

**Report to General Manager**

Attachments:

1. Proposed Classification Model
 2. Proposed Allocation
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SUBJECT: Local Government Remuneration Tribunal - 2020 Submission**AUTHOR:** Jenny Gleeson, Manager Integrated Planning and Special Projects**ENDORSED BY:** Ken Gouldthorp, General Manager**EXECUTIVE SUMMARY:**

Pursuant to s241 of the *Local Government Act 1993* (the Act), the NSW Local Government Remuneration Tribunal is required to make an annual determination, by no later than 1 May 2020, on the fees payable to Councillors and Mayors to take effect from 1 July 2020. The Tribunal must also determine the categories of councils and mayoral offices at least once every three years, per s239 of the Act.

In accordance with the Act and as foreshadowed in the 2019 Report and Determination, the Tribunal is undertaking a review of the categories as part of the 2020 review. The 2019 Report and Determination also advised that “the Tribunal intends to commence the 2020 annual review earlier than usual to ensure there is time to review the existing models and to examine alternatives”.

The Tribunal has since reviewed the existing model and proposes the creation of a new non-metropolitan category to be titled ‘Regional Centre’. Further, the Tribunal has stated it considers that changes to the categories and criteria applicable to metropolitan and county councils is not warranted at this time. Regardless of this intent, it is recommended that Council makes a submission in line with the reasoning provided in its 2019/20 submission. Submissions close on 20 December 2019.

FINANCIAL IMPLICATIONS:

The Council will be advised in due course the minimum and maximum fees payable to Councillors and Mayors effective from 1 July 2020.

RECOMMENDATION:

1. THAT Council makes a 2020/21 submission to the Local Government Remuneration Tribunal that it reclassified as ‘Metropolitan Medium’ in line with the reasoning provided in its 2019/20 submission.

LINK TO COMMUNITY STRATEGIC PLAN

The relationship with the Community Strategic Plan is as follows:

Direction: 5. Our Civic Leadership

Outcome: 5.1 Council leads the strategic direction of North Sydney

BACKGROUND

Pursuant to s241 of the Act, the Tribunal is required to make an annual determination, by no later than 1 May 2020, on the minimum and maximum fees payable to Councillors and Mayors to take effect from 1 July 2020.

In accordance with s242A of the Act, the Tribunal is required to apply the public sectors wages policy to the determination ranges of fees for Councillors and Mayors. This currently provides for a cap on increases of 2.5%. However, per s242A (3) and (4), the Tribunal can determine that council can be placed in another category with a higher range of Remuneration without reaching the Government's wage policy.

The Tribunal must also determine the categories of councils and mayoral offices at least once every three years, per s239 of the Act. The Tribunal last undertook a significant review of the categories and the allocation of councils into each of these categories in 2017. The 2017 review was promoted by the amalgamation of councils, resulting in 20 new councils and an overall reduction in the number of councils from 152 to 128. In reviewing the categories, the Tribunal examined a range of statistical and demographic data and considered the views of councils and LGNSW.

The Tribunal's 2017 categorisation models differentiates councils primarily based on their geographic location. Other factors for the purpose of categorisation include population, the sphere of the council's economic influence and the degree of regional servicing.

Council at its meeting held of 24 July 2017 resolved (Min. No. 260):

1. *THAT Council writes to the Minister for Local Government asking her to direct the Remuneration Tribunal to make a special determination reclassifying North Sydney Council as a major CBD, in the light of the State Government's own statements that North Sydney plays a key role in both the State's economy and cultural events.*
2. *THAT Council makes a submission to the Local Government Remuneration Tribunal for its 2018 annual review, requesting the reclassification of North Sydney Council as a major CBD.*
3. *THAT Council in its correspondence with the Local Government Remuneration Tribunal specifically states that if the reclassification is successful, Council is not seeking an increase in the stipend for Councillors and the Mayor.*
4. *THAT Council be kept informed of any correspondence from the Remuneration Tribunal and Minister for Local Government regarding our classification and any upcoming reviews for that classification.*

Council at its meeting held of 4 December 2017 resolved (Min. No. 477):

THAT Council endorses the attached submission to the Local Government Remuneration Tribunal.

CONSULTATION REQUIREMENTS

Community engagement is not required.

SUSTAINABILITY STATEMENT

The sustainability implications are of a minor nature and did not warrant a detailed assessment.

DETAIL

The Tribunal foreshadowed in its 2019 Report and Determination that a case may exist to revise some categories and their applicable criteria, in response to submissions suggesting alternate categorisation models; and that the Tribunal is of a preliminary view that a case may exist to revise the number of categories and their applicable criteria, particularly for regional and rural councils.

Submissions close 20 December 2019. The Tribunal invites submissions from individual councils addressing the proposed classification models and criteria, allocation in the proposed classification models and range of fees payable in the proposed classification model.

