



No. 2 of 2022

REPORT OF THE REMUNERATION TRIBUNAL
2022 ALLOWANCES FOR MEMBERS OF LOCAL GOVERNMENT COUNCILS

INTRODUCTION AND BACKGROUND

1. Section 14 of the *Remuneration Act 1990* provides that the Remuneration Tribunal (“the Tribunal”) has jurisdiction to determine the remuneration, or a specified part of the remuneration, payable in respect of certain offices, if such jurisdiction is conferred upon the Tribunal by any other Act or by the Governor by proclamation.
2. The Tribunal’s jurisdiction in relation to members of local government councils (“members”) is governed by section 76 of the *Local Government Act 1999*. That section confers jurisdiction upon the Tribunal to determine allowances for members, once every four years.
3. The Tribunal notes that its jurisdiction for members under the above legislation is limited and specific. The Tribunal’s powers are limited to the determination of allowances only and the Tribunal must consider certain criteria as set out in the legislation.
4. The last review of this entitlement was conducted by the Tribunal in 2018. The Tribunal notes that, for the three years between Tribunal reviews, allowances are indexed each year according to the above legislation.

PROCEDURAL HISTORY

5. Section 10(2) of the *Remuneration Act 1990* provides that prior to the making of a Determination, the Tribunal must allow an affected person, or persons of an affected class, a reasonable opportunity to make submissions orally or in writing to the Tribunal.
6. Section 10(4) of the *Remuneration Act 1990* provides that the Minister responsible for the Act may intervene, personally or by counsel or other representative, in proceedings before the Tribunal for the purpose of introducing evidence, or making submissions, on any question relevant to the public interest.
7. On 8 February 2022, the Tribunal wrote to the Premier of South Australia (“the Premier”), as the Minister responsible for the Act, the Minister for Local Government, as the Minister responsible for the *Local Government Act 1999*, and to the Local Government Association of South Australia (“LGA”), inviting submissions to the Tribunal.

8. A public notification of the review and a guideline for the making of submissions was published on the Tribunal’s website the same day, advising that the Tribunal had “*initiated a review of allowances for Elected Members of Local Government Councils*”.¹ This determination relates to members of South Australian local government councils excluding members of the Adelaide City Council. Allowances for members of the Adelaide City Council will be addressed in a separate determination by the Tribunal.
9. The Tribunal issued guidelines for the making of submissions that gave prior notice that the Tribunal would consider the following factors in the making of its determination:
 - Name and contact details of the Council, individual or association making the submission.
 - The geographical size (area) of the Council.
 - Population (number of electors).
 - The revenue (\$) of the Council.
 - The ratio of members to ratepayers.
 - Meetings (number of council and committee meetings held in last 12 months, number of members attending council and committee meetings).
 - Amount of allowance deemed appropriate (submission may present an evidence based justification for an adjustment).
 - Any other relevant factors, without limiting the issues that might be addressed (this may include comment on any issues with the current Determination, or council groupings for the purpose of determining the level of allowance, or the Council’s capacity to pay).
10. These factors reflected the provisions of section 76(3) of the *Local Government Act 1999* and matters considered by the Tribunal to be potentially relevant to the establishment of allowances.
11. The closing date for written submissions was 8 April 2022.
12. The Tribunal conducted a hearing on 2 May 2022 for councils and individuals to make oral submissions to the Tribunal.

LEGISLATIVE PROVISIONS

13. Section 76 of the *Local Government Act 1999*, as amended, is set out as follows:

“76—Allowances

- (1) *Subject to this Act, a member of a council is entitled to the allowance determined by the Remuneration Tribunal in relation to the member’s office and indexed in accordance with this section.*
- (2) *The Remuneration Tribunal must make determinations under this section on a 4 yearly basis before the designated day in relation to each set of periodic elections held under the Local Government (Elections) Act 1999.*

¹ The public notification advised that the scope of the review included allowances for elected members as defined in section 76 of the *Local Government Act 1999* and section 24 of the *City of Adelaide Act 1998*.

