

Local Government Remuneration Commission

Annual Report 2023

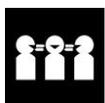
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An electronic copy of this report is available at www.dsdilgp.qld.gov.au.

13 December 2023

The Hon. Steven Miles MP
Deputy Premier
Minister for State Development, Infrastructure, Local Government and Planning and Minister
Assisting the Premier on Olympic and Paralympic Games Infrastructure
1 William Street
Brisbane QLD 4000

Dear Deputy Premier

On 1 December 2023, the Local Government Remuneration Commission (Commission) concluded its determination of the levels of remuneration for mayors, deputy mayors and councillors of Queensland local governments (excluding Brisbane City Council) as required by section 177(c) of the *Local Government Act 2009* and Chapter 8, Division 1 of the *Local Government Regulation 2012* (the Regulation).

This also concluded our review of the council remuneration categories, which the Commission undertook during 2023 in accordance with the requirement of section 243 of the Regulation.

Our determinations on these matters, together with the Remuneration schedule to apply from 1 July 2024 are included in the enclosed Report, which we commend to you.

Yours sincerely



Robert (Bob) Abbot OAM
Chairperson



Andrea Ranson
Commissioner



Reimen Hii
Commissioner



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1.2023 Report key determinations

Review of council remuneration categories

The Commission has a statutory obligation to complete a review of the remuneration categories once during each local government term.

Consistent with section 243 of the *Local Government Regulation 2012* (the Regulation) the Commission has completed a review of council remuneration categories, which included consultation with Queensland councils and other stakeholders. Following this review the Commission has established new remuneration categories to better reflect the current environment.

Under the *Local Government Act 2009* (the Act), in establishing council categories, the Commission is required to consider the size, and geographical and environmental terrain, of local government areas; the population of local government areas, including the areas' demographics, the spread of population serviced by the local governments and the extent of the services the local governments provide; and any other matter relevant to the effectiveness, efficiency and sustainability of local government.

Following a comprehensive review during 2023, a new set of council remuneration categories has been developed for implementation from 1 July 2024.

Determination of maximum remuneration levels

The Commission has established maximum remuneration levels for Queensland mayors, deputy mayors and councillors for each of the new council remuneration categories. In most cases maximum remuneration levels increase by between 3% and 5% from 2023-24.

As a result of the outcomes of the review, and in the application of the new methodology determined by the Commission in setting the new council remuneration categories, some councils will receive a larger maximum remuneration level increase. No councils receive a reduced maximum remuneration level.

In making its determination of maximum remuneration levels applicable for 2024-25, the Commission considered the following:

- The practical outcome of the Commission's new category methodology, together with the general application of earlier principles that have been consistently applied by the Commission in its annual determination, namely; consistency and austerity, when reviewing wages in the public sector.
- The importance of maintaining financially sustainable and fiscally responsible wage growth, taking into consideration:
 - the recently challenging and unstable inflationary environment and measures taken by other government authorities to manage the impacts of inflation;
 - the challenges faced by local governments and their communities in relation to climate change and environmental, social and corporate governance (ESG) reporting;
 - the affordability and sustainability impacts for councils of wage increases for elected members;

- the Commission’s inability to predict changes in the Consumer Price Index (CPI) in the short or long term;
- the potential differential impact of CPI changes across various parts of Queensland, including rural and remote regions;
- the appropriateness or otherwise of CPI as a potential measure in significant inflationary periods of time and the relative volatility of CPI in the past twelve (12) months;
- existing remuneration disparity in dollar terms between the remuneration paid to mayors and councillors in smaller, rural, regional and remote parts of Queensland when compared to mayors and councillors in larger, metropolitan locations;
- the role of local governments in Queensland’s economic development and innovation;
- anecdotal evidence of uncertainty as to future trade and industry opportunities and how this may impact sustainability of communities;
 - anecdotal evidence of the potential costs and resources required to address climate, sustainability and ESG reporting requirements, including trade diversification and significant anticipated increases in investment in infrastructure and innovation;
 - anecdotal evidence of transient populations and the impact of serving the needs of a shifting population;
 - anecdotal evidence of, and a generally observed increasing call from council’s for role recognition via remuneration increases that align with attracting diversity and high performance in mayor and councillor candidates;
- anecdotal evidence of the desire to attract and retain high quality candidates to these roles, particularly in regional and remote areas.

