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Tasmanian Industrial Commission

12 January 2018

Dear Stakeholder,

Councillor Allowances Review Issues Paper

A review of councillor allowances conducted by the members of the Tasmanian Industrial Commission, has commenced.

We have today released an *Issues Paper*, a copy of which is enclosed. The purpose of the paper is to assist those contemplating making a submission by identifying the task before the Board of Inquiry.

The paper includes an historical perspective of setting the Tasmanian local government allowances and traces allowance movements over time, inclusive of the current methodology for setting allowances.

The paper identifies the issues which need to be determined, as outlined in the Terms of Reference and provides options for consideration of local government allowances. Of significance, the role and function of councils has changed since the last formal review in 2008. There is also an emphasis on governance and the capacity to attract potential future candidates and the Board welcomes any submissions.

The Issues Paper and invitation to lodge a submission has been sent to interested parties including all stakeholders of Local Government. We would, in particular, welcome a submission from councillors and councils.

The closing date for written submissions is **Friday 16 February 2018**. There will also be the opportunity for oral representations during the week commencing 19 February 2018.

Should anyone seek to make oral submissions in addition to or in lieu of written submissions. Subject to demand, it is intended that hearings will be conducted at locations around the State.

We look forward to any submissions you wish to make.

Yours sincerely





TASMANIA

TASMANIAN INDUSTRIAL COMMISSION

COUNCILLOR ALLOWANCES

ISSUES PAPER

Members

David Barclay (TIC President)
Neroli Ellis (TIC Deputy President)

January 2018

COUNCILLOR ALLOWANCES

ISSUES PAPER

1. Background

1.1 The Minister for Planning and Local Government, Peter Gutwein MP, has, pursuant to Section 215 of the Local Government Act 1993, appointed a Board of Inquiry (Board), to review allowances payable to Local Government Councillors.

1.2 The Terms of Reference for the review are:

- (a) The statutory roles of the respective offices of mayor, deputy mayor and councillor;
- (b) The appropriateness of setting allowances by council type/size given the need to ensure good governance while balancing councils' financial sustainability and the interests of ratepayers;
- (c) Any significant changes to the role or functions of local government since the last review;
- (d) The method of indexing allowances each year;
- (e) Whether an additional allowance should be made available to councillors who undertake training in governance relevant to local government or who have recognised experience in governance relevant to local government;
- (f) The capacity of local government to attract potential future candidates; and
- (g) Any other factors considered relevant.

The Board is to have regard to the range of allowances it will recommend being effective for a period of four years.

1.3 The members of the Board are: David Barclay (President) and Neroli Ellis (Deputy President), who are both full-time members of the Tasmanian Industrial Commission.

Similar reviews were conducted in 2000 (2000 report), 2004 (2004 report), and 2008 (2008 report).

1.4 The report is to be provided by 2 April 2018.

2. Submissions to the Board

2.1 The Board welcomes submissions from Local Government entities, organisations, Councillors and the general public.

2.2 Submissions may be lodged in writing or electronically. In addition the Board will, subject to demand, hold public hearings in Queenstown, Burnie,

Launceston, St Helens and Hobart. For a schedule of timelines and public hearing dates, please refer to Section 13.

- 2.3** This Issues Paper is intended to raise the key issues and provide background information which will be at the forefront of the Board's consideration. It provides some guidance to individuals and organisations contemplating making a submission. It is not intended to be exhaustive of the issues which may form part of the Board's consideration.

3. History of Allowances

- 3.1** Between 1994 and 2000 Councils had discretion to pay allowances up to a maximum prescribed by regulation. The Regulations at the time prescribed the maximum allowances payable to mayors, deputy mayors and councillors, in three categories, based on the number of electors in each Municipal area.
- 3.2** In 1999, the Local Government Association of Tasmania (LGAT) and the State Government agreed that the allowances payable to elected councillors should be independently reviewed every four years rather than be set at the discretion of individual councils.
- 3.3** New provisions effective from 7 November 2000 were inserted into the Local Government Act 1993 (the Local Government Act) which removed the discretion and prescribed the manner by which the allowances were to be paid.
- 3.4** At the same time provision was made for individual Councillors to decide not to receive all or part of the prescribed allowance. The combined effect of these amendments was that payment of the prescribed allowance was mandatory, unless an individual declined to accept all or part of the allowance.
- 3.5** At regular intervals, the State Government has appointed members of the Tasmanian Industrial Commission as a Board of Inquiry under the Act to review the allowances. Independent reviews of the quantum of councillor allowances have been undertaken in 2000, 2004 and 2008.

