



**Special Council Attachments  
Wednesday, 13 December 2015**

<b>REPORT NUMBER</b>	<b>REPORT TITLE AND ATTACHMENT DESCRIPTION</b>	<b>PAGE NUMBER(S)</b>
<b>7.1</b>	<b>Method of Recruitment for Chief Executive Officer</b> 1. Salary and Wages Tribunal – <i>Local Government Chief Executive Officers and Elected Members, June 2015</i> 2. <i>The Department of Local Government and Communities Operational Guideline, No 10</i>	1 – 62

**WESTERN AUSTRALIA**  
**SALARIES AND ALLOWANCES ACT 1975**  
**DETERMINATION OF THE**  
**SALARIES AND ALLOWANCES TRIBUNAL**  
**ON LOCAL GOVERNMENT CHIEF EXECUTIVE OFFICERS**  
**AND ELECTED MEMBERS**

**Pursuant to Section 7A and 7B**

**17 June 2015**

**PREAMBLE**

1. Section 7A of the *Salaries and Allowances Act 1975* ('the SA Act') requires the Salaries and Allowances Tribunal ('the Tribunal') at intervals of not more than 12 months, to "inquire into and determine, the amount of remuneration, or the minimum and maximum amounts of remuneration, to be paid or provided to chief executive officers of local governments".
2. Section 7B(2) of the SA Act requires the Tribunal, at intervals of not more than 12 months, to inquire into and determine -
  - the amount of fees, or the minimum and maximum amounts of fees, to be paid under the *Local Government Act 1995* ('the LG Act') to elected council members for attendance at meetings;
  - the amount of expenses, or the minimum and maximum amounts of expenses, to be reimbursed under the LG Act to elected council members; and
  - the amount of allowances, or the minimum and maximum amounts of allowances, to be paid under the LG Act to elected council members.

**CURRENT INQUIRY**

3. In discharging its statutory requirement with respect to the remuneration of local government CEOs and elected members, the Tribunal has:
  - advertised for public submissions;
  - invited local governments and regional local governments inviting them to raise any issues relevant to the remuneration paid to their CEO or to the determination of fees, expenses and allowances for elected council members;

- surveyed local governments and regional local governments as to the remuneration being paid to CEOs and regarding the fees, expenses and allowances paid to elected council members;
- considered relevant labour market and economic data; and
- sought advice from the Statutory Adviser, Jennifer Mathews, Director General, Department of Local Government and Communities (DLGC).

### SUBMISSIONS

4. An advertisement calling for public submissions to the Tribunal's inquiry appeared in *The West Australian* newspaper on 25 February 2015, with a closing date of 10 April 2015, and on the Tribunal's website at <http://www.sat.wa.gov.au/LatestNews/Pages/Default.aspx>.
5. On 4 March 2015, the Tribunal emailed local governments and regional local governments to invite submissions with a closing date of 10 April 2015.
6. Local governments were provided with a template submission form to ensure the Tribunal was able to capture data on a broad range of issues including:
  - major growth and development;
  - significant social and economic issues;
  - significant demand to service and support non-resident needs;
  - high impact environmental management issues and responsibilities;
  - greater diversity of services delivered than normally provided by similar sized local governments;
  - recruitment issues;
  - remuneration issues; and
  - other distinguishing features.
7. On 6 March 2015, the Tribunal wrote to the Western Australian Local Government Association (WALGA) and the Western Australian division of the Local Government Managers Australia (LGMA), inviting submissions to its inquiry by 10 April 2015.
8. A total of 18 submissions were received. A late submission from the Local Government Managers Australia was also received.
9. No submissions were received from members of the public.
10. Aside from those local governments who requested an increase in classification, matters raised in the submissions included that:
  - elected members in band 2 local governments were undertaking work and responsibilities at a similar level to band 1 local governments and that the fees provided to band 2 elected members should be set at approximately \$30,000;

- the Tribunal should determine that superannuation should be payable to elected members in roles of a 'full time nature' rather than leave it as a decision of the local government; and
- the difficulties associated with geographically large and remote local governments needs to be adequately recognised in the Tribunal's determinations.

11. The Tribunal considered all feedback received.

### QUESTIONNAIRE

12. On 21 April 2015, a questionnaire was provided to local government and regional local government CEOs through an online provider in order to obtain information relating to their Total Reward Packages (TRP)
13. On 23 April 2015, a second questionnaire was provided to obtain information relating to the fees, expenses and allowances paid to their elected council members.
14. Responses to the questionnaires were initially requested by 7 May 2015 but the submission period was extended until 15 May 2015. Late responses were accepted until 5 June 2015. In total, 131 responses were received from local governments and regional local governments for the CEO survey and 127 responses were received for the elected member survey.
15. The Murchison Regional Vermin Council was excused from responding as its CEO role is undertaken by the CEO of one of the member local governments, who does not receive additional remuneration.
16. The information provided assists the Tribunal to make informed decisions. Some questions were developed in response to requests from local governments. The Tribunal greatly appreciates the cooperation of local governments and regional local governments that responded to the questionnaire.
17. The 15 local governments that failed to respond to the CEO survey and 20 local governments that failed to respond to the elected member survey have been identified in the determination and will be contacted by the Tribunal.
18. The Tribunal reminds all non-respondents that it is the responsibility of the CEO to provide information requested as part of the inquiry process. Although the SA Act provides the Tribunal with the powers of a Royal Commission to subpoena information relevant to its inquiries, it prefers to work cooperatively with local governments and regional local governments.
19. Failure to provide information to future inquiries of the Tribunal may result in the Tribunal determining specific amounts, rather than minimum and maximum ranges.

## ASSISTANCE FROM STATUTORY ADVISOR

20. The Tribunal sought advice from Jennifer Mathews, Director General, DLGC, who was appointed by the Premier under section 10(4)(c) of the SA Act, to assist the Tribunal in its inquiries into to the remuneration of local government and regional local government CEOs.

## CONSIDERATIONS

21. In undertaking this determination, the Tribunal is mindful of the magnitude and complexity of the local government sector. There are 138 local governments and 10 regional local governments in WA, which in 2013-14 accounted for a total operating and capital expenditure of approximately \$4.88 billion. There are approximately 15,000 Full Time Equivalent (FTE) employees spread across geographic areas ranging from 1.5 square kilometres to 371,696 square kilometres.<sup>1</sup>
22. The Tribunal has taken into account sections 2.7 to 2.10 and 5.41 of the LG Act which outlines the roles and responsibilities of local governments, councillors, mayors, presidents and their deputies and the functions of local government CEOs.
23. The information received from individual local governments, CEOs and the Statutory Advisor continues to keep the Tribunal informed on developments across the sector.

## Local Government population, expenditure and staff levels

24. The Tribunal requested and received the following data from the DLGC:
- Population as at 30 June 2014 (ABS Catalogue 3218.0);
  - Total FTE employees 2013-14;
  - Operating expenditure 2013-14; and
  - Three year averaged capital expenditure (2011-12 to 2013-14).

## Labour market and economic data

25. The Tribunal considered relevant labour market and economic data, as well as the State Government's economic forecasts.
26. In the course of the inquiry, the Tribunal considered a number of serious economic issues evident in the Western Australian economy. In handing down the 2015 Budget, the Treasurer described the current economic situation as "the most challenging economic and fiscal environment the State has faced in at least the last three decades"<sup>2</sup>. General government revenue in 2015-16 is estimated to be \$1.6 billion or 5.8% lower than actual revenue in 2013-14.
27. The Tribunal has also noted:

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<sup>1</sup> Statistics provided by the Department of Local Government and Communities, May 2015.

<sup>2</sup> Treasurer's budget speech [http://static.ourstatebudget.wa.gov.au/15-16/2015-16-wa-state-budget\\_bp1.pdf?](http://static.ourstatebudget.wa.gov.au/15-16/2015-16-wa-state-budget_bp1.pdf?)

- the State's economic performance has been affected by the transition of resource projects from construction to production phase, along with substantial drop in commodity prices;
- declining business confidence reflected in employers reducing capital expenditure and employment levels;
- declining private sector investment in the economy;
- increasing unemployment and redundancies, which are predicted to rise further;
- a substantial decline in the state's economic performance, leaving WA behind most other States and Territories in terms of growth in State Final Demand;
- declining wages in the wider community; and
- low levels of inflation, which has meant that the cost of living for WA employees has not significantly changed compared to this time last year.

28. The challenging economic environment is apparent throughout the state. In arriving at its decision, among other factors, the Tribunal noted significant numbers of redundancies in the mining sector, pay freezes or pay cuts in the private sector, falling property values in the Pilbara and other areas, the public sector's workforce renewal policy and other efficiency measures, the predicted increase in the unemployment rate to 6.25% in 2015/16 which would be the highest level in over a decade.

### **Band allocation model**

29. The Tribunal continues to utilise the four band classification model adopted in its 2012 determination. The model provides for a range of factors to be taken into account including:
- major growth and development;
  - strategic planning, including risk management;
  - infrastructure development and asset management;
  - significant social/economic/environmental issues;
  - significant demand to service and support non-resident needs;
  - diversity of services;
  - community involvement and advocacy;
  - state or national negotiations;
  - operational and managerial requirements;
  - capacity to pay;
  - total expenditure;
  - population; and
  - FTEs.
30. The Tribunal considered all local governments and regional local governments placed near the top or bottom of a band with the potential to change bands, regardless of whether a submission was received. Particular attention was given to those local governments and regional local governments where expenditure, population and/or FTE figures had significantly increased over the 2013-14 financial year. This is based on the range of factors identified under the band allocation model and not just consideration of one or two indicators of growth in isolation. The Tribunal will continue to review the circumstance of

regional and remote local governments to ensure that the particular issues relevant to those local governments are accommodated with the band allocation model.

31. The Tribunal emphasises that there is significant room for growth within each band before an increase in classification is warranted. A request for an increase in classification will only be recognised where it is demonstrated that the local government or regional local government has experienced a substantial and sustained increase in work value.

### **Training for elected council members**

32. In response to issues raised by local governments themselves, the Tribunal has continued to evaluate the possibility of providing incentives for elected council members who participate in training programs. The Tribunal has noted advice from DLGC that pilot training programmes are being rolled out. While the Tribunal is generally amenable to providing incentives for elected members to undertake training that will develop the skills related to their core responsibilities, it has determined that it is not appropriate to provide incentives until the completion of the pilot program and the training for elected members is more generally available.
33. The Tribunal will monitor the situation and will consider attendance rates at programmes conducted in 2015-16.

