Attachment C

Wollondilly Shire Council Submission
Local Government Renumeration Tribunal
2027 Annual Review – Stage 1

LOCAL GOVERNMENT REMUNERATION TRIBUNAL 2027 ANNUAL REVIEW

Wollondilly Shire Council supports targeted reform of the Local Government Remuneration Tribunal framework. The current architecture remains a useful foundation, but it should be simplified, made more objective and updated to recognise demonstrated changes in the work and responsibilities of Mayors and Councillors.

Submission Summary:

- Merge Major Regional City and Major Strategic Area into one Major Regional/Strategic category.
- Retain population as an indicator of scale, but not as the predominant proxy for governance complexity.
- Add peri-urban complexity as an express criterion within existing categories.
- Use clearer, reproducible evidence for qualitative descriptors while preserving Tribunal discretion.
- Retain the two streams and apply an objective secondary test to OLG Metropolitan Fringe councils.
- Add a tightly constrained Strategic Growth pathway based on five years of demonstrated ABS rate of population growth and material additional complexity.
- Recalibrate fees within the statutory fee-for-office model, using $30,000 as the Rural Councillor base and $60,000 as the additional Rural Mayoral base, then apply existing category relativities.
- Set each ordinary category maximum at the minimum of the next category and consider transitional implementation separately.

The proposed structure has limited administrative impact because it relies mainly on existing OLG and ABS data. The benefit in regard to the broader pool of potential elected representatives and hence potential for improved effectiveness and long term sustainability of local government is significant, whilst the indicative statewide cost will represent approximately 0.19% to 0.27% of annual general-purpose council revenue.

1. CATEGORIES AND CLASSIFICATION CRITERIA

Question 1.

Are the current categories and criteria appropriate?

Broadly yes, but targeted changes are needed to reduce duplication, improve transparency and recognise forms of complexity that are not captured by attained population alone.

1.1 MERGE OVERLAPPING HIGHEST NON-METROPOLITAN CATEGORIES

Major Regional City and Major Strategic Area currently have identical fee ranges and overlapping purposes. Maintaining two names does not appear to produce a meaningful remuneration distinction. Council proposes one Major Regional/Strategic category with two alternative qualification pathways: [R1]

- Major Regional City pathway: metropolitan-scale residential, commercial or industrial development; higher-order regional services and institutions; major transport, freight, economic or strategic infrastructure; or functions and assets of broader significance.
- Major Strategic Area pathway: population of at least 200,000, including relevant non-resident working population, together with substantial strategic or regional significance through higher-order services, operating scale, tourism or events, or economic influence beyond the LGA.

This change removes duplication without removing either existing route to qualification. Existing section 240 factors would continue to apply. [R1, R2]

1.2 KEEP POPULATION IN ITS PROPER ROLE

Population is an important measure of scale, but not a complete measure of governance complexity. Classification should reflect the cumulative evidence across all section 240 factors. This is especially important for councils managing rapid metropolitan-scale growth across large, dispersed and predominantly rural or environmental areas. [R2]

1.3 EXPRESSLY RECOGNISE PERI-URBAN COMPLEXITY

Peri-urban councils concurrently manage metropolitan growth and regional or rural settlement, land-use, infrastructure and service-delivery conditions. The complexity arises from their interaction, including competing land uses, infrastructure sequencing, different service expectations and extensive intergovernmental coordination.

Proposed criterion

Peri-urban complexity: significant additional governance complexity arising from the concurrent management of metropolitan-scale growth or development and regional or rural settlement, land-use, infrastructure or service-delivery characteristics. Relevant indicators may include State-designated greenfield growth areas, infrastructure sequencing and intergovernmental coordination, large or low-density geography, dispersed towns and

villages, substantial rural, agricultural or environmental land, and pressures at the urban-rural interface.

Council does not propose a separate peri-urban category. The criterion should inform assessment within the existing architecture and should not be determinative by itself.

1.4 MAKE QUALITATIVE CRITERIA MORE REPRODUCIBLE

Descriptors such as “high”, “significant”, “substantial”, “large” and “major” should be supported by specified evidence. No single measure should become a mandatory gateway.

EVIDENCE DOMAIN	EXAMPLES
Population	Current population, five-year growth and rate of growth, distribution and settlement dispersion
Place and infrastructure	Area, terrain, road and infrastructure burden, environmental constraints
Council operations	Revenue, expenditure, assets, capital program, workforce and service scope
Development and strategy	Development activity, strategic planning workload and infrastructure coordination
Regional role	Employment catchment, higher-order services, tourism and economic influence
Community complexity	Diversity, rural and agricultural issues, peri-urban conditions and strategic significance

2. STREAMS AND GROWTH PATHWAYS

2.1 RETAIN METROPOLITAN AND NON-METROPOLITAN STREAMS

The two streams should be retained. Inclusion in a metropolitan strategic planning region should not determine remuneration classification because planning boundaries can include councils with materially different settlement patterns, geography, infrastructure and governance responsibilities.