4. Recent Board of Inquiry outcomes

- 4.1** The recommendation of the Board of Inquiry in 2000 increased the allowances across the board, and increased the number of categories, based on number of electors, from three to five.
- 4.2** The report of the Board of Inquiry in 2004 recommended that the categories be determined by a formula based on a combination of the number of voters and total revenue. The number of categories was increased from five to seven. In addition, the report recommended that allowances be adjusted annually in line with movements in the Consumer Price Index (CPI).
- 4.3** Whilst distinguishing the allowance from the concept of salary, the 2004 report did acknowledge the potentially detrimental impact of council service on superannuation. As a consequence the 2004 determination contained an additional 9% component consistent with the Superannuation Guarantee Charge Act 1992.

- 4.4** In both 2000 and 2004 the recommendations were adopted by the Minister of the day and were implemented via Regulation.
- 4.5** In mid-2008, a Board of Inquiry into Review of Allowances for Local Government Councillors (the 2008 Board of Inquiry) was established and the Minister adopted the recommendations. The Regulations were amended substituting a new Schedule, which specified the allowances payable to councillors and mayors and deputy mayors for the period of 12 months starting on 1 November 2008. The Schedule was updated as at 2014 and the Regulations provide for annual increases.
- 4.6** The 2008 Amendment Regulations also changed the definition of the inflationary factor used to determine the amount by which those allowances would be varied for each subsequent period of twelve months. In respect of each year after 1 November 2008 to 31 October 2009, the inflationary factor to be used now was the amount ascertained by dividing the Wage Price Index figure for the June quarter of that year by the Wage Price Index figure for the June quarter of the previous year.
- 4.7** In the normal course of events a new Board of Inquiry would have been established in 2012. However, at its meeting on 15 September 2011, the Premier's Local Government Council (PLGC)¹ considered that there be no full review of councillor allowances in 2012 and existing arrangements have continued by mutual agreement.

5. Statutory roles

- 5.1** The Terms of Reference require the tribunal to consider "the statutory roles of the respective offices of mayor, deputy mayor and councillor"

Council

- 5.2** A council is a body corporate, created under the Local Government Act, and is responsible for its municipal area. The broad functions of councils are:

- To provide for the health, safety and welfare of the community;
- To represent and promote the interests of the community; and
- To provide for the peace, order and good government of the municipal area.

Given these functions, the responsibilities of a council include:

- Planning for and providing services, facilities and infrastructure for the community;
- Undertaking strategic land use planning for the municipal area;

1. The PLGC is a high-level forum for discussions between the State Government and local government on issues of statewide significance. It comprises the Premier, who chairs the Council, the Minister responsible for Local Government, the President of the Local Government Association of Tasmania (LGAT) and seven elected local government representatives from various Tasmanian councils. Local government representation on the PLGC is drawn from the General Management Committee of the Local Government Association of Tasmania. Members can be mayors, deputy mayors or councillors.

- Making and enforcing by-laws;
- Raising revenue to enable council to perform its functions;
- Undertaking long term strategic financial and asset management planning; and
- Advocating proposals that are in the best interests of the community, now and in the future.

5.3 Councillors

Individual councillors have no decision-making power. This lies with the collective group, which is the council.

The functions of individual councillors are to:

- Represent the community;
- Act in the best interests of the community;
- Facilitate communications with the community;
- Participate in the activities of council; and
- Undertake duties and responsibilities as authorised by council.

