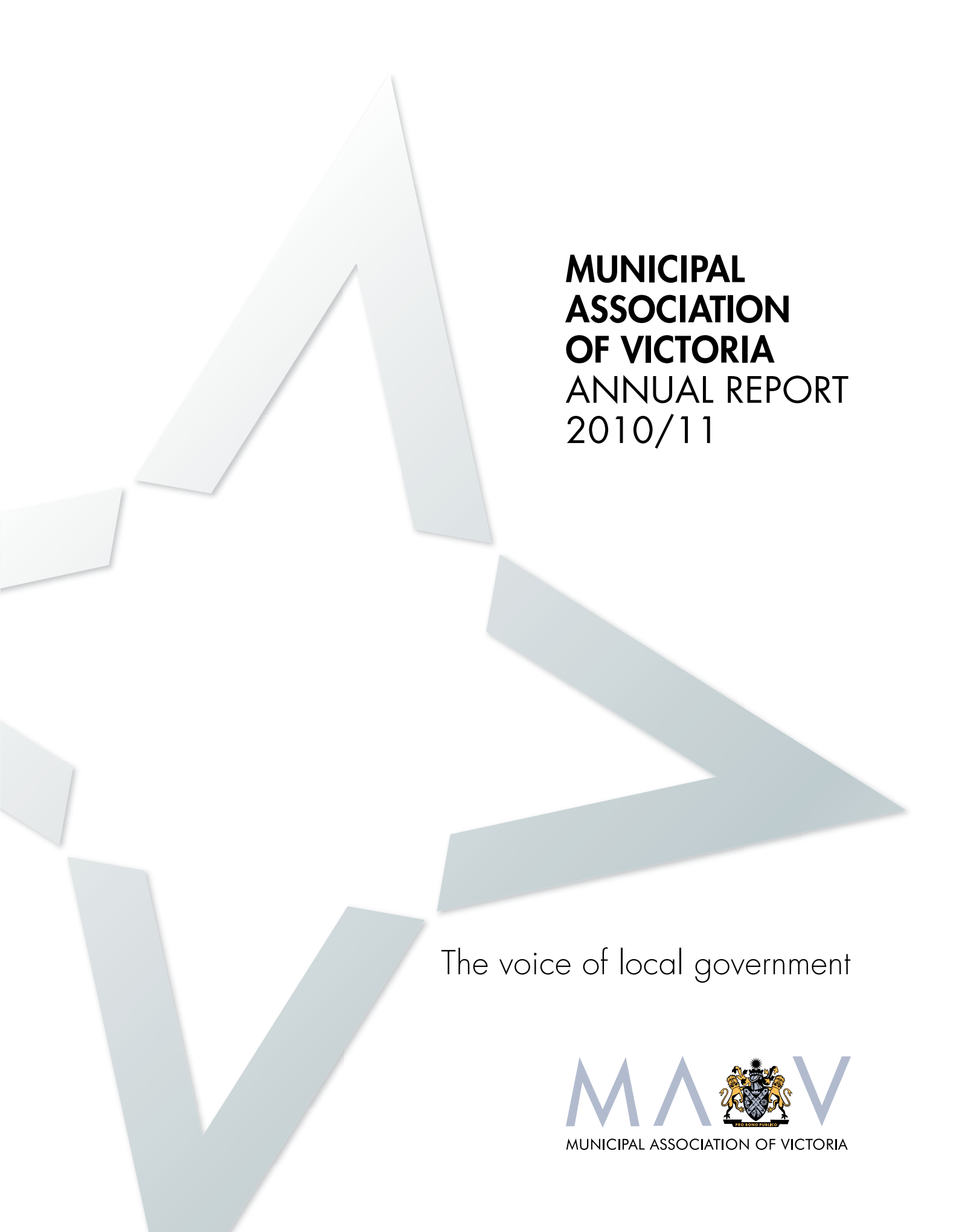
A large, light-colored, stylized letter 'V' is centered on the page. The 'V' is composed of several overlapping, slightly offset layers, giving it a three-dimensional, paper-cut appearance. The background is a solid, muted tan color.

