

Submission to the Local Government Remuneration Tribunal

February 2022

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Introduction

Local Government NSW (“LGNSW”) is the peak body for Local Government in NSW and represents the interests of NSW councils, county councils, joint organisations and regional organisations of councils.

LGNSW is registered as an industrial organisation of employers under the *Industrial Relations Act 1996* (NSW) and separately under the *Fair Work (Registered Organisations) Act 2009* (Cth).

LGNSW makes this submission pursuant to s 243(2)(b) of the *Local Government Act 1993* (NSW) (“Act”).

LGNSW thanks the Tribunal for the opportunity to provide this submission.

Executive Summary

The Tribunal is required by s 242A of the Act to give effect to the NSW State Government’s Public Sector Wages Policy (“Wages Policy”) when determining the maximum and minimum fees to be paid to mayors and councillors. Currently, clause 3.1 of the Wages Policy limits any increase in remuneration or other conditions of employment to a maximum of 2.5%.

LGNSW submits that an increase in mayor and councillor remuneration of 2.5% is inadequate and does not address the historical undervaluation of work performed by mayors and councillors and the substantial expansion of their responsibilities and accountability in recent years. Therefore, in recognition of the obligations incumbent on the Tribunal with respect to the Wages Policy, LGNSW’s strong submission remains that it is essential that the Tribunal increase the minimum and maximum fees payable to mayors and councillors by 2.5%. This submission sets out the basis for LGNSW’s argument in support of the increase in three parts.

The first part of this submission refers to economic and wage data relevant to mayors and councillors. We demonstrate that even if the maximum available increase of 2.5% were to be granted, mayors and councillors would still experience an overall reduction in remuneration in real terms due to higher rates of inflation. We submit that the Tribunal must grant the maximum available increase to limit the reduction in remuneration of mayors and councillors in real terms and to halt the growing disparity in the remuneration of mayors and councillors relative to the rest of local government, the public sector, and other working Australians.

LGNSW has analysed economic data from the past 12 months, empirical research from the Australian National University (ANU) and wage data for directors and chairpersons of not-for-profits (NFPs) and government bodies, members of NSW parliament and mayors and councillors in Queensland.

The second part of this submission refers to empirical research from the Australian National University and the alarming incidence of uncontested elections in the 2021 local government election. The inadequate remuneration paid to mayors and councillors is undermining democratic and representative local government. It is readily apparent that the high incidence

of unpaid and undervalued work which is required to be performed by mayors and councillors is leading to an increasing number of people choosing not to become elected representatives.

Finally, the third part of this submission compares the minimum and maximum rates of NSW mayor and councillor remuneration to the remuneration of directors and chairpersons of comparable government bodies and not-for-profits, mayors and councillors in Queensland and members of the NSW Parliament. The great disparity of remuneration identified in each of these categories identifies that the remuneration of NSW mayors and councillors is radically out of touch with all comparable sectors.

The Introduction of Superannuation for Mayors and Councillors

Section 254B of the Act provides:

“254B Payment for superannuation contributions for councillors

- (1) A council may make a payment (a superannuation contribution payment) as a contribution to a superannuation account nominated by a councillor, starting from the financial year commencing 1 July 2022.*
- (2) The amount of a superannuation contribution payment is the amount the council would have been required to contribute under the Commonwealth superannuation legislation as superannuation if the councillor were an employee of the council.*
- (3) A superannuation contribution payment is payable with, and at the same intervals as, the annual fee is payable to the councillor.*
- (4) A council is not permitted to make a superannuation contribution payment—
 - (a) unless the council has previously passed a resolution at an open meeting to make superannuation contribution payments to its councillors, or*
 - (b) if the councillor does not nominate a superannuation account for the payment before the end of the month to which the payment relates, or*
 - (c) to the extent the councillor has agreed in writing to forgo or reduce the payment.**
- (5) The Remuneration Tribunal may not take superannuation contribution payments into account in determining annual fees or other remuneration payable to a mayor or other councillor....*

(emphasis added)”

It is clear from the above that:

- 1) The payment of superannuation to mayors and councillors is not automatic, a resolution by the council is required;
- 2) Even if a council passes a resolution to afford its mayor and councillors the benefit of superannuation (in addition to their councillor fee), the earliest possible date that such benefit can be received is from 1 July 2022;

- 3) As mayors and councillors are unable to be paid superannuation (in addition to their councillor fee) until 1 July 2022, the earliest possible date that they can benefit from an *increase* in superannuation guarantee contributions (SGC) is from 1 July 2023; and
- 4) The Tribunal is not permitted to take superannuation contribution payments into account when determining annual fees or other remuneration payable to a mayor or other councillor.