The functions of councillors acting collectively as the Council are to:

- Develop and monitor the implementation of strategic plans and budgets;
- Determine and monitor the application of policies, plans and programs for:
 - The efficient and effective provision of services and facilities,
 - The efficient and effective management of assets, and
 - The fair and equitable treatment of council employees;
- Facilitate and encourage the planning and development of the municipal area in the best interests of the community;
- Appoint and monitor the performance of the General Manager;
- Determine and review the council's resource allocation and expenditure activities; and
- Monitor the manner in which services are provided by the council.

5.4 Mayor

The principal roles of the Mayor as defined by the Local Government Act are to:

- Act as community leader of the municipal area;
- Chair council meetings in a manner that supports decision-making processes;
- Act as spokesperson for the council, respond to the media and undertake ceremonial duties;
- Promote good governance by, and within, the council;
- Represent the council on regional organisations and at intergovernmental forums at regional, state and federal levels;
- Liaise with the General Manager on council activities; and
- Oversee and advise councillors in the performance of their responsibilities.

In addition, following the recent amendment, a Mayor has any function designated in a Ministerial order made under section 27A of the Local Government Act. To date no Order under that section has been made.

5.5 Deputy Mayor

The role of the Deputy Mayor is to act in the position of Mayor in the Mayor's absence or if authorised in writing to do so by the Mayor.

Are there views on the requirement of all councils, regardless of size, to maintain all statutory roles and current functions of the Mayor, Deputy Mayor and Councillors? The Board is interested in receiving submissions on the value and the justification of the difference in allowance for Deputy Mayors in smaller councils.

6. Categorisation of Councils to determine allowances.

- 6.1** The Terms of Reference require the tribunal to review "the appropriateness of setting allowances by council type/size given the need to ensure good governance while balancing councils' financial sustainability and the interests of ratepayers."
- 6.2** The allowances paid to the Mayor, Deputy Mayor and Councillors in each Council are not the same.
- 6.3** Each council is classified into one of seven '*Allowance Categories*'. The mayor, deputy mayors and councilors in all of the councils in the same category receive the same allowances (subject to any individual exercising their discretion to not to receive all or part of the prescribed allowance).
- 6.4** Originally the categorisation of Councils was based on the number of voters in the municipal area of a Council. The report of the 2004 Inquiry introduced the variable of total revenue in addition to number of voters. The formula used for determining categories is:

$$\frac{V \times R}{1 \text{ million}}$$

Where V equals number of voters and R equals total revenue

- 6.5** According to the report of the 2004 Inquiry, the reason for this change was to recognise that Councillors are responsible for the oversight and strategic management of substantial funds derived from ratepayers and other sources. Whilst there is a loose correlation between number of voters and revenue, it is certainly not a precise one. It was felt that this change would broaden the basis for the placement of Councils within categories.
- 6.6** Councils are placed in allowance categories on the basis of the result of the calculation using the formula. Councils with similar scores are clustered into a category.
- 6.7** Currently there are seven category groups. However in the past there have been fewer categories.²
- 6.8** Table 2 shows the formula calculation using data for 2016-17. Noting that Kentish was moved from category 7 to 6 in 2012, the grouping of councils into seven categories appears to be reasonable, and consistent with the 2008 categorisation, albeit with some variation in the order of the calculation totals within the categories.

