

February 16, 2018

Alex Johnson  
GPO Box 1108  
Hobart, TAS, 7001  
tic@justice.tas.gov.au

Dear Alex

### Review of Councillor Allowances

Thank you for the opportunity to provide a submission on councillor allowances. This response has been prepared by the Local Government Association of Tasmania (LGAT / the Association) after consultation with its members.

LGAT is incorporated under the *Local Government Act 1993* and is the representative body and advocate for Local Government in Tasmania. The views and opinions expressed in this submission are a representative of the Local Government sector, having been developed in consultation with Member councils.

The Local Government Association of Tasmania fully supports councils who have made individual submissions to the consultation process and in turn, supports the content and opinions expressed within those submissions.

If you have any questions or would like further information, please do not hesitate to contact Dr Katrena Stephenson at [Katrena.stephenson@lgat.tas.gov.au](mailto:Katrena.stephenson@lgat.tas.gov.au) or via phone on (03) 62 335964.

Sincerely,



Dr Katrena Stephenson  
Chief Executive Officer

## General Comments

In 2004, LGAT submitted the following in relation to Councillor Allowances:

*“Historically, being an elected member in Local Government was regarded as a community service with time being given voluntarily. Over time it was acknowledged that such service came at some cost, both in terms of earnings lost and additional expenses incurred. There was also an increasing commitment to encouraging the broadest range of community representation on councils. Many people who may otherwise have been able to make a significant contribution to the council found themselves disadvantaged due to the financial cost associated with both the election and representation processes. In addition, the issues that Local Government was dealing with were becoming increasingly complex with a corresponding increase in the workload, responsibilities and level of accountability of elected members”.*

In the broadest sense, little has changed. The Association continues to hold the view that the allowances for elected members should be based on the functions and powers of councils; the broad roles and functions of elected members; the characteristics of the municipal area the elected member is representing; and, the effect this has on their performance of these roles and functions. The first two elements are determined by legislation and are the same for all elected members while the latter element provides the primary factor for differentiation between allowances.

The issue of councillor allowances continues to generate considerable debate inside and outside the Local Government sector.

Even for the Association, it is difficult to speak on behalf of councillors<sup>1</sup> in terms of their reasons for being involved in Local Government and their expectations in relation to the amount they receive as compensation for the role. Views are, to say the least, quite varied. Many (often long serving) councillors hold a view that this is a community service role and that public representation is not sought because of money, but because they want to make a contribution or give something back to community. This view is also quite predominant in the broader community. We also know that Local Government can be an important stepping stone for other community leadership roles, including other political levels. However increasingly amongst the sector, as well outside, there is a call for more experienced and professional councillors and for some the remuneration, or lack of, can be a deciding factor. Generally, the sector seeks only allowances which recognise the effort expended rather than as full compensation for time and effort, but the question for this review is “Is the balance right?”.

What can be agreed is that the role of councillor carries significant responsibility. It is complex with significant statutory, financial, custodial, representative and governance requirements. Communities have increasingly high expectations of those elected to Local Government as relates to their availability and skills set, what they will deliver, how they will perform, and how much time they will give without expectation of recompense.

LGAT received sparse and limited feedback on the issues paper from our Members and in forming this submission we have also considered discussion at general meetings and historic feedback. It is the Association’s view that the lack of a strong response across the sector suggests that in the main, the current arrangements are considered appropriate and acceptable.

---

<sup>1</sup> Councillor should be taken to include all elected members.

However, we believe that while the issue paper canvassed a broad range of history and questions with respect to councillor allowances, there would be value in taking some specific options or proposals back for testing with the sector, as they emerge. It is very difficult for anyone who has not been actively involved with Local Government and thoroughly exposed to the role of the councillor to fully understand and judge the adequacy and impact of any changes to allowance. LGAT would be happy to assist with further consultation with the sector.

## Background

Prior to 2000, Tasmanian councils set their annual allowances within limits decided by the Government and set in the Local Government Regulations 1994. Each council made a decision on the allowances to be paid up to a maximum amount prescribed by regulation.

