

Submission re remuneration of MLAs and other office holders

I am writing to express my view that the ACT government should NOT supply fully maintained cars as part of the remuneration of MLAs or other office holders.

The intellectual foundation of our market based economy is that the price of goods and services accurately reflects the cost of resources (physical, financial, human and environmental) that are used to produce the goods or services. This should enable society to allocate resources where they are most wanted.

If goods are provided without cost, as the ACT government does with cars for MLAs and others, they do not have the price and resource allocation signals.

Probably the main reason this is important is that the people who get effectively free cars is that these are the people who determining the ACT's transport policy. Consciously or unconsciously they put too much emphasis on car transportation because they are not aware of the costs of car transport.

They are not aware of the costs that other Canberra residents pay for their cars, for the petrol, registration, maintenance, depreciation as well as the capital cost. Like other motorists, including myself, they are probably not really aware of the other costs of car use including traffic congestion, air pollution, accidents, greenhouse gas emissions etc.

The more minor reason that the provision of effectively free cars is wrong is that the recipients of these cars then use them more than they would if they had to pay for them. This leads to over use of cars in these specific instances and poor resource allocation.

As a former MLA I do acknowledge that it is not possible to fulfil the role without using a private car at some times. MLAs are required to go to many meetings in many different locations as part of their job. Many of these meetings are outside Action's core operating hours so buses cannot be used for all of them. The three ACT electorates are large and for most people it is not reasonably possible to go to all meetings by bike or walking.

I think it is appropriate to pay MLAs a car allowance because of the nature of the job, but not to supply a free unlimited use car for the MLA and their families use and enjoyment.

Caroline Le Couteur