².Three prior to 2000, five between 2000 and 2004, and seven from 2004

Table 2 Categories of Councils using 2016-17 data

Council Categories based on 2016-17 data				
Current Category	Council	Voters 2017 ³	Revenue 2016-17 ⁴ (\$'000)	Formula Calculation 2017
1	Launceston	46,948	103,102	4,840
	Hobart	36,568	126,006	4,608
2	Clarence	41,711	63,015	2,628
	Glenorchy	33,162	54,002	1,791
	Kingborough	26,992	38,510	1,039
3	Devonport	18,715	39,773	744
	Burnie	14,146	35,541	503
	Central Coast	16,813	26,416	444
	West Tamar	17,460	24,433	427
4	Huon Valley	12,247	24,136	296
	Meander Valley	14,671	19,325	284
	Sorell	10,873	17,177	187
	Waratah-Wynyard	10,480	17,615	185
	Brighton	11,811	14,359	170
	Northern Midlands	9,886	17,096	169
5	Latrobe	8,526	12,418	106
	Derwent Valley	7,365	12,951	95
	Circular Head	5,378	14,122	76
	Break O'Day	4,939	13,757	68
	Dorset	5,134	12,609	65
	George Town	5,027	10,622	53
6	Southern Midlands	4,462	10,233	46
	Glamorgan Spring Bay	3,629	12,495	45
	Kentish ⁵	4,650	9,436	44
	West Coast	2,928	10,764	32
7	Tasman	1,857	6,386	12
	Central Highlands	1,634	6,550	11
	King Island	1,106	6,387	7
	Flinders	685	4,331	3

3. Data from national enrolment database provided by the Tasmanian Electoral Office

4. Recurrent operating revenue data provided by Tasmanian Audit Office

5. Changed from category 7 to 6 in the *Local Government (General) Amendment Regulations 2012*.

The Board is keen to hear whether this formula has proved to be appropriate. Are there Councils that feel they are inappropriately categorised and, if so, why? Is there a case for any additional or fewer categories?

6.9 Financial sustainability of allowances

Previous submissions in relation to the cost of allowances have generally fallen into two categories.

In the case of larger Councils, it has been suggested that the cost of allowances (governance) is insignificant when considered in the context of total revenue (or expenditure).

On the other hand a number of smaller Councils have expressed the view that the cost of governance is significant, and raises issues of capacity to pay. It is clear that the relative cost impact is more profound in the smaller Councils.

Is the cost impact something the Board should take into account, and if so, how should it be addressed?

7. Significant changes since the last review

7.1 The Terms of Reference require the tribunal to take into account "any significant changes to the role or functions of local government since the last review"

7.2 Local government roles and functions have expanded in response to community expectations and a changing regulatory environment, and this, coupled with an extremely tight budgetary climate across all spheres of government has resulted in additional complexity.

Key changes to the role and functions of local government are outlined below:

7.4 Mayor Eligibility

In 2013, the Local Government Act was amended to prevent dual representation in both the Tasmanian Parliament and local government, and introduce all-in, all-out local government elections every four years, with four-year terms for mayors and deputy mayors

The Local Government Amendment (Mayoral Candidate Eligibility) Act 2014 commenced on 11 September 2014. This legislation removed the eligibility requirement that prevented people from nominating as a candidate for the office of mayor or deputy mayor unless the person had 12 months prior experience as a Tasmanian councillor.

Any person is now eligible to nominate as a candidate for the office of mayor or deputy mayor, provided that they are eligible to nominate as a candidate for the office of councillor under Part 15 of the Local Government Act. In order for a person to accept the office of mayor or deputy mayor, they must also be successful in being elected to the office of councillor.

7.5 Financial and Asset Management

The *Local Government (Miscellaneous Amendments) Act 2013* facilitated some financial and asset management reforms from February 2014 which impact on the roles of councillors, deputy mayors and mayors.

The legislation introduced a major reform to mandate long-term financial and strategic asset management planning for Tasmanian councils, as well as other related financial and asset management initiatives. The reforms include a requirement for councils to:

- maintain long-term financial management and strategic asset management plans (10 years), asset management policies and financial and asset management strategies;
- maintain an Audit Panel;
- report performance against financial and asset management indicators in council financial statements; and
- review their long-term financial management and strategic asset management plans, financial management and asset management strategies and asset management policy every four years.

In addition to the new legislation, the Governor made three Orders relating to the asset management reforms which:

- outline the minimum requirements necessary for all long-term financial and asset management planning documents;
- list the financial and asset management indicators; and
- provide guidance to councils on the structure, membership and primary functions of audit panels.