In 1999, the Tasmanian Government and LGAT agreed to establish an independent process to determine the appropriate level of remuneration for councillors in Tasmania. The Local Government Act 1993 was amended to remove the requirement that councils be responsible for setting their councillors' allowances up to a maximum amount prescribed by regulation.

It was agreed that allowances arising from the reviews should have effect for a period of four years. Reviews have now been conducted in 2000, 2004 and 2008. Elected Member Allowances were last independently reviewed in 2008 by a Board of Inquiry comprising members of the Tasmanian Industrial Commission. The Board considered matters such as the formula for council categorisation; the workload reasonably expected (as distinct from the commitment that might be provided by individuals); the relativities of the Mayor, Deputy Mayor and councillors; cost impact of allowances and the adjustment mechanism.

The following was noted in the Board's report:

- Historically council representation has been driven by the notion of community service with candidates largely motivated to contribute to the community rather than being driven by remuneration. Allowances were designed to reimburse expenses reasonably incurred.
- The Board considered that the notion of community service will always have a place in Local Government but that this does not mean councillors should be expected to serve for little or no financial recompense beyond reimbursement of expenses.
- Council service requires elected members to deal with a complexity of issues and a significant workload beyond that of most voluntary roles. Councillors are also subject to significant public scrutiny.
- Councillors should continue to receive an allowance rather than remuneration because it is a different type of accountability to that which typically applies to an employer/employee relationship. The capacity to control and direct does not apply in Local Government.
- Evidence suggests that Local Government representation is heavily skewed against younger employed persons and females generally. However, there are other factors than the allowance that contribute to this imbalance.
- Councillor responsibilities have increased in complexity over time.
- The workload for councillors is significant and typically ten to twenty-five hours per week. Individual examples which fall outside this range are most likely a matter of personal choice.
- It is universally accepted that Mayors carry a heavier workload and level of responsibility.
- There is no logical reason for a wide disparity in ratios from large to small councils in relation to the Mayor/Councillor relativities.

- A case for a capital city loading was not established.

It is LGAT's belief that the majority of these findings still hold true for the majority of our Members. The key exception relates to the capital city and the role of the Lord Mayor.

## **Councillor Allowances Across Australia**

### New South Wales

The NSW Local Government Remuneration Tribunal decides each year the annual fees for councillors, as well as the categories of councils and mayoral offices. Minimum and maximum annual fee amounts are provided. The tribunal considers both Consumer Price Index (CPI) and Wage Price Index when determining increases as well as giving effect to the NSW State Government wages policy.

Remuneration for 2017 ranges from \$11,570 for a rural councillor up to \$32,500 for a councillor in a major city (when the maximum level is considered). The additional fee for the Mayor ranges from \$25,250 (minimum) to \$105,000 (maximum).

The 'Principal' city attracts a higher maximum allowance level of \$38,580 for a councillor and \$211,790 for the Mayor. Councillors are paid a fee, not a salary and it is subject to tax.

### **Victoria**

Councillors receive an allowance which is determined by each council within limits set by the Victorian Government. The limits vary depending on the revenue and population base of each council.

Councils are required to review allowance levels after each election with the quantum automatically adjusted annually.

There are three broad categories. Currently Councillors in Category One receive between \$8,490 and \$20,231 and the Mayor received up to \$60,442. In Category Two, the range for councillors is \$10,490-\$25,225 with the Mayor up to \$78,051 (eg Ballarat, Warrnambool). Category Three, which includes Bendigo, Monash and Port Phillip has a range of \$12,614 - \$30,223 for councillors and up to \$96,534 for the Mayor.

Mayors and councillor allowances are also subject to the addition of 9.5% superannuation.

Allowances for the City of Melbourne and Greater Geelong are fixed by Order in Council and annually adjusted. Melbourne City Councillors receive \$45,333 and the Lord Mayor \$193,070.

