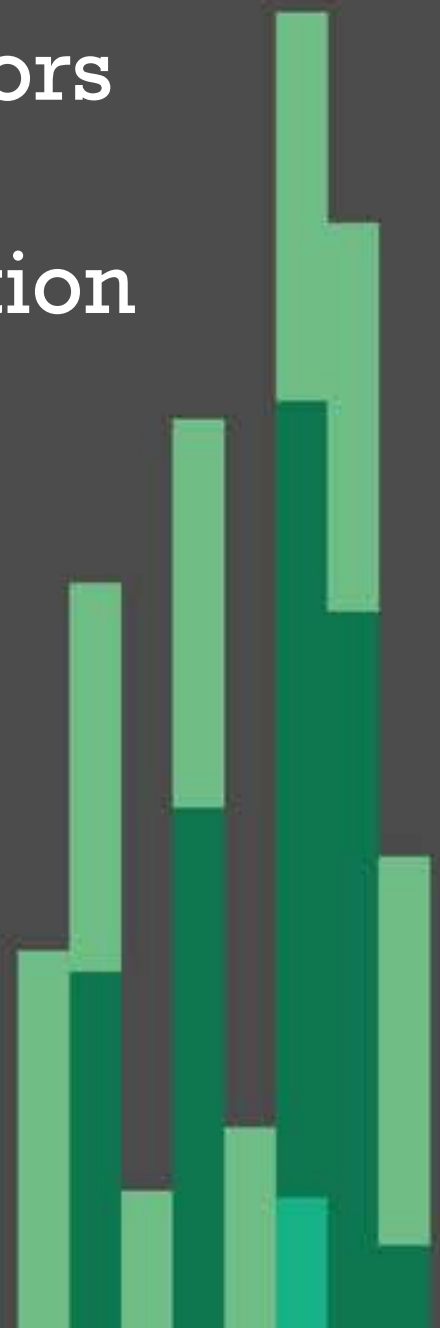
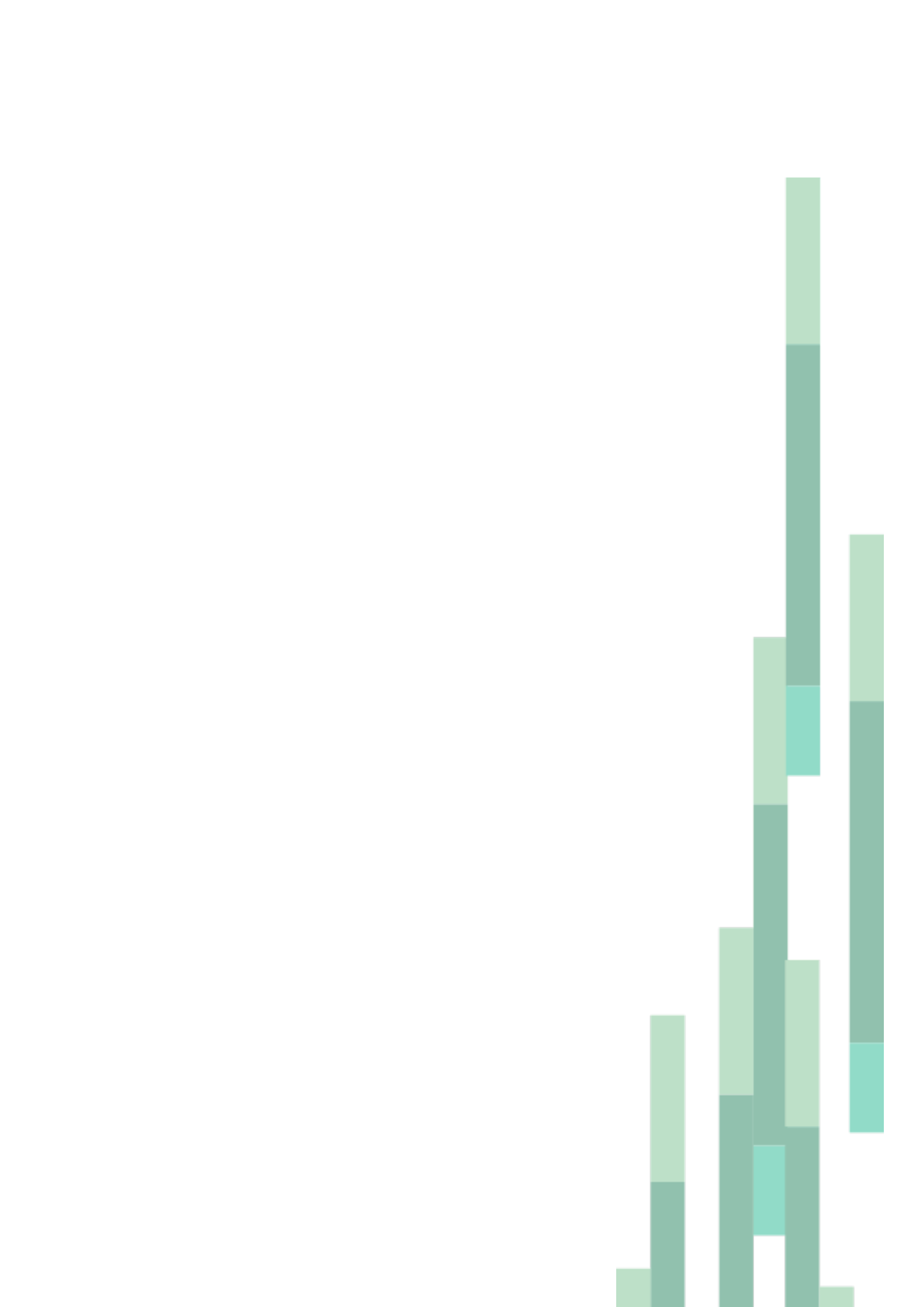

Victorian
Independent
Remuneration
Tribunal

Allowance payable to
Mayors, Deputy Mayors
and Councillors
(Victoria) Determination
No. 01/2022





Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019 (Vic)

Part 3—Determination of the allowance payable to Mayors, Deputy Mayors and Councillors.

Allowance payable to Mayors, Deputy Mayors and Councillors (Victoria) Determination No. 01/2022



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Part 1 – Legal matters and definitions

1. **Title:** This Determination is the Allowance payable to Mayors, Deputy Mayors and Councillors (Victoria) Determination No. 01/2022 and is made under Part 3 of the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019* (Vic) by the Victorian Independent Remuneration Tribunal.

2. **Effective date:** This Determination takes effect on 18 December 2021.

3. Definitions

3.1 Terms not defined in this Determination have the same meaning as in the *Local Government Act 2020* (Vic), unless the contrary intention appears.

3.2 In this Determination, unless the contrary intention appears:

Council member means a Mayor, Deputy Mayor or Councillor of a Council;

Eligible Local Governing Body means a Council whose Council members are employees for the purposes of *Superannuation Guarantee (Administration) Act 1992* (Cth) (as amended or replaced from time to time) and are entitled to Superannuation Guarantee Contributions under that Act, by virtue of the Council having made a resolution under section 446-5 of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (as amended or replaced from time to time);

Superannuation Guarantee Contribution means the minimum superannuation payments that an employer is required to make to a superannuation fund on an employee's behalf so as to avoid the superannuation guarantee charge under the *Superannuation Guarantee (Administration) Act 1992* (Cth) (as amended or replaced from time to time);

VIRTIPS Act means the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019* (Vic).

4. Coverage and application

4.1 This Determination sets the value of the amount of the allowance payable to Council members.

4.2 The value of the amount of the allowance payable to a Council member is comprised of two parts:

- (a) a base allowance, which varies according to Council allowance categories, set in Part 3 of this Determination
- (b) subject to eligibility requirements, a Remote Area Travel Allowance set in Part 4 of this Determination.

Part 2 – Council allowance categories

5. Council allowance categories

- 5.1 In accordance with section 23A of the VIRTIPS Act, Schedule A of this Determination provides for a Council allowance category for each Council.
- 5.2 The value of the base allowance that a Council member is entitled to, set in Part 3 of this Determination, varies depending on the Council allowance category of their Council.

Part 3 – Base allowance for Council members

6. Council members entitled to a base allowance

- 6.1 Each Council member is entitled to a base allowance. A Council member is only entitled to receive one base allowance for any particular period of service.

7. Value of the base allowance for Mayors

- 7.1 The values of the base allowances for Mayors are:
 - (a) from 18 December 2021 until 17 December 2022, the values set out in Table 1
 - (b) from 18 December 2022 until 17 December 2023, the values set out in Table 2
 - (c) from 18 December 2023 until 17 December 2024, the values set out in Table 3
 - (d) from 18 December 2024 until 17 December 2025, the values set out in Table 4

(e) from 18 December 2025, the value set out in Table 5.

Table 1: value of the base allowance for Mayors, by Council allowance category, 18 December 2021 until 17 December 2022

Council allowance category	Value of allowance (\$ per annum)
Category 1	74,706
Category 2	96,470
Category 3	119,316
Category 4 – Melbourne City Council	238,634

Table 2: value of the base allowance for Mayors, by Council allowance category, 18 December 2022 until 17 December 2023

Council allowance category	Value of allowance (\$ per annum)
Category 1	76,781
Category 2	99,150
Category 3	122,630
Category 4 – Melbourne City Council	245,262

Table 3: value of the base allowance for Mayors, by Council allowance category, 18 December 2023 until 17 December 2024

Council allowance category	Value of allowance (\$ per annum)
Category 1	78,857
Category 2	101,830
Category 3	125,944
Category 4 – Melbourne City Council	251,891

Table 4: value of the base allowance for Mayors, by Council allowance category, 18 December 2024 until 17 December 2025

Council allowance category	Value of allowance (\$ per annum)
Category 1	80,932
Category 2	104,510
Category 3	129,259
Category 4 – Melbourne City Council	258,520

Table 5: value of the base allowance for Mayors, by Council allowance category, from 18 December 2025

Council allowance category	Value of allowance (\$ per annum)
Category 1	83,007
Category 2	107,189
Category 3	132,573
Category 4 – Melbourne City Council	265,148

8. Value of the base allowance for Deputy Mayors

8.1 The values of the base allowances for Deputy Mayors are:

(a) from 18 December 2021 until 17 December 2022, the values set out in Table 6

(b) from 18 December 2022 until 17 December 2023, the values set out in Table 7

(c) from 18 December 2023 until 17 December 2024, the values set out in Table 8

(d) from 18 December 2024 until 17 December 2025, the values set out in Table 9

(e) from 18 December 2025, the value set out in Table 10.

Table 6: value of the base allowance for Deputy Mayors, by Council allowance category, 18 December 2021 until 17 December 2022

Council allowance category	Value of allowance (\$ per annum)
Category 1	37,353
Category 2	48,235
Category 3	59,658
Category 4 – Melbourne City Council	119,317

Table 7: value of the base allowance for Deputy Mayors, by Council allowance category, 18 December 2022 until 17 December 2023

Council allowance category	Value of allowance (\$ per annum)
Category 1	38,391
Category 2	49,575
Category 3	61,315
Category 4 – Melbourne City Council	122,631

Table 8: value of the base allowance for Deputy Mayors, by Council allowance category, 18 December 2023 until 17 December 2024

Council allowance category	Value of allowance (\$ per annum)
Category 1	39,428
Category 2	50,915
Category 3	62,972
Category 4 – Melbourne City Council	125,945

Table 9: value of the base allowance for Deputy Mayors, by Council allowance category, 18 December 2024 until 17 December 2025

Council allowance category	Value of allowance (\$ per annum)
Category 1	40,466
Category 2	52,255
Category 3	64,629
Category 4 – Melbourne City Council	129,260

Table 10: value of the base allowance for Deputy Mayors, by Council allowance category, from 18 December 2025

Council allowance category	Value of allowance (\$ per annum)
Category 1	41,503
Category 2	53,595
Category 3	66,286
Category 4 – Melbourne City Council	132,574

9. Value of the base allowance for Councillors

9.1 The values of the base allowances for Councillors are:

- (a) from 18 December 2021 until 17 December 2022, the values set out in Table 11
- (b) from 18 December 2022 until 17 December 2023, the values set out in Table 12
- (c) from 18 December 2023, the values set out in Table 13.

Table 11: value of the base allowance for Councillors, by Council allowance category, 18 December 2021 until 17 December 2022

Council allowance category	Value of allowance (\$ per annum)
Category 1	24,080
Category 2	30,024
Category 3	35,972
Category 4 – Melbourne City Council	53,957

Table 12: value of the base allowance for Councillors, by Council allowance category, 18 December 2022 until 17 December 2023

Council allowance category	Value of allowance (\$ per annum)
Category 1	24,775
Category 2	30,890
Category 3	37,010
Category 4 – Melbourne City Council	55,513

Table 13: value of the base allowance for Councillors, by Council allowance category, from 18 December 2023

Council allowance category	Value of allowance (\$ per annum)
Category 1	25,469
Category 2	31,756
Category 3	38,047
Category 4 – Melbourne City Council	57,070

Part 4 – Remote Area Travel Allowance

10. Remote Area Travel Allowance

10.1 If a Council member normally resides more than 50 kilometres by the shortest possible practicable road distance from the location or locations specified for the conduct of ordinary, special or committee meetings of the Council, or any municipal or community functions which have been authorised by Council resolution for the Council member to attend, the Council member is entitled to be paid an allowance of \$44 for each day on which one or more meetings or authorised functions were attended by the Council member, up to a maximum of \$5,500 per annum.

Part 5 – Other matters

11. Allowance inclusive of superannuation entitlements

11.1 The value of the allowance payable to a Council member is inclusive of any Superannuation Guarantee Contribution amount, or equivalent, that may be payable under Commonwealth law to the Council member with respect to their service in that office (for example, due to the Council member's Council being an Eligible Local Governing Body).

12. Annual indexation of allowances

12.1 For the purpose of s. 23A(5)(b) of the VIRTIPS Act, the values of allowances set in this Determination will be annually adjusted by the Determinations made by the Tribunal under s. 23B of the VIRTIPS Act.



Warren McCann

Chair

Victorian Independent
Remuneration Tribunal



The Honourable Jennifer Acton

Member

Victorian Independent
Remuneration Tribunal

Date: 07/03/2022

Schedule A — Council allowance category for each Council

Category 1

Category 1	
Alpine Shire Council	Mansfield Shire Council
Ararat Rural City Council	Mount Alexander Shire Council
Benalla Rural City Council	Murrindindi Shire Council
Buloke Shire Council	Northern Grampians Shire Council
Central Goldfields Shire Council	Pyrenees Shire Council
Corangamite Shire Council	Borough of Queenscliffe
Gannawarra Shire Council	Southern Grampians Shire Council
Hepburn Shire Council	Strathbogie Shire Council
Hindmarsh Shire Council	Towong Shire Council
Indigo Shire Council	West Wimmera Shire Council
Loddon Shire Council	Yarriambiack Shire Council

Category 2

Category 2	
Bass Coast Shire Council	Maroondah City Council
Baw Baw Shire Council	Mildura Rural City Council
Bayside City Council	Mitchell Shire Council
Campaspe Shire Council	Moira Shire Council
Colac Otway Shire Council	Moorabool Shire Council
East Gippsland Shire Council	Moyne Shire Council
Glenelg Shire Council	Nillumbik Shire Council
Golden Plains Shire Council	South Gippsland Shire Council
Greater Shepparton City Council	Surf Coast Shire Council
Hobsons Bay City Council	Swan Hill Rural City Council
Horsham Rural City Council	Wangaratta Rural City Council
Latrobe City Council	Warrnambool City Council
Macedon Ranges Shire Council	Wellington Shire Council
Maribyrnong City Council	Wodonga City Council

Category 3

Category 3	
Ballarat City Council	Knox City Council
Banyule City Council	Manningham City Council
Boroondara City Council	Melton Shire Council
Brimbank City Council	Monash City Council
Cardinia Shire Council	Moreland City Council
Casey City Council	Moonee Valley City Council
Darebin City Council	Mornington Peninsula Shire Council
Glen Eira City Council	Port Phillip City Council
Frankston City Council	Stonnington City Council
Greater Bendigo City Council	Whitehorse City Council
Greater Dandenong City Council	Whittlesea City Council
Greater Geelong City Council	Wyndham City Council
Hume City Council	Yarra City Council
Kingston City Council	Yarra Ranges Shire Council

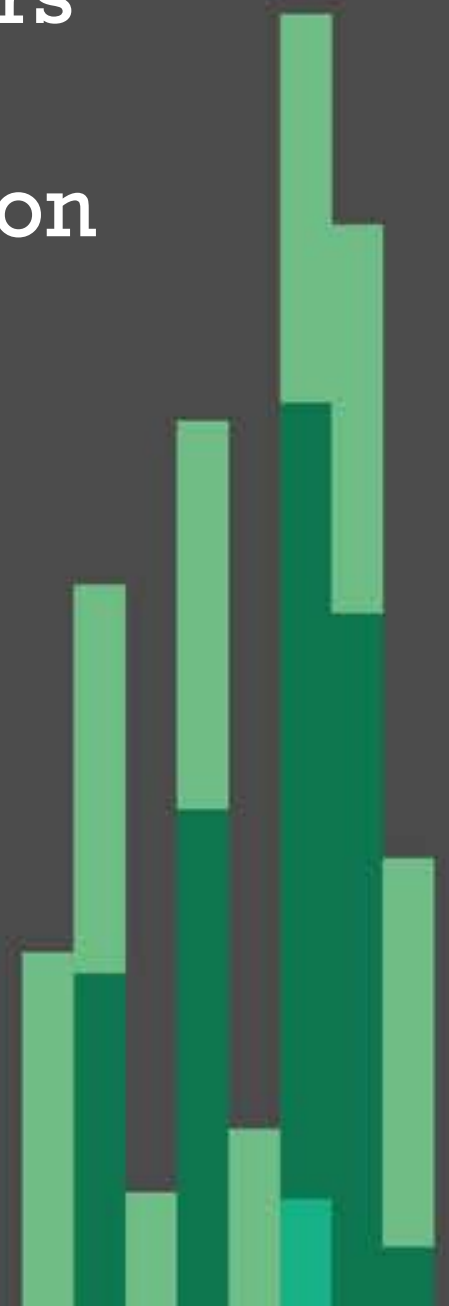
Category 4 – Melbourne City Council

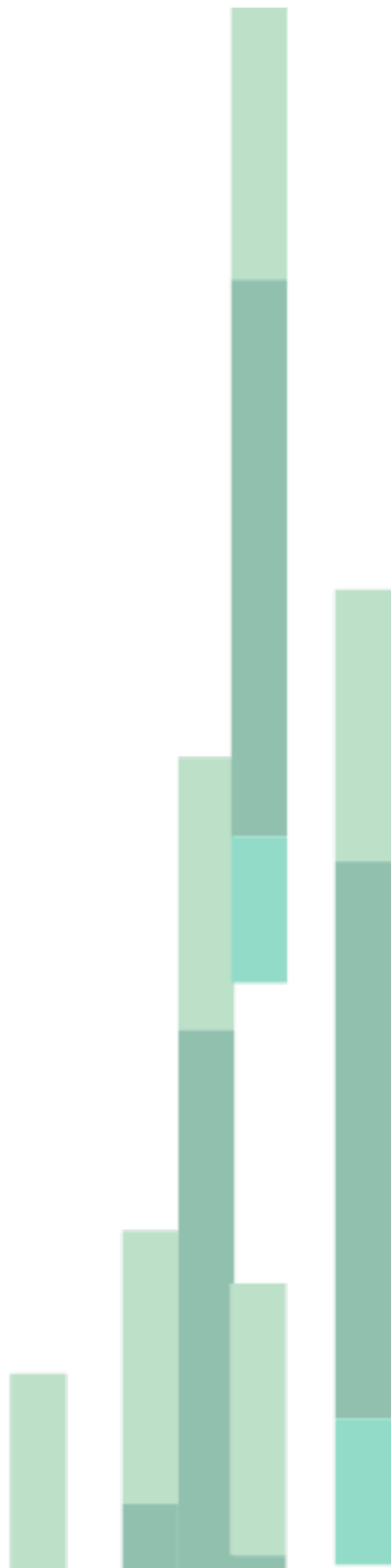
Category 4 – Melbourne City Council
Melbourne City Council

Victorian
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Allowance payable to
Mayors, Deputy Mayors
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(Victoria) Determination
No. 01/2022

Statement of Reasons





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Abbreviations and glossary



Term or abbreviation	Definition
2008 Policy Statement	<i>Recognition and Support, the Victorian Government's Policy Statement on Local Government Mayoral and Councillor Allowances and Resources</i>
ABS	Australian Bureau of Statistics
annual adjustment guideline rate	A mechanism set by the Premier to adjust remuneration for executives in the public sector
AWOTE	Average Weekly Ordinary Time Earnings
Budget Update 2021/22	<i>Victorian Budget 2021/22 – 2021/22 Budget Update</i>
Casual NMW	National Minimum Wage with casual loading
Category points	A calculation (based on each Council's population and revenue) used to assign Councils (except for Melbourne City Council) to allowance categories since 2001.
CBD	Central Business District
CEO	Chief Executive Officer
Council member	A Mayor, a Deputy Mayor or a Councillor
CPI	Consumer Price Index
DPC	Department of Premier and Cabinet
DTF	Department of Treasury and Finance
ELGB	Eligible Local Governing Body
ESC	Essential Services Commission
GBE	Government Business Enterprise
GDP	Gross Domestic Product
GRP	Gross Regional Product
GSP	Gross State Product
Guidelines	<i>Appointment and Remuneration Guidelines</i>
LGA	Local government area

Term or abbreviation	Definition
LG Act 2020	<i>Local Government Act 2020 (Vic)</i>
LGBTQIA+	Lesbian, gay, bisexual, transgender, queer (or questioning), intersex, and asexual (or allies) plus
LGV	Local Government Victoria
MAV	Municipal Association of Victoria
Melbourne CPI	All Groups Consumer Price Index for Melbourne
MP	Member of the Parliament of Victoria
Municipal district	District for which a Council provides local government services
NMW	National Minimum Wage
p.a.	per annum
RATA	Remote area travel allowance
RBA	Reserve Bank of Australia
SG Act	<i>Superannuation Guarantee (Administration) Act 1992 (Cth)</i>
Tribunal	Victorian Independent Remuneration Tribunal
VAGO	Victorian Auditor-General's Office
Victorian Budget	Victorian Budget 2021/22
Victorian Financial Report	<i>Victorian Budget 2020/21 – 2020-21 Financial Report</i>
VIRTIPS Act	<i>Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019 (Vic)</i>
VLGA	Victorian Local Governance Association
VPSC	Victorian Public Sector Commission
Ward	A subdivision of a municipal district. Council members are elected to represent a ward. The entire municipal district is considered one ward if the municipal district is not subdivided.
WPI	Wage Price Index

1 Introduction



The Victorian Independent Remuneration Tribunal was established in 2019 by the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019* (VIRTIPS Act) to support transparent, accountable and evidence-based decision-making in relation to the remuneration of elected officials and public sector executives in Victoria.

The VIRTIPS Act requires the Tribunal to inquire into and make Determinations in relation to:

- salaries and allowances for Members of the Parliament of Victoria
- remuneration bands for executives employed in public service bodies
- remuneration bands for executives employed in prescribed public entities
- allowances provided to Mayors, Deputy Mayors and Councillors in local government (Council members).

In performing its functions and in exercising its powers, the Tribunal must act independently and impartially and is not subject to the control or direction of any person, including the Minister.¹

On 17 June 2021, the Minister for Local Government, in consultation with the Minister for Government Services, formally requested the Tribunal to make its first Determination relating to the allowances of Council members. This request was made under section 23A(4) of the VIRTIPS Act (Appendix A).

In its Determination, the Tribunal is required to include a Statement of Reasons for the making of the Determination. This Statement of Reasons relates to the Tribunal's first Determination of the allowances for Council members.

¹ VIRTIPS Act, s. 5.

1.1 Scope of this Determination

Section 23A(1) of the VIRTIPS Act requires the Tribunal to make a Determination setting the value of the amount of the allowance payable to Council members. The Determination must provide for Council allowance categories (which may be specified for a single Council or a group of Councils).²

The *Allowance payable to Mayors, Deputy Mayors and Councillors (Victoria) Determination No. 01/2022* is the first Determination to be made under this section of the VIRTIPS Act.

In making this Determination, the Tribunal was required to:³

- include a comprehensive review of the existing allowance categories and Councillor allowances and Mayoral allowances under the *Local Government Act 1989* (Vic), taking into account similar allowances for elected members of local government bodies in other states and allowances for persons elected to other ‘voluntary part-time community bodies’
- provide for the annual indexation of allowances
- set the value of allowances at not less than the existing equivalent allowances under the *Local Government Act 1989* (Vic)
- provide for any other matter the Tribunal considered relevant.

In making any of its Determinations, the Tribunal must also consider:⁴

- any statement or policy issued by the Government of Victoria which is in force with respect to its wages policy (or equivalent) and the remuneration and allowances of any specified occupational group
- the financial position and fiscal strategy of the State of Victoria
- current and projected economic conditions and trends
- submissions received in relation to the proposed Determination
- any other prescribed matter.

The *Allowance payable to Mayors, Deputy Mayors and Councillors (Victoria) Determination No. 01/2022* applies to every Council member in all 79 Councils in Victoria. Approximately 620 Council members were elected to Councils at the most recent local government general elections held in 2020.⁵

² VIRTIPS Act, ss. 23A(2), 23A(3).

³ VIRTIPS Act, s. 23(5).

⁴ VIRTIPS Act, s. 24(2).

⁵ Victorian Electoral Commission (2021), p. 27.

For the purposes of clarity, in this Statement of Reasons, the term ‘Councils’ refers to the whole Council organisation (including both the elected representatives and the staff of a Council) and the terms ‘Mayor’, ‘Deputy Mayor’, and ‘Councillors’ or ‘Council members’ refer to the elected representatives of a Council.

The Determination does not apply to:

- administrators and Municipal Monitors appointed to a Council — remuneration for these roles is fixed by the Minister for Local Government⁶
- Council staff, including the Chief Executive Officer (CEO) of each Council⁷
- a member of a delegated committee,⁸ unless the member is also a Council member.

The Determination does not deal with Council expenses policies, which govern reimbursement of the out-of-pocket expenses of Council members, or the resources and facilities that Councils provide to Council members to perform their roles. Under the *Local Government Act 2020* (Vic) (LG Act 2020), individual Councils are responsible for policies governing expenses and for providing resources and facilities to Council members.⁹

1.2 Consultation

Pursuant to section 24(1) of the VIRTIPS Act, and before making this Determination, the Tribunal:

- published a notice of intention to make a Determination on its website, including details about the proposed Determination
- gave any affected person or a class of affected persons a reasonable opportunity to make a submission in relation to the proposed Determination.

To support parties to make a submission, the Tribunal also published a Consultation Paper alongside the notice of intention.

The Tribunal received 48 submissions.

In addition, to inform the making of this Determination, the Tribunal:

⁶ LG Act 2020, ss. 179, 220.

⁷ LG Act 2020, s. 45.

⁸ Under s. 11 of the LG Act 2020, a Council may delegate certain powers, duties or functions to a delegated committee. A delegated committee must include at least two Councillors and ‘may include any other persons appointed to the delegated committee by the Council who are entitled to vote’ (s. 63 of the LG Act 2020).

⁹ LG Act 2020, ss. 40-42.

- distributed a questionnaire to each currently-serving Council member seeking information about Council member roles, views on allowance values and other matters the Tribunal should consider in setting the value of allowances — the Tribunal received 258 responses
- received oral submissions from representatives of eight different organisations
- distributed a data request to each Council seeking information about the value of allowances paid to currently serving Council members.

Details of consultation processes used by the Tribunal are summarised in Appendix B.

The Tribunal would like to express its appreciation to all those who made submissions or who otherwise participated in the processes above and assisted the Tribunal to perform its functions.

1.3 Acknowledgement

The Tribunal would like to express its appreciation to Barbara Belcher AM, who stepped down from her role as Tribunal Member in February 2022. Barbara was an inaugural member of the Tribunal, having been appointed to the role in June 2019 following a distinguished career in the Australian Public Service. The Tribunal thanks Barbara for her many contributions as a Tribunal Member, including to this Determination, and wishes her all the best in her future endeavours.

1.4 Structure of this Statement of Reasons

Chapter 2 of this Statement of Reasons provides an overview of the role and responsibilities of Councils in Victoria, while Chapter 3 focuses more specifically on the changing roles and responsibilities of Council members. An overview of the allowance framework that applied prior to the making of this Determination is provided in Chapter 4.

In Chapter 5, comparisons are made between the value of allowance payable to Council members in Victoria and those for elected members of local government bodies in other Australian jurisdictions, allowances for ‘persons elected to other voluntary part-time community bodies’, payments made to the Chairs and directors of some public entity boards in Victoria and salaries payable to Members

of Parliament in Victoria. Chapter 6 details relevant macroeconomic and financial considerations considered by the Tribunal. The Tribunal's overall considerations and conclusions on the value of the allowance payable to Council members, Council allowance categories and the new allowance framework are set out in Chapter 7.

2 Role and responsibilities of Councils



Local government has wide-ranging responsibilities under more than 120 pieces of Victorian legislation, including land use planning and building control, public health services, domestic animal control and environmental protection legislation.¹⁰ There are 79 Councils across Victoria that make up the local government sector.

The primary role of each Council is to provide good governance for the benefit and wellbeing of its municipal community, which includes residents, ratepayers, traditional landowners and those who conduct activities in the municipal district.¹¹

Each elected Council represents a municipal district. Each municipal district is represented by between five and 12 Council members who are elected by residents of the district and ratepayers.¹² Council elections are held in Victoria every four years and the voting system is set by the Minister for Local Government.¹³

Elected Council members are collectively responsible for appointing the Council's CEO for up to five years. The CEO is responsible for overseeing the day-to-day management of Council services and activities, Council staffing matters and supporting Council members in the performance of their roles.¹⁴

Figure 2.1 illustrates the relationship between the elected representatives of a Council — Mayors, Deputy Mayors and Councillors — and the administration — the CEO and other staff.

¹⁰ State Government of Victoria (n.d.d).

