



Annual Report

Summary 2019

This *MAV Annual Report Summary 2019* is supported by more detailed information that can be accessed at mav.asn.au/annualreport or by scanning the QR code on the right. Other QR codes appear throughout this document provide direct links to video presentations, printable documents and other resources, including full financial reports for 2018-19.





PRESIDENT'S MESSAGE

The 2018-19 year has seen the MAV deliver significant outcomes for our members again.

It was a busy year for local government and the MAV. Together we faced another recycling crisis; advocated at both state and federal level; held the MAV Board election; and achieved better outcomes for the sector through funding, campaigns, efficiencies, procurement, training, innovation and collaboration.

This Annual Report Summary 2019 provides a quick overview of the MAV's performance highlights for the 2018-19 year, along with a summary of our financial position, our Strategic Work Plan outcomes and our governance representatives.

You will see QR codes (like the one below) that take you directly to more information in the form of videos, reports and web pages which complete our Annual Report for 2019. I trust you will find this format more useful and engaging; in addition to being more environmentally responsible than our previous publications.

Based on the many discussions I have had with MAV members from across the state, I know that the outcomes presented here will help to address many of the issues that councils face. I am proud to present and commend this Annual Report to you.

CR CORAL ROSS
President



CEO'S MESSAGE

Nine months into the role, I'm very pleased with the foundations we have set for the future.

The clear message I got from the sector, Board and staff when I commenced as CEO was that change was wanted and needed. The focus of change has included an organisational review to improve governance and member value for the MAV. We aim to provide the best support and advocacy on key issues, and for our services to be highly regarded and embraced by our members. We will ensure that we use our limited and valuable resources on the highest priorities, working closely and in partnership with the sector.

Over the last year we have also been reviewing our LMI insurance scheme in conversation with the sector to determine the best way forward. 70 councils in Victoria and all Tasmanian councils belong to this scheme.

MAV WorkCare was developed to focus on the specific needs of local government rather than other sectors and industries. It is performing well, but needs to grow.

I would like to acknowledge the staff at MAV. 2018-19 has been a huge year and they have worked very hard to deliver the key outcomes presented in this Annual Report, as well as the change agenda.

KERRY THOMPSON
Chief Executive Officer



Your MAV Board



Cr Ruth Gstrein



Cr Jami Klisaris



Cr Murray Emerson



Cr Josh Gilligan



Cr Malcolm Hole



Cr Jennifer Anderson



Cr Ronald Janas



Cr Rohan Leppert



Cr Sean O'Reilly



Cr Peter Perkins



Cr Mike Symon



Cr Nathan Hansford

MAV Insurance Board

Rob Spence, John Bennie, Murray Emerson, Michael Guilmartin, Andrew Paul, Dr Katrena Stephenson, Coral Ross, Kerry Thompson.

MAV WorkCare Board

Marilyn Duncan, Prue Digby, Janet Dore, Nathan Hansford, Coral Ross, Rob Spence, Kerry Thompson, Michael Ulbrick.

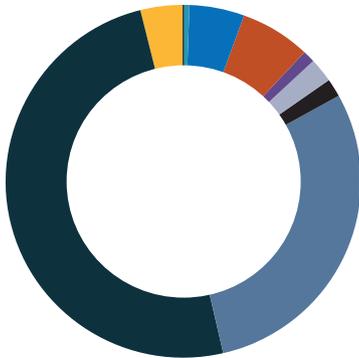


Financial Overview

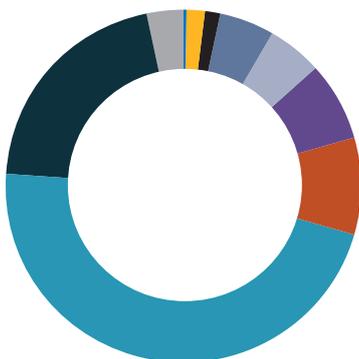
Summary of financial results for the year ended 30 June 2019

In accordance with the requirements of the *Municipal Association Act 1907*, and applicable accounting standards; the economic activity of the MAV, MAV Insurance and MAV WorkCare is reported to members as an economic entity within the combined annual accounts. The combined activities are shown as the combined accounts and the MAV, being the parent entity, is shown as the MAV General Fund. The LGE Health Plan is reported to members as a separate economic entity.

