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SALARIES AND ALLOWANCES ACT 1975

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## DETERMINATION OF THE SALARIES AND ALLOWANCES TRIBUNAL

### LOCAL GOVERNMENT CHIEF EXECUTIVE OFFICERS AND ELECTED MEMBERS



**SALARIES AND ALLOWANCES ACT 1975****SALARIES AND ALLOWANCES TRIBUNAL****DETERMINATION OF LOCAL GOVERNMENT CHIEF EXECUTIVE OFFICERS AND ELECTED MEMBERS****Pursuant to Section 7A and 7B**

10 April 2018

**PREAMBLE**

1. Section 7A of the *Salaries and Allowances Act 1975* ('the SA Act') requires the Salaries and Allowances Tribunal ('the Tribunal') at intervals of not more than 12 months, to "inquire into and determine, the amount of remuneration, or the minimum and maximum amounts of remuneration, to be paid or provided to chief executive officers of local governments".
2. Section 7B(2) of the SA Act requires the Tribunal, at intervals of not more than 12 months, to inquire into and determine the amount of—
  - fees, or the minimum and maximum amounts of fees, to be paid under the *Local Government Act 1995* ('the LG Act') to elected council members for attendance at meetings;
  - expenses, or the minimum and maximum amounts of expenses, to be reimbursed under the LG Act to elected council members; and
  - allowances, or the minimum and maximum amounts of allowances, to be paid under the LG Act to elected council members.

**CURRENT INQUIRY**

3. In discharging its statutory requirement with respect to the remuneration of local government Chief Executive Officers (CEOs) and elected members, the Tribunal has—
  - invited local governments and regional local governments to raise any issues relevant to the remuneration paid to their CEO or to the determination of fees, expenses and allowances for elected council members;
  - surveyed local governments and regional local governments as to the remuneration being paid to CEOs and regarding the fees paid to elected council members; and
  - considered relevant labour market and economic data.

**SUBMISSIONS**

4. On 25 January 2018, the Tribunal emailed local governments and regional local governments to invite submissions. The Western Australian Local Government Association (WALGA) and the Western Australian division of the Local Government Professionals WA (LGPWA) were also invited to make submissions to the inquiry.
5. Local governments were provided with a template submission form to ensure the Tribunal was able to capture data on a broad range of issues including—
  - major growth and development;
  - significant social and economic issues;
  - significant demand to service and support non-resident needs;
  - high impact environmental management issues and responsibilities;
  - greater diversity of services delivered than normally provided by similar sized local governments;
  - recruitment issues;
  - remuneration issues; and
  - other distinguishing features.
6. A total of six submissions were received from local governments, with the LGPWA and a member of the public also making a submission.
7. Aside from those local governments that requested an increase or maintenance in classification, matters raised in the submissions included—
  - amendments to the housing allowance for CEOs;
  - limiting the ICT allowance; and
  - increases to the rates payable to elected members and CEOs generally.
8. The Tribunal considered all feedback received during the course of the inquiry.

**SURVEY**

9. On 25 January 2018, a survey was provided to local government and regional local governments in order to obtain information relating to the remuneration provided to CEOs and the fees provided to elected members.

10. Only two of the 148 local governments failed to respond to the survey with each providing sufficient reasons as to why they were unable to.

## **CONSIDERATIONS**

11. The Tribunal has considered sections 2.7 to 2.10 and 5.41 of the LG Act, which outline the roles and responsibilities of local governments, councillors, mayors, presidents and their deputies and the functions of local government CEOs.

12. The information received from individual local governments ensures the Tribunal is informed on developments across the sector.

### **Local Government population, expenditure and staff levels**

13. The Tribunal requested and received the following data from the Department of Local Government, Sport and Cultural Industries (DLGSCI)—

- Population as at 31 March 2017 (ABS Catalogue 3218.0);
- Total Full Time Equivalent (FTE) employees 2016-17;
- Operating expenditure 2016-17; and
- Three year averaged capital expenditure (2014-15 to 2016-17).

### **Band allocation model**

14. The Tribunal continues to utilise the four band classification model adopted in its 2012 determination. The model provides for a range of factors to be taken into account including—

- major growth and development;
- strategic planning, including risk management;
- infrastructure development and asset management;
- significant social/economic/environmental issues;
- population
- significant demand to service and support non-resident needs;
- diversity of services;
- community involvement and advocacy;
- state or national negotiations;
- operational and managerial requirements;
- capacity to pay;
- total expenditure; and
- FTEs.

15. The Tribunal considered that local governments and regional local governments that were placed near the top or bottom of a band had the potential to change bands, regardless of whether a submission was received. The Tribunal will continue to review the circumstances of each local governments to ensure that the particular issues relevant to those local governments are accommodated with the band allocation model.

16. The Tribunal notes that there is flexibility for change within each band before an increase in classification is warranted. A request for an increase in classification will only be accepted where it is demonstrated that the local government or regional local government has experienced a substantial and sustained increase in the factors identified above.

### **Survey Results**

17. The survey shows that the vast majority of CEOs (81%) are remunerated at either the middle (26-74th percentile) or top (above the 75th percentile) of their respective band ranges. Only three local governments reported a remuneration package in the bottom 25th percentile of its band range.

18. There remains a handful of local governments and two regional local governments with a Preserved CEO currently remunerated above the determined range. Although Preserved CEOs, as defined by the LG Act, do not fall under the jurisdiction of the Tribunal, Local Governments are reminded that they are required by clause 43(4) of the LG Act to take into account any determination of the Tribunal when renewing a contract of a Preserved CEO.

19. The Tribunal also reminds local governments that it is their responsibility to ensure that payments made to CEOs and elected members are within the respective band ranges. The Tribunal notes that a number of local governments self-reported that they had Preserved CEOs, when this is not the case. Any payments made outside the scope of the determination for non-Preserved CEOs is in violation of the LG Act and SAA Act.