- (3) *The Remuneration Tribunal must, in making a determination under this section, have regard to the following:*
- (a) *the role of members of council as members of the council's governing body and as representatives of their area;*
 - (b) *the size, population and revenue of the council, and any relevant economic, social, demographic and regional factors in the council area;*
 - (ba) *the ratio of members to ratepayers;*
 - (c) *the fact that an allowance under this section is not intended to amount to a salary for a member;*
 - (d) *the fact that an allowance under this section should reflect the nature of a member's office;*
 - (e) *the provisions of this Act providing for the reimbursement of expenses of members.*
- (4) *For the purposes of the proceedings before the Remuneration Tribunal but without derogating from the operation of subsection (3), the allowances to be determined under this section will be taken to be in the nature of a fee under the definition of **remuneration** in the Remuneration Act 1990.*
- (5) *Without limiting section 10 of the Remuneration Act 1990, the Remuneration Tribunal must—*
- (a) *allow persons who are entitled to be enrolled on the voters roll for an area a reasonable opportunity to make submissions orally or in writing to the Tribunal in relation to a determination under this section that relates to the members of the council for that area; and*
 - (b) *allow the LGA a reasonable opportunity to make submissions orally or in writing to the Tribunal in relation to any determination under this section.*
- (6) *Nothing in subsection (5) requires the Remuneration Tribunal, for the purposes of making all determinations required under this section in any 4 year period, to hold more than 1 hearing to receive any oral submissions that persons may care to make (and the Tribunal is not required to hold any hearing if it appears to the Tribunal that no one is seeking to make oral submissions).*
- (7) *The rates of allowances may vary from office to office, and from council to council.*
- (8) *An allowance determined under this section will, in relation to the members of a particular council, be payable for the period—*
- (a) *commencing on the conclusion of the relevant periodic election; and*
 - (b) *concluding at the time at which the last result of the next periodic election is certified by the returning officer under the Local Government (Elections) Act 1999 (including in respect of a member of the council for whom the conclusion of the next periodic election is, for other purposes, the last business day before the second Saturday of November of the year of the periodic election as a result of the operation of section 4(2)(a)).*
- (9) *An allowance determined under this section is to be adjusted on the first, second and third anniversaries of the relevant periodic elections to reflect changes in the Consumer Price Index.*
- (10) *Sections 17 and 19 of the Remuneration Act 1990 do not apply in relation to a determination under this section.*

- (11) *Subject to subsection (8), a member of a council who holds an office for part only of the period in respect of which an allowance is payable is entitled to the proportion of the allowance that the period for which the member held the office bears to the total period.*
- (12) *An allowance under this section is to be paid in accordance with any requirement set out in the regulations (unless the member declines to accept payment of an allowance).*
- (13) *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 established by the President of the Tribunal after consultation with the LGA.*
- (13a) *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.*
- (14) *Regulations made for the purposes of this section may make different provision according to the offices or classes of council to which they are expressed to apply.*
- (15) *In this section—*

Consumer Price Index means the Consumer Price Index (All groups index for Adelaide) published by the Australian Bureau of Statistics;

designated day, in relation to particular periodic elections, means the day that is 14 days before the day on which nominations close for those elections.”

- 14. Relevantly, the Tribunal’s jurisdiction is confined to the making of Determinations, on a four-yearly basis, in relation to allowances of members. Section 76 recognises that the Tribunal may determine differential allowance amounts and increases depending on its assessment of these legislative criteria.
- 15. The Tribunal notes that the allowances referenced in the *Local Government Act 1999* fall within the definition of remuneration in the *Remuneration Act 1990* as follows:

“3—Interpretation

In this Act—

remuneration includes—

- (a) *salary; and*
- (b) *allowances; and*
- (c) *expenses; and*
- (d) *fees; and*
- (e) *any other benefit of a pecuniary nature;*

the Tribunal means the Remuneration Tribunal established under Part 2.”

- 16. The Tribunal notes that in accordance with section 76(3)(c) of the *Local Government Act 1999*, the allowance paid to members is “...not intended to amount to a salary for a member.” The Tribunal has proceeded with this review on that basis.

ROLE AND FUNCTIONS OF MEMBERS

- 17. The role of members is expressed at section 59 of the *Local Government Act 1999*. The Tribunal has had due regard to the official role and functions set out below in the making of its Determination.