OLG classifications provide a practical starting point. Metropolitan councils would enter the Metropolitan stream; councils in other OLG groups, except Metropolitan Fringe, would

enter the Non-Metropolitan stream. Metropolitan Fringe councils would be assessed using a secondary density and settlement forms and characteristics. [R3]

DENSITY	PRESUMPTIVE STREAM	QUALIFICATION
Below 100 people/km²	Non-Metropolitan	Objective low-density character
100 to 249 people/km²	Non-Metropolitan	Unless compelling settlement-form evidence supports Metropolitan
250 people/km² or above	Metropolitan	Unless compelling evidence shows predominantly regional or rural character

This is a stream-classification test, not a measure of overall complexity. Applied to the nine OLG Metropolitan Fringe councils, it reproduces the Tribunal's current stream allocation and makes the distinction transparent and reproducible. [R3]

.

Wollondilly evidence

Wollondilly has 59,782 residents across approximately 2,555 km², a density of 23.4 people/km², more than 900 km of roads, multiple towns and villages and substantial rural and environmental land, together with two significant state-declared growth areas of over 30,000 new homes. Its density is close to the current Regional Centre median of about 24.8 people/km² and far below the least-dense council currently in the Metropolitan stream, Hornsby at about 340 people/km². The Tribunal also found in 1995 that Wollondilly did not have the characteristics of a suburban council within the Sydney metropolitan region. [R3, R4]

2.2 ADD A NARROW STRATEGIC GROWTH PATHWAY

The present structure largely recognises scale after it has been attained. However, governance and infrastructure pressures arise throughout a period of exceptional growth. A narrow pathway should recognise demonstrated change without relying on forecasts or creating a bespoke high-growth category.

Proposed pathway

A council may move by no more than one ordinary category where it otherwise satisfies the immediately preceding category; its residential population increased over the preceding five years at least 1.5 times the NSW rate, using the latest available ABS

Estimated Resident Population data; and the demonstrated growth produced material additional complexity relevant to section 240. [R2]

The pathway would be embedded in the destination category criteria, reconsidered through the normal categorisation process, and unavailable for entry into special functional categories such as Major Regional/Strategic, Major CBD or Principal City. Exceptional growth alone would not be sufficient. [R1, R2]

Indicative screening using OLG 2024/25 five-year data identifies 11 councils above the threshold, of which nine would move one category. This is about 7% of NSW general-purpose councils and confirms that the pathway would be selective. [R3]

3. BASIS FOR FIXING FEES

Question 2.

What basis should be used?

Fees should be structurally recalibrated within the statutory fee-for-office model, using demonstrated changes in the NSW offices of Mayor and Councillor, relevant NSW fee-based governance comparators, and transparent category relativities.

3.1 RECALIBRATE AGAINST THE CONTEMPORARY OFFICE

The 1995 statewide review assumed most elected members continued other employment, that community service occurred in addition to normal occupations, and that activities could generally be programmed around those commitments. The Mayoral fee also assumed capacity for other remunerative activity. [R4]

The statutory office has since changed materially. The 2016 reforms expanded the Mayor's direct leadership, strategic, stakeholder, intergovernmental and General Manager performance responsibilities, and broadened Councillor governance, planning, representation and accountability obligations. The 2026 meeting reforms added transparency and procedural requirements. [R6, R7]

The Tribunal observed in 2025 that the contemporary Mayoral role is more complex and demanding. In 2026 it accepted that changes have occurred that should be reflected in fees and that a greater increase may be warranted, subject to better evidence and analysis. [R1, R8]

Modern office-holders are frequently required during business hours for strategic work, briefings, development and infrastructure matters, stakeholder engagement, regional bodies and advocacy, in addition to meetings, community engagement and civic activities. This is particularly pronounced for Mayors, whose statutory advocacy and intergovernmental functions require sustained engagement with agencies and decision-makers. [R4, R6, R8]

Council would be willing to provide oral evidence at the Stage 1 hearings about contemporary Mayoral and Councillor work patterns if that would assist the Tribunal.