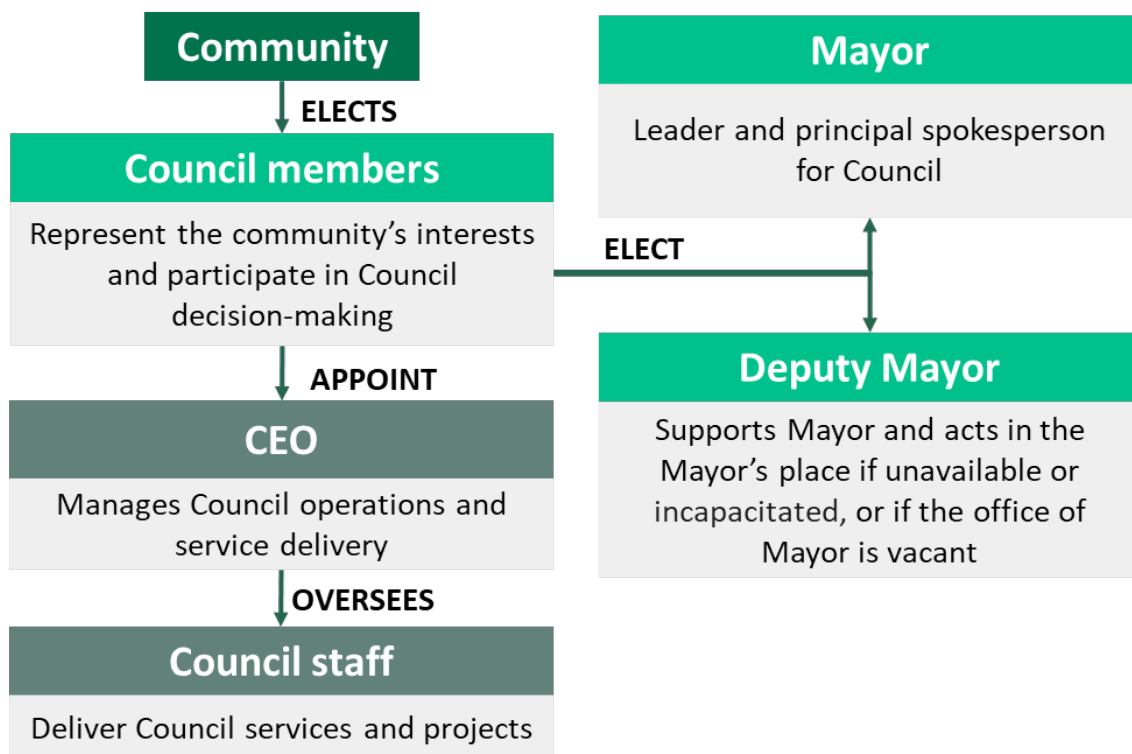
¹¹ LG Act 2020, ss. 3, 8(1).

¹² LG Act 2020, ss. 12-13.

¹³ LG Act 2020, ss. 257(1)(b), 262.

¹⁴ LG Act 2020, ss. 44, 46.

Figure 2.1: Roles of Council members and Council administration



Note: In Melbourne City Council, the Lord Mayor and Deputy Lord Mayor are directly elected.
 Sources: Adapted from MAV (n.d.c); PwC (2021), p. 8.

Councils are a significant part of the Victorian economy, spending more than \$7 billion on service delivery and \$2 billion on infrastructure annually, and managing over \$70 billion in public assets. Councils also employ over 50,000 people.¹⁵ Core services delivered by all Councils include waste management and parking services, while other Council services are delivered according to particular local circumstances (e.g. aged care).¹⁶

Councils may also make and enforce local laws which complement their responsibilities and powers under State and Commonwealth legislation, provided they are made in accordance with the Council’s community engagement policy and local law requirements.¹⁷

¹⁵ State Government of Victoria (n.d.e).

¹⁶ MAV (n.d.b).

¹⁷ LG Act 2020, ss. 71-73.

2.1 Legislative and policy framework

Victoria's Constitution states that:

*Local government is a distinct and essential tier of government, consisting of democratically elected Councils having the functions and powers that the Parliament considers are necessary to ensure the peace, order and good government of each municipal district.*¹⁸

The LG Act 2020 and related Acts, regulations and policies provide a framework for the establishment and operation of Victoria's 79 Councils. The introduction of the LG Act 2020 followed a review of the *Local Government Act 1989* (Vic), parts of which remain in force.¹⁹ The LG Act 2020 is aimed at improving democracy, accountability and service delivery in local government. The second reading speech for the Local Government Bill 2019 noted that:

The Local Government Act [1989] has become outdated, incoherent and enmeshed in prescriptive detail ...

*[The Bill] enshrines in law a contemporary, principles-based framework that determines how councils are created and elected; empowers councils to innovate and operate to the best of their ability; significantly improves how councils are governed; and sets out clear processes and planning tools to support and guide councils as they deliver responsive services and represent their communities.*²⁰

While subject to the LG Act 2020, Melbourne City Council is also subject to the *City of Melbourne Act 2001* (Vic).²¹ The *City of Melbourne Act 2001* (Vic) governs electoral arrangements for the Melbourne City Council and provides for greater co-ordination between the Victorian Government and the Council in relation to matters of significance to the State of Victoria.²²

¹⁸ *Constitution Act 1975* (Vic), s. 74A(1).

¹⁹ State Government of Victoria (n.d.d).

²⁰ Victoria, *Parliamentary Debates*, Legislative Assembly, 14 November 2019, p. 4322 (Marlene Kairouz).

²¹ State Government of Victoria (n.d.d).

²² *City of Melbourne Act 2001* (Vic), s. 1.

The LG Act 2020 introduced a principles-based legislative framework²³ aimed at delivering.²⁴

- improved Councillor conduct — for example, by replacing pre-existing varied internal resolution procedures for managing Councillor conduct issues with a hierarchy for the management of councillor conduct issues, centrally managed by the Principal Councillor Conduct Registrar
- improved service delivery — for example, through higher standards for planning and reporting, increased transparency and accessibility of Council information, and placing the Council Plan and Budget at the centre of strategic decision-making and service delivery
- increased community confidence — through changes including the imposition of a uniform voting method under the Victorian Electoral Commission (instead of leaving the method to the discretion of Council members) to enable all communities to be equally represented when voting
- strengthened local democracy — for example, by increasing Council accountability to communities by requiring Councils to have a complaints handling policy, and introducing a requirement for Council CEOs to set out gender equity, diversity and inclusiveness measures for Council staff
- new relationships between the Victorian Government, local government and the community — for example, by granting Councils the power to work together and investigate joint business opportunities with other Councils, different levels of government and private sector bodies.

At the time of making this Determination, implementation of the LG Act 2020 was not complete. Councils have been required to progressively implement changes — starting with high-level governance policies — with all changes to be made by 30 June 2022.²⁵

Council governance principles

In undertaking their functions, Councils are required to give effect to ‘overarching governance principles’ and ‘supporting principles’.²⁶ These principles include ensuring decisions are made lawfully, take into account the best outcomes for the community and involve community engagement (Box 2.1).

²³ DJPR (n.d.a).

²⁴ DJPR (n.d.c); Victoria, *Parliamentary Debates*, Legislative Assembly, 14 November 2019, p. 4322 (Marlene Kairouz).

²⁵ DJPR (n.d.d).

²⁶ LG Act 2020, s. 9.

Box 2.1: Overarching governance principles and supporting principles

A Council must, in the performance of its role, give effect to the following **overarching governance principles**:

- decisions are to be made and actions taken in accordance with the relevant law
- priority is to be given to achieving the best outcomes for the municipal community, including future generations
- the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted
- the municipal community is to be engaged in strategic planning and strategic decision-making
- innovation and continuous improvement are to be pursued
- collaboration with other Councils, governments and statutory bodies is to be sought
- the ongoing financial viability of the Council is to be ensured
- regional, state and national plans and policies are to be taken into account in strategic planning and decision-making
- the transparency of Council decisions, actions and information is to be ensured.

When giving effect to the overarching governance principles, a Council must take into account the following **supporting principles**:

- community engagement
- public transparency
- strategic planning
- financial management
- service performance.

Source: LG Act 2020, s. 9.

Performance reporting and monitoring

Under the LG Act 2020, a Council's annual report must include information about its service and financial performance.²⁷ The *Local Government (Planning and Reporting) Regulations 2020* (Vic) include the following specific performance reporting requirements:²⁸

- a governance and management checklist, including adoption of a community engagement policy and a financial plan
- service performance indicators covering areas such as governance, statutory planning, roads, libraries and waste collection
- financial reporting indicators, including operating position and liquidity.

Local Government Victoria (LGV), a division of the Department of Jobs, Precincts and Regions, also administers a *Local Government Community Satisfaction Survey*. The latest survey found that Councils in Victoria provide services that broadly meet

²⁷ LG Act 2020, s. 98.

²⁸ *Local Government (Planning and Reporting) Regulations 2020* (Vic), Schedule 1, Schedule 2.

the public's expectations. Public perceptions of Council performance improved for most service areas in 2021, after declines in 2020. For overall performance, Metropolitan Councils scored higher in satisfaction levels than other Councils.²⁹

Victorian Government policy priorities for Councils

In addition to legislative and performance reporting requirements, the Victorian Government has set out priorities for the local government sector, including:³⁰

- the importance of Councils in supporting Victoria's pathway through social and economic recovery from the outbreak of COVID-19, noting the work undertaken by Councils with their communities during the pandemic
- implementation of a fairer rating system for those experiencing hardship
- support for local businesses
- starting a conversation on cultural change
- building on the LG Act 2020 reforms to continue to strengthen the sector.

In May 2021, the Victorian Government commissioned a review to examine cultural issues in local government.³¹ The review will include consideration of ways to make local government more welcoming and a safer environment for women. A discussion paper, released in December 2021 as part of the review, summarised culture and conduct issues, and invited public feedback on the themes of leadership and capability, the Councillor experience and early intervention and effective dispute resolution.³²

2.2 Council finances

Key funding sources for Councils in Victoria are:³³

- municipal rates and charges
- grants and contributions (e.g. from the Victorian Government)
- user fees and charges
- statutory fees and fines
- interest and investment revenue.

²⁹ JWS Research (2021).

³⁰ Minister for Local Government (2020).

³¹ Minister for Local Government (2021).

³² PwC (2021).

³³ VAGO (2021), pp. 22-23.

The Victorian Government limits the amount by which Councils can increase rates in a year without seeking additional approval, by setting a rate cap.³⁴ For example, the rate cap set by the Minister for Local Government for the 2022-23 financial year is 1.75 per cent, while the rate cap for the 2021-22 financial year was 1.5 per cent.³⁵

According to the Victorian Auditor-General's Office (VAGO), the sector's financial performance during 2020-21 improved from the previous year, and Councils' balance sheets remained relatively strong.³⁶ This was partly due to state and federal government pandemic-related grants received by Councils, notwithstanding COVID-19 related Council revenue reductions from a range of sources including:³⁷

- leisure centres and other recreation and cultural services
- user fees
- statutory fees and fines.

The Essential Services Commission's 2021 *Local Council Outcomes Report* concluded that:

*In general, the sector was in a healthy financial position before the pandemic. This meant that most councils were able to absorb the initial impacts of a decrease in revenue.*³⁸

2.3 Variation in Council characteristics

Councils vary significantly in terms of population, total recurrent revenue³⁹ and geographical size.

The largest populations are found in Casey City Council (around 365,000 people) and Wyndham City Council (around 285,000 people). In comparison, several rural councils have populations under 10,000 people, and the Borough of Queenscliffe

³⁴ ESC (2017), p. 1.

³⁵ ESC (n.d.).

³⁶ VAGO (2021b), p. 5.

³⁷ VAGO (2021b).

³⁸ ESC (2021), p. xvii.

³⁹ Total recurrent revenue is defined as the total revenue of the Council reported in the financial statements of the Council for the previous financial year after adjusting for any items that are extraordinary, abnormal or non-recurring. This includes rates, charges and some grants, but excludes one-off payments (*Local Government Act 1989* (Vic), s. 73A(5)).

(around 3,000 people) has the smallest population of all Victorian Councils. The average population of each Council is around 85,000.⁴⁰

In terms of revenue, in 2020-21, Wyndham City Council (approximately \$610 million) and Casey City Council (approximately \$570 million) also recorded the highest total recurrent revenues. In comparison, six Councils recorded total recurrent revenue of less than \$25 million. Average total recurrent revenue was around \$140 million in 2020-21.⁴¹

The largest Councils by geographic size are Mildura Rural City Council and East Gippsland Shire Council, and each cover over 20,000 km². In contrast, the smallest Council by geographic size is the Borough of Queenscliffe, representing a municipal district of just under 9 km².⁴² The average geographic size is about 3,000 km².⁴³

Melbourne City Council is unique as it is home to the seat of the Victorian Government and to many local, national and international companies, peak bodies, and government and non-government agencies. It is made up of the city centre and a number of inner suburbs. Melbourne City Council covers around 38 km² and has a residential population of almost 184,000.⁴⁴ A significant amount of economic activity has traditionally occurred within its boundaries. For example, prior to the outbreak of COVID-19, Gross Regional Product (GRP)⁴⁵ for the Melbourne City Council's Central Business District (CBD) was estimated at around \$74 billion. However, GRP for the CBD area decreased by around 50 per cent to approximately \$35 billion in 2020 due to the impact of COVID-19.⁴⁶

To undertake comparative analyses of Council performance, LGV divides Councils into five categories: Metropolitan, Interface, Regional City, Large Shire and Small Shire.⁴⁷ However, even within these categories Councils are found to vary widely in terms of population, geographical size and recurrent revenue (Table 2.1).

⁴⁰ ABS (2021d).

⁴¹ Data supplied to the Tribunal by Local Government Victoria, (2021).

⁴² ABS (2020).

⁴³ ABS (2020).

⁴⁴ City of Melbourne (n.d.).

⁴⁵ GRP is defined as the market value of all final goods and services produced in a region or subdivision of a country in a period (quarterly or yearly) of time. City of Melbourne (2021), p. 2.

⁴⁶ City of Melbourne (2021), p. 2.

⁴⁷ State Government of Victoria (n.d.f).

Table 2.1: Population, area and total recurrent revenue by LGV Council category

Category		Resident population (estimated)	Area (km ²)	Total recurrent revenue for 2020-21 (\$ million)
Metropolitan	maximum	208,247	130	470
	average	148,600	66	195
	minimum	94,982	20	135
Interface	maximum	364,600	2,468	606
	average	200,928	820	353
	minimum	65,219	409	85
Regional City	maximum	264,866	22,082	513
	average	82,254	3,938	164
	minimum	20,018	121	48
Large Shire	maximum	54,884	20,940	118
	average	31,964	4,912	72
	minimum	15,929	866	40
Small Shire	maximum	16,885	9,108	34
	average	9,914	4,509	27
	minimum	3,008	9	11
All	maximum	364,600	22,082	606
	average	84,757	2,876	139
	minimum	3,008	9	11

Sources: ABS (2020); ABS (2021d); data provided to the Tribunal by LGV in 2021.

2.4 Summary

The Victorian local government sector is made up of 79 Councils that provide a range of services to their communities. Elected Council members form the governing body of a Council, with the administration of Council business led by a CEO.

Councils vary significantly in terms of their population, revenue and their geographic size. While COVID-19 has affected Council revenue sources, Council finances appear to have reportedly remained sound.

The local government community satisfaction survey in 2021 shows that overall, Councils provide services that broadly meet the public's expectations.

The LG Act 2020 introduced major changes to the legislative framework governing Council operations, including higher standards for planning and delivering services. The impact of these changes, and other factors affecting the role and responsibilities of Council members, is explored in the next chapter.

3 Roles and responsibilities of Council members



Mayors, Deputy Mayors and Councillors, being the elected governing body of a Council,⁴⁸ play a key part in enabling a Council to provide good governance for its municipal district.⁴⁹

There are some roles and responsibilities common to all Council members, and some that are specific to the positions of Mayor and Deputy Mayor. The roles and responsibilities, and the main accountability and integrity measures, that apply to all Council members are discussed below.

Standing for Council gives people the opportunity to influence and effect change in their municipality.⁵⁰ As noted by Moonee Valley City Council in its submission, Councillors represent ‘the closest level of Government to our Victorian communities’ (p. 2).

To be able to nominate as a candidate for a Council election, a person must:⁵¹

- be an Australian citizen
- be at least 18 years of age on election day
- be enrolled as a voter in the municipal district in which they are standing for election
- have completed mandatory Local Government Candidate Training
- not be disqualified from being a Councillor — for example, may not be a current Council staff member.

⁴⁸ *Constitution Act 1975* (Vic), s. 74A(1A).

⁴⁹ *LG Act 2020* (Vic), s. 8.

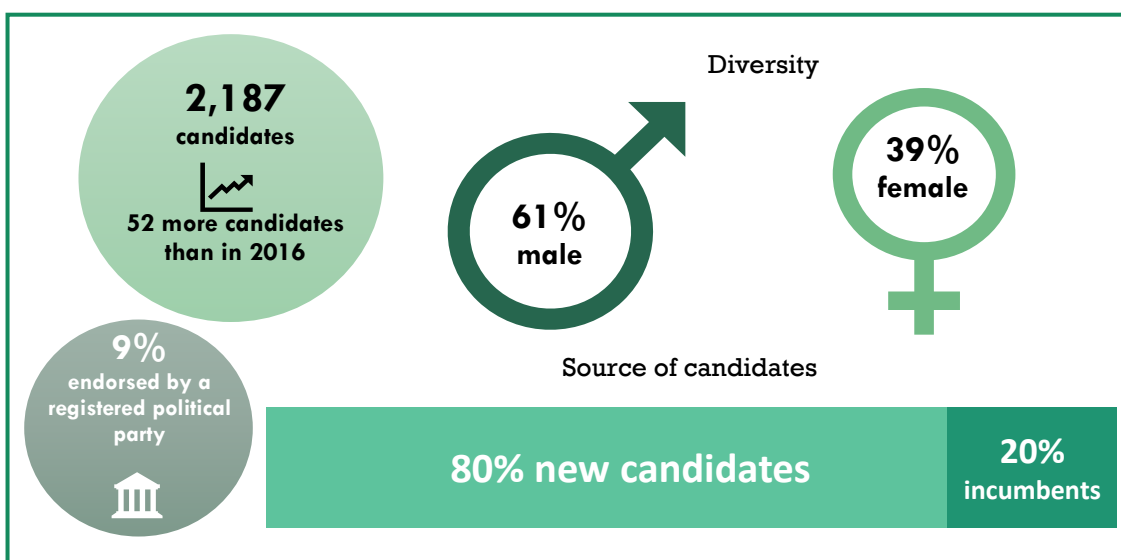
⁵⁰ MAV (n.d.d).

⁵¹ *LG Act 2020*, s. 34.

While there are no specific educational standards or job qualifications required to be a Council member, the LG Act 2020 introduced a new requirement for prospective Council election candidates to complete a training session to help them understand the roles and responsibilities of being a Council member.⁵² Once elected, Council members are also required to undertake any training or professional development activities deemed necessary by the Council.⁵³

At the October 2020 local government elections, 76 of Victoria’s 79 Councils held elections and over 2,000 people stood for election. A snapshot of some demographic characteristics of these candidates is at Figure 3.1.

Figure 3.1: A snapshot of candidates at the 2020 Victorian local government elections



Note: Percentages calculated based on 2,187 candidates, with the exception of ‘male’ and ‘female’ (which excluded candidates who identified as ‘other’). Gender data based on LGV analysis of candidates’ names.
Sources: Data provided to the Tribunal by LGV in 2021; Spence Consulting Group (2020).

Of those elected in 2020, around 56 per cent identified as male, around 44 per cent identified as female and 0.2 per cent identified as ‘other’. According to the Municipal Association of Victoria (MAV), this saw the highest proportion of female Council members in Victoria’s history, and in any Australian jurisdiction.⁵⁴ Six Councillors who identified as having Aboriginal or Torres Strait Islander background were elected in 2020.⁵⁵ The average age of Council members was around 51 years (Figure 3.2).

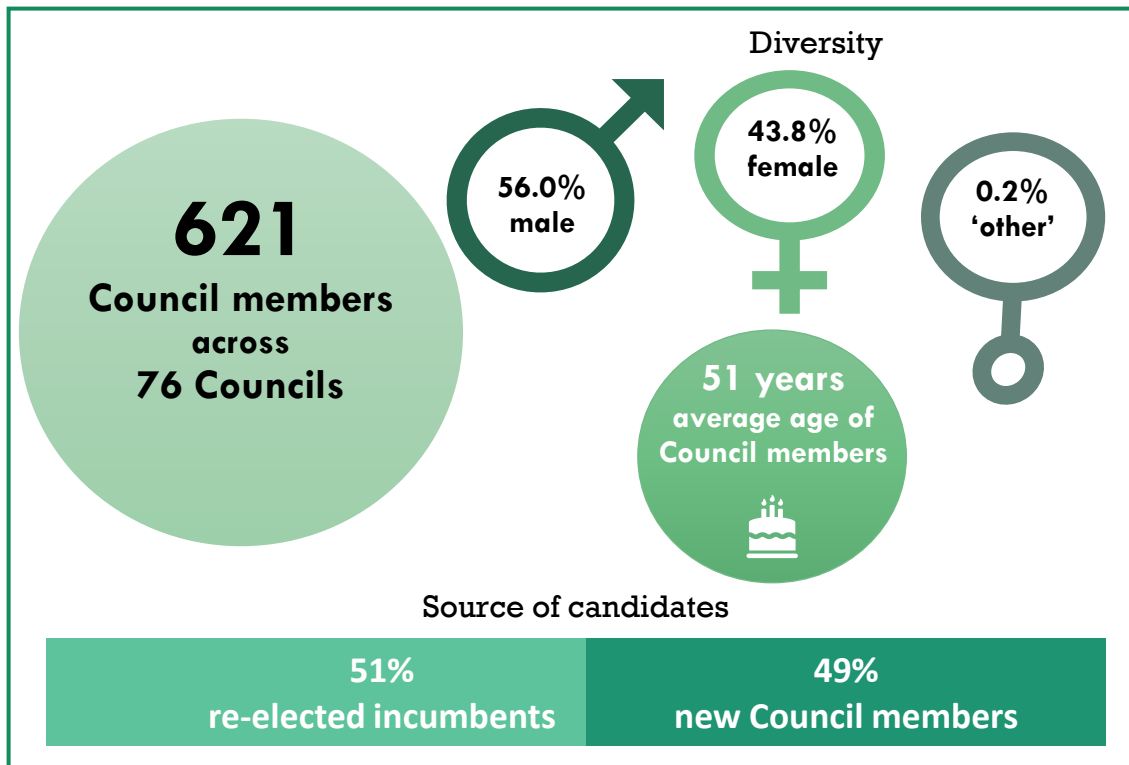
⁵² LG Act 2020, s. 256(7).

⁵³ *Local Government (Governance and Integrity) Regulations 2020* (Vic), Schedule 1.

⁵⁴ MAV (2020).

⁵⁵ MAV (2020).

Figure 3.2: A snapshot of Council members elected at the 2020 Victorian local government elections



Note: Percentages calculated based on 621 Council members.
Sources: Data provided to the Tribunal by LGV in 2021; Spence Consulting Group (2020).

Of the 76 leadership teams, comprising 76 Mayors and 69 Deputy Mayors:⁵⁶

- the average age for Mayors was around 55 years, and around 52 for Deputy Mayors
- seven individuals were under the age of 30 years (one female Mayor, two female Deputy Mayors and four male Deputy Mayors)
- 14 of the 76 Councils that held elections had all-female leadership teams
- regional city Councils had the highest proportion of female Mayors (around 60 per cent) compared to other LGV Council categories, while small shires had the lowest (around 20 per cent).

⁵⁶ Data supplied to the Tribunal by LGV (2021).

3.1 Common roles and responsibilities

Under the LG Act 2020, Council members are required to:⁵⁷

- participate in the decision-making of the Council
- represent the interests of the ‘municipal community’⁵⁸ in that decision-making
- contribute to the Council’s strategic direction through the development and review of key Council strategic documents, including the Council Plan.

In performing their roles, Council members are required to:⁵⁹

- consider the diversity of interests and needs of the municipal community
- support the role of the Council
- acknowledge and support the role of the Mayor
- act lawfully and in accordance with the oath or affirmation of office
- act in accordance with the prescribed standards of conduct included in a Councillor Code of Conduct
- comply with the Council’s procedures required for good governance.

Participating in Council decision-making

A fundamental role of Council members is to collectively serve as the key decision-making body of the Council. All Council decisions are made through resolutions of the Council, either by Council members at Council meetings or under delegated authority (for example, at a meeting of a delegated committee).⁶⁰

Questions for decision at a Council meeting are determined in the affirmative by a majority vote of the Council members present, provided there is a quorum at the meeting.⁶¹ Every Council member present at a Council meeting may vote on each motion, unless they have a conflict of interest.⁶²

⁵⁷ LG Act 2020, s. 28(1).

⁵⁸ Municipal community is defined in s. 3(1) of the LG Act 2020 to include people who live in the municipal district of the Council, ratepayers of the Council, traditional owners of land in the municipal district of the Council, and people and bodies who conduct activities in the municipal district of the Council.

⁵⁹ LG Act 2020, s. 28(2); *Local Government (Governance and Integrity) Regulations 2020* (Vic), Schedule 1.

⁶⁰ LG Act 2020, s. 59.

⁶¹ LG Act 2020, s. 61.

⁶² State Government of Victoria (n.d.a).

Generally speaking, the range of issues on which Council members make decisions reflects the broad scope of Council responsibilities. One submission from a Councillor noted that there:

... is an extraordinary amount of diverse and complex information to be across for any individual. (De-identified submission 2, p. 1)

Council members rely on Council staff to provide relevant and accurate information and recommendations in order to support their decision-making at Council meetings.⁶³ All Council members are required to diligently use Council processes to become informed about matters which are subject to Council decisions.⁶⁴

The frequency of formal Council meetings differs between Councils, but they are usually held at least once every month.⁶⁵ For example, East Gippsland Shire Council noted in its submission that it holds ‘approximately 16 Council meetings and 48 Councillor briefing sessions per year’ (p. 1).

Participation in delegated committees and other forums, which feed into Council decision-making, can also be a major aspect of a Councillor’s role. One Councillor commented in their submission:

I have, at times, sat on as many as 9 council committees and external groups in my role as Councillor. At one stage I was Chair of 3 of these. (De-identified submission 2, p. 1)

Council members also play an important part in setting and administering planning schemes in the municipal area, in some cases assuming a ‘quasi-judicial’ function when participating in Council decision-making.⁶⁶

When asked to comment in the Tribunal’s questionnaire on how the roles and responsibilities of Council members have changed over the last five years (if at all), several respondents said that the range and complexity of issues they are expected to deal with has increased significantly (Box 3.1).

⁶³ State Government of Victoria (n.d.a).

⁶⁴ LG Act 2020, s. 139(3)(a); *Local Government (Governance and Integrity) Regulations 2020* (Vic), Schedule 1 .

⁶⁵ MAV (n.d.f).

⁶⁶ MAV, VLGA et al (2012), p. 22.

Box 3.1: Council member views – increased workload and complexity

‘It feels like the workload is growing as we are being asked to make more and more major decisions about a range of things, community expectations are rising as are expectations of other levels of govt.’ (Councillor, Category 3 Council)

‘The scope and complexity of decision making has dramatically increased.’ (Councillor, Category 3 Council)

‘The challenge to address issues in the community is far greater due to the multiple crises we are facing. The community is suffering far more now, in everyway - health, economics, worrying about the environment...’ (Councillor, Category 3 Council)

‘Councillors ... also have to have an understanding of the more complex role that Councils have to manage OHS, Risk Management, Financial oversight and Environmental matters.’ (Mayor, Category 2 Council)

‘More responsibility for all - dealing with bigger issues such as Climate Change, Procurement, Deliberative Engagement, writing of more policies, strategies and plans and high expectations from communities for us to do more than Rates, Rubbish and Roads.’ (Councillor, Category 3 Council)

‘These roles are ever-expanding, with more responsibilities placed on local government. There are more decisions to be made and increasing expectations from the community. We also need to lead the COVID recovery now, which we didn't before.’ (Councillor, Category 2 Council)

Source: Tribunal questionnaire distributed to Council members.

Representing the interests of the community

Council members provide a critical link between the local community and Council administration.

The Tribunal’s questionnaire invited Council members to identify their most important duties and responsibilities. Over 50 per cent of respondents specifically mentioned representing and advocating for the best interests of their constituents, including to other levels of government.

In addition, almost 60 per cent of respondents listed community engagement (and related responsibilities such as responding to correspondence and being accessible to the community) as one of their most important duties.

Several Council members noted that, as a result of an increase in the use of technology and social media, expectations of the public in relation to community engagement, accessibility and responsiveness of Council members had changed. Comments included:

Councillors have become and are expected to be accessible 24 h. (Councillor, Category 2 Council)

There is a widely held community expectation for councillors to be accessible and in constant public communication via social media and email. (Mayor, Category 2 Council)

... the expectations of residents particularly in smaller Shires that Councillors are [available] at all times has increased. (Councillor, Category 1 Council)

Council members also submitted that the level of demand for presence and engagement on social media platforms, as well as correspondence from constituents, was difficult to manage. This was particularly the case where sufficient administrative support from Council staff was not available.

In considering how Council member roles and responsibilities have changed over the last five years, the impacts of population growth and social media were highlighted. For example, some Council members said:

Social media and the lack of local papers has changed how we communicate, but not the message. (Deputy Mayor, Category 3 Council)

The increase in population has lead to more residents requiring responses, support, advocacy, etc. (Councillor, Category 3 Council)

As a growth council, the demands on your time continue to grow each year with more and more residents in the city. (Councillor, Category 3 Council)

Contributing to strategic planning

Council members set the overall direction for the municipality through long-term planning and decision-making.⁶⁷ This requires participation in the development of a range of key Council strategic and financial planning and reporting documents, including:⁶⁸

- the annual Council budget
- the Council Plan
- the Council's Annual Report
- a Community Vision
- a Financial Plan
- an Asset Plan
- a Revenue and Rating Plan.

⁶⁷ State Government of Victoria (n.d.c).

⁶⁸ LG Act 2020, Part 4; MAV (n.d.e).