7.6 New local government code of conduct framework

The *Local Government Amendment (Code of Conduct) Act 2015* commenced on 13 April 2016. That Act provided for a new local government code of conduct framework for Tasmanian councillors. The local government code of conduct framework is now prescribed under Part 3, Division 3A (Code of conduct, complaints and complaint resolution) of the Local Government Act. A Model Code of Conduct (made by order of the Minister) prescribes the standard of behaviour that all Tasmanian councillors are required to meet when performing their role.

7.7 Reimbursement of Expenses

The Local Government (General) Regulations 2015 included an amendment to enable councillors to be reimbursed for reasonable expenses (Regulation 43) in relation to internet usage, stationery and office supplies, and 'the care of any person who is dependent on the councillor and who requires the care while the councillor is carrying out his or her duties or functions as a councillor', in accordance with the policy adopted under Schedule 5 of the Local Government Act.

7.8 Councillor Numbers

Since 2008, there have been changes to the number of councillors of some Councils. The changes are summarised in table 3. The changes arose from recommendations of Board of Inquiry set up to review councillor numbers.

Table 3 Changes to the Number of Councillors since 2008

Council	Previous number of councillors	Current number of councillors	Date of change
Central Coast	12	9	26 June 2013
Derwent Valley	9	8	12 February 2014
Devonport City	12	9	26 June 2013
Glamorgan-Spring Bay	9	8	26 June 2013
Glenorchy City	12	10	26 June 2013
Kingborough	12	10	26 June 2013
Southern Midlands	9	7	12 February 2014
Tasman	9	7	26 June 2013
Waratah-Wynyard	10	8	12 February 2014

7.9 Responsibility for Water and Sewerage services

Tasmanian water and sewerage services are currently provided by TasWater, a council-owned corporation established by the *Water and Sewerage Corporation Act 2012*. TasWater is licensed under the *Water and Sewerage Industry Act 2008* and is subject to economic, environmental and health regulation by independent regulatory bodies.

Prior to 1 July 2009, the State's water services were provided by three regional bulk water authorities and 28 of the 29 councils. Collectively, the councils were responsible for administering over 90 water supply schemes while reticulated sewerage waste water treatment services were provided by 27 councils. In 2006 a Ministerial Water and Sewerage Taskforce was established to investigate the structural and regulatory arrangements in the water and sewerage sector. Following a detailed assessment of the issues, the final model for structural reform was endorsed by the PLGC in February 2008.

Coming into effect in 2009, the *Water and Sewerage Corporations Act 2008* changed the structural elements of the water and sewerage sector in Tasmania. It provided for the establishment of three regional corporations based on the northern, north-western and southern regions of the State- (Ben Lomond Water, Cradle Mountain Water, Southern Water) that managed the provision of water and wastewater services to their regions. A fourth corporation, Onstream, owned by the regional corporations was also established by the Act. The role of this corporation was to provide common services to the regional corporations.

The regional corporations operated under local government ownership, with any dividends to be payable to owner councils. The Act transferred of water and sewerage assets, liabilities and employees of councils and bulk water authorities to the regional corporations or the common services corporation.

A further change occurred in 2012. The Water and Sewerage Corporation Act 2012 established a single water and sewerage corporation (TasWater) to manage the provision of water and wastewater services on a state-wide basis. The Act provided for the transfer of the assets, liabilities and employees of the existing water and sewerage businesses to the new Corporation.

The Corporation is owned by the State's Local Government councils and any dividends, tax equivalents payments and guarantee fees will be payable to the owner councils. The Act also established new governance arrangements for the new single entity structure. As before they were based on those that apply to State-owned companies in Tasmania, but adapted to be relevant for Local Government ownership.

On 7 March 2017, the Premier, the Hon Will Hodgman MP, announced the State Government's plan to establish a new Government-owned entity to which ownership and responsibility for the State's water and sewerage industry would be transferred. At the time of this Inquiry there has not been any change to the ownership of the Corporation and it remains under the control of the Councils.

7.10 Amalgamations and Shared Services

A majority of Councils have participated in feasibility studies for voluntary amalgamations or shared services, supported by the State Government. Four of those studies are now complete and there are some common learnings/themes that have come out of all of them.