20. In regards to Elected Members, the responses shows that all local governments provide fees within the bands determined by the Tribunal, as is required. Only one local government reported that it provides no payment to Elected Members.

21. The Tribunal emphasises that any benefit provided by this determination cannot be proscribed, limited or waived by a decision of the local government. Any eligible claim against those entitlements is to be paid in accordance with the applicable financial procedures of the local government. However, individual Members may, acting independently, waive their right to receive fees.

22. Thirty-nine of the 144 local governments that provided a response remunerate their members with a per meeting fee. Of these, five were Band 3 local governments, thirty-one were Band 4 local governments and three were regional local governments.

**CEO Regional/Isolation Allowance**

23. The Regional/Isolation Allowance is available to local governments listed under Part 3 of this determination. The Allowance is discretionary and local governments have the flexibility to determine an appropriate payment not exceeding the maximum annual figure stated.

24. All but two of the eligible local governments responded to the Tribunal's Survey. Of the 52 eligible local governments, 21 did not provide any payment under this allowance and a further 14 provided 50% or less of the allowance. Twenty-nine local governments provided information that they were paying their CEO some form of Regional/Isolation Allowance. Only nine of these local governments provided the maximum allowance to their CEOs.

25. The Tribunal reminds eligible local governments that although the Regional/Isolation Allowance is additional to the Total Reward Package (TRP), it is to be paid as salary and may attract the superannuation guarantee. As the superannuation guarantee forms part of a CEO's TRP, caution should be taken to ensure that provision of this allowance does not result in the maximum of the awarded TRP range being exceeded.

**Christmas and Cocos Islands**

26. The Commonwealth and WA Governments entered an agreement in 2016 under Section 8H of the *Christmas Island Act 1958* (Cth), Section 8H of the *Cocos (Keeling) Islands Act 1995* (Cth) and the *Indian Oceans Territories (Administration of Laws) Act 1992* (WA), such that the Salaries and Allowances Tribunal has the power to determine the remuneration of local government CEOs and the fees, expenses and allowances for local government elected members of the Shires of Christmas Island and Cocos (Keeling) Islands.

27. The Tribunal has reviewed the Shires of Christmas and Cocos (Keeling) Islands during the current inquiry.

**Annual review process and provision of data to the Tribunal**

28. The Tribunal will continue to request information annually regarding the amounts of fees, expenses and allowances paid to local governments and regional local government elected council members and remuneration provided to CEOs.

29. Local governments and regional local governments are advised to record all figures for each elected member and CEO relevant to each section of the determination.

**ECONOMIC CONSIDERATIONS**

30. The Tribunal has noted a range of labour market and economic data including the financial position and fiscal strategy of the State as set out in the—

- *Western Australian State Budget 2017-18* issued on 7 September 2017;
- *2017-18 Government Mid-Year Financial projection statements* issued in December 2017;
- *December 2017 Quarterly Financial Results*.

31. The economic difficulties facing the state include—

- total public sector net debt increased to \$33.8 billion at 31 December 2017, \$1.8 billion higher than the outcome recorded at 30 June 2017. Total government debt is projected to be \$42.8 billion by 30 June 2021;
- lower tax collections (down \$159 million);
- increase in government expenses by \$45 million;
- weaker Gross State Product growth of 2.5%, revised down from 3%;
- State Final Demand (SFD) is expected to contract for a fifth consecutive year in 2017-18, with the contraction larger (-2%) than projected, while the pace of the recovery from 2018-19 onwards is slightly slower than previous expectations;
- Household consumption grew by just 0.5% in 2016-17, underpinned by spending on essential items, while non-essential spending declined over the same period;

32. The *2017-18 Government Mid-Year Financial projection statements* noted that—

*Wage growth in Western Australia remains subdued, with growth in the Wage Price Index (WPI) easing to 1.3% in the year to September 2017. This reflected a slowing in both private and public sector wages, which grew by 1.2% and 1.9% respectively over this period (figure above, right-hand panel).*

*Growth in the State's WPI is estimated to remain subdued at 1.5% in 2017-18, consistent with high levels of spare capacity in the labour market (notwithstanding a slight improvement over the past six months). Over the remaining forecast period, WPI growth is projected to gradually increase as economic activity strengthens and the labour market tightens, but is forecast to remain below the long-run average of 3.5% per annum.*

33. The Tribunal is also mindful that the *Salaries and Allowances Amendment (Debt and Deficit Remediation) Act 2018* is now in effect. During the second reading speech, the Premier noted the Act—

*imposes a pay freeze for the most senior members of government, in line with what is occurring in the private sector. Currently, we are seeing wages growth in Western Australia at historic lows. In fact, wage increases in this state continue to be the lowest in the country. Anecdotally, many workers in the private sector say that they have not received a pay rise in years.*

34. The Act does not affect local government CEOs and elected members. However, the Act identifies the most senior members of government as being leaders within the community and emphasises the

importance of the leaders in the community demonstrating wage restraint while the community as a whole endures low wage growth.

35. The Tribunal equally considers that local government CEOs and their elected representative are leaders within the community and, in line with community expectations, similar wage restraints should apply to them.

36. While the Tribunal acknowledges that remuneration provided to local government CEOs and elected members has no impact on the State government's budget deficit, the Tribunal is aware of the difficulties in the community caused by rate increases. It can be argued that remuneration of CEOs and elected members comprises a small fraction of a local governments' overall budgets, the Tribunal has concluded that the current climate necessitates an approach to minimise costs of local governments.

## CONCLUSIONS

37. The Tribunal has determined there will be no increase in the remuneration, fees, expenses or allowances ranges provided to CEOs and elected members, in light of the issues highlighted above.

38. The Tribunal notes that a majority of local governments retain the capacity to provide an increase within their current band parameters. While noting that the annual Consumer Price Index for December 2017 (the latest available figures) was 0.9%, each local government must satisfy itself and provide public justification for any increase within their allotted band in the current economic climate.

