehensively set out the factual assumptions and methodology adopted by Mercer and the Tribunal. Accordingly, the Tribunal considered that the LGA and Councils had been provided with sufficient information to understand and respond to the conclusions reached by Mercer and the Tribunal. The LGA and Councils were also afforded reasonable opportunity to make submissions in response to the Mercer Report and the Tribunal's Determination.

Submissions in response to the provision of the Mercer Report

64. The Tribunal has received a submission from Kelledy Jones representing the LGA. Kelledy Jones has also made separate submissions representing the positions adopted by the City of West Torrens and Regional Council of Goyder. The submissions made by the City of Mount Gambier and the Mid Murray Council appear to adopt, at least in part, some of the Kelledy Jones submissions.

65. Additionally, the Tribunal has received a further 16 submissions from either Councils or CEOs, representing their own positions. These express a range of views. The Tribunal notes that the position adopted in these responses varies from general support of Report

and Determination 3 of 2025, to requests for further information and opposition to all, or elements of the Report and Determination.

66. Because of the range of issues raised, the Tribunal has initially considered the Kelledy Jones submissions made on behalf of the LGA. In addressing these submissions, the Tribunal has detailed its position with respect to the components of those submissions to facilitate references to these topics in its consideration of other submissions. The Tribunal met with the LGA on 2 June 2026. In addition, the Tribunal received correspondence from the LGA on 5 and 10 June 2026.

The LGA Submissions

Term of Office

67. The Tribunal notes that some of the matters raised by the LGA reflect different positions to those put to the Tribunal whilst it was consulting prior to the publication of Report 3 of 2025. Notwithstanding this, the Tribunal has considered these latter positions.

68. The LGA asserts that section 99A(2) of the LG Act must be read such that holding office includes any uninterrupted extension of a contract to renew the term of office (**Term of Office Submission**).

69. Section 99A(2) relevantly states

> *The Remuneration Tribunal will determine (from time to time) the minimum and maximum remuneration that may be paid or provided to chief executive officers of councils.*

70. In Report 3 of 2025 the Tribunal addressed the position put by the LGA, the City of West Torrens, the Regional Council of Goyder and two other Councils, to the effect that a grandfathering provision should be used instead of the phased in approach adopted by the Tribunal. This submission was made on the basis that the Tribunal determined that a term of office is singular, with reappointment representing a new term of office. The Tribunal considered that a CEO holding office on 20 September 2021 (being the date of commencement of s 99A of the LG Act) was excluded from the Tribunal's Determination for that term of office only. The Tribunal determined that it did not have the jurisdiction to establish a grandfathering arrangement that extended over multiple terms of office, but it suggested that this was a matter that individual Councils may wish to take advice on. [13]

71. The LGA has again argued the Term of Office Submission to this review. However, information to lead the Tribunal to a different conclusion has not been provided by the LGA. In Report 3 of 2025 the Tribunal advised that, even if it had that jurisdiction, it would not adopt a grandfathering approach. This is because the adoption of such an approach would support the continuation of remuneration arrangements which are inconsistent with the Remuneration Framework set by the Tribunal. The Tribunal is also concerned that by adopting the Term of Office Submission, it would create a situation where some Councils would be able to avoid the operation of the Determination and Remuneration Framework by continuing to renew existing CEOs with remuneration outside the Remuneration Ranges in Determination 3 of 2025.

72. The LGA asserts that it would be appropriate for the Tribunal to incorporate a yearly Consumer Price Index increase to grandfathered arrangements. That submission appears to be inconsistent with the essence of the grandfathering position. In addition, the Tribunal notes that in Report 3 of 2025 it declined to establish a direct link between Consumer Price Index movements and minimum and maximum remuneration amounts and proposed to

[13] Remuneration Tribunal – Report Relating to Determination 3 of 2025 [126] – [129].

review those amounts in July 2026.[14] The Tribunal has considered responses to the invitations for submissions in that respect, being the 2026 Annual Review, and has addressed these later in this Report.

73. The Tribunal has noted the further oral submissions put by the LGA representative on 2 June 2026, which stressed that CEO arrangements entered into before Determination 3 of 2025 took effect, should be recognised. The LGA asserted that a significant proportion of Council CEOs were approaching or had exceeded the maximum remuneration levels and that this had significantly contributed to 17 CEOs resigning over the past year. The Tribunal understood that the LGA was committed to providing evidence of this, but instead, the LGA provided only information which contrasted Council groupings under the Inaugural Determination & Report with those that applied under Determination 3 of 2025. In its letter of 10 June 2026, the LGA advised that since January 2025, 17 CEOs have left the local government sector. The LGA advised that it was aware anecdotally that remuneration was a contributing factor and that it was concerned that remuneration disadvantages would increase the rate of resignations.

74. The Tribunal has not received any substantive evidence linking Council CEO resignations to Determination 3 of 2025.

75. The LGA's submission was to the effect that, if the Tribunal did not agree to permit the proposed version of grandfathering, a Judicial Review of its decision would be sought. The LGA advised that it understood this would occur within six months, but that it anticipated this could take two years to be determined by the Supreme Court. That timeframe broadly corresponded with the Tribunal's proposed review of the Remuneration Framework. This submission does not appear to represent a valid basis for the Tribunal to exceed its jurisdiction, and in any event, would create an inherently inequitable remuneration hierarchy as it would be unfair to those CEOs who were more recently appointed.

76. Further, during the hearing of 2 June, there was discussion regarding the LGA's previous and alternative submission on grandfathering that the Tribunal should extend the phase-in period for another 2 years to the conclusion of the last known contract made under the Tribunal's previous Determinations.

77. The Tribunal has determined not to adopt this approach because the 29 December 2027 date for the conclusion of the phase-in period for Determination 3 of 2025 was adopted by the Tribunal after considering the submissions put to it on the Draft Determination & Report and consulting with the LGA about this issue. The Tribunal is not satisfied that a basis for an extension beyond that date has been made.

Procedural Fairness

78. The LGA submissions modify the earlier Kelledy Jones request for all "drafts, notes and emails exchanged between Mercer and the Tribunal" so that it now seeks "*'substantive correspondence*' exchanged between Mercer and the Tribunal." The correspondence sought related to matters of substance concerning the commissioning, consideration, and finalisation of the Mercer Report, including any drafts of the Mercer Report. The LGA referred to these as the "*requested documents*." The LGA seek these documents on the basis that it asserts that Mercer was engaged to produce an expert report.

79. The LGA asserts that the engagement of Mercer by the Tribunal represents an acknowledgment by the Tribunal that it was not equipped to reach its own conclusions about the matters covered in Report 3 of 2025 without the expert opinions of Mercer.

[14] Remuneration Tribunal – Report Relating to Determination 3 of 2025 [130].

Accordingly, the LGA asserts that information provided by Mercer is relevant to any consideration of Report 3 of 2025.

80. The LGA submission misinterprets Mercer's function and the way the Tribunal and Mercer operated to develop the Remuneration Framework, each of its components and Report 3 of 2025 where the Tribunal determined the key aspects of the approach. In Report 3 of 2025 the Tribunal stated at paragraph 60:

    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.

81. The Tribunal engaged Mercer to assist the Tribunal to assess the data it had obtained, assist in the establishment of appropriate groupings and address definitional issues relating to remuneration. Mercer was provided with the information which has been provided to the LGA and Councils. Mercer was required to review that information, to review the Inaugural Determination & Report and participate in workshops with the Tribunal to consider the key issues. While the Tribunal initially anticipated that Mercer would then develop criteria to group Councils and appropriate remuneration levels for consideration by the Tribunal, these tasks were agreed to be undertaken on an iterative, and shared basis. The Tribunal specified key parameters such as restricting the remuneration considerations to the local South Australian market and not undertaking a very expensive Council by Council work value assessment because of the limited proportion of Councils who supported that position and doubts about the viability and usefulness of such an approach.

82. The Tribunal had numerous discussions and workshops with Mercer and progressively tested the approach and criteria adopted in accordance with the Guiding Principles. To a significant extent, that testing process used spreadsheets that were progressively updated as the Tribunal considered different approaches before fixing on the conclusions set out in Report 3 of 2025. These conclusions, detailed in Report 3 of 2025, were not simply adopted from an expert report in the way asserted by the LGA. They represent positions adopted by the Tribunal which utilised Mercer's expertise with respect to remuneration descriptors and the application of weightings adopted by the Tribunal through this series of discussions. In each instance, the issues considered by the Tribunal are set out in Report 3 of 2025.

83. The submission that the Mercer Report must be made available to be tested in a process akin to cross-examination is a submission that is based on the same misapprehension of the Tribunal's role as discussed with respect to the requests for documents. Further, it overlooks the extent to which those conclusions were reached in a collaborative process with the Tribunal, except for the difference in the recognition of housing as a component of Remuneration.

84. Because the Tribunal was actively involved in the development of the Mercer Report as has been discussed above, the Tribunal disagrees with the LGA's submission that the Mercer Report should be regarded as an expert report unilaterally prepared for consideration by the Tribunal.

85. The LGA asserts that Determination 3 of 2025 reduces the remuneration of more than half of the CEOs in the local government sector. This assertion is inconsistent with the information provided by the LGA in its submissions in response to the Draft Determination & Report. This submission was further developed in the hearing of 2 June 2026.

86. The table below was prepared for the Tribunal by the LGA on 28 March 2025 in response to the Tribunal's Draft Determination & Report and during the development of Report 3 of 2025. The Tribunal was advised by the LGA that it was based on the information provided by Councils and the definition of Remuneration adopted by the Tribunal. The Tribunal elected not to include it in Report 3 of 2025 because at that time it added little in terms of explanatory value.

Above Band	18
Within Band & <$5,000 below Maximum	4
Within Band & >$5k below Maximum	42
Below Band	3
TOTAL	67

87. The LGA has not provided any evidence to substantiate the assertion that the remuneration of more than half of the CEOs in the local government sector has been reduced.

88. As detailed in the table above, on 28 March 2025, there were 18 CEOs whose Remuneration was above the proposed maximum and 42 CEOs whose Remuneration was more than $5,000 below the maximum of the respective Remuneration Range. If it is the case that most CEOs are now directly impacted by the maximum remuneration amount of the relevant Remuneration Ranges, this would be indicative of substantial remuneration increases over the past year and/or changes to remuneration made after the Draft Determination & Report was issued but before Determination 3 of 2025 was issued.