“59—Roles of members of councils

- (1) *The role of a member of a council is—*
- (a) *as a member of the governing body of the council—*
- (i) *to act with integrity; and*
- (ii) *to ensure positive and constructive working relationships within the council; and*
- (iii) *to recognise and support the role of the principal member under the Act; and*
- (iv) *to develop skills relevant to the role of a member of the council and the functions of the council as a body; and*
- (v) *to participate in the deliberations and activities of the council; and*
- (vi) *to keep the council's objectives and policies under review to ensure that they are appropriate and effective; and*
- (vii) *to keep the council's resource allocation, expenditure and activities, and the efficiency and effectiveness of its service delivery, under review; and*
- (viii) *to ensure, as far as is practicable, that the principles set out in section 8 are observed; and*
- (ix) *to participate in the oversight of the chief executive officer's performance under the council's contract with the chief executive officer; and*
- (x) *to serve the overall public interest; and*
- (b) *as a person elected to the council—to represent the interests of residents and ratepayers of the council, to provide community leadership and guidance, and to facilitate communication between the community and the council.*
- (2) *A member of a council may, with the principal member's authorisation, act in place of, or represent, the principal member.*
- (3) *A member of a council has no direct authority over an employee of the council with respect to the way in which the employee performs his or her duties.”*

SUBMISSIONS

18. A summary of written submissions made to the Tribunal by councils and individuals is included below:

Council	Type of submission	Summary of Issues Raised
Coorong District Council	Council	<ul style="list-style-type: none"> • Change in members to ratepayers ratio (less members) • Increase Deputy Mayor Allowance (to reflect acting arrangements for Mayor and mentoring other members)
City of Marion Council	Council	<ul style="list-style-type: none"> • Members can now attend meetings remotely, leading to efficiencies in travelling time
Port Pirie Regional Council (Individual, Mayor)	Individual, Member	<ul style="list-style-type: none"> • Reclassify all group 5 councils to group 4 • Members should receive a 5% pay increase across the board • Mayor should receive 6 times allowance of a member • Deputy Mayor should receive 1.75 times that of a member

Council	Type of submission	Summary of Issues Raised
Tea Tree Gully Council	Council	<ul style="list-style-type: none"> • Requests reclassification from group 1B to group 1A
Tim Looker, City of Holdfast Bay	Individual, former Member	<ul style="list-style-type: none"> • That the allowance for Holdfast Bay be reduced • The city is over-represented (too many members) • The workload is light and not deserving of such a high level of allowance
Walkerville Council	Council	<ul style="list-style-type: none"> • Council deems that an annual increase of Consumer Price Index ("CPI") is reasonable
Whyalla Council	Council	<ul style="list-style-type: none"> • Increase Mayor allowance to 5 times member allowance, and consider unique circumstances of mayor • Regional mayor should receive 6 times member allowance
Malcolm Herrmann (individual, Adelaide Hills Council)	Individual, Member	<ul style="list-style-type: none"> • Seeks higher sitting fee for committees • Seeks a higher travelling time payment
City of Victor Harbor	Council	<ul style="list-style-type: none"> • Seeks reclassification from Group 3 to Group 2
City of Port Lincoln (individual, Mayor Brad Flaherty)	Individual, Member	<ul style="list-style-type: none"> • Seeks reclassification from Group 3 to Group 2
Robert Mann (individual, City of Victor Harbor)	Individual, Member	<ul style="list-style-type: none"> • Paying a higher rate may help with the quality of candidates and hence lower costs in relation to code of conduct issues.
City of Charles Sturt	Council	<ul style="list-style-type: none"> • Current grouping is appropriate
Adelaide Hills Council	Council	<ul style="list-style-type: none"> • Council allowance form only a very minor part of Council revenues • Time travelling component is insufficient and should include ward duties

19. Consistent with the observations of the Tribunal in its 2018 Report, the number of submissions made has continued to decrease. The submissions received were commonly focussed on requests for changed group allocations and allowances for mayors and deputy mayors and recognition of specific regional considerations. To avoid doubt, the Tribunal has included chairpersons and deputy chairpersons in its consideration of mayors and deputy mayors respectively.
20. In conducting this review, the Tribunal has sought data from various official sources including the Local Government Grants Commission of South Australia and the Electoral Commission of South Australia.
21. The Tribunal also conducted an analysis of certain metrics of councils, including the number of persons, revenues, geographical area and the ratio of members to ratepayers.

