

Submission in response to the consultation paper, *Proposed Determination of allowances for Mayors, Deputy Mayors and Councillors*

Submitted by Moonee Valley City Council

16 August 2021

localgovernment@remunerationtribunal.vic.gov.au

For any enquiries, please contact:

Ms Helen Sui

Chief Executive Officer

(03) 9243 8855 / hsui@mvcc.vic.gov.au

Introduction

Moonee Valley City Council is pleased to have the opportunity to provide feedback in response to the Victorian Independent Remuneration Tribunal's consultation paper, *Proposed Determination of allowances for Mayors, Deputy Mayors and Councillors*. We welcome this process of independent review as an opportunity to establish allowances for Councillors, Deputy Mayors and Mayors which reflect the important role these elected representatives play in providing good governance, and as the closest level of Government to our Victorian communities.

About the City of Moonee Valley

Moonee Valley is located in the inner and middle north-western suburbs of Melbourne, between four and 13 kilometres from the CBD. Approximately 131,000 people call Moonee Valley Home. This is forecast to grow to 177,000 by 2041. While our community is ageing, there will also be more young professionals and a regeneration of families by 2040.

Moonee Valley is proud of its rich heritage. The Wurundjeri Woi-wurrung are the traditional owners of the land. They relied on the Maribyrnong River, Moonee Ponds Creek and Steele Creek for fishing, transport and food. Our history goes back a long way, and continues to live through family stories, buildings, residential and commercial precincts, parks, trees and objects.

Almost one-third of our population was born overseas, and around 30 per cent speak a language other than English at home. While diversity is a major strength for Moonee Valley, health and wellbeing outcomes can be quite different for different groups. Moonee Valley can be described as a 'tale of two cities', with those who are relatively advantaged and disadvantaged living in close proximity. Our municipality has eight of the top 24 most disadvantaged small areas in Victoria in terms of socio-economic disadvantage. We also have the third-highest proportion of social housing dwellings in Victoria, with major housing estates in Flemington and Ascot Vale.

Moonee Valley is also home to major employment precincts including Essendon Fields/Essendon Airport.

In 2018, Moonee Valley published our long-term plan, MV2040, which guides how we will make Moonee Valley a great place to live for current and future generations. Under this Strategy, we're working toward a Moonee Valley which is Fair, Thriving, Connected, Green and Beautiful.

Submission

The Tribunal has asked that respondents refer to a set of consultation questions. We address these below.

Role of Council members

1. ***What are the most important duties and responsibilities of Mayors, Deputy Mayors and Councillors?***

The role of the Mayor, Deputy Mayor and Councillors are outlined at sections 18, 21 and 28 of the *Local Government Act 2020*. Specifically, they are:

s18 Role of the Mayor

- (1) The role of the Mayor is to—
- (a) chair Council meetings; and
 - (b) be the principal spokesperson for the Council; and
 - (c) lead engagement with the municipal community on the development of the Council Plan; and
 - (d) report to the municipal community, at least once each year, on the implementation of the Council Plan; and
 - (e) promote behaviour among Councillors that meets the standards of conduct set out in the Councillor Code of Conduct; and
 - (f) assist Councillors to understand their role; and
 - (g) take a leadership role in ensuring the regular review of the performance of the Chief Executive Officer; and
 - (h) provide advice to the Chief Executive Officer when the Chief Executive Officer is setting the agenda for Council meetings; and
 - (i) perform civic and ceremonial duties on behalf of the Council.

s21 Role of the Deputy Mayor

The Deputy Mayor must perform the role of the Mayor and may exercise any of the powers of the Mayor if—

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

s28 Role of a Councillor

- (1) The role of every Councillor is—
- (a) to participate in the decision making of the Council; and

(b) to represent the interests of the municipal community in that decision making; and

(c) to contribute to the strategic direction of the Council through the development and review of key strategic documents of the Council, including the Council Plan.

(2) In performing the role of a Councillor, a Councillor must—

(a) consider the diversity of interests and needs of the municipal community; and

(b) support the role of the Council; and

(c) acknowledge and support the role of the Mayor; and

(d) act lawfully and in accordance with the oath or affirmation of office; and

(e) act in accordance with the standards of conduct; and

(f) comply with Council procedures required for good governance.

(3) The role of a Councillor does not include the performance of any responsibilities or functions of the Chief Executive Officer.