Attachments 1 details the proposed classification model criteria, including the titles for each category, with the only new category being Regional Centre, which if determined, will be between the ranges of fees currently paid to Regional Rural and Regional Strategic Centre. This proposed new category is not applicable to North Sydney Council. Attachment 2 details the proposed allocation of councils, with North Sydney Council continuing to be allocated as 'Metropolitan Small'.

Council's 2018/19 submission requested the Tribunal reconsider Council's classification from 'Metropolitan Small' to 'Metropolitan Large'. The Tribunal's determination found no case for re-categorisation.

Council's 2019/20 submission requested the Tribunal reconsider Council's classification from 'Metropolitan Small' to 'Metropolitan Medium'. The Tribunal's determination again found no case for re-categorisation.

As noted in the Executive Summary, while the Tribunal has stated it "considers that changes to the categories and criteria applicable to metropolitan councils is not warranted at this time", it is recommended that Council makes a submission in line with the reasoning provided in its 2019/20 submission, that it reclassified as 'Metropolitan Medium'. Given the short timeframe to prepare the submission, Council's previous submission will be updated, as required, and resubmitted by the deadline.

The submission will urge the Tribunal to reconsider its previous determinations, considering North Sydney Council largely meeting the Tribunal's 'Metropolitan Medium' criteria, aside from residential population, yet persons per hectare is higher than the councils categorised as medium and large as detailed in Figures 1 and 2; and highlight the fact that the Tribunal does not define population and hence combined residential and non-residential working population meets the 'medium' criteria, as detailed in Figure 3.

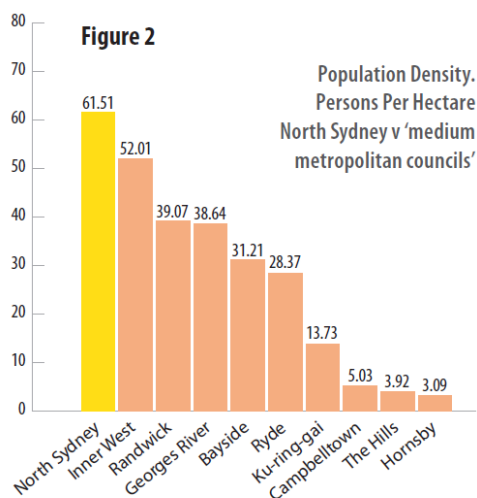
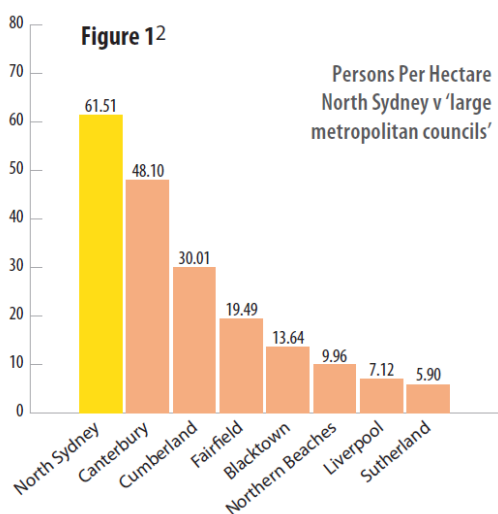


Figure 3:
Metropolitan Council Estimated Residential Population & Non-Resident Working Population/ERP growth 2011-2016

Category	Council	Estimated Residential Population 2016 ⁴	Total Non-Resident Working Population ⁵	Total Resident Population + Total Working Population	Residential Population Growth 2011-2016	Growth Ranking
Large	Canterbury-Bankstown	361862	94701	456563	7.16%	15
Large	Blacktown	348030	58903	406933	10.25%	8
Large	Northern Beaches	265468	88161	353629	5.19%	21
Large	Cumberland	225691	70586	296277	9.97%	9
Large	Sutherland Shire	226461	66373	292834	2.74%	27
Large	Liverpool	211983	67787	279770	11.27%	6
Large	Penrith	201597	68525	270122	8.44%	12
Large	Fairfield	205675	57034	262709	4.47%	24
Medium	Inner West	191194	42811	234005	5.70%	20
Medium	The Hills Shire	162975	38952	201927	9.32%	10
Medium	Ryde	121270	67872	189142	10.36%	7
Medium	Campbelltown	161566	24687	186253	6.43%	18
Medium	Georges River	153161	26761	179922	7.47%	14
Medium	Randwick	148922	27785	176707	7.47%	13
Medium	Hornsby	147385	22172	169557	2.79%	26
Medium	Ku-ring-gai	122472	16779	139251	6.42%	19
Small	North Sydney	71809	62112	133921	7.05%	16
Small	Willoughby	77888	49624	127512	8.67%	11
Medium	Bayside	102912	17551	120463	6.60%	17
Small	Canada Bay	92534	25454	117988	13.48%	2
Small	Camden	80264	11774	92038	27.19%	1
Small	Waverley	72013	16138	88151	4.60%	23
Small	Woollahra	57744	13760	71504	2.47%	28
Small	Strathfield	42415	19328	61743	12.20%	3
Small	Burwood	38536	14073	52609	11.31%	5
Small	Mosman	30260	5824	36084	3.00%	25
Small	Hunters Hill	14656	No Data	NA	5.18%	22
Small	Lane Cove	37694	No Data	NA	11.83%	4