CONCLUSIONS

22. The Tribunal recognises that this review is being undertaken at an important time for local government in South Australia.
23. There is increased public scrutiny of local government operations in the context of its efficiency, its capacity to demonstrate efficient service delivery and its ability to articulate its role and functions. There are pressures to consider the efficiency gains that might arise from mergers or shared service delivery arrangements. Where changes in these respects have been made, there is a need to demonstrate that these have been beneficial.
24. The objective of the current review is to determine a fair rate of allowance, based on consideration of the legislative criteria. These allowances do not equate with salaries in the normal context in that they do not reflect a normal commercial or work value-based rate of remuneration that takes full account of the time, the commitment and the responsibility associated with these roles. The Tribunal recognises at the outset that there is a significant element of voluntary community commitment on the part of members of local government. What is clear from the *Local Government Act 1999* is that allowances provide at least partial recognition of the time and expenses incurred by members depending on the nature and structure of the council and the functions they perform as members.
25. The Tribunal considers that there is a legitimate community expectation that members will be capable of fully comprehending the significance of their roles, will be open to constructive debates and will comply with the relevant behavioural expectations for members. The Tribunal has adopted a position whereby the allowance levels presume that appropriate behaviour standards are met. The Tribunal does not regard these issues to be relevant to setting allowances.
26. The Tribunal acknowledges the very broad range of skills and contributions made by members.
27. In this report the Tribunal commences with a review of the traditional approach to reviewing allowance amounts. We then consider the issues raised in the context of this traditional system before explaining our conclusions about the quantum of allowances.

The grouping of councils

28. Previous determinations of the Tribunal have established groupings of councils. There are effectively six discrete groups. Within each group, common allowance amounts apply.
29. The current council groups are disposed² as follows:

Group 1A City of Charles Sturt City of Onkaparinga City of Port Adelaide Enfield City of Salisbury	Group 1B City of Holdfast Bay City of Marion City of Mitcham City of Playford City of Tea Tree Gully City of West Torrens
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² Appendix 1, Determination of the Remuneration Tribunal Allowances for Members of Local Government Councils No. 6 of 2018

<p>Group 2 Adelaide Hills Council Alexandrina Council Barossa Council Campbelltown City Council City of Burnside City of Mount Gambier City of Prospect City of Norwood Payneham and St Peters City of Unley City of Whyalla District Council of Mount Barker Port August City Council Rural City of Murray Bridge Town of Gawler</p>	<p>Group 3 Berri Barmera Council City of Port Lincoln City of Victor Harbor Clare and Gilbert Valleys Council District Council of Loxton Waikerie District Council of The Copper Coast District Council of Yorke Peninsula Light Regional Council Naracoorte Lucindale Council Port Pirie Regional Council Tatiara District Council Wattle Range Council</p>
<p>Group 4 Adelaide Plains Council Corporation of the Town of Walkerville District Council of Coorong District Council of Grant District Council of Lower Eyre Peninsula District Council of Yankalilla District Council of Renmark Paringa Kangaroo Island Council Northern Areas Council Regional Council of Goyder Wakefield Regional Council</p>	<p>Group 5 Barunga West Council District Council of Ceduna District Council of Cleve District Council of Coober Pedy District Council of Elliston District Council of Franklin Harbour District Council of Franklin Harbour District Council of Karoonda East Murray District Council of Kimba District Council of Mount Remarkable District Council of Orroroo Carrieton District Council of Peterborough District Council of Robe District Council of Streaky Bay District Council of Tumby Bay Flinders Ranges Council Kingston District Council Southern Mallee District Council Wudinna District Council</p>

30. Notwithstanding the capacity for councils to argue that the grouping system in overall terms was not appropriate, few of the submissions sought to challenge this. One submission sought broad clarification of the current grouping system and only a small number of submissions requested that their council group allocation be reviewed so that they were classified in a higher grouping.
31. Before considering the allowance amounts in the context of the Grouping system, the Tribunal reviewed the extent to which it could be fully satisfied that each of the groups reflected a fair

characterisation of the statutory criteria in section 76 of the *Local Government Act 1999*. Disparities between councils within these groups and some inherent inconsistencies are readily apparent. The Tribunal is satisfied that while the current grouping arrangement can be applied for the purposes of this Determination, consideration of council functions collectively does not allow for optimal consideration of the legislative criteria the Tribunal is required to assess. The submissions, seen in the context of the disparities within the groups, do not permit council specific allowance adjustments that recognise the legislative criteria.