39. The Tribunal considered those local governments with potential to change classification. In reviewing the classification framework, band allocation model and all other relevant information, the Tribunal has increased the Shire of Northampton from Band 4 to Band 3.

40. The Tribunal has made no further changes to its determination.

41. The Tribunal reinforces its preference for the reimbursement of actual expenses wherever possible and, accordingly, has maintained the annual allowances for information and communication technology (ICT) and travel and accommodation. Although these annual allowances are to be paid in lieu of reimbursement of such expenses, the Tribunal maintains the fundamental principle that elected council members should not be out of pocket for expenses properly incurred in the fulfilment of their duties and that any expense incurred beyond the annual allowance amount received should continue to be reimbursed in accordance with the LG Regulations.

42. Nothing in this determination shall be interpreted and/or applied in such a manner as to circumvent the intention of the Tribunal to ensure transparency and accountability in the remuneration of Local Government CEOs and the provision of fees, expenses and allowances to elected members.

43. Information on the remuneration of CEOs and elected council members is available to the public under section 5.94 of the LG Act or through the minutes of council meetings.

44. In conclusion, the Tribunal acknowledges those who assisted with this inquiry. Information provided enabled the Tribunal to appreciate the issues impacting various local governments and the sector generally, and also gain feedback regarding the effectiveness of its determinations.

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## DETERMINATION FOR LOCAL GOVERNMENT CHIEF EXECUTIVE OFFICERS AND ELECTED MEMBERS PURSUANT TO SECTION 7A AND 7B OF THE *SALARIES AND ALLOWANCES ACT 1975*

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Explanatory Notes

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**PART 1: INTRODUCTORY MATTERS**

*This Part deals with some matters that are relevant to the determination generally.*

**1.1 Short title**

This determination may be cited as the *Local Government Chief Executive Officers and Elected Members Determination No. 1 of 2018*.

**1.2 Commencement**

This determination comes into operation on 1 July 2018.

**1.3 Content and intent**

(1) The remuneration listed in this determination comprises all remuneration as defined under the *Salaries and Allowances Act 1975* as including salary, allowances, fees, emoluments and benefits.

(2) The determination applies to

- a. Chief Executive Officers (CEOs);
- b. Acting Chief Executive Officers; and
- c. Elected Members

(3) The remuneration specified in this determination for CEOs is based on a person being appointed to one Local Government CEO position only. In the case of a person being appointed to undertake the duties of more than one CEO position simultaneously, the relevant Local Governments must seek a determination from the Tribunal for the multiple CEO positions held by that person.

(4) If a Local Government undergoes an amalgamation or a rezoning of Local Government boundaries, the Local Government is required to seek a new determination from the Tribunal.

(5) This determination provides for the amount of fees, expenses and allowances to be paid or reimbursed under the *Local Government Act 1995* ('the LG Act') Part 5 Division 8 to elected council members. The determination applies to elected council members who are members of the council of a local government. Under the LG Act section 3.66, it also applies to elected council members who are members of the council of a regional local government.

(6) Where the Tribunal has determined a specific amount for a fee, expense or allowance for elected council members of a local government or regional local government, the amount determined by the Tribunal will be payable to an eligible elected council member.

(7) Where the Tribunal has determined a minimum and maximum amount for a fee, expense or allowance for elected council members of a local government or regional local government, each local government or regional local government council will set an amount within the relevant range determined and the amount set will be payable to an eligible elected council member.

(8) The fees, expenses and allowances determined are intended to recognise the responsibilities of elected council members, mayors and presidents of local governments and chairmen of regional local governments and to remunerate them for the performance of the duties associated with their office.

#### 1.4 Terms used

In this determination, unless the contrary intention appears—

**chair** means a person who is elected or appointed from among the members of a council of a regional local government as its chair;

**committee meeting** means a meeting of a committee of a council where the committee comprises—

(a) council members only; or

(b) council members and employees of the local government or regional local government;

**council**, in relation to—

(a) a local government, means the council of the local government;

(b) a regional local government, means the council of the regional local government;

**council member**, in relation to—

(a) a local government—

(i) means a person elected under the LG Act as a member of the council of the local government; and

(ii) includes the mayor or president of the local government;

(b) a regional local government—

(i) means a person elected under the LG Act as a member of the council of a local government and who is a member of the council of the regional local government; and

(ii) includes the chair of the regional local government;

**LG Regulations** means the *Local Government (Administration) Regulations 1996*;

**mayor** means a council member holding the office of mayor, whether elected by the council from amongst its members or elected by the electors;

**president** means a council member holding the office of president, whether elected by the council from amongst its members or elected by the electors.

#### 1.5 Pro rata payments

(1) The Total Remuneration Package specified in this determination for CEOs is based on a person serving in the office on a full-time basis. The relevant range shall be payable on a pro rata basis if the position is undertaken on a part time basis.

(2) The amount of a person's entitlement to remuneration, annual attendance fee or annual allowance specified in this determination shall be apportioned on a pro rata basis according to the portion of a year that the person holds office.

#### 1.6 Local government band allocations

Unless the contrary intention appears, local governments are allocated in this determination to the bands set out in Schedule 1 of this determination. Regional local governments are allocated to a Band only in regards to CEOs.

### PART 2: TOTAL REWARD PACKAGE

*This Part deals with the remuneration payable to Chief Executive Officers.*

#### 2.1 GENERAL

(1) Offices listed in this Part have been assigned by the Tribunal to one of four classifications designated Band 1 to Band 4.

(2) Each classification (Band 1 to Band 4) has a commensurate Total Reward Package (TRP) range.