Revenue by category 2018-19



Expenditure by category 2018-19



MAV Combined

The MAV financial statements include the activities of MAV Grants, Projects and Events, MAV Procurement, MAV Insurance and MAV WorkCare.

The financial result of the MAV combined entity for 2019 was a deficit of \$5.0 million (2018 deficit of \$1.0 million) with net assets decreasing from \$6.8 million to \$1.8 million. The results were impacted by:

1. A deficit result from the MAV General Fund relating to the timing of grant expenditure
2. A deficit result from MAV Insurance (see below)
3. A deficit result from MAV WorkCare (see below)

Consistent with the 2019-20 budget, it is expected that MAV will remain in a positive net asset position.

MAV Insurance

The combined operating deficit for MAV Insurance for 2019 was \$1.85 million, resulting in capital at 30 June 2019 of (\$83,000). The Commercial Crime scheme returned a modest operating deficit in line with budget, driven by member departures from the scheme. The LMI scheme produced a deficit of \$1.83 million, strongly driven by the market conditions, which limited the scheme's ability to increase contributions to appropriate levels. The scheme incurred \$23.7 million in claims for the year against a contribution pool of \$22.6 million (inclusive of stamp duty), with adverse movement in discount rates contributing \$4.33 million. Unbudgeted, one-off expenses incurred in responding to the recommendations of the VAGO audit report contributed to the operating deficit.

MAV WorkCare

MAV WorkCare has \$76 million of investments and cash, which is close to 5.8 times the value of claims paid. In its first full year of operations, MAV WorkCare recorded an operating deficit of \$2.27 million bringing the negative net asset position at 30 June 2019 to \$4.62 million (a ratio of assets to liabilities of 95%). Premium revenue was \$15.3 million and claims paid were \$13.2 million. The return from investment income was below expectations and unfavourable economic assumptions affected the valuation of liability provisions. Nonetheless, the underlying insurance result was positive as favourable experience in claims numbers and common law activity contributed to an actuarial release of \$2.4 million.

Financial Reports for Municipal Association of Victoria, MAV Insurance, MAV WorkCare and LGE Health Plan are available at mav.asn.au/financialreports or by scanning this QR code.



View video



Performance Highlights

FUNDING

We helped councils to address financial sustainability by securing funding certainty, reducing red-tape reporting costs and exploring new funding streams and savings opportunities.



\$130.9 MILLION FOR KINDERGARTENS

Federal funding for continuation of 15 hours of kindergarten until the end of 2020.

\$473.2 MILLION FOR EARLY CHILDHOOD

Infrastructure investment and council funding for 3yo kindergarten reform.



\$100 MILLION FOR ROADS TO RECOVERY

Additional Federal funding over the next five years.



\$19.3 MILLION FOR SCHOOL CROSSINGS

State funding allocated for 2019-20 supervisor program.



\$2.7 MILLION FOR WEEDS AND PESTS

Secured 12 month extension for the roadside weeds and pests program.

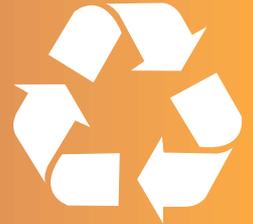


REPUTATION

We improved the reputation of local government by raising the profile of sector issues, influencing government policy reviews and reforms, and improving our information and campaigns.

RESCUE OUR RECYCLING ACTION PLAN

Influenced government responses to recycling crisis.



AGED CARE QUALITY AND SAFETY

Provided evidence to the Royal Commission around the need for reform of community aged care.



LOCAL MATTERS CAMPAIGN

Six-month social media campaign – 88,000+ post views.



RECOGNISING AND REWARDING INNOVATION

MAV Technology Awards for Excellence and the MAV Councillor Service Awards.



COUNCIL CAREERS VICTORIA

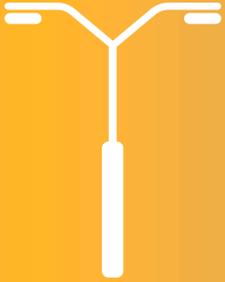
LinkedIn employment branding partnership with 30 councils.



In 2018-19, Victorian councils contributed \$3 million in membership subscriptions to the MAV. During this time, the MAV has helped to unlock more than \$500 million in member benefits.

EFFICIENCY

We improved sector productivity by strengthening procurement practices; encouraging sharing of services, technology and business processes, and addressing capacity and capability challenges.



ENERGY EFFICIENT STREET LIGHTING

Hardware and installation service for councils' major roads lighting replacement programs.

