

Resolution of Council

11 April 2022

Item 4.1

Superannuation for Councillors

Memorandum by the Chief Executive Officer

To Council:

Following an amendment to the Local Government Act 1993 (the Act) in 2021, councils may make payments as a contribution to a superannuation account nominated by their councillors, starting from the financial year commencing on 1 July 2022.

The making of superannuation contribution payments for councillors is optional and is at each council's discretion.

To exercise the option of making superannuation contribution payments for councillors, councils must first resolve at an open meeting to make superannuation contribution payments for the councillors.

Where a council resolves to make superannuation contribution payments for its councillors, the amount of the payment is to be the amount the council would have been required to contribute under the *Commonwealth Superannuation Guarantee (Administration) Act 1992* as superannuation if the councillors were employees of the council.

As of 1 July 2022, the superannuation guarantee rate will be 10.5 per cent. The rate will increase by half a percent each year until 1 July 2025 when it reaches 12 per cent.

Superannuation would be payable in addition to councillor fees. The superannuation contribution payment is to be paid at the same intervals as the annual fee is paid to councillors.

To receive a superannuation contribution payment, each councillor must first nominate a superannuation account for the payment before the end of the month to which the payment relates. The superannuation account nominated by councillors must be an account for superannuation or retirement benefits from a scheme or fund to which the Commonwealth Superannuation Guarantee (Administration) Act 1992 applies.

Individual councillors may opt out of receiving superannuation contribution payments or opt to receive reduced payments. Councillors must do so in writing.

Staff have estimated that the initial cost for financial year 2022/23 is around \$65,000. If approved, this will be incorporated into the draft budget for next year with estimates calculated for inclusion in the future years forward estimates.

Councillors undertake important work for their communities while facing a high workload and responsibilities which make it difficult to juggle work, family and civic commitments.

Councillor remuneration is a significant factor in encouraging more people, particularly women and young people, to stand for their community and become councillors.

MONICA BARONE

Chief Executive Officer

Moved by the Chair (the Lord Mayor), seconded by Councillor Scully –

It is resolved that:

- (A) Council endorse making superannuation contribution payments to councillors;
- (B) Council note the estimated cost for 2022/23 is approximately \$65,000; and
- (C) the Chief Executive Officer be requested to include provision for superannuation contribution payments to councillors in the draft 2022/23 budget and future years' forward estimates.

The motion was carried on the following show of hands –

Ayes (8) The Chair (the Lord Mayor), Councillors Chan, Davis, Ellsmore, Gannon, Jarrett, Kok, and Scully.

Noes (1) Councillor Weldon*.

*Note – Councillor Weldon abstained from voting on this matter. Pursuant to the provisions of clause 9.4 of the Code of Meeting Practice, Councillor Weldon is taken to have voted against the motion.

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