(3) Typical components of a TRP include—

- a. Base salary;
- b. Annual leave loading;
- c. Associated FBT accrued (total annual amount of fringe benefits tax paid by the Local Government for all fringe benefits provided to a CEO);
- d. Association membership fees;
- e. Attraction/retention allowance, not being provided under Part 3;
- f. Personal benefit value of the provision of a motor vehicle for private use (if applicable) as defined under Part 5 of this determination;
- g. Cash bonus and performance incentives;
- h. Cash in lieu of a motor vehicle;
- i. Fitness club fees;
- j. Grooming/clothing allowance;
- k. Health insurance;
- l. School fees and/or child's uniform;
- m. Superannuation (all mandatory and non-mandatory employer superannuation contributions);

- n. Travel or any other benefit taken in lieu of salary;
  - o. Travel for spouse or any other member of family;
  - p. Unrestricted entertainment allowance;
  - q. Utilities allowance (any water, power or other utility subsidy provided to the CEO); and
  - r. Any other form of payment, in cash or not, in consideration of a reward or benefit of the CEOs duties.
- (4) The only exclusions from the TRP are—
- a. The items listed in Parts 3, 4 and 5 of this determination (however, any superannuation guarantee associated with the payment of a Regional/Isolation Allowance and any associated FBT accrued from the provision of a motor vehicle or accommodation are to be included as part of the TRP);
  - b. Employer obligations such as professional development (restricted to the CEO), reimbursement for genuine work expenses or the cost of recruitment and relocation expenses; and
  - c. Those items that are considered to be a tool of trade by the Local Government (i.e. the equipment needed to undertake the duties of a CEO) and which are not a direct or indirect reward or benefit for the performance of duties as a CEO.

## 2.2 LOCAL GOVERNMENT CLASSIFICATION

(1) The ranges of TRP in Table 1 apply where a local government or regional local government has been classified into the relevant band.

**Table 1: Local Government band classification—Total Reward Package range**

Band	Total Reward Package
1	\$247,896—\$375,774
2	\$204,455—\$316,586
3	\$156,356—\$256,711
4	\$126,956—\$198,210

(2) Local Governments have been classified in Schedule 1.

(3) Regional Local Governments have been classified in Table 2 below.

**Table 2: Regional Local Government band classification**

Regional Local Government	Band
Bunbury-Harvey Regional Council	4
Eastern Metropolitan Regional Council	2
Mindarie Regional Council	3
Murchison Regional Vermin Council	4
Pilbara Regional Council	4
Rivers Regional Council	3
Southern Metropolitan Regional Council	2
Tamala Park Regional Council	2
Western Metropolitan Regional Council	4

(4) A person who holds a dual appointment of the CEO of the Shire of Cunderdin and the CEO of the Shire of Tammin, shall be entitled to receive a TRP range from the bottom of Band 4 (\$126,956) to a maximum of \$218,031 (which represents the top of Band 4 plus 10%).

## PART 3: REGIONAL/ISOLATION ALLOWANCE

*This Part deals with the Regional/Isolation Allowance that may be payable to Chief Executive Officers from Local Governments identified in this Part.*

### 3.1 GENERAL

(1) Local Governments listed under Table 3 in this Part have access to an amount additional to the Total Reward Package for CEO remuneration in recognition of the regional and isolation factors which may affect the attraction and retention of the CEOs of those Local Governments.

(2) Local Governments are not required to pay all or any of this amount and the payment of this allowance is at the discretion of the Local Government, albeit within the parameters set by the Tribunal.

(3) When a Local Government chooses to use all or any of this allowance, the payment of the allowance should be properly justified and applied in a transparent manner.

(4) When a Local Government chooses to pay all or any of this allowance, it is to be paid to the CEO as salary.

### 3.2 REGIONAL/ISOLATION ALLOWANCE

Local Governments eligible for the Regional/Isolation Allowance have been classified in Table 3 below.

**Table 3: Regional/Isolation Allowance**

Local Government	Maximum Regional/Isolation Allowance Per Annum
Ashburton Shire	\$45,000
Broome Shire	\$35,000
Carnamah Shire	\$30,000
Carnarvon Shire	\$30,000
Chapman Valley Shire	\$30,000
Christmas Island Shire	\$80,000
Cocos (Keeling) Islands Shire	\$80,000
Coolgardie Shire	\$30,000
Coorow Shire	\$30,000
Cue Shire	\$40,000
Derby-West Kimberley Shire	\$45,000
Dundas Shire	\$30,000
East Pilbara Shire	\$45,000
Esperance Shire	\$25,000
Exmouth Shire	\$35,000
Geraldton-Greenough City	\$25,000
Halls Creek Shire	\$65,000
Irwin Shire	\$30,000
Jerramungup Shire	\$25,000
Kalgoorlie-Boulder City	\$30,000
Karratha City	\$60,000
Kent Shire	\$10,000
Kondinin Shire	\$10,000
Kulin Shire	\$10,000
Lake Grace Shire	\$10,000
Laverton Shire	\$40,000
Leonora Shire	\$40,000
Meekatharra Shire	\$40,000
Menzies Shire	\$30,000
Merredin Shire	\$10,000
Mingenew Shire	\$30,000
Morawa Shire	\$30,000
Mount Magnet Shire	\$30,000
Mount Marshall Shire	\$10,000
Mukinbudin Shire	\$25,000
Murchison Shire	\$30,000
Narembeen Shire	\$10,000
Ngaanyatjarraku Shire	\$40,000
Northampton Shire	\$30,000
Nungarin Shire	\$10,000
Perenjori Shire	\$30,000
Port Hedland Town	\$60,000
Ravensthorpe Shire	\$30,000
Sandstone Shire	\$30,000
Shark Bay Shire	\$35,000
Three Springs Shire	\$30,000
Upper Gascoyne Shire	\$35,000
Westonia Shire	\$25,000
Wiluna Shire	\$40,000
Wyndham-East Kimberley Shire	\$45,000
Yalgo Shire	\$30,000
Yilgarn Shire	\$25,000

**PART 4: HOUSING ALLOWANCE**

*This Part deals with the Housing Allowance that may be payable to Chief Executive Officers.*

**4.1 GENERAL**

- (1) In recognition of the need for Local Governments to provide accommodation as a result of a lack of suitable housing or recruitment issues, on either a permanent or temporary basis, Local Governments are able to utilise this allowance as required.
- (2) When a Local Government utilises this allowance, the payment of the allowance should be properly justified and applied in a transparent manner.
- (3) Any accommodation provided under this Part must be located within or adjacent to the Local Government Area within which the CEO is employed.
- (4) Local Governments should tailor the provision of any housing allowance to suit their particular circumstances. This may include the CEO making contributions towards the cost of the accommodation.