89. Notwithstanding its expressed concerns at grandfathering proposals and its concern at the potential that significant wage increases for CEOs may have been applied after the Draft Determination & Report was issued, the Tribunal recognises that it is possible that CEOs are remunerated at levels above or near the maximum for a given Remuneration Range may have concerns about limits on their remuneration.

90. The LGA refers to concerns about the placement of Councils in "different bands" but as Report 3 of 2025 confirms, the Council Bands that have been established within the Remuneration Framework have an entirely different foundation to those established by the Inaugural Determination & Report. The Inaugural Determination & Report highlighted a concern because it preserved perceived inequities in CEO remuneration between inherently similar Councils.

91. To the extent that a Council considers that it has exceptional circumstances, that Council is at liberty to make an application to the Tribunal for consideration of those circumstances.[15] The Tribunal's consideration of the District Council of Coober Pedy's circumstances demonstrates the approach of the Tribunal in this respect. The LGA's general assertions of concern do not represent a basis for a revision of Determination 3 of 2025.

92. The LGA submission appears to assert that the Tribunal should have accepted that higher levels of remuneration were appropriately set and hence incorporated those higher levels in its Determination. The Tribunal has adopted the position that if the Parliament had intended that the Tribunal base its considerations solely on the remuneration being paid to CEOs, it would have expressed the legislation differently.

---

[15] Remuneration Tribunal – Report Relating to Determination 3 of 2025 [132].

93. The LGA assert that Determination 3 of 2025 should be revised because the Mercer Report confirms that the Remuneration Ranges were set by the Tribunal and hence the Tribunal predetermined the expert position that may have been adopted by Mercer. Again, this submission misconstrues the process undertaken. The Tribunal determined the Remuneration Ranges. It did not request Mercer to undertake work value-based assessments and then reach conclusions based on predetermined percentages of a general market. Had Mercer been reviewing individual Councils it may have adopted that approach, but the Tribunal did not request Mercer to do that. The Tribunal then worked with Mercer to consider the minimum and maximum remuneration amounts. It utilised Mercer's expertise and its capacity to test and review the approach adopted. There is no basis upon which the LGA can assert that the Tribunal fettered Mercer's expertise as Mercer was required to assist the Tribunal's consideration of an overall grouping approach with minimum and maximum remuneration amounts.

94. Further, the LGA submission then asserts that as the Remuneration Ranges and bandwidths were determined by the Tribunal, this detracted from Mercer's capacity to assist and advise about these issues in accordance with the Mercer Letter of Instruction. Again, this submission overlooks the fact that the Tribunal has the responsibility to determine these issues. The Tribunal exercised this responsibility in that it established parameters it considered sustainable. Had Mercer disagreed with those parameters or considered that they created an unfair outcome it was open to Mercer to confirm a position in that regard, as was the case when Mercer recommended that housing not be in the definition of Remuneration.

95. The Tribunal is uncertain about the LGA's position with respect to the delay between the Inaugural Determination & Report in 2023 and Report and & Determination 3 of 2025, and comments that, had the LGA adopted a more cooperative approach to the Tribunal since the LG Act amendments took effect, the setting of minimum and maximum remuneration levels could have been expedited. If this submission is to the effect that a higher maximum amount should have been specified to take wage movements into account, the Tribunal addressed this in Report 3 of 2025 at paragraph 123.

96. The LGA asserted that the Tribunal's Determination 3 of 2025 effectively froze CEO salaries over the period mid-2024 to mid-2025. However, this submission appears to ignore the Tribunal's interim adjustment in Report and Determination 1 of 2024, and the inclusion of a further adjustment referenced at paragraph 110 of Report 3 of 2025. Additionally, the Tribunal took the unusual step of issuing the Draft Determination & Report to be considered by the LGA, Councils, the Premier and the Minister for Local Government. Comments on the Draft Determination & Report were invited and considered by the Tribunal.

97. The LGA submitted that the Tribunal was in error in adopting an eight-band structure (i.e. eight Council Bands and Remuneration Ranges excluding the City of Adelaide) as distinct from the initial six-band structure (**Band Structure Submission**). The Tribunal acknowledges the LGA's preference for fewer remuneration ranges with wider bandwidth. The Tribunal preferred the eight Remuneration Ranges and Council Bands over the initial Mercer recommendation for six and consulted with Mercer about this. This preference was directed at ensuring that the minimum and maximum amounts in each Remuneration Range provided a useful guide to CEOs, Councillors and the public. The fact that Mercer initially proposed six does not constitute an error or deficiency in the approach finally adopted and explained in Report 3 of 2025.

Complaints about the Determination

98. The LGA's written submissions repeat the submissions it put to the Tribunal in March 2025. The LGA seeks the adoption of a measure of organisational complexity and asserts that reliance on total operating income does not properly reflect that recognition. Additionally, the LGA asserts that the Tribunal should have articulated a distinction between its preference for recognition of skill and competence differences in the Inaugural Determination & Report as distinct from the criteria adopted in Report & Determination 3 of 2025.

99. These assertions do not appear to have any link with the Mercer Report. However, the Tribunal has reviewed Report & Determination 3 of 2025 considering these repeated concerns.

100. The Tribunal's decision to use total operating income as the primary distinguishing characteristic for its Council Grouping Model reflects its conclusion that this measure best and most transparently reflects the overall complexity of the CEO role. Total operating income indicia was then modified by projected population growth, population dispersion, distance from Adelaide and socio/economic advantage/disadvantage, which were determined to represent the most significant other factors. The Tribunal could have referenced additional criteria, but this would have further increased the complexity of the Council Grouping Model which was inconsistent with the Guiding Principles. In any event, the Tribunal was aware that a diversity of measures was proposed to it and considered it was necessary to arrive at the most appropriate modifying criteria rather than an approach that was too complicated.

101. In selecting total operating income derived from the Local Government Grants Commission Data, the Tribunal utilised source information which has been consistently developed and is readily and publicly accessible. This measure is consistent with the Tribunal's objectives and the Guiding Principles. The 2022/2023 data was, at that time, the most recent data available to the Tribunal. The Tribunal as presently constituted determined to review changes to that data in its 2028 review as discussed at paragraph 131 of Report 3 of 2025. This position addressed a concern expressed by the LGA and some Councils that the Remuneration Framework should not be subject to frequent changes.

102. The LGA submissions also take issue with the definition of Remuneration adopted by the Tribunal. The submissions support a standardised approach but dispute the Tribunal's inclusion of housing and private use of a motor vehicle for regional CEOs. The Tribunal set out the basis for its position on the inclusion of housing in some detail at paragraphs 78 – 82 of Report 3 of 2025. The approach now requested by the LGA does not appear to take all the costs to Councils and hence ratepayers, into account. Additionally, it does not appear to consider the advice provided by some regional Councils to the effect that they cannot afford to provide accommodation to their CEO.

103. In terms of motor vehicles, the Tribunal has recognised distance factors in its modifying criteria but included motor vehicle costs within Remuneration to again recognise costs that are incurred by ratepayers. This was discussed at paragraphs 72 to 77 of Report 3 of 2025.

Implementation Concerns

104. In Report 3 of 2025 the Tribunal acknowledged implementation issues and provided a phase-in period of up to 31 December 2027. This reflected a request made by the LGA in response to the Draft Determination & Report. In those consultations the Tribunal

understood that the LGA acknowledged this resolved most of its concerns over implementation.

105. The LGA's submission is now put based on anecdotal complaints and is not articulated with sufficient clarity to enable the Tribunal to comment. The LGA letter of 10 June 2026, welcome as it is, does not substantiate the asserted magnitude of the impact of Determination 3 of 2025. However, as the Tribunal has already observed, any Council may seek recognition of extraordinary circumstances.

106. The Tribunal's role is to apply the relevant legislative requirements. It would be inappropriate for the Tribunal to provide Council specific advice on the implementation of Determination 3 of 2025, and the Tribunal has recognised that Councils may need to seek further advice about their implementation of the Remuneration Framework. A common misunderstanding relates to the nature of the jurisdiction. The Tribunal's role is to set minimum and maximum remuneration amounts. It is the prerogative of each Council to determine a position within that range to best reflect their collective view about their CEO, together with the challenges and expectations relating to their Council.

107. The LGA asserts that s99A of the LG Act requires the Tribunal to take a consistent approach to CEO contracts reached after September 2021. The Tribunal considers such an approach is not available to the Tribunal under the LG Act.

Labour Market Considerations

108. The LGA asserts that the Tribunal failed to take proper account of other local government jurisdictions, of State government agencies and statutory authorities, and the private sector. The Tribunal considered that the information before it substantially established an internal South Australian market for CEOs and accordingly. the Tribunal only required Mercer to review the range of remuneration within the South Australian local government sector.

109. While the LGA has continued to argue that the market is not an internal South Australian one, it has not provided sufficient evidence to substantiate that claim. For example, the Tribunal has not received any evidence showing that Councils have been unable to hire CEOs from interstate due to the Remuneration Framework.

110. In fact, it is appropriate to note that at least two Councils foreshadowed major concern with the approach proposed in the Draft Determination & Report, but the Tribunal is aware that they had subsequently successfully recruited CEOs within the range provided for by Determination 3 of 2025.

111. In its oral submissions on 2 June 2026 the LGA asserted that a significant number of Councils had their maximum remuneration amount reduced from the level set in the Inaugural Determination & Report and that this reflected an inequity. That submission overlooks the extent to which the Tribunal put the Councils on notice that a banding framework based on current remuneration was not sustainable and would be reviewed. Additionally, the conclusions reached in Report 3 of 2025 and Determination 3 of 2025 took account of current remuneration levels. To the extent that this assertion is to the effect that the Tribunal could not or should not change an earlier grouping arrangement, this is contrary to the jurisdiction within which the Tribunal operates.