3.2 REMAIN WITHIN THE FEE-FOR-OFFICE MODEL

Council does not propose a salary model. The methodology should remain within section 241 and use NSW fee-based public governance evidence as a reasonableness check. Councils are statutory governing bodies rather than advisory committees, making the NSW Government Boards and Committees Group B governance framework more relevant than employment-based or interstate salary comparisons. [R1, R2, R9]

The B4 fee range begins at $35,001 for a member and $60,001 for a Chair. Council does not assert that Rural councils are B4 entities. Rather, B4 offers an external cross-check because its criteria include influence over strategy and implementation, regional or community impact, diverse stakeholders and non-inconsequential risk. [R9]

The Central Darling special determination provides a closer Mayoral cross-check. For 2026/27, the additional appointed Chairperson range is $74,750 to $74,850, and the Tribunal recognised that the Chairperson has the same statutory responsibilities as a Mayor. [R1, R10]

3.3 USE TRANSPARENT BASE VALUES AND CONSISTENT RELATIVITIES

- Rural Councillor base: $30,000 per annum.
- Additional Rural Mayoral base: $60,000 per annum.
- Apply the Tribunal's existing Councillor category relativities to both bases.
- For each ordinary category, set the maximum at the next category's minimum.

The Councillor base is a conservative triangulation of statutory change, the participation principle and the NSW governance comparator. It is below the B4 member floor and below the approximately $34,325 Rural Councillor reference produced by reversing the current Rural Mayoral/Councillor relationship from the Central Darling Chair maximum. The Mayoral base sits at the B4 Chair threshold and materially below the Central Darling additional Chair maximum. [R4, R6, R9, R10, R12]

Using a common category relativity avoids the current escalating additional-Mayoral premium, which rises markedly across categories without an identified evidentiary basis. Distinct treatment could still be retained where a materially different Mayoral office is demonstrated. [R1]

4. INDICATIVE MINIMUM AND MAXIMUM FEES

Based on this model, as requested by the Tribunal, below are the indicative ranges for the various streams. Figures are indicative and rounded to the nearest $10. “Total Mayor” combines the Councillor fee and additional Mayoral fee.

Non-Metropolitan stream

CATEGORY	COUNCILLOR FEE	ADDITIONAL MAYOR	TOTAL MAYOR
Rural	$30,000–$40,670	$60,000–$81,340	$90,000–$122,010
Rural Large	$40,670–$49,990	$81,340–$99,990	$122,010–$149,980
Regional Rural	$49,990–$59,980	$99,990–$119,960	$149,980–$179,940
Regional Centre	$59,980–$74,970	$119,960–$149,940	$179,940–$224,910
Regional Strategic Area	$74,970–$79,000	$149,940–$157,990	$224,910–$236,990
Major Regional/Strategic*	$79,000–$90,390	$157,990–$197,100	$236,990–$287,490

* Assumes Major Regional City and Major Strategic Area are merged. If retained separately, the same range could apply to both.

Metropolitan stream

CATEGORY	COUNCILLOR FEE	ADDITIONAL MAYOR	TOTAL MAYOR
Category	Councillor fee	Additional Mayor	Total Mayor
Metropolitan Small	$49,990–$63,610	$99,990–$127,220	$149,980–$190,830

Metropolitan Medium	$63,610–$74,970	$127,220–$149,940	$190,830–$224,910
Metropolitan Large	$74,970–$79,600	$149,940–$159,200	$224,910–$238,800
Metropolitan Major	$79,600–$84,190	$159,200–$168,370	$238,800–$252,560
Major CBD	$84,190–$99,940	$168,370–$199,890	$252,560–$299,830

5. LIKELY IMPACTS

5.1 FINANCIAL IMPACT

Using current category allocations and 2024/25 OLG Councillor numbers, the proposed structure produces an increase in indicative statewide elected-member fees equivalent to about 0.19% to 0.27% of the approximately $21.1 billion in annual sector revenue. [R3]
It is acknowledged that this is an additional cost, and it is considered that a change of this type also has the potential to significantly broaden the pool of potential elected representatives and hence the potential for improved effectiveness and long term financial sustainability of local government.

Implementation

Council acknowledges that the adjustment would need to be factored into Council budgets. If immediate implementation would create particular difficulty, phasing or transitional arrangements could be considered separately. Transition should not determine the underlying valuation of the office.

5.2 ADMINISTRATIVE IMPACT

The proposed classification changes would have limited administrative impact. The stream test and Strategic Growth pathway rely on existing OLG and ABS data. Peri-urban complexity would operate within existing category assessments. The fee model retains the existing statutory minimum/maximum structure and category relativities.

5.3 IMPACT ON OTHER COUNCILS

The proposals are framework-wide and do not seek the reassignment of a specified other council. Council notes the Tribunal's direction that proposals likely to affect particular councils should be served on those councils. If the Tribunal considers any aspect of this submission to have that effect, Council will comply with any service direction.

