



## **DIRECTOR CORPORATE SERVICES REPORT**

14<sup>th</sup> February 2006

**DCS6      MAYORAL AND COUNCILLOR FEES  
FILE: 276    PJH**

### **SUMMARY:**

Reporting that the Local Government Remuneration Tribunal has handed down a special determination for the 2005-2006 year.



### **DESCRIPTION:**

Council may recall that on 14<sup>th</sup> June 2005 a report was submitted to Council on the Local Government Remuneration Tribunal determinations for the 2005-2006 year. In this report it was advised that the Tribunal had deferred making any changes to the composition of categories and the quantum of the fees paid within each category.

The Tribunal deferred any increase to the amounts in the respective categories pending the release of the Department of Local Governments guidelines for payment of expenses to Councillors. Following completion of the guidelines, which should be received from the Department in the near future, the Minister requested the Tribunal to review its determination of the 2005-2006 fees.

### **Fees increased by 4%**

The Tribunal, taking into account key economic indicators including CPI and increases in salaries through awards and increases received by Members of Parliament, has determined that a 4% increase in fees effective on and from 1<sup>st</sup> July 2005 is appropriate.

A full copy of the Tribunal's report can be made available on request.

This increase will mean that the category 3 limit will increase as shown on the following tables:

(Current fees Category 3)

<b>Mayor</b>		<b>Councillor</b>	
minimum	maximum	minimum	maximum
\$12,490	\$28,215	\$5,875	\$12,925

(New fees Category 3)

<b>Mayor</b>		<b>Councillor</b>	
minimum	maximum	minimum	maximum
\$12,990	\$29,345	\$6,110	\$13,440

Council needs to resolve to determine its level of fees for the 2005-2006 year. It has been this Council's practice to pay the upper limit to its Mayor and Councillors.

If Council adopts the upper limit of its category it will result in the additional costs of \$4,635 for Councillors fees, and an additional \$1,130 for Mayoral fees. The Mayoral fee increase can be covered by the existing 2005-2006 budget allocation. The Councillors fees would require an additional allocation of \$4,635.00 from working funds.

#### **REPORT IMPLICATIONS:**

- ***Environmental***

*Nil*

- ***Social***

***Council is being open with its community in its decision on fees payable to Councillors being determined at open Council meetings. The Tribunal is an independent body reporting to the Minister and sets the upper and lower limits payable in each Council category.***

- ***Economic (Financial)***

***Mayoral and Councillor fees are provided for in Council's budget for Elected Member Services.***

***Should Council adopt the upper limit of its category it is not possible to absorb the increased cost of \$4,635 for Councillors fees from the existing allocation. Council working funds balance should be maintained at \$650,000 the current level expected at 30<sup>th</sup> June 2006 is \$454,000 & any decision to approve additional funding would reduce available working funds.***

- ***Policy or Statutory***

*Section 248 of the Local Government Act requires that Councils must pay each Councillor a fee as determined by the Tribunal guidelines. If such a fee is not set by Council it must pay the minimum fee set by the Tribunal for that category Council.*

- *Directors Review*

*Nil*

**RECOMMENDATION:**

**That the Mayoral and Councillor fees payable for the 2005-2006 year be the maximum allowed in category 3 as determined by the Local Government Remuneration Tribunal and the increase be applicable as from 1<sup>st</sup> July 2005 and an amount of \$4,635 be allocated from working funds to fund the increased Councillors fees.**

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**G B Snape**  
**DIRECTOR CORPORATE SERVICES**