LGA Proposals

112. The LGA submissions requested the Tribunal:

a. Review the weighting of total operating income within the Council Grouping Model on the basis that it disadvantages regional CEOs who face different challenges;
b. Consider incorporating additional indicators of organisational complexity including infrastructure scale, regional service delivery responsibilities, and economic development roles;
c. Review the number of bands and consider broader band width or fewer bands;
d. Maintain the flexibility for councils to structure remuneration packages within a defined total remuneration package;
e. Take undefined measures to recognise the differences between Councils;
f. Review motor vehicle costing approaches for regional Councils; and
g. Exclude housing costs for regional Councils.

113. The Tribunal has summarised its position with respect to these issues later in this Report.

114. The LGA correspondence to the Tribunal of 10 June 2026 is not easily reconciled with its written submissions. The Tribunal notes and appreciates the LGA's wish to work more collaboratively with the Tribunal in the future. It is not, however, prepared to jettison the approach which has been developed and articulated in Report 3 of 2025 simply because the LGA now wishes to work more constructively with the Tribunal.

115. The Tribunal acknowledges the LGA's recognition of the importance of an independent, transparent and objective process by which to determine CEO remuneration. This is consistent with the position adopted by the Tribunal. However, the LGA's general assertion that the primary criteria used in the Council Grouping Model to determine Council categorisation should be broadened to include factors such as growth and population appears to overlook the fact that growth is a criterion adopted by the Tribunal. The Tribunal considers that it has used criteria that provide appropriate proxies for growth and population and no sustainable and easily measurable alternative approaches have been proposed by the LGA within the context of the Guiding Principles as was requested by the Tribunal.

116. In terms of the asserted failings associated with Determination 3 of 2025, the LGA has not demonstrated that 17 CEOs have left their positions because of the Tribunal's Determination. Nor has it provided evidence to support its assertion that over 60% of CEOs have been adversely affected by the Determination.

City of West Torrens

117. Kelledy Jones lodged submissions on behalf of the City of West Torrens. The Tribunal met with the City of West Torrens on 2 June 2026.

118. These submissions commenced with concerns about what was described as a "two band" demotion for the City of West Torrens. As the Tribunal has explained, the Remuneration Framework adopted by the Tribunal in Determination 3 of 2025 is based on a fundamentally different premise to the one adopted in the Inaugural Determination & Report. Consequently, there is no demotion as such but simply a different remuneration banding structure has been applied.

119. As was the case with the LGA, the City of West Torrens made submissions which go substantially beyond the Mercer Report. Nevertheless, the Tribunal has addressed each of them.

120. The City of West Torrens also made a Term of Office Submission. It had made this submission previously and it was also made by the LGA. The Tribunal has set out its position in that respect in dealing with the LGA's submission.

121. The City of West Torrens asserts that the application of Determination 3 of 2025 requires a reduction in the remuneration of its CEO of between $50,000 and $90,000, presumably, per annum.

122. Determination 3 of 2025 grouped the City of West Torrens in Council Band 3 which has a minimum level of remuneration of $271,062 and a maximum of $351,283. In March 2025 the LGA advised the Tribunal that the base salary of the CEO of the City of West Torrens was $361,863 per annum, and total Remuneration of $401,715. In its submission the City of West Torrens advises that on 25 December 2025 its CEO receives total Remuneration of $416,715.

123. The methodology adopted by the Tribunal did not commence with consideration of remuneration amounts, but with an assessment of the criteria detailed in Report 3 of 2025. The application of those criteria and the weightings detailed in Report 3 of 2025 resulted in the City of West Torrens being allocated to Council Band 3.

124. The City of West Torrens submissions repeat the LGA position with respect to the role that Mercer undertook in this process. The Tribunal has detailed its position in this regard earlier in this Report.

125. The City of West Torrens submissions also reflect the LGA submission that further consideration of this matter should be suspended pending the release of additional documentation. Given the detail in Report 3 of 2025 and the extent to which Mercer's role cannot be characterised in the manner claimed, the Tribunal is not prepared to agree to this request for the reasons previously outlined in this Report.

126. The City of West Torrens takes issue with the Tribunal's use of the SA Local Government Grants Commission 2022/2023 total operating income data and asserts that the Tribunal should have used later data and relied on a "snapshot in time" which did not account for later developments. In this respect the Tribunal is unclear about the position being put by the City of West Torrens. The Tribunal is satisfied that reliance on the most recent information available to it at the time it made Determination 3 of 2025 was appropriate. Without pre-empting conclusions that might be reached by the Tribunal in the future, it may be the case that future reviews of the Remuneration Framework will consider the latest data available to it at that time to reach its conclusions. Future reviews may also consider the advantages and disadvantages of taking an average of a few years of information to mitigate any distortions created by a "snapshot". However, this may alter the relevant Council Bands and Remuneration Range allocation. To the extent that the City of West Torrens appears to be urging the Tribunal to adopt an approach which means that these are continually updated, the Tribunal considers that approach would create confusion and inequities.

127. The City of West Torrens submissions recognise that total operating income is an important consideration. However, it asserts total operating income should not be the primary consideration. It refers to "significant and large-scale changes" which will increase total operating income, both in the past and in the future. As an example of a large-scale change in the past, the City of West Torrens refers to the 2015 sale of its nursing home facility which was used to fund its now $1 billion community assets portfolio. As examples of future developments, the City of West Torrens refers to its flood mitigation project and advises that the grants for this project have not been included in in total operating income. It also refers to its operation of a wastewater transfer station.

It asserts that the Tribunal's primary reliance on total operating income means that planned future developments or past changes were not properly considered.

128. In addition to the oral submissions on 2 June 2026, the Mayor of the City of West Torrens tabled written submissions which proposed an alternative remuneration framework model based on measurements of Total Assets and Infrastructure Value Under Management, Strategic and Intergovernmental Risk Profile, Regulatory and Planning Complexity, Operational Scale and Core Revenue. It is possible that future Tribunals may consider such inputs in future reviews. However, the City of West Torrens has not been able to demonstrate where these measurements might be able to be obtained in accordance with the Guiding Principles established by the Tribunal.

129. The Tribunal has noted the characteristics of the City of West Torrens and notes that many of the submissions put to it during this process by Councils have been founded on advice that all Councils are unique for a variety of different reasons. In the hearing on 2 June 2026 the City of West Torrens requested that the Tribunal regard its submissions as the basis for an application for it to be considered as having exceptional circumstances.

130. As the Tribunal has indicated, it is open to considering any application for a Council to be considered as having exceptional circumstances. However, it is very difficult to reconcile that oral submission with the written submissions which primarily seek to challenge the very basis of the Remuneration Framework adopted by the Tribunal.

131. The City of West Torrens asserts that the Tribunal's focus on total operating income could unintentionally influence the commercial decisions of a CEO. In this respect the Tribunal regards oversight of its CEO as a natural function of the Councillors which acts as a safeguard from this being a driving factor in the CEO's decisions.

132. The Tribunal has considered these concerns. It has concluded that the total operating income remains the most practical and transparent indicator of Council complexity, particularly when moderated by the other four criteria detailed in Report 3 of 2025.

133. The Tribunal is not inclined to have regard to Council's future projections because it is concerned that these suggested measures cannot be consistently applied across the sector in accordance with the Guiding Principles. However, that does not detract from the Tribunal's commitment to consider an exceptional circumstances argument that is framed in those terms.

134. The City of West Torrens advised that it was undertaking its own benchmarking study and requested a further 4 weeks to complete this. In this respect the Tribunal notes that, the City of West Torrens has consistently engaged with it in relation to CEO remuneration. However, the Council did not provide any information to explain why it only resolved to commence a benchmarking exercise toward the close of submissions. It may be that the benchmarking exercise identifies relevant factors that are applicable to an application for exceptional circumstances, but the fact of a higher level of remuneration applies is, of itself, unlikely to represent an exceptional circumstance.

135. The City of West Torrens submission repeats the LGA's Band Structure Submission. In the same vein it seeks information on the Mercer instructions. The Tribunal has addressed these issues when dealing with the LGA's submissions.

136. The City of West Torrens advises that prior to the Tribunal's Determination it was open to the Council to take differing approaches to defining remuneration and the way in which it sought to treat certain benefits. The Tribunal acknowledges those past practices and

maintains that a standardised approach to how remuneration is defined is an essential element of a fair implementation of s99A of the LG Act.

137. The City of West Torrens details its concern about the impact of the reduction in the salary of its CEO because of its Band 3 categorisation. It asserts that the Tribunal has failed to have regard to the personal detriment of its CEO. The Tribunal is acutely aware of its obligations pursuant to s99A of the LG Act and has sought to mitigate the impact, by implementing a phasing-in period.

138. The City of West Torrens submissions assert that the Council faces uncertainties relative to compliance and recruitment. As the Tribunal noted in Report 3 of 2025, Councils are urged to obtain advice about their obligations. The provision of advice of that nature is outside of the jurisdiction of the Tribunal.

139. The City of West Torrens also refers to what it describes as consequences of the required reduction in its CEO's remuneration. These include the potential loss of the CEO, staff disruption, and recruitment costs. While the Tribunal acknowledges the Council's position, it is not prepared, on the information before it, to make an exceptional circumstances determination for the City of West Torrens.

140. The Tribunal notes that on 28 July 2026 it received an application for an Exceptional Circumstances Determination for the City of West Torrens. The Tribunal will consider this application in due course and separately from this Review.

141. As the Tribunal confirms later in this Report, it will apply an increase in the maximum of the Remuneration Ranges. However, the Tribunal acknowledges this is unlikely to fully address the City of West Torrens' concerns.

Regional Council of Goyder

142. The Regional Council of Goyder submissions were lodged by Kelledy Jones. The Tribunal met with the Regional Council of Goyder on 2 June 2026.

143. The Regional Council of Goyder submissions commence with concerns that it was demoted in terms of its Council Band allocation. As the Tribunal has already commented the Inaugural Determination & Report was based on existing remuneration comparisons, whereas Determination 3 of 2025 is predicated on the criteria explained in Report 3 of 2025. Again, there is no demotion, because the Tribunal applied a new Remuneration Framework.

144. The Regional Council of Goyder asserts that the effect of Determination 3 of 2025 is that its CEO suffers a remuneration reduction of $60,000 with no scope for further increases.