Through their contributions to these documents, Council members play a central role in setting the strategic agenda for Council, determining the municipality's immediate and future priorities and managing Council finances and assets. Indeed, several respondents to the questionnaire considered these activities (including oversight and scrutiny of the Council's financial management) to be some of their most important duties. Respondents characterised these activities as:

Oversight of the organisation - financial and policy accountability. Setting policy and strategic direction for the organisation in line with community expectations. (Councillor, Category 3 Council)

*Ensuring Value for money and Shire financial sustainability
Strategic planning and thinking
Community Consultation. (Councillor, Category 1 Council)*

*Setting the strategic agenda of Council
Fiscal management and ethical spending of rates/monies entrusted to us ...
(Councillor, Category 3 Council)*

The MAV noted in its submission:

*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 ...
The decisions Councillors make are often long term and strategically focused across many areas including asset management, financial and corporate planning. (pp. 1-2)*

Planning for the municipal community's future needs was also specifically mentioned by respondents to the questionnaire when asked to identify their most important duties and responsibilities:

... Laying the strategic framework for a better future. (Councillor, Category 3 Council)

Decision making in relation to city strategies and policies and the long term direction for the organisation and the community/city. (Councillor, Category 3 Council)

Some Council members noted, in their submissions and responses to the Tribunal's questionnaire, that their roles were becoming increasingly

professionalised. Moreover, several respondents to the Tribunal’s questionnaire observed that over recent years, their roles had become more focused on strategy than operational issues. For example, it was said that:

It's no longer rates, road and rubbish. It's more strategic, governance and administration orientated. (Councillor, Category 3 Council)

Councillors have to be more like Directors in this era and stay out of operational matters. (Mayor, Category 2 Council)

There is ... a much greater governance, audit and risk focus in the roles. (Mayor, Category 3 Council)

The potential advantages for a prospective Council member of having worked in a professional setting were also noted in the recent Local Government Culture Project Discussion Paper:

... having prior experience in a professional, executive and/or governance setting, are advantageous in working in a strategic environment requiring responsible decision-making, forward planning and, essentially, conducting a multimillion-dollar business.⁶⁹

Some respondents to the questionnaire also noted that governance requirements for Council members had increased in recent years, including as a result of changes under the LG Act 2020. For example, it was said that:

The Governance requirements have, understandably, become more time consuming in the last four years or more ... the regulatory regime has become more time consuming. (Councillor, Category 2 Council)

Time commitment

Many submitted that the time commitment or reported hours worked should be a relevant consideration for the Tribunal in determining Council member allowances.⁷⁰

Estimates of the required time commitment of a Council member vary. The VLGA advised the Tribunal that an average week for a Councillor would require 23 hours to undertake various activities and duties (Table 3.1).⁷¹ The MAV has estimated

⁶⁹ PwC (2021), p. 9

⁷⁰ For example, submission from Moonee Valley City Council, p. 7; submission from Theo Zographos, p. 1.

⁷¹ Data provided to the Tribunal by VLGA in 2021.

that Councillors generally spend between 10 and 20 hours per week on their role.⁷²

Table 3.1: Average weekly time commitment for a Councillor, VLGA

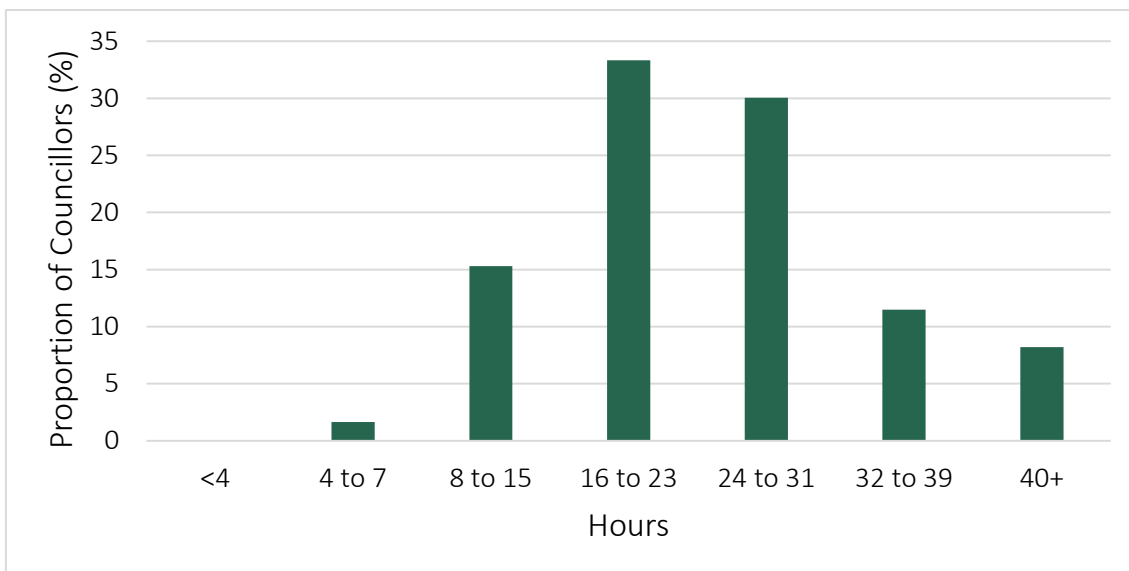
Activity	Time commitment per week
Council meetings and committees	4 hours
Reading	4 hours
Reviewing/replying to correspondence	4 hours
Meeting with residents and community groups	2 hours
Community events	2 hours
Council events	2 hours
Networking and professional development	2 hours
Council briefings	1 hour
Meeting with state and federal Members of Parliament	1 hour
Social media	1 hour
Total	23 hours

Source: Data provided to the Tribunal by VLGA in 2021.

In their responses to the questionnaire, around 80 per cent of respondents who were Councillors reported dedicating 16 or more hours (not including travel time) to their role per week (Figure 3.3). Around 80 per cent of Councillors also reported spending up to 5 hours in travel per week to fulfil their duties.

⁷² MAV (n.d.f).

Figure 3.3: Typical hours per week — Councillor role, questionnaire responses



Note: 183 Councillors responded to this question.
 Source: Tribunal questionnaire distributed to Council members.

Several submissions and questionnaire responses indicated that the role of Council member was akin to a full-time professional commitment (Box 3.2).

Box 3.2: Stakeholder views — Council member role akin to a full-time commitment

‘Being a councillor is a 7-day job, where usually up to 3 hours per day is spent handling ratepayer enquiries and general ward advocacy, with the exclusion of public and social events, social media and meetings.
 I suggest that the role, despite not having fixed hours, factoring in the latter is comparable to a full-time position ...’ (De-identified submission 6, p. 1)

‘... for the majority or councillors, the time invested is commensurate to a professional position.’ (Theo Zographos, p. 1)

‘The role of a Councillor may be voluntary, but the level of commitment is upward of a full-time executive.’ (East Gippsland Shire Council, p. 1)

‘Serving as a Councillor is a full time job stretched over 24/7. The depth and breadth of responsibility is huge ...’ (Councillor, Category 3 Council)

‘Being a Cr is constant, 24/7, no escaping it, you wake with it, constantly thinking about it, you are on the phone, answering emails, reading, engaging, the list goes on. It's a Full time job for a fraction of the allowance. the community expect so much from you for so little financial return.’ (Councillor, Category 3 Council)

‘All my non working time is spent on council duties. Responding to emails and phoned calls etc takes a lot of time as does reading council reports and attending meetings. It is a second full time role.’ (Councillor, Category 1 Council)

Sources: Tribunal questionnaire distributed to Council members; submissions received by the Tribunal.

Some Council members submitted that the workload and time commitment required to adequately perform their Council duties in practice is often far greater than they were told to expect:

Fulfilling the role has placed an unexpected demand upon my time - much more than the 10-15 hours per week some suggest ... (Councillor, Category 2 Council)

Council is advertised as part time employment, my municipality however contains nearly 300k constituents, has a \$600m annual budget and \$3b of assets under management. This is not a job for part time, underpaid Cr's, Mayor or Dep Mayor. (Deputy Mayor, Category 3 Council)

I would not have stood had I realised that the remuneration did not match the workload. (Councillor, Category 1 Council)

The role is an incredible opportunity - but to do it well, I need to spend time investing in the work. I could make it full time if I wanted to ... (Councillor, Category 3 Council)

The Tribunal also heard that administrative support provided to Councillors by the Council administration is often inadequate. For example, while Moonee Valley City Council provides Council Support Officers and a Council Liaison Officer, it observed that this is not the case in every Council:

At Moonee Valley, Councillors are resourced with support from Councillor Support Officers together with a Council Liaison Officer, who assist to respond to enquiries from the community. However, we note that this is not the case at every Council. Councillors are still responsible for responding to all of their own mobile telephone calls, responding to emails directly, and triaging any enquiries through Councillor Support and Councillor Liaison. These tasks are in addition to Councillors' governance and public-facing roles ... (p. 5)

Many Council members also drew attention to the out-of-business hours nature of the time commitment involved (Box 3.3).

Box 3.3: Council member views — after-hours demands on Council members

‘I’ve had people call me after 10pm, on Christmas Day, every weekend – the phone never stops ...

I regularly have multiple nights a week dedicated to Council meetings, often running from 5 or 6pm until 10 or 11pm.’ (De-identified submission 2, p. 1)

‘... as many meetings and engagements are in the evening, and run late at night, it leaves little time for friends, family, or other social engagements that are outside of working hours. Also, due to the late night nature of the meetings, it means that having a job during the day is challenging.’ (Councillor, Category 2 Council)

‘It is not possible to have a normal family life as many council meetings are scheduled to commence after 4:30pm with end times anywhere from 8pm to 11pm. I really try not to work on weekends as I need that time for my family and myself.’ (Councillor, Category 3 Council)

‘Council’s late night meetings up to 11:15pm along with other briefings along with briefing agendas for Monday typically coming out late on Friday resulting in weekend reading and meetings with councilors to discuss items often over running impact my ability to spend time with family and limited my ability to see friends after being elected.’ (Councillor, Category 1 Council)

‘Council takes up a lot of hours not only during the work day, but also during evenings and on weekends ... I will often be in Council meetings during dinner time ...’ (Councillor, Category 3 Council)

‘I spend every weeknight in a Council meeting, briefing, community meeting (online mostly at the moment), reading agenda papers and/or Council documents, researching best practice across Council. On weekends I spend time in community meetings, reading, attending events.’ (Councillor, Category 2 Council)

Sources: Tribunal questionnaire distributed to Council members; submissions received by the Tribunal.

A Council member’s time commitment may also be influenced by the geographic size of a Council area. For example, East Gippsland Shire Council’s submission noted:

The East Gippsland Shire Council is an unsubdivided electorate and Councillors represent the whole municipal community across 20,940 square kilometres. The tyranny of distance provides Councillors the added challenge of allocating time for engaging with the community across the Shire. Not to mention the safety of travelling on rural and regional roads. (p. 2)

3.2 Role and responsibilities of Mayors

The Mayor is a Councillor elected by other Councillors to lead the Council for a one or two-year term. The Melbourne City Council is the exception to this rule, where all eligible voters directly elect the Lord Mayor and Deputy Lord Mayor for a four-year term.⁷³

Mayors play an important representative and leadership role with regard to:⁷⁴

- other Council members
- the municipal community
- the relationship between Council members and Council administration (i.e. the Council CEO and other staff).

Some respondents to the Tribunal's questionnaire, when asked to comment on how Council member roles and responsibilities may have changed over the last five years, said that the scope and workload of the role of Mayor had increased. For example:

It's 12 years since I was previously Mayor and I can say that the role has become so much more intense. The media scrutiny including social media, live streaming, virtual meetings have added to the workload. (Mayor, Category 1 Council)

The role of Mayor has become much bigger because of Covid and community changes. (Councillor, Category 2 Council)

I believe the role of the Mayor has expanded to be across many more areas of focus within LG [local government]. (Mayor, Category 3 Council)

Council members also said that the role of Mayor had become much larger and more challenging, particularly with regard to the need to balance their governance and community representation responsibilities.

⁷³ State Government of Victoria (n.d.c).

⁷⁴ LG Act 2020, s. 18.

Providing leadership to the group of Council members

A Mayor's role as the leader and principal spokesperson for the group of elected Council members includes:⁷⁵

- chairing Council meetings and casting a second vote if votes are tied
- appointing a Council member to be the chair of a delegated committee
- providing guidance to other Council members regarding their role
- promoting appropriate behaviour by other Council members, including the option to use a specific power to direct a Council member to leave a Council meeting if their behaviour is preventing Council from conducting its business (subject to the Council's Governance Rules).

Several respondents to the questionnaire considered that the 'people management' aspect of the Mayor's role had increased in recent years. For example:

For Mayors there is currently far greater people management required than ever before, taking up significantly more time than previously spent in bring everyone together and working collaboratively. (Mayor, Category 2 Council)

Mayors and Deputy Mayors are expected more than ever to have to deal with and manage difficult/poor behaving Councillors who are destroying certain councils. (Councillor, Category 3 Council)

Mayors ... [are] more responsible for managing the conduct of Councillors. (Mayor, Category 2 Council)

Providing leadership to the municipal community

Mayors are expected to:

- act as the principal spokesperson for the Council organisation⁷⁶
- lead engagement with the municipal community in relation to the development of the Council Plan⁷⁷
- report to the municipal community on the implementation of the Council Plan at an open Council meeting at least once each year⁷⁸

⁷⁵ LG Act 2020, ss. 18(1), 19(1)(a), 19(1)(b), 61(5)(d).

⁷⁶ LG Act 2020, s. 18(1)(b).

⁷⁷ LG Act 2020, s. 18(1)(c).

⁷⁸ LG Act 2020, s. 18(1)(d).

- perform ‘an important social and ceremonial role as leader of the community’,⁷⁹ including at citizenship ceremonies
- advocate on behalf of the municipal community in external forums, including to other tiers of government.

For example, in its submission the MAV said that:

... 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. (p. 2)

Mayors were asked to identify the most important duties and responsibilities of the role in the questionnaire. Some Mayors mentioned representing the whole municipal community at external events and forums by, for example:

... advocating to a variety of different stake holders in relation to the municipality ... (Mayor, Category 3 Council)

Attending community events, delivering public speeches. Advocating to other levels of government. (Mayor, Category 2 Council)

In response to the same question, some Mayors also highlighted duties as a principal spokesperson for their municipality by, for example, representing the Council at civic ceremonies, community events and in the media.

Council members submitted that this aspect of the Mayor’s role has increased in recent times:

The Mayors have definitely become more a focal representative for community during pandemic and lockdown periods. (Councillor, Category 3 Council)

The Mayor (role), as the face of the organisation is encountering a greater need to keep the community informed. (Councillor, Category 1 Council)

⁷⁹ State Government of Victoria (n.d.c).

Leadership role in relation to Council staff and the CEO

The Mayor is responsible for leading regular reviews of the performance of the CEO, who is the only Council staff member appointed by the elected Council members. The Mayor also has specific powers under the LG Act 2020 to require the CEO to report to the Council on the implementation of a Council decision.⁸⁰

Some Mayors who responded to the Tribunal questionnaire identified that maintaining the relationship between elected Council members and Council administration is a key aspect of the role. For example, some Mayors highlighted:

Ensuring the relationship of the Mayor and CEO are maintained to enable strategies and directions of the Council can run smoothly. (Mayor, Category 2 Council)

Ensuring a healthy relationship between Councillors and Executive. Collaborating with the CEO to set the agenda and ensure Council decisions are followed through. (Mayor, Category 3 Council)

Other respondents reflected on the Mayor's coordination role in relation to Council business, for example:

The leadership role performed by the mayor for other councillors and in liaising with the organisation also do not apply to councillors. The mayor needs to be available to other councillors and to the CEO when needed. The mayor also needs to act as a coordinator of councillor business and relationships with the organisation. (Councillor, Category 2 Council)

A Mayor who does the job well is very hands on, available and communicates widely with CEO, Councillors, Community other Mayors and Councillors and state and federal government as required. Also keeps well informed on current and emerging issues. This is significantly more than the other Councillors. (Deputy Mayor, Category 1 Council)

The mayor's relationship with the CEO is critical and needs significant investment to ensure a strong working relationship. (Councillor, Category 2 Council)

⁸⁰ LG Act 2020, ss. 18(1)(g), 19(1), 44.

The potentially sensitive relationship between Mayors and CEOs was noted in the recent *Local Government Culture Project Discussion Paper*:⁸¹

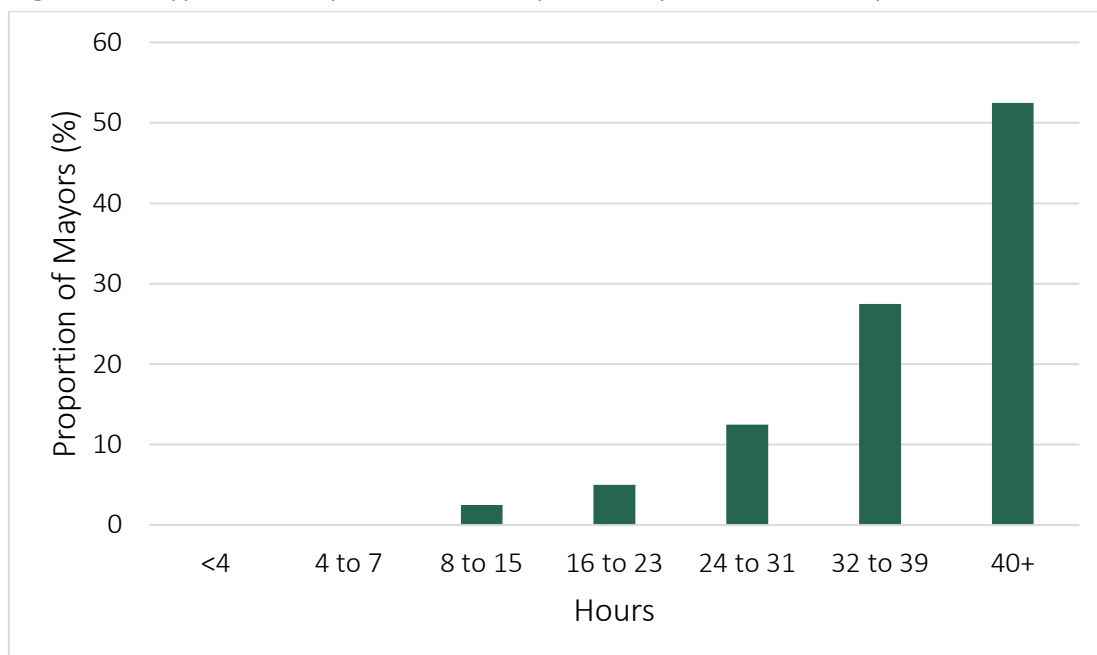
In electing the Mayor and appointing the CEO, the nature of the relationships [between Councillors, Mayors and CEOs] can be sensitive, particularly, for example, for a CEO anticipating reappointment or a Mayor anticipating being re-elected for another term.

Time commitment

Over 80 per cent of Mayors who responded to the Tribunal’s questionnaire indicated that they spent 32 hours or more on the role in a typical week, with over half indicating that they spent 40 or more hours (Figure 3.4).

In a separate question on travel time in the Tribunal’s questionnaire, around half of Mayor respondents reported spending an average of six hours per week travelling to perform their duties.

Figure 3.4: Typical hours per week — Mayor role, questionnaire responses



Note: 40 Mayors responded to this question.

Source: Tribunal questionnaire distributed to Council members.

The role of Mayor was described as a full-time commitment in a previous review undertaken in 2008,⁸² and over a third of respondents to the Tribunal’s questionnaire commented that this is currently (or should be) the case (Box 3.4).

⁸¹ PwC (2021), p. 7.

⁸² Local Government (Councillor Remuneration Review) Panel (2008), p. 15.

Box 3.4: Council member views – full-time nature of the role of Mayor

‘The role of Mayor is a full time position as you must be available at a moment’s notice.’
(Mayor, Category 1 Council)

‘The expectations of a Mayor is that they are available 24/7 for 12 months.’ (Mayor,
Category 3 Council)

‘The Mayor needs to be available each day - couldn't do it in part time capacity.’ (Councillor,
Category 3 Council)

‘As Mayor at my Council it is understood to be a full time job and generally
involves 3-4 evenings a week of commitments, between 1-5 events on a weekend ...’
(Mayor, Category 3 Council)

‘The role of mayor is effectively a full time job. While there are quiet times, there are also
very demanding busy times with plenty of emotional stress. Weekends tend to be full of
community functions where the mayor is expected to show up and say a few words.’
(Councillor, Category 1 Council)

‘The Mayor's role is more than a full time job. There is almost an expectation that you are
available 7 days a week, when Mayor.’ (Councillor, Category 2 Council)

‘Mayor - more than full time to actually carry it out effectively and to meet the expectations
of community.’ (Mayor, Category 2 Council)

‘Mayor = Full time position plus. I suggest plus as there are often out of hours events the
Mayor is expected to attend.’ (Councillor, Category 2 Council)

‘Our Mayor works more than fulltime in the role of mayor. They are very dedicated to the
role and want to ensure the best for the community and our Council. There are many
evening and weekend commitments.’ (Deputy Mayor, Category 2 Council)

‘The Mayor’s role is 24/7 - no doubt about it. You must be accessible to residents at all times
of the day and night.’ (Councillor, Category 3 Council)

Source: Tribunal questionnaire distributed to Council members.

Lord Mayor of Melbourne City Council

As the leader of the Council which contains the capital city of Victoria, the Lord Mayor of Melbourne City Council plays an important leadership and representative role in a range of forums. For example, the Lord Mayor:

- is required (along with the Deputy Lord Mayor) to represent Melbourne City Council at any meeting convened between the Victorian Premier and the Council under the *City of Melbourne Act 2001* (Vic)
- represents Melbourne City Council on the Council of Capital City Lord Mayors to coordinate and represent the special interests of Australia’s capital cities, especially in their relations with other spheres of government.⁸³

⁸³ Council of Capital City Lord Mayors (n.d.).

3.3 Role and responsibilities of Deputy Mayors

All Councils are able to establish an office of Deputy Mayor.⁸⁴ As at 1 July 2021, 70 of the 79 Councils in Victoria had elected Deputy Mayors.⁸⁵

For Councils other than Melbourne City Council, if a Council chooses to establish an office of Deputy Mayor, the Deputy Mayor must be elected by an absolute majority of Council members at a meeting that is open to the public. Deputy Mayors are appointed for a term of one or two years, after which a new election for Deputy Mayor must be held.⁸⁶

In comparison, the Deputy Lord Mayor of Melbourne City Council is directly elected for a four-year term.⁸⁷

Where a Council has established an office of Deputy Mayor, Deputy Mayors must perform the role of the Mayor, and may exercise the Mayor's powers, in any of the following circumstances:⁸⁸

- when the Mayor is unable for any reason to attend a Council meeting, or part of a Council meeting
- when the Mayor is incapable of performing the duties of the office of Mayor for any reason, including illness
- when the office of Mayor is vacant.

If a Council has not established an office of the Deputy Mayor, it may appoint a Councillor to be the Acting Mayor in the same circumstances where a Deputy Mayor would perform the role of Mayor.⁸⁹

The Tribunal received differing accounts from questionnaire respondents and submissions regarding the workload and responsibilities of Deputy Mayors. Some indicated that the role was substantially greater than that of a Councillor, while others considered the difference between a Deputy Mayor and Councillor to be negligible or non-existent (Box 3.5). However, these responses need to be

⁸⁴ LG Act 2020, s. 20A.

⁸⁵ Data requested from Councils by the Tribunal in 2021.

⁸⁶ LG Act 2020, s. 27.

⁸⁷ *City of Melbourne Act 2001 (Vic)*, ss. 12, 14.

⁸⁸ LG Act 2020, s. 21.

⁸⁹ LG Act 2020, ss. 20A(3), 20B.

considered in context, with some reflecting the situation prior to the LG Act 2020 providing for a Council to establish an office of Deputy Mayor.

Box 3.5: Council member views — role and responsibilities of Deputy Mayors

‘The deputy mayors role can not be understated. In the case of our LGA, the deputy mayor attends every public function, opening and ceremony as the mayor. They need to prepare to speak at most events and be on standby for events the mayor can not do. They attend most meetings across the city too and act as the third opinion along side the Mayor and the ward councillor for the given issue. If it was possible it could be a full time role as well but not as much dedicated time as the mayor.’ (Deputy Mayor, Category 3 Council)

‘Deputy mayor does a lot more including all events along side me. A lot more than just a fill in for the mayor if not present.’ (Mayor, Category 2 Council)

‘Deputy role is no different than a normal Councillors. They might have to do minimal tasks if the Mayor was unavailable.’ (Mayor, Category 1 Council)

‘The Deputy Mayor role is indistinguishable from that of other Councillors in terms of time commitment, but for the 'on call' nature of needing to step up to Mayoral duties as circumstances demand.’ (Councillor, Category 1 Council)

‘As a Deputy, my workload didn’t increase very much at all - maybe one extra activity per month to attend an event. My Deputy, pre-Covid, was rarely required to substitute for me unless I was double booked. Similarly during this COVID affected term, I have needed to use the Deputy twice ...’ (Mayor, Category 2 Council)

‘[Serving as] Deputy Mayor didn’t add much additional duties to my role as a councillor.’ (Councillor, Category 3 Council)

Sources: Tribunal questionnaire distributed to Council members.

Some respondents to the Tribunal questionnaire noted the recent changes affecting the role of Deputy Mayor. Comments included:

Deputy mayors have become more common ... and the formalisation of the role of Mayor and DM has ensured that duties increase. (Councillor, Category 3 Council)

Public expect a full time mayor and deputy and all aspects of council are discussed from the public with us and not just our portfolios. (Mayor, Category 2 Council)

There seems to be more requests from the community for Mayors or deputy Mayors to attend. (Mayor, Category 2 Council)

... there is certainly a lot more pressure on the Mayor and Deputy with rate capping and financial/planning commitments becoming more critical. (Councillor, Category 2 Council)

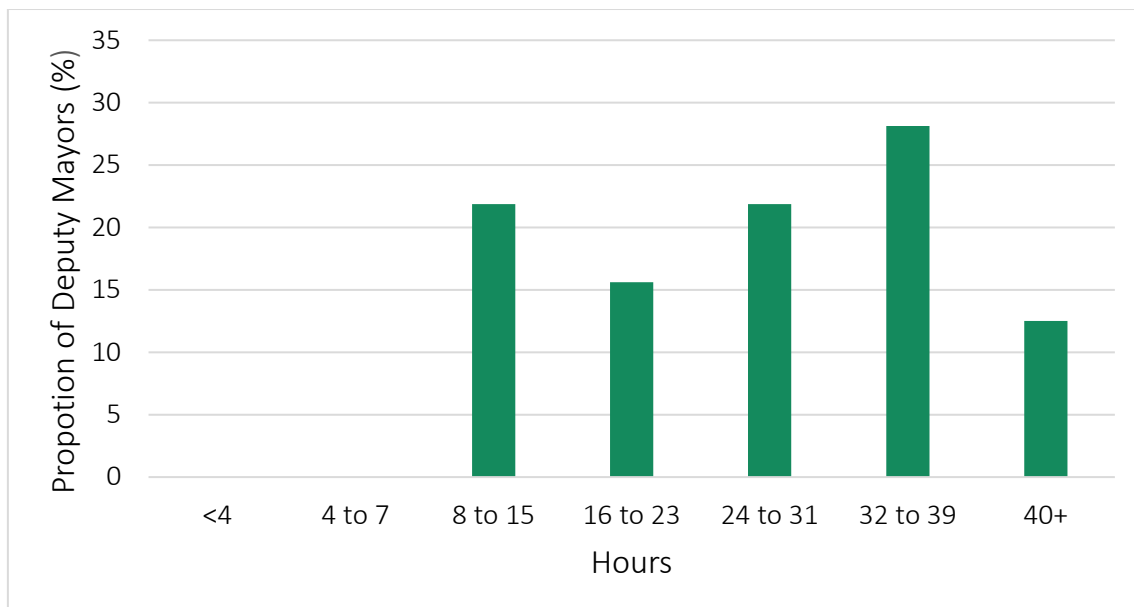
Time commitment

Responses to the questionnaire showed that around 80 per cent of Deputy Mayor respondents dedicated 16 or more hours (not including travel time) to their role. Figure 3.5 shows that around:

- 30 per cent spent between 32 and 40 hours
- 20 per cent spent 24 to 31 hours
- 10 per cent spent over 40 hours.

As was the case for Councillors, most Deputy Mayors (74 per cent) reported travel for their role at up to five hours in a typical week.

Figure 3.5: Typical hours per week — Deputy Mayor role, questionnaire responses



Note: 32 Deputy Mayors responded to this question.

Source: Tribunal questionnaire distributed to Council members.

3.4 Accountability and integrity

In performing their role as the governing body of a Council, Council members are accountable for their decisions and actions, and are responsible for ensuring good governance in the municipality.⁹⁰

The cycle of four-yearly local government elections is a key accountability mechanism, given that voters generally have the opportunity⁹¹ not to re-elect

⁹⁰ *Constitution Act 1975* (Vic), s. 74A(1A)(b).

⁹¹ There may be circumstances where voters are unable to elect a Councillor for their ward — for example, if the Council has been dismissed or if the number of candidates is equal to the number of vacancies to be filled at an election in the ward, (LG Act 2020, s. 264(2)).

Council members if they are dissatisfied with the performance of their Council or Council members.

Council members are also subject to laws made by the Victorian Parliament, which determine the functions, powers and duties of Councils.⁹² For example, the Victorian Parliament has made laws with respect to:⁹³

- the constitution of Councils
- the powers, duties and responsibilities of Council members
- the suspension or administration of a Council
- enrolment, conduct and voting at Council elections.

Other Victorian Government mechanisms designed to hold Council members accountable (both individually and collectively) to fellow Council members, ward constituents and the broader municipal community are outlined below.

The Minister for Local Government is empowered by the LG Act 2020 with various oversight functions including suspension of Council members. For example, the Minister has the power to dismiss all Council members on a Council and to appoint an administrator to perform the Council's functions, or to appoint a Municipal Monitor to a Council to monitor governance processes and practices.⁹⁴

These Ministerial oversight powers are complemented by a range of accountability mechanisms that apply to Councils and Council members, overseen by independent integrity bodies established by the Victorian Government including:

- the Independent Broad-based Anti-corruption Commission, which is responsible for investigating (and can bring potential criminal proceedings for) corrupt conduct⁹⁵
- the Local Government Inspectorate, which investigates matters relating to council operations and possible offences under the LG Act 2020⁹⁶
- the Victorian Ombudsman, which can consider complaints about Council actions and decisions⁹⁷
- VAGO, which undertakes financial and performance audits of Councils, along with other ad hoc reviews.⁹⁸

⁹² *Constitution Act 1975* (Vic), s. 74B.

⁹³ For example, LG Act 2020, ss. 12-13, 28, 232, 240-241 and 257.

