



2022 Local Government Remuneration Tribunal Review

Penrith City Council Submission to the Local
Government Remuneration Tribunal

Introduction

Penrith City Council wishes to thank the Local Government Remuneration Tribunal (LGRT) for the opportunity to make a submission on its 2022 determination for remuneration for Councillors in respect of categorisation, fees and general matters.

It is our view that the unique attributes of Penrith City Council compared to other similar sized Councils, providing significant regional services to Greater Western Sydney including the Blue Mountains and Nepean districts and residents of the Central West of NSW. This unique position of Penrith City Council has only increased in recent years with Council taking a lead role in a number of significant city-shaping projects and initiatives such as the City Deal for Western Sydney, the Western Sydney Airport (WSA), the Western Sydney Priority Growth Area (WSPGA), the Penrith Health and Education Precinct (PHEP), the Greater Sydney Commission (GSC) District planning process, National Growth Areas Alliance (NGAA), Sydney Science Park, Defence Industries Precinct and South Creek Corridor.

Council has and is continuing to be integral in the development of the aerotropolis and gateways surrounding the new Western Sydney airport. The airport brings significant opportunities to the City but also comes with significant complex challenges for the community that Council must be invested in and lead the way to ensure sound outcomes.

These game changing projects and initiatives are expected to bring exponential growth and numerous opportunities for the City of Penrith; however, this increased investment, development and population growth will also bring challenges and a level of complexity that has not previously been faced by local governments.

Considering all these significant changes that are due to affect the Penrith area, we would submit that the current category be reclassified as Metropolitan Large – Growth Centre and that an increase in fees payable to the Mayor and Councillors within the Local Government Area should be increased by the full allowable 2.5%.

Fees

Council has done and continues to support the view asserted by LGNSW, that Councillor and Mayoral fees, generally, should increase based on several factors, including cost of living pressures, ongoing increase in workload and responsibilities and additional tasks relating to the implementation of the Government's reform process.

Furthermore, Penrith City Council has been proactively advocating for superannuation provisions for Councillors through previous submissions to the Tribunal. As a result of LGNSW and councils advocating for these changes, NSW Parliament recently passed legislation to introduce superannuation payments for Mayors and Councillors, which will come into effect from 1 July 2022.

Penrith City Council would further contend that there should be relativity between the role and remuneration of Councillors and Members of Parliament (MPs) and would suggest that the fees for Mayors and Councillors be determined as a percentage of MP's remuneration. We observe that a Councillor is only paid about 18% and a Mayor about only 70% (when paid the maximum fee available and including their Councillor fee) of what a private member is paid.

We would contend that the fees currently paid to the Councillors and Mayor are not reflective of the time associated and diligence required to perform their roles at a competent level, particularly when these Councillors are subject to the requirements of the *Local Government Act 1993*, *Model Code of Conduct*, *Model Code of Meeting Practice* and professional development responsibilities.

Considering these events, Council notes that the Tribunal must have regard to the Government's wages policy when determining the increase to apply to the minimum and maximum fees applicable to Councillors and Mayors. In the absence of any regulatory changes and government policy amendments this submission supports that the full allowable increase of 2.5% be passed on.

Mayoral Fee

With the increasing complexity of being a regional/metropolitan-large city, as well as a significant growth centre, the role of Mayor has inevitably become a role that requires a full-time commitment. The Mayor as the figure head and leader of the Council and community is involved in frequent high-level discussions on a weekly, if not daily basis that require interaction and a close relationship with all levels of government including Ministers and Members of Parliament. In these discussions decisions are made collectively in the best interests of the community, and while Council acknowledges that the Tribunal is limited by government policy in implementing a fee structure, we contend that this should be based on a percentage of MP's remuneration.

Further, under amendments to *section 226 of the Local Government Act 1993* the Mayor's role has significantly expanded, placing quite a significant range of additional responsibilities on him/her, such as, being the spokesperson, ensuring the timely development and promotion of strategic plans and policies, the provision of strategic direction and advice to the General Manager, as well as other functions under the Act. As a principal spokesperson of the Council, the Mayor is subjected to a degree of public scrutiny that other equivalent Company Directors in for profit and not for profit organisations are not subject to.

We would contend that in a general work environment should a person's job description be significantly expanded or responsibilities increased, an employee would expect to have their wages/position reclassified, because of such changes. With amendments to the *Local Government Act 1993* the expansion of the role has not been taken into consideration, when determining the Mayoral fee. We would submit that the Tribunal should consider the expanded role of the Mayor, when making their determination on fees. This methodology would not offend the government policy.

This would provide a true reflection of the full-time reality of being a Mayor of such a large growing city facing increasingly complex matters affecting the entire region.

Context – Penrith the Place

Penrith is currently classified as a Metropolitan – Large city. There are 36 suburbs in the Penrith Local Government Area, with a diverse population:

- 21.6% of people were born overseas
- 3.9% of the city identify as Aboriginal or Torres Strait Islanders
- 50.6% of Penrith's population is female
- The median age of residents is 34 years old and life expectancy is 82.6 years old
- 38.8% of dwellings are owned with a mortgage, 28.8% are rented, and 24.8% are owned outright.
- Population density is running at 4.98 people per hectare
- 75,097 jobs are located in the Penrith area (2016)
- The average household size is 2.9 people

By 2036, the population of the Penrith LGA is expected to reach 258,195, an increase of 56,791 from 2016, with an average annual increase of 1.2% per annum.

Categorisation of Councils

It is noted that the Remuneration Tribunal is required by *section 240* of the *Local Government Act 1993* to determine categories for Councils and mayoral offices according to certain criteria. Penrith City Council is currently classified as a Metropolitan Large. In previous years, Penrith has submitted the case for reclassification of our Council to a new category, that of a Metropolitan Large – Growth Centre. Council acknowledges that categories are not being reviewed until 2023 but would like to reiterate our position and contend that our claim to a new Metropolitan Large – Growth Centre category is enhanced through our leading role in the Western Sydney City Deal, further demonstrating the exponential growth that will occur in the Penrith Local Government Area.

Conclusion

Penrith is geographically well-positioned to service the North-West and South-West Growth Centres of Western Sydney, the WSPGA, as well as the Blue Mountains, Hawkesbury and Central West. The strategic importance of Penrith in the region has been recognised in the draft West District Plan prepared by the Greater Sydney Commission and the 3 Metropolis Cities report.

Penrith's standing as a Regional City/Metropolitan Large city with game-changing catalyst development means it is well positioned, but also that it will require an increased role for Council into the future. The City Deal offers Western Sydney the opportunity to create a region of the future leveraging off major catalysts. These developments provide opportunities for increased infrastructure, jobs and investment in Penrith.

Penrith's population is estimated to grow by another 60,000 over the next 20 years, and the larger Western Sydney catchment is expected to expand by more than 900,000 people by 2031. Over the same period Penrith's economic catchment is forecast to grow from 500,000 people to over 1 million.

Accordingly, Council has the responsibility to put in place policies and programs that transcend our traditional local government boundaries catering to the needs of the broader region. We must ensure that we attract and maintain the best leadership, as we enter this new era of growth, by the provision of commensurate fees for Mayor and Councillors.

Thank you for the opportunity to make this submission.

For any further information regarding this submission please do not hesitate to contact Adam Beggs, Governance Coordinator on 4732 7597.