

## 5.2 MAYORAL & COUNCILLOR ALLOWANCES

Responsible Officer: Jarrod Doake, Chief Operating Officer

### **RECOMMENDATION**

A. *That public notice be given in accordance with Sections 74 and 223 of the Local Government Act 1989 that:*

1. *The Councillor and Mayoral allowances for 2021 are proposed to be set as follows:*

- *Councillor allowance: \$31,444 per annum*
- *Mayoral allowance: \$100,434 per annum*

2. *The following equivalent of the Superannuation Guarantee Contribution for 2021 is proposed to be made:*

- *Councillor: \$2,987.18 per annum*
- *Mayor: \$9,541.23 per annum*

B *That:*

1. *A committee comprising all Councillors be appointed to consider all submissions received, at 7.00 pm, Tuesday 11 May 2021.*

2. *Subject to the consideration of any submissions received, in accordance with Sections 74(4) and 223 of the Local Government Act 1989 (the Act), the Council resolves on the Councillor and Mayoral allowances, and consequently the superannuation contributions, for 2021 at its meeting on 29 June 2021.*

C. *That a fully-maintained Council vehicle be provided for the Mayor's use during their term of office as Mayor.*

D. *That the Chief Executive Officer be given the authority to make all administrative arrangements in relation to the meeting under s.223 of the Act.*

E. *That it be noted that, in accordance with the Council resolution of 26 May 2020 to refuse an increase, the value of the allowances has not increased.*

### **INTRODUCTION**

The Council is requested to review and set the Councillor and Mayoral allowances for 2021.

**BACKGROUND**

An important reform of the *Local Government Act 2020* (2020 Act) is the transfer of responsibilities in determining Mayoral, Deputy Mayoral and Councillor allowances to the Victorian Independent Remuneration Tribunal (the Remuneration Tribunal).

However, until the Remuneration Tribunal makes its first determination on allowances, the allowances, framework under the *Local Government Act 1989* (1989 Act), continues to apply, despite the repeal of those provisions last year.

Section 39(6) of the 2020 Act provides for this transitional arrangement.

The Minister for Local Government will request the Remuneration Tribunal to make a determination, which is expected in late 2021, as advised by Local Government Victoria.

**Current arrangements (under the 1989 Act)**

Under section 74(1) of the 1989 Act, councils must review and determine the level of Mayoral and Councillor allowances within six months of a general election or by 30 June, whichever is later.

Councils have been advised by Local Government Victoria to plan to undertake and complete their own review of allowances under the 1989 Act by 30 June 2021.

**DISCUSSION**

Prior to the changes to the Local Government Act, Council had set the allowances at the maximum of Category 3, under the Act.

At its 26 May 2020 meeting, Council resolved not to accept the increase approved by the Minister for Local Government, for 2020/2021, in recognition of the financial impact that COVID-19 was having on the community.

It is recommended that the allowances approved by the Minister for Local Government applicable as at 1 December 2019 be agreed to:

Councillors: \$31,444 per annum

Mayor: \$100,434 per annum

In addition, the equivalent of the Superannuation Guarantee Contribution needs to be identified.

**Future arrangements under the Local Government Act 2020**

The power to determine Mayoral, Deputy Mayoral and Councillor allowances will transfer to the Remuneration Tribunal.

Under section 23A of the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019*, the Remuneration Tribunal will have six months to make a determination from the date the determination is requested by the Minister.

Before making its determination, the Remuneration Tribunal must review the existing councillor allowance framework.

**POLICY IMPLICATIONS**

There are no policy implications in relation to this matter.

**CONSULTATION**

In undertaking their reviews, councils must ensure that a person has a right to make a submission under section 223 of the 1989 Act (as required by section 74(4)).

The required public notice calling for submissions will be published, in due course, with a committee of all Councillors appointed to consider any submissions received.

It is recommended that the Chief Executive Officer be given the authority to make all administrative arrangements for this public submission process.

**FINANCIAL IMPLICATIONS**

Councillor and Mayoral allowances have been budgeted for.

**CONCLUSION**

It is recommended that the Council sets the Mayoral and Councillor allowances for 2021, as part of the transition process between the Local Government Act 1989 and the new *Local Government Act 2020*, in relation to allowances.