As these roles are enshrined in legislation, each is equally important and forms part of the community's expectations around the performance of the Mayor, Deputy Mayor and Councillors.

2. How have the roles and responsibilities of Council members changed since the last review of Councillor allowances in 2008? What future challenges may emerge?

As the Tribunal is aware, in recent years the *Local Government Act* underwent its “most ambitious and comprehensive reform... for 30 years,”¹ culminating in the adoption of a new *Local Government Act in 2020*. This has resulted in significant shifts to the roles and responsibilities of Councillors, as well as expectations around Councillor capability and accountability. These are positive reforms, which Moonee Valley has supported at every stage. From our first submission to consultations held around reform of the *Local Government Act*, we championed the need for training to support all Councillors to fulfil their governance responsibilities. We therefore welcome the fact that training of Council candidates and new Councillors is now mandatory, as outlined at sections 32 and 256(7) of the *Local Government Act 2020*. With additional responsibility and capability required of Councillors under the new *Act*, it seems appropriate that the Tribunal review Mayor, Deputy Mayor and Councillor allowances to determine whether an increase is also warranted.

¹ Local Government Victoria, *Local Government Act 2020*, <https://www.localgovernment.vic.gov.au/council-governance/local-government-act-2020>

The consultation paper notes the impact of increasing use of digital methods of communication on increased Councillor workload. The Local Government Inspectorate's *Councillor expenses and allowances* paper (2020) observes that surveyed Councillors commonly commented on the need for additional administrative and secretarial support. 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, such as preparing for and attending Council Meetings, attending officer briefings, participating in committees, attending community gatherings, and so forth. At other levels of Government, elected representatives receive administrative support (through electorate officers and the like) to attend to tasks of this nature.

Use of social media has also increased the ease with which the community is able to communicate with Councillors. Many Councillors maintain their own independent social media platforms (Facebook, Instagram, Twitter and LinkedIn being the most popular) which Council officers do not support them to administer. Submissions to the Victorian Parliament's *Inquiry into the Impact of Social Media on Elections and Electoral Administration* noted the increased workload for Councillors that has come as a result of the rise of social media, and the impact of negative feedback/"trolling".

The consultation paper also notes the impact of population increases. As the introduction to this submission noted, the population of Moonee Valley is expected to grow from its current figure of approximately 131,000, to 177,000 by 2041. With this growth comes increased service provision, increased infrastructure delivery and increased demand on the planning process.

These are all factors which should be taken into account by the Tribunal.

3. How are Council member roles affected by a Council's electoral structure (for example, ward structure or ratio of Council members to population)?

Moonee Valley currently has a multi-member ward structure. Our municipality is divided into three wards: Buckley (Aberfeldie, Essendon

Fields, Essendon North, Strathmore, most of Essendon and Strathmore Heights, parts of Moonee Ponds and Essendon West); Myrnong (Ascot Vale, Flemington, Travancore, most of Moonee Ponds, part of Essendon) and Rose Hill (Airport West, Avondale Heights, Keilor East, Niddrie, most of Essendon West, part of Strathmore Heights). At the time of the 2020 Council elections, voter enrolment in Buckley Ward was 29,608, in Myrnong Ward was 32,010, and in Rose Hill Ward was 32,305². We will transition to a single-member ward structure at the 2024 Council elections, along with remaining metropolitan Councils who did not move to single-member wards in 2020, in line with section 13 of the *Local Government Act 2020*.

It is difficult to predict with any degree of certainty what the impacts of these changes will be to Councillors' workloads. The purpose of uniform single-member ward structures articulated by the then-Minister for Local Government was to provide greater "accountability, equity and grassroots democracy". A multi-member ward structure results in a larger number of community members to represent, but alongside that is the potential to share the workload with fellow Councillors representing the same constituency. As the sole representative of a suburb or equivalent area, a Councillor's workload may increase, even though the total number of people represented has decreased.

Regardless of ward size, Councillors, the Deputy Mayor and the Mayor "represent the interests of the municipal community" in their decision-making, as required under section 28(2) of the *Local Government Act 2020*. This means that every Councillor, while elected by a constituency defined by ward boundaries, ultimately serves the entire municipal community. Regardless of municipal structure, every Councillor, Deputy Mayor and Mayor is required to perform the same role as defined under the *Act*, outlined in our response to Question 1. These are factors the Tribunal should take into account when evaluating whether municipal structure is the right measure to apply in determining allowance levels.

