13 REPORT OF THE CHIEF EXECUTIVE OFFICER

13.1 NSW Local Government Remuneration Tribunal - Annual fees payable to Mayors and Councillors

CSP Objective: Outcome 5.1: Public funds and assets are managed strategically, transparently and efficiently

CSP Strategy: 5.1.1 Public funds are managed in accordance with Financial Management Standards and the Local Government Act.

Delivery Program: 5.1.1.1 Improved financial reporting and legislative compliance through reporting, scrutiny oversight and processes.

Summary

The Local Government Remuneration Tribunal has made determinations under Section 241 of the *Local Government Act 1993* in respect of the annual fees payable to the Mayor and Councillors effective from 1 July 2026.

Financial implication

There are sufficient funds in the draft 2026-27 budget to meet the 3.7% increase as determined by the Tribunal.

Risk implication

The risk is failing to meet the legislative requirements of sections 248 and 249 of the *Local Government Act 1993* resulting in damage to reputation and regulatory intervention.

Policy

Local Government Act 1993

Internal consultation

Chief Financial Officer

Communication / Community engagement

Not applicable

Attachments
Nil

Enclosures
Nil

RECOMMENDATION

That Council comply with the Local Government Remuneration Tribunal decision made under Section 241 of the *Local Government Act 1993*, that a 3.7% increase is payable on the annual fees for Mayor and Councillors for the period 1 July 2026 to 30 June 2027, resulting in the following fee being payable:

1. $24,080 for each Councillor including the Mayor.
2. $52,560 as an additional fee for the Mayor.

Background

The *Local Government Act 1993* (the Act) provides for the establishment of a Local Government Remuneration Tribunal (Tribunal) to determine categories for councils, together with annual fees payable to mayors and councillors. The Tribunal, in accordance with Section 241 of the Act, must determine no later than by 1 May each year the minimum/maximum fees payable for councillors and mayors for each category.

The Tribunal is required to determine the remuneration categories of councils and mayoral offices at least once every three years under section 239 of the Local Government Act 1993. The Tribunal last undertook a significant review of the categories as part of its 2023 determination. In undertaking this year's review the Tribunal found the allocation of most councils into the current categories continued to be appropriate, including Kiama.

Decision from 7 April 2026 Extraordinary meeting

An Extraordinary meeting of the Council was held on 7 April 2026 to consider budget parameters. Minute 26/027OC from that minute included the following resolution, that Council:

> 5(e) Considers declining to apply the annual Mayor and Councillor allowance increase, as determined by the Local Government Remuneration Tribunal, for the period of the 2026-27 financial year.

The draft budget parameters included a savings of$9,057 as the estimated Level 1 savings initiative related to the above resolution.

Regional Rural category

Councils categorised as Regional Rural will typically have a minimum residential population of 20,000. To satisfy this criteria the non-resident working population can be included. = Other features may include:

- A large urban population existing alongside a traditional farming sector, and are surrounded by smaller towns and villages
- Health services, tertiary education services and regional airports which service a regional community
- A broad range of industries including agricultural, educational, health, professional, government and retail services

- Large visitor numbers to established tourism ventures and events.

Councils in the category of Regional Rural provide a degree of regional servicing below that of a Regional Centre.

Tribunal determination

The Local Government Remuneration Tribunal has determined an increase of 3.7% to mayoral and councillor fees for the 2026-27 financial year, with effect from 1 July 2026 with the following minimum and maximum allowances:

Category: Regional Rural	2026-27	
	Minimum	**Maximum**
Councillor fee	$10,920	$24,080
Mayoral fee	$23,250	$52,560

Fees for 2025-26 were set at $23,220 for the Councillor fee and $50,680 for the Mayoral fee.

A council cannot fix a fee higher than the maximum amount determined by the Tribunal. If a council does not fix a fee, the council must pay the minimum fee determined by the Tribunal.

Conclusion

Sections 248 and 249 of the Act require councils to fix and pay an annual fee to councillors and mayors from 1 July 2026 based on the Tribunal's determination for the 2026-27 financial year. The annual fee is to be the same for each Councillor and Council is able to pay that fee having regard to the category established by the Tribunal.

This report recommends the maximum amount (as indicated in the table above) to be paid for Councillor fees ($24,080) and the Mayoral fee ($52,560) for 2026-27, reinstating the corresponding increased costs, being $8,760, into the budget.