Do the changes identified above have any implications for allowances; if so, in what way? Are there other changes to the role and function of local government impacting on this review?

8. Annual Indexation

- 8.1** The Terms of Reference require the tribunal to determine "the method of indexing allowances each year."
- 8.2** Since the making of the 2008 Amendment Regulations, allowances have increased annually by the relevant inflationary factor. Inflationary factor is currently defined in section 42 of the 2015 Regulations. As stated above, it is, in respect of each calendar year, the amount ascertained by dividing the Wage Price Index figure for the June quarter of that year by the Wage Price Index figure for the June quarter of the previous calendar year. Wage Price Index (WPI) measures changes in wages and salaries over time, unaffected by changes in the quality or quantity of work performed, or changes in the composition of the labour market.
- 8.3** The WPI has been adopted by the Tasmanian Industrial Commission as the most relevant index for the purpose of State Wage Case determinations.

Table 4 Annual Increases in Allowances since 2008

Date	Increase	Reason
1 November 2008	various	Reset by 2008 Inquiry as set out in Schedule 4 of the <i>Local Government (General) Regulations 2005</i>
1 November 2009	4.3%	Change in ABS Wage Price Index-Tasmania
1 November 2010	3.7%	Change in ABS Wage Price Index-Tasmania
1 November 2017	3.5%	Change in ABS Wage Price Index-Tasmania
1 November 2012	3.2%	Change in ABS Wage Price Index-Tasmania
1 November 2013	2.9%	Change in ABS Wage Price Index-Tasmania
1 November 2014	2.3%	Change in ABS Wage Price Index-Tasmania
1 November 2015	2.5%	Change in ABS Wage Price Index-Tasmania
1 November 2016	2.2%	Change in ABS Wage Price Index-Tasmania
1 November 2017	2.1%	Change in ABS Wage Price Index-Tasmania

The actual allowances applicable each year are shown in Tables 5A-C

Table 5A Allowances for Councillors since 2008

Councillor - Allowance (\$ pa)										
Cat	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1	27,278	28,451	29,504	30,536	31,513	32,427	33,173	34,002	34,750	35,842
2	22,083	23,033	23,885	24,721	25,512	26,252	26,856	27,527	28,133	28,725
3	16,724	17,443	18,089	18,722	19,321	19,881	20,338	20,846	21,305	21,754
4	11,366	11,855	12,293	12,724	13,131	13,512	13,823	14,169	14,480	14,785
5	9,500	9,909	10,275	10,635	10,975	11,293	11,553	11,842	12,102	12,357
6	8,000	8,344	8,653	8,956	9,242	9,510	9,729	9,972	10,192	10,406
7	7,000	7,301	7,571	7,836	8,087	8,322	8,513	8,726	8,918	9,106

* Allowances payable to Mayors and Deputy Mayors are in addition to those payable to a Councillor.

Table 5B Additional Allowances for Deputy Mayors since 2008

Deputy Mayor - Additional Allowance (\$ pa)										
Cat	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1	17,617	18,375	19,054	19,721	20,352	20,942	21,424	21,960	22,443	22,915
2	15,344	16,004	16,596	17,177	17,726	18,240	18,660	19,127	19,548	19,960
3	13,071	13,633	14,137	14,632	15,101	15,539	15,896	16,293	16,652	17,002
4	10,797	11,261	11,678	12,087	12,473	12,835	13,130	13,458	13,754	14,044
5	9,092	9,483	9,834	10,178	10,504	10,809	11,058	11,334	11,584	11,828
6	7,956	8,298	8,605	8,906	9,191	9,458	9,676	9,918	10,136	10,349
7	7,388	7,706	7,991	8,270	8,535	8,783	8,985	9,210	9,421	9,610