Attachment 1

Local Government Remuneration Tribunal – 2020 Annual Review - Proposed Classification Model**Metropolitan Large**

Councils categorised as Metropolitan Large will typically have a minimum population of 200,000.

Other features may include:

- total operating revenue exceeding \$200M per annum
- the provision of significant regional services to greater Sydney including, but not limited to, major education, health, retail, sports, other recreation and cultural facilities
- significant industrial, commercial and residential centres and development corridors
- high population growth.

Councils categorised as Metropolitan Large will have a sphere of economic influence and provide regional services considered to be greater than those of other metropolitan councils.

Metropolitan Medium

Councils categorised as Metropolitan Medium will typically have a minimum population of 100,000.

Other features may include:

- total operating revenue exceeding \$100M per annum
- services to greater Sydney including, but not limited to, major education, health, retail, sports, other recreation and cultural facilities
- industrial, commercial and residential centres and development corridors
- high population growth.

The sphere of economic influence, the scale of council operations and the extent of regional servicing would be below that of Metropolitan Large councils.

Metropolitan Small

Councils categorised as Metropolitan Small will typically have a population less than 100,000.

Other features which distinguish them from other metropolitan councils include:

- total operating revenue less than \$150M per annum.

While these councils may include some of the facilities and characteristics of both Metropolitan Large and Metropolitan Medium councils the overall sphere of economic influence, the scale of council operations and the extent of regional servicing would be below that of Metropolitan Medium councils.

Local Government Remuneration Tribunal – 2020 Annual Review - Proposed Allocation of Councils
Proposed allocation of councils

Table 1: General Purpose Councils - Metropolitan

Principal CBD	Major CBD	Metropolitan Large	Metropolitan Medium	Metropolitan Small
Sydney	Parramatta	Blacktown	Bayside	Burwood
		Canterbury-Bankstown	Campbelltown	Camden
		Cumberland	Georges River	Canada Bay
		Fairfield	Hornsby	Hunters Hill
		Liverpool	Ku-ring-gai	Lane Cove
		Northern Beaches	Inner West	Mosman
		Penrith	Randwick	North Sydney
		Sutherland	Ryde	Strathfield
			The Hills	Waverley
				Willoughby
				Woollahra

Table 2: General Purpose Councils – Non-Metropolitan

Regional City	Regional Strategic Area	Regional Centre		Regional Rural
Newcastle	Central Coast	Albury	Mid-Coast	Bega
Wollongong	Lake Macquarie	Armidale	Orange	Broken Hill
		Ballina	Port Macquarie-Hastings	Byron
		Bathurst	Port Stephens	Eurobodalla
		Blue Mountains	Queanbeyan-Palerang	Goulburn Mulwaree
		Cessnock	Shellharbour	Griffith
		Clarence Valley	Shoalhaven	Kempsey
		Coffs Harbour	Tamworth	Kiama
		Dubbo	Tweed	Lithgow
		Hawkesbury	Wagga Wagga	Mid-Western
		Lismore	Wingecarribee	Richmond Valley Council
		Maitland	Wollondilly	Singleton
				Snowy Monaro

Rural			
Balranald	Cootamundra-Gundagai	Junee	Oberon
Bellingen	Cowra	Kyogle	Parkes
Berrigan	Dungog	Lachlan	Snowy Valleys
Bland	Edward River	Leeton	Temora
Blayney	Federation	Liverpool Plains	Tenterfield
Bogan	Forbes	Lockhart	Upper Hunter
Bourke	Gilgandra	Moree Plains	Upper Lachlan
Brewarrina	Glen Innes Severn	Murray River	Uralla
Cabonne	Greater Hume	Murrumbidgee	Walcha
Carrathool	Gunnedah	Muswellbrook	Walgett
Central Darling	Gwydir	Nambucca	Warren
Cobar	Hay	Narrabri	Warrumbungle
Coolamon	Hilltops	Narrandera	Weddin
Coonamble	Inverell	Narromine	Wentworth
			Yass

Table 3: County Councils

Water	Other
Central Tablelands	Castlereagh-Macquarie
Goldenfields Water	Central Murray
Riverina Water	Hawkesbury River
Rous	New England Tablelands
	Upper Hunter
	Upper Macquarie