The Commission further took into consideration the following data:

- Increase in CPI¹:

	Dec qtr 2022	Mar qtr 2023	Jun qtr 2023	Sep qtr 2023
All Groups CPI inflation change (quarterly)				
Brisbane	1.5%	1.9%	1.0%	0.7%
Australia ¹	1.9%	1.4%	0.8%	1.2%
All Groups CPI inflation change (annual)				
Brisbane	7.7%	7.4%	6.3%	5.2%
Australia	7.8%	7.0%	6.0%	5.4%

¹ ‘Australia’ refers to weighted average of eight capital cities

- Increases in the Wage Price Index (WPI) for the financial year ended 30 June 2023 as compared to the financial year ending 30 June 2022²:

¹ Australian Bureau of Statistics
Consumer Price Index, Australia, September 2021 | Australian Bureau of Statistics
(abs.gov.au)<https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>

² Australian Bureau of Statistics
<https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/sep-2023>

		Seasonally adjusted		Original	
		All Industries	Public Sector	All Industries	Public Sector
Quarterly change Jun 2023 to Sep 2023	Queensland			2.3%	
	Australia	1.3%	0.9%	1.9%	1.1%
Annual change Sep 2022 to Sep 2023	Queensland			4.7%	
	Australia	4.0%	3.5%	4.1%	3.5%

- As in previous years, the Commission considered the Brisbane City Council's Independent Councillor Remuneration Tribunal (ICRT) remuneration determination as a potentially relevant factor. However, at the time of the Commission's determination the ICRT had not yet made their decision about remuneration.
- The Office of Industrial Relations (OIR) advice that on 23 October 2023, the *State Government Entities Certified Agreement 2023 (2023 Core Agreement)* was certified by the Queensland Industrial Relations Commission (QIRC). The wage increases as part of the 2023 Core Agreement are as follows
 - 4% effective 1 July 2023 + COLA payment of max 3% base wages
 - 4% effective 1 July 2024 + max 3% COLA if applicable
 - 3% effective 1 July 2025 + max 3% COLA if applicable.

COLA refers to the Cost of Living Adjustment paid if CPI is higher than the base wage increases e.g. in a year where base increase is 4% and CPI is 7% the COLA paid will be 3%. If base increase is 4% and CPI is 6%, the COLA paid will be 2%.

New South Wales³

- Section 239 of the New South Wales Local Government Act (the LG Act) requires the New South Wales Tribunal (NSW Tribunal) to determine the categories of councils and mayors at least once every 3 years.
- In accordance with the LG Act the NSW Tribunal undertook a review of the categories and allocation of councils into each category as part of this review.
- Accordingly, the revised categories of general purposes councils were determined by the NSW Tribunal as follows:

Metropolitan	Non-Metropolitan
Principal CBD	Major Regional City
Major CBD	Major Strategic Area
Metropolitan Major	Regional Strategic Area
Metropolitan Large	Regional Centre
Metropolitan Medium	Regional Rural
Metropolitan Small	Rural Large
	Rural

- The NSW Tribunal determination of a 3 per cent per annum increase in the minimum and maximum fees applicable to each category, together with the NSW Tribunal determination

³ <https://www.remtribunals.nsw.gov.au/local-government/current-lgrt-determinations>

for new categories having regard to the relevant factors and relativities of remuneration ranges for existing categories.

Victoria

- On 30 June 2023, the Victorian Independent Remuneration Tribunal made the allowance payable to mayors, deputy mayors, and councillors (Victoria) Annual Adjustment Determination 2023⁴.
- The VIRT determined a 2% increase to the values of the base allowances payable to mayors, deputy mayors, and councillors, effective from 1 July 2023. A 2% increase has also been applied to the base allowance values which take effect on⁵:
 - 18 December 2023
 - 18 December 2024 (mayors and deputy mayors only)
 - 18 December 2025 (mayors and deputy mayors only).

Tasmania

- In Tasmania, the remuneration for local government councillors is automatically increased under the provisions of the Local Government (General) Regulations 2015. The increase, effective 1 November 2023, is an automatic indexation of local government allowances provided for under the Local Government Act 1993 (Tas) by multiplying the allowances for the previous year by the inflationary factor (determined by calculating the current year's June quarter Wage Price Index divided by the previous years' June Wage Price Index)⁶.

Northern Territory

- In the Northern Territory, the allowances for local government council members are indexed by CPI (Darwin) on 1 July each year⁷.

Councillor advisors

The Commission did not receive any direction or request from councils to make recommendations relating to councillor advisors in the period between 1 December 2022 to 30 November 2023.

⁴ <https://www.vic.gov.au/allowances-mayors-deputy-mayors-and-councillors#minister%E2%80%99s-letter-of-request>

⁵ <https://www.vic.gov.au/allowances-mayors-deputy-mayors-and-councillors-annual-adjustment>
https://www.dpac.tas.gov.au/divisions/local_government/councillor_resources/councillor_allowances
https://www.dpac.tas.gov.au/__data/assets/pdf_file/0019/126613/2023-Councillor-allowances-information-sheet.PDF

⁷ <https://dlghcd.nt.gov.au/local-government/local-government-legislationguideline-1-local-authorities.pdf>
(nt.gov.au)

2. The Commission

Formation and composition

The Local Government Remuneration Commission (the Commission) is an independent entity established under the *Local Government Act 2009* (the Act). On 1 October 2019, Governor in Council, approved the current Commission for a term of four years.

