



#E2019/85065
Your ref: A4374304
Contact: Vanessa Adams

5 December 2019

Ms Catherine Power
Local Government Remuneration Tribunal

Email: catherine.power@psc.nsw.gov.au

Dear Ms Power

Submission - Mayor and Councillors Fees Review and Categories Review

Thank you for your letter of 29 October 2019 inviting submissions from Councils regarding the above.

Byron Shire Council (Council) has considered the proposed categories and applicable criteria, and the allocation of Councils into each of those categories as outlined in Attachment 1 and Attachment 2 of your correspondence. In consultation with the Executive Team and Councillors, we wish to make a submission on the following matters as requested:

- Proposed classification model and criteria
- Allocation in the proposed classification model
- Range of fees payable in the proposed classification model

Council is supportive of the proposed classification model and criteria in principle, and requests some amendments to the criteria to more adequately recognise the impacts of visitor numbers and tourism on the community and the work of Councillors.

Council is seeking to be reclassified into the new Regional Centre category, on the basis of the criteria listed for this category and Council's demographic, service and economic profile. Council proposes that the range of fees payable to the proposed new category of Regional Centre should be a minimum of 75% of those paid to the Regional Strategic Centre on the basis that, apart from population size, these classifications share very similar criteria.

Lastly, Council strongly argues for the NSW Remuneration Tribunal to determine to increase the fees payable to Councillors and Mayors to the maximum currently available of 2.5%.

Please contact me on 02 6626 7000 or vadams@byron.nsw.gov.au if you require any further information.

Yours sincerely

Mark Arnold
General Manager

Enc. Submission



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THE BUNDJALUNG PEOPLE

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1. Proposed classification model and criteria

Council is supportive of the proposed classification model and criteria in principle, and strongly supports the addition of the new 'Regional Centre' category. In terms of the criteria, it is noted that the new 'Regional Centre' draft criteria appears to be quite specific by comparison to the categories, however, it does state 'other features may include' and thus, although specific, it is not prescriptive. So, provided there is some flexibility in assessing Councils against these criteria, Council is supportive of what is proposed.

Additionally, Council requests that explicit tourist numbers are included alongside the population numbers in the criteria, to recognise the unique impacts of tourism on the community and the work of Councillors. Council strongly argues that managing the impacts of significant tourism presents unique challenges for Byron Shire including planning, infrastructure and transport, social, and environmental issues. Whilst visitor numbers are reflected (in a general sense) in the criteria for some of the Non-Metropolitan categories, we don't believe it sufficiently highlights the significance of this issue. It is suggested, for example, that the criteria could read:

"...will typically have a minimum population of XX and/or visitor numbers in excess of XX per annum".

2. Allocation in the proposed classification model

Council does not support its allocation in the 'Regional Rural' category and is **seeking to be reclassified into the new 'Regional Centre' category** on the basis of the criteria proposed for this new category and Council's demographic, service and economic profile.

Sources of data and statistics presented in this submission include:

- <https://www.tra.gov.au/Regional/Local-Government-Area-Profiles/>
- <http://www.nieir.com.au/>
- <http://www.regionalaustralia.org.au/>
- The Australian Bureau of Statistics
- NSW Department of Planning and Environment

Criteria:

- **Councils categorised as Regional Centre will typically have a minimum population of 40,000**

Byron Shire Council has a population of 34,574 and visitor numbers in excess of 2.03M per annum. When averaged out on a weekly basis, Byron's visitor numbers effectively more than double the population each week to over 73,000 people. If the same methodology is applied, Byron's 'serviceable population' is greater than our neighbours Ballina Shire Council and Lismore City Council, which average out to approximately 59,000 and 57,000 respectively, and which are both proposed to be included in the Regional Centre category.

- **A large city or town providing a significant proportion of the region's housing and employment**

Byron Shire is made up of several urban areas with the largest town being Byron Bay, where 1234 businesses are located (25% of businesses in the Shire) thus providing a significant proportion of the Shire's employment. This is comparable to Ballina Shire Council which hosts 1072 (23%) of its businesses in the town of Ballina. At June 2018, there were 15,694 jobs located in Byron Shire, with accommodation and food services accounting for 14.6% of these, followed closely by healthcare and social assistance at 13%. In 2017/18, the total tourism and hospitality sales in Byron Shire was \$502.9m, the total value added was \$302.2m. This is equivalent to the total tourism and hospitality sales and value added in the city of Coffs Harbour, which has double the population.

- **Health services, tertiary education services and major regional airports which service the surrounding and wider regional community**

There are a total of 4,717 active and registered for GST businesses in Byron Shire, of which 370 are for Health Care and Social Assistance services, and 108 are Education and Training Services. The new Byron Central Hospital has been designed to provide integrated services for hospital patients and community health clients, and includes a 24 hour Accident & Emergency service. SAE Quantum Creative Media Institute offers Government accredited certificates, diplomas and bachelor degrees in animation, audio, film, games and web and mobile. The campus is situated in Byron Bay. While the Southern Cross University has its main campuses in Lismore, Coffs Harbour and the Gold Coast it also has a study centre located at the SAE's campus.

