

## **MAV calls for councillor pay to be linked to MP salaries**

**9 August 2007**

The Municipal Association of Victoria's (MAV) draft submission to the Local Government (Councillor Remuneration Review) Panel has called for allowances to be set as a percentage of the base wage for state parliamentarians and indexed annually.

Cr Dick Gross, MAV President said it was long overdue for the occupational characteristics of councillors to be properly recognised, with the closest similar work being that undertaken by other elected politicians.

"Councillors govern multi-million dollar entities covering the broadest possible scope of service delivery and infrastructure provision and we have to get real about the increasingly complex nature of the role.

"The MAV's work-value model recognised the diverse competencies and skills required of the role and recommends an average \$9,000 increase to represent between 16 and 22 per cent of Victorian MP salaries.

"Councillor allowances have been unchanged for seven years and the proposed increase equates to an overall rise of around \$5.7million or an average \$72,000 per council. This is less than half of one per cent of council revenue in even the smallest municipality.

"The MAV model recognised that remuneration shouldn't be the primary motivator and that the strong community service obligation of the role be maintained. But in reality, financial hardship was a disincentive to many potential candidates as a loss of income often went hand in hand with the honour of being a councillor.

"For those still passionate enough to stand, the time commitment of balancing paid employment with at least 15 hours per week of councillor meetings, events and engagement with constituents was hugely demanding.

"We need to ensure the best people from all walks of life are encouraged to stand because better decision makers equals better council decisions and improved remuneration would also compensate for the lengthier commitment required when four-year terms are introduced next year," he said.

The 2006 MAV Councillor Census completed by more than 470 of the state's 635 councillors showed that 76 per cent undertook other employment; almost half earned less than \$36,000 a year (excluding councillor allowances) and 60 per cent dedicated 11-30 hours a week to elected duties.

The MAV model proposes retaining the three-tier system based on council population and total revenue, but setting a flat councillor allowance in each category of \$19,933, \$24,204 and \$28,475. Mayoral allowances would be set at 36 to 51 per cent of State backbencher wages ranging from \$44,846 to \$64,065. The model would still enable individual councillors the discretion to forgo all or part of their allowance.

In justifying the significant increase Cr Gross said the MAV had factored in five critical issues: the complex and highly skilled nature of the job; recognition of the community service role; provision for annual indexation of allowances; inclusion of an additional nine per cent to overcome the current superannuation issue; and acknowledgement of councils differing capacity to pay.

"The MAV also believed clear expense guidelines were needed to specify the expected equipment and services councillors could seek reimbursement for as part of their elected role including phone, computer, transport and childcare. Transparent and accountable expense processes were paramount," he concluded.

**- Ends -**

**Victorian councils can comment on the MAV's draft submission until 24 August.**

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