### **South Australia**

In South Australia councillor allowances are determined by the Remuneration Tribunal every four years, prior to each election. The next review is set to occur in mid-2018. There are five council categories and the allowances for councillors range from \$5,700 to \$21,500. There are additional allowances for Mayors (four times their base allowance) and Deputy Mayors (one and a quarter times) and Committee Chairs (one and a quarter times) and a travel time allowance for non-metro councillors who reside more than fifty kilometres away from the Council office. An additional sitting fee is paid to a councillor who is the presiding member of a committee that is not a

prescribed committee. This fee ranges from \$100 per meeting to a maximum of \$600 per annum for a small council, to \$200 per meeting to an aggregate amount of \$1200 per year for the larger councils.

Adelaide City Council is determined separately by the Tribunal and councillors in 2014 were provided \$24,510 per annum. The Lord Mayor receives \$168,501 per annum. The Deputy Lord Mayor receives one and a half times the annual allowance for a councillor.

Superannuation is not paid on councillor allowances.

### **Western Australia**

The Salaries and Allowances Tribunal considers CEO and Elected Member payments. Both are banded (4 bands) by council size and scale. The Tribunal is given this role under section 7a of the Salary and Allowance Act 1975. The Act requires the Tribunal to review the allowances every year. The review process includes a call for submissions from councils and the general public. Elected members receive meeting attendance fees that apply to council meetings, committee meetings, WALGA meetings etc.

Meeting fees are also banded and range from a minimum/ maximum of \$90 to \$785 for a councillor and \$90 to \$1,177 for a Mayor or President. Councils may decide by absolute majority to pay an annual fee rather than meeting fee. In this case, the bandings are also applied and the annual fee for a Councillor ranges from between \$3,553 to \$9,410 for the lowest band up to between \$24,360 to 31,364 for the highest band and between \$3,553 to \$19,341 (lowest band) up to \$24,360 to \$47,046 (highest band) for a Mayor.

The Mayor receives an additional allowance above the meeting fee or annual fee ranging from between \$508-\$19,864 (lowest band) to \$50,750-\$88,864 (highest band).

### **Queensland**

The Local Government Act 2009 (section 183) provides the tribunal with jurisdiction for Local Government remuneration matters for all Queensland Local Governments, except the Brisbane City Council. The Tribunal must review the eight Local Government categories once during each Local Government four-year term.

From 1 July 2018 Category One (e.g. Charters Towers, Winton) councillors will receive \$51,958 and Mayors \$102,918. Category Four councillors will receive \$89,929 and Mayors \$151,878 (e.g. Gladstone and Rockhampton) and Category Eight (Gold Coast) will receives \$147,881 and \$247,802 for councillors and the Mayor respectively.

The remuneration provided in Queensland is all inclusive and does not pay sitting fees for committees. However, for the Category 1 councils a base payment of \$34,639 is payable for the 12 months and a meeting fee of \$1,443.25 per month is payable for attendance at, and participation in, scheduled meetings. Mayors and deputy mayors receive the full remuneration and do not receive a meeting fee.

### **Northern Territory**

The maximum allowable remuneration is determined by the Minister for Local Government and elected members are entitled to a base allowance, electoral allowance, extra meeting allowance and professional

development allowance. Broadly allowances range from \$4283 to \$21,918 for a councillor and from \$24,375 to \$121,874 for Mayor (equivalent).

In addition to the base allowance additional allowances are provided for professional development, extra meetings and an electoral allowance. Making the total allowable claimable from \$12,565 to \$48,204 for a councillor and \$34,444 to \$157,605 for a Mayor.

A summary across all States is provided in the table below.

	Councillor		Mayor		Note
	Smallest Council	Largest Council	Smallest Council	Largest Council	
<b>TAS</b>	\$9,106	\$35,482	\$22,762 Additional  (Total \$44,588)	\$88,706 additional  (Total \$124,188)	The Deputy Mayor receives a total of \$58,397 in the largest council and \$18,212 in the smallest council).
<b>Vic</b> <b>(Min-Max)</b>	\$8,490-\$20,231	\$12,614-\$30,223	\$60,442	\$96,534	Excluding Melbourne and Geelong <sup>2</sup>  Special rate for Deputy Mayors
<b>Qld</b>	\$51,958	\$141,881	\$102,918	\$247,802	Excluding Brisbane  Special rate for Deputy Mayors
<b>NSW</b>	\$11,570	\$32,500	\$25,250 additional	\$105,000  additional	Maximums presented only  Fee for Deputy Mayor set by council if they are acting as Mayor with the amount deducted from Mayor's annual fee.
<b>WA</b> <b>(Min-Max)</b>	\$3,553-\$9,410	\$24,360-\$31,364	\$19,341  +\$508-\$19,864	\$47,046  +\$50,750-\$88,864	
<b>SA</b>	\$5,700	\$21,500	\$22,800	\$86,000	Excluding Adelaide  Deputy Mayor rate set at 1.25 times the allowance for councillors.
<b>NT</b>	\$4,283 ((\$12,565 with additional allowances)	\$21,918 (\$48,204 with additional allowances)	\$24,375 ((\$34,444 with additional allowances)	\$121,874 ((\$157,605 with additional allowances.	