32. It is inherently difficult to address the factors in section 76(3) of the *Local Government Act 1999* in a group context. Consequently, as part of the next four-yearly review the Tribunal proposes to reconsider this traditional arrangement. Specifically, the Tribunal invites consideration of an alternative approach that would establish an appropriate allowance for a “standard” or “benchmark” council, with specific additions or deductions for all other councils to recognise each of the criteria in section 76(3). The Tribunal proposes to consider whether such an approach would more fairly recognise the impact of these statutory criteria and encourage councils to review the way in which they operate. Any such review must be evidence based. Whilst it was open to the Tribunal to delay the determination of this review to provide an opportunity for submissions on this proposition, the nature of the submissions received and likely delays mitigated against this. Councils are encouraged to consider this proposition well in advance of the next four-yearly review.
33. In its 2018 review the Tribunal concluded that the limited number of submissions and the content of those submissions suggested that there was limited interest on the part of councils in general in changes to the current structure of allowances and the level of those allowances. We see little change from that position but the Tribunal is intent on providing an opportunity for more relevant recognition of the legislative criteria. While the general position adopted by most of the councils that made submissions was to the effect that there was no disagreement about their categorisation in a given band, later in this report, the Tribunal has considered the changes proposed by some councils.
34. The Tribunal notes that most of the submissions made essentially presumed a status quo position and provided minimum information relating to the specified criteria, whilst not detailing views about the conclusions which the Tribunal should draw from that information. In this respect the general standard of submissions provided very limited assistance to facilitate assessments against the legislative criteria. Even the limited number of submissions that addressed the statutory criteria did not provide the Tribunal with a sustainable basis upon which to identify a different approach to the current broad generic groupings.
35. The Tribunal distinguishes the submission made by the City of Marion. While that submission did not propose significant change to the current arrangements, it did provide a clear summary of the characteristics of that council in the context of the legislative criteria. The Tribunal suggests that submissions of this nature would assist in future consideration of allowances.
36. The Tribunal has noted that council submissions generally supported CPI based increases to current Allowances. The limited number of alternative positions are summarised below.

Requests to change allowances generally

37. The Adelaide Hills Council made a submission that increased complexity, significant responsibilities and legislative obligations associated with member functions warranted a doubling of the current allowances. The Tribunal considers that this submission did not substantiate this claimed increase in the member allowances against the legislative criteria

or in the context of the grouping system. The council's submission suggested restructuring the grouping criteria to incorporate considerations of population density and ward size. The Tribunal has recognised potential inherent deficiencies in the grouping system and has expressed an intention to give the local government sector the opportunity to consider those issues in a more fulsome manner at the next review. To the extent that the submission simply asserts that council budgets can afford an increase of the nature sought, the Tribunal rejects consideration of that issue alone.

38. The Mayor of the Port Pirie Regional Council made a personal submission proposing a five percent increase in the allowances payable to members generally. The Mayor sought annual indexation of this amount at no less than the CPI rate. The Tribunal is not satisfied that an adequate evidentiary case for such an increase has been put or that a claim of this nature is consistent with the legislative criteria that the Tribunal is required to consider.
39. The Coorong District Council proposed adjusting the member allowances on the basis of movements in the wage price index rather than the CPI. The Tribunal is not satisfied that such a position is consistent with the reference to CPI in the legislation where the references are to the CPI and not another economic measure published by the Australian Bureau of Statistics. The Coorong District Council also suggested that consideration be given to a different approach to the calculation of allowances to better take account of the differing characteristics of councils. The Tribunal notes this suggestion in the context of its proposal for consideration of a different approach to the determination of allowances in the future. The Tribunal also notes that Coorong District Council proposes a biennial review of allowances which is inconsistent with the legislative requirements.
40. The City of Tea Tree Gully provided data to facilitate consideration of the legislative criteria and made a submission seeking a more general review of allowance amounts, together with a request that the Tribunal consider adjusting the timing of future reviews to better correspond to council budgets. To the extent permitted by the *Local Government Act 1999*, the Tribunal recognises this concern about timing.
41. The City of Victor Harbor submission expressed the view that allowances are not currently adequate given the time and expertise commitments required. The Tribunal notes this position but does not accept that this submission provides an evidentiary basis for increasing amounts as the changes sought are not fully established in their own right, or within the context of local government generally.
42. Mr Mann, a councillor for the City of Victor Harbor, made a personal submission. Mr Mann's individual submission was to the effect that increased allowances would assist in improving the operations of local government, given increased complexities associated with local government functions. Mr Mann asserts that increased payments for members would encourage younger persons to take on these roles. Again, the Tribunal considers that the legislative criteria it is obliged to consider preclude the adoption of broad global statements of this nature.
43. Mr Looker made an individual submission seeking a reduction in the allowance amounts applicable to the councillors of the City of Holdfast Bay. In his submission, Mr Looker argued for a reduction in allowances for that council on the basis that the City of Holdfast Bay had not made savings by reducing the number of councillors. The Tribunal is not satisfied that Mr Looker's assertions are properly established or that they take into account the entirety of the relevant circumstances that need to be considered in the context of the legislative criteria.