Although Byron Shire council does not service a major regional airport, it is located approximately 30 minutes from the Ballina/Byron Gateway Airport and 45 minutes to the Gold Coast Airport. The new terminal at the Ballina/Byron Gateway Airport has passenger numbers set to exceed over half a million per year and the renovated Gold Coast Airport, set to open in 2020, will increase passenger numbers from 6.6M per year to over 12M within twenty years. With many of these passengers planning to visit Byron Shire, the proximity of Byron Shire to these transport hubs is an important consideration.

- **A full range of higher-order services including business, office and retail uses with arts, culture, recreation and entertainment centres**

Byron Bay and its hinterland are internationally renowned for community, creativity and connection to place. In 2016 Regional Australia Institute (RAI) revealed that Byron Shire was the top creative hotspot outside of metro areas based on the percentage of professionals employed in creative industries, including coming number one in the music and performing arts category.

The Arts and the Industrial estate at North Byron is home to over 140 industrial premises with a range of commercial, retail and industrial uses. A myriad of local designers, craftsmen, galleries and showrooms all dedicated to showcasing the incredible amount of constructed beauty and artistic talent on offer in the Byron Bay area. Byron township is also home to several world-class art galleries that represent a myriad of both establishing and emerging visual artists. Byron Shire is also home to a significant number of large festivals and other events, which will be addressed in separate criteria. As already stated there are a total of 4,717 active businesses in Byron Shire providing a full range of services, and these are summarised below:

Industry	Number	%	New South Wales %
Agriculture, Forestry and Fishing	373	7.9	6.8
Mining	3	0.1	0.2
Manufacturing	189	4.0	3.4
Electricity, Gas, Water and Waste Services	9	0.2	0.3
Construction	644	13.7	16.0
Wholesale Trade	220	4.7	3.6
Retail Trade	429	9.1	5.7
Accommodation and Food Services	325	6.9	4.0
Transport, Postal and Warehousing	139	2.9	7.6
Information Media and Telecommunications	105	2.2	1.2
Financial and Insurance Services	273	5.8	9.1
Rental, Hiring and Real Estate Services	465	9.9	10.9
Professional, Scientific and Technical Services	562	11.9	13.1
Administrative and Support Services	198	4.2	4.1
Public Administration and Safety	6	0.1	0.4
Education and Training	108	2.3	1.4
Health Care and Social Assistance	370	7.8	5.9
Arts and Recreation Services	123	2.6	1.3
Other Services	138	2.9	4.0
Industry not classified	35	0.7	0.9
Total business	4,717	100.0	100.0

- **Total operating revenue exceeding \$100M per annum**

Council's total operating revenue has been greater than \$100M for the past 2 years: \$120.4M in 2017/18 and \$106.6M in 2018/19.

- **A degree of economic activity within the Council area characterised by a Gross State Product exceeding \$2B**

Byron Shire's Gross Regional Product (GSP) was \$1.74B in the year ending June 2018. Although not exceeding \$2B, this is equivalent to Ballina and Armidale's contribution to the state's GPS (0.3% each) noting also that both contributed less than \$2B at \$1.95B and \$1.49B, respectively. Both Ballina and Armidale are proposed to be included in the new Regional Centre category.

- **The highest rates of population growth in regional NSW**

The NSW Department of Planning and Environment (DPE) projects that the Byron Shire's resident population will increase by around 6,379 people, or 0.8%, over the twenty year period to 2036. This is greater than Clarence Valley (0.5%), Ballina (0.5%) and Shoalhaven (0.5%) which are all proposed to be included in the new Regional Centre category.

- **Significant visitor numbers to established tourism ventures and major events that attract state and national attention**

Byron Shire Council hosts 4 festivals with over 5,000 patrons and 10 festivals of 10,000 plus patrons each year. The festivals form a large part of visitor numbers to the region. In the 2018 calendar year, Byron Shire Council approved or supported 86 events over 170 event days and with over 372,000 attendees.

To put this in perspective, event attendees represent 1075% of Byron Shire's resident population.

This does not include events which occur in already approved venues or those events, weddings or filming that are not approved by Council or that Council has not been notified of. Events also provide a wide-range of jobs and other economic benefits to our small and medium sized enterprises. They are an important part of the cultural fabric of the Shire and the buoyancy of the local economy. In 2018 our 6 biggest events had an estimated economic impact of over \$100 million.

- **Proximity to Sydney which generates economic opportunities**

Byron Shire is a mere 1 hour and 20 minute flight to Sydney, from either Ballina/Byron Gateway Airport or Gold Coast Airport, offering passengers over 200 direct flights per week. This proximity to Sydney generates a range of economic opportunities in both tourism and employment, as it enables tourists to make an easy side-trip to sample Byron's national and international icon status.