**4.2 APPLICABLE HOUSING ALLOWANCE**

- (1) Where a Local Government owns a property and provides that property to the CEO for accommodation, the value of this accommodation will not be included in the Total Reward Package.
- (2) For reporting purposes, the value of the Local Government owned property shall be valued at the annual Gross Rental Value of the property as determined by the Valuer General.
- (3) Where a Local Government leases accommodation for the use of the CEO, the lease costs will not be included in the Total Reward Package.
- (4) For reporting purposes, the value of the Local Government leased property shall be the annual actual costs of the accommodation lease.

**PART 5: MOTOR VEHICLE**

*This Part deals with the provision of motor vehicles to Chief Executive Officers.*

**5.1 GENERAL**

- (1) For Local Governments listed in Table 3 under Part 3 of this determination, any motor vehicle provided to the CEO by the Local Government is to be considered a tool of trade (i.e. a tool needed to undertake the duties of a CEO in these Local Governments). Any private benefit of the vehicle will not be considered as part of the Total Reward Package.
- (2) For Local Governments not listed in Table 3 under Part 3 of this determination, the private benefit value of any motor vehicle provided to the CEO by the Local Government is to be included in the Total Reward Package.

**5.2 PRIVATE BENEFIT VALUE**

- (1) The private benefit value of the motor vehicle will be dependent on the type of motor vehicle provided, method of ownership (i.e. Local Government owned or leased), maintenance and running costs, insurance, any applicable luxury car tax and the amount of private use of the vehicle (i.e. non-business use).
- (2) As a general rule, the private benefit value would be based upon the annual costs multiplied by the percentage of private use.
- (3) Local Governments and CEOs will need to come to an agreement on the most appropriate way to record the amount of private use in order to calculate the private benefit value.

**PART 6: MEETING ATTENDANCE FEES**

*This Part deals with fees payable to council members for attendance at council and other meetings.*

**6.1 GENERAL**

- (1) Pursuant to section 5.98(1)(b) of the LG Act, a council member who attends a council meeting is entitled to be paid the fee set by the local government or the regional local government within the range determined in section 6.2 of this Part for council meeting attendance fees.
- (2) Pursuant to section 5.98(1)(b) and (2A)(b) of the LG Act, a council member who attends a committee meeting or (at the request of the local government or regional local government) a meeting of a type prescribed in regulation 30(3A) of the LG Regulations is entitled to be paid the fee set by the local government or regional local government within the range determined in section 6.3 of this Part for attending committee meetings or, as the case requires, meetings of that type.
- (3) Each of the following meetings is a type of meeting prescribed in regulation 30(3A) of the LG Regulations—
  - (a) meeting of a WALGA Zone, where the council member is representing a local government as a delegate elected or appointed by the local government;
  - (b) meeting of a Regional Road Group established by Main Roads Western Australia, where the council member is representing a local government as a delegate elected or appointed by the local government;
  - (c) council meeting of a regional local government where the council member is the deputy of a member of the regional local government and is attending in the place of the member of the regional local government;

- (d) meeting other than a council or committee meeting where the council member is attending at the request of a Minister of the Crown who is attending the meeting;
  - (e) meeting other than a council meeting or committee meeting where the council member is representing a local government as a delegate elected or appointed by the local government.
- (4) Pursuant to section 5.99 of the LG Act, a local government or regional local government may decide by an absolute majority that instead of paying council members an attendance fee referred to in section 5.98(1) of the LG Act, it will pay all council members who attend council or committee meetings a fee set within the range for annual fees determined in section 6.4 of this Part.
- (5) Regulation 30(3C) of the LG Regulations prevents the payment of a fee to a council member for attending a meeting of a type prescribed in regulation 30(3A) of those regulations if—
- (a) the person who organises the meeting pays the council member a fee for attending the meeting; or
  - (b) the council member is paid an annual fee in accordance with section 5.99 of the LG Act; or
  - (c) the council member is deputising for a council member at a meeting of a regional local government and the member of the regional local government is paid an annual fee in accordance with section 5.99 of the LG Act.
- (6) In determining the fees set out in this Part, the Tribunal has taken into account a range of factors including—
- (a) the time required to prepare adequately for the meetings including consideration of agenda papers, site visits related to agenda items and consultation with council staff and community members;
  - (b) the role of the council member, mayor or president including, but not limited to, representation, advocacy, and oversight and determination of policy and local legislation;
  - (c) particular responsibilities associated with the types of meetings attended;
  - (d) responsibilities of a mayor, president or chair to preside over meetings; and
  - (e) the relative “size” of the local government as reflected in the Tribunal’s local government banding model.
- (7) The Tribunal has not determined a specific meeting attendance fee for the purposes of section 5.98(1)(a) or (2A)(a) of the LG Act.

## **6.2 COUNCIL MEETING ATTENDANCE FEES—PER MEETING**

- (1) The ranges of fees in Table 4 and Table 5 apply where a local government or regional local government decides by an absolute majority to pay a council member a fee referred to in section 5.98(1)(b) of the LG Act for attendance at a council meeting.

**Table 4: Council meeting fees per meeting—local governments**

<b>Band</b>	<b>For a council member other than the mayor or president</b>		<b>For a council member who holds the office of mayor or president</b>	
	<b>Minimum</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Maximum</b>
1	\$609	\$785	\$609	\$1,177
2	\$369	\$576	\$369	\$772
3	\$191	\$406	\$191	\$628
4	\$90	\$236	\$90	\$485

**Table 5: Council meeting fees per meeting—regional local governments**

	<b>For a council member other than the chair</b>		<b>For a council member who holds the office of chair</b>	
	<b>Minimum</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Maximum</b>
All regional local governments	\$90	\$236	\$90	\$485

## **6.3 COMMITTEE MEETING AND PRESCRIBED MEETING ATTENDANCE FEES—PER MEETING**

- (1) The ranges of fees in Table 6 and Table 7 apply where a local government or regional local government decides to pay a council member a fee referred to in—
- (a) section 5.98(1)(b) of the LG Act for attendance at a committee meeting; or
  - (b) section 5.98(2A)(b) of the LG Act for attendance at a meeting of a type prescribed in regulation 30(3A) of the LG Regulations.