Requests to review specific group allocations

44. The City of Victor Harbor requested that it should be reclassified from Group 3 to Group 2, largely on the basis that it better aligned with the councils in Group 2. The City of Victor Harbor referred to its proximity to Adelaide and seasonal population growth in support of its submission, while asserting these factors were not taken into account in its current grouping. The Tribunal has noted this submission and the arguments incorporated in it and recognises these concerns. However, the Tribunal is concerned that reclassifying the City of Victor Harbor as a Group 2 council would create as many anomalies as it would resolve given the inherent uncertainty about the basis for groupings. The Tribunal is not inclined to reclassify the City of Victor Harbor in this review but invites further submissions at the next review.
45. The City of Port Lincoln is currently classified as a Group 3 council. The Mayor of the City of Port Lincoln made a personal submission seeking that the City be reclassified as a Group 2 council. This submission referred to the growth of the City over the past ten years and the extent to which it was more comparable with other Group 2 councils. Again, the Tribunal has noted this submission and recognises that certain of the criteria favour comparisons with other Group 2 councils. However, as was the case with the City of Victor Harbor, reclassification of the City of Port Lincoln will immediately create potential anomalies with other comparable Group 3 councils. Again, the Tribunal invites a further submission for the next review with more detailed explanations of its position relative to the section 76 criteria.
46. The Port Pirie Regional Council is classified as a Group 3 council. The Mayor of the council made a personal submission dealing with a range of matters, which included a submission that all Group 5 councils should be reclassified as Group 4 councils. The basis for this proposal is unclear to the Tribunal but in the absence of a sustainable foundation for this position, the Tribunal is not prepared to make a change of this nature.
47. The City of Tea Tree Gully is currently classified a Group 1B council. In its submission the City of Tea Tree Gully suggested it should be reclassified as a Group 1A council. The City also suggested alternative approaches to setting allowances. The Tribunal is not satisfied that the City has presented a sustainable case for either its reclassification as a Group 1A council on comparative grounds, or a sustainable case for the adoption of an alternative approach to establishing allowance amounts.

Requests to alter allowance arrangements applicable to mayors and chairpersons

48. From 2010, the Tribunal has adopted the position that mayors and chairpersons (excluding the Lord Mayor of the Adelaide City Council) should receive an allowance four times the annual amount applicable to members for that council.
49. The Whyalla City Council proposed that allowances for mayors should be increased to five times the annual allowance payable to members with regional mayors to receive an allowance six times the annual allowance payable to members. This submission was made on the basis that the responsibilities of mayors had increased following recent changes to the *Local Government Act 1999*. The further increase for regional mayors was sought on the basis that the Tribunal should establish a framework for recognition of the unique and complex circumstances confronting some councils. These included the need for some regional council mayors to actively engage in critical negotiations about significant projects and issues particularly relevant to their community. The Tribunal recognises that a capacity to distinguish between the requirements of a particular regional mayor and mayors generally may be appropriate in the future. However, such a distinction is difficult to reconcile with allowances to mayors that are based on allowances determined for the current groups. Additionally, the

Tribunal notes that such a proposal has not been promulgated by other councils. The Tribunal is not satisfied that the information provided represents a compelling case for a change that may establish unintended consequences.

