

# COUNCILLOR ALLOWANCE – ISSUES PAPER RESPONSE – FEBRUARY 2018

This response has been prepared by

**Cheryl Arnol, MAICD**

Deputy Mayor

Glamorgan Spring Bay Council

P: 03 62571 349 (after 7.30pm)

M: 0419 533 615

E: [cheryl.arnol@freycinet.tas.gov.au](mailto:cheryl.arnol@freycinet.tas.gov.au)

## BACKGROUND

I have been an elected member of Glamorgan Spring Bay Council for 18 years. I was first elected to Council in 1997 and was appointed Deputy Mayor by the Councillors at my first meeting (as you could in those days). In 1999 I was elected Mayor by the Councillors. I stood for Mayor and was elected at the first popular election in 2001 and again in 2003. I resigned from Council in August 2005. In 2007 I stood again for Councillor and Mayor (defeated for that by two votes!) and sat as an elected member until the 2014 elections when I was elected Deputy Mayor.

## MAINTAINING STATUTORY ROLES AND CURRENT FUNCTIONS

The statutory roles and current functions of Council have worked for many years. Having said that though, it is important for Councillors (Mayors and Deputy Mayors included) to ensure that they are familiar with their roles and functions. Too often I see people enter into local government (not just my Council) and it is soon abundantly clear that they haven't even read the *Local Government Act* and the other pieces of legislation that form local government.

Perhaps the single biggest downfall of recent times is the provision in the Act for anyone to stand for the role of Mayor, i.e. there is no longer a requirement to have any experience before standing for Mayor. In this circumstance it is vitally important for some statutory roles and functions training to be undertaken. It is possible that the only way to achieve that training is to make it mandatory because experience shows that most people who go into a statutory role have come from a corporate governance background and feel that they can apply those 'rules' to local government with little regard for their statutory role under the Act. Although having said all of that, there is no mandatory training for a State politician that I am aware of.

## DIFFERENCE IN ALLOWANCE FOR DEPUTY MAYOR IN SMALLER COUNCILS

Why does the value and difference in allowance for Deputy Mayor need to be justified in smaller Councils? Deputy Mayor's, by definition, act in the role of Mayor when delegated. In addition, as Deputy Mayor, I quite often attend functions and events that the Mayor is not able to or doesn't

want to attend. This is primarily because of the expanse of our area and the travelling time that is required.

As Deputy Mayor in a small rural Council (with a Mayor with no previous local government experience) I have spent hours assisting Councillors in their roles because the Mayor did not have the knowledge or experience to do so.

## IS THE FORMULA APPROPRIATE, COUNCILS INAPPROPRIATELY CATEGORISED OR FEWER OR ADDITIONAL CATEGORIES?

At the 2014 elections our voters were 4406 as shown in this extract from the Election Report produced by the TEC and yet our category is based on 2016-17 data that shows 3,629 voters. If the number of 'voters' is used, then the categorisation should be based on the number of State House of Assembly roll (voters) and the number of voters from the General Manager's roll.

In the South East Councils Feasibility Study completed in September 2016, KPMG based their calculations around the 4,406 electors so why is our allowance and category linked to only the State House of Assembly data?

### Report on the 2014 Glamorgan-Spring Bay Council Election

Elections were held for the positions of Mayor, Deputy Mayor and 8 Councillors, all for 4 year terms.

4 406 Glamorgan-Spring Bay electors were enrolled for the 2014 elections, comprising 3 454 (78.39%) from the State House of Assembly roll and 952 (21.61%) from the General Manager's roll. 75.01% of Glamorgan-Spring Bay electors returned their ballot papers in comparison with 54.58% statewide

This would give GSBC a 'score' of 55 which would place us in Category 5. It would be far more reflective of the geographical size of our area as well as the number of ratepayers that we have to deal with and the hours dedicated councillors work.

If we are to attract a better quality of elected member then the allowance has to reflect the hours that a diligent and committed person works. When I was employed full time I took time off work without pay to attend meetings. I gave up \$39/hour to 'earn' about \$15! As it sits now, I commit approximately 1,000 hours a year to Council and my allowance works out to approximately \$19/hour and I have to pay my own superannuation out of that! How many people in this day and age of high wages would commit to Council in a small rural Council as Councillor; let alone Deputy Mayor for that type of 'pay'.

## IS THE COST IMPACT SOMETHING THE BOARD SHOULD TAKE INTO ACCOUNT, AND IF SO, HOW SHOULD IT BE ADDRESSED?

The cost impact on a smaller council of higher allowances and therefore impact on rates and changes could be significant. Governance costs will always be an issue if ratepayers do not believe they are getting value for money from the current crop of elected members. I don't think there is much of an argument there either. Some Councillors do little more than attend the monthly Council meeting, even those in larger city councils who are paid significantly more!

I currently sit on a regulatory State Government Board and my remuneration is approximately the same as my current Deputy Mayor/Councillor allowance but with two significant differences. I pay tax on my remuneration through the State Government payroll system and superannuation is paid into the scheme of my choice.