**Table 6: Committee meeting and prescribed meeting fees per meeting—local governments**

<b>For a council member (including the mayor or president)</b>		
<b>Band</b>	<b>Minimum</b>	<b>Maximum</b>
1	\$305	\$392
2	\$184	\$288
3	\$96	\$203
4	\$45	\$118

**Table 7: Committee meeting and prescribed meeting fees per meeting—regional local governments**

<b>For a council member (including the chair)</b>		
	<b>Minimum</b>	<b>Maximum</b>
All regional local governments	\$45	\$118

**6.4 ANNUAL ATTENDANCE FEES IN LIEU OF COUNCIL MEETING, COMMITTEE MEETING AND PRESCRIBED MEETING ATTENDANCE FEES**

(1) The ranges of fees in Table 8 and Table 9 apply where a local government or regional local government decides by an absolute majority that, instead of paying council members an attendance fee referred to in section 5.98 of the LG Act, it will pay all council members who attend council, committee or prescribed meetings an annual fee.

**Table 8: Annual attendance fees in lieu of council meeting, committee meeting and prescribed meeting attendance fees—local governments**

	<b>For a council member other than the mayor or president</b>		<b>For a council member who holds the office of mayor or president</b>	
<b>Band</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Maximum</b>
1	\$24,360	\$31,364	\$24,360	\$47,046
2	\$14,718	\$23,000	\$14,718	\$30,841
3	\$7,612	\$16,205	\$7,612	\$25,091
4	\$3,553	\$9,410	\$3,553	\$19,341

**Table 9: Annual attendance fees in lieu of council meeting, committee meeting and prescribed meeting attendance fees—regional local governments**

	<b>For a council member other than the chair</b>		<b>For a council member who holds the office of chair</b>	
	<b>Minimum</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Maximum</b>
All regional local governments	\$1,777	\$10,455	\$1,777	\$15,682

**PART 7: ANNUAL ALLOWANCE FOR A MAYOR, PRESIDENT, CHAIR, DEPUTY MAYOR, DEPUTY PRESIDENT AND DEPUTY CHAIR**

*This Part deals with annual allowances payable to mayors, presidents, chair and their deputies, in addition to any entitlement to meeting attendance fees or the reimbursement of expenses.*

**7.1 GENERAL**

(1) Pursuant to section 5.98(5) of the LG Act, the mayor or president of a local government and the chair of a regional local government are entitled, in addition to any fees or reimbursement of expenses payable under section 5.98(1) or (2), to be paid the annual allowance set by the local government or regional local government within the range determined in section 7.2 of this Part.

(2) Pursuant to section 5.98A(1) of the LG Act, a local government or regional local government may decide, by an absolute majority, to pay the deputy mayor or deputy president of the local government, or the deputy chair of the regional local government, an allowance of up to the percentage that is determined by the Tribunal of the annual allowance to which the mayor or president of the local government, or the chair of the regional local government, is entitled under section 5.98(5) of the LG Act. That percentage is determined in section 7.3 of this Part. This allowance is in addition to any fees or reimbursement of expenses payable to the deputy mayor, deputy president or deputy chair under section 5.98 of the LG Act.

(3) In determining the allowances set out in this Part, the Tribunal has taken into account a range of factors including the following—

- (a) the leadership role of the mayor, president or chair;
- (b) the statutory functions for which the mayor, president or chair is accountable;
- (c) the ceremonial and civic duties required of the mayor, president or chair, including local government business related entertainment;
- (d) the responsibilities of the deputy mayor, deputy president or deputy chair when deputising;
- (e) the relative “size” of the local government as reflected in the Tribunal’s local government banding model;
- (f) the civic, ceremonial and representation duties particular to the Lord Mayor of Western Australia’s capital city.

**7.2 ANNUAL ALLOWANCE FOR A MAYOR, PRESIDENT OR CHAIR**

(1) The ranges of allowances in Table 10 apply where a local government sets the amount of the annual local government allowance to which a mayor or president is entitled under section 5.98(5) of the LG Act.

(2) The range of allowances in Table 11 apply where a regional local government sets the amount of the annual local government allowance to which a chair is entitled under section 5.98(5) of the LG Act.

(3) Despite the provisions of subsection (1), the Perth City Council is to set the amount of the annual local government allowance to which the Lord Mayor is entitled within the range of \$60,900 to \$135,909.

**Table 10: Annual allowance for a mayor or president of a local government**

<b>Band</b>	<b>For a mayor or president</b>	
	<b>Minimum</b>	<b>Maximum</b>
1	\$50,750	\$88,864
2	\$15,225	\$62,727
3	\$1,015	\$36,591
4	\$508	\$19,864

**Table 11: Annual allowance for a chair of a regional local government**

	<b>For a chair</b>	
	<b>Minimum</b>	<b>Maximum</b>
All regional local governments	\$508	\$19,864

### **7.3 ANNUAL ALLOWANCE FOR A DEPUTY MAYOR, DEPUTY PRESIDENT OR DEPUTY CHAIR**

(1) The percentage determined for the purposes of section 5.98A(1) of the LG Act is 25 per cent.

## **PART 8: EXPENSES TO BE REIMBURSED**

*This Part deals with expenses for which council members are entitled to be reimbursed.*

### **8.1 GENERAL**

(1) Pursuant to section 5.98(2)(a) and (3) of the LG Act, a council member who incurs an expense of a kind prescribed in regulation 31(1) of the LG Regulations is entitled to be reimbursed for the expense to the extent determined in section 8.2(1) to (5) of this Part.