<sup>2</sup> The Melbourne Lord Mayor receives \$193,070 per annum and capital city councillors \$45,333 per annum.

## Specific Comments

Specific feedback relating to the questions in the discussion paper are provided below.

**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.**

From time to time there has been discussion about the relativity of allowances for the Deputy Mayor and as to whether an additional fee should only be paid when the Deputy Mayor is Acting Mayor. It is true that under the Local Government Act the Deputy Mayor's role is largely indistinguishable from that of a councillor unless the Mayor is absent. However, a number of councils' report that the Deputy Mayor assumes a greater level of involvement in internal council processes on an ongoing basis compared to councillors. Indeed, in order to be able to act efficiently in the Mayor's absence it is incumbent on the Deputy Mayor to remain well informed and across the more detail than a standard councillor. Many Deputy Mayors also pick up additional community representation responsibilities, taking some of the load from busy Mayors. This sharing of load is more commonly seen in the larger councils, but it not necessarily only confined to them. On this basis there is no strong mood, across Local Government, to remove the differential allowance for Deputy Mayor (vs councillor), although we note the quantum is currently perceived as generous.

The broader issue, not specifically addressed by the questions, is a perception by many that the quantum of the allowance is insufficient in relation to the work requirements of the role. Because the allowance does not replace a salary there is a requirement for substantial after-hours dedication to the role, particularly of Mayor.

Rural councils report that there also needs to be better consideration of the time/equity balance for increased travel distances representing remote and isolated communities. The gap is currently viewed by many as too great. The difference between the fourteen smaller councils and the two largest councils is a ratio of approximately 389 and 287 per cent for councillors and mayors respectively. The servicing of constituents and conduct of council business is often more demanding and arduous in these areas compared to more compact municipalities that enjoy greater centralisation. These councils/councillors are not necessarily seeking to have their allowances match the larger urban councils, being mindful of operational costs, but seek genuine consideration of a modest increase to reduce the proportion gap between council bands.

The Hobart City Council has also raised specific issues with the quantum of allowance related to the workload associated with Hobart's capital city status. They recently undertook a review of the workload of the Lord Mayor and determined that during 2016/17 the Lord Mayor participated in 815 events involving 866 hours of time. As a consequence of this significant demand, the workload for the Deputy Lord Mayor and Alderman has also increased and is not the same as the other city in Category 1 (Launceston City Council).

LGAT received a few individual suggestions around alternative models such as travel allowances and sitting fees, however these did not emerge as commonly sought after approaches. There was a little more support for the concept of an 'acting' allowance for the Deputy Mayor.

**The Board is keen to hear whether this formula *[based on number of votes and total revenue]* 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?**

LGAT received few comments specifically on this issue which indicates a general satisfaction with the status quo. However, you may be interested to note that through a formal vote, LGAT’s subscription formula has recently been changed to allow for a more stable (less movement between categories) and equitable call on our Members. Our new formula comprises three parts, a base component, a revenue component and a population component. We use eight population and eight revenue categories as outlined below.