145. The Draft Determination & Report was issued on 20 January 2025. The information provided to the Tribunal by the LGA about the remuneration paid to the CEO of the Regional Council of Goyder as of 28 March 2025 was that this amounted to $295,919. This was consistent with the other information available to the Tribunal. The Tribunal met with the Regional Council of Goyder on 19 March 2025. The Tribunal is aware from the Council's publicly available meeting minutes that the Regional Council of Goyder held a meeting on 18 March 2025 where it considered a contract extension for its CEO. The Tribunal is not aware of whether this confidential consideration altered the remuneration of its CEO.

146. As the Tribunal explained with respect to the City of West Torrens, the Tribunal commenced its consideration by assessing Councils against the criteria in Report 3 of

2025. The application of those criteria resulted in the Regional Council of Goyder being allocated to Council Band 7.

147. The Regional Council of Goyder submissions reiterate the Term of Office Submission. The Tribunal has already indicated that it does not consider that it has the jurisdiction to provide for grandfathering. Irrespective of that jurisdictional concern, the Regional Council of Goyder's consideration of an extension to its CEO's contract the day prior to meeting with the Tribunal in March 2025 confirms the Tribunal's concerns over potential inequities associated with the suggested grandfathering approach.

148. The Regional Council of Goyder's requests for asserted additional materials associated with the Mercer Report also repeats the submissions made by the LGA. The Tribunal has addressed this matter and explained how the request fundamentally misconstrues the iterative role Mercer had in assisting the Tribunal develop and test the approach it adopted.

149. The Regional Council of Goyder repeats the LGA position to the effect that the Tribunal should not have interfered with the contract it had negotiated with its CEO. The Tribunal has addressed that issue in dealing with the LGA position.

150. The Regional Council of Goyder repeats the LGA submissions with respect to Mercer's role in the determination process, including the potential for significant remuneration increases since 2022/2024 and as well as the Band Structure Submission. The Tribunal addressed these issues in dealing with the LGA submissions and reiterates that the Tribunal was concerned that a six-band structure created a bandwidth which undermined the usefulness of the Remuneration Framework for Councils and the community.

151. The Regional Council of Goyder asserts that the criteria applied by Report 3 of 2025 as part of the Grouping Model do not adequately consider the strong financial position of the Council. In this regard the Tribunal reiterates that it adopted an approach which it considered maximised the fair comparison of Councils. For instance, as was suggested by the Regional Council of Goyder in the hearing on 2 June 2026, had the Tribunal used the debt level of a Council as an indicator of CEO complexity, Councils which have heavy infrastructure related debt would likely express concern that they were adversely affected by such an approach. The Tribunal does not consider a comparator based on debt levels or a subjective assessment of fiscal competence to be a sustainable basis for considering remuneration levels in accordance with the Guiding Principles.

152. The Regional Council of Goyder asserts that the inclusion of Council provided housing and motor vehicle costs disproportionately disadvantages regional CEOs. However, the Regional Council of Goyder did not indicate that it provided a house to its CEO. Instead, its submissions referred to a house bought by the CEO. A basis for the Tribunal to change its position on these issues has not been established.

153. The Regional Council of Goyder submission, to the effect that the Tribunal should have greater regard to the contractual arrangements reached between Councils and their CEOs broadly reflects the LGA position. The Tribunal's position in this respect has been outlined previously. In a practical sense, had there been greater consistency and/or more transparent logic underpinning the disparate remuneration arrangements for CEOs, Report 3 of 2025 may have taken on a different character.

154. The Regional Council of Goyder also asserts that the extent to which the Tribunal considered remuneration levels outside of the South Australian local government sector is unclear. Again, the Tribunal has addressed this submission while considering the LGA submissions. The Regional Council of Goyder asserts that regional Councils may need

additional flexibility to address geographic isolation, travel requirements, cost of living impacts and recruitment and retention issues. In these respects, the Tribunal recognised regional considerations with the Grouping Model's modifying factors, such as distance from Adelaide, population dispersion, and socio-economic advantage/disadvantage. The Tribunal recognises that regional Councils may experience recruitment challenges but does not accept that this represents a basis for endorsing a higher remuneration amount for some Councils in contrast to others. The Tribunal is also aware that numerous regional Councils have expressed concern at the potential for escalating employment costs.

155. The Regional Council of Goyder seeks changes to Determination 3 of 2025 consistent with those sought by the LGA. The Tribunal has set out its position in that respect in dealing with the LGA's submission.

156. The Regional Council of Goyder also submits that the specific circumstances of the Council and its CEO should be taken into account. These include the performance, skills, and competency of its CEO. They include the tentative listing of Burra for World Heritage status and negotiations with international renewable energy companies. It asserts that, due at least in part to the efforts of its CEO, the Council is "batting above its average." In the oral submissions on 2 June 2026 the Regional Council of Goyder requested that the Tribunal regard its submissions as an application for differentiation from the Remuneration Framework on the basis that its circumstances were unique. In this respect, the Tribunal acknowledges these arguments and notes that in undertaking this Review, most Councils have relied on their asserted unique characteristics.

157. On the information currently before it, the Tribunal cannot grant the Regional Council of Goyder an exceptional circumstances determination.

158. As was the case with the City of West Torrens, the Tribunal has taken the position that most of the Regional Council of Goyder's submissions seek a change in the Remuneration Framework.

159. The Tribunal will consider a separate submission to the effect that the Regional Council of Goyder has exceptional circumstances to warrant differentiation from the Remuneration Framework but anticipates that such a submission would go substantially beyond the advice provided at present. To the extent that the Regional Council of Goyder may assert that its absence of debt and the location of renewable power infrastructure, as factors of material differentiation, the Tribunal will require substantially more detail about the Council's circumstances and their impact on the CEO to conclude that the Council should be regarded as exceptional.

160. The Regional Council of Goyder advised that it was undertaking its own benchmarking study and requested a further 4 weeks to complete this. In this respect the Tribunal notes that, over the last three years it has consistently invited Councils to engage with it in relation to CEO remuneration. The Regional Council of Goyder did not make a submission in response to the Consultation Paper. The Council and its CEO responded to the Draft Determination & Report but has not provided a reason why a further 17 months have elapsed before the benchmarking exercise was commenced.

161. As is the case with any Council, the Regional Council of Goyder is as at liberty to request a review of its potentially exceptional circumstances at any time. Its benchmarking report may identify relevant factors in this respect but that the fact of a higher level of remuneration applies is, of itself, unlikely to represent an exceptional circumstance.

Mid Murray Council

162. The Mid Murray Council submission adopts many similar aspects of the LGA submission. The Tribunal has addressed it in that context. The Mid Murray Council did not request a meeting with the Tribunal.

163. The Mid Murray Council submissions express concern that the impact of its allocation to Council Band 5 is that the remuneration paid to their CEO is $28,000 above the maximum established by Determination 3 of 2025. While the Tribunal understands from media reports that the CEO of the Mid Murray Council has resigned, it has nevertheless considered this submission having had regard to the time when the submission was made.

164. The Mid Murray Council makes the following submissions:

a. That the CEO provisions be grandfathered so that the contract can be honoured;
b. Procedural fairness assertions consistent with the LGA position;
c. The Tribunal should disclose additional information about the Mercer Report;
d. The Tribunal did not properly recognise the remuneration amounts being paid or market movements;
e. The Band Structure Submission;
f. The criteria adopted by the Tribunal do not accurately reflect the complexity of the CEO role and expresses particular concern about the reliance on operating income with respect to smaller and financially limited councils;
g. The data relied on by the Tribunal was out of date and, additionally, should have included consideration of the Commonwealth Financial Assistance Grants as of 30 June each year; and
h. Housing and motor vehicle costs should be excluded from the definition of remuneration. The Tribunal noted that the Mid Murray Council was not a Council that provided housing in any event.

165. The Tribunal considered each of these issues when addressing the LGA submissions.

166. The Mid Murray Council also requested the Tribunal consider the following and amend the Remuneration Framework accordingly:

a. Incorporate additional indicators of organisational complexity;
b. Reduce the number of bands and increase bandwidth; and
c. Provide clearer guidance regarding transitional arrangements for councils where their remuneration was above the maximum set by the Tribunal.

167. Similarly, the Tribunal has addressed each of these matters in dealing with the LGA submissions.

City of Mount Gambier

168. The City of Mount Gambier's submission also adopts many of the LGA submissions and the Tribunal has addressed them in that context. The City of Mount Gambier did not request a meeting with the Tribunal.

169. Each of the following assertions were put by the City of Mount Gambier but dealt with by the Tribunal in its consideration of the LGA submissions:

a. The information provided to it does not establish that the Tribunal provided the necessary instructions to Mercer to underpin its report and fell short of a proper letter of instruction and that there may have been multiple letters or other forms of instruction to Mercer and requested further documentation from the Tribunal to establish the instructions given to Mercer;

b. The total operating income used by the Tribunal was outdated and inadequate to properly indicate the characteristics of a Council; and

c. The Band Structure Submission.

170. The City of Mount Gambier seeks that the Tribunal review the Council Bands and Remuneration Ranges in Determination 3 of 2025 and provide the capacity for Councils to seek reviews based on specified local factors. The City of Mount Gambier submission expresses concern about the impact of Determination 3 of 2025 and requests further information on why the Tribunal decided to place primary reliance on total operating income. The City of Mount Gambier also requests that the Tribunal reopen discussions about the approach to be adopted and suggests further consideration of the West Australian approach be given. In these respects, the Tribunal notes that the City of Mount Gambier responded to the Consultation Paper by suggesting that the Tribunal utilise a combination of the Councillor Groups (based on population numbers), and the West Australian band approach. The Tribunal addressed each of these approaches in Report 3 of 2025 at paragraphs 54 to 56 and has further commented on them in this Report.

171. The City of Mount Gambier also asserts that the Tribunal should have given more attention to remuneration of South Australian Public Sector CEOs (**Public Sector CEOs**), asserted to be paid between $304,840 and $746,347. In addressing this concern, the Tribunal has noted that the City of Mount Gambier did not make a submission in response to the Draft Determination & Report. Additionally, the information available to the Tribunal indicates that its CEO was, when Determination 3 of 2025 was issued, within the Remuneration Range for its specified Council Band.

