

6.3 Financial Reports

6.3.1 Mayor and Councillor allowances

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Recommendation(s)

That Council sets the level of Mayor and Councillor allowances on and from 1 July 2021 at the level allowed as a Category 3 Council, as identified by the Victorian Government, and these allowances be:

- Mayor: \$100,434 per annum
- Councillors: \$31,444 per annum
- Plus an additional 9.5% of the above allowances as an equivalent of the Commonwealth Superannuation Guarantee

Attachments

Nil

Executive Summary

The Council at its meeting held on 15 February 2021 resolved to propose to set the level of Mayor and Councillor allowances at the level allowed as a Category 3 Council, as set by the Victorian Government, and to seek submissions on this proposal.

As per the requirements of the Local Government Act, public notice was undertaken between 17 February 2021 and 17 March 2021, allowing 28 days for submissions to be lodged.

Background

The 2020 Local Government Act contains provisions regarding the setting of allowances. These new provisions introduce the concept of the allowances payable being set by the Victorian Independent Remuneration Tribunal. However, the Minister for Local Government must first request the Tribunal to undertake a review of the allowances and the Minister has not yet made this request.

Until such time as the Tribunal sets the allowances payable the provisions in the 1989 Act continue.

These provisions require the Council to review and determine the level of allowances payable within 6 months after a general election or by the next 30 June, whichever is later. Any such determination is subject to a community consultation exercise where members of the community can provide any submissions on the review.

The current level of allowances are those that apply to a Category 2 Council, these are currently
Mayor \$81,204 and Councillors \$26,245.

The Council was advised in January 2020 that following a review of the Councillor allowance categories the Minister for Local Government had approved Cardinia moving to a Category 3 Council, up from a Category 2 Council.

The level of allowances payable for a Category 3 Council are:

- Mayors: Up to \$100,434 per annum
- Councillors: Between \$13,123 and \$31,444 per annum
- Plus an additional 9.5% of the above allowances is payable as an equivalent of the Commonwealth Superannuation Guarantee.

When the Council considered this matter in January 2020 it was decided not to propose an increase in the allowances payable and to continue to receive the allowances previously set.

Council now can move to the Category 3 Level of allowances if it sees fit to do so, it is the Officers recommendation that this be undertaken.

Under the provisions of the 1989 Local Government Act, Council placed a notice in the local newspaper advising of this proposal, seeking submissions from the community. The notice appeared in the Pakenham Gazette on Wednesday 17 February 2021, no submissions were received.

Policy Implications

Nil

Relevance to Council Plan

5.2 Our Governance - Open governance

5.2.1 Embrace and demonstrate effective governance and transparency, notwithstanding that on occasions, matters under consideration will be confidential.

5.2.2 Govern and make decisions in the best interests of the Cardinia Shire community.

Climate Emergency Consideration

Nil

Consultation/Communication

Council is currently required to comply with the provisions of the 1989 Local Government Act to set the level of Mayor and Councillor allowances in particular Section 223 of that Act. These provisions require the Council to publish a public notice regarding the proposal and to call for submissions on the proposal, allowing at least 28 days for submissions to be lodged.

No submissions were lodged in response to the public notice.

Financial and Resource Implications

The draft Council budget 21/22 includes an additional \$66,000 to cover the additional costs of this increase in the level of allowances payable.

Conclusion

Council has undertaken the process required to move to the increased level of allowances payable with no submissions received. It is recommended that Council sets the level of Mayor and Councillor allowances as of the 1 July 2021 at the level allowed as a Category 3 Council, as identified by the Victorian Government.