### **Superannuation**

34. The Tribunal has re-examined the issue of superannuation following a submission to the inquiry. The Tribunal has re-affirmed its decision that there already is legislative provision for such arrangements to be made by local governments under the *Income Tax Assessment Act 1936 (Cwlth)*. In addition, the Tribunal found that there was an Australian Tax Office Interpretive Decision which allowed for council members and councils to agree for the whole or part of their attendance fees to be paid into a superannuation fund. Accordingly the Tribunal has left the decision on the superannuation of elected member attendance fees at the discretion of each local government. Further information on superannuation for elected members is contained in the explanatory notes of this determination.

### **CEO Questionnaire Results**

35. Eighty-nine per cent of local governments and regional local governments responded to the Tribunal's questionnaire regarding CEO remuneration packages. Although this response was slightly below the 93 per cent response rate from 2014, the Tribunal is confident in the data provided, although some information involved errors which may have arisen through data entry error or a misunderstanding of the components of remuneration..
36. Data obtained through the questionnaire indicated that approximately 86 per cent of local governments and regional local governments are remunerating their CEO within the TRP range provided for in the Tribunal's 2014 determination. Of these, 27 per cent of CEOs are being remunerated within the top 25 per cent of their band.

37. Seventeen local governments and regional local governments provided TRP figures which exceeded the maximum of their band as outlined in the Tribunal's 2014 determination. The majority of these TRPs were for CEOs classified as preserved for the purposes of clause 43 the LG Act (Transitional Provisions) and therefore outside the Tribunal's jurisdiction. However there were a few instances where local governments or regional local governments reported a TRP above the range determined by the Tribunal, while some of these may be due to data collection errors, the Tribunal strongly advises that it is local governments' own responsibility to ensure they comply with the Tribunal's determinations.
38. Local governments and regional local governments are further advised that if a preserved CEO ceases in the position and a temporary acting arrangement is undertaken, the person acting as CEO must receive remuneration within the TRP parameters determined by the Tribunal.
39. The Tribunal requests that local governments and regional local governments maintain a record of figures associated with relevant components of the TRP so that accurate information can be easily provided as part of the annual inquiry process. The typical components of a CEO's TRP are outlined in Schedule 1 (Part 1.3) of this determination. Factors which are relevant to a CEO's remuneration and may form part of the TRP are outlined in Schedules 2, 3 and 4. This includes any superannuation guarantee associated with the payment of a Regional/Isolation Allowance, and any associated FBT accrued from the provision of a motor vehicle or accommodation.

### **Elected Member Questionnaire results**

40. Approximately 86 per cent of local governments and regional local governments responded to the Tribunal's questionnaire regarding the fees, expenses and allowances paid to elected members. The Tribunal is reasonably confident in the data provided, although, as for data on CEOs, some responses contained errors.
41. In response to issues raised in 2012 by local government expressing a desire to ensure the representation of the local government reflected the demography of their communities, the questionnaire requested information regarding the gender and age of elected council members. A total of 1024 elected members were reported, comprising 701 males and 232 females. The majority of elected council members (51 per cent) were reported as being aged between 45 and 64 with a further 24 per cent being aged above 64 years. With only 4.3 per cent were reported as being aged between 18 and 34.
42. The survey has indicated that an increasing number of councils are electing to provide an annual attendance fee rather than a fee per meeting. All band 1 and band 2 respondents reported that their elected council members claimed an annual attendance. In band 3, 28 of the 31 respondents claimed an annual attendance fee. While the number of band 4 elected council members who claimed an annual attendance fee was 18 out of 52. Five regional local governments out of the seven that responded claimed an annual attendance fee.
43. With respect to the additional allowance for mayors/presidents, the survey indicated only 3 local governments and 2 regional local governments did not provide an annual allowance for their Mayors, Presidents or Chairpersons.



## **CEO Regional/Isolation Allowance**

44. The Regional/Isolation Allowance is available to all local governments listed under Part 3 of the CEO determination. The allowance is discretionary and local governments have the flexibility to determine an appropriate payment not exceeding the maximum annual figure stated.
45. Forty-four out of 50 local governments currently eligible to access the Regional/Isolation Allowance responded to the Tribunal's questionnaire. Of these, 18 provided information indicating that they were paying their CEO some form of Regional/Isolation Allowance. Seven CEOs reported receiving the maximum annual allowance. The total amount of Regional/Isolation Allowance paid ranged from \$10,000 to \$62,475.
46. The Tribunal reminds eligible local governments that although the Regional/Isolation Allowance is additional to the TRP, it is to be paid as salary and may attract the superannuation guarantee. As the superannuation guarantee forms part of a CEO's TRP, caution should be taken to ensure that provision of this allowance does not result in the maximum of the awarded TRP range being exceeded.

## **Annual review process and provision of data to the Tribunal**

47. The Tribunal will continue to request information annually regarding the amounts of fees, expenses and allowances paid to local governments and regional local government elected council members and remuneration provided to CEOs.
48. The Tribunal appreciates the feedback received regarding improvements to the questionnaire process and will look to implement these changes for the 2016 inquiry
49. Local governments and regional local governments are advised to record all figures for each elected member and CEO relevant to each section of the determination, including reimbursement figures relating to the 2014-15 financial year, as this information will be requested as part of the Tribunal's 2016 inquiry.

## **CONCLUSIONS**

50. In light of the serious economic issues evident in the Western Australian economy, the circumstances demand a degree of caution in any decision of the Tribunal. The Tribunal has determined there will be no increase at this time in the remuneration, fees, expenses or allowance ranges provided for CEOs or elected members.
51. The Tribunal notes that a majority of local governments retain the capacity to provide an increase within the current band parameters. Each local government must satisfy itself that there is sound justification to award their CEO an increase within their allotted band in the current economic climate.
52. The Tribunal has considered all local governments considered to have potential to change classification by being upgraded or downgraded. In reviewing the classification framework, band allocation model and all other relevant information, the Tribunal has upgraded the

City of Belmont from Band 2 to Band 1. The Tribunal considered a range of factors including the City's involvement in major infrastructure projects including Gateway WA and the airport rail link, increased levels of work value, growth and responsibility outlined in their submission and in data collected by the Tribunal. While the Tribunal acknowledges that other local governments have experienced differing levels of growth and increased complexity, it was considered that this growth can be accommodated within their existing band classification.

53. The Tribunal has changed the travel reimbursement rates for elected members from the *Public Service Award 1992* to the *Local Government Officers' (Western Australia) Interim Award 2011*.
54. The Tribunal has made no further changes to its determination.
55. Before renewing the contract of a preserved CEO, local governments and regional local governments are required under clause 43(4) of the LG Act to consider the Tribunal's determination regarding the remuneration paid to CEOs of comparable local governments.
56. The Tribunal reinforces its preference for the reimbursement of actual expenses wherever possible and, accordingly, has maintained the annual allowances for information and communication technology (ICT) and travel and accommodation provided for in the 2013 determination. Although these annual allowances are to be paid in lieu of reimbursement of such expenses, the Tribunal maintains the fundamental principle that elected council members should not be out of pocket for expenses properly incurred in the fulfilment of their duties and that any expense incurred beyond the annual allowance amount received should continue to be reimbursed in accordance with the LG Regulations.
57. Nothing in this determination shall be interpreted and/or applied in such a manner as to circumvent the intention of the Tribunal to ensure transparency and accountability in the remuneration of Local Government CEOs and the provision of fees, expenses and allowances to elected members.
58. Information on the remuneration of CEOs and elected council members is available to the public under section 5.94 of the LG Act or through the minutes of council meetings.
59. In conclusion, the Tribunal would like to acknowledge those who assisted with this inquiry. Information provided enabled the Tribunal to appreciate the issues impacting various local governments and the sector generally, and also gain feedback regarding the effectiveness of its determinations.

This determination will now issue.

Signed this 17th day of June 2015.

W S Coleman AM

CHAIRMAN

C A Broadbent

MEMBER

B J Moore

MEMBER

SALARIES AND ALLOWANCES TRIBUNAL

**DETERMINATION FOR LOCAL GOVERNMENT CHIEF EXECUTIVE OFFICERS  
PURSUANT TO SECTION 7A OF THE  
*SALARIES AND ALLOWANCES ACT 1975***

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## PART 1: INTRODUCTORY MATTERS

*This Part deals with some matters that are relevant to the determination generally.*

### 1.1 Short title

This determination may be cited as the *Local Government Chief Executive Officers Determination No. 1 of 2015*.

### 1.2 Commencement

This determination comes into operation on 1 July 2015.

### 1.3 Content and intent

- (1) The remuneration listed in this determination comprises all remuneration as defined under the *Salaries and Allowances Act 1975* as including salary, allowances, fees, emoluments and benefits.
- (2) The determination applies to
  - a. Chief Executive Officers; and
  - b. Acting Chief Executive Officers.
- (3) The remuneration specified in this determination is based on a person being appointed to one Local Government CEO position only. In the case of a person being appointed to undertake the duties of more than one CEO position simultaneously, the relevant Local Governments must seek a determination from the Tribunal for the multiple CEO positions held by that person.
- (4) If a Local Government undergoes an amalgamation or a rezoning of Local Government boundaries, the Local Government is required to seek a new determination from the Tribunal.

### 1.4 Pro rata payments

The amount of a person's entitlement to remuneration specified in this determination shall be apportioned on a pro rata basis according to the portion of a year that the person holds office.

### 1.5 Local government band allocations

Unless the contrary intention appears, local governments are allocated in this determination to the bands set out in Part 2 of this determination.

## PART 2: TOTAL REWARD PACKAGE

*This Part deals with the remuneration payable to Chief Executive Officers.*

### 2.1 GENERAL

- (1) Offices listed in this Part have been assigned by the Tribunal to one of four classifications designated Band 1 to Band 4.
- (2) Each classification (Band 1 to Band 4) has a commensurate Total Reward Package (TRP) range.
- (3) Typical components of a TRP include:
  - a. Base salary;
  - b. Annual leave loading;
  - c. Associated FBT accrued (total annual amount of fringe benefits tax paid by the Local Government for all fringe benefits provided to a CEO);
  - d. Association membership fees;
  - e. Attraction/retention allowance, not being provided under Schedule 2;
  - f. Personal benefit value of the provision of a motor vehicle for private use (if applicable) as defined under Schedule 4 of this determination;
  - g. Cash bonus and performance incentives;
  - h. Cash in lieu of a motor vehicle;
  - i. Fitness club fees;
  - j. Grooming/clothing allowance;
  - k. Health insurance;
  - l. School fees and/or child's uniform;
  - m. Superannuation (all mandatory and non-mandatory employer superannuation contributions);
  - n. Travel or any other benefit taken in lieu of salary;
  - o. Travel for spouse or any other member of family;

- p. Unrestricted entertainment allowance;
- q. Utilities allowance (any water, power or other utility subsidy provided to the CEO); and
- r. Any other form of payment, in cash or not, in consideration of a reward or benefit of the CEOs duties.