CONCLUSION

The existing framework should be improved, not replaced. The reforms proposed by Wollondilly Shire Council retain the statutory architecture and Tribunal discretion while making the structure smaller, clearer, more evidence-based and better aligned with contemporary governance responsibilities.

Council respectfully recommends that the Tribunal:

- retain the Metropolitan and Non-Metropolitan streams and broad category architecture;
- merge Major Regional City and Major Strategic Area;
- expressly recognise peri-urban complexity and add a narrow Strategic Growth pathway;
- clarify the evidence supporting qualitative criteria;
- structurally recalibrate fee ranges within section 241 using transparent NSW evidence and consistent relativities; and [R2]
- consider transition separately from the proper valuation of the offices.

ANNEXURE A: EVIDENCE AND CALCULATION SCHEDULE

A1. METROPOLITAN FRINGE TEST

COUNCIL	PEOPLE/KM²	RESULT
Wollondilly	23.4	Non-Metropolitan
Hawkesbury	24.8	Non-Metropolitan
Blue Mountains	55.1	Non-Metropolitan
Central Coast	211.1	Presumptively Non-Metropolitan
Hornsby	340.3	Metropolitan
The Hills	558.4	Metropolitan
Penrith	565.0	Metropolitan
Campbelltown	604.7	Metropolitan
Camden	700.3	Metropolitan

A2. STRATEGIC GROWTH SENSITIVITY CHECK

COUNCIL	5-YEAR GROWTH	CURRENT CATEGORY	ILLUSTRATIVE RESULT
Camden	34.79%	Metropolitan Medium	Metropolitan Large
The Hills	19.72%	Metropolitan Large	Metropolitan Major
Blacktown	15.43%	Metropolitan Major	No pathway: next category special
Maitland	15.06%	Regional Strategic Area	No pathway: next category special
Cessnock	14.02%	Regional Centre	Regional Strategic Area
Wollondilly	13.17%	Regional Centre	Regional Strategic Area
Liverpool	12.20%	Metropolitan Large	Metropolitan Major
Shellharbour	11.17%	Regional Centre	Regional Strategic Area
Murray River	9.77%	Rural Large	Regional Rural

Campbelltown	9.30%	Metropolitan Medium	Metropolitan Large
Queanbeyan-Palerang	8.84%	Regional Centre	Regional Strategic Area

This table is an indicative screen using OLG 2024/25 five-year population-change data. The operative test should use the latest available ABS Estimated Resident Population series. [R3]

A3. STATEWIDE FINANCIAL SCENARIOS

SCENARIO	INDICATIVE ANNUAL FEES
Current structure: all councils at minimums	~$22.63m
Current structure: all councils at maximums	~$40.74m
Proposed structure: current allocations at minimums	~$81.18m
Proposed structure: current allocations at maximums	~$97.58m
Proposed plus illustrative growth movements at minimums	~$82.48m
Proposed plus illustrative growth movements at maximums	~$98.14m

REFERENCES

[R1] Local Government Remuneration Tribunal, 2026 Annual Report and Determination, especially pages 7–10, 62–65 and 73–86.

[R2] Local Government Act 1993 (NSW), sections 223, 226, 232 and 239–241.

[R3] Office of Local Government, Time Series Data 2024–25, Circular 26-07, and underlying council population, density, revenue and Councillor data available through OLG Your Council reports.

[R4] Local Government Remuneration Tribunal, 1995 Annual Determination, pages 21–22 (work-pattern and fee assumptions) and page 59 (Wollondilly classification).

[R5] NSW Department of Planning, Housing and Infrastructure, Housing targets methodology and Statement of Expectations Order 2026, housing delivery, assessment and infrastructure expectations.

[R6] Local Government Amendment (Governance and Planning) Bill 2016, Explanatory Note Sch 1 (6) and (8); Local Government Amendment (Governance and Planning) Act 2016, see also Local Government Act 1993 (NSW), sections 226 and 232.

[R7] Office of Local Government, Circular 26-09, Local Government (General) Amendment (Meetings) Regulation 2026.

[R8] Local Government Remuneration Tribunal, 2025 Annual Determination, page 20, paragraphs 68–70.

[R9] NSW Public Service Commission, Classification and Remuneration Framework for NSW Government Boards and Committees, pages 10 and 21-27, especially pages 24, 26–27 (Group B classification, B4 criteria and fee range).

[R10] Local Government Remuneration Tribunal, Special Determination: Appointed Councillors and Chairperson for Central Darling Shire Council, pages 2 and 4-5; 2026 Annual Report and Determination, page 76.

[R11] Local Government Remuneration Tribunal, 1997 Annual Determination, page 5 (fee-range overlap and progression between categories).

[R12] Local Government Remuneration Tribunal, 2001 Annual Determination, page 1 (participation and financial burden).