Therefore, the hypothetical possibility that some mayors and councillors may receive superannuation (in addition to their councillor fee) from 1 July 2022 and may receive an increase in superannuation from 1 July 2023 (in addition to their councillor fee) are not matters that the Tribunal can have regard to as part of the current review of the fees payable to mayors and councillors.

Economic Indexes & Wage Data

Consumer Price Index (CPI):

In the year to December 2021, the Consumer Price Index (Australia, All Groups) rose by 3.5%¹. The CPI rose by 1.3% in the December quarter alone. The Australian Bureau of Statistics noted that underlying this CPI increase is a 2.6% increase of trimmed mean annual inflation (which excludes large price rises and falls). This is the highest rate of inflation in any twelve-month period since the end of the 2013 to 2014 financial year.

National and State Wage Cases:

On 16 June 2021 a Full Bench of the Fair Work Commission awarded a 2.5% increase to the national minimum wage and the minimum rates of pay for Modern Awards. A Full Bench of the NSW Industrial Relations Commission followed suit on 13 October 2021.

Many employees in local government in NSW are covered by industrial awards which will see their wages increase by 2.5% in accordance with the State Wage Case.

In the summary of its decision, the Full Bench of the Fair Work Commission noted that it's Expert Panel:

acknowledged that awarding an increase which is less than increases in prices and living costs would amount to a real wage cut...For some households such an outcome would lead to further disadvantage and may place them at greater risk of moving into poverty.²

Applying the Expert Panel's reasoning to the matter of councillor and mayoral remuneration identifies that any determination other than the maximum increase will result in a reduction in remuneration in real terms.

¹ Australian Bureau of Statistics, 'Consumer Price Index', *Price Indexes and Inflation* (Web Page, 25 January 2022) <[Consumer Price Index, Australia, December 2021 | Australian Bureau of Statistics \(abs.gov.au\)](https://www.abs.gov.au/abs/price-index-australia-december-2021)>.

² *Annual Wage Review 2020–21* [2021] FWCFB 3501, Summary of Decision [22].

Wage increases under the *Local Government (State) Award 2020*:

The *Local Government (State) Award 2020* (the “Award”) is the primary industrial instrument for local government in NSW, and most employees in the sector are covered under this Award. From the first pay period to commence on and from 1 July 2022, all employees covered by the Award will receive a 2.0% wage increase. They will also receive a 0.5% increase in SGC on top of the Award wage increase. LGNSW also notes that the Tribunal awarded no increase in mayor and councillor fees in 2020 (Award wages increased by 1.5% in 2020).

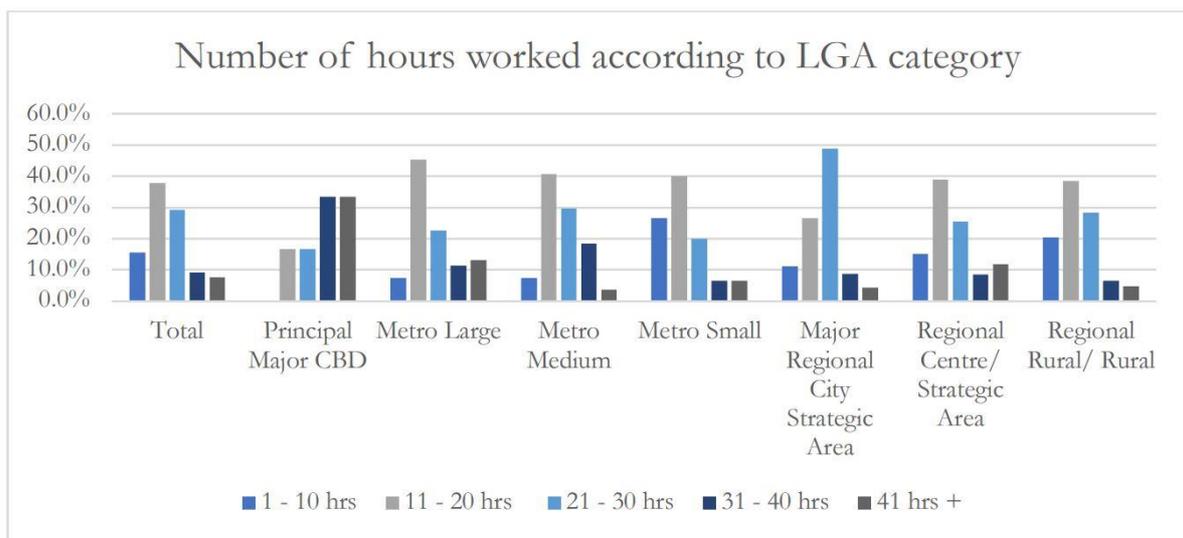
Inequity & Impacts of Low Remuneration

Issues of fairness and appropriateness:

In preparing this submission LGNSW has met with Associate Professor Jakimow of the Australian National University to discuss her research paper “*Councillor perspectives on the (in)adequacy of remuneration in NSW local government: Impacts on well-being, diversity and quality of representation*” (the “ANU Paper”). The ANU Paper is attached at “**Annexure A**”. The research methodologies utilised included 1114 emails to NSW councillors and mayors inviting participation in an online survey (the “Survey”), to which 389 completed responses were received, and interviews with 24 councillors conducted between January and June 2021.

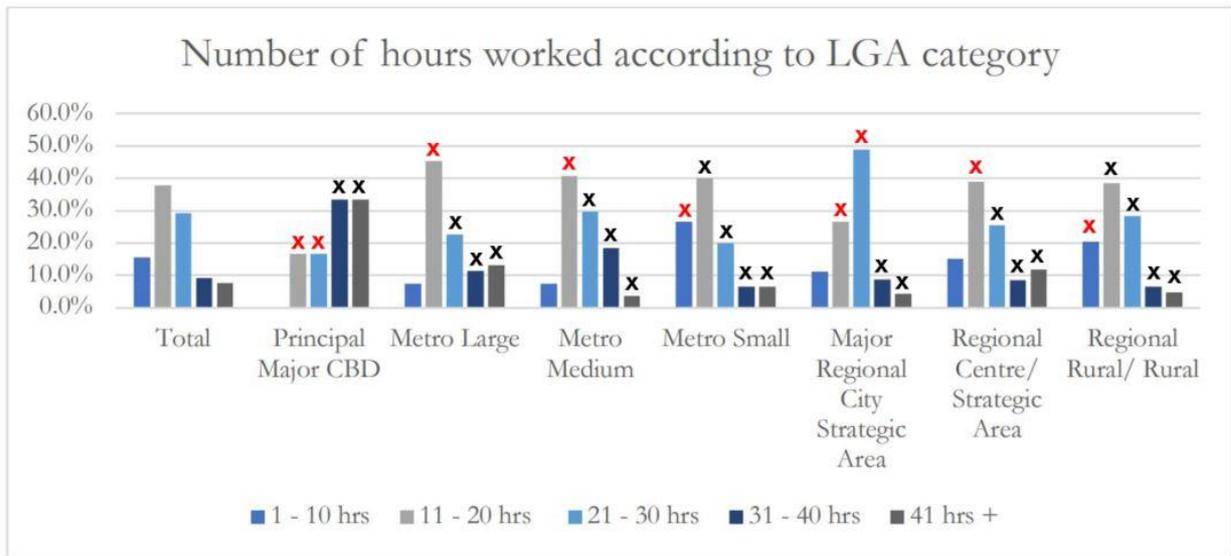
A key finding of the ANU Paper was that “current remuneration levels are perceived as inadequately reflecting the extent and nature of council work.” This finding is derived from the Survey’s results, in which the disconnect between workload and remuneration was identified as the most frequent argument for increasing the current rate.

The Survey asked participants the number of hours worked by them in their capacity as a councillor each week, and the following table extracted from the ANU Paper illustrates the results:



The reality that remuneration levels are unfair and inappropriate for the nature and extent of council work is further established by a comparison of weekly hours of work against the National Minimum Wage.

As of 1 July 2021, the National Minimum Wage is \$20.33 per hour or \$772.60 per week.³ The table below references the data above against the minimum and maximum fees payable to councillors. Where a column is marked by a red “x” it is possible that the councillors being represented in that column are being paid less than the National Minimum Wage. Where a column is marked by a black “x” it is possible that the councillors being represented in that column are being paid less than the National Minimum Wage, even if the calculations assume that all such councillors are being paid the maximum amount allocated to their LGA category.



Note: The red “x” marking the 11-20 hrs column for “Principal Major CBD” only refers to councillors from the Major CBD LGA category.

It must also be noted that the figure above does not take into account superannuation contributions, to which councillors are not automatically entitled, or any forms of leave that are enjoyed by all other permanent employees across the nation. It also doesn’t reflect other detriments of council work such as the time and financial expenses of running election campaigns or the fact that councillors and mayors are not covered by their respective council’s workers compensation insurance and often must take out their own personal accident/injury insurance.