⁹⁴ LG Act 2020, Part 7.

⁹⁵ IBAC (n.d.b).

⁹⁶ Local Government Inspectorate (n.d.).

⁹⁷ Victorian Ombudsman, (n.d.).

⁹⁸ VAGO (n.d.).

While Councils are required to indemnify a Council member in respect of anything necessarily or reasonably done by them in good faith in the performance of their duties or functions,⁹⁹ there are a number of potential offences which can be brought against a Council member for any misconduct relating to their role on Council. For example, a Council member found to have intentionally misused their position on Council could face a financial penalty or imprisonment.¹⁰⁰

Council member conduct issues are governed by the Council member conduct framework established by the LG Act 2020.¹⁰¹

Councils also have a range of internal policies and processes that support appropriate Council member conduct and good governance.¹⁰² These include Councillor and staff codes of conduct, Council member and staff interaction policies, Governance Rules outlining the conduct of Council meetings and social media policies.¹⁰³

3.5 Summary

The role of a Council member is multi-faceted, encompassing participation in the decision-making of Council, representing the interests of the community and contributing to Council's strategic direction. Additional important duties apply to the roles of Mayor and Deputy Mayor in leading the municipal community and other Council members and managing the relationship between Council members and the Council's CEO.

The scope and complexity of a Council member's role has increased significantly in recent years. The role of Mayor is characterised as a full-time commitment. The role of Deputy Mayor is also expected to grow, while for Councillors a typical week's time commitment has been estimated at around 23 hours (and more for some Councillors).

The cycle of four-yearly elections provides a mechanism for voters to hold Council members to account for their performance. In performing their roles, Council members are also subject to a range of legal accountability and integrity frameworks and requirements.

⁹⁹ LG Act 2020 (Vic), s. 43.

¹⁰⁰ LG Act 2020, s. 123(1).

¹⁰¹ DJPR (n.d.b).

¹⁰² LGV (2021).

¹⁰³ LGV (2021).

4 Allowance framework



In making this Determination, the VIRTIPS Act (s. 23A(5)(a)) requires the Tribunal to include a comprehensive review of the existing allowance categories and existing Councillor and Mayoral allowances under the *Local Government Act 1989* (Vic), taking into account similar allowances for elected members of local government bodies in other states and allowances for persons elected to other voluntary part-time community bodies.

This chapter provides an overview of how allowances for Council members have evolved in Victoria, explores their purpose and outlines the allowances system in place prior to the making of the Tribunal's Determination.

4.1 Selected key historical events

Initially, allowances were provided only to Mayors (or equivalent) in Victoria, and each Council had discretion over whether to pay an allowance at all. It was not until the 1980s that the payment of allowances was made mandatory and extended to all Council members. A separate 'remote area travel allowance' was introduced in 1998, and the concept of 'allowance categories' was introduced in 2001 (Table 4.1).

Table 4.1: Selected key events — history of Council member allowances, Victoria

Year	Event
Pre-1900	Towns of Melbourne and Geelong incorporated through Acts passed by NSW. Melbourne Town Council given the power to set an allowance for the Mayor. Additional municipalities — with governing Councils — created following Victoria’s establishment as a separate colony in 1851. Councils permitted to pay an annual allowance to the Mayor — up to 3 per cent of gross revenue.
1982	Councils given discretion to pay all Council members an annual allowance of up to \$1,500 to cover expenses incurred in carrying out their duties.
1989-90	Councils required to set allowances subject to prescribed limits — initially \$3,000 p.a. for Councillors and \$100,000 p.a. for Mayors.
1994-95	As part of broader reforms to the local government sector, the number of Councils in Victoria was reduced from 210 to 78. Councils were required to set allowances for Council members as follows: <ul style="list-style-type: none"> • \$5,000 – \$12,000 p.a. for Councillors • \$5,000 – \$100,000 p.a. for Mayors. For Melbourne City Council, allowances were set at \$18,000 p.a. for Councillors and \$100,000 p.a. for the Lord Mayor.
1997-98	Allowance for Mayors (other than the Lord Mayor of Melbourne) fixed at three times the Councillor allowance set by each Council — effectively reducing the maximum allowance from \$100,000 p.a. to \$36,000 p.a. A ‘remote area travel allowance’ was introduced for Council members (subject to eligibility requirements) — \$20 per day, up to a cap of \$2,000 p.a.
2001	Introduction of three allowance categories to cover all Councils apart from Melbourne City Council. Each Council assigned to an allowance category using a ‘category points system’, reflecting each Council’s population and total recurrent revenue. Maximum value of allowance payable to Mayors and Councillors varied by allowance category. Remote area travel allowance increased to \$40 per day, subject to a cap of \$5,000 p.a. Allowances for Melbourne City Council were increased, and separate allowance for Deputy Lord Mayor was introduced.
2007-08	Allowance values payable to all Council members increased by at least 34 per cent to offset a decline in real value since 2001. From 2009, allowances increased in line with the annual adjustment guideline rate set by the Premier. Additional payment introduced for Council members not entitled to superannuation.
2020-21	LG Act 2020 introduced a suite of reforms to the local government sector, including that the Tribunal set the value of allowances for Council members in a Determination. In June 2021, the Minister for Local Government requested that the Tribunal make its first Determination.

Sources: Various legislation.

4.2 Purpose of allowances

While the purpose of allowances for Council members in Victoria is not set out in legislation, the Victorian Government did release *Recognition and Support, the Victorian Government's Policy Statement on Local Government Mayoral and Councillor Allowances and Resources* in 2008 (2008 Policy Statement). The Statement indicated that:¹⁰⁴

The Government views Councillor allowances not as a form of salary but as some recognition of the contributions made by those elected to voluntary, part time roles in the community.

In his letter requesting the Tribunal to make a Determination, the Minister for Local Government said:

... the Tribunal may wish to consider whether this view supports a contemporary local government sector that attracts diverse community perspectives to civic life.

The Tribunal's questionnaire also sought views on what the purpose of the allowance is or should be. Around 80 per cent of respondents indicated that the allowance 'accounts for the time commitment of Council service', while almost 60 per cent considered the allowance to be 'a form of salary or wages'. Respondents could choose more than one option (Appendix B).

Several submissions made to the Tribunal also revealed differences in the way the purpose of allowances is perceived. For example, the MAV said that:

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. (p. 2)

On the other hand, Moonee Valley City Council expressed support for 'revising and redefining' the purpose of allowances outlined in the 2008 Policy Statement:

Councillor allowances should ideally act as a form of remuneration or compensation for the work done by Councillors, taking into account the community's expectations of Councillors, the average hours Councillors report working, and the seniority of their public role in the community. (p. 7)

¹⁰⁴ State Government of Victoria (2008), p. 1.

4.3 Existing allowances system

The allowances ‘system’ for Council members in Victoria is composed of three key components:

- an annual allowance — value varies according to role (e.g. Councillor or Mayor) and the allowance category that applies to the Council (Melbourne City Council is a special case, as outlined below)
- a payment in lieu of superannuation — made to Council members who are not entitled to superannuation
- a remote area travel allowance — available to all Council members (subject to eligibility requirements).

The components of the existing allowances system are summarised in Table 4.2.

Table 4.2: Overview of allowances system in place before the Tribunal’s Determination

Type of payment	Description	Value
Annual allowance	Provided to all Council members	Varies by role (e.g. Councillor or Mayor) and allowance category
Payment in lieu of superannuation	Provided to Council members who are not entitled to superannuation	Equivalent in value to the Superannuation Guarantee Contribution (as at 1 July 2021, 10% of the value of the allowance)
Remote area travel allowance	Provided to Council members who normally reside more than 50km from the location specified for Council meetings or authorised functions	\$40 per day per meeting, up to an annual cap of \$5,000 per Council member

In addition to the payments above, Council members are entitled to be reimbursed for bona fide out-of-pocket expenses that are reasonably incurred in performing their role. Councils are also required to provide Council members with the facilities and resources necessary for them to perform their role. The Tribunal does not have the power to make Determinations in relation to these matters, which are instead determined by individual Councils in accordance with the LG Act 2020.¹⁰⁵

The allowances system in place prior to the making of this Determination was largely the outcome of two reviews undertaken by government-appointed panels in 2000 and 2007-08, which are discussed below.

¹⁰⁵ LG Act 2020, ss. 40-42.

Existing allowance categories

As discussed earlier, allowance categories were first introduced in Victoria in 2001, following a recommendation of the Councillor Allowances Review Panel. The Panel was asked to review the allowances payable to Councillors and Mayors, and to consider:

*... the potential for refinement of the current [single category] structure by introducing a classification of Councils according to different levels of complexity.*¹⁰⁶

Prior to the introduction of allowance categories, all Councils (apart from Melbourne City Council) were required to set the values of Councillor and Mayoral allowances within prescribed ranges — one range for all Councillors and a separate range for all Mayors. Allowances for Council members in the Melbourne City Council were fixed by the Minister for Local Government.

As a result of the Panel's recommendations, all Councils (except for Melbourne City Council) have been assigned to one of three allowance categories since 2001, according to a 'category points system'.

Under this system, a number of 'category points' is calculated for each Council on the basis of the Council's total recurrent revenue and estimated resident population (Box 4.1). Councils are assigned to an allowance category based primarily on the category points calculation (Table 4.3).

¹⁰⁶ Councillor Allowances Review Panel (2000), p. 2.

Box 4.1: Allowance categories — formula used to calculate Council category points

$$\text{Category points} = \frac{(R \times D) + P}{1,000}$$

Where:

- *R* is the Council's total recurrent **revenue** (in \$'000s) for the most recent financial year^(a)
- *D* is an index, calculated annually, for discounting total recurrent revenue using 'average weekly earnings'^(b) data published by the ABS (discounting is used to avoid increases in category points resulting purely from inflation)
- *P* is the estimated resident **population** of the Council, based on the latest data published by the ABS as at 30 June in the most recently completed financial year.

The Councillor Allowances Review Panel considered that:

In the absence of more robust measures of complexity, population size is a reasonable indicator of [a Councillor's] representational workload ... [and] total revenue is an indicator of the size and complexity of the governance role.

Notes: (a) Total recurrent revenue figure is obtained from each Council's audited financial statements. (b) Data series used is 'average weekly total earnings for full-time Australian adults' (seasonally adjusted).

Sources: Councillor Allowances Review Panel (2000); State Government of Victoria (2008); Correspondence from LGV.

Table 4.3: Category points ranges and corresponding allowance categories

Allowance category	Category points
Category 1	0 – 40
Category 2	41 – 190
Category 3	191+

Source: State Government of Victoria (2008).

A Council that is not otherwise eligible (i.e. according to the category points calculation) can apply to a Local Government Panel to be moved to a higher allowance category if exceptional circumstances apply.¹⁰⁷

Table 4.4 shows the allowance category which applied to each Council prior to the making of the Tribunal's Determination. Overall, Councils are distributed more or less evenly across the three categories — 22 Councils are in Category 1, 29 are in Category 2 and 27 are in Category 3.

¹⁰⁷ State Government of Victoria (2008), p. 11.

Table 4.4: Allowance categories prior to the making of this Determination

Category 1	Category 2	Category 3
Alpine Shire Council	Bass Coast Shire Council	Ballarat City Council
Ararat Rural City Council	Baw Baw Shire Council	Banyule City Council
Benalla Rural City Council	Bayside City Council	Boroondara City Council
Buloke Shire Council	Campaspe Shire Council	Brimbank City Council
Central Goldfields Shire Council	Colac Otway Shire Council	Cardinia Shire Council
Corangamite Shire Council	East Gippsland Shire Council	Casey City Council
Gannawarra Shire Council	Glenelg Shire Council	Darebin City Council
Hepburn Shire Council	Golden Plains Shire Council	Glen Eira City Council
Hindmarsh Shire Council	Greater Shepparton City Council	Frankston City Council
Indigo Shire Council	Hobsons Bay City Council	Greater Bendigo City Council
Loddon Shire Council	Horsham Rural City Council	Greater Dandenong City Council
Mansfield Shire Council	Latrobe City Council	Greater Geelong City Council
Mount Alexander Shire Council	Macedon Ranges Shire Council	Hume City Council
Murrindindi Shire Council	Maribyrnong City Council	Kingston City Council
Northern Grampians Shire Council	Maroondah City Council	Knox City Council
Pyrenees Shire Council	Mildura Rural City Council	Manningham City Council
Borough of Queenscliffe	Mitchell Shire Council	Melton Shire Council
Southern Grampians Shire Council	Moira Shire Council	Monash City Council
Strathbogie Shire Council	Moorabool Shire Council	Moreland City Council
Towong Shire Council	Moyne Shire Council	Moonee Valley City Council
West Wimmera Shire Council	Nillumbik Shire Council	Mornington Peninsula Shire Council
Yarriambiack Shire Council	South Gippsland Shire Council	Port Phillip City Council
	Surf Coast Shire Council	Stonnington City Council
	Swan Hill Rural City Council	Whitehorse City Council
	Wangaratta Rural City Council	Whittlesea City Council
	Warrnambool City Council	Wyndham City Council
	Wellington Shire Council	Yarra Ranges Shire Council
	Wodonga City Council	
	Yarra City Council	
22 Councils	29 Councils	27 Councils

Note: Melbourne City Council is not assigned to an allowance category.

Source: State Government of Victoria (n.d.b).

Existing annual allowance values

Each allowance category is associated with:

- minimum and maximum values of annual allowance that may be paid to Councillors and the Deputy Mayor in all Councils in that category
- a maximum value of annual allowance that may be paid to the Mayor of each Council in that category.

Table 4.5 shows the minimum and maximum annual allowance values which applied prior to the making of the Tribunal's Determination. The latest values (updated annually by Ministerial Notices published in the Government Gazette) were set in an Order made by the Governor in Council on 5 July 2012 under the *Local Government Act 1989* (Vic).

The minimum and maximum values are highest for Category 3 Councils, and lowest for Category 1 Councils. In all three allowance categories, Mayors are entitled to a higher maximum annual allowance (approximately three times higher) than Councillors.

Table 4.5: Annual allowance values prior to the making of the Tribunal's Determination

Allowance category	Annual Councillor allowance ^(a) \$	Annual Mayoral allowance \$
Category 1	8,833 to 21,049	Up to 62,884
Category 2	10,914 to 26,245	Up to 81,204
Category 3	13,123 to 31,444	Up to 100,434

Note: (a) A Deputy Mayor is entitled to the same annual allowance as Councillors in the same allowance category.

Source: *Victorian Government Gazette*, No. S 459, 13 November 2019, p. 1.

Prior to the Determination, each Council was required to set the value of its annual allowances (within the ranges corresponding to its allowance category) within six months of a general local government election, or by 30 June following the election (whichever is later). Under s. 74(1) of the *Local Government Act 1989* (Vic), a Council may adjust the value of annual allowances payable if the allowance category that applies to it is changed.

By providing for a range of values for each allowance category, rather than a single value, the Councillor Allowances Review Panel stated that it intended to:

... allow Councils to determine rates that reflect their relative complexity ... not for all Councils to immediately move to the maximum [value].¹⁰⁸

To this end, the Panel suggested several factors Councils could take into account in selecting specific annual allowance values:¹⁰⁹

- whether the Council has a greater regional focus than others in the same allowance category
- socio-economic or demographic differences that result in ‘higher than usual’ demands on Council services, relative to other Councils in the same allowance category
- expectations placed on the Mayor by the community.

Through consultations completed as part of making this Determination, the Tribunal found that, in practice, most Councils set their annual allowances at (or near) the top of the ranges applicable to them — 85 per cent of all Councils had set their annual Councillor and Mayoral allowances at the maximum levels as at 1 July 2021, including around 90 per cent of Category 3 Councils.¹¹⁰

The Tribunal also found that total annual expenditure on allowances for Council members is low relative to Council annual revenue (revenue is often in the hundreds of millions of dollars). In 2020-21, for example, payment of allowances represented an average 0.4 per cent of a Council’s total recurrent revenue. This figure was slightly higher (0.7 per cent) when considering only Category 1 Councils, which typically have lower total recurrent revenues. The only Council where the cost of paying allowances exceeded one per cent of total recurrent revenue in 2020-21 was the Borough of Queenscliffe.¹¹¹

Under s. 39(5) of the LG Act 2020, Council members may elect to receive the entire annual allowance to which they are entitled, a specified part of the annual allowance, or no annual allowance. According to data provided to the Tribunal by 77 Councils, the vast majority of serving Council members have elected to receive the entire annual allowance to which they are entitled (as at 1 July 2021).

¹⁰⁸ Councillor Allowances Review Panel (2000), p. 21.

¹⁰⁹ Councillor Allowances Review Panel (2000), p. 4.

¹¹⁰ Includes three Councils under administration as at 1 July 2021 – for these Councils, maximum values were the amounts payable immediately prior to the date of administration. Around 86 per cent of Category 2 Councils and 77 per cent of Category 1 Councils had set their allowances at the maximum levels. Data requested from Councils by the Tribunal in 2021.

¹¹¹ Tribunal analysis using data provided to the Tribunal by LGV in 2021.

Only two of the 77 Councils reported that at least one Council member had elected to receive a partial annual allowance, and none of the Councils that provided data to the Tribunal reported that any Council member had elected not to receive an annual allowance.

Annual allowances for Greater Geelong City Council

Greater Geelong City Council has been a Category 3 Council since allowance categories were first introduced in 2001. However, since October 2012, annual allowances for the Mayor and Deputy Mayor have been set in an Order made by the Governor in Council under the *City of Greater Geelong Act 1993* (Vic).

In 2017, annual allowances for the Mayor and Deputy Mayor aligned with maximum annual allowances payable to Council members in Category 3 Councils. As a result, prior to the making of the Tribunal's Determination, the:¹¹²

- Mayor's annual allowance of \$100,434 was equal to the maximum annual allowance for the Mayor of a Category 3 Council
- Deputy Mayor's annual allowance of \$31,444 was equal to the maximum annual allowance of a Councillor in a Category 3 Council.

Annual allowances for Melbourne City Council

Existing annual allowances for Melbourne City Council are set in an Order made by the Governor in Council under the *City of Melbourne Act 2001* (Vic). Prior to the making of the Tribunal's Determination:¹¹³

- a Councillor's annual allowance was \$47,165
- the Lord Mayor's annual allowance was \$200,870
- the Deputy Lord Mayor's annual allowance was \$100,434.

Payment in lieu of superannuation

In line with the *Superannuation Guarantee (Administration) Act 1992* (Cth) (SG Act), Council members are generally not entitled to compulsory superannuation contributions as they are not considered to be 'employees' (Box 4.2). In addition, the LG Act 2020 does not address the matter of superannuation for Council members.

¹¹² *Victorian Government Gazette*, No. G 37, 14 September 2017, p. 2040.

¹¹³ *Victorian Government Gazette*, No. S 459, 13 November 2019, p. 1.

Box 4.2: Council members and superannuation

The SG Act provides that employers must contribute a minimum amount to a complying superannuation fund on behalf of each eligible employee. The SG contribution is expressed as a percentage of ordinary time earnings and is set at 10 per cent for 2021-22.

The SG Act excludes Council members across Australia from the definition of ‘employee’, so Councils are not ordinarily required to make SG contributions to Council members:

a person who holds office as a member of a local government council is not an employee of the council (s. 12(9A)).

Source: SG Act.

The Australian Taxation Office does allow Council members to re-direct all, or some, of their annual allowance into a complying superannuation fund, where it is not treated as assessable income.¹¹⁴

In addition, a Council may choose to unanimously resolve to become an ‘Eligible Local Governing Body’ (ELGB) under the *Taxation Administration Act 1953* (Cth).¹¹⁵ Where a Council makes such a resolution, Council members are considered employees for superannuation (and a variety of other tax-related) purposes, and therefore become entitled to compulsory superannuation contributions.¹¹⁶

Only Council members in Councils that are not ELGBs are eligible to receive the payment in lieu of superannuation.¹¹⁷ Of the 77 Councils that responded to the Tribunal’s data request, 11 (around 15 per cent) indicated they were ELGBs as at 1 July 2021.

Since 2008, an additional payment has been provided to all Council members (including those in Greater Geelong City Council and Melbourne City Council) who are not entitled to compulsory superannuation contributions.¹¹⁸

The value of the payment is set in the same Order which sets the minimum and maximum annual allowance values for each allowance category, and is equivalent in value to the SG contribution (10 per cent as at 1 July 2021). As there is no requirement for it to be paid into a complying superannuation fund, for eligible Council members, the payment has the effect of increasing the annual allowance paid by the equivalent of the SG contribution.

¹¹⁴ Australian Taxation Office (2007).

¹¹⁵ *Taxation Administration Act 1953* (Cth), s. 446-5(1)(a) and Schedule 1, 12-45(1)(e).

¹¹⁶ Local Government (Councillor Remuneration Review) Panel (2008), p. 20.

¹¹⁷ *Victorian Government Gazette*, No. G 48, 27 November 2008, p. 2788.

¹¹⁸ State Government of Victoria (2008), p. 3.

The payment was introduced following a recommendation of the Local Government (Councillor Remuneration Review) Panel in 2008. The Panel noted that:

Mayors and Councillors are not employees and are therefore not subject to superannuation law. For those who forgo income and/or employment to participate in local government the loss of superannuation has been identified as a significant issue. This can become a barrier to participation for both existing and potential Councillors.

... as most Councillors are not paid superannuation, any new arrangements should include a 9% payment equivalent to application of the Superannuation Guarantee ...

... individual Councillors in Councils that are not ELGBs will be able to choose to salary sacrifice this amount, along with any or all of the allowance into a recognised superannuation fund and thereby benefit from the equivalent of an employer superannuation guarantee contribution that is currently only available to ELGBs.¹¹⁹

Table 4.6 demonstrates the impact of the payment in lieu of superannuation for eligible Council members in allowance categories 1–3.

Table 4.6: Effect of payment in lieu of superannuation for eligible Council members,^(a) allowance categories 1–3

Allowance category	Maximum annual allowance payable (A) \$ p.a.	Payment in lieu of superannuation (B) \$ p.a.	Total payment (A+B) \$ p.a.
Councillors			
Category 1	21,049	2,105	23,154
Category 2	26,245	2,625	28,870
Category 3	31,444	3,144	34,588
Mayor			
Category 1	62,884	6,288	69,172
Category 2	81,204	8,120	89,324
Category 3	100,434	10,043	110,477

Note: (a) Eligible Council members are those in a Council which is not an ELGB.

¹¹⁹ Local Government (Councillor Remuneration Review) Panel (2008), pp. 14, 21.

Remote area travel allowance

Since 1998, a remote area travel allowance (RATA) — paid as compensation for time spent on long-distance travel — has been provided to eligible Council members.¹²⁰

To be eligible, a Council member must normally reside more than 50km by the shortest practicable road distance from the location specified for Council meetings, or for municipal or community functions which the Council member has been authorised to attend.

Since 2001, the RATA has been equal to \$40 per day, subject to an annual cap of \$5,000 per Council member.¹²¹ In practice, this means that an eligible Council member can claim the RATA for at most 125 days in a given year.

Of the 77 Councils that responded to the Tribunal’s data request, 17 indicated they had paid the RATA to at least one Council member during the 2019-20 financial year (approximately 50 Council members in total). A total of 14 Councils indicated they had paid the RATA from the start of the current Council term (following local government elections on 24 October 2020) up to 30 June 2021 (approximately 40 Council members in total).

For the Council members who received the RATA in 2019-20, the average total amount received by each person was \$800 — equivalent to claiming the allowance for 20 days over the financial year.¹²²

Trends in annual allowance values

Between 2001 and 2007, there was no change to the minimum and maximum values of annual allowance payable to Council members in Category 1 and Category 2 Councils. Councils assessed as falling within Category 3 at the time the category points system was introduced in 2001 were subject to the same minimum and maximum values as Category 2 Councils until 2003, when higher maximum annual allowances came into effect for Category 3 Councils.¹²³ However, minimum and maximum allowance values for Category 3 also remained unchanged between 2004 and 2007.

¹²⁰ *Victorian Government Gazette*, No. G 10, 12 March 1998, 548-549.

¹²¹ State Government of Victoria (2000), p. 4; *Victorian Government Gazette*, No. G 27, 5 July 2012, 1489-1492.

¹²² Data requested from Councils by the Tribunal in 2021.

¹²³ State Government of Victoria (2000). The new maximum allowances for Councillors and Mayors were 20 per cent and 24 per cent higher, respectively, than those for Category 2 Councils.

In 2008, following a recommendation of the Local Government (Councillor Remuneration Review) Panel, the minimum and maximum annual allowances payable to Councillors and Mayors in all allowance categories were increased by more than 30 per cent.

This increase was made to reflect increases that had been applied to the remuneration of Victorian statutory and executive officers since 2000 (which had not been applied to Council members as outlined above) and to reflect the Panel's finding that annual allowance levels:

*... present[ed] a barrier to candidacy for those women, young people and mid career professionals both standing for election for the first time and those standing for re-election.*¹²⁴

In addition to this once-off increase, the *Local Government Act 1989* (Vic) was amended in 2008 to provide for annual adjustments to annual allowances for Council members.¹²⁵ Previously, the Act did not expressly provide for annual adjustments to annual allowances. As a result, since 2008, minimum and maximum annual allowance values payable across all three categories have been adjusted annually in line with the 'annual adjustment guideline rate' set by the Premier for public sector executives and board members in Victoria.¹²⁶ In 2021-22, the rate was set at 1.5 per cent. At the time of making this Determination, this increase had not been applied to annual allowances for Council members.

Since 2008, the annual adjustment rate has also been applied to annual allowances for Melbourne City Council and the Mayor and Deputy Mayor of Greater Geelong City Council (with the exception of 2021-22). In addition to annual adjustments, the following once-off adjustments have been made:

- in October 2012, annual allowances for the Lord Mayor, Deputy Lord Mayor and Councillors in Melbourne City Council were increased by 7 per cent, 31 per cent and 11 per cent, respectively¹²⁷
- in October 2012, higher annual allowances were introduced for the Mayor and Deputy Mayor of Greater Geelong City Council, although in October 2017

¹²⁴ Local Government (Councillor Remuneration Review) Panel (2008), p. 1.

¹²⁵ *Local Government Amendment (Councillor Conduct and Other Matters) Act 2008* (Vic), s. 4.

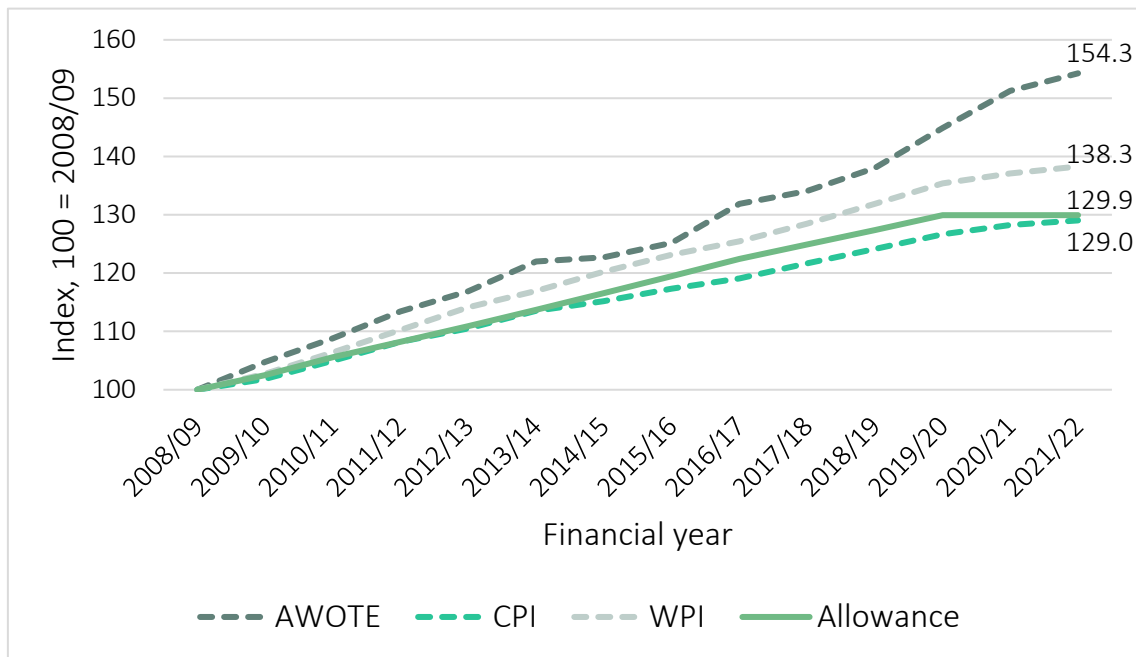
¹²⁶ Tribunal analysis of Ministerial notices published in the *Government Gazette* which specified the rate of adjustment.

¹²⁷ *Victorian Government Gazette*, No. G 27, 5 July 2012, pp. 1489-1490.

annual allowances for these positions were reduced and realigned with those for other Category 3 Councils.¹²⁸

Figure 4.1 shows how the change in the maximum value of annual allowances for allowance categories 1-3 compares to the change in the value of selected economic indicators since 2008. Growth in annual allowances over this period (30 per cent) has kept pace with changes in the All Groups Consumer Price Index (CPI) for Melbourne (29 per cent), which is a proxy for price inflation in the Victorian economy. However, over this period, annual allowances grew at a slower rate than wages in the broader economy, as measured by changes in the Victorian Wage Price Index (WPI) (38 per cent) and average weekly ordinary time earnings for full-time Victorian adults (AWOTE) (54 per cent).

Figure 4.1: Maximum allowance values and selected economic indicators, 2008/09 – 2021/22, nominal change



Note: Change in allowance value based on change in the maximum value of annual allowances payable for allowance categories 1-3, excluding the payment in lieu of superannuation.

Sources: ABS (2021b); ABS (2021c); ABS (2021e); Tribunal’s analysis.

¹²⁸ *Victorian Government Gazette*, No. G 27, 5 July 2012, pp. 1489-1492; *Victorian Government Gazette*, No. G 37, 14 September 2017, p. 2040.