Table 5C Additional Allowances for Mayors since 2008

Mayor - Additional Allowance (\$ pa)										
Cat	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1	68,195	71,127	73,759	76,341	78,784	81,069	82,934	85,007	86,877	88,706
2	55,206	57,580	59,710	61,800	63,778	65,628	67,137	68,815	70,329	71,810
3	41,810	43,608	45,221	46,804	48,302	49,703	50,846	52,117	53,264	54,385
4	28,414	29,636	30,732	31,808	32,826	33,778	34,555	35,419	36,198	36,960
5	23,750	24,771	25,688	26,587	27,438	28,234	28,883	29,605	30,256	30,893
6	20,000	20,860	21,632	22,389	23,105	23,775	24,322	24,930	25,479	26,015
7	17,500	18,253	18,928	19,590	20,217	20,830	21,281	21,813	22,293	22,762

TABLE 6
Indexed allowances payable to elected members from 1 November 2017

Current Category	Council	Allowance for Councillors	Additional allowance for Deputy Mayors	Additional Allowance for Mayors
1	Launceston	35,482	22,915	88,706
	Hobart	35,482	22,915	88,706
2	Clarence	28,725	19,960	71,810
	Glenorchy	28,725	19,960	71,810
	Kingborough	28,725	19,960	71,810
3	Devonport	21,754	17,002	54,385
	Burnie	21,754	17,002	54,385
	Central Coast	21,754	17,002	54,385
	West Tamar	21,754	17,002	54,385
4	Huon Valley	14,785	14,004	39,960
	Meander Valley	14,785	14,004	39,960
	Sorell	14,785	14,004	39,960
	Waratah-Wynyard	14,785	14,004	39,960
	Brighton	14,785	14,004	39,960
	Northern Midlands	14,785	14,004	39,960
5	Latrobe	12,357	11,828	30,893
	Derwent Valley	12,357	11,828	30,893
	Circular Head	12,357	11,828	30,893
	Break O'Day	12,357	11,828	30,893
	Dorset	12,357	11,828	30,893
	George Town	12,357	11,828	30,893
6	Southern Midlands	10,406	10,349	26,015
	Glamorgan Spring Bay	10,406	10,349	26,015
	Kentish	10,406	10,349	26,015
	West Coast	10,406	10,349	26,015
7	Tasman	9,106	9,610	22,762
	Central Highlands	9,106	9,610	22,762
	King Island	9,106	6,387	22,762
	Flinders	9,106	4,331	22,762

The Board would like feedback on the annual indexation of the allowance based on the Wage Price Index?

9. Governance training and experience allowance

- 9.1** The Terms of Reference require the tribunal to determine "*whether an additional allowance should be made available to councillors who undertake training in governance relevant to local government or who have recognised experience in governance relevant to local government*"
- 9.2** There are currently discretionary and different policies adopted by most councils that provide incentives or reimbursement for costs involved in the engagement of relevant training.
- 9.3** The training and development activities may range from induction programs, conferences, local government sector development activities, professional development, study and inspection tours, including sister city tours, both interstate and internationally and local workshops and seminars.
- 9.4** In the most recent LGAT Census, out of the 101 councillors surveyed, 27.7 percent revealed they had not engaged in any type of council role related training⁶. Although a large number of respondents identified they had engaged in some kind of training, 48.6 percent indicated that they experienced difficulty in doing so including taking time off full time employment, costs, transport and perceived lack of support from Council.
- 9.5** The majority of respondents were newly elected to council (44.8 percent). Almost twenty-three per cent had served on Council for between 4 and 10 years, 19 percent for between 10 and 20 years, 11.4 percent for less than 4 years and 1.9 percent had served for more than 20 years.
- 9.6** The 2014 LGAT Census also revealed that the majority of respondents were self-employed (33.7 per cent). Almost 27 per cent were in full time employment, 20.2 percent were retired and 9.6 per cent were in part time were employed in part time work. Some 73.9 per cent of respondents were employed in the private sector and 11.6 per cent worked in community and non-government sector and for the State Government.
- 9.7** LGAT offer relevant training courses and programs for Councillors and Mayors, including the LGAT Annual Local Government Conference, Mayors Professional Development workshop and the LGAT General Meeting. LGAT also publish a 'Councillor Toolkit' to assist councillors with the practical information regarding their responsibilities as councillors.
- 9.8** There are currently no mandatory training requirements for councillors.