A participant in the Survey identified that they “could put the same hours in as a checkout operator at Woolworths and be financially better off with far less stress and responsibility.” The frightening reality is that the table above indicates that this statement is likely to be true for most councillors in NSW.

³ Fair Work Ombudsman, ‘Minimum Wages’, *Pay & Wages* (Web Page, November 2021) <[Minimum wages - Fair Work Ombudsman](#)>.

The ongoing impact of COVID-19:

Notwithstanding the comparatively low remuneration for mayors and councillors in NSW in the absence of the effects of COVID-19, councillors in local government areas considered ‘COVID hotspots’ reported significant increases in workloads in 2021. The ANU Paper notes an increase in community expectations of councillors due to “border closures and covid-related health orders”. Based on the 389 responses from NSW councillors sitting as at October 2021, 2.1% reported working an additional 16 hours or more per week due to COVID--related enquiries, while 5.1% reported working an additional 6-15 hours per week in 2021 for the same reason. While those figures may not appear ‘significant’, other councillors still reported increases in responsibilities due to COVID-related enquiries but noted an offset by the time saved from decreased travel and online meetings. Notwithstanding time saved in some areas due to most councillors working from home in 2021, the ANU Paper indicates increases in roles and responsibilities of councillors due to COVID-related enquiries and an expansion of community expectations of councillors.

Dissatisfied councillors and mayors:

The result of unfair and inappropriate wages is that councillors and mayors are becoming dissatisfied with their council work at a rapidly increasing rate. The following table extracted from the Paper sets out participant perceptions on the appropriateness of their remuneration:

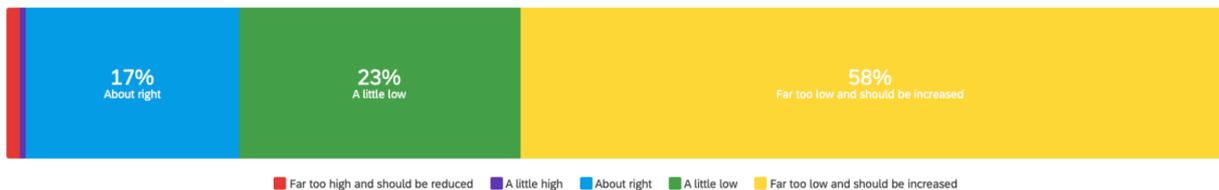


Figure 1: Opinion as to the appropriateness of current remuneration rates - percentage of respondents

The majority (58%) of respondents identified that the rate of remuneration is “far too low and should be increased” and the vast majority (81%) agreed that the current rates are not appropriate.

Many participants identified that remuneration was an issue of fairness. Another identified that “The remuneration is insulting. The role is commensurate with being a Director of an ASX listed company”. Other participants described the rate of pay as “disgusting”, “a disgrace” and “insulting”. Finally, the Paper notes that one respondent appropriately summed up the theme of responses by stating that “being a local councillor is a demanding role that consumes a great deal of time if it is being done well it should attract a fair and reasonable rate of remuneration.”

The overwhelming opinion of the sector is that current councillor remuneration rates are not fair or reasonable.

Uncontested elections:

In the 2016/2017 local government elections, only two NSW councils (Carrathool Shire Council and Coolamon Shire Council) had wards that were uncontested.

In the 2021 elections, 14 councils were either entirely uncontested or had less candidates than positions or had wards that were uncontested or had less candidates than positions (see the table below). For what is likely to be the first occurrence in NSW's history, a mayoral position was also uncontested. Furthermore, the uncontested election for Shellharbour City Council identifies that uncontested elections are no longer reserved for regional and remote areas.

The extent of uncontested elections in 2021 identifies how increasingly unattractive it is to become or remain a mayor or councillor in NSW.

Council (number of wards)	Uncontested
Bourke (undivided)	Uncontested
Carrathool (3 wards)	Ward B uncontested
Cobar (undivided)	Uncontested (only 11 candidates for 12 positions)
Dungog (3 wards)	Mayoral position uncontested (1 candidate only)
Greater Hume (3 wards)	East Ward uncontested
Kyogle (3 wards)	A Ward uncontested
Lachlan (5 wards)	A, B, C and D wards uncontested.
Lockhart (3 wards)	C Ward uncontested
Murray River (wards)	All three wards uncontested. Two of the three wards only have two candidates for three positions.
Narromine (undivided)	Uncontested
Shellharbour (4 wards)	Ward D uncontested
Tenterfield (5 wards)	Wards A, B, C and E uncontested. Two wards have only one candidate for two positions.
Walcha (4 wards)	Wards A and C uncontested
Warren (4 wards)	Ward C uncontested.