172. The Tribunal does not agree with the City of Mount Gambier's assertion of links with Public Sector CEO remuneration ranges, nor with the extent of comparability. Like some of the other submissions, the City of Mount Gambier makes an unfounded assertion that more than half of the Local Government CEOs in South Australia face a remuneration reduction. Based on the Tribunal's information and information supplied by the LGA, CEOs of only 18 of the 67 Councils were above the Remuneration Range maximums as of March 2025. Whether Councils have made decisions since then to increase remuneration for CEOs above the foreshadowed maximum amounts is not a matter that the Tribunal can comment on. The Tribunal notes that the submissions in this respect may be referring to those Councils who were previously placed in a band determined by their current remuneration amounts in the Inaugural Determination & Report. If that is the case, the Tribunal put the entire local government sector on notice that this structure was not sustainable and would be reviewed and submissions of this nature appear to disregard the basis of the approach set out in Report 3 of 2025.

173. The City of Mount Gambier also requests that the Tribunal review the weighting of the criteria for the Grouping Model used to determine the distribution of Councils to Council Bands, the number of Council Bands and Remuneration Ranges, use updated data, provide transitional guidance, and review motor vehicle cost arrangements. The Tribunal has further commented in these respects later in this Report.

District Council of Coober Pedy

174. The Principal Administrator of the District Council of Coober Pedy lodged a submission which requested that the Exception Determination 4 of 2024 should continue to apply but that the amounts involved should be increased by the Consumer Price Index since that Determination was issued.

175. Report 3 of 2025 considered the Exemption for the District Council of Coober Pedy at paragraphs 124 to 125 and resolved that this should be maintained. The Tribunal does not intend to change this position and notes that at paragraph 24 of Report 4 of 2024 the Tribunal stated:

> Whilst the submission put to the Tribunal did not address annual remuneration adjustment issues the Tribunal has noted that employment contracts often include such provisions. […] It is therefore a matter for the Administrators to consider within the maximum amount that will be set by the Tribunal. Consequently, the Tribunal requests the Principal Administrator's advice about the nature of any annual adjustment provisions in the contract(s) that are applicable, before determining this request.

Campbelltown City Council

176. The Campbelltown City Council submission was that Report 3 of 2025 was deficient because it did not explain the Council Bands, Remuneration Ranges or the modifying criteria for the Grouping Model and that the Tribunal's approach did not sufficiently reward or encourage high CEO performance.

177. The Campbelltown City Council asserted that as total operating income was derived primarily from rates it did not accurately describe the importance of executive responsibility and was at odds with the Council's desire to minimise expenditure. The submissions asserted the approach did not properly take CEO experience into account. The submissions requested clarification of the weighting approach used in the Council Grouping Model and asserted that the effect of the modifying criteria favoured some Councils and reflected fixed criteria.

178. The Campbelltown City Council suggested replacing the socio-economic advantage/disadvantage factor with the ESCOSA Local Government Review of Past and Present Financial Performance (**ESCOSA Indicator**).

179. The Campbelltown City Council advised that Mercer had separately undertaken a review of its CEO's salary and that the maximum remuneration applicable to Council Band 3 to which the City was allocated, was below the mid-point of this review.

180. The Campbelltown City Council submission was that Determination 3 of 2025 was flawed in that it required CEOs to accept substantial salary reductions which would adversely affect those CEOs. The City's submission was that the changes required of it to comply with Determination 3 of 2025 were unfair, and that changes should be phased-in over 5 years and there should be greater certainty about annual reviews.

181. The Campbelltown City Council was, in March 2025 paying its CEO above the proposed maximum amount for Council Band 3. In February 2024, the Campbelltown City Council advocated for the Tribunal to engage an external reviewer to undertake a review of each Council's circumstances. The Campbelltown City Council submissions are broadly consistent with the position it put to the Tribunal in response to the Draft Determination & Report.

182. In Report 3 of 2025 the Tribunal summarised the conclusions it reached about the most appropriate form of review, including, but not limited to its concerns about arranging for an external assessment of each Council. For the avoidance of doubt, the Tribunal was concerned about the costs of such an exercise given the limited number of Councils advocating for that approach and the extent to which the costs would be borne by all Councils. Additionally, such an approach would also quickly become outdated. The Tribunal set out the principles it considered appropriate for the establishment of a

sustainable grouping of Councils so that Councillors can determine remuneration between the minimum and maximum amounts, to reflect the Council's assessment of their CEO's performance and experience. Assessing CEO performance or experience is not a function of the Tribunal.

183. As part of the extensive process of developing and testing appropriate criteria to group Councils, the Tribunal considered the ESCOSA Indicator. This was discounted as the Tribunal considered it did not provide a suitable indicator of the challenges confronting Councils with differing socio-economic circumstances. The Tribunal concluded that the ESCOSA process, which is a rolling review of only certain aspects of specified Council operations, would create time-based inequities if it was used as a factor in determining remuneration.

184. In response to concerns about the remuneration assessment undertaken for Campbelltown City Council, the Tribunal notes that Mercer's contract included safeguards to ensure a clear separation of personnel, functions and information within Mercer. This separation meant that staff involved in assessing local government roles in South Australia were not simultaneously assisting the Tribunal and were not privy to the Tribunal's information.

185. Accordingly, it is quite possible that an external assessment by Mercer of the Campbelltown City Council's CEO, based on information and instructions not currently before the Tribunal, may have specified an amount outside of the Remuneration Range adopted by the Tribunal.

186. If the Tribunal were to reassess the minimum and maximum amounts each time a Council commissioned a review based on criteria not disclosed to the Tribunal, the requirement for stability could not be met.

187. The Tribunal established the Council Bands based on what it determined to be comparable Councils with the assistance of the Council Grouping Model before it then determined the minimum and maximum remuneration amounts for each Remuneration Range applicable to the Council Bands. A subsequent reassessment of the Remuneration Framework is proposed in 2028 and as is addressed later in this Report, the Tribunal has reviewed the minimum and maximum Remuneration amounts as part of its annual adjustment of those amounts.

188. The Campbelltown City Councill requested further information on how the limits for the Council Bands were determined. The Council Grouping Model delineates the Council Bands using the combined weighted average of the criteria. The cutoff point of 2.2 recognised a prudent buffer above the midpoint score of 2, as outlined in Report 3 of 2025.[16]

189. The Draft Determination & Report proposed a two-year phase-in period. After considering the submissions put to it and consulting with the LGA about this matter, the Tribunal extended the phase-in period to 31 December 2027. The Tribunal is not satisfied that a basis for an extension beyond that date has been made.

190. The Campbelltown City Council expressed concern about the certainty of planned annual reviews. While the Tribunal did not establish an automatic link between the Remuneration Ranges and Consumer Price Index movements, Report 3 of 2025 confirmed that the monetary minimums and maximums of the Remuneration Ranges will be reviewed annually.[17] These annual reviews are not intended to change Council Band

[16] Remuneration Tribunal – Report Relating to Determination 3 of 2025 [102] – [105].
[17] Remuneration Tribunal – Report Relating to Determination 3 of 2025 [130].

or Remuneration Range allocations. It would generally be the case that the Tribunal would provide Councils between 1 to 2 months to make submissions regarding the planned annual review, before the Determination is made and announced.

191. The Tribunal was concerned about the potential for a delay to the 2026 Annual Review because of this Review. Such a delay could disadvantage Councils generally, including the majority of Councils who have not made submissions to this Review. Consequently, the Tribunal has incorporated the 2026 Annual Review considerations into this Report.

Town of Gawler

192. The Town of Gawler submissions went to a complaint that Mercer and hence the Tribunal, did not undertake an independent salary bench-making exercise. Further, that the minimum and maximum amounts of the Remuneration Ranges were derived using parameters determined by the Tribunal based on existing remuneration spans with a 2% increase. In doing so, the Town of Gawler asserts that Mercer did not consider market competitiveness, fairness of remuneration levels or alignment with national executive labour markets. It disputed that the relevant market was an internal South Australian market and asserted that at least 5 recent recruits to CEO roles were from interstate.

193. The Town of Gawler asserted the Remuneration Framework adopted by the Tribunal was flawed in that operating income changes did not equate with added complexity. It asserted that operating income did not recognise governance complexity, leadership responsibilities, financial stewardship, long term sustainability, asset ownership and management obligations, political and organisational complexity associated with working with an elected body. Further, the Remuneration Framework did not consider acute workforce attraction and retention issues and heightened service expectations faced by medium outer-metro and regional Councils.

194. The Town of Gawler submission asserted that there was an essential need for comprehensive benchmarking of CEO remuneration.

195. The Town of Gawler was, in March 2025, paying its CEO well above the proposed maximum amount for Council Band 3. The Town of Gawler made a submission in response to the Consultation paper. Its Executive Manager submitted in response to the Draft Determination & Report in January 2025 that the proposed remuneration bands were likely to prompt its CEO to resign and were inconsistent with the contracts agreed between CEOs and Councils.

196. In Report 3 of 2025 the Tribunal summarised the conclusions it reached about the most appropriate form of review, including, but not limited to its concerns about arranging for an external assessment of each Council. The Tribunal set out the principles it considered appropriate for the establishment of sustainable groupings of Councils so that Councillors can determine remuneration between the minimum and maximum amounts for the respective Remuneration Ranges. As the Tribunal has discussed with respect to the submissions made by the Campbelltown City Council, assessing CEO performance or experience is not a function of the Tribunal and is the responsibility of each Council.

197. The Tribunal has concluded that the Town of Gawler is primarily concerned that the maximum rate of remuneration for its CEO established by Determination 3 of 2025 is inconsistent with the existing CEO's remuneration and is hence, inadequate. The factors relied upon in this submission are generally subjective and difficult to measure and compare. Accordingly, the Tribunal has determined that no basis exists to modify the approach it adopted in Report & Determination 3 of 2025.

City of Playford

198. The City of Playford submission supported the Tribunal's approach. For fairness, the Tribunal notes that the remuneration of the CEO of the City of Playford is well inside of the Remuneration Range maximum established for it.

City of Tea Tree Gully

199. The City of Tea Tree Gully submission observed that CEOs have management and budgetary responsibilities to ensure appropriate financial performance and that a substantial portion of the budget is linked to staff costs. The submission confirmed that overall income and expenditure can assist in guiding remuneration ranges but that some care should be exercised to not limit the CEO's incentive to develop more efficient and effective service delivery methods.

