

# Submission to the Victorian Independent Remuneration Tribunal Annual Adjustment Determination – Councillor Allowances

Submitted by: [REDACTED] \*

## Introduction

I appreciate the opportunity to provide input into the Tribunal's Annual Adjustment Determination for Mayors, Deputy Mayors, and Councillors. As an elected representative for [REDACTED] (a Category 3 council), I submit this statement in support of a fair and reasonable adjustment to Councillor allowances, in line with the Tribunal's legislative considerations.

## Economic Conditions and Trends

The economic landscape over the past year has been marked by rising costs and inflationary pressures, which impact all Victorians, including those serving as local government representatives. Key considerations include:

- **Consumer Price Index (CPI) Growth:** The CPI in Victoria increased by 2.4% over the twelve months to the December 2024 quarter, reflecting a sustained rise in the cost of living. This trend underscores the importance of adjusting Councillor allowances to ensure their real value is maintained.
- **Public Sector Wage Growth:** The Victorian Public Service Enterprise Agreement 2024 provides for annual wage increases of 3%, recognising the need for remuneration to keep pace with economic conditions. While Councillors are not employees, the economic rationale behind these adjustments remains relevant.
- **Rising Costs of Community Representation:** As community engagement continues to evolve, elected representatives often incur additional costs in fulfilling their democratic duties, whether through attending community events, engaging with residents, or undertaking professional development. These costs have risen in line with economic conditions.

\*Please note these are my personal views and not representative of the views or position of [REDACTED]

## Financial Position and Fiscal Strategy of the State of Victoria

The Tribunal considers Victoria's overall financial position and budget priorities when determining allowances. While fiscal responsibility remains a priority, it is equally important that allowances keep pace with economic conditions to ensure that elected representatives can continue to serve their communities effectively.

- The State Budget and Economic Outlook reflect ongoing adjustments in various areas of public sector remuneration. Ensuring that Councillor allowances remain aligned with economic conditions upholds the integrity of the remuneration framework.
- As the local government sector continues to play a critical role in community governance, it is important that the financial settings for Councillor allowances remain appropriate to the broader financial landscape.

## Government Wages Policy and Relevant Comparisons

The Tribunal's determination takes into account the Victorian Government's wages policy and remuneration adjustments for comparable roles. Key considerations include:

- Adjustments for Other Public Sector Groups: The Premier's Annual Adjustment Guideline Rate for 2024-25 sets a salary increase of up to 3% for public sector executives and senior office holders.
- The Victorian Public Service Enterprise Agreement 2024 provides for a 3% wage increase per year, reflecting a government-wide approach to remuneration adjustments.

While Councillors are not employees, the broader public sector remuneration trends provide useful benchmarks for maintaining fairness and consistency.

## Recommendation for Councillor Allowance Adjustment

Given these economic factors, I propose that the Tribunal consider an adjustment within the range of 2.4% to 3% for Councillor allowances in the upcoming Determination.

- A minimum increase of 2.4% would align with CPI growth, ensuring allowances maintain their real value against inflation.
- A 3% increase would be consistent with public sector wage growth trends and the Victorian Government's approach to remuneration adjustments.

Adjusting Councillor allowances within this range would ensure that remuneration levels remain appropriate and equitable in the current economic climate.

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## Conclusion

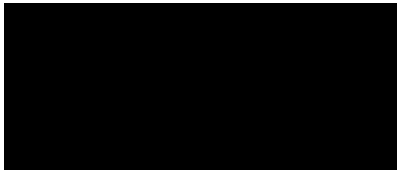
This submission focuses on the key economic and financial factors relevant to the Tribunal's Annual Adjustment Determination. I urge the Tribunal to consider:

- The impact of inflation and cost-of-living increases on Councillor allowances.
- The broader economic and public sector wage trends in Victoria.
- The State's financial strategy, ensuring fairness in remuneration decisions.

Adjusting Councillor allowances in accordance with these factors ensures that the remuneration framework remains aligned with economic realities while respecting the Tribunal's scope for an annual adjustment Determination.

I appreciate the Tribunal's commitment to an independent and evidence-based process and look forward to its determination.

Yours sincerely,

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A black rectangular redaction box covering the name of the author.