6. 2014 LGAT Tasmanian Local Government Elected Member Census

The Board would like submissions on;

(a) Whether an additional allowance, the current reimbursement practice or other options should be provided to support councillors to undertake relevant governance training.

(b) Should there be mandatory governance training for all Councillors and/or a fixed budget allocation for other professional development requirements?

(c) How (if at all) should previous "recognised experience" be assessed, and

(d) Whether it is appropriate to offer an additional allowance for those councillors who have previous experience in governance related to local government?

10. Attraction of future candidates

10.1 The Terms of Reference require the tribunal to determine "*the capacity of local government to attract potential future candidates*"

10.2 A common feature of submissions to past reviews is the notion that the allowance should be sufficiently adequate so as not to act as a disincentive, or indeed barrier, to otherwise interested and worthy individuals to stand for Local Government office, either as a Councillor or for mayoral office.

10.3 The most recent LGAT Census outlined that there was a slight increase in female elected officers to 37.1 per cent, however the majority (62.9 per cent) are male with the majority of respondents aged between 56-65 years of age with only one respondent aged less than 25 years old. 90.5 per cent of respondents were born in Australia⁷.

TABLE 7 Statistical analysis of Local Government elections since 2000

	2000	2002	2004	2007	2009	2011	2014
Councils having Elections	29	28	29	29	29	29	29
Councillor Vacancies	153	142	156	149	150	147	263
Councillor Candidates	314	298	348	307	316	283	482
Mayoral Vacancies	29	28	29	29	29	29	29
Mayoral Candidates	63	68	65	44	55	62	91
Deputy Mayoral Vacancies	29	28	29	29	29	29	29
Deputy Mayoral Candidates	77	71	74	76	78	76	143

10.4 The above analysis shows a consistent pattern, particularly since 2000. For councillors the current ratio between candidates and vacancies is around 2:1 For Mayors and Deputy Mayors the ratio is slightly higher at 3:1 and 5:1 respectively.

Whilst in overall terms the number of candidates comfortably exceeds the number of vacancies, is a ratio of approximately two candidates sufficient to provide robust representation of the municipal communities?

Secondly, there may be sufficient candidates overall, but are certain demographic categories significantly underrepresented, and is this a matter for concern? If this is the case, what may be the impediments to a diverse council?

11. Any other factors considered relevant

11.1 It is noted that there appears to be public interest in the issue of superannuation for councillors. By way of background, an additional one off adjustment of 9% was added to the allowance to compensate for the absence of superannuation, as a consequence of the 2004 determination (see 4.3).

11.2 Councillors are not generally regarded as employees for taxation and superannuation purposes and are expressly excluded in the *Superannuation Guarantee (Administration) Act 1992*. This means that a council is generally not obliged to pay superannuation contribution to elected councillors.

The Board welcomes submissions on any other relevant factors for consideration.

13. Submissions and Public Hearings

13.1 The Board invites submissions in writing or submitted electronically and/or oral representations.

Written Submissions

13.2 The closing date for written submissions is **5.00 pm Friday 16 February 2018**. Electronic format (email) is strongly preferred.

Oral Representations

13.3 The Board intends to hold public hearings to hear first-hand from those individuals and organization who wish to make an oral presentation, or supplement a written submission. Subject to demand the tribunal will sit in convenient locations around the state. This will include as a minimum the North West Coast, Launceston and Hobart, but could include other locations subject to demand.

13.4 The public hearings will take place in the week 19-23 February 2018.

13.5 To facilitate sitting arrangements, individuals or organisations intending to make an oral representation should contact the Secretariat not later than Thursday 15 February

Submissions to be Public Unless Otherwise Indicated

13.6 The default position is that submissions and oral representations will be public. However, should any individual or organisation wish to make a private submission or oral representation, the Tribunal will respect such wish, provided it is clearly indicated.

14 Final Report

14.1 It is anticipated that the final Report will be presented in April 2018.

15 Secretariat

Contact details for the Secretariat are as follows:

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