

LOCAL GOVERNMENT (COUNCILLOR REMUNERATION REVIEW) PANEL

Instrument of Appointment and Terms of Reference (**revised**)

I **Richard Wynne MP**, Minister for Local Government, acting under section 220A of the *Local Government Act 1989*, appoint:

Joanne Anderson
Bruce Hartnett
Bruce Mildenhall
Liz Roadley (Chair)

to be a Local Government (Councillor Remuneration Review) Panel (the Panel) to advise on remuneration of Victoria's locally elected leaders through a review of current allowances and to provide advice and recommendations to me on allowances and guidelines on the appropriate reimbursement of expenses and provision of resources¹ support for the mayoral and councillor role.

The Panel will have regard to:

- a) the relevant provisions of the *Local Government Act 1989*;
- b) the statutory responsibilities of mayors and councillors and the community expectations of their roles as the basis for setting such remuneration and guidelines on reimbursement of expenses and provision of resources support;

and is to consider:

1. the adequacy of the quantum of current allowances, bearing in mind that mayoral and councillor allowances do not constitute a salary, and to ensure that they reflect a fair and reasonable opportunity cost to mayors and councillors undertaking the role and should not constitute a barrier to candidates nominating for election;
2. whether the existing three tier model for allowances based on classification of types of council is sufficiently robust to serve as an appropriate model going forward, and if not, whether the existing model should be adjusted, or what alternative model would meet this requirement;
3. an appropriate current amount or amounts and limits for allowances and whether an escalation factor is appropriate for the future, and if so, how that escalation factor should be administered;
4. what factors are likely to significantly affect the scope and quantum of allowances;

(¹ Excludes training. The Government is working with the peak bodies on a separate initiative to improve the quality of access to councillor training and development and to explore opportunities for access to accredited training.)

5. the impact of other legislation on allowances, particularly the “eligible local governing body” mechanism in s221B of the *Income Tax Assessment Act 1936* (Commonwealth) to provide a basis to consider councillor remuneration in the wider legislative context;
 6. appropriate reimbursement of expenses of office incurred by mayors and councillors;
 7. what guidelines for the Sector may be provided to encourage fair and reasonable reimbursement of expenses and provision of appropriate resources support for the mayoral and councillor roles;
 8. what, if any, legislative changes may be required to the *Local Government Act 1989* to give effect to supported recommendations regarding allowances, reimbursement of expenses and resources support;
 9. to the extent possible, clarify for the purpose of providing broad advice to local government, the application of income tax to mayoral and councillor allowances, reimbursement of expenses and resources support;
 10. the frequency at which any subsequent formal reviews of allowances, reimbursement of expenses and resources support should occur;
 11. any other matters considered relevant to the matter of councillor allowances, reimbursement of expenses and resources support;
- and
12. The Panel is also specifically empowered to hear and make recommendations during its term (or any extension thereof) on submissions from councils seeking a change of category under the existing allowances system.

Liz Roadley will be the Chairperson of the Panel. The remuneration, including travelling, accommodation and out of pocket expenses payable to each member of the Panel, shall be set in accordance with the *Guidelines for the Appointment and Remuneration of Part Time Non-Executive Directors of State Government Boards and Members of Statutory Bodies and Advisory Committees*.

The Panel is to report on items 1 to 11 to me by **25 January 2008** or such later date as I may approve.

Richard Wynne MP
Minister for Local Government

21 /November / 2007