

20 August 2021

Mr Warren McCann
Chair
Victorian Independent Remuneration Tribunal
Suite 1, Ground Floor
1 Treasury Place
EAST MELBOURNE VIC 3002

Delivered by email: localgovernment@remunerationtribunal.vic.gov.au

Dear Mr McCann

Determination of allowances for Mayors, Deputy Mayors and Councillors

Thank you for the opportunity to make a submission about the Consultation Paper regarding the proposed Determination of allowances for Mayors, Deputy Mayors and Councillors.

The Municipal Association of Victoria (MAV) is a membership association and the legislated peak body for local government in Victoria.

The MAV considers the Tribunal's review process will bring renewed public transparency to the issue of councillor allowances given a review of these allowances has not occurred since 2008. The MAV acknowledges, in addition to the Consultation Paper, there has been an opportunity for currently serving Mayors, Deputy Mayors and Councillors to complete an online questionnaire.

Councillors, as civic leaders, make a vital contribution to Victoria by representing and engaging with their communities. The duties and responsibilities of Councillors require they govern for today across the social, economic, environmental and cultural domains in the knowledge their decisions are made in stewardship for future generations.



Providing an allowance to Councillors is a recognition of the contribution they make as they perform their roles. The allowance is not the equivalent to remuneration for a salaried position. The current allowance levels do not go anywhere near the time and effort invested by Councillors in their role.

To assist Councillors to undertake their role the allowance is complimented through the provision of resources and facilities, such as information technology equipment (including mobile phone and computer) and the reimbursement of expenses, such as travel and child care/family care costs. These resources, facilities and reimbursements contribute to maximising the potential for all members of the community to seek out an elected role. In addition, learning and development opportunities are often available to assist Councillors to perform their role. As detailed in the Consultation Paper, Councillors are entitled to receive payments in lieu of superannuation entitlements and remote area travel arrangements. These payments are supported and in the view of the MAV, should be retained in their existing form.

The *Local Government Act 2020* requires Councillors to represent the interests of the municipal community in their decision making. The allowance is a way to attract candidates with a diverse range of backgrounds. This diversity in backgrounds assists Councils to make decisions in the best interests of the whole community.

Since the review of allowances occurred in 2008 the roles and responsibilities of Councillors have changed and evolved. The decisions Councillors make are often long term and strategically focused across many areas including asset management, financial and corporate planning. Councillors make these decisions following more rigorous community engagement processes for which they play a key role. Since 2008 community expectations of the role has also changed especially regarding visibility, accountability and accessibility. This has partly been driven by the widespread use of technology for regular communications such as email and social media.

The role and responsibilities of the position of Mayor has particularly changed since 2008. While the Mayor continues to be the 'leader among equals' whose role and responsibilities include chairing council meetings, being the primary spokesperson and carrying out civic and ceremonial duties it also now includes other prescribed leadership functions such as to facilitate good governance practices including community engagement activities, dispute resolution, leading the review of the performance of the CEO and assisting their fellow Councillors to understand their roles.

In addition, the demise of traditional media outlets in communities, such as local newspapers, has resulted in Mayors having to take a greater role in filling the communication vacuum. This has been demonstrated during the COVID pandemic and recent bushfires where Mayors have often been central to communication messages by providing information and support directly to their communities through Council and other communication channels.

A recent change to roles and responsibilities of Councillors has also been the recognition of the Deputy Mayor position in the Act. Given this recognition it would be consistent practice to provide a specific allowance for this position. At the MAV State Council meeting in May 2021 a resolution was passed to ‘...allow Councils to determine a separate allowance for the Deputy Mayor role for 2021/22, subject to a Determination by the Tribunal’.

Regarding the future, an opportunity which may emerge for Councillors in undertaking their role is in respect to the new provision in the Act which enables joint meetings of councils to be held. This provision may provide new opportunities for joint decision making in areas such as procurement arrangements and creating broader strategic planning opportunities such as regional infrastructure planning.

Continuing to base the allowance categories on population and revenue is supported. The current methodology provides a consistent and transparent approach. However, it is noted additional factors (eg. geography) are considered by some other jurisdictions when determining the allowance categories. The MAV would welcome further consultation on any new methodology identified by the Tribunal.

Regarding financial implications, the setting of the allowances and the yearly increases present difficulties for Councillors given the rate capped requirements and fiscal constraints councils operate within. However, despite these difficulties the importance of the payment of the allowance remains a crucial recognition of their role and responsibilities.

In summary the MAV welcomes the review of the allowances and seeks a continuation of the model which categorises Councils based on a consistent methodology.

Yours sincerely



Kerry Thompson
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Municipal Association of Victoria