STATEWIDE LIBRARY MANAGEMENT SYSTEM

Delivering competitive pricing, improved capability and capacity, more resources and business intelligence reporting.



SKILLS & WORKFORCE

Delivered Local Government Skills and Workforce reports identifying current and emerging skills needs.

LIVE MUSIC TOOLKIT

Helping councils to leverage the arts and music industry.



CRISISWORKS

Incident management software contract extended until June 2020. New features improve collaboration between councils.

INNOVATION

We encouraged innovation and collaboration by driving business transformation, addressing digital access and equity issues, and enabling innovation partnerships.

DESIGN THINKING

Second annual event held in Geelong and Morwell, addressing common pain points in innovative new ways.

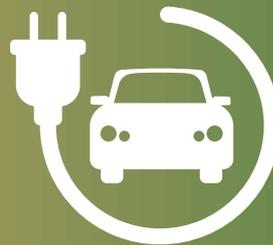


ENVIRONMENT

Facilitated partnerships to address waste and resource recovery risks, new environment protection laws, recycled materials in infrastructure and coastal climate change hazards.

INTEGRATED PLANNING

Negotiated agreements to work with the Victorian Government to improve health and wellbeing for all Victorians.



ELECTRIC VEHICLES

Partnership project enabling greater take-up in local government fleets.

NETWORKS

Online and in-person facilitated networks allowing collaboration and sharing between councils.



In 2018-19, Victorian councils contributed \$3 million in membership subscriptions to the MAV. During this time, the MAV has helped to unlock more than \$500 million in member benefits.

ADVOCACY & MEMBER ENGAGEMENT

We increased and improved our advocacy and engagement activities and outcomes.



220 KEY STAKEHOLDER MEETINGS

Attended by MAV President and/or CEO.

ADVOCACY CAPACITY

MAV Director of Policy and Advocacy appointed.



79 TAILORED MEMBER BENEFITS REPORTS

Delivered to member councils.

7,400 DELEGATES

Participated in more than 100 professional development events including workshops, forums, conferences, training programs and information sessions.



92 BULLETINS & NEWSLETTERS

Regular communications to subscribing members, councillors and CEOs.

6,829

2017-18

7,572

2018-19

SUBSCRIBER GROWTH

Bulletins and newsletters.

COMMUNITY ENGAGEMENT

We strengthened our community engagement to improve the reputation of local government.



136,384 WEBSITE VISITORS

To mav.asn.au and viccouncils.asn.au.

13 CASE STUDIES & MAYORAL BLOGS

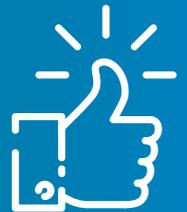
Shared on our Vic Councils website.



815 MEDIA MENTIONS REACHING 18.2 MILLION PEOPLE

22,847 SOCIAL MEDIA FOLLOWERS

Up from 10,455 in 2017-18, with posts reaching 2.4 million people.



567,100 VIEWS COUNCIL CAREERS VICTORIA

33,850 job applications and 591 total hires.

2,019

2017-18

12,255

2018-19

FOLLOWERS GROWTH

Council Careers Victoria.

PROCUREMENT SERVICES

We improved council capability through strategic aggregated procurement activities.



39 LEAP PROGRAM PARTICIPANTS

Continuous improvement program identifying cost savings and opportunities in procurement.

36 PANEL CONTRACTS

Offered in categories including goods and services; buildings, facilities & infrastructure; fleet; and information technology.



79 PARTICIPATING COUNCILS

All MAV member councils use and benefit from our procurement services.

\$171.5 MILLION TOTAL SPEND

Through MAV-provided contracts in 2018-19.



CONTINUOUS IMPROVEMENT

Delivery of second Procurement LEAP White Paper.

356

2017-18

449

2018-19

SUPPLIER GROWTH

MAV Procurement.

INSURANCE & WORKCARE SERVICES

We reduced council exposure to risk with insurance offerings tailored specifically for local government.



31 MEMBERS MAV WORKCARE

After our first full year of operations.

795 INJURED WORKERS RECEIVED BENEFITS

\$11.5 million paid to injured workers.



77.14% INJURED WORKERS RETURNED TO WORK WITHIN 6 MONTHS

130 MEMBERS MAV INSURANCE

Including Victorian and Tasmanian councils, associations, libraries and water authorities.