The Chair and Commissioners were reappointed by Governor in Council for a second four-year term on 1 October 2023.

This is the fifth report of the Commission, and the 17th report including the reports of the former Local Government Remuneration and Discipline Tribunal and the Local Government Remuneration Tribunal.

The Chair and Commissioners of the Commission are:

Mr Robert (Bob) Abbot OAM

Chairperson

Mr Abbot has extensive experience in the local government sector with 32 years as an elected councillor and mayor. Mr Abbot has experience working at state and national local government organizations and has held board and panel positions, including Deputy Chair of the South East Queensland Council of Mayors, Director of the Local Government Association of Queensland (LGAQ), and Director of the Australian Local Government Association. Mr Abbot has been a mentor for newly elected mayors on behalf of the LGAQ, with a particular focus on mentoring Queensland Indigenous mayors.

In the Australia Day 2021 Honours List, Mr Abbot was the recipient of an Order of Australia (OAM) for his service to local government and to the communities of Noosa and the Sunshine Coast.

Ms Andrea Ranson

Commissioner

Ms Ranson is a practising commercial and dispute resolution lawyer with experience in both public and private sectors of business and governance. She holds a Master of Laws (LLM), Bachelor of Laws (Hons) and Bachelor of Arts from Monash University, Victoria. She is additionally a Graduate of the Australian Institute of Directors (GAICD) and a Fellow of the Governance Institute of Australia (FGIA). Ms Ranson is a director appointed to North Queensland Bulk Ports Corporation, a government owned corporation, holding the role of Chair of the Corporate Governance and Planning Committee, and the role of Member of the Audit & Financial Risk Management Committee of that Board. Her experience includes business and commercial law, employment and industrial relations, diversity, justice, and ethics. Ms Ranson lives regionally and is passionate about regional development. Ms Ranson is a Nationally Accredited Mediator presently working with QCAT, the QSBC, the QBCC and is a member of the QLD Department of Justice & Attorney-General Dispute Resolution Panel.

Mr Reimen Hii

Commissioner

Mr Hii is a barrister and Nationally Accredited Mediator. He holds the degrees of Bachelor of Laws and Bachelor of Arts. He is a practicing lawyer with extensive knowledge in public administration and community affairs, and a particular interest in civil and commercial law. Mr Hii is experienced in professional discipline matters, including investigations, public administration, corporate and public governance, public sector ethics and finance. Mr Hii has a culturally and linguistically diverse background and experience collaborating with diverse communities. Mr Hii has previously been recognized as Australian Young Lawyer of the Year by the Law Council of Australia, in recognition of his significant contribution to access to justice and diversity advocacy. Mr Hii provides a deep understanding of diversity and brings well respected analytic skill, together with legal and business acumen to the role.

Remuneration responsibilities

Chapter 6, Part 3 of the Act, established the Local Government Remuneration Commission to assume the remuneration functions of the former Local Government Remuneration and Discipline Tribunal which ceased to exist on 3 December 2018.

Section 177 of the Act provides the functions of the Commission are:

- to establish the categories of local governments, and
- to decide the category to which each local government belongs, and
- to decide the maximum amount of remuneration payable to the councillors in each of the categories, and
- to consider and make recommendations to the Minister about the following matters relating to councillor advisors—
 - (i) whether or not to prescribe a local government under section 197D(1)(a)
 - (ii) the number of councillor advisors each councillor of a local government may appoint
 - (iii) the number of councillor advisors a councillor of the council under the City of Brisbane Act 2010 may appoint; and
- another function related to the remuneration of councillors if directed, in writing, by the Minister.

Chapter 8, Part 1, Division 1 of the *Local Government Regulation 2012* (Regulation) sets out the processes of the Commission in deciding the remuneration that is payable to mayors and councillors.

The Regulation requires the Commission to review the categories of local governments once every four years, in the year prior to each quadrennial election, to determine whether the categories and the assignment of local governments to those categories require amendment.

After determining the categories of local governments, the Regulation also requires the Commission to decide annually, before 1 December each year, the maximum amount of remuneration to be paid to mayors, deputy mayors and councillors in each category from 1 July of the following year.

In addition, section 248 of the Regulation allows a local government to make a submission to the Commission to vary the remuneration for a councillor, or councillors, to a level higher than that stated in the Remuneration schedule where the local government considers exceptional circumstances apply. The Commission may, but is not required to, consider any such submission. If the Commission is satisfied that exceptional circumstances exist, the Commission may approve payment of a higher amount of remuneration.

Section 197A of the Act established requirements for councils that wish to employ councillor advisors and councillor administrative support staff to assist councillors to complete their duties.

The requirements in relation to the appointment of councillor advisors include the following:

- must vote to pass a resolution to create councillor advisor positions (except Brisbane City Council)
- appoint advisor, at the discretion of councillors and only until the councillor's term ends, unless re-appointed by a new councillor

- must report the costs of councillor advisors to the community, for example through the council's annual report.