50. The personal submission made by the Mayor of the City of Port Lincoln proposed increased recognition of the demands on a mayor. This submission asserted that the Tribunal's 2014 Determination relating to the City of Adelaide was apposite to the functions undertaken by both the mayor and councillors of the City of Port Lincoln. While the Tribunal recognises that this submission may reflect a correct recognition of a change in the role of mayors and members, it does not provide a sustainable basis for that increase, nor address the relevant statutory criteria. Nor indeed can it be taken to reflect a general position within local government.

Requests to alter deputy mayors and deputy chairpersons allowance arrangements

51. The Adelaide Hills Council proposed that the allowance amount for deputy mayors be set at two times the annual allowance for members or for this amount to be payable at the mayor's allowance rate when the deputy is undertaking the mayoral role. The Tribunal is not satisfied that there should be an across the board increase to two times the annual allowance for members because evidence about the comparative criteria for deputy mayors has not been provided but has concluded that, if a deputy mayor is required to undertake the duties of a mayor for a period of at least one month, the mayoral allowance rate should apply.
52. The Coorong District Council proposed a review of the allowance for deputy mayors because of asserted increased expectations of these roles. The Tribunal is not satisfied that this assertion represents a sustainable basis for change.
53. The Mayor of the Port Pirie Regional Council made a personal submission that the allowance for deputy mayors be increased to 1.75 times the annual allowance for a member. The Tribunal is not satisfied that a basis for this proposal has been established.

Requests to alter allowance payments to the presiding members of prescribed committees

54. In its 2018 Determination, the Tribunal confirmed an allowance amount for members who are presiding members of prescribed committees.
55. Mr Hermann, a councillor for the Adelaide Hills Council made a personal submission seeking a sitting fee for the Audit Committee. The Tribunal is not satisfied that a basis for such a fee has been established on the material provided.

Travel Time payments

56. In previous determinations the Tribunal has provided for a Travelling Time allowance for non-metropolitan councils. The 2018 Determination varied this Travel Time Allowance in the following terms:

"An allowance of \$410 per annum will be payable to council members, excluding principal members, whose usual place of residence is within the relevant council area and is located at least 30 kms but less than 50 kms from that council's principal office, via the most direct road route.

An allowance of \$700 per annum will be payable to council members, excluding principal members, whose usual place of residence is within the relevant council area and is located at least 50 kms but less than 75 kms from that council's principal office, via the most direct road route.

An allowance of \$1,050 per annum will be payable to council members, excluding principal members, whose usual place of residence is within the relevant council area and is located at

least 75 kms but less than 100 kms from that council's principal office, via the most direct road route.

An allowance of \$1,490 per annum will be payable to council members, excluding principal members, whose usual place of residence is within the relevant council area and is located 100 kms or more from that council's principal office, via the most direct road route.

The non-metropolitan council members travel time allowance will be payable in addition to any entitlement to reimbursement of expenses actually incurred."

57. The Tribunal notes that travel expenses are separately covered by the legislation.
58. The Adelaide Hills Council submitted that travel times within its two wards, representing 569km and 225km, were undervalued by the travel time involved. The council suggested that the Travel Time Allowance should be restructured to include both a meeting attendance and a ward duties component to more appropriately recognise the travel time on council business. The Tribunal recognises that travel time within councils and within wards varies. Minimal information about other councils is available to the Tribunal, and indeed, other submissions note the reduction in travel time associated with increased video meeting participation. The Tribunal is not satisfied that sufficient information about this proposal has been provided so as to properly address an issue affecting many councils.
59. Mr Hermann, a councillor for the Adelaide Hills Council made a personal submission seeking a general member allowance in recognition of the extent of travel he undertook relative to other members of that council. The Tribunal is not satisfied that an additional specific payment is warranted on the basis of this submission, or that it establishes the need for a change in the existing travel time allowance.
60. The Tribunal notes that the Coorong District Council is not expected to have wards from the November 2022 council elections with consequent increased travel times.

Other submissions

61. The Manager Strategy and Governance at the City of Holdfast Bay has requested that the Tribunal clarify the potential for confusion about whether the allowance for a deputy mayor should be paid in addition to the allowance for a presiding member of a prescribed committee if that member performs both functions.
62. The Tribunal has noted that the 2018 Determination states:

"The annual allowance for a councillor who is a deputy mayor or deputy chairperson, or the presiding member of a prescribed committee or more than one prescribed committees established by a council, will be equal to one and a quarter (1.25) times the annual allowance for councillors of that council."
63. The Tribunal considers that this Determination establishes that the allowance applicable to a presiding member of a prescribed committee does not apply to either a mayor or deputy mayor undertaking those functions, that is, if a deputy mayor is also a member of a prescribed committee, the allowance is not duplicated.