(4) The only exclusions from the TRP are:

- a. The items listed in Parts 3, 4 and 5 of this determination (however, any superannuation guarantee associated with the payment of a Regional/Isolation Allowance and any associated FBT accrued from the provision of a motor vehicle or accommodation are to be included as part of the TRP);
- b. Employer obligations such as professional development (restricted to the CEO), reimbursement for genuine work expenses or the cost of recruitment and relocation expenses; and
- c. Those items that are considered to be a tool of trade by the Local Government (i.e. the equipment needed to undertake the duties of a CEO) and which are not a direct or indirect reward or benefit for the performance of duties as a CEO.

**2.2 LOCAL GOVERNMENT CLASSIFICATION**

(1) The ranges of TRP in Table 1 apply where a local government or regional local government has been classified into the relevant band.

**Table 1: Local Government band classification – Total Reward Package range**

<b>Band</b>	<b>Total Reward Package</b>	<b>Number of Local Governments or Regional Local Governments</b>
<b>1</b>	\$244,232 - \$370,220	20
<b>2</b>	\$201,433 - \$311,907	24
<b>3</b>	\$154,045 - \$252,917	37
<b>4</b>	\$125,079 - \$195,280	65

(2) Local Governments have been classified in Table 2 below.

**Table 2: Local Government band classification**

Local Government	Band	Total Reward Package
Albany City	2	\$201,433 - \$311,907
Armadale City	1	\$244,232 - \$370,220
Ashburton Shire	2	\$201,433 - \$311,907
Augusta-Margaret River Shire	2	\$201,433 - \$311,907
Bassendean Town	3	\$154,045 - \$252,917
Bayswater City	1	\$244,232 - \$370,220
Belmont City	1	\$244,232 - \$370,220
Beverley Shire	4	\$125,079 - \$195,280
Boddington Shire	4	\$125,079 - \$195,280
Boyup Brook Shire	4	\$125,079 - \$195,280
Bridgetown-Greenbushes Shire	3	\$154,045 - \$252,917
Brookton Shire	4	\$125,079 - \$195,280
Broome Shire	2	\$201,433 - \$311,907
Broomehill-Tambellup Shire	4	\$125,079 - \$195,280
Bruce Rock Shire	4	\$125,079 - \$195,280
Bunbury City	2	\$201,433 - \$311,907
Busselton City	2	\$201,433 - \$311,907
Cambridge Town	2	\$201,433 - \$311,907
Canning City	1	\$244,232 - \$370,220
Capel Shire	3	\$154,045 - \$252,917
Carnamah Shire	4	\$125,079 - \$195,280
Carnarvon Shire	2	\$201,433 - \$311,907
Chapman Valley Shire	4	\$125,079 - \$195,280
Chittering Shire	3	\$154,045 - \$252,917
Claremont Town	3	\$154,045 - \$252,917
Cockburn City	1	\$244,232 - \$370,220
Collie Shire	3	\$154,045 - \$252,917
Coolgardie Shire	3	\$154,045 - \$252,917
Coorow Shire	4	\$125,079 - \$195,280
Corrigin Shire	4	\$125,079 - \$195,280
Cottesloe Town	3	\$154,045 - \$252,917
Cranbrook Shire	4	\$125,079 - \$195,280
Cuballing Shire	4	\$125,079 - \$195,280
Cue Shire	4	\$125,079 - \$195,280



## Item 7.1 - Attachment 1

Local Government	Band	Total Reward Package
Cunderdin Shire	4	\$125,079 - \$195,280
Dalwallinu Shire	4	\$125,079 - \$195,280
Dandaragan Shire	3	\$154,045 - \$252,917
Dardanup Shire	3	\$154,045 - \$252,917
Denmark Shire	3	\$154,045 - \$252,917
Derby-West Kimberley Shire	2	\$201,433 - \$311,907
Donnybrook Balingup Shire	3	\$154,045 - \$252,917
Dowerin Shire	4	\$125,079 - \$195,280
Dumbleyung Shire	4	\$125,079 - \$195,280
Dundas Shire	4	\$125,079 - \$195,280
East Fremantle Town	3	\$154,045 - \$252,917
East Pilbara Shire	2	\$201,433 - \$311,907
Esperance Shire	2	\$201,433 - \$311,907
Exmouth Shire	3	\$154,045 - \$252,917
Fremantle City	1	\$244,232 - \$370,220
Gingin Shire	3	\$154,045 - \$252,917
Gnowangerup Shire	4	\$125,079 - \$195,280
Goomalling Shire	4	\$125,079 - \$195,280
Gosnells City	1	\$244,232 - \$370,220
Greater Geraldton City	1	\$244,232 - \$370,220
Halls Creek Shire	3	\$154,045 - \$252,917
Harvey Shire	2	\$201,433 - \$311,907
Irwin Shire	3	\$154,045 - \$252,917
Jerramungup Shire	4	\$125,079 - \$195,280
Joondalup City	1	\$244,232 - \$370,220
Kalamunda Shire	2	\$201,433 - \$311,907
Kalgoorlie-Boulder City	1	\$244,232 - \$370,220
Katanning Shire	3	\$154,045 - \$252,917
Kellerberrin Shire	4	\$125,079 - \$195,280
Kent Shire	4	\$125,079 - \$195,280
Kojonup Shire	3	\$154,045 - \$252,917
Kondinin Shire	4	\$125,079 - \$195,280
Koorda Shire	4	\$125,079 - \$195,280
Kulin Shire	4	\$125,079 - \$195,280
Kwinana City	1	\$244,232 - \$370,220
Lake Grace Shire	4	\$125,079 - \$195,280
Laverton Shire	3	\$154,045 - \$252,917
Leonora Shire	3	\$154,045 - \$252,917

## Item 7.1 - Attachment 1

Local Government	Band	Total Reward Package
Mandurah City	1	\$244,232 - \$370,220
Manjimup Shire	3	\$154,045 - \$252,917
Meekatharra Shire	3	\$154,045 - \$252,917
Melville City	1	\$244,232 - \$370,220
Menzies Shire	4	\$125,079 - \$195,280
Merredin Shire	3	\$154,045 - \$252,917
Mingenew Shire	4	\$125,079 - \$195,280
Moora Shire	3	\$154,045 - \$252,917
Morawa Shire	4	\$125,079 - \$195,280
Mosman Park Town	3	\$154,045 - \$252,917
Mount Magnet Shire	4	\$125,079 - \$195,280
Mount Marshall Shire	4	\$125,079 - \$195,280
Mukinbudin Shire	4	\$125,079 - \$195,280
Mundaring Shire	2	\$201,433 - \$311,907
Murchison Shire	4	\$125,079 - \$195,280
Murray Shire	3	\$154,045 - \$252,917
Nannup Shire	4	\$125,079 - \$195,280
Narembeen Shire	4	\$125,079 - \$195,280
Narrogin Shire	4	\$125,079 - \$195,280
Narrogin Town	3	\$154,045 - \$252,917
Nedlands City	2	\$201,433 - \$311,907
Ngaanyatjarraku Shire	4	\$125,079 - \$195,280
Northam Shire	2	\$201,433 - \$311,907
Northampton Shire	4	\$125,079 - \$195,280
Nungarin Shire	4	\$125,079 - \$195,280
Peppermint Grove Shire	4	\$125,079 - \$195,280
Perenjori Shire	4	\$125,079 - \$195,280
Perth City	1	\$244,232 - \$370,220
Pingelly Shire	4	\$125,079 - \$195,280
Plantagenet Shire	3	\$154,045 - \$252,917
Port Hedland Town	1	\$244,232 - \$370,220
Quairading Shire	4	\$125,079 - \$195,280
Ravensthorpe Shire	3	\$154,045 - \$252,917
Rockingham City	1	\$244,232 - \$370,220
Roebourne Shire	1	\$244,232 - \$370,220
Sandstone Shire	4	\$125,079 - \$195,280
Serpentine-Jarrahdale Shire	3	\$154,045 - \$252,917
Shark Bay Shire	4	\$125,079 - \$195,280

Local Government	Band	Total Reward Package
South Perth City	2	\$201,433 - \$311,907
Stirling City	1	\$244,232 - \$370,220
Subiaco City	2	\$201,433 - \$311,907
Swan City	1	\$244,232 - \$370,220
Tammin Shire	4	\$125,079 - \$195,280
Three Springs Shire	4	\$125,079 - \$195,280
Toodyay Shire	3	\$154,045 - \$252,917
Trayning Shire	4	\$125,079 - \$195,280
Upper Gascoyne Shire	4	\$125,079 - \$195,280
Victoria Park Town	2	\$201,433 - \$311,907
Victoria Plains Shire	4	\$125,079 - \$195,280
Vincent Town	2	\$201,433 - \$311,907
Wagin Shire	4	\$125,079 - \$195,280
Wandering Shire	4	\$125,079 - \$195,280
Wanneroo City	1	\$244,232 - \$370,220
Waroon Shire	3	\$154,045 - \$252,917
West Arthur Shire	4	\$125,079 - \$195,280
Westonia Shire	4	\$125,079 - \$195,280
Wickepin Shire	4	\$125,079 - \$195,280
Williams Shire	4	\$125,079 - \$195,280
Wiluna Shire	4	\$125,079 - \$195,280
Wongan Ballidu Shire	4	\$125,079 - \$195,280
Woodanilling Shire	4	\$125,079 - \$195,280
Wyalkatchem Shire	4	\$125,079 - \$195,280
Wyndham-East Kimberley Shire	2	\$201,433 - \$311,907
Yalgoo Shire	4	\$125,079 - \$195,280
Yilgarn Shire	3	\$154,045 - \$252,917
York Shire	3	\$154,045 - \$252,917

(3) Regional Local Governments have been classified in Table 3 below.