4.4 Stakeholder views

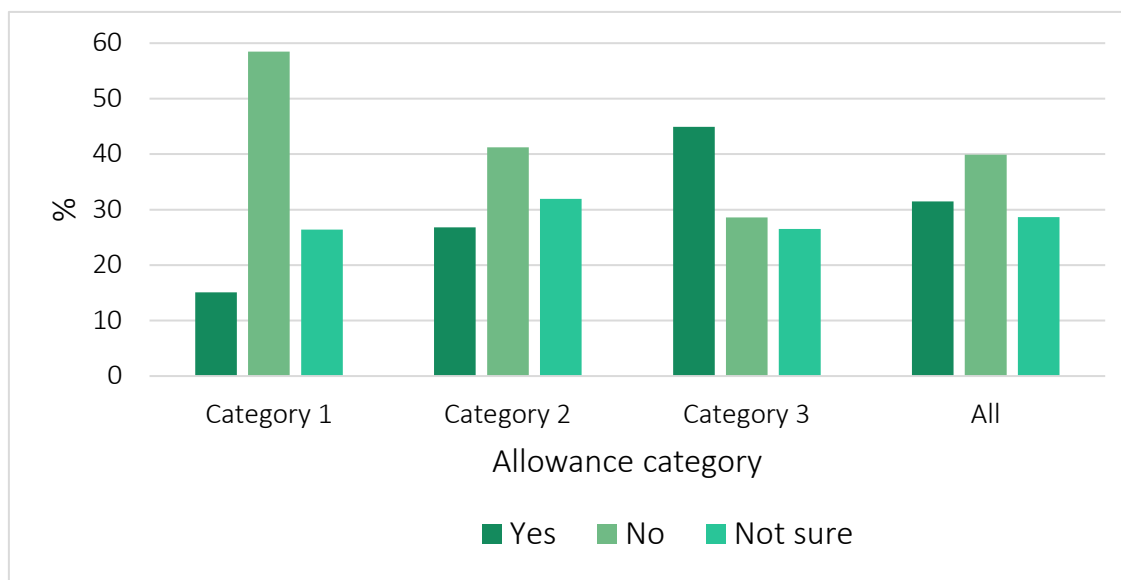
The Tribunal’s questionnaire sought the views of currently serving Council members on the existing allowances system. In addition, the Tribunal invited submissions from interested or affected parties on the issues covered by the Determination. A summary of some of the key themes and views presented to the Tribunal is provided below.

Stakeholder views on existing allowance categories

When asked for their views on the category points system, 40 per cent of Council members who responded to the Tribunal’s questionnaire indicated that it was ‘not appropriate’. A further 29 per cent indicated that they were ‘not sure’ if it was appropriate.

In general, respondents from Category 1 Councils were least favourable (58 per cent indicated that the system was ‘not appropriate’), while respondents from Category 3 Councils were most favourable (45 per cent indicated that the system was ‘appropriate’) (Figure 4.2).

Figure 4.2: Council members’ views on whether the category points system is appropriate — questionnaire responses



Note: Based on 253 responses.

Source: Tribunal questionnaire distributed to Council members.

When asked to elaborate on the reasons for their response, around a fifth of respondents to the Tribunal’s questionnaire noted that all Council members have the same duties and responsibilities under the LG Act 2020, and that the time

commitment of Council members is comparable, regardless of the size or location of the Council. For example, one Councillor from a Category 1 Council said:

Good decision making requires time, energy and effort. All Councillors make similar decisions and ought to be payed accordingly.

Similarly, the Deputy Mayor of a Category 3 Council said:

The amount of work required or expectations from residents does not depend on borders.

Around 15 per cent of respondents to the Tribunal's questionnaire indicated that the category points system disadvantaged Council members from rural or regional Councils, which typically have smaller populations and revenues than metropolitan Councils but cover larger geographical areas.

For example, another Councillor from a Category 1 Council said:

A rural council has just as much work to do as a city council, but cannot call on resources as readily. A rural council has a much wider area to cover and there is a lot more travelling.

Several respondents to the Tribunal's questionnaire from Category 2 and Category 3 Councils indicated that the category points system does not take into account all factors relevant to the setting of allowance categories. For example, the Mayor of a Category 3 Council said that:

The current method does not take into consideration the value of assets under management, the growth challenges faced by Councils and also that [the] demographic make up of some communities will result in a much higher level of Councillor-community engagement.

In addition to the views expressed in questionnaire responses, some interested parties also made comments on the existing allowance categories in their submissions to the Tribunal (Box 4.3).

Box 4.3: Stakeholder views — allowance categories

‘Consideration should be given to broadening the basis for determining allowances as additional factors impact the Council’s ability to deliver services and maintain a sustainable financial situation ... The current factors are relatively easy to apply, but do not necessarily reflect the social, economic or environmental fabric of the municipality.’

(East Gippsland Shire Council submission, p. 3)

‘Residents don’t believe that the current system of allocating allowances based on population and revenue is adequate ... [and] strongly feel that additional criteria needs to be incorporated to consider the demographic and wealth profile of the municipality ...’

(Brimbank Ratepayers & Residents Association, Inc., p. 4)

‘Given that Mayors, Deputy Mayors and Councillors ultimately all perform the same legislated role, it is challenging to identify an appropriate system of categorisation which allocates greater allowances to some Victorian Councillors and Mayors, than it does others. Each Council has its own unique set of challenges and opportunities which must be acknowledged.’ (Moonee Valley City Council submission, p. 7)

‘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.’ (MAV submission, p. 3)

Sources: Submissions received by the Tribunal.

Stakeholder views on existing annual allowance values

The Tribunal’s consultations heard mixed views presented on the appropriateness of the current value of allowances payable to Council members.

Many submissions from members of the public and community groups expressed the view that allowances should not be increased from existing levels, often citing the economic impact of COVID-19 as a key reason.

For example, Ratepayers Victoria argued that:

... allowances should be frozen at their current dollar value, until all pandemic restrictions are lifted, and all Victorians are free to live, work and travel and have some certainty about their financial future. (p. 3)

Similarly, the Brimbank Ratepayers & Residents Association, Inc. said:

Residents don’t believe that an increase in allowances can be justified at this time and would strongly advocate against any increase. ... Brimbank has been disproportionately affected by Covid19, both in terms of the number of residents who have caught the disease and also from the numerous lockdowns and restrictions which have destroyed businesses, jobs and livelihoods. (p. 6)

Several other submissions focused on the impact of COVID-19 (Box 4.4).

Box 4.4: Stakeholder views — value of allowances in the context of COVID-19

‘I ... request that you do not increase the councillor pay at this time, due to the current COVID restrictions. With so many small businesses shut and families hurting financially I believe this it is inappropriate for our councilors to receive an increase.’ (Sharyn More, p. 1)

‘In light of the present COVID-19 situation wrecking havoc with many employers and employees, I would ask you to critically appraise any pay rise for Mayors, Deputy-Mayors and Councillors. Our communities is suffering economic hardships caused by COVID lockdowns. Please do not invite taxpayer frustration by creating an even more unequal society.’ (De-identified submission 5, p. 1)

‘In these trying conditions, to award increases to Mayors and councillors allowances would send the wrong message. Those who continue to hold onto their jobs should be grateful. These are not normal times. The public is struggling and the fact that the public pay the allowances for Mayors and councillors should not be forgotten.’ (Kelly Rossiter, p. 1)

‘Victoria and it’s ratepayers are going through extended periods of financial hardship brought about by the COVID-19 virus progressive outbreaks, especially this DELTA strain and the continued lock downs.’ (Graham Jolly, p. 1)

Sources: Submissions received by the Tribunal.

While the impact of COVID-19 was often raised in submissions, several other factors were identified in submissions as relevant for setting the value of allowances (Box 4.5).

Box 4.5: Stakeholder views — factors relevant for setting the value of allowances

‘We do not believe Mayors and Councillors should receive an increase in their remuneration. They are honorary positions in our community, and the increases would defeat these purposes.’ (James Bae, p. 1)

‘The Council is a business and the Councillors should have Key Performance Indicators (KPIs) which include Waste Management, Climate Change and Community wellbeing [KPIs]. ... [Allowances are not adequate] because they do not include any KPIs and hence probably do not attract the best candidates.’ (Sustainable Action Network, pp. 7-8)

‘As a resident of the City of Moreland, and having attempted to be involved in local council issues and consultations during the past few years, my opinion is that:

- Councillors allowances should be increased significantly
- Mayors and Deputy Mayors allowances should be decreased significantly.’ (Margaret Attwater, p. 1)

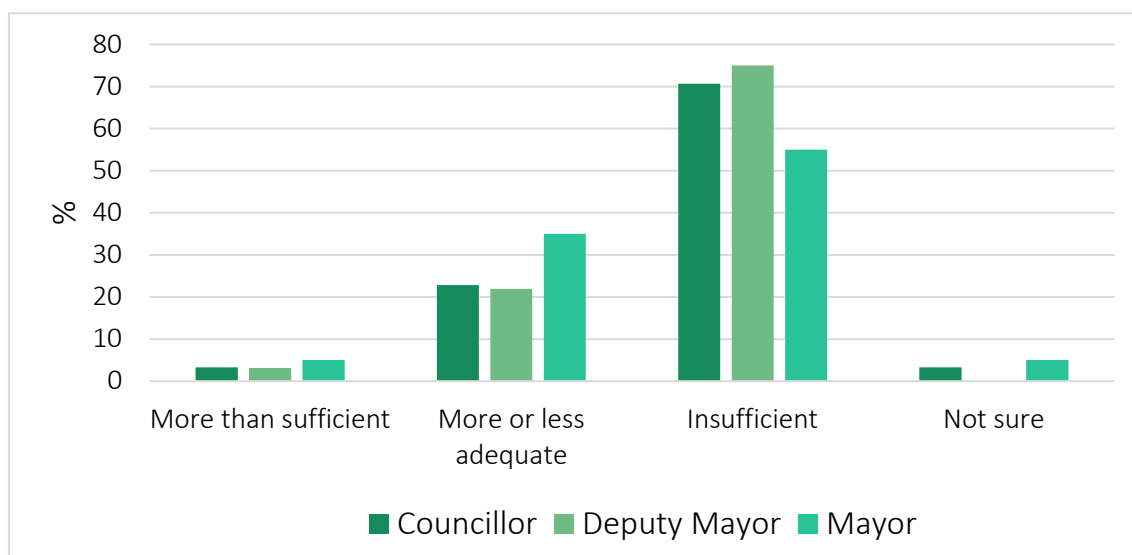
‘The allowance for Councillors should be at a level that allows them to undertake the role full time and does not financially disadvantage somebody if they choose to undertake the role.’ (Daniel Kade, p. 1)

Sources: Submissions received by the Tribunal.

Most Council members who responded to the Tribunal’s questionnaire considered that existing annual allowance values are too low. Almost 70 per cent of respondents said that they consider the annual allowance they receive to be ‘insufficient’. However, around 25 per cent indicated that the annual allowance is ‘more or less adequate’, and four per cent considered it ‘more than sufficient’.

On the whole, responses to the Tribunal’s questionnaire indicated that Mayors had a more favourable view of the value of the annual allowance received than other Council members — 40 per cent considered it ‘more than sufficient’ or ‘more or less adequate’ (Figure 4.3).

Figure 4.3: Council members’ views on annual allowances — questionnaire results



Note: Based on 256 responses.
 Source: Tribunal questionnaire distributed to Council members.

When asked to elaborate on the reasons for their response, around a third of Council members said that the value of the annual allowance does not reflect the hours dedicated to the role, and/or that it does not adequately reflect the responsibilities the role entails. For example, according to one Councillor from a Category 3 Council:

The amount of pressure, expectation and hours that comes from community and the stresses associated with the job is not equal to the pay.

A similar view was expressed by the MAV in its submission to the Tribunal:

The current allowance levels do not go anywhere near the time and effort invested by Councillors in their role. (p. 2)

Several Deputy Mayors who responded to the questionnaire indicated that they should receive a higher annual allowance than other Councillors. According to one Deputy Mayor from a Category 3 Council:

As Deputy Mayor my current allowance is the same as other councillors whilst I undertake much more responsibility within my role.

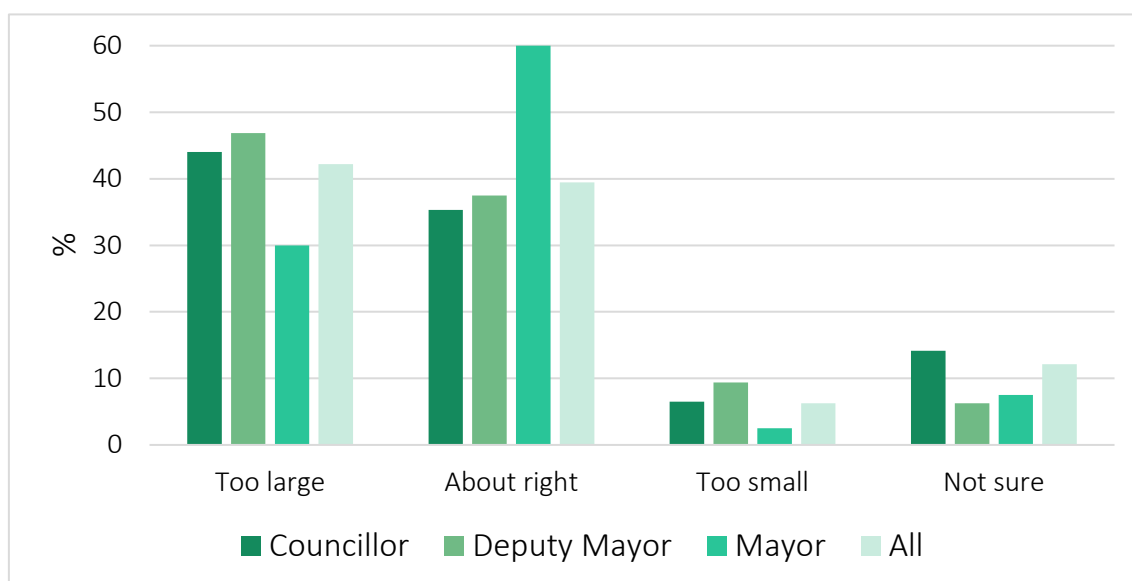
Several Councillors indicated, in their free text responses to the Tribunal’s questionnaire, that the equivalent hourly rate of the annual allowance they receive would be less than the National Minimum Wage (\$20.33 per hour as at 1 July 2021).

For example, one Councillor from a Category 1 Council said:

My allowance gives me approximately \$500 a week. If I work 30 hours a week I calculate an hourly rate of about \$16 ... I wonder sometimes how the allowance can be so low.

The Tribunal’s questionnaire asked Council members for their views on the difference, or ‘relativity’, between the annual allowances for Mayors and Councillors. Forty-two per cent of respondents indicated that the difference was ‘too large’. A similar percentage (39 per cent) indicated that it was ‘about right’, while only three per cent thought it was ‘too small’ (Figure 4.4).

Figure 4.4: Council members’ views on the difference in value between annual allowances for Mayors and Councillors — questionnaire results



Note: Based on 256 responses.

Source: Tribunal questionnaire distributed to Council members.

Another theme arising from responses to the Tribunal’s questionnaire was that existing annual allowance values do not fully compensate Council members for the ‘opportunity cost’ of serving on Council, including the reduced hours spent in other paid employment. One Deputy Mayor from a Category 2 Council said:

I needed to drop down to 1 day paid work per week so I could do my role as Deputy properly.

Several respondents to the Tribunal’s questionnaire indicated that the value of the annual allowance prevented them from dedicating as much time to the role as they would like, or as the community expects. One Councillor from a Category 3 Council said that:

It [the allowance] doesn't allow me to reduce hours of paid employment, which means I can't dedicate as much time during business hours to assisting the community, even though there is an expectation from many members of our community that we are available to them in the same way as a state or federal MP is available.

Of the Council members who indicated that the annual allowance was ‘more or less adequate’ in response to the Tribunal’s questionnaire, several cited the voluntary and/or part-time nature of the role, and a handful of respondents said that they did not need to rely on the annual allowance due to their financial situation.

For example, one Councillor from a Category 2 Council noted:

I could make more money putting time into my business, but being a councillor let[s] me give back to the community.

Another theme arising from consultation was that existing annual allowance values pose a barrier to achieving greater diversity of representation on Councils. In its submission to the Determination, Moonee Valley City Council said:

The allowance provided to Councillors undoubtedly impacts on willingness to stand for Council, and on Councillor diversity. (p. 9)

A majority (almost 80 per cent) of Council members who responded to the Tribunal’s questionnaire indicated that they did not think existing annual allowances supported a diverse pool of candidates, compared to 13 per cent who did (Box 4.6).

Box 4.6: Council members' views — impact of existing annual allowance levels on diversity of representation on Councils

'I am fortunate to not have to rely on my allowance . Not all councillors are in the same position. The allowance needs to be at a level where people are not precluded from being an elected representative. We want to aim to have elected representatives from all areas of our communities.' (Mayor, Category 2 Council)

'Only attractive to people who either have a fixed income or have money. Single parents, First Nations and CALD couldn't consider it if there sole source of income.' (Councillor, Category 1 Council)

'Current allowances are a disincentive for many who might need to either leave full time permanent employment, or reduce hours. Also a disincentive for those with casual or insecure employment, caring responsibilities, parenting duties etc.' (Councillor, Category 3 Council)

'It [the existing allowance] is a huge barrier and deterrent - probably why we have so much difficulty in getting more women, or people from lower socio-economic backgrounds in. At my Council, the role has traditionally been held by wealthy retired white men.' (Councillor, Category 3 Council)

'The low level of the allowance privileges those who are retired, independently wealthy, have a stay-at-home partner to take care of domestic responsibilities. It's a barrier to diversity.' (Councillor, Category 3 Council)

'It is set up for older, retirees to take on these roles which is such an old model. It does not allow for younger people with careers to run or for a diverse range of the population to be represented.' (Councillor, Category 1 Council)

Source: Tribunal questionnaire distributed to Council members.

Stakeholder views on the payment in lieu of superannuation

While the questionnaire for Council members distributed by the Tribunal did not expressly ask for views on the payment in lieu of superannuation, the Tribunal's Consultation Paper did ask stakeholders and interested parties to consider the following question in submissions:

How, if at all, should superannuation be considered in determining allowance values?

Few submissions commented on the payment in lieu of superannuation. In its submission, Moonee Valley City Council said that a 'superannuation equivalent should be paid to all Councillors'.¹²⁹ Similarly, MAV said that the payment in lieu

¹²⁹ Moonee Valley City Council submission, p. 10.

of superannuation should be retained in its existing form,¹³⁰ while the Victorian Local Governance Association (VLGA) said:

We submit that existing arrangements for payment of superannuation should not be diluted, for the reasons of supporting diversity ... (p. 6)

Stakeholders' views on the remote area travel allowance

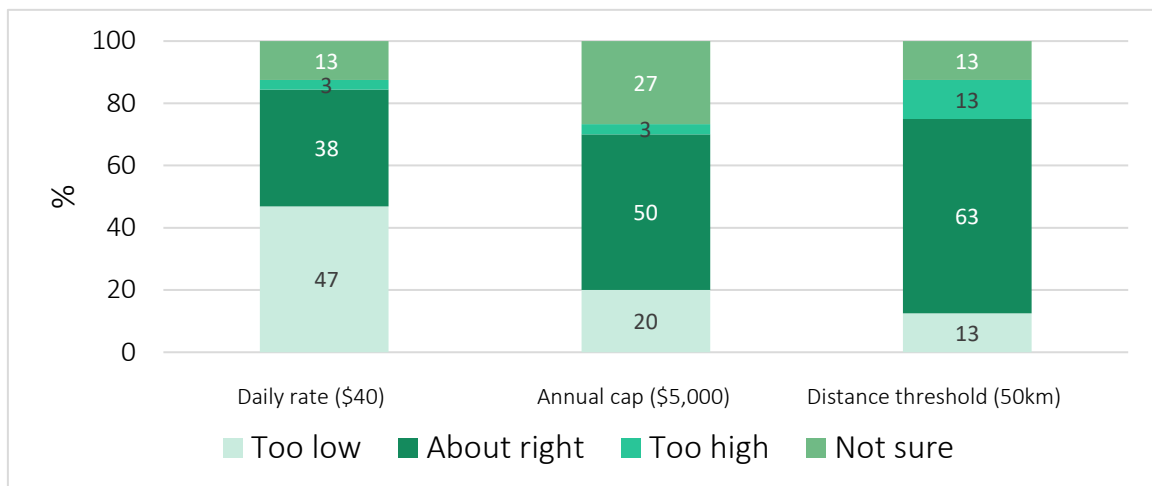
In its questionnaire distributed to Council members, the Tribunal sought views on the following aspects of the RATA:

- daily rate of \$40
- annual cap of \$5,000 per Council member
- distance requirement of 50km.

Figure 4.5 summarises the views of Council members who have ever received, or been eligible for, the RATA.

Almost half (47 per cent) of these respondents said that the daily rate was 'too low', compared to just under 40 per cent who said it was 'about right'. By comparison, a majority of respondents said that the annual cap and distance requirement were 'about right' (50 per cent and 63 per cent, respectively).

Figure 4.5: Summary of Council members' views on the RATA — questionnaire results



Note: Results exclude respondents who have not received (or been eligible for) the RATA, who did not answer the question, or who answered 'not applicable'.

Source: Tribunal questionnaire distributed to Council members.

¹³⁰ MAV submission, p. 2.

A few submissions commented on the RATA. MAV said that the RATA should be retained in its existing form,¹³¹ while East Gippsland Shire Council noted that the value of the RATA has not changed in some time and is:

... not reflective of the cost of travel in rural and remote communities. (p. 3)

4.5 Summary

Since 2001, all Councils other than Melbourne City Council have been assigned to one of three allowance categories according to a 'category points system', which groups Councils based on their total recurrent revenue and estimated resident population. Councils are required to set the values of the annual allowances payable to Council members within prescribed limits set for each category. These limits differ between allowance categories.

Allowances for Council members in Melbourne City Council and for the Mayor and Deputy Mayor of Greater Geelong City Council have been fixed by the Minister for Local Government.

In addition to the annual allowance, Council members who are not entitled to compulsory superannuation contributions receive an additional payment in lieu of superannuation, and Council members who meet certain eligibility requirements receive a remote area travel allowance.

The Tribunal's consultation processes found different stakeholder views on the purpose of the allowances system, the existing allowance categories and the value of allowances. Subsequent chapters further explore the Victorian allowances framework, including by comparing it to those in other Australian jurisdictions and remuneration for selected occupations.

¹³¹ MAV submission, p. 2.

5 Comparators



As indicated, in making this Determination, the VIRTIPS Act (s. 23A(5)(a)) requires the Tribunal to include a comprehensive review of the existing allowance categories and existing Councillor and Mayoral allowances under the *Local Government Act 1989* (Vic), taking into account:

- similar allowances for elected members of local government bodies in other states
- allowances for persons elected to other voluntary part-time community bodies.

The Tribunal also considered the following additional comparators and metrics:

- fees paid to non-executive directors, in particular board members of Victorian public entities
- salaries of Members of the Parliament of Victoria
- the national minimum wage in Australia.

5.1 Allowances for Council members in other Australian jurisdictions

The Tribunal considered allowances (and equivalent payments) for Council members in other states and the Northern Territory. The Australian Capital Territory does not have a separate system of local government.

In most Australian states, an independent tribunal or commission sets the values of allowances for Council members either directly (by setting an exact amount) or indirectly (by setting a range within which Councils must choose their own values). The exception is Tasmania, where the values are set in regulations.¹³²

In the Northern Territory, allowance ranges are currently set in guidelines issued by the Minister for Local Government.¹³³ However, legislative reforms made

¹³² *Local Government (General) Regulations 2015* (Tas).

¹³³ Minister for Local Government (NT) (2021).

in 2019 gave the Northern Territory Remuneration Tribunal the power to set the maximum values of allowances in the future.¹³⁴

Comparing allowances across jurisdictions

A degree of caution needs to be exercised when comparing the values of allowances in different jurisdictions, as the functions performed by Councils, and the characteristics of local government areas (LGAs),¹³⁵ vary across jurisdictions.

Council functions and services

In general, Councils derive their authority from state and territory legislation, which define the scope of their authority and delegate to them those functions that are deemed to be most effectively and efficiently implemented at the local level. Common functions include:¹³⁶

- authorisation of planning and building developments
- food and liquor safety laws
- animal control
- provision of local roads
- waste collection.

Councils in some jurisdictions deliver services that, in Victoria, are the responsibility of the state government. For example, Brisbane City Council provides a range of public transport services (e.g. buses and ferries),¹³⁷ and is also responsible for developing and delivering Brisbane Metro — a \$1.2 billion transport infrastructure project that it is jointly funding with the Commonwealth.¹³⁸ By contrast, public transport in the Melbourne City Council is administered by the Victorian Department of Transport.

Certain Councils in New South Wales, Queensland and Tasmania are also responsible for water and sewerage functions,¹³⁹ which are performed in Victoria by water corporations. In contrast to Victoria and other states, Councils in the Northern Territory provide a more limited range of (property-related) services.¹⁴⁰

¹³⁴ *Local Government Act 2019* (NT), s. 106.

¹³⁵ In this chapter the term LGA is used to describe the area administered by a Council, as this is the convention in other Australian jurisdictions. In Victoria, the area administered by a Council is referred to as a municipal district in the LG Act 2020.

¹³⁶ Productivity Commission (2017), pp. 3-5.

¹³⁷ Productivity Commission (2017), p. 5.

¹³⁸ Brisbane City Council (2021).

¹³⁹ Productivity Commission (2017), p. 5.

¹⁴⁰ Productivity Commission (2017), p. 5.

Characteristics of LGAs

There is significant variation in the geographical sizes and populations of LGAs across jurisdictions (Table 5.1). For example, the City of Brisbane is home to over 1.2 million people (more than double the population of Tasmania), while the Shire of East Pilbara in Western Australia covers an area (372,301 km²) which is larger than Victoria.

Victorian LGAs have the highest average estimated resident population (84,757), and the third lowest average geographical area (2,876 km²) after South Australia and Tasmania. Victoria also has the highest population density of any jurisdiction (approximately 29 residents per km²).

Table 5.1: Population and geographical area, Australian LGAs

Jurisdiction	Population (est.) – LGAs		Area (km ²) – LGAs	
	Range	Average	Range	Average
Victoria	3,008 – 364,600	84,757	9 – 22,083	2,876
New South Wales	1,553 – 382,831	63,801	6 – 53,492	5,528
Queensland ^(a)	263 – 1,272,999	67,165	12 – 105,719	22,470
South Australia ^(b)	844 – 174,575	25,945	4 – 8,833	2,305
Western Australia	78 – 223,743	19,442	1 – 372,308	18,442
Tasmania	1,004 – 68,813	18,648	78 – 9,584	2,345
Northern Territory	176 – 82,030	14,042	6 – 322,713	78,136

Notes: (a) Excludes the Weipa Town Authority, which administers the town of Weipa on behalf of Rio Tinto. (b)

Excludes the LGAs of Anangu Pitjantjatjara Yankunytjatjara and Maralinga Tjarutja, which are included as LGAs by the ABS but are not listed as Councils by the Government of South Australia.

Sources: ABS (2021d); State Government of South Australia (n.d.).

Roles and responsibilities of Council members

The statutory roles and responsibilities of Council members also vary between jurisdictions. Each jurisdiction (with the exception of the Australian Capital Territory) has a local government law which sets out, at a high level, the roles and responsibilities of Councillors, Mayors and Deputy Mayors (or equivalent).¹⁴¹ In Victoria, New South Wales and Queensland, the statutory roles and responsibilities of Councillors are broadly similar (Table 5.2).

¹⁴¹ *Local Government Act 1993* (NSW), ss. 226, 231-232; *LG Act 2020*, ss. 18, 20A, 21, 28; *Local Government Act 2009* (Qld), ss. 12, 175; *Local Government Act 1999* (SA), ss. 58-59; *Local Government Act 1995* (WA), ss. 2.8-2.10; *Local Government Act 1993* (Tas), ss. 27-28; *Local Government Act 2019* (NT), ss. 44, 59.

Table 5.2: High-level summary — statutory roles and responsibilities of Councillors, Victoria, New South Wales, Queensland

Aspect of role	Victoria	New South Wales	Queensland
Participation in Council decision-making	Participate in the Council's decision-making	Active and contributing member of the governing body, make considered and well-informed decisions	Participate in Council meetings, policy development and decision-making
Community representation	Municipal community ^(a)	Residents, ratepayers and the local community	Current and future interests of residents
Strategic planning	Yes	Yes	Yes
Compliance with other obligations	Act lawfully and comply with the standards of conduct and Council procedures required for good governance	Uphold the policies and decisions of the governing body	Ensure the Council discharges its responsibilities under the <i>Local Government Act 2009</i> (Qld) and complies with all laws applicable to Councils
Engagement with local community	Councils must adopt and maintain a community engagement policy	Facilitate communication between the local community and elected Council members	One of the local government principles is 'democratic representation, social inclusion and meaningful community engagement' ^(b)
Represent the Council	Support the role of the Council	Accurately represent policies and decisions of elected Council members	Provide high quality leadership to the Council and the community

Notes: (a) Defined in s. 3(1) of the LG Act 2020 to include people who live in the municipal district of the Council, ratepayers of the Council, traditional owners of land in the municipal district of the Council, and people and bodies who conduct activities in the municipal district of the Council. (b) Section 4 of the *Local Government Act 2009* (Qld) states that those performing responsibilities under that Act, including Council members, are required to do so in accordance with the local government principles.

Sources: LG Act 2020; *Local Government Act 1993* (NSW); *Local Government Act 2009* (Qld).

The roles and responsibilities of Mayors are also broadly similar in Victoria, New South Wales and Queensland. For example, the Mayor's leadership function in relation to elected Council members and at Council meetings, and the performance of civic and ceremonial duties on behalf of the Council, are shared across all three states.¹⁴²

In addition, local government legislation in Victoria, New South Wales and Queensland all provide for Councils to appoint a Deputy Mayor. The position is

¹⁴² LG Act 2020, s. 18; *Local Government Act 1993* (NSW), s. 226; *Local Government Act 2009* (Qld), s. 12(4).

optional in New South Wales and Victoria (except for Melbourne City Council), while it is mandatory in Queensland.¹⁴³ Across all three jurisdictions, the statutory duties of a Deputy Mayor are generally limited to acting for the Mayor under certain circumstances (e.g. in the case of illness or if the office of Mayor is vacant),¹⁴⁴ although the role may be broader in practice. Notably, the *Local Government Act 1993* (NSW) also states that the Deputy Mayor ‘may exercise any function of the Mayor at the request of the Mayor’ (s. 231(3)).

