

To whom it may concern,

All councillors should be paid a liveable allowance that properly compensates them for the time they spend on council matters during business hours, after hours, and on weekends and public holidays. It is imperative that our representatives at the closest level of government to the community are not made to live in housing stress.

Per the 2021 Census, 28.5% of Victorians rent, and 36.1% own with a mortgage. The latest rental report statistics for September quarter 2024 published by the Department of Families, Fairness and Housing, show that the median weekly rent in Victoria is \$550 a week. Grossed up this becomes a median annual expense of \$28,600. Latest published ABS Lending Indicators for the December 2024 quarter show the average loan sizes for owner occupier dwellings in Victoria at a value of \$632,000. Using a conservative estimate of the current RBA cash rate of 4.1% the weekly repayment of the average mortgage loan would be just over \$700. This grossed up becomes an average annual total cost of \$36,400.

Per the Australian Institute of Health and Welfare, "A household is considered in housing stress if housing costs such as mortgage repayments or rent are more than 30% of the household disposable income, and the household is in the bottom 40% of the equivalised income distribution (disposable income adjusted by household needs).

Using the 30% indicator alone, in order for a single person household - 25.9% of Victorian households being of this nature - to avoid spending more than 30% of their income on housing costs, they would have to earn an annual household income of \$95,333. This amount becomes even higher for the average mortgage holder, who would need an annual household income of \$121,333 to avoid housing stress using this metric.

Having made the point about mortgage holders, I will assume that households with the average mortgage balance are generally not occupied by a sole person, and as such use the renter household income for the following.

Councillors are expected to dedicate 20 hours per week to council. Add to this the assumption that a councillor works full time for 38 hours a week, that leaves 18 hours for them to earn an active income. As such, the councillor allowance should supplement them \$50,175 annually in order to allow for a councillor who rents and/or lives alone to apply themselves fully to the council role without incurring housing stress nor burnout from overworking in order to avoid financial stress.

This amount also allows councillors with lower household costs to commit themselves to the role full-time, as it provides a buffer of \$6,216 above a full-time minimum wage annual salary that can be contributed to the councillor's superannuation so that they are able to continue adding to their superannuation balance without falling below a full-time minimum wage worker's annual entitlements.

It is imperative that when the councillor allowance is raised to \$50,175 it is not done so at the cost of councillors losing allowances they currently have access to such as the remote area

travel allowance. As well as this the raise should be made to each councillor category to ensure that councillors in 'Category 1' councils have as much financial opportunity to apply themselves to council as a 'Category 4' councillor does.

Thank-you for your consideration.