Market Comparability

This part identifies that remuneration for councillors and mayors is significantly insufficient when compared to comparable roles in NSW and identical roles in Queensland.

Comparisons will be made between the following:

- Fees paid to mayors and councillors elected in NSW and those paid to chairpersons/directors of government bodies and not-for-profit organisations;
- Fees paid to mayors and councillors in NSW and those paid to mayors and councillors in QLD;
- Fees paid to mayors in NSW and those paid to NSW State MPs.

Comparison of fees paid to NSW mayors/councillors and fees paid to chairperson/directors of government bodies and not-for-profit organisations:

LGNSW submits that the roles and responsibilities of mayors and councillors set out in sections 226 and 232 of the Act are directly comparable with those of the directors of government bodies and board chairpersons and directors under chapter 2D.1 of the Corporations Act 2001 (Cth).

With respect to data collected in connection with government bodies and not-for-profit organisations, this part refers to the 2021 Australian Board Remuneration Survey Report (the “Australian Board Survey”), a copy of which is attached and marked “**Annexure B**”. The Australian Board Survey collected data from 1070 boards in Australia, including boards presiding over government bodies and not-for-profit organisations⁴.

In assessing the appropriateness of mayoral and councillor remuneration in NSW, LGNSW has extracted from the Australian Board Survey the average remuneration for chairpersons and directors of two government bodies and two not-for-profit organisations. The example bodies were selected on the basis of their comparable full-time equivalent employees (FTE) and total revenue with four corresponding councils in NSW.

LGNSW submits that the remuneration for chairpersons and directors of government bodies, which are reported below, do not include government performance bonuses. The Australian Board Survey reported that half of the managing directors for government bodies surveyed could receive a performance bonus, of which those directors reportedly received an additional 17% remuneration on average.⁵ Moreover, the below figures represent the **average** remuneration for comparable bodies/organisations against the **maximum** fees payable to mayors and councillors in NSW. While the below figures are alarming, LGNSW reminds the Tribunal that the figures do not represent the greatest disparity that exists between remuneration of mayors and councillors in NSW and their counterparts in other sectors.

Woollahra Council and a Government Body (comparable by total number of full-time employees)

Position	Total No. Full-Time Employees	Average Remuneration	Maximum Remuneration
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⁴ *Australian Board Remuneration Survey Report*, published by McGuirk Management Consultants Pty Ltd., 2021.

⁵ *Ibid*, p 91.

Chairman – Government Body	301-400	\$98,768	-
Mayor – Woollahra Council	400	-	\$65,800
Difference in the <u>average</u> remuneration paid to the Chairman of a Government body and the <u>maximum</u> fee payable to the Mayor of Woollahra Council: \$32,968			
Director – Government Body	301-400	\$45,805	-
Councillor – Woollahra Council	400	-	\$20,690
Difference in the <u>average</u> remuneration paid to the Director of a Government body and the <u>maximum</u> fee payable to a Councillor of Woollahra Council: \$25,115			

Waverley Council and a Government Body (comparable by total revenue)

Position	Total Revenue	Average Remuneration	Maximum Remuneration
Chairman – Government Body	\$120M-160M	\$100,344	-
Mayor – Waverley Council	\$147.6M	-	\$65,800
Difference in the <u>average</u> remuneration paid to the Chairman of a Government body and the <u>maximum</u> fee payable to the Mayor of Waverley Council: \$34,544			
Director – Government Body	\$120M-160M	\$45,772	-
Councillor – Waverley Council	\$147.6M	-	\$20,690
Difference in the <u>average</u> remuneration paid to the Director of a Government body and the <u>maximum</u> fee payable to a Councillor of Waverley Council: \$25,082			

Bellingen Council and a NFP (comparable by total number of full-time employees)

Position	Total No. Full-Time Employees	Average Remuneration	Maximum Remuneration
Chairman – NFP	101-150	\$56,186	-
Mayor – Bellingen Council	134	-	\$39,460
Difference in the <u>average</u> remuneration paid to the Chairman of a NFP and the <u>maximum</u> fee payable to the Mayor of Bellingen Council: \$16,726			
Director – NFP	101-150	\$26,720	-
Councillor – Bellingen Council	134	-	\$12,400
Difference in the <u>average</u> remuneration paid to the Director of a NFP and the <u>maximum</u> fee payable to a Councillor of Bellingen Council: \$14,320			

Hilltops Council and a NFP (comparable by total revenue)