Requirements for councillor advisors include the following:

- they must submit registers of interests and keep them up to date
- they must follow a new Code of conduct for councillor advisors in Queensland
- they must comply with the local government principles and can be found guilty of integrity offences.

The Commission is yet to receive any submissions or enquiries in relation to councillor advisors as at the date of its determination.

3. Remuneration determination

Remuneration determination for councillors

As required by section 246 of the Regulation the Commission has prepared a Remuneration schedule (the Schedule) for the 2023-2024 financial year, applicable from 1 July 2024, which appears below.

Arrangements have been made to publish the Schedule in the Queensland Government Gazette and for this Report to be printed and presented to the Minister for Local Government.

Methodology

The Commission had regard to the matters in section 244 and 247 (2), (5) of the Regulation in determining the Schedule. The Commission also noted and had regard to the matters listed throughout this Report to determine the appropriate maximum remuneration in each category of local government.

Matters not included in the Remuneration schedule

The Commission considered all submissions received during the consultation phase of the review of council categorisations for the purpose of developing a framework to create categories and place councils.

Pro rata payment

Should an elected representative hold a councillor position for only part of a financial year, they are only entitled to remuneration to reflect the portion of the year served. It is out of the scope of the Commission's powers to determine otherwise.

Remuneration schedule to apply from 1 July 2024

Remuneration determined from 1 July 2024 (\$ per annum; see Note 1)				
Category	Local Governments assigned to categories	Mayor	Deputy Mayor	Councillor
A1 ** Note 2	Barcaldine Regional Council	\$119,393	\$68,880	\$59,695
	Barcoo Shire Council			
	Bulloo Shire Council			
	Croydon Shire Council			
	Doomadgee Aboriginal Shire Council			
	Kowanyama Aboriginal Shire Council			
	Mapoon Aboriginal Shire Council			
	McKinlay Shire Council			
	Richmond Shire Council			
	Torres Shire Council			
	Woorabinda Aboriginal Shire Council			
	Wujal Wujal Aboriginal Shire Council			
A2 ** Note 2	Aurukun Shire Council	\$119,393	\$68,880	\$59,695
	Blackall-Tambo Regional Council			
	Boulia Shire Council			
	Burke Shire Council			
	Cherbourg Aboriginal Shire Council			
	Cloncurry Shire Council			
	Diamantina Shire Council			
	Etheridge Shire Council			
	Hinchinbrook Shire Council			
	Hope Vale Aboriginal Shire Council			
	Lockhart River Aboriginal Shire Council			
	Mornington Shire Council			
	Murweh Shire Council			
	Napranum Aboriginal Shire Council			
	North Burnett Regional Council			
	Palm Island Aboriginal Shire Council			
	Paroo Shire Council			
	Pormpuraaw Aboriginal Shire Council			
Quilpie Shire Council				
Winton Shire Council				
Yarrabah Aboriginal Shire Council				

A3 ** Note 2	Longreach Regional Council	\$120,541	\$69,543	\$60,270
	Balonne Shire Council			
	Douglas Shire Council			
	Flinders Shire Council			
	Goondiwindi Regional Council			
	Northern Peninsula Area Regional Council			
B1	Banana Shire Council	\$120,541	\$69,543	\$60,270
	Carpentaria Shire Council			
	Burdekin Shire Council			
	Cook Shire Council			
	Torres Strait Island Regional Council			
B2	Maranoa Regional Council	\$146,239	\$91,399	\$77,688
	Cassowary Coast Regional Council			
	Charters Towers Regional Council			
	Gympie Regional Council			
	Livingstone Shire Council			
	Mareeba Shire Council			
	Mount Isa City Council			
	Scenic Rim Regional Council			
	Somerset Regional Council			
	South Burnett Regional Council			
	Southern Downs Regional Council			
	Tablelands Regional Council			
B3	Isaac Regional Council	\$146,593	\$91,620	\$77,876
	Noosa Shire Council			
	Whitsunday Regional Council			
	Lockyer Valley Regional Council			
C1	Central Highlands Regional Council	\$148,359	\$92,723	\$78,814
	Western Downs Regional Council			
C2	Gladstone Regional Council	\$171,156	\$112,604	\$99,090
	Rockhampton Regional Council			
C3	Bundaberg Regional Council	\$172,818	\$113,697	\$100,052
	Fraser Coast Regional Council			
D2	Cairns Regional Council	\$198,182	\$135,123	\$117,109
	Mackay Regional Council			
	Redland City Council			
	Toowoomba Regional Council			
D3	Townsville City Council	\$225,206	\$153,145	\$135,123
	Ipswich City Council			
E2	Logan City Council	\$252,233	\$174,761	\$153,141

	Moreton Bay City Council			
	Sunshine Coast Regional Council			
F2	Gold Coast City Council	\$279,258	\$196,679	\$166,653

Notes to the Remuneration schedule

The 2014 annual report by the former Local Government Remuneration and Discipline Tribunal explained the rationale behind the adoption of a system of remuneration which comprised a base payment (of two thirds of the annual remuneration) and a monthly payment based upon attendance at, and participation in, the 12 mandated council meetings.