These high-level observations are based on a legislative comparison. The ways in which Council members undertake their roles in practice may differ both between and within these states. For example, the expectation in relation to time commitment for Councillors appears to vary between jurisdictions. The Local Government Remuneration Tribunal — the body responsible for setting allowance ranges in Queensland between 2007 and 2009 — observed that many Council members carried out their roles on a full-time basis.¹⁴⁵ It went on to say:

*The Tribunal is aware that even if their workload may not require them to work full time, performing the role of a Mayor, Deputy Mayor or Councillor requires a full-time commitment.*¹⁴⁶

Allowance categories

Each jurisdiction groups Councils into allowance categories for the purpose of setting different rates of allowance for different Councils. The criteria, or ‘factors’, used for assigning Councils to allowance categories vary between jurisdictions, and are often prescribed in legislation.

In Victoria and Tasmania, Councils are categorised based on population and revenue. In addition, New South Wales, Queensland, South Australia and Western Australia also consider a variety of other factors (Table 5.3). While some of the additional factors considered by these jurisdictions are quantifiable (e.g. geographical area, value of assets and infrastructure), others are more qualitative in nature.

¹⁴³ *Local Government Act 2009* (Qld), s. 175.

¹⁴⁴ *Local Government Act 1993* (NSW), s. 231; *LG Act 2020*, s. 21; *Local Government Act 2009* (Qld), s. 165.

¹⁴⁵ *Local Government Remuneration Tribunal (Qld) (2009)*, p. 13.

¹⁴⁶ *Local Government Remuneration Tribunal (Qld) (2009)*, p. 14.

For example, the New South Wales Local Government Remuneration Tribunal is required to determine allowance categories at least once every three years, and in doing so must consider the following quantitative and qualitative factors:¹⁴⁷

- size of areas
- physical terrain of areas
- population of areas and the distribution of the population
- nature and volume of business dealt with by each council
- nature and extent of the development of areas
- diversity of communities served
- regional, national and international significance of the council.

In its most recent Determination (made in April 2021), the New South Wales Local Government Remuneration Tribunal outlined the criteria for each of its categories, which include a range of quantitative and qualitative factors. Box 5.1 contains an extract with the criteria for ‘Metropolitan Large’ Councils, as an example of a more ‘prescriptive’ approach to categorising Councils.

Box 5.1: Criteria for New South Wales ‘Metropolitan Large’ category

Metropolitan Large

Councils categorised as Metropolitan Large will typically have a minimum residential population of 200,000. Councils may also be categorised as Metropolitan Large if their residential population combined with their non-resident working population exceeds 200,000. To satisfy this criteria the non-resident working population must exceed 50,000.

Other features may include:

- total operating revenue exceeding \$200m per annum
- the provision of significant regional services to greater Sydney including, but not limited to, major education, health, retail, sports, other recreation and cultural facilities
- significant industrial, commercial and residential centres and development corridors
- high population growth.

Councils categorised as Metropolitan Large will have a sphere of economic influence and provide regional services considered to be greater than those of other metropolitan councils.

Source: Local Government Remuneration Tribunal (NSW) (2021).

The number of allowance categories also varies across jurisdictions (Table 5.3). At the time of making this Determination, New South Wales has the most categories (11), while Victoria, Western Australia and the Northern Territory have the fewest (four).¹⁴⁸

¹⁴⁷ *Local Government Act 1993* (NSW), ss. 239-240.

¹⁴⁸ Victoria has four categories if Melbourne City Council is considered to be its own category.

Table 5.3: Factors used to determine allowance categories for Councils in Australian jurisdictions

Jurisdiction (no. of categories)	Population size	Revenue/ expenditure	Geography ^(a)	Extent of services provided	Infrastructure and assets	Growth potential/ extent of development	Other factors ^(b)
Victoria (4 ^(c))	✓	✓					
New South Wales (11)	✓	✓	✓	✓	✓	✓	✓
Queensland (9)	✓		✓	✓			✓
South Australia (7)	✓	✓	✓				✓
Western Australia (4)	✓	✓		✓	✓	✓	✓
Tasmania (7)	✓	✓					
Northern Territory (4)	✓						

Notes: (a) Includes the size of a local government area and the spread or distribution of its population. (b) Includes social, economic and environmental factors. (c) Victoria has four allowance categories if Melbourne City Council is treated as being its own category.

Sources: Department of Housing, Local Government and Regional Services (NT) (2009); Department of Premier and Cabinet (Tas) (n.d.); *Local Government Act 1993* (NSW), s. 240(1); *Local Government Act 1999* (SA), s. 76(3); *Local Government Regulation 2012* (Qld), s. 242; Salaries and Allowances Tribunal (WA) (2012), p. 8; State Government of Victoria (2008).

In most jurisdictions, the ‘capital city Council’ has a separate allowance category,¹⁴⁹ and may be subject to bespoke arrangements, as in the case of Victoria with Melbourne City Council. In placing the City of Sydney into its own category (‘Principal CBD’), the New South Wales Local Government Remuneration Tribunal noted that:

*The City of Sydney is home to Sydney's primary commercial office district with the largest concentration of businesses and retailers in Sydney ... Sydney is recognised globally with its iconic harbour setting and the City of Sydney is host to the city's historical, cultural and ceremonial precincts.*¹⁵⁰

A notable exception is Tasmania, as Hobart City Council and Launceston City Council share an allowance category. While Hobart is the capital city, the City of Launceston has a greater population and covers a much larger area.¹⁵¹

Allowance values

Table 5.4 summarises the values of allowances in non-capital city Councils across Australian jurisdictions. The values for Victoria include the payment in lieu of superannuation, which is provided to Council members who are not entitled to compulsory superannuation. As the majority of Council members in Victoria currently receive this payment (Chapter 4), this provides the best basis for comparing allowances across jurisdictions.

As noted above, it is not a straightforward exercise to compare allowance values across jurisdictions due to differences in the roles of Councils and Council members and the characteristics of LGAs. Nonetheless, the following high-level observations can be made:

- allowances in Queensland are significantly higher than in all other jurisdictions and appear more akin to a salary, while South Australia currently provides the lowest allowances
- every jurisdiction with the exception of Victoria and New South Wales specifies a separate allowance for Deputy Mayors.

In addition, there are some differences in how jurisdictions structure their allowances. For example, in Queensland, Council members in Category 1 Councils

¹⁴⁹ While the City of Perth also does not have a separate allowance category, its Council members are entitled to a higher rate of allowance than their counterparts in other Councils in the same category. Salaries and Allowances Tribunal (WA) (2021).

¹⁵⁰ Local Government Remuneration Tribunal (NSW) (2021), p. 20.

¹⁵¹ ABS (2021d).

receive a base payment in addition to monthly payments for attendance at, and participation in, the 12 mandated Council meetings.¹⁵² Similarly, in Western Australia, Councils have the option to provide Council members with either a fee in respect of each Council meeting they attend, or an annual allowance (Mayors and Deputy Mayors are also entitled to an additional allowance).¹⁵³

In the Northern Territory, Council members are entitled to four separate allowances — base allowance, electoral allowance, professional development allowance and extra meeting allowance.¹⁵⁴

In South Australia, a 'travel time allowance' is payable to Council members in non-metropolitan Councils as compensation for long-distance travel. The payment ranges from \$441 p.a. to \$1,601 p.a., depending on the distance between the Council member's usual place of residence and the Council's principal office.¹⁵⁵

¹⁵² Local Government Remuneration Commission (Qld) (2020), p. 15.

¹⁵³ Salaries and Allowances Tribunal (WA) (2021), p. 18.

¹⁵⁴ Department of Chief Minister and Cabinet (NT), pp. 1-3.

¹⁵⁵ Local Government Association of South Australia (2021).

Table 5.4: Interjurisdictional comparison of Council allowances, non-capital city Councils, February 2022

Jurisdiction	Category	Values of allowances (\$ p.a.)		
		Councillors	Deputy Mayor (or equivalent)	Mayor (or equivalent)
Victoria ^(a)	Lowest	9,716 – 23,154	N/A	Up to 69,172
	Highest	14,435 – 34,588	N/A	Up to 110,477
New South Wales ^(b)	Lowest	9,370 – 12,400	N/A	19,350 – 39,460
	Highest	18,800 – 34,820	N/A	58,740 – 147,340
Queensland ^(c)	Lowest	54,110	62,435	108,222
	Highest	154,006	178,981	258,066
South Australia ^{(d)(e)}	Lowest	6,983	8,729	27,932
	Highest	25,083	31,354	100,332
Western Australia ^{(f)(g)}	Lowest	3,589 – 9,504	3,589 – 14,520	4,102 – 39,597
	Highest	24,604 – 31,678	24,604 – 54,116	75,862 – 137,269
Tasmania	Lowest	9,994	20,542	34,977
	Highest	38,943	64,093	136,302
Northern Territory ^(h)	Lowest	Up to 12,907	Up to 14,661	Up to 35,383
	Highest	Up to 35,791	Up to 41,926	Up to 114,455

Notes: (a) Values include the payment in lieu of superannuation. (b) Excludes County Councils established to perform specific functions. (c) Values for the lowest category (Category 1) comprise a base payment (two-thirds) and additional monthly payments (one-third) which are conditional on attendance at, and participation in, mandated Council meetings. Values in the table are inclusive of both types of payments. (d) Excludes a 'travel time allowance', which may be provided to a member of a non-metropolitan Council. (e) Presiding members of prescribed committees are entitled to an annual allowance of 1.5 times the Councillor allowance, while presiding members of committees which are not prescribed receive an additional amount of up to \$1,483 per annum. (f) Councils may elect to pay Councillors a fee in respect of every meeting they attend, or provide an annual allowance in lieu of meeting fees. Values are calculated on the basis of a Council opting for an annual allowance. Mayors and Deputy Mayors (or equivalent) are also entitled to an additional allowance on top of their attendance fees (whether paid annually or per meeting). (g) Values are inclusive of any superannuation entitlement. (h) Values include a Base Allowance, Electoral Allowance, Professional Development Allowance, and the maximum extra meeting allowance.

Sources: Department of Chief Minister and Cabinet (NT) (2021); Local Government Association of South Australia (2021); *Local Government (General) Regulations 2015* (Tas); Local Government Remuneration Commission (Qld) (2020); Local Government Remuneration Tribunal (NSW) (2021); Salaries and Allowances Tribunal (WA) (2021); Victorian Government Gazette.

Relativities between allowances for Councillors, Mayors and Deputy Mayors

Table 5.5 summarises the relativities between the maximum allowances payable to Councillors, Deputy Mayors and Mayors in non-capital city Councils in each jurisdiction. Broadly speaking, the maximum allowance payable to Mayors is around three to four times the maximum allowance payable to Councillors in the same jurisdiction. The exception is Queensland, where the maximum allowance payable to Mayors never exceeds twice the maximum allowance payable to Councillors in the same allowance category. However, as noted above, Councillors in Queensland are generally entitled to a higher allowance than Councillors in other jurisdictions.

In the jurisdictions which have a separate allowance for Deputy Mayors, the maximum allowance for this role ranges from 1.13 to 2.06 times the maximum allowance payable to Councillors.

Table 5.5: Ratio of maximum allowances for Mayors and Deputy Mayors to maximum allowance for Councillors, February 2022

Jurisdiction	Deputy Mayor (or equivalent)	Mayor (or equivalent)
Victoria	N/A	2.99 – 3.19
New South Wales	N/A	3.18 – 4.23
Queensland	1.13 – 1.20	1.65 – 2.00
South Australia	1.25	4.00
Western Australia	1.53 – 1.71	3.81 – 4.33
Tasmania	1.65 – 2.06	3.50
Northern Territory	1.14 – 1.18	2.74 – 3.27

Source: Tribunal's analysis.

Allowances for capital city Councils

Table 5.6 summarises the values of allowances payable to Council members in capital city Councils across Australian jurisdictions, as well as the size and population of the corresponding LGA.

Allowances for Brisbane City Council are significantly higher than for other capital city Councils, with the Lord Mayor and Deputy Lord Mayor of Brisbane receiving a salary in addition to their allowance. The City of Brisbane services a population almost seven times larger than that of the City of Melbourne, and covers an area more than 12 times larger than the City of Darwin. When payments in lieu of superannuation are included, the allowance for the Lord Mayor (\$220,957 p.a.) of Melbourne City Council is the third highest across all capital city Councils. The allowances for the Deputy Lord Mayor (\$110,477 p.a.) and Councillors (\$51,882 p.a.) in Melbourne City Council are the second highest for

their respective roles, taking into account that there is no separate allowance for the Deputy Lord Mayor of the City of Sydney.

Table 5.6: Interjurisdictional comparison of Council allowances, capital city Councils, February 2022

Council	Value of allowances (\$ per annum)			Area (km ²)	Resident population (estimated)
	Councillors	Deputy Mayor (or equivalent)	Mayor (or equivalent)		
Melbourne City Council ^(a)	47,165 (excl. PILS) 51,882 (incl. PILS)	100,434 (excl. PILS) 110,477 (incl. PILS)	200,870 (excl. PILS) 220,957 (incl. PILS)	37	183,756
City of Sydney	28,190 – 41,340	N/A	200,670 – 268,300	27	248,736
Brisbane City Council ^(b)	160,938	229,538	365,316	1,343	1,272,999
City of Adelaide	27,854 ^(c)	41,781	190,135	16	26,177
City of Perth ^(d)	24,604 – 31,678	24,604 – 65,995	86,113 – 184,784	14	30,971
City of Hobart	38,943	64,093	136,302	78	55,250
City of Darwin ^(e)	Up to 49,517	Up to 58,284	Up to 161,897	111	82,030

Notes: (a) PILS = payment in lieu of superannuation. (b) The Lord Mayor and Deputy Lord Mayor of Brisbane City Council receive both a salary and an allowance, while Councillors only receive a salary. Values reflect both. (c) Presiding members of prescribed committees are entitled to an annual allowance of 1.5 times the Councillor allowance, while presiding members of committees which are not prescribed receive an additional amount of up to \$1,761 per annum. (d) Councils may elect to pay Councillors a fee in respect of every meeting they attend or provide an annual allowance in lieu of meeting fees. Values calculated on the basis of a Council opting for an annual allowance. Mayors and Deputy Mayors (or equivalent) are also entitled to an additional allowance on top of their attendance fees (whether paid annually or per meeting). (e) Figures are the maximum allowances payable, and include a Base Allowance, Electoral Allowance, Professional Development Allowance, and the maximum extra meeting allowance.

Sources: ABS (2021d); Brisbane City Council (2021); Department of Chief Minister and Cabinet (NT) (2021); *Local Government (General) Regulations 2015* (Tas); Local Government Remuneration Tribunal (NSW) (2021); Remuneration Tribunal of South Australia (2018); Salaries and Allowances Tribunal (WA) (2021); Victorian Government Gazette.

5.2 Elected members of voluntary part-time community bodies

In addition to similar allowances for elected members of local government bodies in other states, the Tribunal is required to consider allowances for ‘persons elected to other voluntary part-time community bodies’.¹⁵⁶

The allowances or remuneration for board members of the MAV and the VLGA are set out below (Box 5.2).

Box 5.2: Overview of allowances or remuneration provided to board members of the MAV and VLGA

Municipal Association of Victoria

As at September 2021, the following allowances were payable:

- Board members – \$10,163 p.a.
- Deputy President – \$14,926 p.a.
- President – \$72,401 p.a.

Victorian Local Governance Association

The VLGA’s 2020-21 Annual Report explains that the following sitting fees applied for board member attendance at board and sub-committee meetings during 2020-21:

- Board members – \$426 per day
- President/Chair – \$557 per day.

Sources: MAV (n.d.a); VLGA (2021).

Some stakeholders suggested a variety of other bodies and roles as being relevant in this regard, including, but not limited to:

- directors of not-for-profit organisations¹⁵⁷
- sporting organisations¹⁵⁸
- Council CEOs¹⁵⁹
- directors of certain public entities (e.g. water corporations, Crown land committees of management, hospitals)¹⁶⁰
- Members of the Parliament of Victoria (MPs).¹⁶¹

¹⁵⁶ VIRTIPS Act, s. 23A(5)(a).

¹⁵⁷ Victorian Local Governance Association submission, pp. 6-7; De-identified submission 2, p. 1.

¹⁵⁸ East Gippsland Shire Council submission, p. 4.

¹⁵⁹ De-identified submission 2, p. 1.

¹⁶⁰ Various public entities were suggested in responses to the Tribunal’s questionnaire distributed to Council members.

¹⁶¹ Theo Zographos submission, p. 1.

However, these bodies and roles do not generally fit all of the criteria implied by the phrase ‘persons elected to other voluntary part-time community bodies’. For example:

- many of the roles are appointed, rather than elected, and/or are unremunerated
- while MPs are elected to serve their community, their role is ordinarily characterised as being full-time in nature.

Council members are also subject to higher levels of accountability and scrutiny than persons in many other voluntary, part-time roles in the community. As one Council member noted in response to the questionnaire:

... it [is] the level of decision making and the consequences for poor gover[n]ance that makes this role more [than] a voluntary role. Accountability is way greater.

In addition, many of the bodies suggested operate on a much smaller scale than Councils and provide a more limited range of services. Indeed, Councils provide a wide range of services across large geographical areas, employ hundreds of people, generate significant revenue and preside over assets worth hundreds of millions of dollars.

Nonetheless, two of the roles mentioned above — members of public entity boards and MPs — do share some characteristics with the roles undertaken by Council members. For example, MPs are required to represent the interests of their constituents, and directors of larger public entities oversee significant amounts of assets and/or revenue. These similarities are further explored below.

5.3 Board members of public entities

The Tribunal considers there are insights to be gained by considering the remuneration for directors, including Chairs, of public entities in Victoria. Public entities are bodies established outside the Victorian Public Service to perform a public function on behalf of the State of Victoria. Most public entities are governed by a board, which oversees the entity and is accountable to the relevant Minister for its performance. Directors are typically appointed by the relevant Minister.¹⁶²

In this comparison, the role of Mayor may be partly likened to that of a Chair, the Deputy Mayor to that of a Deputy Chair, and the role of Councillors to that of directors.

However, caution needs to be exercised as the roles of directors and Council members are not the same, although there are some commonalities (Table 5.7). For example, both are responsible for setting the strategic direction of their respective organisations, approving the annual budget and (in most cases) appointing a CEO.¹⁶³ However, Council members generally have a broader range of responsibilities (e.g. planning decisions and local laws). In addition, as elected representatives, Council members are more accessible to — and subject to scrutiny from — members of the public.

Another difference is that Council members are not required to have specific qualifications or experience, while the terms of reference or enabling legislation for a public entity may mandate specific requirements for directors (e.g. qualifications or experience).¹⁶⁴

¹⁶² VPSC (2015), p. 6; VPSC (2013), p. 16.

¹⁶³ VPSC (2015), pp. 11-12; LG Act 2020, ss. 28, 44, 94.

¹⁶⁴ DPC (2021), p. 9.

Table 5.7: Comparison of the roles of Council members and directors of public entities

Aspect of role	Council member	Director
Stakeholder management	Liaise with other levels of government, the private sector, individual constituents and community groups.	Manage relationships with external stakeholders (primarily the Chair’s responsibility).
Decision-making	Participate in decision-making through attendance at meetings; may take part in Council committees.	Participate in decision-making at board meetings; may be required to participate in board committees.
Representation	Elected to represent the diverse interests of the municipal community.	Required to act with integrity and in the best interests of the entity.
Strategic planning and oversight	Contribute to the strategic direction of the Council.	Contribute to the overall strategic direction of the public entity and oversee senior management.
Financial management	With other Council members, determine the Council’s financial strategy and budget and the allocation of resources.	As part of the Board, approve the budget and oversee financial performance.
Public accessibility	Expected to be accessible and engage with their constituents.	Not generally required to engage with members of the public. ^(a)
Scope of role/functions	Multifaceted role.	Public entities are established to perform a specific function.
Skills and experience	Not required to have specific qualifications or experience.	Consideration is typically given to the mix of skills and expertise on a board.
Appointment and management of CEO	Responsible for appointing the CEO and reviewing their performance	Generally required to appoint the CEO and review their performance.

Note: (a) In some cases, senior leaders of public entities may have a public-facing role and be invited to attend/address community events.

Sources: LG Act 2020; VPSC (2015).

There is limited information available on the amount of time directors of public entities dedicate to their roles, making it difficult to compare directors and Council members in terms of time commitment. The majority of directors and Chairs are appointed on a sessional/part-time basis, and position descriptions for the roles specify varied expectations regarding time commitments and/or meeting frequencies. For example, a position description may specify that a role requires approximately eight hours per month (e.g. for a director of a public hospital),¹⁶⁵ while another position description may refer to meeting frequency, such as 11 meetings per year (e.g. for a director of a water corporation).¹⁶⁶

¹⁶⁵ Department of Health (2021).

¹⁶⁶ Position description provided by the Department of Environment, Land, Water and Planning.

In contrast, the Tribunal heard that Councillors generally devote more than 20 hours to their role on average during a typical week, while the role of Mayor is generally considered a full-time commitment.

Remuneration for public entity board members

Members of many public entity boards, who are appointed on a sessional/part-time basis, are entitled to be remunerated in accordance with the *Appointment and Remuneration Guidelines* published by the Department of Premier and Cabinet. Under the Guidelines, entities are classified into one of four groups (A–D) according to their functions and responsibilities, although some entity types are distributed across more than one group. Ministers are responsible for classifying and reclassifying the entities within their portfolio.¹⁶⁷

The Tribunal considers Group A entities the most relevant comparators, as they operate on a similar financial scale to Councils and, like Councils, generally employ hundreds of staff and provide services. Group A entities — which include statutory authorities and Government Business Enterprises (GBEs) incorporated under the *Corporations Act 2001* (Cth) — are typically assigned to one of five remuneration bands (1–5) based primarily on assets, turnover and operating surplus/profit (Table 5.8). However, there is some scope for Ministers to assign entities to higher bands if certain criteria apply.¹⁶⁸

Generally speaking, the directors of ‘larger’ entities (in terms of assets, turnover and operating surplus/profit) are entitled to be remunerated at a higher rate than those of smaller entities. Chairs are entitled to higher rates of remuneration than other directors, in recognition of additional leadership and relationship management responsibilities. Deputy Chairs are paid the same as other directors except for periods when they assume the Chair’s role.¹⁶⁹ Directors may be remunerated outside of the relevant band (e.g. where they are asked to take on additional responsibilities), subject to Cabinet approval.¹⁷⁰

Ministers are generally responsible for setting remuneration levels within the relevant band. The discretion available in setting the remuneration of public entity directors needs to be borne in mind in considering the below table.

¹⁶⁷ DPC (2021), p. 8.

¹⁶⁸ DPC (2021), p. 33.

¹⁶⁹ DPC (2021), pp. 19-20.

¹⁷⁰ DPC (2021), p. 23.

Table 5.8: Maximum remuneration payable to directors and Chairs of Victorian Group A public entities (including superannuation), effective 1 July 2021

Band	Classification criteria	Examples of entities	Maximum Remuneration (\$ p.a.) ^{(a)(b)}	
			Director	Chair
1	<ul style="list-style-type: none"> Commercial boards which provide direction and control GBEs or corporatised businesses with a turnover of \$1 billion+ or assets of \$1 billion+ or profit of \$100 million+ Statutory Authorities determined to warrant inclusion in this group 	<ul style="list-style-type: none"> Transport Accident Commission Melbourne Water Corporation VicTrack 	69,450	158,518
2	<ul style="list-style-type: none"> GBEs or corporatised businesses with a turnover of \$500 million-\$1 billion or assets of \$500 million-\$1 billion or profit of \$50-100 million, or a combination of these factors Statutory Authorities with a turnover of \$1 billion+ or assets of \$1 billion+ or operating surplus of \$100 million+, or a combination of these factors 	<ul style="list-style-type: none"> Barwon Region Water Corporation Melbourne Health 	59,458	118,896
3	<ul style="list-style-type: none"> GBEs or corporatised businesses with a turnover of \$50-\$500 million or assets of \$50-\$500 million or profit of \$5-50 million or a combination of these factors Statutory Authorities with a turnover of between \$500 million and \$1 billion or assets between \$500 million and \$1 billion or an operating surplus between \$50 million and \$100 million, or a combination of these factors 	<ul style="list-style-type: none"> Country Fire Authority Ambulance Victoria VicForests 	41,671	89,169
4	<ul style="list-style-type: none"> GBEs or corporatised businesses with a turnover of below \$50 million or assets below \$50 million or profit below \$5 million, or a combination of these factors Statutory Authorities with a turnover of \$50-\$500 million or assets of \$50-\$500 million or an operating surplus of \$5-\$50 million, or a combination of these factors 	<ul style="list-style-type: none"> Cladding Safety Victoria Parks Victoria 	23,807	59,458
5	<ul style="list-style-type: none"> Statutory Authorities with a turnover of below \$50 million or assets below \$50 million or profit below \$5 million 	<ul style="list-style-type: none"> Melbourne Polytechnic Geelong Cemeteries Trust 	15,934	29,829

Notes: (a) Values have been calculated by the Tribunal and assume that superannuation is payable at a rate of 10 per cent. (b) On Ministerial approval, up to \$5,803 p.a. may be paid to directors who receive annual fees for additional committee work, in recognition of the extra commitment required.

Source: Tribunal calculation based on DPC (2021).

At 30 June 2020, approximately half of Victoria’s 79 Councils reported at least \$1 billion in assets.¹⁷¹ If these Councils were Group A entities, this would be sufficient to classify them as Group A entities in bands 1 or 2.¹⁷² Further, all but one Council have at least \$50 million in assets, which is one of the criteria used to classify Group A entities to band 4 or above.¹⁷³

Between 1 July 2009 and 1 July 2021, the maximum values of the salary components of the remuneration bands have been adjusted in line with the annual adjustment guideline rate set by the Premier, resulting in a cumulative increase of around 30 per cent. This is approximately the same increase applied to Council member allowances over the same time period.

5.4 Members of the Parliament of Victoria

Several stakeholders suggested that the Tribunal consider the salaries of MPs when setting the value of Council member allowances.¹⁷⁴

There are some similarities between the role of an MP and the role of a Council member. For example, both are elected by their constituents and are expected to:¹⁷⁵

- represent the interests of the electorate/municipal community
- contribute to decision-making (or the legislative process, in the case of MPs)
- attend meetings of the rule-making body (i.e. parliamentary sittings or Council meetings).

In addition, neither role has a formal job description, mandatory qualifications, performance measures or assigned responsibilities, and yet those who hold these positions are required to satisfy high levels of accountability and scrutiny.¹⁷⁶ They all hold their positions at the will of electors.

However, in its review of Council member allowances completed in 2008, the Local Government (Councillor Remuneration Review) Panel observed that MPs have ‘a significantly broader range of responsibilities’ than Council members, and can

¹⁷¹ Victorian Local Government Grants Commission (2021).

¹⁷² Using the classification method in the Guidelines, half of all Councils would fit into either Band 1 (if applying the criteria for GBEs) or Band 2 (if applying the criteria for statutory authorities).

¹⁷³ Victorian Local Government Grants Commission (2021).

¹⁷⁴ Theo Zographos submission, p. 1; responses to the Tribunal’s questionnaire distributed to Council members.

¹⁷⁵ LG Act 2020, s. 28; Victorian Independent Remuneration Tribunal (2019), chapter 2.

¹⁷⁶ Victorian Independent Remuneration Tribunal (2019), p. 39.

make decisions that ‘literally affect the life and liberty of all members of the State’.¹⁷⁷ The Panel did not accept that there should be a direct relationship between the remuneration of MPs and Council members.¹⁷⁸

The Tribunal notes that there are several other key differences between the roles of Council members and MPs. For example:

- while the role of a Councillor is a part-time commitment, the role of an MP is typically described as a full-time commitment
- unlike Council members, MPs are responsible for managing an electorate office and electorate officers employed on their behalf¹⁷⁹
- for MPs, the number of electors in each electoral district/region must be within 10 per cent of the average number of electors across all electoral districts/regions (as at January 2022, the average number of electors was around 49,000 for districts and 540,000 for regions),¹⁸⁰ while the number of electors can vary significantly between Council municipal districts (from around 4,000 to over 200,000).

As at 1 July 2021, the basic salary payable to an MP was \$186,973 p.a.¹⁸¹ MPs who hold a specified parliamentary office (e.g. Minister) also receive an additional salary — ranging from \$7,479 p.a. to \$208,631 p.a. — in recognition of their higher responsibilities.¹⁸² In addition, MPs are paid superannuation, with those elected after 2004 receiving 16 per cent superannuation based on their total salary.¹⁸³ MPs also receive a range of work-related parliamentary allowances and other entitlements.¹⁸⁴ Considering only the basic salary, this figure is around six times the maximum allowance payable to a Councillor in a Category 3 Council. It also needs to be borne in mind that MPs also receive a number of other allowances.

Between 1 July 2009 and 1 July 2021, the value of an MP’s basic salary has grown by around 40 per cent, compared to growth of around 30 per cent in Council member allowances over the same time period.¹⁸⁵

¹⁷⁷ Local Government (Councillor Remuneration Review) Panel (2008), p. 14.

¹⁷⁸ Local Government (Councillor Remuneration Review) Panel (2008), p. 14.

¹⁷⁹ Victorian Independent Remuneration Tribunal (2019), pp. 48-49.

¹⁸⁰ *Electoral Boundaries Commission Act 1982* (Vic), s. 5(4); Victorian Electoral Commission (2022a); Victorian Electoral Commission (2022b).

¹⁸¹ Victorian Independent Remuneration Tribunal (2021), p. 4.

¹⁸² The additional salary amount varies by type of office. Some specified parliamentary office holders also receive an expense allowance.

¹⁸³ *Parliamentary Salaries, Allowances and Superannuation Act 1968* (Vic), Part 4, Division 2.

¹⁸⁴ Victorian Independent Remuneration Tribunal (2019).

¹⁸⁵ This calculation excludes the roll-in of the expense allowance for MPs into the basic salary from 16 September 2019. Victorian Independent Remuneration Tribunal (2019).

5.5 National Minimum Wage

In addition to the information about specific occupational groups discussed above, the Tribunal compared Council member allowances to the National Minimum Wage (NMW).

The NMW is the minimum amount — determined by the Fair Work Commission — that can be paid to employees who are not covered by an industrial award or enterprise agreement.¹⁸⁶

At 1 July 2021, the NMW was \$20.33 per hour for persons aged 21 or older. A 25 per cent loading applies to casual employees, increasing the rate to \$25.41 per hour (Casual NMW).¹⁸⁷

The Tribunal notes that it has historically been government policy that the allowance payable to Council members is not to be considered a wage, and that the role of a Council member is voluntary. Nevertheless, the NMW can serve as a useful starting point for assessing Council member allowances, while noting that the NMW is typically paid to employees who are required to exercise considerably fewer skills and responsibilities than those required of a Council member.