There seems to be little impediment to implement something like this in local government although it may require a change of legislation.

Perhaps the way to address this is to reduce the number of elected members in those Councils with under 10,000 voters (State House of Assembly Roll and GM's roll combined) and disperse the current allowance amongst those reduced numbers with a formula to increase each year. The Mayor and Deputy Mayor would be paid a higher allowance as provided for now.

For example, if GSBC Councillors were reduced to 5 the allowance on current figures would be approximately \$17,000 per annum. Add +/- \$10,000 for Deputy Mayor (total \$27,000) and +/- \$24,000 (total \$41,000) for Mayor as well as superannuation and it makes it a reasonable proposition for someone to 'work' part-time as an elected member especially if superannuation is paid in addition to this allowance. This should, in theory, attract those people transitioning from full time professional paid employment to part time professional governance. Five (5) well-credentialed councillors could be a very effective council.

## ELIGIBILITY OF MAYOR/DEPUTY MAYOR

I have absolutely no problem with the changes to the Local Government Act amended to prevent dual representation. There should be no circumstance where an elected member sits in local government and State Parliament.

The Mayoral Candidate Eligibility on the other hand is probably one of the worst decisions that a Government has ever done to local government. Unless there are stringent rules around training for local government if a person with no local government experience is elected to the role of Mayor or Deputy Mayor then this should be removed from the Act. There is evidence to suggest that someone with board room experience from private enterprise does not transition that well to a governance role that is legislation driven.

## FINANCIAL AND ASSET MANAGEMENT

Elected members, regardless of the size of their Council, should be completely accountable for the financial and asset management of their area. This is linked though, to the ability of a Council to attract elected members who can take the time to participate in workshops and meetings that address these reforms.

## COUNCILLOR NUMBERS

In terms of Councillor numbers, reducing them from odd number to an even number was in my view a very poor decision and had the capacity to lead to a Council appearing dysfunctional. My cynical mind suggests that perhaps that was the outcome Government was hoping for to rationalise the amalgamation or merger of Councils! My view at the time was either leave us as we were (9) or reduce to 7. We ended up as 8!

As stated previously though there could be an avenue to further reduce the number of Councillors on some, if not all, Councils but this must be in the context of odd numbers. It is untenable and

would portray a level of dysfunctionality if it were even numbers that were split on too many decisions.

## ANNUAL INDEXATION OF THE ALLOWANCE BASED ON WAGE PRICE INDEX

Unless the payment is defined as a salary with the associated superannuation and other benefits, it would appear this is the only fair and relevant way to increase allowances on an annual basis.

## ITEM 9 – GOVERNANCE TRAINING AND EXPERIENCE ALLOWANCE

The current reimbursement practice for training should be maintained with an added mandatory training clause; say within 12 months of being elected.

It is important to recognise experience, not unlike recognised prior learnings in education, and perhaps that could be assessed through LGAT. Just because an elected member has been a councillor for a long time though doesn't mean they've actually learnt anything about governance so some form of assessment should be required if a Councillor is going to invoke prior experience rather than undertaking a training course.

Why should an elected member with governance experience be given an additional allowance? They should be 'paid' appropriately in the first place to attract them back to local government or to continue in the role.

## ATTRACTION OF FUTURE CANDIDATES

It is quite telling that the majority of elected members are male and aged between 56-65 (although our council has a very high female to male ratio 5:3). It is quite significant that the majority of elected members are retired, semi-retired or self-employed. This must be a good indication that only those people with additional time on their hands, or the ability to take time off from their business are able to undertake elected member roles on the current allowance.

Female members and younger people bring a different perspective to Council and need to be encouraged to participate in local government. The impediment though is often the need for them to work full-time and the timing of council meetings and workshops. That is why it is essential to have a robust and in-depth look at allowances and how we can reasonably attract a different candidate to 'work part-time' in local government as an elected member.

## SUPERANNUATION

I acknowledge the 'one off' adjustment of 9% that was added to allowances but it is not sufficient. Effectively all it did was increase allowances.

There needs to be a robust and in-depth look at how superannuation can be paid to elected members. There should be a robust and in-depth analysis of how regulatory bodies pay their board members vs how elected members are 'paid'.

## GENERAL COMMENT

Only after robust and in-depth investigations into the pitfalls, drawbacks and downsides of being an elected member in local government has been achieved and positive recommendations in relation to the future of local government, will we attract the caliber of candidate that we all are striving for. That is not to say that the elected members of today are not doing the very best job that they can and it is certainly not intended to be critical of those people who are brave enough to put their hands up to stand for local government. It is a reality of life though that the role of elected member is a difficult one because we are the level of government closest to the people.

A handwritten signature in dark ink, appearing to read 'Cheryl Arnol', with a long horizontal stroke extending from the end of the name.

Cheryl Arnol

DEPUTY MAYOR - GLAMORGAN SPRING BAY COUNCIL