

Submission to: “The Victorian Local Government Proposed Determination of allowances for Mayors, Deputy Mayors and Councillors”

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A REVIEWING THE SUBMISSION BRIEF:

“The [Ministerial Statement on local government](#) articulates the Government’s future priorities for the local government sector, including the critical role of councils in Victoria’s pathway through social and economic recovery from the COVID-19 pandemic.

The Tribunal may wish to consider whether the priorities identified in this statement should be taken into account in determining councillor allowances.?

Consultation questions

Without limiting the matters persons or bodies may wish to raise in a submission, the Tribunal is particularly interested in receiving submissions on the following questions.

Roles of Council members

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

How have the roles and responsibilities of Council members changed since the last review of Councillor allowances in 2008?

What future challenges may emerge?

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

Purpose of allowances

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

Allowance category factors

What factors should be considered when allocating Councils to allowance categories?

Is the existing system, in which Councils are allocated to categories based on population and revenue, appropriate?

Adequacy of allowances

Are current allowance values adequate, for example to:

- attract suitable candidates to stand for Council?
- reflect the costs (e.g. time commitment) and benefits of Council service?
- support diversity amongst Council members and potential candidates?

Superannuation

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

Comparators

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?

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?

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Financial impacts

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

B ORGANISATION MAKING SUBMISSION

This submission is made by Members of the Sustainability Action Network [SAN] of the Open Interchange Consortium [OIC]

The OIC was formed in [1994 by members](#) including Ourworld Global Network [OGN], Commonwealth Bank, AIDC and Halisa International Network [HIN] , dedicated to assisting Large , Medium and Small Enterprises through [regular monthly meetings](#), specific Interest Groups such as [XML Special Interest Group \[XZIG\]](#) and [On-line project tenders](#) to understand and benefit from Electronic Information Technologies [EIT]

In 1997 foundation members developed an XML application called "[Electronic Association Information Management \[EAIM\]](#)" which included [Electronic Committee Information Management \[ECIM\]](#) with the Special Interest Groups utilising ECIM

One of those Special Interest Groups was the [Local Government Interest Group \[LZIG\]](#)

In 2000 OIC members worked together to [submit a response to a 9 Council Syndicate](#) for an Application Integration Project which include [eBusiness and the Internet](#)

In 2001 the Federal Government Department of Employment, Workplace Relations and Small Business [DEWRSB] joined the OIC to [commission a joint-venture to promote an understanding of XML to 172 NSW Local Government Agencies](#)

In 2006/7 OIC members worked with Mosman Council on understanding Sustainability issues and formed the [Sustainability Action Network \[SAN\]](#)

As a result of this understanding of Local Government applications SAN members submitted a number of On-line responses to local Government initiatives including:

- 1 the [North Sydney Council Community Engagement Strategy \[CES\]](#)
- 2 the [Inner West Council Draft Climate & Renewables Strategy](#)

C MANAGEMENT SUMMARY

- a Councillors have Waste Management, Climate Change and COVID-19 issues
- b Understanding COVID-19 long term costs
- c Many Community organisations not just Councils have long term COVID-19 costs
- d Utilising new technologies to monitor and record offsets

a Councillors have Waste Management, Climate Change and as well as COVID-19 issues

Councils have a number of challenges over the next 10 years which few have appeared to identify properly in their published 10-year plans on their web-sites

These Challenges include stimulating new community work initiatives for local economies. managing waste more effectively for Climate Change Greenhouse Gases reduction policies, providing more effective rate-payer value and encouraging higher qualified candidates to run for Council positions

This submission tries to address these issues by proposing that the Role of a Councillor becomes a Ward Resource Co-ordinator who encourages Street Co-ordinators to Participate in the local democracy by managing local volunteer resources and waste far more effectively

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and creating a local economy credits system that can be spent in local shops

b Understanding COVID-19 long term costs

There are many aspects of long term COVID-19 costs that are difficult to quantify

Whilst the newspapers have tried to quantify costs eg Article [12 Oct 2020 "The COVID-19 Pandemic and the US\\$ 16 Trillion Virus"](#)

"The SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2) pandemic is the greatest threat to prosperity and well-being the US has encountered since the Great Depression.

This Viewpoint aggregates mortality, morbidity, mental health conditions, and direct economic losses to estimate the total cost of the pandemic in the US on the optimistic assumption that it will be substantially contained by the fall of 2021.

These costs far exceed those associated with conventional recessions and the Iraq War, and are similar to those associated with global climate change.

However, increased investment in testing and contact tracing could have economic benefits that are at least 30 times greater than the estimated costs of the investment in these approaches.

Since the onset of coronavirus disease 2019 (COVID-19) in March, 60 million claims have been filed for unemployment insurance.

Before COVID-19, the greatest number of weekly new unemployment insurance claims (based on data from 1967 on) was 695,000 in the week of October 2, 1982.

