

1.1 Allowances Paid to elected Members (file & TB)

City of South Perth Delegate to move:

MOTION

1. *That the Western Australian Local Government Association at the Annual General Meeting in August 2008 support a review of the allowances paid to elected members and that the Department of Local Government and Regional Development be urged to amend the relevant provisions of the Act.*

IN BRIEF

- <the in brief section should contain dot point information>.

MEMBER COMMENT

In support of this motion the following comments are made in relation to Councillors' allowances although the same principles apply for Mayoral/Deputy Mayoral allowances:

- When the "new" *Local Government Act* came into effect in July 1996 the maximum allowance payable to elected members was \$6 000 per annum. In the past 12 years this amount has only been reviewed on one occasion and the maximum amount now payable is \$7 000 per annum.
- Even if it was agreed that the base figure of \$6 000 was reasonable when set in 1996, the increase in the Consumer Price Index for the period July 1996 to June 2008 is approximately 37%, therefore resulting in a revised annual allowance in excess of \$8 200.

However, it is clear that the base allowance of \$6 000 was not realistic and even the CPI adjusted allowance of \$8 200 per annum does not represent anywhere near the value of the workload that councillors are required to perform in carrying out their duties. In this regard it is interesting to note that elected members can receive this sum (in some instances significantly more) by simply being elected to represent local government on numerous committees or boards such as:

Agriculture Protection Board	\$10 700
Coastal Planning Coordination Protection Council	\$8 100
LG Advisory Board	\$13 700
WA Health Promotion Council	\$8 000
WALG Grants Commission	\$20 800
WALG Insurance Board	\$16 424
WA Planning Commission	\$11 500
WA LG Superannuation Fund	\$15 000

- Clearly, the work and responsibilities of an elected member on any of these committees is not as demanding as representing a local government as an elected member, yet the amount of allowances paid exceeds the current value of Local Government elected member allowances paid.
- The amount payable to Western Australian elected members is also amongst the lowest in the country:
 - New South Wales - up to \$25 850
 - Victoria - \$18 000
 - Queensland - determined by each Council but is understood to be linked to the remuneration paid to State Members of Parliament.
 - Tasmania - up to \$12 000
- The low annual allowance paid does little to attract nominations from members of the community for the position of elected member. An opposite view to this is that a higher more realistic allowance will almost certainly attract a wider range of people with a diversity of backgrounds.
- In a recent Local Government Advisory Board report entitled *Local Government Structural and Electoral Reform in WA - Ensuring the Future Sustainability of Communities* dated April 2006 it was proposed that elected members remuneration should be determined by the Salaries and Allowances Tribunal and updated on an annual basis and this position is understood to be supported by WALGA.
- The proposition to increase elected members' allowances was also supported in the WALGA SSS study in conjunction with a reduction in the number of elected members.

Should motion 1. detailed above be supported at the Annual General Meeting, State Council at its meeting in October 2008 be requested to urgently support the motion and make a submission to the Minister for Local Government prior to 31 December 2008.

SECRETARIAT COMMENT

<Secretariat comment>

1.1 Rate Exemptions Charitable Bodies

Shire of Dardanup Delegate to move:

MOTION

"Rate Exemptions Charitable Bodies"

That the Western Australian Local Government Association lobby the State and Federal governments for Local Governments to be compensated for loss of revenue associated with the area of land used for independent living units on estates operated by registered charities and religious bodies, and that the compensation be an annual direct payment to the local governments on the production of an invoice to the State Revenue Department and Federal Treasury."

IN BRIEF

- Local Government to be compensated for loss of revenue as a result of rate exemptions on independent living units within retirement villages operated by organisations recognised as charitable bodies.

MEMBER COMMENT

Members are aware, property owners that are registered as a charity by the Australian Taxation Office are eligible to claim a rate exemption for their property under section 6.26 (2) (g) of the Local Government Act 1995.

The Shire of Dardanup has two properties that qualify for this exemption, as a result of an appeal against paying rates to the State Administrative Tribunal (SAT), the SAT upheld the appeal based on precedents set by the Uniting Church versus the City of Stirling, subsequently Council had to comply with the ruling.

During 2006 and 2007 this Council was a party to a lobbying effort by the WALGA to the Minister for Local Government to amend the Local Government Act to empower local governments to rate only the Independent Living Units (ILUs) within estates owned and operated by groups registered as charities.

Residents (owners/life time leaseholders) of ILUs continue to enjoy the quality of life as a land owner owning and living in a residential area of the shire, that is, they continue to be mobile, use the local government facilities such as footpaths, roads, libraries, parks and reserves, enjoy life as much as they did prior to entering their ILU. It is a widely held view that these residents are taking an unfair advantage of the law by not making a contribution to the provision of services by local government when they continue to enjoy the benefits of the services. (Readers should not misconstrue the officers or the elected members views toward helping the aged, widows, widowers the injured and the disabled, the Shire of Dardanup has a powerful testimony of making provision for all of the members of the community in the way of services and facilities by improving buildings, disability access and other services, including mobile library visits to homes and to the aged care facility. Council has a strongly held view and sound record for helping the disadvantaged, this report and the objective is about equity and fairness).