Population	Revenue range	
<1000	\$0.00	\$4,999,999.00
1,000 to 4,999	\$5,000,000.00	\$7,999,999.00
5,000 to 9,999	\$8,000,000.00	\$9,999,999.00
10,000 to 14,999	\$10,000,000.00	\$14,999,999.00
15,000 to 24,999	\$15,000,000.00	\$24,999,999.00
25,000 to 34,999	\$25,000,000.00	\$34,999,999.00
35,000 to 54,999	\$35,000,000.00	\$59,999,999.00
55,000+	\$60,000,000.00	and above

Linked to statements earlier about the quantum of allowance, several submissions discussed the impact of dispersed populations, isolation and the geographic size of the municipality as key considerations. These types of factors are taken into account by the State Grants Commission. The State Grants Commission have a series of base grant model cost adjustors, including dispersion and isolation factors, as well as one for regional responsibility. LGAT supports consideration of such a factor as part of a multifaceted formula for allowances. Larger councils tend to have a higher volume of meeting-based work (for example, they experience more applications when sitting as a planning authority) which has an impact on their time commitments but similarly councillors having to travel considerable distances for council meetings, stakeholder engagement, community events and meetings with other Government entities also have a significant time impact.

By way of example, a comparison of two councils presently within category 3 with similar elector numbers have significant differences in relation to population location and geographic size. One has a largely dispersed population over a geographic area of some 5,500 square kilometres while the other is concentrated in an area of only 170 square kilometres. While the fundamental responsibilities of the members of both councils remain the same, it could be argued that the task of an elected member in a more widespread community could have greater demands than one where a population is more centralised.

LGAT’s experience is that it can be complex to develop a multifactorial formula and in gaining equity some transparency is lost. The costs and benefits must be carefully weighed in relation to the outcome that is being sought, but there is some support for this to be explored.

**Is the cost impact [of allowances on council's budget] something the Board should take into account, and if so, how should it be addressed?**

Cost impacts will be a real issue for the broader community and there must be some consideration of affordability. If the Commission were to recommend a significant change of approach across all councils that forecast some significantly different costs to councils, this should be further tested with the sector. The current formula and allowance levels are generally seen as appropriately balancing affordability with the cost of good governance and largely reflect the financial constraints of smaller councils compared to larger councils. Any changes to the formula should use the current system as a yardstick.

It is noted that while the budget impact is greater for a smaller council, the demand on councillors is often equally as great as their larger council counterparts.

**Do the changes identified above [ mayoral eligibility, financial and asset management, code of conduct, reimbursement of expenses, councillor numbers, water and sewerage, amalgamation and shared services] 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?**

Councils are constantly evolving. Some changes don't fundamentally affect the role of the councillor. They lose assets and gain assets, lose services and gain services, lose statutory roles and gain them. While councils no longer directly manage water and sewerage services, they have an increasingly complex role around storm water. However, other roles are growing and adding complexity. Councils play increasing roles in tourism and economic development. Councils are seen as key partners in the delivery of local health and social inclusion services. Councils have increased requirements around and scrutiny of financial and asset management including a requirement to establish audit committees. Councils are the provider of last resort, filling gaps - especially in rural areas, and establishing new business arms such as aged care, health services, child care<sup>3</sup>.

Take for example Dorset Council who have recently been instrumental in the establishment of the Blue Derby Mountain Bike Trails, which attracted the world enduro championships; purchased the Aminya aged care facility to prevent its closure (which would have had a devastating local impact); bought into the Scottsdale Irrigation scheme to ensure construction went ahead; developed an incentive scheme for new businesses; supported the development of the North East Destination Action Plan, and been heavily involved in managing the fall out of the closure of two major sawmills. This is typical of modern Tasmanian councils.

As stated earlier, the complexity of the business of councils is increasing, as are the statutory requirements that councillors must comply with, the expectations of communities and the level of scrutiny. There are greater expectations around skills development.

Possible future amalgamations would have implications for councillor allowances as an amalgamated council would fall in to a new (larger category) but shared services do not have an impact on the role and function of councillors and consequently should not impact on allowances.

---

<sup>3</sup> Such services get filled by private enterprise in urban councils. Small does not mean less complex and points to another reason adjustment factors might be contemplated in setting councilor allowances.

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

The feedback from LGAT's Members focused more on the need to maintain annual indexation as opposed to the mechanism. Reference to the Wage Price Index would seem to be an appropriate indexation method.