Position	Total Revenue	Average Remuneration	Maximum Remuneration
Chairman – NFP	\$40M-80M	\$58,682	-
Mayor – Hilltops Council	\$67.5M	-	\$39,460
Difference in the <u>average</u> remuneration paid to the Chairman of a NFP and the <u>maximum</u> fee payable to the Mayor of Hilltops Council: \$19,222			
Director – NFP	\$40M-80M	\$28,015	-
Councillor – Hilltops Council	\$67.5M	-	\$12,400
Difference in the average remuneration paid to the Director of a NFP and the <u>maximum</u> fee payable to a Councillor of Hilltops Council: \$15,615			

Note: All figures listed with respect to NSW councils are collected from the Office of Local Government⁶. All figures listed with respect to government bodies and not-for-profits are collected from the Australian Board Survey.

The data above identifies the inadequacy of mayoral and councillor remuneration in NSW in comparison to equivalent roles in other sectors. The average remuneration of the directors and chairpersons of NFPs and government bodies with comparable FTEs and total revenue is far in excess of the maximum remuneration of mayors and councillors in NSW. It is simply inappropriate that the maximum fee payable to mayors and councillors in some councils falls short (in some cases by more than 50%) of the average remuneration of government bodies that have a similar total revenue.

Should the Tribunal consider the actual fees paid to chairpersons and directors, rather than the average, not-for-profits such as the organisation compared to Hilltops Council (total revenue \$40M-80M) paid their chairpersons up to \$111,848. A mayor of a council with a similar total revenue would receive \$72,388 less than their not-for-profit counterpart.

Comparison of fees paid to NSW mayors/councillors and QLD mayors/councillors:

LGNSW submits that the most comparable sector to NSW local government is that of local government in Queensland. To determine councillor remuneration, the QLD Remuneration Commission must have regard to the size, geographical and environmental terrain, and population of local government areas, as well as any other matters of local government that the Commission sees fit.⁷ The Act, pursuant to s 240, provides almost identical factors to be considered when determining council categories for the purpose of remuneration of councillors. Further, there are clear similarities, if not a mirror effect, between the

⁶ Office of Local Government, *Time Series Data, 2019-20* (Web Page, December 2021) <[Office of Local Government - Time Series Data 2019-20](#)>.

⁷ s 242, *Local Government Regulation 2012* (QLD).

responsibilities of mayors and councillors under s 12 of the *Local Government Act 2009* (QLD) and ss. 226 and 232 of the Act.

LGNSW has extracted data relating to four councils in NSW and QLD below, comparable by total number of full-time employees and or total revenue. Unlike the data presented above with respect to governing bodies and not-for-profits, remuneration for mayors and councillors in QLD are capped. This results in a more precise comparison between the maximum remuneration of such position holders in QLD and NSW. Ultimately, the comparison reveals an unacceptable disparity for elective representatives whose roles and responsibilities, and the nature of the bodies for which they govern, are almost entirely the same.

All figures listed with respect to NSW councils are collected from the Office of Local Government.⁸ All figures listed with respect to QLD councils are collected from the QLD Department of Local Government, Racing and Multicultural Affairs.⁹

Burwood Council (NSW) and Maranoa Regional Council (QLD) (comparable by total revenue)

Position	Total Revenue	Maximum Remuneration
Mayor - Maranoa Regional Council	\$86M	\$133,196
Mayor – Burwood Council	\$84.8M	\$65,800
Difference in the maximum fee payable to the Mayor of Maranoa Regional Council and the maximum fee payable to the Mayor of Burwood Council: \$67,396		
Councillor - Maranoa Regional Council	\$86M	\$70,759
Councillor - Burwood Council	\$84.8M	\$20,690
Difference in the maximum fee payable to a Councillor of Maranoa Regional Council and the maximum fee payable to a Councillor of Burwood Council: \$50,069		

Snowy Valleys Council (NSW) and Carpentaria Shire Council (QLD) (comparable by total number of full-time employees)

Position	Total No. Full-Time Employees	Maximum Remuneration
Mayor – Carpentaria Shire Council	103	\$108,222
Mayor – Snowy Valleys Council	107	\$39,460

⁸ Office of Local Government, *Time Series Data, 2019-20* (Web Page, December 2021) < [Office of Local Government - Time Series Data 2019-20](#)>.

⁹ Department of Local Government, Racing and Multicultural Affairs, *Queensland Local Government Comparative Data 2019-20* (Web Page, December 2021) < [Department of Local Government, Racing and Multicultural Affairs - Comparative Data 2019-20](#)>.