Summary of the Tribunal position with respect to proposals seeking allowance changes.

64. Having considered the submissions seeking alterations to current allowance arrangements, the Tribunal has determined that the current structure of allowances set in 2018 should be retained for the purposes of this review. The submissions disclose highly variable appreciations of the legislative criteria the Tribunal is required to consider. They also generally fail to recognise the relative positions of councils and the extent to which a change made to

one council is likely to create anomalies in other councils. This again tends to support the proposal that the Tribunal has made for a future change in the general approach to establishing allowances.

65. The Tribunal notes that some councils may have achieved significant operational improvements, or confronted major community change or challenges but absent a better means of collectively considering these issues, the Tribunal has adopted the position that existing allowances should only be adjusted to ensure appropriate recognition of cost of living changes.
66. The Tribunal is satisfied that, in overall terms, the increases summarised below meet the requirements inherent in section 76(4) of the *Local Government Act 1999*. The submissions received refer to the role of members of councils. The Tribunal has noted that the current grouping system incorporates consideration of the size, population and revenue of councils and to economic, social, demographic and regional factors. The Tribunal has noted overall information relating to the ratio of members to ratepayers but has not made a specific allowance adjustment to this effect. The Tribunal has expressed its concern that the current system lacks the capacity to properly recognise these specific criteria, and creates inherent difficulties in comparing initiatives and characteristics of councils, and has suggested that councils generally consider options for substantial change. The Tribunal notes that there remains confusion about the distinction between salary arrangements and the allowances that are reflected in some of the submissions put, but is nevertheless satisfied that the amounts proposed recognised the vital voluntary nature of the role of members. The allowances summarised below reflect the varying nature of offices held by members and take into account the provisions of the *Local Government Act 1999* enabling the reimbursement of expenses.
67. General increase to allowances

67.1. The Tribunal has applied a general increase to the amount of the allowances for members of local government. This increase takes into account the provisions of section 76(9) of the *Local Government Act 1999* dealing with the annual recognition of CPI movements for the three years between reviews of this nature. This section states:

“(9) An allowance determined under this section is to be adjusted on the first, second and third anniversaries of the relevant periodic elections to reflect changes in the Consumer Price Index.”

67.2. The Tribunal considers an increase to current member allowances of three percent is appropriate. The Tribunal is satisfied that this adjustment, when considered in the context of the annual increases that have been applied over the past three years reflects the reasonable maintenance of allowance payments against consumer price index movements.

Principal Members (Mayors and Chairpersons), Deputy Mayors and Deputy Chairpersons

67.3. The Tribunal has not altered the basis for allowances payable to principal members, deputy mayors and deputy chairpersons.

Deputy Presiding Member/s of a prescribed committee

67.4. The Tribunal confirms that for the deputy presiding member/s of a prescribed committee, the deputy presiding member/s who undertakes the duties of a presiding

member for a minimum period of one month should receive the presiding member allowance for the entirety of the time they undertake those expanded duties.

Presiding Member of a committee that is not a prescribed committee

67.5. The Tribunal has increased the sitting fee payable to a councillor (other than a principal member, deputy mayor, deputy chairperson or a presiding member of a prescribed committee) who is the presiding member of a committee that is not a prescribed committee by three percent.

Travel Time Allowance

67.6. The Tribunal has not altered the basis for payment of the Travel Time Allowance but has increased these amounts by three per cent.

Changes to Council Groupings

67.7. The Tribunal has not altered the current council groupings.

FREQUENCY OF REVIEWS

68. The Tribunal intends to review the allowances for members on a four yearly basis in accordance with the *Local Government Act 1999*. The next review will be in 2026. The Tribunal has foreshadowed a significant review of the allowance setting approach may be undertaken in 2026.

OPERATIVE DATE

69. As provided for by section 76(8) of the Act, the accompanying Determination will come into operation upon the conclusion of the 2022 Local Government Elections.



Matthew O'Callaghan
PRESIDENT



Deborah Black
MEMBER



Peter de Cure AM
MEMBER

Dated this 5th day of July 2022