\$16.4 MILLION PAID IN MAV INSURANCE CLAIMS

1,005 ADVICE REQUESTS

For legal matters such as liability risk, statutory interpretation, policy coverage and risk management strategies; and help desk queries regarding claims, risk, policy and underwriting.



Strategic Work Plan Outcomes

OBJECTIVE ONE	OBJECTIVE TWO	OBJECTIVE THREE	OBJECTIVE FOUR
Help councils achieve financial sustainability	Improve the reputation of local government	Improve sector productivity and efficiency	Encourage innovation and collaboration
Priority One <input checked="" type="checkbox"/> Secure funding certainty.	Priority Four <input checked="" type="checkbox"/> Raise the profile and influence of local government.	Priority Seven <input checked="" type="checkbox"/> Improve procurement practices and outcomes.	Priority Ten <input checked="" type="checkbox"/> Drive business transformation.
Priority Two <input type="checkbox"/> Reduce red tape reporting costs.	Priority Five <input type="checkbox"/> Influence LG and Municipal Association Act reviews.	Priority Eight <input checked="" type="checkbox"/> Sharing of services, technology and business processes.	Priority Eleven <input checked="" type="checkbox"/> Address digital access and equity issues.
Priority Three <input checked="" type="checkbox"/> Explore new funding streams and savings opportunities.	Priority Six <input type="checkbox"/> Review and amend MAV Rules.	Priority Nine <input checked="" type="checkbox"/> Address LG capacity, capability and credibility challenges.	Priority Twelve <input checked="" type="checkbox"/> Enable innovation partnerships.
Supporting actions: Community Services <input checked="" type="checkbox"/> Emergency Management <input type="checkbox"/> Environment <input type="checkbox"/> Events/Training <input checked="" type="checkbox"/> Planning/Building <input checked="" type="checkbox"/> Public Health/Safety <input checked="" type="checkbox"/> Technology <input checked="" type="checkbox"/> Transport/Infrastructure <input type="checkbox"/> Procurement <input checked="" type="checkbox"/> Insurance <input checked="" type="checkbox"/> Communications/Media <input checked="" type="checkbox"/> Corporate Services <input checked="" type="checkbox"/>	Supporting actions: Community Services <input checked="" type="checkbox"/> Emergency Management <input checked="" type="checkbox"/> Environment <input checked="" type="checkbox"/> Governance <input checked="" type="checkbox"/> Events/Training <input checked="" type="checkbox"/> Public Health/Safety <input checked="" type="checkbox"/> Technology <input checked="" type="checkbox"/> Transport/Infrastructure <input checked="" type="checkbox"/> Procurement <input checked="" type="checkbox"/> Insurance <input checked="" type="checkbox"/> Communications/Media <input checked="" type="checkbox"/>	Supporting actions: Community Services <input checked="" type="checkbox"/> Environment <input checked="" type="checkbox"/> Governance <input checked="" type="checkbox"/> Events/Training <input checked="" type="checkbox"/> Planning/Building <input type="checkbox"/> Public Health/Safety <input checked="" type="checkbox"/> Technology <input checked="" type="checkbox"/> Transport/Infrastructure <input checked="" type="checkbox"/> Procurement <input checked="" type="checkbox"/> Insurance <input checked="" type="checkbox"/> Communications/Media <input checked="" type="checkbox"/>	Supporting actions: Community Services <input checked="" type="checkbox"/> Environment <input checked="" type="checkbox"/> Governance <input checked="" type="checkbox"/> Events/Training <input checked="" type="checkbox"/> Planning/Building <input checked="" type="checkbox"/> Public Health/Safety <input checked="" type="checkbox"/> Technology <input checked="" type="checkbox"/> Transport/Infrastructure <input checked="" type="checkbox"/> Procurement <input checked="" type="checkbox"/> Insurance <input checked="" type="checkbox"/> Communications/Media <input checked="" type="checkbox"/>

Key: Delivered Ongoing Not delivered

Details of our Strategic Work Plan outcomes are available at mav.asn.au/strategicplan or by scanning this code.



HOW TO USE OUR QR CODES

A QR code (abbreviated from Quick Response code) is a machine-readable optical label that can be read by the camera on your smart phone. Simply look at the code through your smart phone camera to view the supporting video, document or web page.

If you have any difficulty using the codes, you can also find all the supporting components of this Annual Report Summary on our website at mav.asn.au/annualreport

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