

Our ref: EF/16/822



3 April 2025

Warren McCann
Chair
Victorian Independent Remuneration Tribunal
Sent via email - enquiries@remunerationtribunal.vic.gov.au

Dear Mr McCann and Tribunal Members

Submission to Annual Adjustment Determination Review – South Gippsland Shire Council

Thank you for the opportunity to participate and provide a submission for your consideration on behalf of South Gippsland Shire Council in response to the Annual Adjustment Determination Review.

The purpose of this submission is to highlight Council's views regarding the increase in Councillor, Mayor and Deputy Mayor allowances, the timing of such increases, and the introduction of a new allowance category for committee appointments.

Executive Summary

Council supports an annual increase to the allowances for Councillors, the Mayor, and Deputy Mayor at a rate of 3.5%.

Additionally, Council requests that any increase to allowances should take effect only on the 1st of July each year, for administrative consistency.

Furthermore, Council proposes the introduction of a new allowance type for those Councillors who serve on Council & external committees. This proposal would better recognise the increased responsibilities and workloads associated with committee appointments and support councils to operate effectively.

Council's view is that the current allowance is not commensurate with the value provided by a Councillor, Mayor or Deputy Mayor. There is an opportunity to investigate broader reforms that will reflect the duties and roles a Councillor may undertake within Council and further encourage experienced and highly skilled candidates into local government, to undertake important committee roles.



Allowance Increase

As noted, Council is supportive of an annual increase to the allowances for Councillors, Mayor and Deputy Mayor at a rate of 3.5%.

The introduction of the rate cap by the Victorian Government in 2015 was intended to be a measure to control the annual increase in rate revenue, with the cap applying to the total rate revenue collected by councils.

For South Gippsland Shire Council, rate revenue comprises 55 per cent of total income for the 2024/25 financial year.

For the 2025/26 financial year, the Victorian Government has set the Annual Council Rate Cap at 3.0%. The inflation figures for the Wage Price Index and Trimmed Mean inflation are 3.2%.

Council believes that allowances for Councillors, Mayors and Deputy Mayors must remain in line with broader economic indicators such as inflation and wage increases.

A 3.5% increase strikes an appropriate balance, keeping pace with these indicators while ensuring Council remains within its financial limitations.

Timing of Allowance Increases

The Tribunal's 2024 Annual Adjustment provided one increase for Councillor allowances and two separate increases for Mayor and Deputy Mayor allowances for the 2024/25 financial year, on 1 July and 18 December.

Council requests that the Tribunal consider only a single increase per financial year, as this simplifies the administration of Councillor allowances. Having one annual increase on 1 July ensures consistency in budgeting and planning, both for the Council and for Councillors, and aids in administrative efficiency.

New Allowance Type – Council Committee Appointments

Council understands that new allowance types are not typically considered as part of the annual determination review. However, we believe it is important to raise the issue of a new allowance type for Councillors who hold positions on Council and external committees.



Committee appointments require significant preparation and effort beyond the general duties of a Councillor. Many committees demand attendance at additional meetings, complex report analysis, and detailed briefings that are not adequately captured under existing allowances.

We believe this new allowance type would align with allowances paid to Victorian Members of Parliament for their various roles and would support Councillors who take on additional responsibilities with Council and external committees.

Such a change would serve to encourage Councillors to participate in these essential roles, which are vital for the functioning of local government.

Further Information

Thank you for considering this submission as part of your Annual Adjustment Determination Review.

If you have any questions in relation to this submission, please contact [REDACTED]

Yours sincerely

Allison Jones

Interim Chief Executive Officer