**MUNICIPAL  
ASSOCIATION  
OF VICTORIA  
ANNUAL REPORT  
2010/11**



**MUNICIPAL  
ASSOCIATION  
OF VICTORIA**  
ANNUAL REPORT  
2010/11

The voice of local government



## Purpose

To promote the efficient carrying out of municipal government throughout the state of Victoria and to watch over and protect the interests, rights and privileges of municipal corporations.

*Municipal Association Act 1907*

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# Contents

4	Year in Review
6	President's Report
8	MAV Board
10	CEO's Report
12	Finance and Productivity
14	Workforce
16	Human Services and Public Health
19	Planning
21	Insurance
22	Environment
24	Transport and Infrastructure
26	Emergency Management
28	Governance and Professional Development
30	The MAV Team
32	Governance
38	Operations
40	MAV Representatives
41	Civic Mutual Plus Members
42	Fidelity Members
43	Financial Overview
44	Guide to the Financial Report
47	MAV Financials
77	MAV Insurance Financials

## Year in Review

### Promises and more promises

Election commitments were achieved from all major political parties in the lead up to the state election in November. Promises responded to 46 priority requests detailed in a local government action plan.

### Planning for more child's play

Councils' planning for kindergarten reforms improved considerably this year as a result of the MAV's advocacy and support in the form of workshops, pilots and one on one assistance.



### Heat turned up on councils

As national policy on climate change progressed, the MAV undertook critical analysis on the implications of proposed carbon pricing and research to better understand the status of, and barriers to, adaptation planning by Victorian councils.

### Councils to influence local health outcomes

A draft agreement was brokered on local government's role in primary health care and the manner in which councils should be engaged in the establishment and ongoing operation of Medicare Locals.

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### Councils step up to improve planning

A new program to help councils improve their performance and demonstrate accountability in the administration, management and delivery of planning services attracted participation by 22 councils in its first year.

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### Red tape unraveled

Research commissioned to identify the costs of proposed further regulation resulted in a significant reduction in the number of measures included in a new performance framework for local government.

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### Electric debate drives sensible solution

An alternative solution was sought to deliver the safety outcomes intended by changes to government regulations for tree clearances around electrical lines that threatened significant financial, environmental and amenity impacts for councils and their communities.

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### Councillors set to graduate

Seventeen councillors and officers formed the first intake in a graduate program developed in partnership with Swinburne University.

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### Rapid response to shift in strategy

Member consultation structures were used to respond with speed and certainty during a period of significant change in metropolitan and urban growth policy and strategy following the state election.

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### Levy trashed in press

Strong advocacy and widespread media coverage ensued when the Victorian Government brought forward an increase to the landfill levy, imposing an additional \$43 million burden on council budgets and the community.

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### Keeping a lid on emergencies

Councils were extensively consulted in the development of a three-year strategy to address growing demands on councils to deliver emergency management services.

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### Risky business

Independent experts were engaged to review legal and risk management services for insurance members to ensure services are of the highest quality and keep pace with changing needs.

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## President's Report

**I am pleased to present this annual report which provides a summary of our achievements against the objectives and actions in our strategic plan for 2010-11.**

The plan identified the state and federal government elections as crucial events that we had to both manage and make the most of the opportunities presented.

The federal election delivered a cliff hanger. The negotiations that ensued to form government resulted in a number of local government priorities ascending the order, including holding a referendum at the next election on constitutional recognition for local government; a review of the rural and regional funding framework to assess the formula for allocating existing funding and ensure equitable distribution; progressing development of a price on carbon; priority roll-out of the National Broadband Network in regional areas; and a new \$800 million local infrastructure program with projects to be identified by local communities.

Importantly, the Australian Government reaffirmed its commitment to a tripartite agreement for the delivery of HACC services in Victoria and acknowledged the important contribution of local government as a key planner and provider of children's services that should be actively engaged in the kindergarten reforms.