Difference in the maximum fee payable to the Mayor of Carpentaria Shire Council and the maximum fee payable to the Mayor of Snowy Valleys Council: \$68,762		
Councillor - Carpentaria Shire Council	103	\$54,110
Councillor - Snowy Valleys Council	107	\$12,400
Difference in the maximum fee payable to a Councillor of Carpentaria Shire Council and the maximum fee payable to a Councillor of Snowy Valleys Council: \$41,710		

City of Newcastle (NSW) and Redland City Council (QLD) (comparable by total revenue and total number of full-time employees)

Position	Total Revenue	Total No. Full Time Employees	Maximum Remuneration
Mayor – Redland City Council	\$286.4M	959	\$183,143
Mayor – City of Newcastle	\$326.3M	1056	\$134,480
Difference in the maximum fee payable to the Mayor of Redland City Council and the maximum fee payable to the Mayor of City of Newcastle: \$48,663			
Councillor - Redland City Council	\$286.4M	959	\$108,220
Councillor - City of Newcastle	\$326.3M	1056	\$32,680
Difference in the maximum fee payable to a Councillor of Redland City Council and the maximum fee payable to a Councillor of City of Newcastle: \$75,542			

Lake Macquarie City Council (NSW) and Cairns Regional Council (QLD) (comparable by total revenue and total number of full-time employees)

Position	Total Revenue	Total No. Full Time Employees	Maximum Remuneration
Mayor – Cairns Regional Council	\$313.2M	1189	\$183,143
Mayor – Lake Macquarie City Council	\$299.3M	1123	\$134,480
Difference in the maximum fee payable to the Mayor of Cairns Regional Council and the maximum fee payable to the Mayor of Lake Macquarie City Council: \$48,663			

Councillor - Cairns Regional Council	\$313.2M	1189	\$108,220
Councillor - Lake Macquarie City Council	\$299.3M	1123	\$32,680
Difference in the maximum fee payable to a Councillor of Cairns Regional Council and the maximum fee payable to a Councillor of Lake Macquarie City Council: \$75,542			

Mayors and councillors in NSW fall drastically short of their QLD counterparts in every comparison. In Burwood Council and Snowy Valleys Council, the maximum fee payable to a mayor is over \$65,000 less than their respective QLD counterpart. Councillors in the same comparisons fall short of their QLD counterparts by between \$50,000 (Burwood) and \$40,000 (Snowy Valleys).

Where both the total number of full-time employees and total revenue of councils are comparable, there is an even greater disparity between the remuneration paid for mayors and councillors in either state. Despite City of Newcastle reporting an extra \$40M in total revenue against Redland City Council, and employing a greater number of full-time employees, the maximum mayoral fee payable is nearly \$50,000 less, and the maximum councillor fees payable are \$75,000 less. As is also the case with respect to Lake Macquarie City Council and Cairns Regional Council, the maximum fee payable to a NSW councillor is less than a third of the maximum fee payable to a councillor in QLD.

Comparison of fees paid to NSW mayors/councillors and the salaries of NSW MPs:

It is LGNSW's long-held view that the roles and responsibilities of mayors and councillors in NSW, and the bodies which they govern, are comparable to those of NSW Members of Parliament ('MPs'). MPs serve to exercise the collective functions of the NSW parliament and fulfil personal responsibilities as elected representatives of their electorate. Like the functions of mayors and councillors, elected MPs are expected to meet with representatives of local organisations and businesses, support the provision of services through the allocation of funding, attend and support local meetings and functions, and fulfil further obligations with respect to the operation of parliament.