The Tribunal considered the Casual NMW rate because, like casual employees, Council members:

- do not accrue leave entitlements
- may be required to work irregular hours
- are not guaranteed an ongoing position (e.g. a Council member may lose their position at the next general election).

It is possible to compare existing maximum annual allowances for Councillors to the Casual NMW by converting the former into an hourly rate. This can be done using the time commitment of a Councillor. The resulting hourly rate, which varies according to allowance category, is given as a guide only. This is because, as Councillors are paid a fixed annual allowance, the hourly rate an individual Councillor receives decreases/increases the more/fewer hours they dedicate to their role.

¹⁸⁶ Fair Work Commission (2021).

¹⁸⁷ Fair Work Commission (2021).

For example, if a Councillor worked an average of 23 hours per week and received the maximum allowance for their category, their hourly rate would be around:

- \$18 for Category 1 — or around 30 per cent lower than the Casual NMW
- \$22 for Category 2 — or around 14 per cent lower than the Casual NMW
- \$26 for Category 3 — or around 3 per cent higher than the Casual NMW
- \$40 for Melbourne City Council — or around 55 per cent higher than the Casual NMW.

5.6 Summary

There are some similarities between the role of Council members across Australian jurisdictions. However, caution is required in comparing allowances across jurisdictions, given the functions performed by Councils and the characteristics of local government areas (such as geographical size and population) vary across jurisdictions.

In addition to these comparators, the Tribunal considered the remuneration payable to directors, including Chairs, of public entities in Victoria and the salaries payable to MPs in Victoria, as suggested by many stakeholders. There are similarities, but also some key differences in the roles and responsibilities between these groups and Council members.

6 Economic factors



In accordance with the VIRTIPS Act, the Tribunal is required to consider:

- current and projected economic conditions and trends (s. 24(2)(c))
- the financial position and fiscal strategy of the State of Victoria (s. 24(2)(b))
- any statement or policy issued by the Government of Victoria which is in force with regard to its Wages Policy (or equivalent) and the remuneration and allowances of any specified occupational group (s. 24(2)(a)).

6.1 Current and projected economic conditions and trends

The Tribunal examined international, Australian and Victorian economic and financial conditions and trends. There is considerable uncertainty about future conditions, including due to the impact of outbreaks of COVID-19, recent geopolitical developments overseas and weather events in Australia. The Tribunal relied upon the latest data and forecasts available to it at the time of making this Determination.

International economic conditions

According to the Reserve Bank of Australia's (RBA) latest *Statement on Monetary Policy* (February 2022), international economic activity has been relatively resilient to the outbreak of the Omicron variant of COVID-19. The RBA noted that the Gross Domestic Product (GDP) forecast for Australia's major trading partners was broadly unchanged from the previous Monetary Statement, with limited near-term impact from the spread of Omicron.¹⁸⁸

¹⁸⁸ RBA (2022), pp. 5, 7.

Australian economic conditions

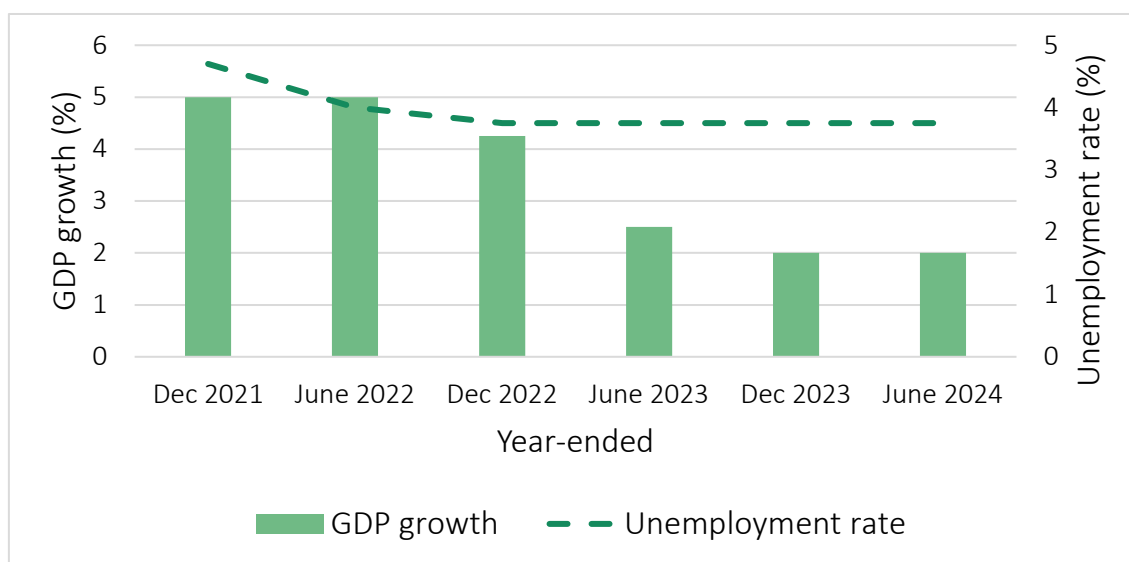
Data published by the Australian Bureau of Statistics (ABS) show that Australia's GDP decreased by 1.9 per cent over the September quarter 2021. Despite this, GDP increased by 3.9 per cent over the 12 months to September 2021.¹⁸⁹

ABS data also show that the seasonally-adjusted national unemployment rate in January 2022 was 4.2 per cent, down from 6.4 per cent in January 2021. The seasonally-adjusted participation rate was 66.2 per cent in January 2022.¹⁹⁰

According to the RBA's Monetary Statement (February 2022), initial indications are that the impact of the Omicron variant on economic activity has been much smaller than previous waves of COVID-19. Figure 6.1 sets out the RBA's central forecasts for GDP and the national unemployment rate. Under the RBA's central scenario:¹⁹¹

- GDP is expected to have grown by around 5 per cent over 2021, and to grow by 4.25 per cent over 2022 and 2 per cent over 2023
- the national unemployment rate is expected to decline to below 4 per cent by the end of 2023.

Figure 6.1: RBA forecasts for GDP and national unemployment rate^(a), February 2022



Note: (a) Average rate in the quarter.

Source: RBA (2022).

¹⁸⁹ ABS (2021a).

¹⁹⁰ ABS (2022).

¹⁹¹ RBA (2022), pp. 55-56, 64.

The RBA estimated that growth in the Wage Price Index (WPI) would be close to 2.5 per cent by the end of 2021, and 3.25 per cent by mid-2024. Underlying inflation is forecast to peak at around 3.25 per cent in the next few quarters, before returning to around 2.75 per cent.¹⁹²

Victorian economic conditions

The *Victorian Budget 2021/22* (Budget), released in May 2021, noted the ‘significant impact’ COVID-19 has had on the Victorian economy.¹⁹³

The *2021/22 Victorian Budget Update* (Budget Update 2021/22), released in December 2021, noted that the Victorian economy had been more resilient than during restrictions in 2020, with State Final Demand and employment remaining well above the lows recorded in September 2020.¹⁹⁴ By November 2021, employment had again risen to be above pre-pandemic levels, while in January 2022, the unemployment rate (4.1 per cent) was the equal lowest recorded since the start of the pandemic.¹⁹⁵

At the time of making this Determination, there was limited data available on the impact of the outbreak of the Omicron variant of COVID-19 on the Victorian economy.

In regard to price movements, ABS data show that the All Groups Consumer Price Index for Melbourne (Melbourne CPI) grew by 2.5 per cent between December 2020 and December 2021 — the lowest rate of all capital cities.¹⁹⁶

ABS data on wage movements show that the Victorian WPI increased by 2.5 per cent for the 12 months to September 2021 — the highest growth of all mainland states. This includes a 0.9 per cent increase in the September quarter 2021, which was the highest quarterly increase since 2013.¹⁹⁷ Another commonly used measure of wage movements, AWOTE for full-time Victorian adults, grew by 2.4 per cent between May 2020 and May 2021.¹⁹⁸

¹⁹² RBA (2022), pp. 2, 61.

¹⁹³ DTF (2021d), p. 1.

¹⁹⁴ DTF (2021c), p. 7.

¹⁹⁵ ABS (2022).

¹⁹⁶ ABS (2021c).

¹⁹⁷ ABS (2021e).

¹⁹⁸ ABS (2021b).

Table 6.1 sets out the forecasts for the Victorian economy contained in the Budget Update 2021/22. In summary:¹⁹⁹

- real Gross State Product (GSP) is forecast to grow by 2.25 per cent in 2021-22, and by 4.5 per cent in 2022-23
- the unemployment rate is expected to average 4.5 per cent in 2021-22 and 2022-23
- annual growth in the Victorian WPI is expected to exceed growth in the Melbourne CPI over the next few years — the former is expected to gradually increase to 3 per cent in 2024-25.

Table 6.1: Forecasts for the Victorian economy, Budget Update 2021/22

Indicator	2021-22	2022-23	2023-24	2024-25
Real GSP ^(a)	2.25	4.50	2.75	2.75
Melbourne CPI ^(a)	2.00	1.75	2.25	2.50
Victorian WPI ^(a)	2.25	2.50	2.75	3.00
Unemployment rate ^(b)	4.50	4.50	5.00	5.00

Notes: (a) Values represent the percentage change over the financial year. (b) Values represent the average rate across the financial year.

Source: DTF (2021c), p. 9.

The Budget Update 2021/22 stated that the risks to Victoria’s economic outlook remain greater than normal due to COVID-19, and as such, these forecasts are subject to a high degree of uncertainty. In particular, it noted that an increase in COVID-19 infections would affect consumer confidence and spending, while further risks include the introduction of localised public health measures and diminishing vaccine effectiveness.²⁰⁰

6.2 Financial position and fiscal strategy of the State of Victoria

The Tribunal’s analysis of financial factors draws on the latest VAGO *Report on the Annual Financial Report of the State of Victoria*, the *2020-21 Financial Report for the State of Victoria* and the Budget Update 2021/22.

Victorian Auditor-General Office’s report

The latest VAGO *Report on the Annual Financial Report of the State of Victoria*, released in November 2021, stated that ‘the COVID-19 pandemic continues to affect the financial performance and position of the state, with longer term

¹⁹⁹ DTF (2021c), p. 9.

²⁰⁰ DTF (2021c), p. 18.

consequences for its financial sustainability'.²⁰¹ The report noted that revenue remained below, and expenditure well above, pre-pandemic expectations, and highlighted emerging risks including operating expenditure growth in the general government sector.²⁰²

2020-21 Financial Report

According to the *2020-21 Financial Report for the State of Victoria*, the Victorian general government sector recorded an operating deficit of \$14.6 billion for 2020-21, which was \$2.9 billion lower than the Budget estimate. A contributing factor to this result was revenue being \$1.2 billion higher than expected.

The report stated that this was:

*... primarily due to higher than expected GST grants from the Commonwealth resulting from a stronger than expected recovery in economic activity in the June quarter ...*²⁰³

Employee expenses for the general government sector in 2020-21 were approximately \$30 billion, 10.4 per cent higher than for the previous year. The report explained that:

*... this increase is primarily due to additional resources in the health sector for the COVID-19 response and additional staff required following the establishment of COVID-19 Quarantine Victoria. The increase in employee expenses also reflects increases in remuneration levels in enterprise bargaining agreements.*²⁰⁴

As at 30 September 2021, net debt for the general government sector was \$82.2 billion.²⁰⁵

Budget Update 2021/22

The Budget Update 2021/22 forecast an operating deficit (for the general government sector) of approximately \$19.5 billion for 2021-22, with smaller deficits expected in the following years. Net debt is forecast to be \$104.5 billion

²⁰¹ VAGO (2021a), p. 1.

²⁰² VAGO (2021a), p. 3.

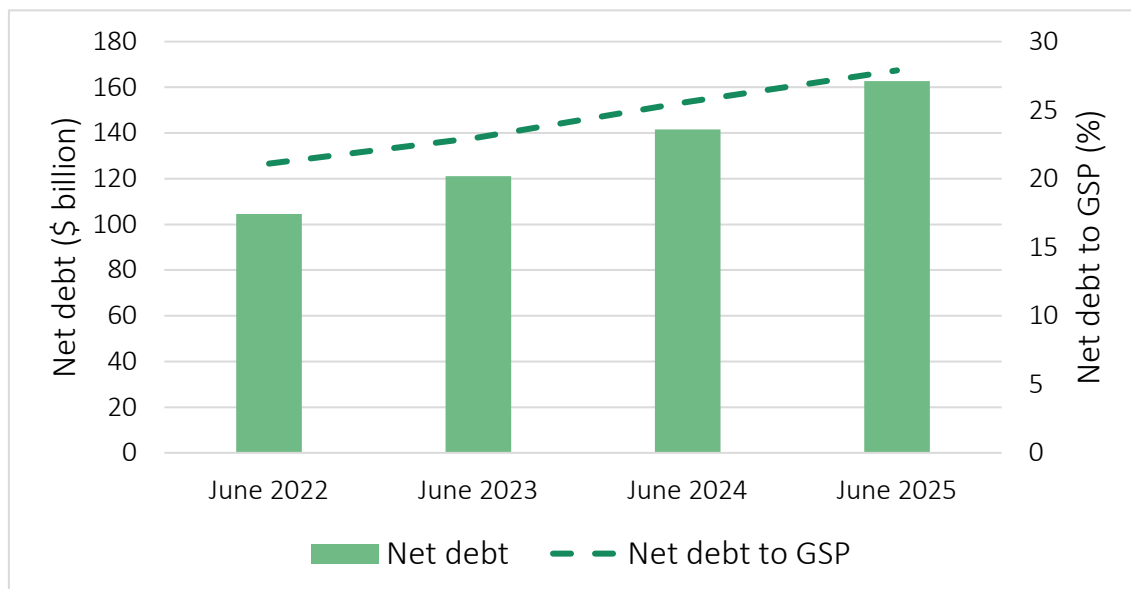
²⁰³ DTF (2021a), p. 5.

²⁰⁴ DTF (2021a), p. 10.

²⁰⁵ DTF (2021b), p. 6.

(21.1 per cent of GSP) at June 2021-22, and to increase to \$162.7 billion (27.9 per cent of GSP) by 2024-25 (Figure 6.2).²⁰⁶

Figure 6.2: Victorian forecast net debt and net debt to GSP



Source: DTF (2021c).

The Budget Update 2021/22 also reiterated the Victorian Government’s commitment to the four-step fiscal strategy outlined in the Budget:²⁰⁷

- Step 1 – creating jobs, reducing unemployment and restoring economic growth
- Step 2 – returning to an operating cash surplus
- Step 3 – returning to operating surpluses
- Step 4 – stabilising debt levels.

The Budget included significant infrastructure spending to support economic recovery, with annual Government infrastructure investment expected to average \$22.2 billion over the budget and forward estimates.²⁰⁸

²⁰⁶ DTF (2021c), p. 22.

²⁰⁷ DTF (2021c), p. 3.

²⁰⁸ DTF (2021c), p.23.

6.3 Victorian Government remuneration policies

Box 6.1 reproduces the Victorian Government Wages Policy, which applies to departments and agencies in the Victorian public sector and is in force at the time of making this Determination.

Box 6.1: Victorian Government Wages Policy

The Victorian Government Wages Policy has three pillars:

- Pillar 1: Wages — increases in wages and conditions will be capped at a rate of growth of 1.5 per cent per annum over the life of the agreement. In practice this means employee wages and conditions will be allowed to grow at this rate.
- Pillar 2: Best Practice Employment Commitment — all public sector agencies will be required to make a Best Practice Employment Commitment which will outline measures to operationalise elements of the Government’s Public Sector Priorities that reflect good practice within Government and can be implemented operationally or without significant costs.
- Pillar 3: Additional strategic changes — additional changes to allowances and other conditions (not general wages) will be capped at 0.5 per cent per annum of the salary base and will only be allowed if Government agrees that the changes will address key operational or strategic priorities for the agency, and/or one or more of the Public Sector Priorities.

A ‘Secondary Pathway’ is also available for public sector agencies whose current enterprise agreement reaches its nominal expiry date between 1 January 2022 and 31 December 2022 which permits one annual wage and allowance increase capped at 2 per cent (instead of at 1.5 per cent).

Source: Industrial Relations Victoria (2021).

6.4 Summary

Initial indications are that the impact of the Omicron variant on international, Australian and Victorian economic activity has been much smaller than previous waves of COVID-19. However, considerable uncertainty remains about future Australian and Victorian economic conditions, including due to COVID-19, geopolitical developments overseas and weather events.

7 Tribunal's considerations



The Tribunal turns to the Determination of the value of the amount of the allowance payable to Mayors, Deputy Mayors and Councillors, dealing firstly with Council allowance categories and then the types of allowance and the value of the allowance before concluding.

7.1 Council allowance categories

Under the VIRTIPS Act, the Determination setting the value of the amount of the allowance payable to Council members must provide for Council allowance categories.²⁰⁹ The Council allowance categories may be specified for a Council or a group of Councils.²¹⁰

There are currently three allowance categories (Categories 1, 2 and 3) with each Council in Victoria, other than Melbourne City Council, assigned to one of the categories according to a formula which takes into account the Council's revenue and the size of the population in the Council area. The value of the allowance payable to Council members in a Council in Category 1 is less than that paid to those in a Council in Category 2, and the value of the allowance payable to Council members in a Council in Category 2 is less than that paid to those in a Council in Category 3. The Tribunal decided there should be four Council allowance categories, with all Councils, except Melbourne City Council, assigned to Categories 1, 2 or 3 and with Melbourne City Council assigned to Category 4.

To date Melbourne City Council, the capital city of Victoria, has been treated separately from other councils with respect to allowances. Most other jurisdictions have a 'separate' Council allowance category for the state or territory's capital city reflecting the economic and social importance of the capital city to the jurisdiction.

²⁰⁹ VIRTIPS Act, s. 23A(2).

²¹⁰ VIRTIPS Act, s. 23A(3).

For similar reasons, the Tribunal considered there should also be a separate Council allowance category for Melbourne City Council.

With respect to the number of Council allowance categories, the Tribunal notes that most other jurisdictions have more allowance categories (e.g. New South Wales has 11). However, the Tribunal considers that for Victoria four Council allowance categories appropriately balances the wide variation in Council characteristics against the common fundamental requirements and duties of all Victorian Council members and the unique set of challenges faced by each Council.

With respect to the assignment of Councils to the Council allowance categories, the Tribunal also recognises that most other jurisdictions consider a wider range of factors (e.g. infrastructure and assets managed by the Council) for the purpose of assigning Councils to allowance categories. However, the Tribunal considers a Council's revenue and population size are sufficient bases for assigning Councils to Categories 1, 2 and 3. The Tribunal concurs with the findings in 2000 of the Councillor Allowances Review Panel that 'total revenue' is 'an approximate indicator of the size and complexity of the governance role' and 'population size' is a 'reasonable indicator of [a Council member's] representational workload'.²¹¹

The existing formula for assigning Councils to Categories 1, 2 or 3 based on their revenue and population size contains a 'discount factor' to preclude a Council moving to another allowance category simply because their revenue has increased in line with inflation. The 'discount factor' is calculated using annual movements in average weekly earnings since 1999-2000.²¹²

There are contemporary Council revenue and population size data available, enabling the formula and associated points for assigning Councils to Categories 1, 2 or 3 to be reset so as to avoid having to rely on a discount factor at this stage. Accordingly, the Tribunal decided to reset the formula and associated points for assigning Councils to Categories 1, 2 or 3 as set out in Box 7.1 and Table 7.1 below.

²¹¹ Councillor Allowances Review Panel (2000), p. 21.

²¹² Victorian Government (2008), p. 10.

Box 7.1: Formula to calculate Council allowance category points for this Determination

$$\text{Category points} = \frac{R + P}{1,000}$$

Where:

- *R* is the Council's total recurrent **revenue** (in \$'000s) for the 2020-21 financial year^(a)
- *P* is the estimated resident **population** of the Council, as at 30 June 2020, based on the latest available data published by the ABS at the time of this Determination.

Notes: (a) Total recurrent revenue figures have been provided by LGV, based on each Council's audited financial statements.

Table 7.1: Category points and Council allowance categories for this Determination

Allowance category	Category points
Category 1	0 – 65
Category 2	66 – 280
Category 3	281+

The application of the reset formula and associated points results in each Council remaining in a similar Council allowance category to the allowance category which applied to it prior to this Determination, except Yarra City Council which has moved to a higher category.

The number of Council allowance categories and the bases for assigning Councils to the allowance categories were supported by many who responded to the Tribunal's questionnaire and in submissions to the Tribunal. Some Council members in rurally located Councils, with more geographically dispersed populations, submitted the existing allowance categories do not adequately take into account the challenges involved in serving their communities. The Tribunal considers some of these concerns are best addressed in its consideration of the types and value of the amount of the allowance payable to Council members.

Overall, the Tribunal considered that generally the current three allowance categories, with the addition of a Category 4 Council allowance category for Melbourne City Council having regard to its particular circumstances, would adequately account for the complex economic, social and environmental variations between Councils that cause differences in Council members' governance responsibilities and workloads.

Therefore, the Tribunal determined to provide for a Council allowance category for each Council as follows:

Category 1	
Alpine Shire Council	Mansfield Shire Council
Ararat Rural City Council	Mount Alexander Shire Council
Benalla Rural City Council	Murrindindi Shire Council
Buloke Shire Council	Northern Grampians Shire Council
Central Goldfields Shire Council	Pyrenees Shire Council
Corangamite Shire Council	Borough of Queenscliffe
Gannawarra Shire Council	Southern Grampians Shire Council
Hepburn Shire Council	Strathbogie Shire Council
Hindmarsh Shire Council	Towong Shire Council
Indigo Shire Council	West Wimmera Shire Council
Loddon Shire Council	Yarriambiack Shire Council
Category 2	
Bass Coast Shire Council	Maroondah City Council
Baw Baw Shire Council	Mildura Rural City Council
Bayside City Council	Mitchell Shire Council
Campaspe Shire Council	Moira Shire Council
Colac Otway Shire Council	Moorabool Shire Council
East Gippsland Shire Council	Moyne Shire Council
Glenelg Shire Council	Nillumbik Shire Council
Golden Plains Shire Council	South Gippsland Shire Council
Greater Shepparton City Council	Surf Coast Shire Council
Hobsons Bay City Council	Swan Hill Rural City Council
Horsham Rural City Council	Wangaratta Rural City Council
Latrobe City Council	Warrnambool City Council
Macedon Ranges Shire Council	Wellington Shire Council
Maribyrnong City Council	Wodonga City Council
Category 3	
Ballarat City Council	Knox City Council
Banyule City Council	Manningham City Council
Boroondara City Council	Melton Shire Council
Brimbank City Council	Monash City Council
Cardinia Shire Council	Moreland City Council
Casey City Council	Moonee Valley City Council
Darebin City Council	Mornington Peninsula Shire Council
Glen Eira City Council	Port Phillip City Council
Frankston City Council	Stonnington City Council
Greater Bendigo City Council	Whitehorse City Council
Greater Dandenong City Council	Whittlesea City Council
Greater Geelong City Council	Wyndham City Council
Hume City Council	Yarra City Council
Kingston City Council	Yarra Ranges Shire Council
Category 4 – Melbourne City Council	
Melbourne City Council	

7.2 Types of allowances

Prior to this Determination, there were three types of allowances available for Council members pursuant to Orders made under the *Local Government Act 1989* (Vic), *City of Melbourne Act 2001* (Vic) and *City of Greater Geelong Act 1993* (Vic):

- an annual allowance provided to all Council members, which varied depending on the Council member's role and the Council's allowance category
- a payment in lieu of superannuation, provided to Council members not entitled to the Superannuation Guarantee under Commonwealth law, which was equivalent in value to the superannuation contributions they would have otherwise received under the Superannuation Guarantee (as of 1 July 2021, 10 per cent of the value of the annual allowance)
- a remote area travel allowance, provided subject to eligibility requirements, equal to \$40 per day (up to an annual cap of \$5,000 per Council member).

This Determination replaces these allowances.

The Tribunal decided to combine the annual allowance and payment in lieu of superannuation into a base allowance.

The Tribunal considers this will simplify arrangements, increase transparency and ensure the equal treatment of all Council members, irrespective of their status and treatment under Commonwealth superannuation law. Council members can continue to request that some or all of their base allowance is paid into a complying superannuation fund, subject to applicable requirements and limits under Commonwealth law.

For those Council members whose Councils have elected to become an ELGB, 1/11th of the value of their allowance will be paid as superannuation. The proportion of the allowance contributed to the Council member's nominated superannuation fund will change in line with future changes to the Superannuation Guarantee.

Consistent with existing arrangements, the Tribunal also decided to separately set a remote area travel allowance for Council members and to provide eligibility criteria for claiming it.

Under the LG Act 2020, Council members may refuse part, or all, of the allowance payable to them.

7.3 Value of the base allowance

Previously the value of the annual allowance for most Council members was a range. Each Council was required to set the value of the annual allowance for its Council members within the applicable range. In general, Councils set the value of the annual allowance at (or near) the maximum of the range.

With this in mind, the Tribunal decided to specify the value of the base allowance for Council members as a single value, rather than a range.

The values of the maximum annual allowance and payment in lieu of superannuation for Council members, prior to the making of this Determination are set out in Table 7.2.

Table 7.2: Values of the maximum annual allowance and payment in lieu of superannuation, prior to the making of this Determination

Council member and allowance category	Maximum annual allowance (A) \$ p.a.	Payment in lieu of superannuation (B) \$ p.a.	Total payment (A+B) \$ p.a.
Mayor			
Category 1	62,884	6,288	69,172
Category 2	81,204	8,120	89,324
Category 3	100,434	10,043	110,477
Melbourne City Council	200,870	20,087	220,957
Deputy Mayor^(a)			
Category 1	21,049	2,105	23,154
Category 2	26,245	2,625	28,870
Category 3	31,444	3,144	34,588
Melbourne City Council	100,434	10,043	110,477
Councillors			
Category 1	21,049	2,105	23,154
Category 2	26,245	2,625	28,870
Category 3	31,444	3,144	34,588
Melbourne City Council	47,165	4,717	51,882

Note: (a) Prior to the making of this Determination, Deputy Mayors were not entitled to a separate allowance and received the same allowance as other Councillors in the same Council, with the exception of the Deputy Lord Mayor of the Melbourne City Council.

Source: Victorian Government Gazette.

The Tribunal's consultations saw mixed views presented on the appropriateness of the current value of the amount of the allowance payable to Council members.

Most Council members who responded to the Tribunal's questionnaire considered that the existing allowance values were too low. On the other hand, submissions from community groups representing the interests of ratepayers and from members of the public commented strongly that the values of the allowance should not be increased.

The Tribunal considers that the significant contribution of Council members to local government is not being adequately recognised in the current value of the amount of the allowance payable to them. In particular, the Tribunal decided that an increase in the value of the allowance is justified given:

- increases in the scope and complexity of Council members' roles since the last comprehensive allowances review in 2007-08
- high levels of community expectations placed on Council members to represent, and respond to, the interests of members of their municipal community
- evidence presented by stakeholders that the role of a Council member is more akin to a 'job' than purely voluntary in nature, especially for the role of Mayor
- past increases in the value of the allowance have not kept pace with increases in wages in the broader economy
- comparisons with the allowance values for Council members in other Australian jurisdictions, especially given Victoria has the highest average LGA population of all jurisdictions
- comparisons with the remuneration for roles that have some similar responsibilities to those of Council members, including for persons elected to other voluntary part-time community bodies
- evidence from stakeholders that higher allowance values are likely to impact positively on Council member diversity, including the representation of women in local leadership roles.

The Tribunal then turned to determining the appropriate value of the base allowance payable for each of Mayors, Deputy Mayors and Councillors.

Value of the base allowance for Mayors

The Tribunal found that, with the increase in the roles, responsibilities and demands placed on all Council members in recent years, the role of Mayor has become even more critical to a Council's effective operation.

In part, this is because the Mayor is expected to manage relationships with other Councillors and with the CEO to ensure the Council achieves its wide range of objectives and meets its regulatory obligations. Further, communities often place very high demands upon Mayors, expecting them to personally attend numerous events as well as lead stakeholder consultation processes and advocate for their community.

The increase in the roles, responsibilities and demands placed on other Council members is compounded for Mayors.

The significant demands placed on Mayors means that, in general, the role needs to be carried out in a full-time capacity. As such, it may not be practicable for an individual to fulfil the role of Mayor and concurrently maintain gainful employment elsewhere.

The Tribunal decided to set the value of the amount of the base allowance payable to:

- a Mayor in a Category 1 Council at \$83,007 per annum
- a Mayor in a Category 2 Council at \$107,189 per annum
- a Mayor in a Category 3 Council at \$132,573 per annum
- a Mayor in a Category 4 Council (Melbourne City Council) at \$265,148 per annum

This brings the value of the amount of the base allowance payable to Category 1, 2 and 3 Mayors to the level it would have been had it been indexed by AWOTE since 2008 and broadly into line with the maximum fees payable to Chairs of large Victorian public entities with similar-sized assets and revenues.

The value of the base allowance is also reasonably comparable to the allowance for Mayors in other jurisdictions, bearing in mind the caution that needs to be exercised in making such comparisons. For the Lord Mayor of Melbourne City Council, the value of the base allowance payable for this role will continue to be ranked third amongst capital city Mayors.

Value of the base allowance for Deputy Mayors

Prior to the Determination, the value of the amount of the annual allowance payable to Deputy Mayors was the same as that for Councillors in all Councils, except Melbourne City Council.

The Tribunal heard about the increasing importance of, and responsibilities placed on, the Deputy Mayor role. Questionnaire responses suggested that Deputy Mayors generally spend more time on their role than Councillors, reflecting the additional responsibilities of the role. The Tribunal also heard that having a Deputy Mayor provides a valuable training pathway into the Mayor role and can assist in succession planning. These factors are reflected in the role of Deputy Mayor being enshrined in legislation for the first time in 2020.

The Tribunal accepts that the additional responsibilities and workloads of Deputy Mayors should be reflected in the value of their base allowance. In all jurisdictions other than New South Wales, the Deputy Mayor is paid between 1.13 to 2.06 times the maximum allowance payable to Councillors.