**Table 3: Regional Local Government band classification**

Regional Local Government	Band	Total Reward Package Per Annum
Bunbury-Harvey Regional Council	4	\$125,079 - \$195,280
Eastern Metropolitan Regional Council	2	\$201,433 - \$311,907
Mindarie Regional Council	3	\$154,045 - \$252,917

<b>Regional Local Government</b>	<b>Band</b>	<b>Total Reward Package Per Annum</b>
Murchison Regional Vermin Council	-	-
Pilbara Regional Council	4	\$125,079 - \$195,280
Rivers Regional Council	3	\$154,045 - \$252,917
Southern Metropolitan Regional Council	2	\$201,433 - \$311,907
Tamala Park Regional Council	2	\$201,433 - \$311,907
Western Metropolitan Regional Council	4	\$125,079 - \$195,280

- (4) The Murchison Regional Vermin Council is not awarded a band classification as the CEO position is undertaken by the CEO of one of the member Local Governments who does not receive additional remuneration for this purpose.

**PART 3: REGIONAL/ISOLATION ALLOWANCE**

*This Part deals with the Regional/Isolation Allowance that may payable to Chief Executive Officers from Local Governments identified in this Part.*

**3.1 GENERAL**

- (1) Local Governments listed under Table 4 in this Part have access to an amount additional to the Total Reward Package for CEO remuneration in recognition of the regional and isolation factors which may affect the attraction and retention of the CEOs of those Local Governments.
- (2) Local Governments are not required to pay all or any of this amount and the payment of this allowance is at the discretion of the Local Government, albeit within the parameters set by the Tribunal
- (3) When a Local Government chooses to use all or any of this allowance, the payment of the allowance should be properly justified and applied in a transparent manner.
- (4) When a Local Government chooses to pay all or any of this allowance, it is to be paid to the CEO as salary.

**3.2 REGIONAL/ISOLATION ALLOWANCE**

- (1) Local Governments eligible to for the Regional/Isolation Allowance have been classified below in Table 4.

**Table 4: Regional/Isolation Allowance**

Local Government	Maximum Regional/Isolation Allowance Per Annum
Ashburton Shire	\$55,000
Broome Shire	\$35,000
Carnamah Shire	\$30,000
Carnarvon Shire	\$30,000
Chapman Valley Shire	\$30,000
Coolgardie Shire	\$30,000
Coorow Shire	\$30,000
Cue Shire	\$40,000
Derby-West Kimberley Shire	\$45,000
Dundas Shire	\$30,000
East Pilbara Shire	\$55,000
Esperance Shire	\$25,000
Exmouth Shire	\$35,000

<b>Local Government</b>	<b>Maximum Regional/Isolation Allowance Per Annum</b>
Geraldton-Greenough City	\$25,000
Halls Creek Shire	\$65,000
Irwin Shire	\$30,000
Jerramungup Shire	\$25,000
Kalgoorlie-Boulder City	\$30,000
Kent Shire	\$10,000
Kondinin Shire	\$10,000
Kulin Shire	\$10,000
Lake Grace Shire	\$10,000
Laverton Shire	\$40,000
Leonora Shire	\$40,000
Meekatharra Shire	\$40,000
Menzies Shire	\$30,000
Merredin Shire	\$10,000
Mingenew Shire	\$30,000
Morawa Shire	\$30,000
Mount Magnet Shire	\$30,000
Mount Marshall	\$10,000
Mukinbudin Shire	\$25,000
Murchison Shire	\$30,000
Narembeen Shire	\$10,000
Ngaanyatjarraku Shire	\$40,000
Northampton Shire	\$30,000
Nungarin Shire	\$10,000
Perenjori Shire	\$30,000
Port Hedland Town	\$70,000
Ravensthorpe Shire	\$30,000
Roebourne Shire	\$70,000
Sandstone Shire	\$30,000
Shark Bay Shire	\$35,000
Three Springs Shire	\$30,000
Upper Gascoyne Shire	\$35,000
Westonia Shire	\$25,000
Wiluna Shire	\$40,000
Wyndham-East Kimberley Shire	\$45,000
Yalgoo Shire	\$30,000
Yilgarn Shire	\$25,000

## PART 4: HOUSING ALLOWANCE

*This Part deals with the Housing Allowance that may be payable to Chief Executive Officers.*

### 4.1 GENERAL

- (1) In recognition of the need for Local Governments to provide accommodation as a result of a lack of suitable housing or recruitment issues, on either a permanent or temporary basis, Local Governments are able to utilise this allowance as required.
- (2) When a Local Government chooses to utilise this allowance, the payment of the allowance should be properly justified and applied in a transparent manner.
- (3) Any accommodation provided under this Part must be located within or adjacent to the Local Government Area within which the CEO is employed.
- (4) Local Governments should tailor the provision of any housing allowance to suit their particular circumstances. This may include the CEO making contributions towards the cost of the accommodation.

### 4.2 APPLICABLE HOUSING ALLOWANCE

- (1) Where a Local Government owns a property and provides that property to the CEO for accommodation, the value of this accommodation will not be included in the Total Reward Package.
- (2) For reporting purposes, the value of the Local Government owned property shall be valued at the annual Gross Rental Value of the property as determined by the Valuer General.
- (3) Where a Local Government leases accommodation for the use of the CEO, the lease costs will not be included in the Total Reward Package.
- (4) For reporting purposes, the value of the Local Government leased property shall be the annual actual costs of the accommodation lease.

## PART 5: MOTOR VEHICLE

*This Part deals with the provision of motor vehicles to Chief Executive Officers.*

### 5.1 GENERAL

- (1) For Local Governments listed in Table 4 under Part 3 of this determination, any motor vehicle provided to the CEO by the Local Government is to be considered a tool of trade (i.e. a tool needed to undertake the duties of a CEO in these Local Governments). Any private benefit of the vehicle will not be considered as part of the Total Reward Package.
- (2) For Local Governments not listed in Table 4 under Part 3 of this determination, the private benefit value of any motor vehicle provided to the CEO by the Local Government is to be included in the Total Reward Package.

### 5.2 PRIVATE BENEFIT VALUE

- (1) The private benefit value of the motor vehicle will be dependent on the type of motor vehicle provided, method of ownership (i.e. Local Government owned or leased), maintenance and running costs, insurance, any applicable luxury car tax and the amount of private use of the vehicle (i.e. non-business use).
- (2) As a general rule, the private benefit value would be based upon the annual costs multiplied by the percentage of private use.
- (3) Local Governments and CEOs will need to come to an agreement on the most appropriate way to record the amount of private use in order to calculate the private benefit value.



Signed this 17th day of June 2015.

W S Coleman AM  
CHAIRMAN

C A Broadbent  
MEMBER

B J Moore  
MEMBER

SALARIES AND ALLOWANCES TRIBUNAL

**SCHEDULE 1: LOCAL GOVERNMENT NON-RESPONDENTS**

- Bayswater City
- Carnarvon Shire
- Manjimup Shire
- Meekatharra Shire
- Mingenew Shire
- Morawa Shire
- Ngaanyatjarraku Shire
- Perenjori Shire
- Serpentine-Jarrahdale Shire
- South Perth City
- Subiaco City
- Swan City
- Wongan Ballidu Shire
- Yalgoo Shire
- Southern Metropolitan Regional Council

**DETERMINATION FOR LOCAL GOVERNMENT  
ELECTED COUNCIL MEMBERS PURSUANT TO  
SECTION 7B OF THE SALARIES AND ALLOWANCES ACT 1975**

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## PART 1: INTRODUCTORY MATTERS

*This Part deals with some matters that are relevant to the determination generally.*

### 1.1 Short title

This determination may be cited as the *Local Government Elected Council Members Determination No. 1 of 2015*.

### 1.2 Commencement

This determination comes into operation on 1 July 2015.

### 1.3 Content and intent

- (1) This determination provides for the amount of fees, expenses and allowances to be paid or reimbursed under the *Local Government Act 1995* ('the LG Act') Part 5 Division 8 to elected council members. The determination applies to elected council members who are members of the council of a local government. Under the LG Act section 3.66, it also applies to elected council members who are members of the council of a regional local government.
- (2) Where the Tribunal has determined a specific amount for a fee, expense or allowance for elected council members of a local government or regional local government, the amount determined by the Tribunal will be payable to an eligible elected council member.
- (3) Where the Tribunal has determined a minimum and maximum amount for a fee, expense or allowance for elected council members of a local government or regional local government, each local government or regional local government council will set an amount within the relevant range determined and the amount set will be payable to an eligible elected council member.
- (4) The fees, expenses and allowances determined are intended to recognise the responsibilities of elected council members, mayors and presidents of local governments and chairmen of regional local governments and to remunerate them for the performance of the duties associated with their office.

### 1.4 Terms used

In this determination, unless the contrary intention appears -

***chairman*** means a person who is elected or appointed from among the members of a council of a regional local government as its chairman;

**committee meeting** means a meeting of a committee of a council where the committee comprises –

- (a) council members only; or
- (b) council members and employees of the local government or regional local government;

**council** –

- (a) in relation to a local government, means the council of the local government;
- (b) in relation to a regional local government, means the council of the regional local government;

**council member** –

- (a) in relation to a local government –
  - (i) means a person elected under the LG Act as a member of the council of the local government; and
  - (ii) includes the mayor or president of the local government;
- (b) in relation to a regional local government –
  - (i) means a person elected under the LG Act as a member of the council of a local government and who is a member of the council of the regional local government; and
  - (ii) includes the chairman of the regional local government;

**LG Regulations** means the *Local Government (Administration) Regulations 1996*;

**mayor** means a council member holding the office of mayor, whether elected by the council from amongst its members or elected by the electors;

**operating revenue** means revenue that is operating revenue for the purposes of the Australian Accounting Standards made and amended from time to time by the Australian Accounting Standards Board;

**president** means a council member holding the office of president, whether elected by the council from amongst its members or elected by the electors.

## **1.5 Pro rata payments**

The amount of a person's entitlement to an annual attendance fee or annual allowance specified in this determination shall be apportioned on a pro rata basis according to the portion of a year that the person holds office as a council member and is eligible for the relevant annual attendance fee or annual allowance.

## **1.6 Local government band allocations**

Unless the contrary intention appears, local governments are allocated in this determination to the bands set out in Schedule 1 of this determination. Regional local governments are not allocated to bands.

