

## KENTISH COUNCIL

### SUBMISSION

#### COUNCILLORS ALLOWANCES REVIEW ISSUES PAPER

16 FEBRUARY 2018

---

The Kentish Council appreciates the opportunity to make a submission to a review of Councillor allowances conducted by the members of the Tasmanian Industrial Commission.

### SUBMISSION

#### 5. Statutory roles

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.

The fundamental role of Council is to represent the interests of their municipality. In being elected, councillors are individually and collectively bound to carry out the functions and exercise the statutory responsibilities and principles of local government.

Councillors contribute considerable time and effort to their Council activities regardless of the size of the municipality they represent. The workload expected of councillors bears no relationship to the number of ratepayers. Their responsibilities continue to become increasingly complex with more accountability and a higher level of professionalism expected.

Active community groups are also becoming increasingly demanding of council representation.

The role of Mayor, and to a lesser extent, Deputy Mayor is more demanding and comes with a greater workload and more responsibility than the role of Councillor. This is reflected in the level of allowance they receive.

Kentish Council supports the existing monetary differential awarded to the position of Mayor and Deputy Mayor but would like to see introduced a higher duty allowance for the Deputy Mayor when filling in for the Mayor during times of leave/sickness.

## **6. Categorisation of Councils to determine allowances**

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

Kentish Council considered the current grouping of councils into seven categories to be reasonable.

### *6.9 Financial sustainability of allowances*

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

The allowances are considered a small impact given the budget size of the vast majority of councils.

## **7. Significant changes since the last review**

Do the changes identified 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?

### *7.4 Mayor Eligibility*

No issues with the current requirements.

### *7.5 Financial and Asset management*

Swings and roundabouts – legislation to mandate long term financial and strategic management planning counterbalanced by the water and sewerage industry reforms of 2009/2013.

### *7.6 New local government code of conduct framework*

No implication identified.

### *7.7 Reimbursement of Expenses*

No implication identified. Kentish Councillors are entitled to be reimbursed for reasonable expenses in accordance with Council's policy adopted under Schedule 5 of the Local Government Act.

### *7.8 Councillor numbers*

Kentish Council believes it has the correct number of elected members to ensure robust representation and diverse points of view.

### *7.9 Responsibility of Water and Sewerage services*

Refer financial and asset management above.

### *7.10 Amalgamations and Shared Services*

In 2010 the Kentish and Latrobe Councils agreed to resource share the General Manager and an agreement was signed stating ...'the arrangement is driven by the belief that it would strengthen the future economic and social viability of each municipality'.

Since then a staged and steady approach to share additional staff positions, align strategic plans, cost centres and general ledger structures has occurred. The two Councils have also integrated the telephone service and are currently working towards the same information technology software.

In 2015 Kentish and Latrobe Councils engaged the Australian Centre of Excellence for Local Government at the University of Technology Sydney to review the resource sharing arrangement and while the report was positive it made a number of recommendations on how the arrangements could be improved. The two councils have engaged LKS Quaero Pty Ltd to work with them to embed the shared resources program into the future.

The changes to Council's operations currently involve all parts of the business operations. Significant staff resources are required to implement the new ways of operating. The changes have been far reaching and will conclude with the council's operations being totally integrated.

Each Council will retain its elected members, budget and rating systems.

In November 2014 the Minister for Planning and Local Government wrote to all Tasmanian Mayors and advised them of the State Government's desire to develop a relationship with local government that would assist in making Tasmania the most competitive and attractive jurisdiction in the country to live, work and invest.

The Minister indicated that "A conversation around voluntary amalgamations and resource sharing is a good starting point in pursuing that objective".

The Minister suggested that councils should take the initiative and seriously consider how they could improve their strategic capacity, financial sustainability and service delivery.

Subsequently the Tasmanian Government and the nine Cradle Coast councils signed a Memorandum of Understanding for the development of a feasibility study regarding a strategic shared services initiative between all Cradle Coast councils.

Third Horizon was engaged to provide an objective and independent point of view on whether benefits existed for further sharing arrangements across the nine Cradle Coast Authority Councils.

Third Horizon's Shared Services Report (the Report) indicates that an increase in sharing arrangements across Cradle Coast Councils could provide significant qualitative and quantitative gains.

The Report recommended that an independent shared services model and sub-regional arrangements be considered as part of the Cradle Coast strategy to enable sharing across Cradle Coast Councils. It was stated there would be anticipated

savings of \$9 million across the Region through the implementation of the recommendations contained in the Report. These indicative savings were based on the information provided by the councils and assessments made by the consultants. Without significant further work, it would be difficult to quantify and/or justify the veracity of the numbers.

The Report does not provide any estimate of the substantial costs that would be incurred to implement their recommendations including a new IT system (Council estimates it's likely to be in excess of \$3 million dollars).

The Kentish and Latrobe Council priority is to complete the embedding shared services program and both Councils are prepared to share knowledge learnt from the Kentish and Latrobe Councils shared services project with other councils on the North West coast who wish to pursue the Third Horizon's report recommendations.

## **8. Annual Indexation**

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

No objection with this proposal.

## **9. Governance training and experience allowance**

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?

(a) Kentish Council Elected Members are reimbursed for reasonable expenses incurred in relation to professional development. Kentish Council is satisfied its specific budget allocation to reimburse delegates registration, travel costs and accommodation expenses is sufficient. Secretarial support is also provided where practical in relation to registration and travel bookings.

(b) Kentish Council is satisfied the current provision for voluntary training (either in house or external) gives Councillors the opportunity to acquire the skills necessary to undertake their duties.

(c) Elected Members represent all segments of the community and each Councillor brings to the table their own experience and skills which is impossible to assess.

(d) As per (c); impossible to assess including 'common sense' in decision making

## 10 Attraction of 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?

10.2 *...allowance should be sufficiently adequate so as not to act as a disincentive, or indeed barrier, to otherwise interested and worthy individuals to stand for Local Government office...*

It is Kentish Council's view that young professionals are discouraged from standing for local government – financial incentive may not be the only reason. Factors could include lack of interest, career development, family commitments and allowance being subject to tax which may affect assessable income.

Perhaps some consideration could be given to a superannuation component of the allowance to enhance the attractiveness of being a councillor?