Purpose of allowances

4. What is, or should be, the purpose of allowances for Council members?

² Victorian Electoral Commission, *Moonee Valley City Council election results 2020*, <https://www.vec.vic.gov.au/results/council-election-results/2020-council-election-results/moonee-valley-city-council>

In his letter to the Tribunal, the Minister reflected that while “Government [currently] views Councillor allowances not as a form of salary, but as a 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”. We welcome the Minister’s commentary that the current purpose of allowances, which is not outlined in legislation, requires revisiting and redefining.

The Local Government Inspectorate’s *Councillor expenses and allowances* (2020) report indicated that many surveyed Mayors viewed their allowance as a form of salary, regarding the role of Mayor as being either full-time or close to full-time in nature. A majority of Councillors, by comparison, hold down other work alongside their Councillor role. This necessarily impacts the amount of time individuals are able to dedicate to the role of Councillor, and may dissuade prospective candidates with other work and care responsibilities from nominating for Council. The Inspectorate’s report noted that a majority of surveyed Councillors viewed the purpose of allowances as being to “represent recognition of the contributions” made by Councillors, or to “cover costs relating to” the role of Councillor. This second response, which was selected by 35 per cent of surveyed Councillors, should ultimately be the purpose of the Councillor Expenses policy and processes.

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.

Allowance category factors

5. *What factors should be considered when allocating Councils to allowance categories? Is the existing system, in which Councils are allocated categories based on population and revenue, appropriate?*

As we have noted previously, every Councillor, Deputy Mayor and Mayor is required to perform the same role as defined under the *Act*. 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.

Adequacy of resources

6. ***Are current allowance values adequate, for example to:***
 - a. ***Attract suitable candidates to stand for Council?***
 - b. ***Reflect the costs (e.g. time commitment) and benefits of Council service?***
 - c. ***Support diversity amongst Council members and potential candidates?***

The Tribunal is aware that in the past, Councillor and Mayoral allowances have been set by the Minister, utilising a three-tier approach based on the Council's income and population. The lowest band, which applies to small regional Councils, sets Councillor remuneration as low as \$8,833 per annum plus the equivalent of the superannuation guarantee.

Moonee Valley City Council is currently a Category 3 Council. This means that our Councillors are entitled to receive an allowance of between \$13,123 - \$31,444 p/a and our Mayor is entitled to receive an allowance up to \$100,434. Both the Mayor and Councillors also receive the equivalent of the superannuation guarantee of 10.0 per cent. At its Meeting of 11 May 2021, Council reviewed its allowances in accordance with section 74(1) of the *Local Government Act 2020*. Council determined at that time to set its allowances at \$31,444 for Councillors and \$100,434 for the Mayor, placing us at the top of the current band.

The Tribunal notes in its consultation paper that according to research conducted by the Municipal Association of Victoria (MAV), Councillors generally spend between 10 to 20 hours per week on their role. Applied as a salary, a Moonee Valley Councillor working 20 hours per week would be paid \$30.23 per hour. At the lowest possible Category 1 rate of \$8,833 per annum, a Councillor working 20 hours per week would receive \$8.49 per hour. Many Councillors estimate that they work significantly more than 20 hours per week; as the consultation paper notes, 20 per cent of respondents to the Local Government Inspectorate's *Councillor expenses and allowances* report (2020) indicated that they spent more than 32 hours per week in the performance of their role.

Whilst we appreciate that the allowance structure is not intended to mimic a salary, the current allowance paid to Councillors does not seem sufficient in recognition of the significant responsibilities they hold. As the closest level of Government to the community, Councillors are extremely accessible, their mobile telephone numbers and email addresses publicly provided. *It is entirely appropriate that Councillors continue to maintain*

the level of accessibility they currently have to the community. However, their allowance should be set in recognition of this level of accessibility, and the tasks they perform.

The allowance provided to Councillors undoubtedly impacts on willingness to stand for Council, and on Councillor diversity. Moonee Valley acknowledges that the Victorian Government is currently implementing a range of measures to encourage greater diversity in Local Government representation, and in particular a greater number of women to stand for election to Local Government. This includes the adoption of the *Gender Equality Act 2020* and the establishment of a Gender Equality Advisory Committee. Moonee Valley is proud to have a strong history of encouraging women's participation in Local Government, evidenced by the fact that this is the third Council term in a row where we have a majority female Councillors, and in the immediate past two Council terms, seven out of eight of our Mayors were women. Our current Mayor stated in his acceptance speech that he is proud to be the first openly-identifying member of the LGBTIQ+ community to be elected Mayor of Moonee Valley City Council. We strongly support diverse representation in Local Government in all its forms.