## PART 2: MEETING ATTENDANCE FEES

*This Part deals with fees payable to council members for attendance at council meetings and meetings as set out in section 5.98(1) and (2A) of the LG Act and regulation 30(3A) of the LG Regulations.*

*In particular it deals with fees for attendance at the following meetings –*

- (a) council meetings;*
- (b) council committee meetings;*
- (c) Western Australian Local Government Association (WALGA) Zone meetings;*
- (d) Main Roads Western Australia Regional Road Group meetings*
- (e) regional local government meetings where an elected council member is deputising;*
- (f) meetings attended at the request of a Minister of the Crown;*
- (g) meetings where an elected council member is a delegate of the council.*

### 2.1 GENERAL

- (1) Pursuant to section 5.98(1)(b) of the LG Act, a council member who attends a council meeting is entitled to be paid the fee set by the local government or the regional local government within the range determined in section 2.2 of this Part for council meeting attendance fees.
- (2) Pursuant to section 5.98(1)(b) and (2A)(b) of the LG Act, a council member who attends a committee meeting or (at the request of the local government or regional local government) a meeting of a type prescribed in regulation 30(3A) of the LG Regulations is entitled to be paid the fee set by the local government or regional local government within the range determined in section 2.3 of this Part for attending committee meetings or, as the case requires, meetings of that type.
- (3) Each of the following meetings is a type of meeting prescribed in regulation 30(3A) of the LG Regulations -
  - (a) meeting of a WALGA Zone, where the council member is representing a local government as a delegate elected or appointed by the local government;

- (b) meeting of a Regional Road Group established by Main Roads Western Australia, where the council member is representing a local government as a delegate elected or appointed by the local government;
  - (c) council meeting of a regional local government where the council member is the deputy of a member of the regional local government and is attending in the place of the member of the regional local government;
  - (d) meeting other than a council or committee meeting where the council member is attending at the request of a Minister of the Crown who is attending the meeting;
  - (e) meeting other than a council meeting or committee meeting where the council member is representing a local government as a delegate elected or appointed by the local government.
- (4) Pursuant to section 5.99 of the LG Act, a local government or regional local government may decide by an absolute majority that instead of paying council members an attendance fee referred to in section 5.98(1) of the LG Act, it will pay all council members who attend council or committee meetings a fee set within the range for annual fees determined in section 2.4 of this Part.
- (5) Regulation 30(3C) of the LG Regulations prevents the payment of a fee to a council member for attending a meeting of a type prescribed in regulation 30(3A) of those regulations if –
- (a) the person who organises the meeting pays the council member a fee for attending the meeting; or
  - (b) the council member is paid an annual fee in accordance with section 5.99 of the LG Act; or
  - (c) the council member is deputising for a council member at a meeting of a regional local government and the member of the regional local government is paid an annual fee in accordance with section 5.99 of the LG Act.
- (6) In determining the fees set out in this Part, the Tribunal has taken into account a range of factors including –
- (a) the time required to prepare adequately for the meetings including consideration of agenda papers, site visits related to agenda items and consultation with council staff and community members;



- (b) the role of the council member, mayor or president including, but not limited to, representation, advocacy, and oversight and determination of policy and local legislation;
  - (c) particular responsibilities associated with the types of meetings attended;
  - (d) responsibilities of a mayor, president or chairman to preside over meetings; and
  - (e) the relative “size” of the local government as reflected in the Tribunal’s local government banding model.
- (7) The Tribunal has not determined a specific meeting attendance fee for the purposes of section 5.98(1)(a) or (2A)(a) of the LG Act.

**2.2 COUNCIL MEETING ATTENDANCE FEES – PER MEETING**

- (1) The ranges of fees in Table 1 and Table 2 apply where a local government or regional local government decides by an absolute majority to pay a council member a fee referred to in section 5.98(1)(b) of the LG Act for attendance at a council meeting.

**Table 1: Council meeting fees per meeting – local governments**

Band	For a council member other than the mayor or president		For a council member who holds the office of mayor or president	
	Minimum	Maximum	Minimum	Maximum
1	\$600	\$773	\$600	\$1,159
2	\$363	\$567	\$363	\$760
3	\$188	\$400	\$188	\$618
4	\$88	\$232	\$88	\$477

**Table 2: Council meeting fees per meeting – regional local governments**

	For a council member other than the chairman		For a council member who holds the office of chairman	
	Minimum	Maximum	Minimum	Maximum
All regional local governments	\$88	\$232	\$88	\$477

**2.3 COMMITTEE MEETING AND PRESCRIBED MEETING ATTENDANCE FEES – PER MEETING**

- (1) The ranges of fees in Table 3 and Table 4 apply where a local government or regional local government decides to pay a council member a fee referred to in –
- (a) section 5.98(1)(b) of the LG Act for attendance at a committee meeting; or
  - (b) section 5.98(2A)(b) of the LG Act for attendance at a meeting of a type prescribed in regulation 30(3A) of the LG Regulations.

**Table 3: Committee meeting and prescribed meeting fees per meeting – local governments**

For a council member (including the mayor or president)		
Band	Minimum	Maximum
1	\$300	\$386
2	\$181	\$283
3	\$94	\$200
4	\$44	\$116

**Table 4: Committee meeting and prescribed meeting fees per meeting – regional local governments**

For a council member (including the chairman)		
	Minimum	Maximum
All regional local governments	\$44	\$116

**2.4 ANNUAL ATTENDANCE FEES IN LIEU OF COUNCIL MEETING, COMMITTEE MEETING AND PRESCRIBED MEETING ATTENDANCE FEES**

- (1) The ranges of fees in Table 5 and Table 6 apply where a local government or regional local government decides by an absolute majority that, instead of paying council members an attendance fee referred to in section 5.98 of the LG Act, it will pay all council members who attend council, committee or prescribed meetings an annual fee.

**Table 5: Annual attendance fees in lieu of council meeting, committee meeting and prescribed meeting attendance fees – local governments**

Band	For a council member other than the mayor or president		For a council member who holds the office of mayor or president	
	Minimum	Maximum	Minimum	Maximum
1	\$24,000	\$30,900	\$24,000	\$46,350
2	\$14,500	\$22,660	\$14,500	\$30,385
3	\$7,500	\$15,965	\$7,500	\$24,720
4	\$3,500	\$9,270	\$3,500	\$19,055

**Table 6: Annual attendance fees in lieu of council meeting, committee meeting and prescribed meeting attendance fees – regional local governments**

	For a council member other than the chairman		For a council member who holds the office of chairman	
	Minimum	Maximum	Minimum	Maximum
All regional local governments	\$1,750	\$10,300	\$1,750	\$15,450

**PART 3: ANNUAL ALLOWANCE FOR A MAYOR, PRESIDENT, CHAIRMAN,  
DEPUTY MAYOR, DEPUTY PRESIDENT AND DEPUTY CHAIRMAN**

*This Part deals with annual allowances payable to mayors, presidents, chairmen and their deputies in addition to any entitlement to meeting attendance fees or the reimbursement of expenses pursuant to section 5.98 of the LG Act.*

*In particular, this Part deals with –*

- (a) the entitlement of a mayor, president or chairman to an additional allowance;  
and*
- (b) the discretion of a local government or regional local government to pay an additional allowance to a deputy mayor or deputy president or deputy chairman.*

**3.1 GENERAL**

- (1) Pursuant to section 5.98(5) of the LG Act, the mayor or president of a local government and the chairman of a regional local government are entitled, in addition to any fees or reimbursement of expenses payable under section 5.98(1) or (2), to be paid the annual allowance set by the local government or regional local government within the range determined in section 3.2 of this Part.
- (2) Pursuant to section 5.98A(1) of the LG Act, a local government or regional local government may decide by an absolute majority to pay the deputy mayor or deputy president of the local government, or the deputy chairman of the regional local government, an allowance of up to the percentage that is determined by the Tribunal of the annual allowance to which the mayor or president of the local government, or the chairman of the regional local government, is entitled under section 5.98(5) of the LG Act. That percentage is determined in section 3.3 of this Part. This allowance is in addition to any fees or reimbursement of expenses payable to the deputy mayor, deputy president or deputy chairman under section 5.98 of the LG Act.
- (3) In determining the allowances set out in this Part, the Tribunal has taken into account a range of factors including the following –
  - (a) the leadership role of the mayor, president or chairman;
  - (b) the statutory functions for which the mayor, president or chairman is accountable;
  - (c) the ceremonial and civic duties required of the mayor, president or chairman, including local government business related entertainment;

- (d) the responsibilities of the deputy mayor, deputy president or deputy chairman when deputising;
- (e) the relative “size” of the local government as reflected in the Tribunal’s local government banding model;
- (f) the civic, ceremonial and representation duties particular to the Lord Mayor of Western Australia’s capital city.

### 3.2 ANNUAL ALLOWANCE FOR A MAYOR, PRESIDENT OR CHAIRMAN

- (1) The ranges of allowances in Table 7 apply where a local government sets the amount of the annual local government allowance to which a mayor or president is entitled under section 5.98(5) of the LG Act, subject to subsections (3) and (4).
- (2) The range of allowances in Table 8 apply where a regional local government sets the amount of the annual local government allowance to which a chairman is entitled under section 5.98(5) of the LG Act, subject to subsection (5).
- (3) Despite the provisions of subsection (1), the Perth City Council is to set the amount of the annual local government allowance to which the Lord Mayor is entitled within the range of \$60,000 to \$133,900.
- (4) The maximum annual local government allowance for a mayor or president of a local government shall not exceed the maximum allowance applicable to that local government in Table 7 or 0.2 per cent of the local government’s operating revenue for the 2014-15 financial year, whichever is the lesser.
- (5) The maximum annual local government allowance for a chairman of a regional local government shall not exceed the maximum allowance applicable to that regional local government in Table 8 or 0.2 per cent of the regional local government’s operating revenue for the 2014-15 financial year, whichever is the lesser.

**Table 7: Annual allowance for a mayor or president of a local government**

For a mayor or president		
Band	Minimum	Maximum
1	\$50,000	\$87,550
2	\$15,000	\$61,800
3	\$1,000	\$36,050
4	\$500	\$19,570

**Table 8: Annual allowance for a chairman of a regional local government**

For a chairman		
	Minimum	Maximum
All regional local governments	\$500	\$19,570

**3.3 ANNUAL ALLOWANCE FOR A DEPUTY MAYOR, DEPUTY PRESIDENT OR DEPUTY CHAIRMAN**

- (1) The percentage determined for the purposes of section 5.98A(1) of the LG Act is 25 per cent.