- **Often considered the geographic centre of the region providing services to their immediate and wider catchment communities**

Byron Shire has a dynamic culture that is unique to the region and Australia and one that attracts new residents and visitors each year, certainly a tourist hub for the Northern Rivers, if not the East Coast of Australia. Tourism has a significant impact on a range of industries in the Shire, such as retailing, health facilities and spas, accommodation, restaurants and cafes, transportation and construction. Agriculture and related value-added and creative industries are also important areas of activity in the region.

3. Range of fees payable in the proposed classification model

NSW Councillors' and Mayors' remuneration and superannuation provisions are woefully inadequate. In October 2019, Council resolved to make an individual submission to convey the urgency and the seriousness of the issue to the Tribunal and is also making representations to NSW Government on these matters. While the required legislative reforms remain outstanding, Council strongly argues for the NSW Remuneration Tribunal to determine to increase the fees payable to Councillors and Mayors to the maximum currently available of 2.5%.

Comparison with other states and entities

LG NSW, local government's peak industry body, has been making representations year-on-year, on behalf of all NSW Councils to seek to address the inadequacy of the fees paid to Mayors and Councillors. In its submissions, LG NSW continues to draw the Tribunal's attention to comparisons with mayor and councillor fees in other States, with Members of Parliament and with boards of not-for-profit organisations and corporate entities.

Council agrees with LG NSW that, while different, the roles and responsibilities of NSW Councillors and Mayors are indeed comparable to these other types of role and that comparable remuneration should be available to NSW local government.

The roles of Councillors and Mayors continue to become increasingly complex, requiring more time and skill to effectively and efficiently manage both responsibilities and community expectations. Under the Office of Local Government *Councillor Induction and Professional Development Guidelines*, Councillors and Mayors are subject to mandatory professional development requirements, with public reporting requirements, that do not apply to Members of Parliament or boards of not-for-profit organisations, for example. The professional development requirements increase the amount of time that Councillors and Mayors have to commit to their roles.

In addition, Councillors and Mayors have a legal responsibility to make all reasonable effort to acquire and maintain the skill necessary to perform their roles (s232(1)(g) *Local Government Act*). In 2019, the Local Government Capability Framework was developed to explain, by reference to observable behaviours, the minimum standards of knowledge, skills, abilities and attributes required, including for elected representatives. It was designed, in part, to help support Councillors and Mayors to understand and meet their statutory obligations under s232(1)(g) of the Act. All effort dedicated by Councillors and Mayors to increasing their skills, knowledge and capabilities, takes time and that too is a key part of the role of Councillors and Mayors.

Comparison with the minimum wage

In addition, Council draws the Tribunal's attention to a comparison with the minimum wage, which starkly demonstrates the current inadequacies.

If we compare Byron Shire:

- Councillors, categorised as Regional Rural, being paid the maximum fee which includes superannuation;
- with a minimum wage employee, who receives superannuation and paid leave;

our Councillors would be required to commit to working less than 20 hrs per week.

This shows our Councillors are currently working for our communities for significantly less than the minimum wage, given they generally commit much more than 20 hours per week to their vast array of duties and they work outside hours, over weekends and on public holidays.

Comparison with social benefits

The maximum amount of fees for Byron Shire Councillors of \$20,280 pa is:

- less than the rate for a pension for a single person of \$24,268 pa; and
- just above the newstart allowance of \$14,534 pa.

The above demonstrates that Councillor and Mayoral fees are not reasonable or sustainable and if NSW local government is to attract and retain skilled, capable and accountable Councillors and Mayors, their positions have to be remunerated appropriately.

Superannuation Disadvantage

The lack of provision for compulsory payment of superannuation in addition to the Councillor and Mayoral fees only compounds the inadequacy of the remuneration.

The provisions of the Local Government Act that allow Councillors to salary sacrifice part of their fees into superannuation, thereby further reducing their fees, is not a reasonable answer to the current superannuation disadvantage.

The superannuation disadvantage is exacerbated for many women as, on average, women retire with 47% less superannuation than men and currently 40% of older single retired women either live in poverty or experience economic insecurity in retirement. If diversity, equality and representation in local government elected officials are to improve, consistent with the NSW Premier's priority of driving public sector equality, remuneration has to increase and superannuation needs to be made available.

Council will continue to lobby for statutory change to make payment of superannuation, in addition to fees, mandatory. In the meantime, Council requests that the significant superannuation disadvantage is yet another factor taking into account in supporting increasing 2020 fees by the 2.5% maximum currently available.

Regional Centre Fees

As for the new 'Regional Centre' category, Council suggests that the range of fees payable should reflect the complexity of the work undertaken by Councillors in these areas. Logically, it is expected that the fees will be between the range payable for the Regional Rural and Regional Strategic Area categories. Council strongly argues that, given the similarities in criteria for the Regional Strategic Area and new proposed Regional Centre, fees should be at the upper end of that range, suggesting a minimum of 75% of the fees for the Regional Strategic Area category.