Heading into a state election that was expected to be tightly contested, we finally began to see the fruits of our labour on some of the more intractable issues for local government that had been testing our mettle, sometimes for years.

We welcomed many announcements from all sides of politics including funding and policy commitments on waste management and recycling initiatives, infrastructure, land use planning, public transport, community safety, libraries, gaming and support for people with disabilities and their carers among others.



In the immediate aftermath of the election our priority was establishing engagement with the new Victorian Government. Our focus was on trying to shore up the promises made to local government and to achieve some certainty on critical areas and projects that the Government looked likely to take another position on, or possibly discontinue.

The change in government brought new opportunities to reinvigorate our advocacy efforts. But a period of adjustment always follows a change of this magnitude. Progress was incremental as the Government found its feet and concentrated on delivering its election promises.

There were a number of good outcomes for councils from the state election including promises of significant funding for roads, infrastructure and upgrading street lights in addition to a commitment to reviewing intergovernmental arrangements between state and local government.

We worked hard to secure all these commitments, most of which were confirmed when the Government handed down its first budget in May. Some post budget surprises show we still have some work to do in developing the fledgling relationship between local government and the new Victorian Government.

As a peak body our overarching objective is to identify the issues of most common importance to our members and leverage the power of our collective voice to achieve results.

In no way was this better demonstrated this year than the campaign for funding to help with the costs of upgrading to more energy efficient streetlights. This work combined good policy with united action to achieve funding commitments from both the Australian and Victorian governments. It was a great result for councils and shows what we can do when we work together to propose sensible solutions.

On a personal note I was both honoured and privileged to again be given the opportunity to lead local government for the next two years. The old and new faces around the board table are working effectively together with the staff to deliver the strategic plan for next year. I congratulate my board colleagues on their election and look forward to continuing the productive relationship we've established.

In closing, I wish to thank our Chief Executive Officer, Rob Spence and his talented team for their unwavering support and tireless efforts to represent the sector again this year.

CR BILL MCARTHUR  
President



# MAV Board

## CR BILL MCARTHUR

### Golden Plains Shire Council

PRESIDENT

MAV Audit Committee

MAV Insurance Committee

Councillor 1991 – 1994 (Grenville),  
1996 – present

Mayor 2004, 2005

Australian Local Government  
Association Board

Chair, MAV Councillor Workcover  
Steering Committee

Victorian Councillor Service Awards, 15 years



## CR GEOFF GOUGH

### Manningham City Council

DEPUTY PRESIDENT  
(METROPOLITAN)  
METROPOLITAN EAST  
REPRESENTATIVE



Chair, interim Planning Advisory Group  
Councillor 1997 - present  
Mayor 2002, 2007, 2011  
Australian Local Government  
Association Board  
MAV Councillor Workcover Steering  
Committee



## CR LISA MAHOOD

### Wodonga City Council

DEPUTY PRESIDENT  
(RURAL)  
RURAL NORTH EAST  
REPRESENTATIVE



Councillor 2000 – present  
Mayor 2002, 2003, 2004, 2005,  
2006  
Deputy Mayor 2001  
Alternate, Australian Local Government  
Association Board  
MAV Councillor Workcover Steering  
Committee  
Deputy Chair, North East Water  
Victorian Councillor Service Awards,  
Mayor Emeritus



## CR CORAL ROSS

### Boroondara City Council

METROPOLITAN  
SOUTH EAST  
REPRESENTATIVE



Alternate, MAV Audit Committee  
Deputy Chair, interim Planning Advisory  
Group  
Deputy Chair, Human Services Advisory  
Group  
Councillor 2002 - present  
Mayor 2007, 2008  
Vice President (Metro) Australian Local  
Government Women's Association