## PART 4: EXPENSES TO BE REIMBURSED

*This Part deals with expenses for which council members are entitled to be reimbursed pursuant to section 5.98(2) of the LG Act.*

*In particular, this Part deals with –*

*(a) expense reimbursements prescribed specifically in regulation 31(1) of the LG Regulations that must be paid by a local government or regional local government when claimed by a council member (i.e. telephone and facsimile rental, child care and travel); and*

*(b) expense reimbursements prescribed in general terms in regulation 32(1) of the LG Regulations that may be approved by a local government or regional local government and claimed by a council member.*

### 4.1 GENERAL

- (1) Pursuant to section 5.98(2)(a) and (3) of the LG Act, a council member who incurs an expense of a kind prescribed in regulation 31(1) of the LG Regulations is entitled to be reimbursed for the expense to the extent determined in section 4.2(1) to (5) of this Part.
- (2) Regulation 31(1) of the LG Regulations prescribes the following kinds of expenses that are to be reimbursed –
  - (a) rental charges incurred by a council member in relation to one telephone and one facsimile machine; and
  - (b) child care and travel costs incurred by a council member because of the member's attendance at a council meeting or a meeting of a committee of which he or she is also a member.
- (3) Pursuant to section 5.98(2)(a) and (3) of the LG Act, a council member who incurs an expense of a kind prescribed in regulation 31(1) of the LG Regulations is entitled to be reimbursed for the expense to the extent determined in section 4.2(6) and (7) of this Part.
- (4) Regulation 32(1) of the LG Regulations prescribes the following kinds of expenses that may be approved by a local government for reimbursement –
  - (a) an expense incurred by a council member in performing a function under the express authority of the local government;



- (b) an expense incurred by a council member to whom paragraph (a) applies by reason of the council member being accompanied by not more than one other person while performing the function if, having regard to the nature of the function, the local government considers that it is appropriate for the council member to be accompanied by that other person;
- (c) an expense incurred by a council member in performing a function in his or her capacity as a council member.

**4.2 EXTENT OF EXPENSES TO BE REIMBURSED**

- (1) The extent to which a council member can be reimbursed for rental charges in relation to one telephone and one facsimile machine is the actual expense incurred by the council member.
- (2) The extent to which a council member can be reimbursed for child care costs incurred because of attendance at a meeting referred to in regulation 31(1)(b) of the LG Regulations is the actual cost per hour or \$25 per hour, whichever is the lesser amount.
- (3) The extent to which a council member of a local government can be reimbursed for travel costs referred to in regulation 31(1)(b) of the LG Regulations is –
  - (a) if the person lives or works in the local government district or an adjoining local government district, the actual cost for the person to travel from the person’s place of residence or work to the meeting and back; or
  - (b) if the person does not live or work in the local government district or an adjoining local government district, the actual cost, in relation to a journey from the person’s place of residence or work and back –
    - (i) for the person to travel from the person’s place of residence or work to the meeting and back; or
    - (ii) if the distance travelled referred to in subparagraph (i) is more than 100 kilometres, for the person to travel from the outer boundary of an adjoining local government district to the meeting and back to that boundary.
- (4) The extent to which a council member of a regional local government can be reimbursed for travel costs referred to in regulation 31(1)(b) of the LG Regulations is the actual cost for the person to travel from the person’s place of residence or work to the meeting and back.

- (5) For the purposes of subsections (3) and (4), travel costs incurred while driving a privately owned or leased vehicle (rather than a commercially hired vehicle) are to be calculated at the same rate contained in Section 30.6 of the *Local Government Officers' (Western Australia) Interim Award 2011* as at the date of this determination.
- (6) The extent to which a council member can be reimbursed for child care costs incurred in any of the circumstances referred to in regulation 32(1) of the LG Regulations is the actual cost per hour or \$25 per hour, whichever is the lesser amount.
- (7) The extent to which a council member can be reimbursed for intrastate or interstate travel and accommodation costs incurred in any of the circumstances referred to in regulation 32(1) of the LG Regulations is at the same rate applicable to the reimbursement of travel and accommodation costs in the same or similar circumstances under the *Public Service Award 1992* issued by the Western Australian Industrial Relations Commission as at the date of this determination.

## **PART 5: ANNUAL ALLOWANCES IN LIEU OF REIMBURSEMENT OF EXPENSES**

*This Part deals with annual allowances that a local government or regional local government may decide to pay, pursuant to section 5.99A of the LG Act, to all council members in lieu of the reimbursement of expenses of a particular type under section 5.98(2) of the LG Act.*

*In particular, this Part deals with allowances to be paid instead of –*

*(a) expense reimbursements prescribed specifically in regulation 31(1) of the LG Regulations that must be paid by a local government or regional local government when claimed by a council member (i.e. telephone and facsimile rental, child care and travel); and*

*(b) expense reimbursements prescribed in general terms in regulation 32(1) of the LG Regulations that may be approved by a local government or regional local government and claimed by a council member.*

### **5.1 GENERAL**

- (1) Pursuant to section 5.99A of the LG Act, a local government or regional local government may decide by absolute majority that instead of reimbursing council members under the LG Act section 5.98(2) for all of a particular type of expense, it will pay all council members, for that type of expense, the annual allowance determined in section 5.2 of this Part or, as the case requires, an annual allowance within the range determined in that section.
- (2) Where a local government or regional local government has decided to pay council members an annual allowance for an expense of a particular type instead of reimbursing expenses of that type under section 5.98(2) of the LG Act, section 5.99A of the LG Act provides for reimbursement of expenses of that type in excess of the amount of the allowance.
- (3) In determining the maximum annual allowance for expenses of a particular type, the Tribunal has taken into account a range of factors including the following:
  - (a) the intent of the allowance to reflect the extent and nature of the expenses incurred and not to result in a windfall gain for council members;
  - (b) the capacity of local governments to set allowances appropriate to their varying operational needs;
  - (c) the particular practices of local governments in the use of information and communication technology (e.g. laptop computers, iPads);

(d) the varying travel requirements of council members in local governments associated with geography, isolation and other factors.

**5.2 ANNUAL ALLOWANCES DETERMINED INSTEAD OF REIMBURSEMENT FOR PARTICULAR TYPES OF EXPENSES**

(1) In this section –

***ICT expenses*** means –

- (a) rental charges in relation to one telephone and one facsimile machine, as prescribed by regulation 31(1)(a) of the LG Regulations; or
- (b) any other expenses that relate to information and communications technology (for example, telephone call charges and internet service provider fees) and that are a kind of expense prescribed by regulation 32(1) of the LG Regulations;

***travel and accommodation expenses*** means –

- (a) travel costs, as prescribed by regulation 31(1)(b) of the LG Regulations; or
  - (b) any other expenses that relate to travel or accommodation and that are a kind of expense prescribed by regulation 32(1) of the LG Regulations.
- (2) For the purposes of section 5.99A(b) of the LG Act, the minimum annual allowance for ICT expenses is \$500 and the maximum annual allowance for ICT expenses is \$3,500.
- (3) For the purposes of section 5.99A(a) of the LG Act, the annual allowance for travel and accommodation expenses is \$50.

**SCHEDULE 1: LOCAL GOVERNMENT BAND ALLOCATIONS**

<b>LOCAL GOVERNMENT</b>	<b>BAND</b>
Albany City	2
Armadale City	1
Ashburton Shire	2
Augusta-Margaret River Shire	2
Bassendean Town	3
Bayswater City	1
Belmont City	1
Beverley Shire	4
Boddington Shire	4
Boyup Brook Shire	4
Bridgetown-Greenbushes Shire	3
Brookton Shire	4
Broome Shire	2
Broomehill-Tambellup Shire	4
Bruce Rock Shire	4
Bunbury City	2
Busselton City	2
Cambridge Town	2
Canning City	1
Capel Shire	3
Carnamah Shire	4
Carnarvon Shire	2
Chapman Valley Shire	4
Chittering Shire	3
Claremont Town	3
Cockburn City	1
Collie Shire	3
Coolgardie Shire	3
Coorow Shire	4
Corrigin Shire	4
Cottesloe Town	3
Cranbrook Shire	4
Cuballing Shire	4
Cue Shire	4
Cunderdin Shire	4
Dalwallinu Shire	4
Dandaragan Shire	3
Dardanup Shire	3
Denmark Shire	3

<b>LOCAL GOVERNMENT</b>	<b>BAND</b>
Derby-West Kimberley Shire	2
Donnybrook Balingup Shire	3
Dowerin Shire	4
Dumbleyung Shire	4
Dundas Shire	4
East Fremantle Town	3
East Pilbara Shire	2
Esperance Shire	2
Exmouth Shire	3
Fremantle City	1
Gingin Shire	3
Gnowangerup Shire	4
Goomalling Shire	4
Gosnells City	1
Greater Geraldton City	1
Halls Creek Shire	3
Harvey Shire	2
Irwin Shire	3
Jerramungup Shire	4
Joondalup City	1
Kalamunda Shire	2
Kalgoorlie-Boulder City	1
Katanning Shire	3
Kellerberrin Shire	4
Kent Shire	4
Kojonup Shire	3
Kondinin Shire	4
Koorda Shire	4
Kulin Shire	4
Kwinana City	1
Lake Grace Shire	4
Laverton Shire	3
Leonora Shire	3
Mandurah City	1
Manjimup Shire	3
Meekatharra Shire	3
Melville City	1
Menzies Shire	4
Merredin Shire	3
Mingenew Shire	4
Moora Shire	3
Morawa Shire	4
Mosman Park Town	3

<b>LOCAL GOVERNMENT</b>	<b>BAND</b>
Mount Magnet Shire	4
Mount Marshall Shire	4
Mukinbudin Shire	4
Mundaring Shire	2
Murchison Shire	4
Murray Shire	3
Nannup Shire	4
Narembeen Shire	4
Narrogin Shire	4
Narrogin Town	3
Nedlands City	2
Ngaanyatjarraku Shire	4
Northam Shire	2
Northampton Shire	4
Nungarin Shire	4
Peppermint Grove Shire	4
Perenjori Shire	4
Perth City	1
Pingelly Shire	4
Plantagenet Shire	3
Port Hedland Town	1
Quairading Shire	4
Ravensthorpe Shire	3
Rockingham City	1
Roebourne Shire	1
Sandstone Shire	4
Serpentine-Jarrahdale Shire	3
Shark Bay Shire	4
South Perth City	2
Stirling City	1
Subiaco City	2
Swan City	1
Tammin Shire	4
Three Springs Shire	4
Toodyay Shire	3
Traying Shire	4
Upper Gascoyne Shire	4
Victoria Park Town	2
Victoria Plains Shire	4
Vincent Town	2
Wagin Shire	4
Wandering Shire	4
Wanneroo City	1

<b>LOCAL GOVERNMENT</b>	<b>BAND</b>
Waroona Shire	3
West Arthur Shire	4
Westonia Shire	4
Wickepin Shire	4
Williams Shire	4
Wiluna Shire	4
Wongan Ballidu Shire	4
Woodanilling Shire	4
Wyalkatchem Shire	4
Wyndham-East Kimberley Shire	2
Yalgoo Shire	4
Yilgarn Shire	3
York Shire	3



Signed this 17th day of June 2015.