What is critical is maintaining an independent process for remuneration reviews, one which is rigorous, transparent and scrutinised.

There is some question as to whether reviews need to be every four years if indexed, and indeed there has not been a review since 2008. A 6-8 year cycle with some criteria developed around triggers for an earlier review might suffice.

While not raised directly in relation to this review, in the part LGAT has received suggestions on linking councillor remuneration with other price setting mechanisms – such as Remuneration Tribunals or parliamentary salaries. This was rejected under the 2008 review.

#### **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?**

The matter of councillor training was well canvassed as part of the targeted review of the Local Government Act undertaken over 2016-17 and it is LGAT's views that the conclusions formed through that review should stand. In short, LGAT's submission noted that while there was support for introducing a training requirement the was little suggestion as to how and who should deliver such training, how it might be assessed/accredited and the penalties for noncompliance. There would be considerable resourcing difficulties for LGAT and the Local Government Division in relation to offering it across a range of dates to accommodate all mayors as well as a significant compliance cost. These issues, as related to compulsory training, apply equally to incentivised training linked to allowances.

Although at the time of the 2015 elected member census, a relatively high proportion of respondents had been able to take advantage of training opportunities on offer, for some, doing so is problematic. Respondents were asked to indicate what, if anything, made it difficult for them to attend training. 19 per cent indicated that they cannot get time off from paid employment to attend and 15.2 per cent indicated that it was 'too far away'. Given the high proportions of respondents who are self-employed or in full time paid employment (see earlier comments about allowance quantum), accessing training initiatives held on normal workdays will almost certainly continue to be challenging.

Any professional working relationship requires parties to communicate and work together and the Targeted Review of the Local Government Act Steering Committee agreed with many submitters that legislating to fix specific issues, even a requirement to undertake training, may not cover all current or future issues. Mayors and councillors are selected by the community, it is reasonable to assume leadership qualities exist. These can be further developed through offering professional development.

For most councils the introduction of mandatory fixed budget allocations for Councillor professional development is not supported. This is a matter for each council to work through with their respective elected members and with recognition of prior experience and training and emerging needs. They can then make adequate provision in annual budgets for this to occur and ensure the training spend is highly targeted and directly relevant and beneficial.

The only variation to this broad feedback is when it relates to the planning authority role and LGAT senses that there would be broader acceptability around compulsory planning authority training. While this would still take some time to work through<sup>4</sup>, and training would need to be developed, the focused nature of the training would likely lend itself to online methods which would be widely and quickly accessible by councillors.

In summary, most councils did not support additional allowances being paid directly to councillors linked to training.

***[Re council diversity/attraction future candidates]* 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?**

In relation to councillor diversity, the LGAT elected member census provides a good source of data. Our 2015 survey found that the majority of respondents (62.9 per cent) were male. This reflects a shift in gender breakdown compared to previous censuses, noting that in 2006 only 22.1 per cent of elected members were women. There has been a slow but steady increase of women elected to council over the last decade, even though the proportion is still not on par with the population as a whole. This trend is not necessarily consistent across councils and smaller councils are almost twice as likely to have more male representation.

We have seen less diversification over time when it comes to age. In 2015, consistent with previous censuses, the predominant age group for respondents is 56 to 65 years of age. 47.6 per cent of all respondents were in this age group, with a further 18.1 per cent aged 46 to 55 years and 13.3 per cent aged between 36 and 45 years. Overall, 78.1 per cent of all elected respondents to the 2014 census were aged 46 years or older. While the data over time shows a steady increase in the proportion of elected members aged under 35, the predominance of older councillors is not surprising given the data on workload, employment status, nature and timing of council meetings and with an understanding of the sector. This is also relevant to the relatively low level of respondents with caring responsibilities. This submission will expand upon that more later.