## CR MARY LALIOS

### Whittlesea City Council

INTERFACE  
REPRESENTATIVE



MAV Audit Committee  
Councillor 2005 - present  
Mayor 2008, 2009, 2010  
Victorian Bicycle Advisory Committee  
Yarra Plenty Regional Library Board  
YMCA (Whittlesea)  
Plenty Valley Community Health Board



**CR ROD FYFFE**  
**Greater Bendigo City Council**

RURAL  
 NORTH CENTRAL  
 REPRESENTATIVE



MAV Insurance Committee  
 Chair, Environment Advisory Group  
 Councillor 1996 – present  
 Mayor 2004, 2005, 2011  
 Ministerial Advisory Council on Libraries  
 State Library Public Libraries Advisory  
 Committee  
 Alternate representative on the  
 Australian Packaging Covenant Council  
 Victorian Councillor Service Award,  
 20 Years



**CR JEFF AMOS**  
**Wellington Shire Council**

RURAL  
 GIPPSLAND  
 REPRESENTATIVE



Environment Advisory Group  
 Professional Development Reference  
 Group  
 Councillor 2003 – present  
 Mayor 2004, 2011  
 Deputy Mayor 2005, 2007  
 Chair, West Gippsland Catchment  
 Management Authority Catchment  
 Ecosystem Advisory Group  
 Executive Member, RoadSafe Gippsland



**CR KEN GALE**  
**Moyné Shire Council**

RURAL  
 SOUTH WEST  
 REPRESENTATIVE



Chair, Human Services Advisory Group  
 Councillor 2004 - present  
 Mayor 2008, 2009  
 Chair, Rural Councils Victoria  
 Timber Towns Victoria



**CR GAETANO GRECO**  
**Darebin City Council**

METROPOLITAN  
 CENTRAL  
 REPRESENTATIVE



Councillor 2008 - present  
 Inner North Training Group Board  
 Apprenticeship Plus Board  
 Spectrum Migrant Resource Centre  
 Board  
 2009 McArthur Fellowship Award



**CR GEOFF LAKE**  
**Monash City Council**

METROPOLITAN  
 SOUTH  
 REPRESENTATIVE



Councillor 2000 – present  
 Mayor 2002, 2003  
 President, Australian Local Government  
 Association (until November 2010)  
 Metropolitan Fire and Emergency  
 Services Board  
 Trustee, Vision Super



**CR JOHN SIPEK**  
**Moonee Valley City Council**

METROPOLITAN  
 WEST  
 REPRESENTATIVE



Councillor 2005 – present  
 Mayor 2011  
 Deputy Mayor 2009  
 Alternate, Australian Local Government  
 Association Board  
 MAV Representative, Australian  
 Packaging Covenant Council  
 Metropolitan Waste Management  
 Group Board  
 Director, Qantas Superannuation Plan  
 and Audit Committee member  
 Director, ISIS Primary Care  
 Victorian Multicultural Commissioner



**CR DAVID CLARK**  
**Pyrenees Shire Council**

RURAL  
 SOUTH CENTRAL  
 REPRESENTATIVE



Deputy Chair, Environment Advisory  
 Group  
 Councillor 1992-1994, 1996-2004,  
 2008 - present  
 Mayor 1999, 2003, 2004, 2010  
 Central Highlands Regional Library  
 Corporation Board  
 Western Highway Action Committee



**CR REID MATHER**  
**Buloke Shire Council**

RURAL  
 NORTH WEST  
 REPRESENTATIVE



Councillor 2003 – present  
 Mayor 2005, 2006, 2007, 2008,  
 2009  
 Minister for Agriculture's Drought  
 Reference Group  
 Chair, North Western Municipalities  
 Association  
 Acting Chair, Alliance of Councils for  
 Rail Freight Development  
 Victorian Councillor Service Awards,  
 Mayor Emeritus



## CEO's Report

**Despite a change in government this year our overall game plan didn't shift that much.**

While our short term focus was to maximise the potential benefit from the elections, our attention remained on the longer term strategy to improve the productivity of local government and quality of services.