W S Coleman AM  
CHAIRMAN

C A Broadbent  
MEMBER

B J Moore  
MEMBER

SALARIES AND ALLOWANCES TRIBUNAL

## SCHEDULE 2: LOCAL GOVERNMENT NON-RESPONDENTS

- Albany City;
- Bayswater City;
- Canning City;
- Capel Shire;
- Dumbleyung Shire;
- Kellerberrin Shire;
- Kondinin Shire;
- Manjimup Shire;
- Meekatharra Shire;
- Mingenew Shire;
- Morawa Shire;
- Mount Marshall Shire;
- Narembeen Shire\*;
- Ngaanyatjarraku Shire;
- Serpentine-Jarrahdale Shire;
- Southern Metropolitan Regional Council;
- Subiaco City;
- Swan City;
- Woodanilling Shire\*;
- Yalgoo Shire\*.

The asterisk (\*) indicates those local governments who did not respond to the Tribunal's 2014 inquiry into the fees, expenses and allowances of elected council members.

## EXPLANATORY NOTES

*This section does not form part of the determination*

### **1. Entitlements**

The entitlement of a council member to a fee, allowance or reimbursement of an expense established under the LG Act, the LG Regulations and this determination, cannot be proscribed, limited or waived by a local government. Any eligible claim against those entitlements is to be paid in accordance with the applicable financial procedures of the local government.

### **2. Local governments to set amounts within the range determined**

Where the Tribunal has determined a minimum and maximum amount for a fee, expense or allowance for members of the council of a local government or a regional local government, each council is to set, by absolute majority, an amount within the relevant range determined and the amount set will be payable to elected council members.

### **3. Superannuation**

Nothing in this determination establishes a liability for the payment of superannuation by local governments. Elected council members are eligible for superannuation payments if their council has resolved unanimously to become an Eligible Local Governing Body (ELGB) pursuant to section 221A and section 221B of the *Income Tax Assessment Act 1936* (Cwlth). Where the council is an ELGB, it is deemed to have an employer/employee relationship with its elected council members and this attracts the application of a number of statutory obligations. Alternative arrangements described in Australian Taxation Office (ATO) Interpretative Decision ATO ID 2007/205 allow for elected council members and councils to agree for whole or part of meeting attendance fees to be paid into a superannuation fund. Where the council is an ELGB, fees for attendance at council, committee and prescribed meetings (whether paid via a per meeting fee or annual allowance) are to be inclusive of any superannuation guarantee liability. This information is not published by way of legal or financial advice.



Government of **Western Australia**  
Department of **Local Government and Communities**

# Local Government Operational Guidelines

Number 10 – Revised August 2012

## Appointing a CEO

## 1. Introduction

Selecting and appointing a Chief Executive Officer (CEO) is one of the most important tasks elected members may undertake during their term of office. Choosing the right person is critical to the success of the council and the local government.

It is essential that correct processes are followed so that every opportunity is given to the candidates to put the appropriate information forward so the council can choose the person most suited to the position. It is important that elected members understand that when they appoint a CEO they are entering into a contractual relationship with the CEO. A commitment to trust and good faith by both parties will lead to an effective relationship between the council and the CEO. This guideline has been developed to assist councils to conduct an effective process when selecting their new CEO.

## 2. Legislation

There are three sections of the *Local Government Act 1995* (the Act) that have direct application to the appointment of a CEO. Section 5.36(2)(a) and (b) of the Act provides that a local government is not to employ a person to fill the position of CEO unless council believes that the person is suitably qualified for the position and is satisfied with the provisions of the proposed employment contract. Section 5.39 contains provisions for the contracts of CEOs. Section 5.40 requires that all employees are to be selected in accordance with the principles of merit and equity.

In addition to the above provisions of the Act the *Local Government (Administration) Regulations 1996*, regulations 18A, 18B, 18C, 18E, 18F and 19A also deal with advertising, contracts, and the selection and appointment process.

The principles of merit and equity refer to the process of filling vacancies whereby a thorough assessment is made of the candidates' skills, knowledge and abilities against the work related requirements of the vacancy. The process must be open, competitive and free from bias, unlawful discrimination, nepotism or patronage.

"Suitably qualified" is not defined in the legislation but the intention is not limited to academic qualifications. Through the position description and selection criteria the council needs to ensure that processes are in place to appoint the person that best meets the qualities required in terms of academic qualifications, experience, skills and knowledge.

## 3. Outsourcing the Recruitment Process

Depending on the size of the local government and the availability and skills of staff, outsourcing the recruitment process may be the best option.

Generally recruitment consultants provide a professional service and possess a wide range of knowledge and skills in staff recruitment. It is recommended that rigorous checks be conducted on any recruitment consultants before they are appointed to ensure they have the necessary skills and experience (local government recruitment experience would be beneficial) to effectively assist the council in its selection of a CEO.

An early decision needs to be made by council on whether it will handle the recruitment in-house or appoint a consultant to coordinate the appointment process. If a recruitment consultant is chosen, council should provide the consultant with a copy of these guidelines as part of the appointment process.

A recruitment consultant may be involved in the following aspects of the selection process:

- development or review of the position description;
- development of selection criteria;
- drafting of the advertisement;
- preliminary assessment of the applications;
- final shortlisting;
- drafting of the questions for interview;
- coordinating interviews; and
- finalising the contract.

If a decision is made to outsource the recruitment process it is imperative that the council maintains a high level of involvement in the process and enters into a formal agreement (contract) with the consultant. In order to manage the contract efficiently, and ensure an effective outcome, regular contact with the consultant is required during the recruitment process.

#### **4. Reviewing Necessary Documentation**

There are two very important documents that need to be reviewed and approved by council prior to advertising the position. These are the Position Description Form and the Contract of Employment.

Given the importance of the position of CEO, a police clearance should also be sought.

##### **Position Description Form**

The Position Description Form, particularly the selection criteria and performance criteria (where it is included in the Position Description Form) should be reviewed prior to advertising. The council, a committee of council or the consultant (if one is used) should undertake this task.

Council needs to determine what they want their CEO to do and whether the selection criteria will facilitate the appointment of a person with the appropriate set of skills.

For example, it may be very important that a CEO work with diverse elements of the community such as developers, mine operators, Indigenous communities or other specific interest groups. Therefore, a selection criterion might be "Proven ability to work and negotiate with diverse groups in the community". If such criteria is not included an assessment of the applicants' abilities in this area may be overlooked. This is why councils must ensure when commencing the task of appointing a new CEO that the skills and qualities required are well understood and documented.

Selection criteria are generally classified as 'essential' or 'desirable'. Applicants who are able to satisfy all the essential criteria should be considered for interview.

If an application does not fully address the essential selection criteria the applicant should not be considered for interview.

However, on occasions an application may be received where the applicant has the skills and experience which indicate a capacity to satisfy the essential selection criteria even though it is not clearly elaborated in their address of the selection criteria in their application. In these circumstances the application may warrant further consideration.

Desirable criteria are not an essential requirement of the position. They are normally identified to attract applicants who may have a wider range of skills and experience which an employer would consider desirable.

Council may decide that it would be more appropriate to attract applicants with a wider range of knowledge, experience and management skills than just local government. If this is the case the selection criteria should accommodate this.

### **Performance Criteria**

Performance criteria are quantitative and/or qualitative measures of performance. There are two broad categories of performance criteria; those that have general application and apply at all times and specific criteria that apply for a limited period of time. An example of the first type would be, "Advice to council is relevant, accurate and timely." An example of the second type of performance criteria would be, "Calling of tenders for the new

recreation centre is undertaken on time and in compliance with the law." It is obvious that the first is always going to be required, whereas the second is specific to the project of the new recreation centre.

Council may set ongoing permanent performance criteria that will be included in the contract. The successful applicant needs to be informed that performance criteria relevant to a specific project/s will also be subject to annual negotiation. These will be assessed at least once during each year.

In setting performance criteria, council will need to determine what it is they want their CEO to do over and above legislative requirements. Councils need to be realistic in terms of their expectations and provide appropriate resources to facilitate achievement of performance criteria.

The performance criteria must be consistent with the position description and the selection criteria.

It is not essential that performance criteria relating to a specific project/s are identified prior to the appointment but, if not, they must be identified very soon after so that the new CEO is aware of what is required of him or her in the coming year or years.

### **Contract of Employment**

The council should review and amend, where necessary, the existing terms and conditions of the CEO contract before proceeding to advertise the position.

It is also recommended that council obtains advice on the contract where alterations or amendments are proposed and there is any (even slight) doubt as to the meaning of those alterations or amendments.

It should be noted that section 5.39(3) of the Act provides that an employment contract is of no effect unless it contains:

- an expiry date; and
- performance criteria for the purpose of reviewing the person's performance.

Regulation 18B of the *Local Government (Administration) Regulations 1996* also requires that the contract contains a provision that places a limit on the maximum amount of remuneration that can be paid to a person should the contract be terminated prior to its expiry date.

Amendments to Regulation 19A of the *Local Government (Administration) Regulations 1996* now sets that limit to a maximum of one year salary termination payment or the value of the remuneration for the balance of the period of contract that is left to run, whichever is the lessor of the two amounts.

To further assist local governments, model contracts have been developed by both the Western Australian Local Government Association (WALGA) and Local Government Managers Australia WA Division (LGMA).

### CEO Remuneration

Amendments to section 5.39(7) of the Act now provide for a CEO's remuneration to be determined by the Salaries and Allowances Tribunal under the *Salaries and Allowances Act 1975*.