Council is on the record as not opposing the rate exemption status for the value of the property that is the Aged Person Hostel.

The Minister rejected the lobbying effort by this shire, WALGA and others, stating that the LGA did not preclude Local Governments from negotiating a contribution toward rates from the charities. What the Minister has not acknowledged is that negotiation requires cooperation from both parties, it is a voluntary process.

The Shire of Dardanup has foregone revenue of \$98,226 in 2006, which has grown to \$123,363pa, since that time. This represents 2.46% of 07/08 rate revenue. This figure will increase by a further \$177,000 when the second aged facility is constructed, representing another 3.5% of 07/08 rate revenue. These rate estimates are based on the rate equivalent for residential land of the same land area.

Council has provided the following services over the last 3 years as direct benefit to the residents of the aged facilities:-

- Visiting library service.
- Keep fit programs and social interaction at the Eaton Recreation Centre.
- Construction of new bus stop and dual use path on Eaton Drive.
- Construction of new dual use path on Edith Cowan Avenue.
- Reconstruction of dual use path access at the intersection of Glen Huon Boulevard and Eaton Drive.
- Construction of new dual use path on Eaton Drive from the village to the Shopping Centre on the South Side of Eaton Drive, due for completion this year.

(Note: This list does not include general services enjoyed by the community at large.)

Negotiations have commenced with the organisation on the payment of a contribution toward rates for the second facility, the organisation has refused to negotiate in relation to the existing facility. There is no guarantee that, a) negotiations will be successful and b) that the contribution will be ongoing.

The Shire of Dardanup seeks member support to have WALGA lobby the State and Federal government through the Minister for Local Government and the Treasurer, for local government to be compensated for the loss in revenue that is forgone when a body registered as a charity or religious body owns land and claims the rate exemption under Section 6.26 (2) (d) (e) and (g) of the Local Government Act 1995 as Amended.

Council believes that the presentation of this item for debate at the State Convention is timely given the current focus on local government sustainability and the obvious trend and need for more aged accommodation for our aging population.

1.1 SSS Report

Shire of Dardanup Delegate to move:

MOTION

1. *That the convention debate the suitability of the SSS Report; The Journey – Sustainability into the Future as a planning tool to drive structural reform of Local Government in Western Australia.*
2. *That members acknowledge the rights of individual Local Governments to determine their own future where they have the support of their electors to either remain in their present form, become involved in Regional Councils of their choosing for the provision of services of their choosing or merger with adjoining Local Governments.*
3. *That WALGA with or without the support of the State Government provide members with a comprehensive qualitative assessment of the post structural reform of other States in Australia identifying how the reforms have provided economic, environmental and social sustainability, measured against their pre reform sustainability. That is; are the Local Governments, the people and the environment demonstrably better off having gone through structural reform?"*

IN BRIEF

- Member Councils to vote on whether the SSS report is supported as the platform for the future of local government.

MEMBER COMMENT

The Journey – Sustainability into the Future (SSS) report has been adopted by the State Council of WALGA as local governments position for how local government will evolve into the future. This position has been adopted following resolution of State Council on the 11th August 2004:

That the resolutions from the 2004 Annual General Meeting of the Western Australian Local Government Association as follows be received and endorsed:

- *That the WA Local Government Association as a priority facilitate a forum focused on regional co-operation and structural reform processes to enhance the social, financial, environmental and economic development capacity of Local Government in Western Australia.*

As a result of this resolution WALGA, over the 4 years since, has guided the development of the draft SSS report that has been presented to the Minister for Local Government as the platform for the reform of local government in Western Australia.

Given the importance of the Draft SSS Report and that the convention is the best opportunity to have all Local Governments represented it is recommended that time be set aside at the AGM for debate about the Report.

The government, State and Federal run the risk of creating a situation where local governments may not approve re-zonings of their Town Planning Schemes to allow for development of aged persons accommodation. This will lead to a shortfall in facilities that would have to be considered by government to be a potential catastrophe, notwithstanding that the government has the power to take away local governments planning powers if they are not happy with decisions made.

Both tiers of government ought to be lobbied as the Federal Government is responsible for accommodation for the aged and provide funding for them and the Australian Taxation laws, and the State government is responsible for the Local Government Act.

It is important to note that such charitable bodies are not exempt from the State Government imposed Emergency Service Levy that is raised on behalf of the state by Local Governments.

This was highlighted in the inquiry by the Local Government Advisory Board into the operation of the provisions of the Local Government Act relating to rating of land used for charitable purposes in November 2005.

The matter of rate exemptions for charitable bodies goes directly to the question of financial sustainability. The state and federal government are aware of the impacts of cost shifting on local government yet choose to do nothing to increase local governments share of revenue, the states themselves cry foul and seek compensation when the federal government considers making a decision to reduce goods and services tax revenue to the states. This is nothing short of double standards and an issue that the Shire of Dardanup believes the Association can use to demonstrate the impacts that government decisions have on local government revenue.

SECRETARIAT COMMENT

<Secretariat comment>