*** Note 1**

The monetary amounts shown are the per annum figures to apply from 1 July 2024. If an elected representative only serves for part of a full financial year (that is, 1 July to 30 June) they are currently only entitled to a pro rata payment to reflect the portion of the year served.

**** Note 2**

For councillors in category A1, A2 or A3 councils, a base payment of \$39,796.67 is payable for the 12 months commencing on 1 July 2024. A meeting fee of \$1,658 per calendar month (or fortnightly equivalent) is payable for attendance at, and participation in, scheduled meetings of council subject to certification by the mayor and/or chief executive of the council. Mayors and deputy mayors in category A1, A2 and A3 are currently entitled to receive their full annual remuneration level shown.

The Commission has not determined to make changes to the system of base payment and mandated council meetings for its 2022-2023 determination. Future consideration by the Commission may be given to whether changes to the current system should be made.

4. Finalisation of council categorisation review

As outlined in the Commission's [Consultation Paper](#) released in July 2023, the new framework for council categorisation would include a primary criterion and supporting criteria to assist in the categorisation of councils.

The Commission has considered various input factors and has determined that operating revenue aligns to the Commission's guiding principles for the category review and importantly the legislative requirements as it addresses all the primary requirements. The Commission observed that a council's revenue raising capacity is influenced by the size of land, population demographics and the extent of service delivery required to be met.

The Commission has used operating revenue as the primary criterion to guide decision-making about council categorisation. A council's operating revenue information is collated from council's audited financial records will consist of net rates, service fees, utilities and charges, operating grants revenue, sales contract, and recoverable works. This will not include capital grants or disaster recovery grants. This information is readily available and supports a transparent methodology.

Supporting criteria are included by the Commission in the framework to assist the primary criteria classification. The supporting criteria recognises elements that are not captured by operating revenue, but which may have an impact on the complexity and demands placed on a council.

The supporting criteria used by the Commission includes:

- population/geography dispersion
- projected population growth
- socio-economic indexes for areas (SEIFA)

Future criterion for category determination may include items raised in council's submissions received, for example, the impact of trade or industry diversification / growth; the impact of transient populations; the impact and cost of working with renewables.

The Framework for council categorisation includes:

CRITERIA		KEY MEASURE (SOURCE)	RATIONALE
PRIMARY CRITERION	Revenue	Total operating revenue (Source: Council's Financial Statements)	Total operating revenue (rates, service fees, grants, other sources) provides an accurate measure of regular and sustained revenue to reflect the scale and complexity of operations on an ongoing basis and is not subject to fluctuations.
SUPPORTING CRITERIA	Population/ Geography	Population dispersion based on total average distance from primary centre (calculated as average km of small centres from primary centre multiplied by number of small places based on scaled count score) (Source: QGSO)	Population dispersion considers both population and geography. It reflects the travel demands placed on council / councillors, as measured by the total average distance from the primary centre, which is not captured by total operating revenue, or the other supporting criteria.
	Projected population growth	Annualised population growth based on data from the previous 5 years and projected 5 years (Source: QGSO)	A historical and projected view over a 10-year period smooths out and reduces any potential projection errors. Any significant infrastructure and service delivery impacts on Council because of projected population growth would include longer-term planning horizon. This approach acknowledges the complexities of future planning and infrastructure development not reflected in total operating revenue or other supporting criteria.
	Socio-Economic Status	SEIFA index of relative socio-economic disadvantage decile (Source: ABS)	SEIFA is a commonly used measure to assess the socio-economic status of an area.

The revenue thresholds used for the primary criterion were as follows:

Category	Operating Revenue
A	Up to \$50m
B	\$50.1m to \$125m
C	\$125.1m to \$250m
D	\$250.1m to \$500m
E	\$500.1m to \$1b
F	> \$1b

Category review consultation

In July 2023, the Commission released a consultation paper to councils as part of the review process. The Commission confirmed that submissions in response to the consultation paper would be considered as part of completing the category review.

26 responses were received by the Commission, these were made up of submissions from councils, individual councillors, and council associations.

Overall, 90% of the respondents were supportive of the case for change, 83% supported the guiding principles, whilst 59% supported operating revenue as the key criterion.

One council who did not support the case for change also commented that total operating revenue should exclude non recurrent grant and incomes such as disaster recovery funding.

97% support was observed for the use of supporting criteria to further differentiate from the revenue categories.