## 5. Advertising the Vacancy

Ideally, the position should be advertised as widely as possible to attract the best possible field of candidates. The minimum requirement for advertising under *Local Government (Administration) Regulation 18A(1)* is for the position to be advertised in a newspaper circulating generally throughout the State.

Regulation 18A(2) prescribes the minimum requirements to be included in an advertisement for the position of CEO. Those requirements are:

- the details of the remuneration and benefits offered;
- details of the place where applications for the position are to be submitted;
- the date and time for the closing of applications for the position;
- the duration of the proposed contract; and
- contact details for a person who can provide further information about the position.

In addition to the above, a local government is to include any other information in the advertisement which it believes is relevant.

The content and context of advertisements should be carefully considered.

An attractive and well-constructed advertisement is more likely to attract the interest of potential candidates.

A comprehensive application kit comprising documentation relevant to the vacant position should be developed and provided to potential applicants on request. Reference to, and instructions on how to access the kit should be included in the advertisement.



Allow sufficient time within the advertisement for potential applicants to prepare and forward applications.

It is recommended that the position be open for a minimum of two weeks with a definite date and time after which applications will not be considered.

## 6. Confidentiality

From the beginning to the conclusion of the process, absolute confidentiality must be maintained by every person involved in the selection process. This cannot be emphasised enough as any information which finds its way into the public domain before a recommendation is made to council may well compromise the selection process.

Council should consider the use of a confidentiality agreement which requires all persons involved in the selection process to agree to appropriate levels of confidentiality.

## 7. Selection and Appointment Process

The selection and appointment process to be applied to a CEO position must be approved by council prior to advertising as prescribed under *Local Government (Administration) Regulation 18C*.

A check list is provided at Attachment 1 in this guideline to assist local governments with following an appropriate sequence in the selection and appointment process.

Extensive consideration should be given to the overall process, especially the shortlisting, as to whether preliminary interviews will be conducted and whether final interviews will be with full council.

Council must be very clear about the methods, techniques and questions used during the selection process.

It is essential that the council manages the process professionally and that members involved in the process have a thorough understanding of their roles and responsibilities.

Council may decide to establish a committee or panel to coordinate the preliminaries of the selection process. This committee or panel should liaise with the employment consultant if one is appointed.

If council establishes a formal committee (in accordance with the Act), then it can delegate its powers and duties to that committee.

It should be noted that, unlike council committees established under the Act, any selection panel that is appointed cannot be delegated any powers or duties by council, nor can the Mayor or President be delegated any power to make decisions on behalf of council, i.e. approve the conditions of the contract.

The respective roles of a consultant, council committee/panel, full council and individual elected members must be clear.

Applicants should be shortlisted according to their capacity to address the relevant selection criteria. Where there is a large pool of applicants, the most competitive should be shortlisted for interview. It is the responsibility of the selection panel/committee to determine how many applicants it will interview. Their assessment must involve detailed consideration of the applications and may involve a preliminary interview. The selection panel/committee should be provided with the full list of applicants,

not just those recommended for short listing and interviews.

Elected members may act as referees for applicants. This most often occurs when a person already employed by the local government applies for the CEO position. When this occurs it is recommended that the member provide a written referee report prior to interview (assuming the applicant is granted an interview).

Elected members should declare any previous association with a potential applicant at the time of shortlisting if they are part of the selection panel/ committee established for the purpose. Similarly, if the interviews involve the full council, the elected member should make an appropriate declaration before the interviews commence. If a member's relationship with an applicant is significant and may result in claims of nepotism, patronage or bias the member should exclude themselves from the selection process.

Where rating scales and other scoring tools are used to assess the relative performance of applicants, it is important that all elected members and other members involved in the interview understand how these are applied so they produce meaningful results. The selection panel/committee may also consider using psychological or other testing as part of the selection process.

## **8. Conducting the Interview**

The interview process can be challenging for both panel members and applicants.

It is a practice in local government that the full council be involved with the final interview and selection. This is perfectly understandable, as all members of council

have to work closely with this person and trust them.

Often, all elected members feel they need to be involved in the assessment and final selection.

If this does not occur it is desirable that at the very least, all members of council have the opportunity to meet the recommended applicant prior to the appointment being considered by council.

Applicants should be provided with at least five working days notice of the impending interview wherever possible to allow them to adequately prepare. Obviously, if you are a council in regional Western Australia and are expecting an applicant to travel, then sufficient time needs to be allowed. Interviewing over a weekend may be an option.

It is important to provide an environment that puts the interviewee at ease and allows them to perform at the highest possible level. In this regard, consideration should be given to environmental factors such as location and lighting. A well organised process will ensure that everything runs smoothly.

The importance of the chairperson in managing the interview process cannot be overstated. The chairperson is responsible for ensuring that the interview is managed efficiently and effectively.

Ideally, all elected members who are to be in attendance at the final interview should be involved in planning the interview process.

Each applicant must be subject to the same assessment method, i.e. the interview questions or any tests to be undertaken. It is quite acceptable for the panel to ask additional questions to clarify a point or tease out further information during the interview.

It is not necessary for all elected members to have the opportunity to ask a question. Often, it is best to allocate the questions to a small group of elected members (a maximum of 3 is ideal) which ensures consistency of approach.

At the conclusion of the interview it is appropriate to provide the applicant with an opportunity to clarify any issues with the selection panel/committee.

## 9. Making a Decision

The council should not make a decision to appoint an applicant until all available information has been considered. This includes, but is not limited to, assessment of interview performance, quality of application, referee reports, copies of reports written by the applicant and the results of any psychological or other tests (if used).

The council must be satisfied regarding the claims by the applicant about their relative experience and qualifications.

*Local Government (Administration) Regulation 18E* makes it an offence for a person to provide false information relating to their academic qualifications.

A police clearance should be sought and considered, given the importance of the position of CEO.

Referee reports are an important part of the process and should be in writing and address the relevant selection criteria for the position.

The council may source a referee who is not one nominated by an applicant, providing they advise the applicant of their intention to do so.

In the event that a referee who was not nominated by the applicant provides a report that contains negative comments, the applicant should be given the opportunity to respond to any such comments.

## 10. Finalising the Appointment

Eventually, after considering all the information available to it, the selection panel/committee then has to make a decision on which applicant is the most suitable for appointment.

A selection report should be prepared for consideration by council which documents the assessment of each applicant interviewed. The report should identify the most suitable applicant/s and include a recommendation for council to approve an offer of appointment.

Following the decision of council to approve an offer to appoint, with the contract negotiations finalised and the preferred applicant accepting the offer of appointment, council is required to make the formal and final appointment of the CEO.

It is strongly recommended that the successful applicant not commence duties with the local government until the contract is signed.

The unsuccessful applicants (including those not interviewed) should be notified of the decision and offered the opportunity to seek feedback on their application or interview performance if they were granted an interview.

Should an unsuccessful applicant request feedback, it is recommended that the chairperson of the interview panel/

selection committee provide this.  
If a recruitment consultant is used they can undertake this task.

*Local Government (Administration) Regulation 18F* does not allow a local government to increase the value of a CEO's remuneration and benefits in excess of those advertised when finalising the appointment.

For further reading it is suggested reference should be made to:

- sections 5.36, 5.39 and 5.40 of the *Local Government Act 1995*;
- *Local Government (Administration) Regulations 1996* 18A, 18B, 18C, 18E, 18F and 19A.
- Salaries and Allowances Tribunal website:  
[www.sat.wa.gov.au/LocalGovernmentCEOs](http://www.sat.wa.gov.au/LocalGovernmentCEOs)

## Attachment 1

### CEO Recruitment and Appointment Check List

Council to (preferably in conjunction with a professional HR adviser);

- Develop a profile of the preferred applicant (i.e. desired and essential skills, abilities, knowledge and qualifications).

- Approve an agreed salary package (set a suitable salary package that complies with the determination under section 7A of the *Salaries and Allowances Act 1975*).

- Review necessary documentation (contract of employment and position description).

NB: The key provisions to be included in the contract are: an expiry date, performance criteria and reference to the limit placed on the remuneration to be paid should the contract be terminated prior to the expiry date.

- Approve a process to be used for the selection and appointment of the CEO (i.e. stages of the process, who is to be involved and to what extent, whether a consultant is appointed and their role in the process).

NB: It is good practice for council to formally adopt a process to ensure transparency, clarity and a shared understanding. Once adopted, the process should be followed unless found to be flawed, in which case a decision should be made to amend the process as soon as possible.

- Advertise the position inviting applications from suitably qualified applicants (advertisement to contain information set out in 18A(2) of the *Local Government (Administration) Regulations 1996*).

- Applicants to be short listed (may be undertaken by consultants, selection panel/ committee or council).

NB: It is noted that in most cases this is done by the consultants or the selection panel/committee in conjunction with the consultants.

- Conduct interviews of the short listed applicants (may be undertaken by consultants, selection panel/ committee or council).

NB: This may be done prior to the final decision to appoint if availability of preferred applicant is limited due to travel arrangements etc. If not interviewed by the entire council it is recommended that all elected members meet with the preferred applicant prior to final appointment.

- Select preferred applicant/s (make recommendation for council to offer the position to the 1st preferred applicant subject to contractual negotiations, within the designated salary package, including the preliminary performance criteria to be contained in the contract).

NB: If 1st preferred applicant is not accepted or declines the offer, a decision may be made on any 2nd or 3rd preferred applicant in line until an offer and acceptance is reached or until no preferred applicants are appointed (applicants identity may remain confidential until such time a final appointment is made).

- Approve the formal and final appointment (must be decision by council that it:
  - (i) believes the person is suitably qualified for the position of CEO; and
  - (ii) is satisfied with the provisions of the proposed CEO employment contract).

NB: Absolute majority decision required for (ii).

NB: All legislative references are from the *Local Government Act 1995* and associated regulations.

These guidelines are also available on the Department's website at [www.dlgc.wa.gov.au](http://www.dlgc.wa.gov.au)



### About the Guideline series

This document and others in the series are intended as a guide to good practice and should not be taken as a compliance requirement. The content is based on Department officer knowledge, understanding, observation of, and appropriate consultation on contemporary good practice in local government. Guidelines may also involve the Department's views on the intent and interpretation of relevant legislation.

All guidelines are subject to review, amendment and re-publishing as required. Therefore, comments on any aspect of the guideline are welcome. Advice of methods of improvement in the area of the guideline topic that can be reported to other local governments will be especially beneficial.

For more information about this and other guidelines, contact the Local Government Regulation and Support Branch at:

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