

## **Cr Mary-Ann Brown, Southern Grampians Shire Council**

### **A submission to the Determination of Allowances for Mayors, Deputy Mayors and Councillors**

#### **Victorian Independent Remuneration Tribunal**

#### **Proposed Determination of Allowances for Mayors, Deputy Mayors and Councillors**

##### **Executive Summary**

Allowances are important to ensure that Councillors can perform the roles and responsibilities outlined in the Local Government Act 2020. However the recent increases in councillor allowances are less than increases in the Wage Price Index, the Full-time Average Weekly Ordinary Time Earnings and the Consumer Price Index so the real purchasing power of the allowances has decreased over time, in an economic climate where there have been and continue to be significant increases in the cost of living.

In addition the different allowances paid to the different categories of councils are unfair and not reflective of the responsibility and commitment expected of all councillors, regardless of the population and size of their budgets. Such categorisation does not apply to other elected officials in other levels of government.

Even the smallest rural council, defined by their population and budget size, has the responsibility for a multi-million dollar organisation. In fact, I would argue that rural councils are more critical for the role they play in their communities as often they are the largest or second largest employer and provide a significant range of services to their communities. In many cases, rural councils provide a wider range of services to their communities than many larger regional and metropolitan councils.

##### **Role of Councillors**

The actual commitment required of councillors extends beyond attending council meetings and briefings. All councils are now required to have an Audit & Risk Committee and CEO Performance Review Committee. In addition many councils have Planning Committees. Councils will also have advisory committees which may cover specific activities or facilities. Examples of such committees in Southern Grampians Shire Council are the Hamilton Regional Livestock Advisory Committee and the Hamilton Showgrounds Advisory Committee. All of these committees have councillors as members. Councillors are also called upon to be delegates to a variety of other committees/organisations, for example the Municipal Association of Victoria, regional alliances, Rail Freight Alliance, to mention a few.

Southern Grampians Shire Council holds approximately 15 Council meetings and 46 briefing sessions per year. Each meeting/briefing has an agenda with supporting documents and presentations that require approximately 4-5 hours of reading per week. At a recent briefing of Southern Grampians Shire Council, the documents which related to the briefing agenda were 642 pages long. This is not uncommon, particularly when developing the budget or reviewing lengthy documents, such as the Planning Scheme.

In addition to these activities, Councillors participate in a range of activities including:

1. Community events and functions – for example a councillor attended Anzac Day services in the following towns in Southern Grampians Shire – Hamilton, Dunkeld, Peshurst, Cavendish, Glenthompson, Balmoral and Coleraine.
2. Meetings with community groups and members. Many small towns have progress associations or similar organisations. Councillors meet with these organisations at least annually.

In addition to meetings and other events, Councillors spend time responding to emails, phone calls and letters from community members on a variety of matters.

All of the above activities require a considerable time commitment from Councillors to effectively fulfill their roles and responsibilities.

On top of the time to fulfill these responsibilities, rural councillors also spend time travelling considerable distances to attend meetings and briefings as well as community events. Southern Grampians Shire Council is a mid sized rural council geographically with an area of 6,654 square kilometres. Southern Grampians Shire is an unsubdivided electorate so councillors represent the whole municipality. It consists of one large town – Hamilton – which has a population of approximately 10,400 and is located in the centre of the shire. There are 9 smaller towns which are spread around the shire, ranging from Glenthompson in the east, Balmoral in the north, Branxholme in the south and Coleraine in the west. The other small towns are Dunkeld, Cavendish, Peshurst, Tarrington and Byaduk.

In my case, I live 35 km from Hamilton where most council meetings and briefings are held. Aside from the round trip of 70 km, the time to travel to attend a council meeting, briefing or a community event is a minimum of one [1] hour or longer if travelling to one of the smaller towns in the Shire, such as Balmoral, Branxholme or Coleraine [2 hour round trip].

The time required for rural councillors to fulfill their roles and responsibilities are at least equal if not more than the time commitment required of councillors at metropolitan or regional city councils. However allowances are significantly less than for those categories of councillors.

Based on current allowances and assuming that councillors commit 20 hours per week for 48 weeks of the year, this translates to:

Category 3	Councillor annual allowance	\$38,316	Approximately \$40 per hour
Category 1	Councillor annual allowance	\$25,650	Approximately \$27 per hour

Looking at this hourly rate, rural councillors are paid an hourly rate very similar to that of someone working on a part-time basis in retail [Ref: General Retail Industry Award – Retail Employee Level 5 \$27.26 per hour – Fair Work Ombudsman]. The level of responsibility and commitment of a councillor is significantly greater than that of a worker in retail.

Is the underlying assumption that councillors at Category 3 councils are more highly qualified and have a higher level of responsibility? This is clearly not the case as all councillors, regardless of the size of their council, are required to meet the requirements of the Local Government Act 2020.

## Rural Councillors – Responsibilities

Many rural councils provide a greater range of services and have more responsibilities than many metropolitan and regional councils.

In the case of Southern Grampians Shire, like many rural councils, we are responsible for extensive road and bridge infrastructure [road infrastructure is more than 3,000 km] as well as an airport, art gallery, performing arts centre, library & bookmobile service, 6 outdoor swimming pools, 1 indoor swimming pool, over 20 tennis courts, numerous cricket grounds and other sporting grounds. One metropolitan council is responsible for less than 1 km of road infrastructure.

Rural councils provide a wide range of services often because of the failure of other levels of government to provide these services or as a result of market failure.

## Economic Factors

On the Tribunal's website, information is provided about a range of economic factors which are taken into account then considering proposed increases in councillor allowances.

Several of those factors are:

[Source: Victorian Independent Remuneration Tribunal website]

Wage Price Index December 2023	3.7%
Full-Time Adult Average Weekly Ordinary Time Earnings	3.7%
Consumer Price Index December 2023	3.8%

Australian Bureau of Statistics website

### Consumer Price Index

December 2022	7.8%
March 2023	7.0%
June 2023	6.0%
September 2023	5.4% [in this quarter increase in fuel 7.2%]
December 2023	4.1%

### Wage Price Index

December 2022	3.3%
March 2023	3.3%
June 2023	3.6%
September 2023	4.0%
December 2023	4.2%

Looking at other states, in 2023 Queensland increased councillor allowances by 4% and NSW increased the allowances by 3%.

The increase in Councillor allowances effective December 2023 was 2.0% which falls significantly short of all of the above measures. In summary, the real purchasing power of councillor allowances has been significantly reduced.

### **Purpose of Allowances**

While not a wage, allowances should be reflective of the level of responsibility and commitment expected of councillors. This level of responsibility and commitment is the same whether the councillor is at West Wimmera Shire or Horsham Rural City Council or Stonnington Council.

### **Adequacy of Allowances**

Low allowances for rural councillors [ie Categories 1 & 2] limit the ability of people at different stages of their working life to contribute to council, whether they are an employee or self-employed. The allowance should adequately reimburse councillors for income foregone, due to their work as councillors and its impact on their employment.

### **Conclusion**

Based on the above, I request that the following:

1. Reduction in the number of categories for councils – maximum of 3 categories.  
Currently the difference between Category 1 & 3 councillor allowances is \$12,666 [or approximately 50%]
2. Increase the allowance for Category 1 councils by \$6,333 which would go some way to addressing the significant difference between Category 1 & 3 councils. While I appreciate that this is approximately a 25% increase of the current allowance, the allowance for Category 1 councils is inequitable when compared to other categories and is too low.

I would welcome the opportunity to speak to my submission.

Thank you very much for the opportunity to make a submission.

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