200. The City of Tea Tree Gully supported the use of the structured methodology which recognised differences between Councils.

201. The Tribunal notes that in February 2025 the City of Tea Tree Gully CEO's remuneration was within the appropriate Remuneration Range.

Adelaide Hills Council

202. The Adelaide Hills Council submission was that total operating income placed smaller and regional Councils at structural disadvantages in that it does not provide a fair and equitable standalone measure for determining remuneration. The submission was that operating income did not recognise the unique characteristics of Councils. In this regard, residential expansion for the Adelaide Hills Council is limited by 60% of Adelaide's watershed being in the Council, as well as environmental, native vegetation and bushfire restraints. The Adelaide Hills Council asserts that the modifying criteria did not appropriately recognise these constraints. The submission asserted that there should be higher weightings applied to the modifying criteria and that SEIFA scores are an inadequate measure in some respects.

203. The Adelaide Hills Council suggested that the Tribunal could adopt additional modifying criteria being: service delivery breadth and complexity, tourist destination, peri-urban environment, workforce size and organisational complexity, subsidiaries, commercial entities, committees and working groups, region specific risks and responsibilities, bushfire management, watershed protection, Native Vegetation management, coastal management, market competition, recruitment difficulties, remuneration of adjacent Councils, and pressure from industry sectors.

204. The Adelaide Hills Council argued that the definition of Remuneration adopted by the Tribunal constrained the Council's capacity to attract and retain staff and that Councils should be able to offer accommodation, leave and other incentives to attract CEOs. The Adelaide Hills Council argued for adoption of the West Australian and/or private sector approach.

205. The Adelaide Hills Council also argued that there were too many Council Bands and Remuneration Ranges, that the minimums for Council Bands 7 and 8 were too low, that the approach adopted by the Tribunal limited the Council's capacity to engage and retain other specialist staff and that Council CEOs should be compared to Public Sector CEOs.

206. The Tribunal notes that the Adelaide Hills Council did not make a submission in response to either the Consultation Paper, or the Draft Determination & Report. As of February

2025, the Adelaide Hills Council CEO was remunerated within the applicable Remuneration Range established by the Tribunal.

207. The Guiding Principles adopted by the Tribunal dictated that the indicators of CEO job complexity must be measurable and easily understood. In this context The Tribunal considers the modifying criteria proposed by the Adelaide Hills Council cannot be easily measured in objective terms in accordance with the Guiding Principles. The Tribunal considers that if these were adopted as modifying criteria, many other Councils would have a legitimate basis to argue for other factors that reflect their particular circumstances.

208. As the Tribunal has explained, it adopted the Remuneration Framework in Determination 3 of 2025 to balance the interests of CEOs, Councils, and the community generally. Substantially greater bandwidth within the Remuneration Ranges was considered and discounted because it did not provide a relevant guide to all these groups.

209. As discussed earlier, the Tribunal has been aware of Public Sector CEO remuneration arrangements throughout each of the reviews. but decided that consideration of the local government sector was most appropriate. The submissions put to the Tribunal did not demonstrate that Councils were appointing CEOs from interstate or overseas at higher remuneration rates than the Remuneration Ranges determined by the Tribunal.

City of Burnside

210. The City of Burnside submission was that if operating income was to be applied as the primary indicator of complexity, it should be considered over multiple years. The City's decisions to minimise rate increases during the COVID pandemic were particularly noted. Further, that population growth does not account for complexity in largely built-up Council areas, whereas a grouping approach grounded primarily in current population and realised growth would be more appropriate.

211. The City of Burnside argued that population dispersion and distance from Adelaide do not apply to complexities associated with managing its infrastructure, regulatory diversity, and neighbour impacts.

212. The City of Burnside argued that the relationship between socio-economic profile and CEO complexity was not linear and that socio-economic advantage does not produce lower governance requirements.

213. The City of Burnside advocated for the inclusion of a modifying factor linked to the level of public scrutiny of the CEO role.

214. The City of Burnside did not make a submission in response to the Discussion Paper. It did respond to the Draft Determination & Report and requested an increase to its Council Band allocation because of operating income increases since the Draft Determination & Report was released. The City of Burnside argued that this reclassification was essential to meet its contractual arrangements. It argued that the Tribunal should consider its highly engaged and affluent population, its media scrutiny, and ongoing political challenges. The City of Burnside argued that its four subsidiaries should be considered and that it should be reclassified from Council Band 4 to Council Band 3.

215. The City of Burnside advised that its CEO was engaged in December 2024 with a Total Employment Cost package of $320,000 and that after an external performance assessment an appropriate increase could not be applied because of the proximity to the Remuneration Range maximum.

216. In developing the indicators of CEO complexity, the Tribunal was committed to measures that were capable of application across the local government sector. Total operating income was identified as the most appropriate indicator and its significance was confirmed by Mercer. The Tribunal determined to use the most current data available at the time of the assessment with the expectation that when the Remuneration Framework is reconsidered in 2028, that review will consider relevant changes. Future Tribunals may also consider advantages and disadvantages associated with taking an average of a few years of information to mitigate any distortions created by a “snapshot”.

217. In relation to the City of Burnside submission with regards to population growth, the Tribunal has used a modifying criterion of annualised population growth from 2021 to 2031 sourced from the SA Department for Trade and Investment (as it then was). This provides a metric that is both a retrospective and projected view of population growth over a ten-year period as outlined at paragraph 90 of Report 3 of 2025.

218. To the extent that the City of Burnside asserts that its more affluent population requires positive recognition as an added element of complexity, the Tribunal does not agree. Further, the measure of socio-economic advantage/disadvantage has not been applied to disadvantage more affluent Councils. It simply seeks to recognise added CEO complexity associated with having fewer financial resources to meet population expectations. Further, the use of distance from Adelaide has not been applied to disadvantage metropolitan Councils but to recognise the particular issues facing Councils that are substantial distances from Adelaide.

219. In adopting the Guiding Principles, the Tribunal considered multiple Council characteristics and determined that criteria of CEO complexity that could not be simply measured or easily understood should not be considered for those reasons.

220. In accordance with the Guiding Principles, the Tribunal has relied on the total operating income as published by the SA Local Government Grants Commission which accounts for Councils’ interests in joint ventures and associates, prepared in accordance with the LGA’s Model Financial Statements. The Tribunal notes that the City of Burnside has not provided a data source which better represents the relative position of all Councils, in accordance with the Guiding Principles.

District Council of Streaky Bay

221. The District Council of Streaky Bay submitted that the Tribunal was too reliant on total operating income as a measure of role complexity. It argued that this measure did not take proper account of the complexities of regional local government across large and dispersed areas where the CEO was required to operate across multiple functions. The District Council of Streaky Bay did not support the approach adopted by the Tribunal in as much as it assumed metropolitan Council CEO roles are inherently more complex because of their size. As the CEO role is defined in the LG Act, the District Council of Streaky Bay argued that there should be greater consistency between metropolitan and Country Councils.

222. The District Council of Streaky Bay argued that housing and motor vehicle costs should be excluded from Remuneration. It also argued that the Tribunal should adopt what it described as the Mercer position to allow an extra week of leave to take account of travel time from remote locations.

223. The District Council of Streaky Bay argued that remuneration settings should reflect community expectations and adopt a conservative approach to remuneration growth and that the Remuneration Framework should recognise reputational, personal, and

professional risks. It asserted that the Tribunal should consider a remuneration framework for all Council staff and/or abolition of enterprise bargaining agreements. It expressed concern about the compression of rates applicable to CEOs and other staff as well as seeking CEO remuneration be capped at a relatively low level with the Tribunal to take on a more active role to address problem issues.

224. The Tribunal notes that in February 2025 the CEO of the District Council of Streaky Bay was paid below the minimum Remuneration level and that the Council is not recorded as providing its CEO with a house.

225. The Tribunal acknowledges that the role of the CEO is defined in the LG Act and hence has common characteristics across every Council. However, the Tribunal considers that the level of complexity of the role increases with the magnitude of the Council. Hence it has determined to use total operating income as an indicator. The use of modifying factors is intended to account for characteristics which are not recognised within the total operating income consideration, but which indicate added complexities for CEOs including the challenges faced with remoteness and high population dispersion

226. The Tribunal notes that relevant Councils have an exemption for additional leave where this is provided to allow remotely based CEOs to travel to their hometown or capital city to commence or return from leave. However, the Tribunal included motor vehicle and housing costs as part of Remuneration because these are expenditures that must be funded by Councils.

City of Victor Harbor

227. The City of Victor Harbor submission was to the effect that while it generally supported the Mercer Report it did not agree with the Tribunal's adoption of eight Council Bands and Remuneration Ranges as distinct from the six recommended by Mercer.

228. The City of Victor Harbor did not make a submission in response to the Consultation Paper or the Draft Determination & Report. As of February 2025, the City of Victor Harbor CEO was remunerated within the allocated Remuneration Range.

Eyre Peninsular Local Government Association

229. The Eyre Peninsula Local Government Association (**EPLGA**) comprises 11 Councils on the Eyre Peninsula. Its position was that the Tribunal relied too heavily on operating income as an indicator of CEO complexity. It asserted that revenue did not reflect geographic size, travel requirements, workforce limitations, skill scarcities, service delivery in low density areas, governance challenges, and leadership expectations in small communities.

230. The EPLGA advised that regional CEOs operated under the same legislative and governance framework as metropolitan Councils. The EPLGA sought an increased weighting be given to distance and dispersion as factors to be considered.

231. The EPLGA argued that motor vehicle and housing costs should be excluded from Remuneration as they indicated that regional CEO roles were more highly paid that was really the case. Further, that Eyre Peninsula CEOs were leaving their Councils for more financially lucrative roles in other parts of Australia, and that there should be greater financial differences between CEOs and senior managers to support career progression given survey-based indications of future resignations.

232. The Tribunal has noted that the EPLGA made a submission in response to the Draft Determination & Report in which it identified some of these issues and sought distinct recognition of regional CEO remuneration arrangements.

233. The Tribunal has also noted that two of the Eyre Peninsular Councils were above the allocated Remuneration Range maximums, one was below the minimum, and the remainder were within the allocated Remuneration Range.