Questions around attraction and retention are not confined to councillors but apply broadly to other “volunteers”. Councillors are often equated with volunteers in terms of motivation and ethos. The 2016 State of Volunteering Report noted that volunteers are deterred because of lack of flexibility, personal expenses incurred, lack of reimbursement and burdensome administrative requirements. Numerous research on volunteering shows that other calls on a person’s time is the key barrier to volunteering uptake and that particularly applied to those in paid work. Other research on altruistic or volunteer behaviours clearly signals

---

<sup>4</sup> For example, the council sits as a planning authority shortly after being elected and is required to continue to meet statutory assessment timeframes regardless of elections. This means any training needs to be delivered quickly and therefore is not well suited to a centralised face to face delivery model.

that there are non-financial rewards that are critically important. Factors which influence a person's self-worth are highly influential (recognition programs) and the high level of ill-informed public criticism of councillors, particularly through social media, is just as likely to be a barrier to running for council as other factors.

Workload is another significant factor. The majority of respondents to the 2015 elected member census were self-employed (33.7 per cent) and 20.2 percent were retired. However there has been significant growth in recent years in the proportion of those in full time paid employment (26.9 per cent in 2015, up from a 2011 result of 15.7 per cent). This is heartening when you look at the workload of councillors. Most respondents to our 2015 census see between 11 and 20 people a month, with a further 23.1 per cent seeing up to 10 people a month. 17.3 percent of respondents estimated they have in excess of 60 individual contacts each month.

The majority of councillor respondents (44.8 per cent) to the 2015 census spent, on average, more than 15 hours a week on council business. 26.7 per cent spent between 6 and 10 hours per week and a further 22.9 per cent spent between 11 and 15 hours each week on council matters. Given that just over 60 per cent of respondents were self-employed or working full-time, council activity represented a considerable workload in addition to their other paid employment. Further, combined with high levels of involvement with organisations other than council, the commitment of respondents to their communities is exceptional.

Respondents in city councils are twice as likely to spend more than 15 hours per week on council activity, than their counterparts in smaller councils. In councils with fewer than 10,000 people, the majority (34 per cent) of respondents spend in excess of 15 hours per week on council activity and 27.7 per cent spend between 11 and 15 hours. No respondents in a council with a population in excess of 20,000 spent less than 6 hours each week on council activity.

95.2 per cent of respondents indicated that, at the time of the 2015 census, they were sitting on a council committee. Of those, 35.7 per cent spent an average 2-5 hours per week on committee work, 34.5 per cent spent between 1 and 2 hours per week, and 20.2 per cent, 5-10 hours per week.

These figures suggest that the barriers to participation on council, such as available time, influence the demographic make up of council. In general, it is easier for those who are retired, working part time or self-employed, and for those who don't have caring responsibilities, to manage the time demands of a councillor's role.

In general, allowances are seen to be a factor but not the sole or deciding factor when it comes to council diversity and attracting quality candidates for elections.

## Other Matters

### Superannuation for Elected Members

The 2004 review of councillor allowances led to a one-off adjustment of nine per cent to compensate for the absence of superannuation. Regardless, the issue of not receiving employer contributions to superannuation has been raised by some Members as an area of concern<sup>5</sup>. It should be noted however, that there is not a consensus position from Members with respect to the payment of superannuation. At the February 2016 LGAT General Meeting, where Members tasked LGAT with seeking a review of allowances, no specific position was formed in relation to superannuation payments.

Currently:

- If councils resolve unanimously to be an 'eligible local governing body' (under section 12-45(1)(E) of Schedule 1 of the Taxation Administration Act 1953) then under the Taxation Administration Act, councillors are regarded as employees and superannuation guarantee contributions must be paid (nine point five per cent).
- If they don't make that resolution it is up to the council to decide whether it will make super contributions for a councillor.
- Additionally, councillors may enter agreements with councils to sacrifice their remuneration into superannuation so they are treated as employer contributions and taxed at fifteen per cent (based on ATO advice from 13 August 2007). That is, the allowances are not treated as income for the purposes of the Income Tax Assessment Act 1997.
- However, the choice of fund rules do not apply with such agreements and Council can disagree with the choice of fund. The arrangements are purely voluntary.

This means that while a council can determine to pay superannuation to councillors, the approach would not be consistent across the sector.

---

<sup>5</sup> For example, Hobart City Council have identified as a principle for consideration in the review, appropriate recognition for superannuation within the quantum of the allowance.