Key themes

Industry Impacts

The use of industry impacts as a supporting criterion was widely supported by councils, however, there were very few metrics that could be used to document this impact to councillor complexity. The impacts from industry included; mining, FIFO and non-resident population, regional planning/development applications and Indigenous Councils' inability to attract certain industries due to their lack of freehold land.

However, without a fair, equitable and contestable metric to measure this impact the Commission decided that this potential supporting criterion would presently remain on hold. The Commission may elect to give future consideration to these suggested metrics.

Diversity of council issues and councillor challenges

Multiple submissions highlighted the difficulties for council's that were negatively impacted by managing and providing services to a transient, non-resident population. This was notable in the responses received from regional areas and those with significant FIFO or tourism activity.

Town and regional planning including development precincts such as state planning areas; were also raised as topics that increased the challenges for councils due to large scale negotiations of the council.

Small councils

A theme raised by a group of councils indicated that the size of the council does not reflect the needs and requirement of councillors in smaller councils, particularly where the council has limited administrative resources. It was also highlighted that the framework did not recognise the increased need in smaller councils for greater travel, advocacy, and the difficulty in provision of services.

5. Matters raised with the Commission

A summary table of submissions made to the Commission during the review period and the Commission's determination is provided below.

Meetings and deputations

Local governments were provided with the opportunity to engage with the Commission at the Annual Conference of the LGAQ in Gladstone from 21 to 23 October 2023.

Livingstone Shire Council, Logan City Council, Sunshine Coast Regional Council, Northern Peninsular Area Regional Council, Western Down Regional Council, and Western Queensland Alliance of Councils provided the Commission with oral deputations during the 2023 LGAQ Conference in Gladstone.

Local governments were also given an opportunity to provide written submissions to the Commission. A total of 26 written submissions were received and considered.

The Commission did not seek submissions solely based on remuneration during the period of its category review. Many of the 26 written submissions proposed greater remuneration based on the complexities of modern governance faced by councillors and mayors.

In making its determination, the Commission had regard to all submissions it received, together with the matters on throughout this report.

Key points raised with the Commission during the 2023 review period included themes that had been consistently submitted by councils in earlier years; as accounting for an increase in complexity and workload for elected members. These included:

- **Innovation and Sustainability:** growing demands on council to take action, particularly in relation to transitioning to renewables and economic diversification.
- **Remuneration and Talent:** need for competitive salaries to attract diverse and skilled elected candidates and a desire to attract and maintain high quality candidates, particularly in regional areas.
- **Innovation Recognition:** exploring potential ways to incentivise and reward innovative council initiatives that support community growth, resourcefulness and development.
- **Inflationary Impact:** addressing the disproportionate impact of rising inflation on local governments and their constituents, especially those on lower incomes and in rural areas.
- **Economic Uncertainty:** navigating the current volatility and uncertainty surrounding inflation and its impact on cost-of-living pressures.
- **Community Sustainability:** ensuring the long-term viability and prosperity of communities during the global transition to renewable energy and the need for significant infrastructure changes.

Table – Summary of 2023 submissions

1	<p>Date received</p> <p>Received from</p> <p>Summary of submission</p>	<p><u>Oral submission</u> 17 October 2023 – LGAQ Annual Conference</p> <p><u>Livingstone Shire Council:</u> Councillor Andrea Friend</p> <p>Livingstone Shire Council has approximately 9,000 ratepayers though they are all portfolio councillors and not divisional councillors. Therefore, all councillors are required to oversee the entire council area and not just a specific area within council boundary.</p> <p>Management of waste, water, environment, local laws permeate throughout the entire council space and not just the smaller divisional space. Councillors who manage portfolio instead of divisions should be remunerated at higher rate.</p> <p>Role of a councillor is not part time and often councillors within Livingstone Sire council are required to work extended period continuously without break.</p> <p>Concerned that the salary level of a councillor is less than that during time when employed by council. This reduced salary is having a negative impact on potential candidates and not incentivising quality candidates from running for council.</p> <p>Cr Friend proposed the Commission consider a payment option of a base level x an amount per ratepayer. There was ongoing concern that the current remuneration categorisation methodology is no longer fit for purpose in particular requiring ad hoc submissions by councils for their matters to be heard. In addition, the assessment of environment terrain is too varied given that Livingstone Shire Council has the second longest coastline behind Torres Strait, plus inclusive of rural and coasted terrain)</p>
	<p>Determination</p>	<p>Chairperson outlined the Commissions' position and the legislative requirements to complete a category review and allocate councils into categories. That the development of a new framework to guide the council categorisation process was to be concise measurable and defensible.</p> <p>The matters raised specifically in the submissions have also been considered by the Commission as part of the 2023 annual review of council categorisation</p>
2	<p>Date received</p> <p>Received from</p>	<p><u>Oral submission</u> 17 October 2023 – LGAQ Annual Conference</p> <p><u>Logan City Council</u> Councillor Jaco Heremaia Councillor Jon Raven</p>