234. The other aspects of the EPLGA submission have been addressed earlier in this Report.

City of Unley

235. The City of Unley requested that the Tribunal adopt the Mercer Report definition of total operating income as defined by the Local Government Grants Commission to include income from Council owned subsidiaries which sell services to the community rather than other Councils.

236. The City of Unley requested that the Tribunal provide an exemption to enable its CEO contract, which was renegotiated in August 2024 and due to expire in July 2028, to run its course.

237. The City of Unley did not make a submission in response to the Consultation Paper and its response to the Draft Determination & Report was that the Draft did not adequately consider market rates, performance-based adjustments and did not adequately consider inflation. The City of Unley supported the grandfathering approach.

238. The Tribunal position with respect to grandfathering has been explained earlier in this Report.

239. To the extent that the City of Unley is asserting that the definition of total operating income proposed by Mercer was different to that which was adopted by the Tribunal in Report 3 of 2025, the submission is incorrect.

240. In paragraph 90 of Report 3 of 2025 the Tribunal confirmed the source for that information was the total operating income defined by the SA Local Government Grants Commission.

241. The Tribunal has determined the concern about the duration of existing contracts inherent in the request for an exemption until mid to late 2028 would be inconsistent with the approach applied generally by the Tribunal and discussed above.

CEO of the Northern Areas Council

242. The CEO of the Northern Areas Council made a submission to the Tribunal in which he asserted that the Mercer Report and the process adopted by the Tribunal had failed to properly recognise the scope and complexity of the CEO function, particularly in a regional context given the experience and skill set required to fulfill the role properly. He advised that the CEO in smaller Councils needed to undertake a broader range of tasks.

243. This submission advised that the CEO had entered a 3-year contract expiring in 2028. At that time, the revised contract remuneration amount was within the limit then applicable but as Determination 3 of 2025 reduced the maximum amount applicable to the Northern Areas Council the remuneration was now $14,000 per annum above the Remuneration Range maximum. The submission also asserted that there was no scope for the recognition of CEO performance.

244. The submission sought that the current contract be grandfathered to cover the duration of employment contracts entered into during the application of Determination 1 of 2024 to minimise the effect on existing CEOs.

245. The Northern Areas Council has not put a submission to the Tribunal in this process. Its CEO was marginally above the Remuneration Range maximum in February 2025.

246. Council Band 7 currently has a minimum Remuneration amount of $190,000 and a maximum of $246,230. The Tribunal assessed this maximum amount consistent with the approach detailed in Report 3 of 2025 at paragraphs 110-123. The Tribunal recognises the Northern Areas Council CEO's concern, but it is not satisfied that this remuneration arrangement was set on criteria which can be consistently applied across the local government sector.

247. The proposition that an existing contractual arrangement should be exempted represents a type of grandfathering and would create further inconsistencies between Councils.

The District Council of Mount Remarkable

248. A Councillor from the District Council of Mount Remarkable made a submission in his own right in which he asserts that the maximum remuneration levels were too high and represented a major element of the costs of running a Council. This submission stressed the importance of flexibility and the need for regular review to ensure that the Remuneration Framework was consistent with labour market trends.

249. The then Acting CEO of the District Council of Mount Remarkable made a submission to the Tribunal in response to the Draft Determination & Report. This was to the effect that the Draft Determination & Report denied him procedural fairness and interfered with his right to negotiate an arrangement with the Council. This submission reported that the Council sought an exemption to maintain its current remuneration arrangement and requested the Tribunal review the Draft Determination & Report. The Tribunal notes that in February 2025 the CEO of the District Council of Mount Remarkable was remunerated significantly below its allocated Remuneration Range minimum.

The District Council of Kimba

250. The District Council of Kimba submission supported the Mercer framework as an important advancement in local government CEO regulation. The submission advised that the Mercer Report recognised that CEO roles could not be assessed only on organisational size but had to take other factors into account. The submission sought that there should be recognition that smaller regional Council CEOs were required to undertake a broader set of functions than (presumably) larger Councils. Those additional requirements should be recognised along with the difficulty that regional Councils faced in recruiting CEOs.

251. The District Council of Kimba made a consistent submission to the Tribunal following the release of the Draft Determination & Report.

252. In February 2025, its CEO was remunerated within the allocated Remuneration Range.

253. The Tribunal increased the bandwidth for the Remuneration Ranges applicable to Council Bands 7 and 8 from the amounts specified in the Draft Determination & Report, to recognise that some regional Councils may have difficulty paying higher remuneration rates. That change was consistent with a request from the LGA. That added flexibility gives regional Councils more scope to reach remuneration arrangements best suited to them and their CEO. The Tribunal notes that in the consultations about this issue there was common recognition that some smaller regional CEOs were likely to seek employment at larger Councils as part of a career progression.

Conclusions Regarding Complaints about the Mercer Report and Report and Determination 3 of 2025

254. The Tribunal has considered all the submissions and materials put to it. The Tribunal has addressed these matters in response to the individual submissions. It has also considered those submissions collectively. This collective consideration requires some general observations about this Review.

255. The Tribunal has considered whether, based on the submissions it should:

a. Revise Determination 3 of 2025 in whole or in part, including updating the data used when the Determination was prepared in January 2025; or
b. Invite further submissions about aspects of Determination 3 of 2025; or
c. Confirm Determination 3 of 2025.

256. With one exception, the Tribunal is not persuaded that it should revise Determination 3 of 2025, or that further submissions about that Determination should be invited. It has adopted that position for the following reasons:

a. The Tribunal made the Inaugural Determination & Report based on inadequate information from the local government sector. In the Inaugural Determination & Report the Tribunal set out its expectation that the system of grouping Councils based on the remuneration amounts they were paying CEOs at that time was not sustainable and would be changed. The Tribunal then set about collecting data to assess alternative approaches. It invited a more cooperative approach from the local government sector but noted vast diversity of approaches which were substantially based on assertions that either a Council and/or its CEO were unique.

b. The Tribunal detailed the Guiding Principles in Report 3 of 2025 and in this Report the Tribunal has again explained the way in which it developed the criteria for the Council Grouping Model. The Tribunal considered the extent to which a single, or a combination of criteria could be used for this purpose. It noted that the application of one criterion only did not adequately explain the substantial diversity in remuneration arrangements and could not be regarded as a sustainable basis for grouping Councils.

257. In the Inaugural Determination & Report the Tribunal set out its approach to defining the components of Remuneration.

258. Mercer's involvement was directed at two issues.

a. The Tribunal engaged Mercer, as an expert remuneration advisor, to provide advice on the appropriate definition of what should be considered as Remuneration. In Report 3 of 2025 the Tribunal recorded that it disagreed with Mercer in one key respect, being the provision of housing costs. The Tribunal's decision to include housing simply reflects the extent to which it is a cost borne by Councils and their ratepayers.

b. The second element of the Mercer function involved consideration of the optimum way of grouping Councils. This was achieved through a series of workshops underpinned by agreement on objectives and Guiding Principles. These workshops drew on Mercer's statistical expertise to ensure that calculations based on the policies adopted by the Tribunal were properly applied. In this respect the Mercer Report simply reflects a position iteratively developed with the Tribunal. As an example, Mercer initially suggested 6 Council Bands and Remuneration Ranges. The Tribunal determined that six bands created an excessively wide bandwidth which would not assist either Councils or their ratepayers to understand the rationale for remuneration amounts. This led to consideration of other options. The rationale for the Remuneration Framework is detailed in Report 3 of 2025.

259. The Tribunal has noted that there remains some confusion about the Tribunal's function in setting minimum and maximum remuneration amounts and its assessment of what constitutes remuneration. In this latter respect, the Tribunal has fundamentally adopted the position that components of remuneration that represent a cost to ratepayers should be considered Remuneration. The Tribunal again suggests that Councils who are unsure in this respect should seek expert advice as that is not the role of the Tribunal. To the extent to which a Council disagrees with the position adopted by the Tribunal or decides that its contractual arrangements take precedence, this is a matter for that Council to consider. The Tribunal does not have an enforcement function.

260. Secondly, in establishing the Remuneration Framework in Report 3 of 2025 the Tribunal was aware of some Councils which were remunerating their CEOs at levels which it considered to be inconsistent with the characteristics of Councils which it considered comparable. The Tribunal released its Draft Determination & Report to provide an opportunity for Councils to comment on that approach. It took those comments into account in determining a final position in Report & Determination 3 of 2025.

261. At the time the Draft Determination & Report was issued there were 18 Councils from a total of 67 who were, on the information available to the Tribunal and on the information provided by the LGA, remunerating their CEOs at levels above the proposed maximum amounts. Information to that effect was provided by the LGA in February 2025 and again in March 2025. The LGA now asserts that over half of the Councils are remunerating their CEOs at levels above the designated maximums. While evidence to support this assertion has not been provided, if it is indeed that case, it suggests that remuneration increases to exceed those maximums were knowingly applied. The Tribunal is now being asked to sanction those higher remuneration amounts irrespective of how they were arrived at.

262. The Tribunal is now being asked to authorise remuneration arrangements that exceed the current maximums and (in some cases) to do so beyond the December 2027 phase-in period. The basis for these requests varies. The majority position is that the Tribunal should grandfather existing arrangements and effectively recognise that repeated contracts with a CEO mean that the term of office is not broken. In Report 3 of 2025 the Tribunal advised that it had concluded that it did not have the jurisdiction to adopt grandfathering in the manner sought by various Councils.[18] The Tribunal has reviewed that position considering the different types of grandfathering now asked of it. Some Councils have argued for grandfathering in the context that they submitted that those successive contracts had the effect of extending the term of office referred to in s 147(5) of the *Statutes Amendment (Local Government Review) Act 2021* (SA). That section states:

> The remuneration of a [C]hief [E]xecutive [O]fficer 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.

263. In Report 3 of 2025 the Tribunal concluded that a term of office was singular, with re-appointment representing a new term of office commencing with re-appointment under a new contract. The Tribunal maintains that view. It also reaffirms that, even if that

[18] Remuneration Tribunal – Report Relating to Determination 3 of 2025 [126] – [129].

jurisdiction existed, the potential for fundamentally iniquitous CEO arrangements would prompt the Tribunal to reject such a position.