The Tribunal decided to set the value of the base allowance for a Deputy Mayor at 50 per cent of the value of the base allowance of the Mayor of their Council, consistent with many submissions.

As a result, the Tribunal decided to set the value of the amount of the base allowance payable to:

- a Deputy Mayor in a Category 1 Council at \$41,503 per annum
- a Deputy Mayor in a Category 2 Council at \$53,595 per annum
- a Deputy Mayor in a Category 3 Council at \$66,286 per annum
- a Deputy Mayor in a Category 4 Council (Melbourne City Council) at \$132,574 per annum.

Value of the base allowance for Councillors

The Tribunal accepts that the role of a Councillor has also increased in complexity and accountability but notes that the role is usually undertaken on a part-time basis — on average about 23 hours per week, spread across the full week including evenings and weekends.

The Tribunal decided to set the value of the amount of the base allowance payable to:

- a Councillor in a Category 1 Council at \$25,469 per annum
- a Councillor in a Category 2 Council at \$31,756 per annum
- a Councillor in a Category 3 Council at \$38,047 per annum
- a Councillor in a Category 4 Council (Melbourne City Council) at \$57,070 per annum.

The base allowance values set for Councillors are broadly consistent with the fees payable to directors of relevant public entities in Victoria, although the estimated time commitment of Councillors is likely to be higher than that of board directors. They are also reasonably comparable to the allowance for Councillors in other jurisdictions, again bearing in mind the caution that needs to be exercised in making such comparisons.

The values also take into account the minimum remuneration that a Victorian may expect to receive if they were to devote a similar amount of time to a job, based on the Australian NMW.

The Tribunal considers its decision is consistent with both encouraging a diverse range of candidates to serve on Council and more appropriately recognising the necessary work and time contribution of those elected to the role.

Phasing and annual indexation

Under the VIRTIPS Act, the Tribunal's Determination takes effect from 18 December 2021.

Compared to existing equivalent allowances, the value of the base allowance decided by the Tribunal is 20 per cent higher for Mayors and 10 per cent higher for Councillors. A new allowance for Deputy Mayors has also been set at 50 per cent of the allowance for Mayors.

The Tribunal acknowledges that these increases are significant. Having regard to current and projected economic trends, geopolitical developments and weather events, the financial position and fiscal strategy of the State of Victoria and the Victorian Government Wages Policy, as well as the financial position of Councils in Victoria, the Tribunal decided to phase-in the increases over several years. The last annual adjustment to Council member allowances (except in relation to superannuation) was effective from 1 December 2019.

The average annual expenditure on Council member allowances is expected to remain a very small percentage of annual Council revenue.

The Tribunal decided to phase-in the increases over five years for Mayors. An eight per cent increase will apply from 18 December 2021, with the remaining 12 per cent increase applied in four equal portions on 18 December 2022, 2023, 2024 and 2025.

As the Deputy Mayor base allowances were set to be equal to half of Mayor base allowances, the Tribunal also decided to phase in the amount set for the Deputy Mayor base allowances over five years.

As a result, the Tribunal determined to set the base allowance for Mayors as follows:

Council allowance category	Value of Mayor base allowance (\$ per annum) from 18 December:				
	2021	2022	2023	2024	2025
Category 1	74,706	76,781	78,857	80,932	83,007
Category 2	96,470	99,150	101,830	104,510	107,189
Category 3	119,316	122,630	125,944	129,259	132,573
Category 4 – Melbourne City Council	238,634	245,262	251,891	258,520	265,148

Further, the Tribunal determined to set the base allowance for Deputy Mayors as follows:

Council allowance category	Value of Deputy Mayor base allowance (\$ per annum) from 18 December:				
	2021	2022	2023	2024	2025
Category 1	37,353	38,391	39,428	40,466	41,503
Category 2	48,235	49,575	50,915	52,255	53,595
Category 3	59,658	61,315	62,972	64,629	66,286
Category 4 – Melbourne City Council	119,317	122,631	125,945	129,260	132,574

The Tribunal also decided to phase in the increases for Councillors over three years, with a four per cent increase to apply from 18 December 2021 and the remaining six per cent increase to be applied in two equal portions on 18 December 2022 and 18 December 2023.

As a result, the Tribunal determined to set the base allowance for Councillors as follows:

Council allowance category	Value of Councillor base allowance (\$ per annum) from 18 December:		
	2021	2022	2023
Category 1	24,080	24,775	25,469
Category 2	30,024	30,890	31,756
Category 3	35,972	37,010	38,047
Category 4 – Melbourne City Council	53,957	55,513	57,070

Under the VIRTIPS Act, the Tribunal is required to provide for the annual indexation of allowances.²¹³ To address this requirement, the Tribunal determined that allowances will be indexed in accordance with annual adjustment Determinations made by the Tribunal.²¹⁴ Such annual adjustments may afford the opportunity for Councils with significant movements in revenue and/or population to effectively move between Council allowance categories.

7.4 Remote area travel allowance

The existing allowances system provides a remote area travel allowance to eligible Council members. To be eligible, a Council member must normally reside more than 50km by the shortest practicable road distance from the location specified for Council meetings, or for municipal or community functions which the Council member has been authorised to attend.

The value of the remote area travel allowance was last set in 2001. It is equal to \$40 per day that the Council member attends an authorised event, subject to an annual cap of \$5,000 for each Council member.

The Tribunal's questionnaire asked Council members about the eligibility requirements for, and value of, the remote area travel allowance. Of those respondents who had ever received the remote area travel allowance, most thought that the distance requirement of 50km was appropriate, but around half considered the daily rate of \$40 to be too low. The Tribunal notes that the value of the remote area travel allowance has not been updated in over 20 years, meaning that its real worth has been eroded by inflation.

For these reasons the Tribunal decided to retain the remote area travel allowance for Council members and increase by 10 per cent both its value and the annual cap on the amount that can be claimed, consistent with the increase decided for the Councillor base allowance.

²¹³ VIRTIPS Act, s. 23A(5)(b).

²¹⁴ VIRTIPS Act, s. 23B.

Therefore, the Tribunal determined to:

- set a remote area travel allowance for a Council member who normally resides more than 50km by the shortest practicable road distance from the location or locations specified for the conduct of ordinary, special or committee meetings of the Council, or any municipal or community functions which have been authorised by Council resolution for the Council member to attend
- set the remote area travel allowance at \$44 for each day on which one or more meetings or authorised functions were attended by the Council member up to a maximum of \$5,500 per annum.

7.5 Conclusion

This Statement of Reasons deals with the Tribunal's first Determination of the value of the amount of the allowance payable to Mayors, Deputy Mayors and Councillors. The Tribunal has decided an increase in the value of the allowance compared to existing equivalent allowances is warranted and determined to phase in the new values over several years considering relevant economic, financial and wages policy matters. Under the VIRTIPS Act, the Tribunal can adjust the values of allowances annually.

In making the Determination, the Tribunal has taken into account the substantial change in the roles, responsibilities and workload of Council members since their allowances were last reviewed and considered the purpose of Council member allowances and the impact of altering their value, including on diversity of representation in local government.

The Tribunal has also comprehensively reviewed the existing allowances system for Council members taking into account similar allowances for elected members of local government in other states and in the Northern Territory and allowances for persons elected to voluntary part-time community bodies.

Further, the Tribunal has considered the remuneration of other relevant comparator positions, such as directors and Chairs of Victorian public entities.

The Tribunal has been greatly assisted by the many submissions and questionnaire responses it has received.

This Determination takes effect from 18 December 2021.

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Appendix A

Minister's letter of request





The Hon Shaun Leane MP

Minister for Local Government
Minister for Suburban Development
Minister for Veterans

121 Exhibition Street
Melbourne, Victoria 3000 Australia
Telephone: +61 3 8392 2240
DX 210074

Ref: BMIN-2-21-11734

Warren McCann
Chair
Victorian Independent Remuneration Tribunal
Suite 1, Ground Floor, 1 Treasury Place
MELBOURNE VIC 3000
enquiries@remunerationtribunal.vic.gov.au

Dear Mr McCann

The *Local Government Act 2020* has transferred responsibility for determining Victorian mayoral, deputy mayoral and councillor allowances to the Victorian Independent Remuneration Tribunal.

Following consultation with the Minister for Government Services, I am writing to formally request that the Tribunal make its first determination for mayoral, deputy mayoral and councillor allowances. This request is made under section 23A(4) of the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019*.

Please find enclosed further information that may assist the Tribunal in relation to its forthcoming determination.

Tribunal secretariat officers may contact Julie Reid, Executive Director, Local Government Victoria on 0428 350 176 or at julie.reid@ecodev.vic.gov.au for further information.

Thank you for undertaking this important task for the Victorian local government sector. I look forward to the Tribunal's first determination of mayoral, deputy mayoral and councillor allowances.

Yours sincerely

The Hon Shaun Leane MP
Minister for Local Government
Minister for Suburban Development
Minister for Veterans

Date: 17/06/2021

cc The Hon Danny Pearson MP, Minister for Government Services



First Determination of mayoral, deputy mayoral and councillor allowances

Matters for possible consideration by the Victorian Independent Remuneration Tribunal

Current position on council allowances

[Recognition and Support: Victorian Government's Policy Statement on Local Government Mayoral and Councillor Allowances and Resources \(April 2008\)](#): While this policy notes that the Government views councillor allowances not as a form of salary, but as recognition of the contributions made by those elected to voluntary, part time roles in the community, the Tribunal may wish to consider whether this view supports a contemporary local government sector that attracts diverse community perspectives to civic life.

Allowances and representation

The Victorian Government's Gender Equality Strategy, [Safe and Strong](#), sets a target of 50:50 gender representation for councillors and mayors by 2025. In giving effect to this strategy, the Government has undertaken a range of initiatives to encourage women's participation in local government, including the establishment of a new Gender Equality Advisory Committee (GEAC) to drive gender equality across Victoria's 79 councils.

Funding for a range of initiatives to promote and support women on councils has recently been provided, including:

- The [It's Our Time](#) campaign to promote and support women on councils.
- The Victorian Local Governance Association's (VLGA) [Local Women Leading Change program](#)
- The Australian Local Government Women's Association's (Vic Branch) mentoring program for new female councillors.
- The VLGA's [Your Community, Country and Council](#) program that supports aboriginal men and women to stand for council.

The Tribunal may wish to consider the impact that allowances may have on representation in local leadership roles, especially in terms of the representation of women.

Local government priorities

The [Ministerial Statement on local government](#) articulates the Government's future priorities for the local government sector, including the critical role of councils in Victoria's pathway through social and economic recovery from the COVID-19 pandemic. The Tribunal may wish to consider whether the priorities identified in this statement should be taken into account in determining councillor allowances.

Allowances paid to members of other community bodies

Section 23A(5)(a) of the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019* requires the Tribunal to take into account similar

allowances paid to members elected to voluntary part-time roles in community organisations.

The Tribunal's secretariat may wish to contact officers from my Department for assistance with identifying relevant examples of such community bodies that the Tribunal may wish to consider as a useful basis for comparison.

Appendix B

Consultation



The Tribunal used several approaches to encourage individuals and organisations to participate in the making of this Determination, including:

- inviting written and oral submissions in its notice of intention, and publishing a Consultation Paper to encourage and assist those making submissions
- directly emailing a link to an anonymous questionnaire to every currently serving Council member in every Council to obtain views and information on issues such as roles and responsibilities, value of the allowance payable and relevant considerations for setting the value of the allowance in the Tribunal's Determination
- asking Councils to complete a 'data request' seeking information such as the actual value of allowances paid to currently serving Council members.

This appendix summarises the results of these approaches. It also includes a copy of the content of the questionnaire sent to Council members, and a summary of responses received.

B.1 Written submissions

The Tribunal invited all interested persons to make a submission with respect to the proposed Determination.

The Tribunal received a total of 48 written submissions. Submissions (in alphabetical order) from the following individuals and organisations are available on the Tribunal's website:

- Anthony S
- Brimbank Ratepayers & Residents Association, Inc.
- Chris Mack
- Christine Maynard
- Daniel Kade

- East Gippsland Shire Council
- Frank Donato
- Graham Jolly
- James Bae
- Kelly Rossiter
- Margaret Quon
- Marion Attwater
- Mio Ihashi
- Moonee Valley City Council
- Municipal Association of Victoria
- Ratepayers Victoria
- Sandra Taylor
- Sharyn More
- Sharyn Saxon
- Sustainability Action Network
- Theo Zographos
- Victorian Local Governance Association.

A further 11 submissions were received from parties who requested that their submission be published in a de-identified form. These submissions are also available on the Tribunal’s website.

In addition, the Tribunal received confidential submissions from several parties who did not give consent for their submissions, or names, to be published.

Submissions cited by the Tribunal in this Statement of Reasons, and/or published on the Tribunal’s website, do not necessarily represent the views of the Tribunal.

B.2 Oral submissions

In November 2021, the Tribunal received oral submissions from members of the following organisations and groups:

- Gender Equality Advisory Committee
- Interface Councils
- Local Government Mayoral Advisory Panel
- Municipal Association of Victoria
- Peri Urban Group of Rural Councils
- Regional Cities Victoria
- Rural Councils Victoria

- Victorian Local Governance Association.

B.3 Questionnaire

In July 2021, the Tribunal sent an email to each of the 621 currently serving Council members across all Victorian Councils, inviting recipients to provide anonymous responses to the Tribunal's online questionnaire hosted on the Engage Victoria website.

The questionnaire contained 29 questions (some multi-part) grouped into five sections:

- background information — questions 1–3
- roles and responsibilities of Mayors, Deputy Mayors and Councillors — questions 4–10
- allowance categories and values — questions 11–19
- remote area travel allowance — questions 20 and 21
- demographic information — questions 23–29.

All questions except for question 1 were optional.

The Tribunal received 258 responses to the questionnaire, representing approximately 42 per cent of all Council members in Victoria.

A copy of the questions contained in the online questionnaire is provided immediately below.

A summary of responses to the questionnaire is provided at the end of this appendix. Additional information, or commentary, provided in response to some questions has been summarised in the chapters of this Statement of Reasons.

Copy of the questionnaire for Council members

Question (* denotes required question)	Options
<i>Background information</i>	
<p>1. (a) What is your current role on Council?*</p> <p>(b) [If respondent answered 'Mayor'] Have you served as Deputy Mayor in the past?*</p> <p>[If respondent answered 'Deputy Mayor'] Previous to your current role, had you ever served/acted as Mayor?</p> <p>[If respondent answered 'Councillor'] Have you served as Mayor or Deputy Mayor in the past (including in an acting capacity)?*</p>	<ul style="list-style-type: none"> • Mayor • Deputy Mayor • Councillor • Yes • No • Yes • No • Yes, I have previously served as Mayor • Yes, I have previously served as Deputy Mayor • All of the above • None of the above
<p>2. How many terms have you served on Council (including prior service on other Councils)?</p>	<ul style="list-style-type: none"> • I am serving my first term • I am serving my second term • I am serving my third term • I am serving my fourth term • I am serving at least my fifth term

3.	Which of Local Government Victoria's (LGV) Council categories applies to your Council?	<ul style="list-style-type: none"> • Metropolitan • Interface • Regional City • Large Shire • Small Shire • Not sure
<i>Roles and responsibilities of Mayors, Deputy Mayors and Councillors</i>		
4.	What do you consider to be your most important duties and responsibilities?	Free text answer
5.	Which of the following activities do you spend the most time on? Please select your top five.	<ul style="list-style-type: none"> • Administration • Advocating on behalf of Council to State and Commonwealth governments • Attending community events and functions • Contact and engagement with constituents • Engaging in professional development • Engaging with Council staff • Managing the employment of the Council CEO • Preparing for and attending Council and committee meetings, Councillor briefings and official Council events • Providing leadership and guidance to other Councillors • Other (please specify)
6.	(a) During a typical week, how many hours (not including travel time) do you dedicate to your role?	<ul style="list-style-type: none"> • Less than 4 hours • 4 to 7 hours • 8 to 15 hours • 16 to 23 hours • 24 to 31 hours • 32 to 39 hours • 40 hours or more

	(b) During a typical week, how many hours do you spend travelling to fulfil your Council duties and responsibilities?	<ul style="list-style-type: none"> • Less than 3 hours • 3 to 5 hours • 6 to 8 hours • 9 to 11 hours • 12 hours or more
7.	(a) What adjustments have you made, if any, to your paid employment in order to fulfill your Council role? Please select all that apply.	<ul style="list-style-type: none"> • Reduced hours in paid employment (please specify the number of hours by which you reduced your paid employment) • Taken leave • Quit paid employment • Utilised flexible working arrangements • Not applicable • Other (please specify)
	(b) Please comment on how your Council service has affected your non-Council commitments and responsibilities (e.g. family, personal life).	Free text answer
8.	Reflecting on your experiences, please comment (to the extent that you can) on the differences between the roles of Mayor, Deputy Mayor and Councillor (e.g. duties and responsibilities, workload/time commitment, impacts on paid employment and/or non-Council responsibilities).	Free text answer
9.	Please comment on the skills and/or other benefits you derive from your Council service.	Free text answer
10.	(a) Please comment on how the roles and responsibilities of Mayors, Deputy Mayors and/or Councillors have changed over the last five years, if at all.	Free text answer
	(b) Please comment on any trends which may affect the roles and responsibilities of Mayors, Deputy Mayors and/or Councillors over the next five years.	Free text answer

<i>Allowance categories and value of allowance</i>	
11. Which 'allowance category' applies to your Council?	<ul style="list-style-type: none"> • Category 1 • Category 2 • Category 3 • Not applicable
12. Which factors, if any, do you consider the most relevant for setting the value of allowances for Mayors, Deputy Mayors and Councillors? Please select up to three.	<ul style="list-style-type: none"> • Council expenditure • Council revenue • Location (e.g. metropolitan, rural) • Population demographics • Population size • Size of Council area • Value of assets and infrastructure under Council management • Ward structure (e.g. unsubdivided, multi-member wards) • Other (please specify)
<i>Please elaborate if you wish.</i>	Free text answer
13. Do you consider the existing method for categorising Councils – according to population and total recurrent revenue – to be appropriate?	<ul style="list-style-type: none"> • Yes • No • Not sure
<i>Please elaborate if you wish.</i>	Free text answer
14. What do you consider to be, or should be, the purpose(s) of your Council allowance? Please select all that apply.	<ul style="list-style-type: none"> • Accounts for the time commitment of Council service • Covers costs related to my role on Council • A form of recognition of my contribution as an elected representative • A form of salary/wages • Other (please specify)
<i>Please elaborate if you wish.</i>	Free text answer

15.	<p>Is your current allowance level ...</p> <p><i>Please elaborate if you wish.</i></p>	<ul style="list-style-type: none"> • More than sufficient • More or less adequate • Insufficient • Not sure <p>Free text answer</p>
16.	<p>For your Council, is the current difference in value between the Mayoral allowance and Councillor allowance ...</p> <p><i>Please elaborate if you wish.</i></p>	<ul style="list-style-type: none"> • Too large • About right • Too small • Not sure <p>Free text answer</p>
17.	<p>How important a factor do you think the value of the allowance will be in your decision to stand (or not stand) for Council at the next election?</p> <p><i>Please elaborate if you wish.</i></p>	<ul style="list-style-type: none"> • Most important • Very Important • Important • Somewhat important • Not at all important • Not sure <p>Free text answer</p>
18.	<p>Do you consider that existing allowances are adequate to attract a diverse pool of candidates to stand for Council?</p> <p><i>Please elaborate if you wish.</i></p>	<ul style="list-style-type: none"> • Yes • No • Not sure <p>Free text answer</p>
19.	<p>In making the Determination, the Tribunal is required to take into account allowances for persons elected to other 'voluntary part-time community bodies'. Which bodies should the Tribunal consider, if any?</p>	<p>Free text answer</p>

<i>Remote Area Travel Allowance</i>		
20.	Are you eligible for, or have you ever received, the Remote Area Travel Allowance?	<ul style="list-style-type: none"> • Yes • No • Not sure
21.	What is your view on the following aspects of the Remote Area Travel Allowance– (a) daily rate of \$40 (b) annual cap of \$5,000 (c) distance requirement of at least 50kms	Options for each of (a), (b) and (c): <ul style="list-style-type: none"> • Too high • About right • Too low • Not sure • Not applicable
22.	Please provide any further comments regarding the Remote Area Travel Allowance.	Free text answer
<i>Demographic questions</i>		
23.	What gender do you identify as?	<ul style="list-style-type: none"> • Woman • Man • Prefer not to say • Self-described (please specify)
24.	What is your age?	<ul style="list-style-type: none"> • Under 25 years • 25 to 44 years • 45 to 64 years • 65 years or over • Prefer not to say
25.	Do you come from a culturally and/or linguistically diverse background?	<ul style="list-style-type: none"> • Yes • No • Prefer not to say
26.	Do you identify as having a disability?	<ul style="list-style-type: none"> • Yes • No • Prefer not to say

27.	What is the highest level of education you have completed?	<ul style="list-style-type: none"> • Did not complete high school • High school • TAFE qualification • Undergraduate degree (e.g. bachelor's degree) • Postgraduate degree (e.g. master's degree, PhD) • Prefer not to say
28.	(a) Which of these best describes your current (or former) primary occupation (besides Councillor, Mayor or Deputy Mayor)?	<ul style="list-style-type: none"> • Clerical or administrative worker • Community or personal service worker (e.g. carer, police officer) • Labourer or machinery operator (e.g. driver) • Manager (e.g. CEO, farm manager, retail manager) • Professional (e.g. accountant, lawyer, doctor, teacher) • Sales worker • Technician or trade worker • Prefer not to say • Other (please specify)
	(b) Outside of your role as a Mayor, Deputy Mayor or Councillor, which of these describe your current employment status? Please select all that apply.	<ul style="list-style-type: none"> • Engaged in paid employment • Taking leave from paid employment (e.g. sabbatical) • Self-employed • Unemployed and looking for paid employment • Unemployed and not looking for paid employment • Retired • Caring for children and/or other dependants • Studying • Volunteering or other unpaid work • Other (please specify) or prefer not to say

<p>(c) On average, how many hours do you spend per week in paid employment (excluding your Council duties)?</p>	<ul style="list-style-type: none"> • Not applicable • Less than 10 hours • 10 to 19 hours • 20 to 29 hours • 30 to 39 hours • 40 hours or more • Prefer not to say
<p>29. What is your gross annual income from all sources (excluding the Councillor/Mayoral allowance)?</p>	<ul style="list-style-type: none"> • \$45,000 or less • \$45,001 to \$75,000 • \$75,001 to \$120,000 • \$120,001 to \$180,000 • \$180,001 or more • Prefer not to say
<p><i>Additional comments</i></p>	
<p>Please provide any further comments or feedback you consider relevant to informing the Tribunal's deliberations.</p>	<p>Free text answer</p>

Summary of responses to the questionnaire

Background information

Q1(a). What is your current role on Council? (% of 258 responses)

Mayor	Deputy Mayor	Councillor
15.5	13.2	71.3

Q1(b). Have you served as Mayor or Deputy Mayor in the past (including in an acting capacity)? (% of 184 responses)

Yes, I have previously served as Mayor (or been appointed Acting Mayor)	Yes, I have previously served as Deputy Mayor	All of the above	None of the above
13.0	7.6	9.2	70.1

Note: This question was posed only to those respondents who had answered 'Councillor' to Q1.

Q1(b). Previous to your current role, had you ever served/acted as Mayor? (% of 35 responses)

Yes	No
25.7	74.3

Note: This question was posed only to those respondents who had answered 'Deputy Mayor' to Q1.

Q1(b). Have you served as Deputy Mayor in the past? (% of 40 responses)

Yes	No
40.0	60.0

Note: This question was only asked to respondents who answered 'Mayor' to Q1.

Q2. How many terms have you served on Council (including prior service on other Councils)? (% of 257 responses)

I am serving my first term	I am serving my second term	I am serving my third term	I am serving my fourth term	I am serving at least my fifth term
51.4	24.9	11.3	7.8	4.7

Q3. Which of Local Government Victoria's (LGV) Council categories applies to your Council? (% of 256 responses)

Metropolitan	Interface	Regional City	Large Shire	Small Shire	Not sure
37.5	9.0	16.4	18.0	17.2	2.0

Roles and responsibilities of Mayors, Deputy Mayors and Councillors

Q5. Which of the following activities do you spend the most time on? Please select your top five.

Activity	% of 258 responses
Preparing for and attending Council/committee meetings, briefings and Council events	95.0
Contact and engagement with constituents	90.7
Attending community events and functions	80.6
Engaging with Council staff	54.3
Administration	50.0
Providing leadership and guidance to other Councillors	29.8
Advocating on behalf of Council to State and Commonwealth governments	29.1
Engaging in professional development	14.0
Managing the employment of the Council CEO	11.2
Other	4.3

Q6(a). During a typical week, how many hours (not including travel time) do you dedicate to your role? (% of 257 responses)

<4	4 – 7	8 – 15	16 – 23	24 – 31	32 – 39	40+
0.0	1.2	14.4	26.8	26.1	16.0	15.6

Q6(b). During a typical week, how many hours do you spend travelling to fulfil your Council duties and responsibilities? (% of 255 responses)

<3	3 – 5	6 – 8	9 – 11	12+
43.5	33.7	13.7	4.3	4.7

Q7(a). What adjustments have you made, if any, to your other paid employment in order to fulfill your Council role? Please select all that apply. (% of 257 responses)

Reduced hours in paid employment	Taken leave	Quit paid employment	Utilised flexible working arrangements	Not applicable	Other
49.0	19.1	21.8	38.5	12.1	11.3

Allowance categories and values

Q11. Which 'allowance category' applies to your Council? (% of 256 responses)

Category 1	Category 2	Category 3	Not applicable
21.5	37.9	38.7	2.0

Q12. Which factors, if any, do you consider the most relevant for setting the value of allowances for Mayors, Deputy Mayors and Councillors? Please select up to three.

Activity	% of 253 responses
Population	40.3
Size of Council area	37.2
Council revenue	34.8
Location (e.g., metropolitan, rural)	28.1
Value of assets and infrastructure under Council management	24.9

Activity	% of 253 responses
Population demographics	23.7
Council expenditure	22.5
Other	20.9
Ward structure	11.5
None	4.3

Q13. Do you consider the existing method for categorising Councils – according to population and revenue – to be appropriate? (% of 253 responses)

Yes	No	Not sure
31.6	39.5	28.9

Q14. What do you consider to be, or should be, the purpose of your Council allowance? Please select all that apply.

Activity	% of 256 responses
Accounts for the time commitment of Council service	79.7
A form of salary/wages	58.2
Covers costs related to my role on Council	52.7
A form of recognition of my contribution as an elected representative	49.2
Other	3.5

Q15. Is your current allowance level ... (% of 256 responses)

More than sufficient	More or less adequate	Insufficient	Not sure
3.5	24.6	68.8	3.1

Q16. For your Council, is the current difference in value between the Mayoral allowance and Councillor allowance ... (% of 256 responses)

Too large	About right	Too small	Not sure
42.2	39.5	6.3	12.1

Q17. How important a factor do you think the value of the allowances will be in your decision to stand (or not stand) for Council at the next election? (% of 252 responses)

Most important	Very important	Important	Somewhat important	Not at all important	Not sure
7.5	21.4	20.6	24.2	23.4	2.8

Q18. Do you consider that existing allowances are sufficient to attract a diverse pool of candidates to stand for Council? (% of 257 responses)

Yes	No	Not sure
12.5	78.2	9.3

Remote Area Travel Allowance

Q20. Are you eligible for, or have you ever received, the Remote Area Travel Allowance? (% of 245 responses)

Yes	No	Not sure
13.1	80.8	6.1

Q21. What is your view on the following aspects of the Remote Area Travel Allowance

	Too high	About right	Too low	Not sure	Not applicable
(a) daily rate of \$40? (% of 232 responses)	3.0	21.1	21.1	25.0	29.7
(b) annual cap of \$5,000? (% of 231 responses)	4.3	26.4	12.1	27.7	29.4
(c) distance requirement of 50km? (% of 231 responses)	13.0	23.8	9.1	27.7	26.4

Demographic information

Q23. What gender do you identify as? (% of 245 responses)

Woman	Man	Prefer not to say	Self-described
46.1	48.2	3.7	2.0

Q24. What is your age range? (% of 252 responses)

<25	25 – 44	45 – 64	65+	Prefer not to say
1.6	32.1	50.8	14.3	1.2

Q25. Do you come from a culturally and/or linguistically diverse background?
(% of 256 responses)

Yes	No	Prefer not to say
16.4	81.3	2.3

Q26. Do you identify as having a disability? (% of 254 responses)

Yes	No	Prefer not to say
6.7	91.7	1.6

Q27. What is the highest level of education you have completed? (% of 253 responses)

Did not complete high school	High school	TAFE qualification	Undergraduate degree	Postgraduate degree	Prefer not to say
2.4	14.6	10.3	34.8	32.8	5.1

Q28(a). Which of these best describes your current (or former) primary occupation (besides Mayor, Deputy Mayor or Councillor)?

Activity	% of 252 responses
Professional	37.3
Manager	23.4
Other	21.8
Community or personal service worker	6.0

Activity	% of 252 responses
Sales worker	3.6
Clerical or administrative worker	2.8
Prefer not to say	2.4
Technician or trade worker	1.6
Labourer or machinery operator	1.2

Q28(b). Outside of your role as a Mayor, Deputy Mayor or Councillor, which of these describe your current employment status? Please select all that apply.

Activity	% of 255 responses
Engaged in paid employment	42.7
Self-employed	34.9
Volunteering or other unpaid work	17.3
Caring for children and/or other dependants	14.9
Retired	12.2
Studying	6.3
Taking leave from paid employment	5.9
Unemployed and looking for paid employment	4.7
Unemployed and not looking for paid employment	3.1
Other	2.7
Prefer not to say	1.6

Q28(c). During a typical week, how many hours do you spend in paid employment (excluding your Council duties)? (% of 174 responses)

<10	10 – 19	20 – 29	30 – 39	40+
12.1	17.2	19.5	23.0	28.2

Note: This question was posed only to those respondents who had answered 'Engaged in paid employment' or 'Self-employed' to Q28(b).

Q29. What is your gross annual income from all sources (excluding your Councillor/Mayoral allowance)? (% of 236 responses)

≤\$45,000	\$45,001 – \$75,000	\$75,001 – \$120,000	\$120,001 – \$180,000	\$180,001+	Prefer not to say
33.5	19.9	18.2	8.9	4.7	14.8