For 20 weeks beginning in late March 2020, new unemployment claims exceeded 1 million per week; as of September 20, new claims have been just below that amount.....

The above article is about the United States of America and the same issues apply to every Country throughout the World

According to the [Guardian Newspaper 11 May 2021 "The 2021 Federal Budget reveals huge cost of Au\\$311 Billion cost of COVID to the Australian Economy"](#)

However the major cost was for Economic stimulus packages like "Jobkeeper" and "Jobseeker" and does not include the Economic costs of State Government lockdowns and the costs of establishing on-going testing locations

Hence Councils have to set the example for the rest of the Community to follow as to how to offset COVID-19 costs, manage waste more effectively and progress as Community networks

c Many Community organisations not just Councils have long term COVID-19 costs

There is a plethora of community networks which will have long-term COVID-19 cost including Business Associations, Chambers of Commerce, sports clubs, body corporates, RSLs, school meetings as well as Councils and different Council committees

Just in the last Olympics in Tokyo 2021 there were over 339 different medal events and this does not include various other sports and pastimes which have regular meetings

All of these organisations could benefit if committee meetings both physical and On-line could be recorded as that Community Asset

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d Utilising new technologies to monitor and record offsets

Most Communities that have meeting record the Minutes these days produce them on PCs or terminals

It is now a simple process to put those minutes On-line so that the members can review the minutes

All Sports Communities, Council Communities and Councils in Australia also have extensive Volunteering at regular Committee meetings whereby the minutes record the attendees, preparation of reports and [actual time spent by Volunteers](#) at these committee meetings

These Committee activities should be included as an Asset in the Economic Value of that Community

Indeed with repeated COVID-19 outbreaks, many of these meetings could be performed On-line or by Zoom meetings hence should be included as Economic Contributions

This issue of the Economic Value of participation in On-line Committees was recognised by the foundation members of the Open Interchange Consortium [OIC] at the [inaugural AGM minutes and members' mandates in 1996](#)

Following that AGM OIC members developed a number of On-line services including [Electronic Committee Information Management \[ECIM\]](#)

ECIM was based on research carried out with [Hampton School Rugby Old Boys](#), South Sydney Council, South Sydney Chamber of Commerce and a joint-venture with the British Standards Institute [BSI] which printed and posted out over 1,000,000 pieces of paper annually to members of over 350 national and international committees

The research by OIC members into ECIM included [hourly Accreditation credits](#) for Electronic Committee Participation as used by [Electronic Business \[eBXML\] Australia 2000-2002](#) for telephone conference meetings around Australia and Hong Kong

NZ COUNCILS HAVE ELECTED COUNCILLORS & COMMUNITY BOARDS

- a NZ Councils elected Community Boards
- b North Sydney Council 26 Precinct system espoused by Mayor Ted MACK
- c Volunteer Participation as Community Assets

a NZ COUNCILS ELECTED COMMUNITY BOARDS

Further to our emails about the Australian research on the [Economic Value of Volunteers for each state on 15 Jun 2021](#) and [valued in 2013 at \\$ 25 Billion per annum in email 14 July 2021](#) you may be interested in reviewing how New Zealand Councils have **elected Community Boards** many chaired by elected Councillors

NZ Example 1: Whakatane Council

[1 elected Mayor, 10 elected Councillors with 20 elected members](#) for 6 Community Boards providing multiple committee meetings each month

And these are the On-line committee meeting dates

[July 2021 – 7 committee meetings](#)

[Jun 2021 – 8 Committee Meetings](#)

[May 2021 – 9 Committee Meetings](#)

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Unfortunately all the agendas and minutes of meeting are On-line PDF files that have to be downloaded to be read. - none of the minutes are documents that can be read On-line by other interested members of those Communities

Compare those On-line PDF minutes with the On-line minutes of an Electronic Business [ebXML] Australia meeting [nearly 20 years ago on 05 Feb 2002](#) of the Marketing Strategy Work Group chaired by Mark BEZZINA Director of Communications, IT and eCommerce at Standards Australia – his changes to the draft minutes are included in blue

This is a link to the [members and their attendance records](#) of Electronic Business [ebXML] Australia which could be used by every Council/Sports Club/Body Corporate Committee to show On-line attendance with COVID-19 travel restrictions

For some reason Standards Aus cancelled all other scheduled 2002 ebXML Meetings after that 05 Feb 2002 meeting !