264. A second version of grandfathering has been proposed by some Councils. This is based on contracts in operation at the time when Determination 3 of 2025 came into effect. Assuming these contracts were not negotiated to potentially avoid the effects of Determination 3 of 2025, some Councils argue that the Tribunal should and is obliged to recognise those contracts and allow them to run their course. The Tribunal has considered this position. The Tribunal has decided that this too is beyond jurisdiction, and in any event, and on balance, such an approach maintains and exacerbates the extent to which remuneration arrangements for some Councils cannot be reconciled with inherently similar Councils.

265. There is a caveat to this conclusion in that the Tribunal repeats its advice that it is open to any Council to argue that its circumstances are unable to be taken into proper account through the framework approach adopted by the Tribunal and an exemption may be issued.

266. The City of West Torrens and Regional Council of Goyder have both requested that their submissions to this Review be taken as requesting that they are regarded as representing exceptional circumstances. As the Tribunal has explained, it is unable to properly differentiate these submissions from the primary criticisms of the Remuneration Framework adopted by the Tribunal and is concerned that the primary basis of these requests appears heavily influenced by the extent their CEO salaries are so far above the designated maximums. Consequently, the Tribunal has advised it will consider specific applications to this effect if they are made.

267. Accordingly, the Tribunal will consider the City of West Torrens' application for an Exceptional Circumstances Determination of 28 July 2026 in due course.

268. A third version of grandfathering goes simply to the duration of the phase-in period. In the Draft Determination the Tribunal proposed January 2027. In March 2025 the LGA advised the Tribunal of the existing CEO contracts, their Remuneration and expiration dates. The Tribunal then undertook a projection of Remuneration Range maximums and observed that by applying a notional 3% year on year increase to the maximum for each Remuneration Range, the Councils which were above the Remuneration Range maximums were reduced substantially by December 2027. The submissions of some Councils to this Review indicate this may not be the case.

269. The common assertion that there should be fewer Council Bands with broader Remuneration Ranges is addressed by Report 3 of 2025. For clarity, the Tribunal adopted this number of Council Bands to ensure what it considered to be a reasonable bandwidth. The very broad bandwidth inherent in a six-band structure would have established such a wide discretion available to Councils, that the Tribunal considered it undermined the integrity of the Remuneration Framework. The bandwidth increases progressively so that the higher the ranked Council, the broader the discretion.

270. Some submissions to the Tribunal expressed concern that the imposition of the maximum remuneration levels in Determination 3 of 2025 would adversely affect retention and recruitment within that Council. The Tribunal acknowledges this may be the case. Conversely it notes that at least two Councils, initially asserted this was the case but appear to have recruited CEOs within their allocated Remuneration Ranges. To the extent to which an effect of Determination 3 of 2025 is that it adversely effects the remuneration of senior managers who report to the CEO, the Tribunal has no definite information that enables comment.

271. The Tribunal has considered extending the duration of the phase-in period. In this respect the Tribunal is aware that it has indicated an intention that the Remuneration Framework will next be reviewed in 2028. Whilst that review is clearly at the discretion of the Tribunal as it is constituted in the future, it reflects the many calls for stability in the remuneration system. An extension of the phase-in period until an unspecified time in 2028 to coincide with at least one CEO contract will prolong the unexplained and quite substantial differences in CEO remuneration for some Councils in contrast to others with inherently similar attributes. Such an extension would mean that substantial remuneration differences could be maintained up to the time when the Remuneration Framework is scheduled for reassessment. Accordingly, the Tribunal has determined that 31 December 2027 represents an appropriate phase-in period.

Applications for Exceptional Circumstances Determinations

272. Any Council that applies for the Tribunal to regard its circumstances as exceptional, should provide the Tribunal with comprehensive information relative to the role or employment circumstances of its CEO to enable the Tribunal to enable full consideration of the application.

Once-off Adjustment to Remuneration Range Maximums

273. The Tribunal has determined that one element of the Determination should be reviewed following consideration of the submissions put to it. This relates to the maximum amounts applicable to each of the Remuneration Ranges. It appears to the Tribunal that a small number of CEOs were engaged under contracts negotiated before the Draft Determination & Report was issued that provided for remuneration below the maximum but had the capacity for performance-based increases that would put them above the maximum amounts.

274. The Tribunal recognises that an inability to honour those arrangements may create unnecessary angst.

275. The Tribunal has determined to apply a one-off 4% increase to the maximum amounts for each Remuneration Range (**Once-Off Adjustment**) before it considers the 2026 Annual Review to facilitate those circumstances.

276. For clarity, the District Council of Coober Pedy is excluded from the Once-Off Adjustment.

277. The Tribunal acknowledges that the Once-Off Adjustment may not appease the small number of Councils who are remunerating their CEOs at levels significantly above the designated maximums.

278. Again, the Tribunal stresses that this does not amount to an automatic remuneration increase for CEOs. That is at the discretion of respective Councils.

2026 Annual Review

279. As the Tribunal has noted, Report 3 of 2025 foreshadowed an annual review of the minimum and maximum remuneration levels for each Remuneration Range, to occur in July 2026. On 27 May 2026 the Tribunal issued invitations for submissions on this topic to all the parties set out at paragraphs 15 to 19 of this Report and invited submissions by Friday, 26 June 2026.

280. On 15 June 2026, the Minister for the City of Adelaide noted that no submission would be made.

281. On 17 June 2026, the Premier's representative advised that no submission would be made.

282. The Tribunal notes that the Local Government Association did not make a submission in relation to the 2026 Annual Review.

283. At the close of submissions, 4 submissions were received from the following:

a. The City of Burnside;
b. The Town of Walkerville;
c. The Administration of the City of Adelaide; and
d. The City of Onkaparinga.

284. The Mayor of the City of Burnside referred to the City's earlier submissions and confirmed that the CEO was near the maximum of the designated range, having been appointed in December 2024 under the framework applicable at that time. The submission was that this limited the City's capacity to recognise performance. The Tribunal has considered this aspect of the submission in the context of the general submissions about the Remuneration Framework.

285. Additionally, the City of Burnside advised that in undertaking annual reviews it considered multiple factors, including the Tribunal's determinations, performance against agreed performance measures, CPI changes, applicable enterprise agreement increases and comparable organisations and Councils. The City of Burnside advised that the current maximum limited its capacity to undertake such a review.

286. The Corporation of the Town of Walkerville submission confirmed that it had no concern with its current Council Band and Remuneration Range assignment within the Remuneration Framework. It submitted that the Tribunal should increase the limits of the Remuneration Ranges by Consumer Price Index movements.

287. The City of Onkaparinga did not propose any change to its Council Band or Remuneration Range allocation and considered the Remuneration Framework to be appropriate. The City of Onkaparinga provided information about its population and particularly noted cost of living pressures on that population. The City submitted that the Tribunal should maintain alignment with community wage movements and broader economic conditions when considering adjustments to the Remuneration Range limits.

288. The City of Adelaide advised that its remuneration agreements do not commonly include CPI indexation and that its remuneration adjustments consider its capacity to pay, Wage Price Index changes, Consumer Price Index movements, national increases for Heads of Organisations and Executives, and other management roles, and increases experienced across all job families. It did not recommend a Consumer Price Index linked increase at present.

289. The Tribunal has also had regard to the submission made by the Principal Administrator of the District Council of Coober Pedy to the Review of the Remuneration Framework as set out earlier in this Report. Particularly, that the amounts in the Exception Determination 4 of 2024 be increased by the Consumer Price Index since that Determination was issued.

290. In considering these submissions the Tribunal has had regard to the following economic data:

a. Consumer Price Index (All Groups Adelaide) shows the following percentage changes from the corresponding quarters of the previous year:

i. 1.8% for June 2025
ii. 2.4% for September 2025
iii. 3.3% for December 2025
iv. 4.2% for March 2026
v. 4.4% for June 2026

b. The Australian Bureau of Statistics Wage Price Index (Public Sector in South Australia) shows the following percentage changes from the corresponding quarters of previous years:

i. 2.6% for June 2025
ii. 2.7% for September 2025
iii. 2.7% for December 2025
iv. 2.2% for March 2026

291. The Tribunal maintains its view that the minimum and maximum amounts for each Remuneration Range should not be automatically linked to Consumer Price Index movements for the future.

292. Having considered the submissions to the 2026 Annual Review, the Tribunal has determined to apply a 4% increase to the maximum remuneration amounts applicable to each Remuneration Range, as they stand after having applied the Once-Off Adjustment, as well as the maximum amount applicable to the District Council of Coober Pedy.

293. The Tribunal has not increased the minimum Remuneration Range levels because of the paucity of submissions on this issue and concern about the potential capacity of some Councils to afford remuneration increases.

294. These revised maximums for each Remuneration Range and the District Council of Coober Pedy will apply from 1 July 2026.

CONCLUSION

Once-Off Adjustment to Remuneration Range Maximums

295. The Tribunal has determined to alter the Remuneration Framework by increasing the Remuneration Range maximums by 4% to recognise that the Remuneration Ranges in Determination 3 of 2025, may limit the capacity of Councils to meet established performance recognition arrangements within the Remuneration Framework.

296. The Once-Off Adjustment will apply from 1 July 2026.

297. The Tribunal acknowledges that there remain a small number of Councils who are remunerating their CEOs well above the specified Remuneration Range maximums. This is a matter for those Councils to consider.

298. The Tribunal has not otherwise changed the Remuneration Framework established in Report and Determination 3 of 2025.

299. The Tribunal's present intention is to review the Remuneration Framework in 2028.

2026 Annual Review

300. As a result of the 2026 Annual Review, the Tribunal has determined to apply a 4% increase to the maximums applicable to each Remuneration Range after the Once-Off Adjustment has been applied, and the District Council of Coober Pedy to reflect inflationary movements. This increase will also operate from 1 July 2026.

301. The Tribunal will undertake a further review of the minimum and maximum Remuneration Range amounts within the Remuneration Framework in June 2027.

302. The Determination giving effect to this Report will operate from 1 July 2026 and supersedes Determination 3 of 2025 and Determination 4 of 2024.

Matthew O'Callaghan	Donny Walford	Mark Young
PRESIDENT	**MEMBER**	**MEMBER**

Dated: 30 July 2026