	<p>Summary of submission</p> <p>Provided initial feedback to say that council accepted the proposed framework and that they agreed with the use of operating revenue as the primary criterion.</p> <p>Raised a query for the use of SEIFA index and how this would aid councils with greater issues of lower socio-economic standing given that housing, homelessness, and unemployment are areas that are often interlinked.</p> <p>Councillors stated their support for the inclusion of innovation in the framework and outlined the innovative measure that Logan City Council were managing and developing. This included transitioning council operations and resources to a net zero position over the coming years.</p> <p>Logan City Council were producing other innovative measures to improve their community such as façade improvement programs for business shop fronts and the integration of their town plan to consider net zero.</p> <p>Cr Raven raised the topic of innovation being a driver of councillor challenges and highlighted that rolling revenue was being used as a proxy to use a measurable criterion to assist in category placement.</p> <p>Request</p> <p>Cr Raven requested that a broader assessment to consider regional topics such as housing and how councils could be assessed against measurements for attending to State Regional Plans (i.e. Housing or infrastructure development) could be incorporated in the Commission’s determinations.</p> <p>Determination</p> <p>Commission reinforced their position that despite any council reclassification no council would be going backwards from a financial remuneration position.</p>
<p>3</p> <p>Date received</p> <p>Received from</p> <p>Summary of submission</p>	<p><u>Oral submission</u> 17 October 2023 – LGAQ Annual Conference</p> <p><u>Sunshine Coast Regional Council</u> Mayor Mark Jamieson Emma Thompson – Chief Executive Officer Craig Matheson – Group Executive Civic Government</p> <p>Council believed that this was a timely view and appropriate given that the existing framework is no longer fit for purpose. Council supported the method to anchor councils using operating revenue as the primary criterion and the use of multiple supporting criteria.</p> <p>Council supported the additional possible consideration for innovation and non-resident population to be enhanced and considered in further iterations of the framework by the Commission.</p> <p>Council submitted that non-resident population does not directly provide input to operating revenue base but that it does impact on council’s provision of services including waste management, water, and road traffic.</p>

<p>Request</p> <p>Determination</p>	<p>Council requested that consideration be given to growth councils who require additional levels of innovation as a basis for increased revenue. Strong councils would ensure that increases occurred through delivery of development and project delivery and not through alternative methods of improving revenue, for example, increasing rates.</p> <p>Commission provided an overview of proposed model and expressed the use of operating revenue as a useable proxy to assess challenges and difficulties of local governments fairly, transparently and consistently. Council agreed that use of population should not be the key driver.</p> <p>Commission advised that they would be unable to include an additional supporting criterion to promote innovation in the current determination, as it is as yet unable to be defined in a measurable way across different council's and sectors.</p>
<p>4 Date received</p> <p>Received from</p> <p>Summary of submission</p>	<p>Oral submission 17 October 2023 – LGAQ Annual Conference</p> <p>Northern Peninsula Area Regional Council Mayor Patricia Yusia Deputy Mayor Kitty Gebadi Councillor Gina Nona Councillor Mabalene Whap Kate Gallaway – Chief Executive Officer</p> <p>Council advised that the workload and responsibilities within Indigenous communities is exceedingly high for elected members. Northern Peninsula Area Regional Council was amalgamated in 2008. Prior to amalgamation there were 26 elected members to complete a similar volume of work. The council now consists of only 6 elected members creating significant pressure and increased workload for elected members.</p> <p>Councillors raised concerns regarding workload and issues related to management of land under Deed of Grant in Trust (DOGIT).</p> <p>Part 4 of the <i>Local Government Act 2009</i> provides that DOGIT matters must be addressed separately from council business which results in additional responsibilities that are not dealt with by non-Indigenous councils.</p> <p>Councillors were not supportive of the use of operating revenue as primary criterion given that councils' capacity to generate own revenue was submitted to be limited due to the small percentage of rateable land. Council further submitted that revenue raised through DOGIT land use has limitations on how it is used under the <i>Land Act 1994</i> and that council does not have full autonomy to use of this revenue.</p> <p>Councillors raise the ongoing issue of their council being the provider of last resort and councils limited ability to obtain commercially viable terms for essential services such as waste management. This increased the workload of councillors.</p> <p>Mayor Yusia raised the topic of ongoing housing issues and council attending to the responsibilities that other government</p>