(2) Regulation 31(1) of the LG Regulations prescribes the following kinds of expenses that are to be reimbursed—

- (a) rental charges incurred by a council member in relation to one telephone and one facsimile machine; and
- (b) child care and travel costs incurred by a council member because of the member's attendance at a council meeting or a meeting of a committee of which he or she is also a member.

(3) Pursuant to section 5.98(2)(a) and (3) of the LG Act, a council member who incurs an expense of a kind prescribed in regulation 32(1) of the LG Regulations is entitled to be reimbursed for the expense to the extent determined in section 8.2(6) to (8) of this Part.

(4) Regulation 32(1) of the LG Regulations prescribes the following kinds of expenses that may be approved by a local government for reimbursement—

- (a) an expense incurred by a council member in performing a function under the express authority of the local government;
- (b) an expense incurred by a council member to whom paragraph (a) applies by reason of the council member being accompanied by not more than one other person while performing the function if, having regard to the nature of the function, the local government considers that it is appropriate for the council member to be accompanied by that other person; and
- (c) an expense incurred by a council member in performing a function in his or her capacity as a council member.

### **8.2 EXTENT OF EXPENSES TO BE REIMBURSED**

(1) The extent to which a council member can be reimbursed for rental charges in relation to one telephone and one facsimile machine is the actual expense incurred by the council member.

(2) The extent to which a council member can be reimbursed for child care costs incurred because of attendance at a meeting referred to in regulation 31(1)(b) of the LG Regulations is the actual cost per hour or \$25 per hour, whichever is the lesser amount.

(3) The extent to which a council member of a local government can be reimbursed for travel costs referred to in regulation 31(1)(b) of the LG Regulations is—

- (a) if the person lives or works in the local government district or an adjoining local government district, the actual cost for the person to travel from the person's place of residence or work to the meeting and back; or
- (b) if the person does not live or work in the local government district or an adjoining local government district, the actual cost, in relation to a journey from the person's place of residence or work and back—
  - (i) for the person to travel from the person's place of residence or work to the meeting and back; or
  - (ii) if the distance travelled referred to in subparagraph (i) is more than 100 kilometres, for the person to travel from the outer boundary of an adjoining local government district to the meeting and back to that boundary.

- (4) The extent to which a council member of a regional local government can be reimbursed for travel costs referred to in regulation 31(1)(b) of the LG Regulations is the actual cost for the person to travel from the person's place of residence or work to the meeting and back.
- (5) For the purposes of subsections (3) and (4), travel costs incurred while driving a privately owned or leased vehicle (rather than a commercially hired vehicle) are to be calculated at the same rate contained in Section 30.6 of the *Local Government Officers' (Western Australia) Interim Award 2011* as at the date of this determination.
- (6) The extent to which a council member can be reimbursed for child care costs incurred in any of the circumstances referred to in regulation 32(1) of the LG Regulations is the actual cost per hour or \$25 per hour, whichever is the lesser amount.
- (7) The extent to which a council member can be reimbursed for intrastate or interstate travel and accommodation costs incurred in any of the circumstances referred to in regulation 32(1) of the LG Regulations is at the same rate applicable to the reimbursement of travel and accommodation costs in the same or similar circumstances under the *Public Service Award 1992* issued by the Western Australian Industrial Relations Commission as at the date of this determination.
- (8) The extent to which a council member can be reimbursed for any other cost incurred under regulation 32(1) of the LG Regulations is the actual cost upon presentation of sufficient evidence of the cost incurred.

## PART 9: ANNUAL ALLOWANCES IN LIEU OF REIMBURSEMENT OF EXPENSES

*This Part deals with annual allowances that a local government or regional local government may decide to pay.*

### 9.1 GENERAL

- (1) Pursuant to section 5.99A of the LG Act, a local government or regional local government may decide by absolute majority that instead of reimbursing council members under the LG Act section 5.98(2) for all of a particular type of expense, it will pay all council members, for that type of expense, the annual allowance determined in section 9.2 of this Part or, as the case requires, an annual allowance within the range determined in that section.
- (2) Where a local government or regional local government has decided to pay council members an annual allowance for an expense of a particular type instead of reimbursing expenses of that type under section 5.98(2) of the LG Act, section 5.99A of the LG Act provides for reimbursement of expenses of that type in excess of the amount of the allowance.
- (3) In determining the maximum annual allowance for expenses of a particular type, the Tribunal has taken into account a range of factors including the following—
- (a) the intent of the allowance to reflect the extent and nature of the expenses incurred and not to result in a windfall gain for council members;
  - (b) the capacity of local governments to set allowances appropriate to their varying operational needs;
  - (c) the particular practices of local governments in the use of information and communication technology (e.g. laptop computers, iPads); and
  - (d) the varying travel requirements of council members in local governments associated with geography, isolation and other factors.

### 9.2 ANNUAL ALLOWANCES DETERMINED INSTEAD OF REIMBURSEMENT FOR PARTICULAR TYPES OF EXPENSES

- (1) In this section—

***ICT expenses*** means—

- (a) rental charges in relation to one telephone and one facsimile machine, as prescribed by regulation 31(1)(a) of the LG Regulations; or
- (b) any other expenses that relate to information and communications technology (for example, telephone call charges and internet service provider fees) and that are a kind of expense prescribed by regulation 32(1) of the LG Regulations;

***travel and accommodation expenses*** means—

- (a) travel costs, as prescribed by regulation 31(1)(b) of the LG Regulations; or
- (b) any other expenses that relate to travel or accommodation and that are a kind of expense prescribed by regulation 32(1) of the LG Regulations.

- (2) For the purposes of section 5.99A(b) of the LG Act, the minimum annual allowance for ICT expenses is \$500 and the maximum annual allowance for ICT expenses is \$3,500.
- (3) For the purposes of section 5.99A(a) of the LG Act, the annual allowance for travel and accommodation expenses is \$50.