NZ Example 2: Selwyn District Council

Another example is Selwyn District Council which has 1 mayor and 12 Councillors and over [70 listed Committees](#) with regular meetings and PDF minutes

NZ Example 3: Christchurch City Council

Christchurch City Council has [15 councillors with 7 Community Boards](#) comprising – 52 elected Volunteer members

However recently some New Zealand Councils have published Councillor and Committee Participation Remuneration schemes which appear to add considerable Rate-payer costs without any Key Performance Indicators [KPIs] such as waste management to justify the large salaries eg [Auckland Council elected member remuneration scheme](#), [Christchurch Councillors Pay rise](#) and [Tauranga Council](#)

b North Sydney Council 26 Precinct system espoused by Mayor Ted MACK

In 1974 [Ted MACK](#) was elected as initially as an Alderman and then as Mayor from 1980-1988 on North Sydney Council and espoused the principles of [“Participatory Democracy”](#) whereby “Citizens have a right to participate in local precinct issues”

Ted [established 26 Precincts](#) in the North Sydney Local Government Area and now this [Precinct system is under review](#), possibly because North Sydney Volunteers are no longer fulfilling all the roles necessary to maintain the value of the precincts.

As the [reports on the “Economic Value of Volunteering” to the 5 State Governments](#) by Dr Duncan IRONMONGER indicate that a Volunteer hour is now valued at over \$ 35.00/hr, recent COVID-19 large-scale community shutdowns dictate we must use technology to record Volunteer participation as a Community Asset rather than leave Communities in perpetual debt under current accounting processes

D RESPONSE TO BRIEF CONSULTATION QUESTIONS

a Roles of Council members

a1q What are the most important duties and responsibilities of Mayors, Deputy Mayors and Councillors?

a1a Encouraging the local Community to participate in Council discussion making with the Councillors chairing various Committees whereby the Committee Minutes and reports

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can be reviewed On-line form home computers and NOT AS PDF FILES THAT HAVE TO BE DOWNLOADED

a2q How have the roles and responsibilities of Council members changed since the last review of Councillor allowances in 2008?

a2a The Roles and Responsibilities of Council members have changed dramatically since 2008 in that Councils have implemented far more sophisticated Information systems with most Councils providing Councils minutes On-line mainly as PDF files

In addition many Councils are encouraging their local communities to participate as Volunteers in a number of spheres as Councils become more "Entrepreneurial" (reference ["1993 Inventing the Australian Model of Government" organised in each Australian Capital City by Andersen Consulting Asia-Pacific Government Services](#))

a3q What future challenges may emerge?

a3a The key issues for many future challenges are how to cope with further COVID-19 issues and maintain financial credibility with rate-payers

Judging by the number of Councillor payments schemes implemented by local councils in New Zealand eg [Auckland Council](#) and [Tauranga Council](#) as well as [Western Australia Councils](#) then Council rate-payers should be reviewing their local Council websites

a4q How are Council member roles affected by a Council's electoral structure (for example, ward structure or ratio of Council members to population)?

a4a Councillors should be responsible for set areas each with the similar numbers of council rate-payers

b Purpose of allowances

b1q What is, or should be, the purpose of allowances for Council members?

b1a The Council is a business and the Councillors should have Key Performance Indicators [KPIs] which include Waste Management, Climate Change and Community wellbeing KPIs

c Allowance category factors

c1q What factors should be considered when allocating Councils to allowance categories?

c1a Allowance categories should include Waste Management, Climate Change improvements and local Community Participation Credits

c2q Is the existing system, in which Councils are allocated to categories based on population and revenue, appropriate?

c2a It needs to be enlarged to include Waste Management, Climate Change improvements and local Community Participation Credits

d Adequacy of allowances

d1q Are current allowance values adequate, for example to:
— attract suitable candidates to stand for Council?
— reflect the costs (e.g. time commitment) and benefits of Council service?
— support diversity amongst Council members and potential candidates?

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d1a No because they do not include any Key Performance Indicators [KPI] and hence probably do not attract the best candidates

e Superannuation

e1q How, if at all, should superannuation be considered in determining allowance values?

e1a As we understand it according to [this web-site](#) Victorian Councillors do receive the Superannuation Guarantee

“Superannuation Guarantee
Mayoral and councillor allowances are also subject to the addition of the equivalent of the superannuation guarantee (9.5%). Note that this percentage is scheduled to increase to 10.0% from 1 July 2021.

e2q How, if at all, should superannuation be considered in determining allowance values?

e2q Superannuation should be considered particularly if each Local Council can accumulate the Superannuation as an Asset for future community purchases

f Comparators

The Tribunal is required to consider allowances for persons elected to ‘voluntary part-time community bodies’ when making the Determination.

f1q Which bodies should the Tribunal consider, and why?

f1a Any Community Body that is prepared to implement and On-line Electronic Committee Information Management system so that local community members can review the minutes On-line

The Tribunal is also required to consider similar allowances for elected members of local government bodies in other States.

f2q Which States are particularly relevant (or not) for this purpose, and why?

f2a All Australian and New Zealand local government bodies because people should be able to travel regularly to these location

g Financial impacts

g1q What are the financial impacts of varying allowance values for Council members?

g1a Judging by the remuneration allowances already granted to New Zealand and Western Australian Councillors, they have added considerable cost for local rate-payers without any way of judging how effective the Councillors are in managing the key community issues for other rate-payers