



8.6	REVIEW OF MAYORAL AND COUNCILLOR ALLOWANCES
WARD:	WHOLE OF MUNICIPALITY
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ATTACHMENTS:	Nil

PURPOSE

For Council to commence the process to review Mayoral and Councillor allowances as required by the *Local Government Act 1989* (the Act).

I. RECOMMENDATION

That Council:

- 1.1 Pursuant to section 74(1) of the Local Government Act 1989, commences the process to review and determine the Mayoral allowance and the Councillor allowance.
- 1.2 Proposes a Mayoral allowance of \$94,641 per annum, being the maximum allowed for a Category 3 Council.
- 1.3 Proposes a Councillor allowance of \$29,630 per annum, being the maximum allowed for a Category 3 Council.
- 1.4 Notes that the quantum of the Mayoral allowance and the Councillor allowance proposed in this report is the same as is currently being received by the Mayor and each Councillor.
- 1.5 Notes that Mayoral and Councillor allowances are also subject to the addition of the equivalent of the superannuation guarantee (currently 9.5%).
- 1.6 Pursuant to section 223 of the Local Government Act 1989, calls for public submissions on this proposal being for a period of not less than 28 days after the date public notice is given.
- 1.7 Resolves to hear and consider any submissions received pursuant to section 223 of the Local Government Act at the Ordinary Meeting of Council to be held on Wednesday 17 May 2017 at 6.30pm at the St Kilda Town Hall.

2. BACKGROUND

- 2.1 Councils are categorised by the Minister for Local Government within a three level framework based on population and income.



- 2.2 Port Phillip City Council is classified in the highest category, level 3. In each category a minimum and maximum range of Mayor and Councillor allowances are set by the Minister for Local Government.
- 2.3 The payment of a Mayoral allowance and Councillor allowances are governed by the Act. The Mayoral and Councillor allowance ranges detailed in section 2.4 of this report were adjusted by the Minister for Local Government in a public notice published in the Victoria Government Gazette on 24 November 2016. In this notice Mayoral and Councillor allowances were increased by 2.5% effective from 1 December 2016.
- 2.4 For Port Phillip City Council being a Category 3 Council, the ranges of allowances as at 1 December 2016 (excluding the 9.5% superannuation guarantee payable) are:
 - 2.4.1 Mayoral allowance up to \$94,641 per annum
 - 2.4.2 Councillor allowance from \$12,367 to \$29,630 per annum.
- 2.5 Councillors and the Mayor are currently being paid the maximum allowable allowance. It should be noted that:
 - 2.5.1 A Mayor cannot receive the Councillor allowance at the same time as receiving the Mayoral allowance
 - 2.5.2 A Council does not have to pay an allowance to a Councillor who does not wish to receive it; and
 - 2.5.3 A person is only entitled to receive an allowance while he or she holds the office of Councillor or Mayor.

3. KEY INFORMATION

- 3.1 Section 74(1) of the Act states that a Council must review and determine the level of the Councillor allowance and the Mayoral allowance within the period of 6 months after a general election or by the next 30 June, whichever is later. Therefore the latest date that Council must review and determine its Mayoral and Councillor allowances is 30 June 2017.
- 3.2 The allowances determined under section 74(1) of the Act are payable from the date of the resolution of the Council determining the levels of allowances. It is proposed in this report that Council conduct a review of the allowances and make a determination at its ordinary Meeting of Council to be held on 17 May 2017.
- 3.3 Council must provide the community with an opportunity to make a submission under section 223 of the Act in respect of the review of the allowances. Council will publish a public notice inviting submissions on this proposal for a period that is at least 28 days after the date public notice was given.
- 3.4 Currently, allowances are set at the maximum payable within Category 3. Given the workload and time commitment required from each Councillor to effectively represent and advocate for the community, it is recommended in this report that Council continues this practice and seeks community input on this proposal.
- 3.5 The amount of allowances proposed in this report are the same as is currently being received by the Mayor and each Councillor.



FURTHER SUPPORTING INFORMATION

4. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 4.1 The payment of Councillor and Mayoral allowances is to assist elected representatives in their role of representing and advocating for the community which is consistent with Council's key direction of "Engaging and Governing the City".

5. CONSULTATION AND STAKEHOLDERS

- 5.1 The Act requires that before the final decision is made on the level of allowances there must be a public process inviting submissions on the quantum of allowances.
- 5.2 The submission process to be conducted must be in accordance with section 223 of the Act. Council must publish a public notice:
- 5.2.1 Specifying the matter in respect of which the right to make a submission applies;
 - 5.2.2 Stating the date by which submissions are to be submitted, being a date not less than 28 days after the date of public notice;
 - 5.2.3 Specifying the time, date and place that Council will hear and consider submissions; and
 - 5.2.4 Stating that any person making a submission is entitled to appear in person, or to be represented by a person, to be heard at the meeting where Council is hearing and considering the submissions.
 - 5.2.5 Council must take into account all submission received as part of its decision making process.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 The Act requires that Council reviews its Mayoral and Councillor allowances by 30 June 2017.
- 6.2 Section 79C of the Act states that a Councillor does not have a conflict of interest in a decision in relation to the setting of Mayoral and Councillor allowances.

7. SUSTAINABILITY – Triple Bottom Line

- 7.1 ENVIRONMENTAL IMPLICATIONS
- 7.1.1 N/A
- 7.2 SOCIAL & CULTURAL IMPLICATIONS
- 7.2.1 N/A
- 7.3 ECONOMIC IMPLICATIONS
- 7.3.1 N/A



7.4 FINANCIAL IMPLICATIONS

- 7.4.1 As a level 3 Council, the current cost to the Port Phillip City Council is the Mayoral allowance of \$94,641 per annum and the Councillor allowance for each of the other Councillors (8) of \$29,630 per annum per Councillor. In addition to the base Mayoral and Councillor allowances an additional amount equal to the superannuation guarantee under Commonwealth taxation legislation (currently 9.5%) is payable.
- 7.4.2 These allowances are indexed annually by the Minister.
- 7.4.3 The total cost is dependent upon the level set by Council within the allowable range.

8. IMPLEMENTATION STRATEGY

8.1 TIMELINE

- 8.1.1 Public notice will be given in the Port Phillip Leader newspaper inviting submissions over a period of not less than 28 days.
- 8.1.2 A report will be presented to Council at its Ordinary Meeting to be held on 17 May 2017, at which Council will hear and consider all submissions received and make a determination on the level of allowances.

8.2 COMMUNICATION

- 8.2.1 Once Council has made a determination, all submitters will be notified of Council's decision and the reasons for that decision.

9. OFFICER DIRECT OR INDIRECT INTEREST

- 9.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.