### SCHEDULE 1: LOCAL GOVERNMENT BAND ALLOCATIONS

Local Government	Band
Albany City	1
Armadale City	1
Ashburton Shire	2

<b>Local Government</b>	<b>Band</b>
Augusta-Margaret River Shire	2
Bassendean Town	3
Bayswater City	1
Belmont City	1
Beverley Shire	4
Boddington Shire	4
Boyup Brook Shire	4
Bridgetown-Greenbushes Shire	3
Brookton Shire	4
Broome Shire	2
Broomehill-Tambellup Shire	4
Bruce Rock Shire	4
Bunbury City	1
Busselton City	1
Cambridge Town	2
Canning City	1
Capel Shire	3
Carnamah Shire	4
Carnarvon Shire	2
Chapman Valley Shire	4
Chittering Shire	3
Christmas Island Shire	3
Claremont Town	3
Cocos (Keeling) Islands Shire	4
Cockburn City	1
Collie Shire	3
Coolgardie Shire	3
Coorow Shire	4
Corrigin Shire	4
Cottesloe Town	3
Cranbrook Shire	4
Cuballing Shire	4
Cue Shire	4
Cunderdin Shire*	4
Dalwallinu Shire	3
Dandaragan Shire	3
Dardanup Shire	3
Denmark Shire	3
Derby-West Kimberley Shire	2
Donnybrook Balingup Shire	3
Dowerin Shire	4
Dumbleyung Shire	4
Dundas Shire	4
East Fremantle Town	3
East Pilbara Shire	2
Esperance Shire	2
Exmouth Shire	3
Fremantle City	1
Gingin Shire	3
Gnowangerup Shire	4
Goomalling Shire	4
Gosnells City	1
Greater Geraldton City	1
Halls Creek Shire	3
Harvey Shire	2

<b>Local Government</b>	<b>Band</b>
Irwin Shire	3
Jerramungup Shire	4
Joondalup City	1
Kalamunda Shire	2
Kalgoorlie-Boulder City	1
Karratha City	1
Katanning Shire	3
Kellerberrin Shire	4
Kent Shire	4
Kojonup Shire	3
Kondinin Shire	4
Koorda Shire	4
Kulin Shire	4
Kwinana City	1
Lake Grace Shire	4
Laverton Shire	3
Leonora Shire	3
Mandurah City	1
Manjimup Shire	3
Meekatharra Shire	3
Melville City	1
Menzies Shire	4
Merredin Shire	3
Mingenew Shire	4
Moora Shire	3
Morawa Shire	4
Mosman Park Town	3
Mount Magnet Shire	4
Mount Marshall Shire	4
Mukinbudin Shire	4
Mundaring Shire	2
Murchison Shire	4
Murray Shire	3
Nannup Shire	4
Narembeen Shire	4
Narrogin Shire	3
Nedlands City	2
Ngaanyatjaraku Shire	4
Northam Shire	2
Northampton Shire	3
Nungarin Shire	4
Peppermint Grove Shire	4
Perenjori Shire	4
Perth City	1
Pingelly Shire	4
Plantagenet Shire	3
Port Hedland Town	1
Quairading Shire	4
Ravensthorpe Shire	3
Rockingham City	1
Sandstone Shire	4
Serpentine-Jarrahdale Shire	2
Shark Bay Shire	4
South Perth City	2
Stirling City	1

Local Government	Band
Subiaco City	2
Swan City	1
Tammin Shire*	4
Three Springs Shire	4
Toodyay Shire	3
Trayning Shire	4
Upper Gascoyne Shire	4
Victoria Park Town	2
Victoria Plains Shire	4
Vincent City	2
Wagin Shire	4
Wandering Shire	4
Wanneroo City	1
Waroona Shire	3
West Arthur Shire	4
Westonia Shire	4
Wickepin Shire	4
Williams Shire	4
Wiluna Shire	4
Wongan-Ballidu Shire	4
Woodanilling Shire	4
Wyalkatchem Shire	4
Wyndham-East Kimberley Shire	2
Yalgoo Shire	4
Yilgarn Shire	3
York Shire	3

\*Denotes a Shire with a CEO who holds a dual appointment, as per 2.2(4) of this determination.

Signed on 10 April 2018.

M. SEARES AO  
Chair.

B. A. SARGEANT PSM  
Member.  
Salaries and Allowances Tribunal.

#### LOCAL GOVERNMENT ELECTED MEMBERS EXPLANATORY NOTES

*This section does not form part of the determination*

##### 1. Entitlements

The entitlement of a council member to a fee, allowance or reimbursement of an expense established under the LG Act, the LG Regulations and this determination, cannot be proscribed, limited or waived by a local government. Any eligible claim against those entitlements is to be paid in accordance with the applicable financial procedures of the local government.

##### 2. Local governments to set amounts within the range determined

Where the Tribunal has determined a minimum and maximum amount for a fee, expense or allowance for members of the council of a local government or a regional local government, each council is to set, by absolute majority, an amount within the relevant range determined and the amount set will be payable to elected council members.

##### 3. Superannuation

Nothing in this determination establishes a liability for the payment of superannuation by local governments. Elected council members are eligible for superannuation payments if their council has resolved unanimously to become an Eligible Local Governing Body (ELGB) pursuant to section 221A and section 221B of the *Income Tax Assessment Act 1936* (Cwlth). Where the council is an ELGB, it is deemed to have an employer/employee relationship with its elected council members and this attracts the application of a number of statutory obligations. Alternative arrangements described in Australian Taxation Office (ATO) Interpretative Decision ATO ID 2007/205 allow for elected council members and councils to agree for whole or part of meeting attendance fees to be paid into a superannuation fund. Where the council is an ELGB, fees for attendance at council, committee and prescribed meetings (whether paid via a per meeting fee or annual allowance) are to be inclusive of any superannuation guarantee liability. This information is not published by way of legal or financial advice.