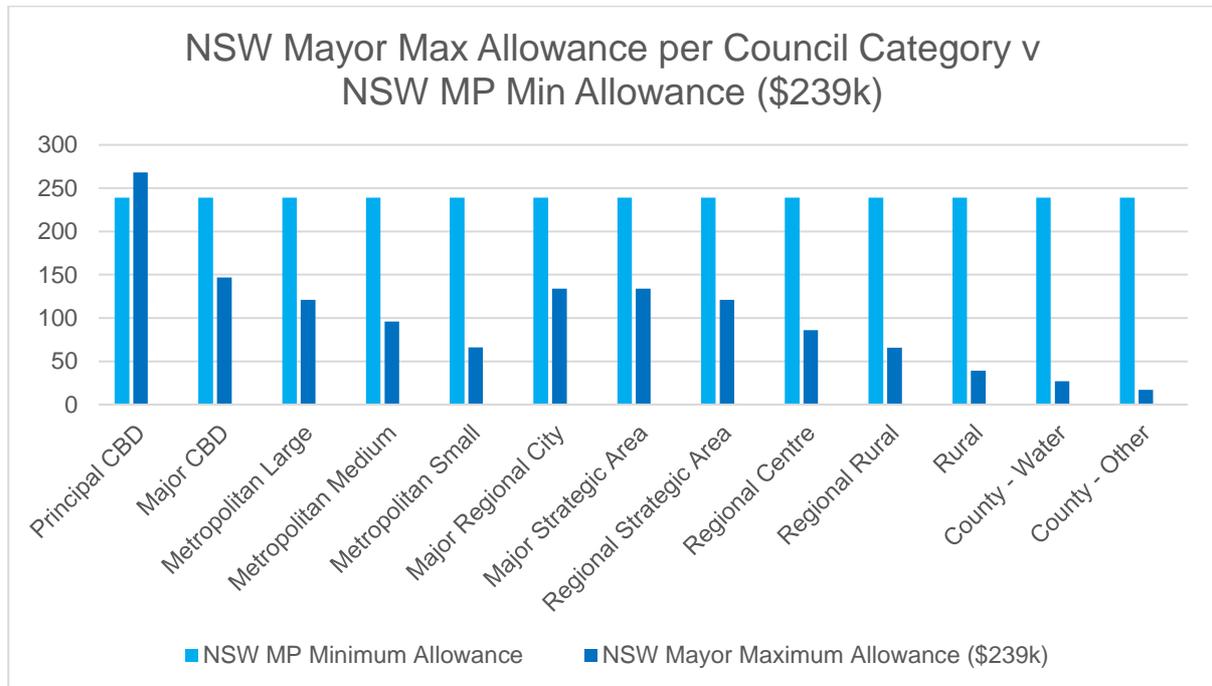
LGNSW submits that mayor and councillor accountability to the financial, regulatory, and administrative functions of councils are comparable by nature and expectations. The base salary for NSW MPs remains at \$169,192, following a zero per cent increase in the last financial year.¹⁰ However, this base salary does not account for an electoral allowance (\$67,960) and an office-holder allowance (minimum \$2,030), both of which are paid as an annual fee.¹¹ Notwithstanding other allowances payable in circumstances to MPs, including

¹⁰ 'Annual Report and Determination', Parliamentary Remuneration Tribunal, 15 June 2021.

¹¹ Ibid.

travel allowances, committee allowances, communications allowances, and skills and development allowances, the minimum fee payable to a NSW MP amounts to \$239,182.¹²

The below graph displays the maximum fee payable to mayors per each category of council in NSW against the minimum fee payable to NSW MPs (\$239,000).



Note: All figures listed with respect to NSW councils are collected from the Office of Local Government.¹³ All figures listed with respect to NSW MPs are collected from the Parliamentary Remuneration Tribunal, Annual Report and Determination, 15 June 2021.

LGNSW submits that the above graph again indicates the inadequacy of mayoral fees payable in NSW. Notably, the only maximum fee payable to a mayor in NSW that exceeds the minimum fee payable to NSW MPs is the mayor of City of Sydney. Mayors of every other category of council in NSW can only receive a maximum fee which is less than the minimum fee payable to NSW MPs. The disparity between NSW MPs and elected councillors in NSW would be far greater. When considering the work that mayors and councillors perform, LGNSW submits that this comparison is further evidence of the inadequacy of remuneration for elected representatives in the NSW local government sector.

Conclusion:

It is LGNSW’s long held and strong position that the remuneration paid to mayors and councillors bears no relationship to the level of responsibility and accountability involved and time commitment required to perform these roles to the standard that communities and

¹² ‘Annual Report and Determination’, Parliamentary Remuneration Tribunal, 15 June 2021.

¹³ Office of Local Government, *Time Series Data, 2019-20* (Web Page, December 2021) <[Office of Local Government - Time Series Data 2019-20](#)>.

regulation expect. The roles of mayor and councillor risk becoming a calling that is not accessible to individuals who require fair remuneration to make their contribution and participate.

This submission has identified that the fees paid to mayors and councillor are not commensurate to the wages of supermarket shelf stackers, let alone to the fees paid to equivalent public and private sector roles involving similar responsibilities and levels of accountability.

Having regard to national inflation, any determination other than the maximum increase will result in the experience of a remuneration cut in real terms. The maximum 2.5% increase is necessary to limit this detriment to the greatest extent possible, and to allow the remuneration of mayors and councillors to begin catching up with the long-term wage growth of the rest of the nation.

However, the greatest reason for granting the maximum 2.5% increase to mayor and councillor fees is, whilst fair remuneration will still not be the outcome, it will give mayors and councillors reason to think that they have not been entirely forgotten and to have confidence that their work and sacrifices are recognised in principle, if not substance.