We are concerned that responses to the Local Government Inspectorate's *Councillor expenses and allowances* report (2020) suggest that there are still barriers to participation for Councillors from diverse backgrounds, including financial barriers. We note that close to 60 per cent of surveyed Councillors indicated that they felt they were not paid enough. When asked what kinds of things respondents thought the Councillor Expenses policy should cover/that they should be reimbursed for, less than 50 per cent of Councillor respondents selected "Childcare and other dependent care related expenses". Neither response was aggregated by gender; noting that responses to the MAV Councillor Census (2017) showed that around half of all female respondents had care responsibilities for children and/or dependents, compared to less than 30 per cent of all male respondents. The report went on to highlight a negative example of a Councillor making childcare and dependent care expense claims, and to draw on a positive example of Councillor expense reporting where no Councillor claimed childcare or dependent care expenses.

Whilst the *Local Government Act 2020* has seen the introduction of explicit provisions to ensure Councillors are supported with care-related expenses (section 41) as well as accessibility supports (section 42), reporting these costs as Councillor Expenses remains problematic, due to the not insignificant public scrutiny attached to Councillor allowances and

expenses. It is clear from the Local Government Inspectorate's survey that there are still mixed views about care-related expenses, even amongst Councillors. Support for a cultural shift is required to ensure allowances and expenses adequately support and encourage Councillors from diverse backgrounds.

Whilst Moonee Valley City Council has a female majority, including those with children, no Councillors currently tap into this allowance. We would argue the scrutiny attached to expenses if child care is included could be a large barrier to participation for some potential Councillors.

Superannuation

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

A superannuation equivalent should be paid to all Councillors.

At Moonee Valley, Councillors are provided with options in regard to the administration of their allowance payments. Some receive their allowance as a direct payment in full, including the superannuation equivalent guarantee; others have nominated to have their allowance processed through payroll, with PAYG tax deducted and superannuation paid to their nominated account. This approach was implemented by the current Council at its Meeting of 23 February 2021, in line with section 446-5 of the *Taxation Administration Act 1953* (Cth).

We agree with the Tribunal's comment in the consultation paper that "superannuation arrangements for Council members are complex". We would welcome a simplification of approach which still ensures that Councillors receive a superannuation equivalent.

Comparators

8. The Tribunal is required to consider allowances for persons elected to 'voluntary part-time community bodies' when making the Determination. Which bodies should the Tribunal consider, and why?

Moonee Valley does not have a view in response to this question.

9. The Tribunal is also required to consider similar allowances for elected members of local government bodies in other States. Which States are particularly relevant (or not) for this purpose, and why?

The Tribunal's consultation paper notes that the States of New South Wales, Queensland, South Australia and Western Australia all consider "social, economic and environmental factors" in determining allowance categories. The States of New South Wales, Queensland and Western Australia also factor the extent of services provided. Without having reviewed each State's approach in detail, these approaches appear to have merit, and we would be interested to see service delivery and social, economic and environmental factors incorporated into the Tribunal's determinations.

Financial impacts

10. What are the financial impacts of varying allowance values for Council members?

Allowances for the Mayor, Deputy Mayor and Council are paid for as part of Council's operating budget. In this regard, we are subject to the determination of the Tribunal and will be required to adjust our Budget accordingly. The introduction of rate-capping of Victorian Local Governments in 2015 has restricted our budget envelope, and we note that increases in Councillor allowance will need to be balanced elsewhere in the Budget. There are also community expectations around the amount of rates revenue which should be expended on Councillor allowances and expenses, which must be measured. Nevertheless, we support appropriate increases in recognition of work performed, for the reasons already outlined.

Conclusion

Moonee Valley City Council thanks the Victorian Independent Remuneration Tribunal for the opportunity to provide feedback in response to its discussion paper, *Proposed Determination of allowances for Mayors, Deputy Mayors and Councillors*. We look forward to the outcome of this review.

Should you wish to discuss any of these matters further, please contact:

Ms Meghan Hopper
Senior Coordinator, Advocacy
(03) 9243 1127 / mhopper@mvcc.vic.gov.au

OR

Ms Helen Sui
Chief Executive Officer
(03) 9243 8855 / hsui@mvcc.vic.gov.au.