	<p>departments such as Department of Housing would normally address. NPARC councillors and staff, it was submitted, were nevertheless required to have a housing plan and address the associated tasks.</p> <p>CEO Gallaway mentioned that the use of census data in relation to population growth and population numbers are troublesome due to low literacy rates and low completion rates for census in their demographic. As a result, it was submitted that, this produces a reduced rating for these areas that are not reflected by the category framework.</p> <p>Council submitted that the propose category framework did not include matters such as the impact on councillor workloads related to the limited boarder control measures regionally with respect to the ongoing and regular movement of people from Papua New Guinea in the region.</p> <p>Lastly council submitted that the transference of responsibility of the Local Thriving Communities initiatives are primarily State based responsibilities to local government resulting in councillors attending additional meetings. It was submitted that these demands do not reflect equally across all local government.</p> <p>Determination</p> <p>The Commission advised that framework for council categorisation would have regard to the challenges incurred by DOGIT responsibilities.</p>
<p>5</p> <p>Date received</p> <p>Received from</p> <p>Summary of submission</p>	<p>Oral submission 17 October 2023 – LGAQ Annual Conference</p> <p>Western Queensland Alliance of Councils Mayor Jane McNamara Mayor Jack Bawden Mayor Samantha O’Toole Mayor Andrea Martin Councillor Tony Rayner Simone Talbot – Executive Officer, South West Queensland Region of Council) Greg Hoffman PSM – Executive Officer, North West Queensland Region of Council</p> <p>Attended on behalf of the entire group of councils within their association.</p> <p>Expressed that the proposed framework model does not accurately reflect the challenges within small and regional council. Cost shifting and requirements for small councils to provide services due to their inability to obtain commercially viable terms limits their options was raised with the Commission.</p> <p>The use of operating revenue as a primary criterion does not adequately reflect the challenges and workload of councillors. Within Flinders, it was submitted that, only 10-12% of revenue is rate based and that revenue fluctuates based on disaster recovery grants. Therefore, the year-on-year revenue level is heavily impacted by natural disaster works and grants.</p>

<p>Determination</p>	<p>Simone Talbot queried how the proposed model would assist regional councils to attract young and quality candidates for future elections, unless their remuneration reflected a full-time equivalent value. It was submitted that the use of population growth as a supporting criterion would not assist regional Queensland, nor does it adequately reflect the workload of councillors due to the decreasing population from far Western Queensland areas.</p> <p>It was further submitted that despite the decrease in population, the services expected to be delivered and the workload of councillors remained the same. The theme of smaller councils required to provide more with less is prevalent and ongoing within their communities.</p> <p>An additional criterion was proposed to be added, to reflect the diversity of industry and operating revenue options within a council's operations.</p> <p>The Commission reiterated their process for the review of councillor categorisation and their intention to develop a framework that is based on a model using a simple, repeatable, and documented process supported by clear and measurable metrics.</p>
<p>6</p> <p>Date received</p> <p>Received from</p> <p>Summary of submission</p>	<p>Written submission: 16 January 2023 Oral submission: 17 October 2023 – LGAQ Annual Conference</p> <p>Western Downs Regional Council Councillor Paul McVeigh Councillor Andrea Smith Jodie Taylor – Chief Executive Officer</p> <p>Councillor Smith submitted that the role of a councillor exceeds the previously held view of a part time role and that the remuneration level should reflect the workload.</p> <p>This increased workload has resulted in councillors having to forego additional part time employment, with resulting adverse financial outcomes for individual councillors and the potential for a reduction in candidates who can fulfil the role.</p> <p>The region and specifically Western Down Regional Council, it was submitted, has seen significant growth across both agricultural and energy industries. This has included the inclusion and involvement in regional and a State plan such as Queensland Energy and Jobs Plan that requires state-based negotiations and creates additional workload and responsibility.</p> <p>It was submitted that the knowledge and skill required of a councillor to guide this transitional process to renewables and trade diversification has increased over recent years. Additionally, the need to continue to attract a diversity of business and industries to the area remains important due to the proposed use of operating revenue as a primary criterion in the proposed category review framework.</p> <p>Councillor's highlighted that their local government has 24 approved solar and 3 approved wind farms on top of their</p>

Determination

traditional agricultural sector and that this innovation is not acknowledged by the Commission in their proposed framework.

The Commission reiterated that the use of operating revenue as a primary criterion would assist the Commission to capture the complexities and challenges that developing councils faced in a measurable way. This included councils that transitioned their business operations to include and increased involvement across varying industries.

The use of operating revenue as a primary criterion was discussed as a possible method for council to aspire to continue to develop their revenue and expand their operations to improve the outcomes for their residents and in turn be classified in a higher category.

6. Other activities

Exceptional circumstances submissions (matters raised under Local Government Regulation 2012, section 248):

Nil.

7.Future priorities

The Commission will continue to consider enhancements to the framework for council remuneration categorisation including an equitable method to consider industry impacts on councils and matters relating to transitioning communities and improving sustainability.

The Commission will invite ongoing submissions from all Councils as part of its general review of categories and maximum determination of remuneration prior to 1 December 2024.

The Commission intends to engage with local governments throughout the year including the option for a mid-year deputation process to be established. The Commission invites councils in all areas to participate in the deputation process and any further opportunities for submissions to be made that the Commission may announce.

Further information about the Commission can be located at www.statedevelopment.qld.gov.au.

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