Councils have been quick to embrace a new program to improve performance in planning processes. This program was conceived following a damning report by the Auditor General. It is the first sector-led initiative of its kind in Australia and will act as a catalyst for significant improvement in planning practices across Victoria.

The uptake by councils has defied the considerable price tag associated with the program and results thus far have been encouraging. The first two intakes this year have undergone an intensive audit and review of their planning processes and participating councils now have individual improvement plans in place. We expect all councils will be involved in the program within three years.

Our procurement service returned its first surplus in the last quarter of this year and is on track to achieve its first full year surplus result next year as predicted. Most importantly it is driving real savings and efficiencies for councils as well as providing a vehicle for improving the procurement practices and performance of councils.

These sorts of reforms require enormous courage. It has been a long and, at times, arduous road but we can't afford to shirk these sorts of reforms when they have so much potential to drive real transformation for our sector.



Another of these long term reforms that required considerable time and attention this year was establishing a common IT platform that would be capable of eventually delivering any number of shared services.

We came very close but didn't quite achieve the critical mass of councils needed to start work on building the platform. This was always going to be a big mountain to climb. It requires a big investment and a carefully considered leap of faith by the pioneering councils and those councils should be commended for their bravery, foresight and willingness to explore the possibilities.

Implementing shared services is still the most significant untapped opportunity to reform our sector. We remain hopeful of salvaging the considerable progress made this year to mount another attempt to build a system capable of delivering the substantial improvement envisaged by this project.

These initiatives build on our work to improve financial and asset management practices in Victoria, which is now recognised nationally and internationally.

This reform pathway will ultimately be critical to our success (or otherwise) in arguing for appropriate funding. It is not enough just to be a squeaky wheel. We must be able to demonstrate that we have robust services and processes in place across the sector and that we are operating at our maximum productivity.

One of the best attributes of local government is the collegiate nature of our sector. We are only as strong as our weakest link. There is a strategic advantage in the sector hanging together as one to drive our own reforms and convince our communities and other levels of government of our capacity to get things done at the coalface.

Operationally we've come full circle this year. We've flattened our organisational structure to enable us to be more nimble and flexible in our response. Our financial results this year are solid. We've clawed back most of the impact of the 2009 bushfires on the MAV Insurance accounts and recorded a minor deficit for the Association on account of the impact of the call to top up the defined benefit superannuation fund.

I commend the considerable achievements of our relatively small but talented staff and extend my thanks to our President, Cr Bill McArthur and past and present members of the Board for their leadership and encouragement this year.

ROB SPENCE  
Chief Executive Officer





## Finance and Productivity

### Promises and more promises

Election commitments were achieved from all major political parties in the lead up to the state election in November. Promises responded to 46 priority requests detailed in a local government action plan. They included significant infrastructure funding for roads and bridges, kindergartens, sporting infrastructure and libraries; as well as a proposed Victorian Population Strategy; stronger state-local government partnerships; and protecting and strengthening of councils' planning roles and community input rights. There was strong support from major parties to the MAV's ongoing kindergarten campaign. Labor committed \$100 million for kindergarten capital infrastructure (equal to the previous 10 year capital investment by the State), while the Coalition offered \$6 million in operational grants for struggling rural kindergartens. All major parties also agreed to support federal advocacy efforts for Commonwealth funding and transition arrangements for the national 'universal access' reforms. As a result of the Give Our Streets the Green Light campaign, Labor and the Coalition committed capital funding to assist councils with energy efficient street lighting upgrades. Labor promised a \$15 million Local Government Climate Communities Program, while the Coalition pledged \$20 million for energy efficient street lighting upgrades.

### Red tape unraveled

Research was commissioned to identify the costs of further regulation proposed by the Essential Services Commission. The findings resulted in a significant reduction in the number of measures included in a proposed new performance framework for local government. In accordance with the final recommendations of the Commission, the MAV called on the Minister for Local Government to halt the performance reporting project until cuts were made to the reporting requirements of councils. Further analysis and advocacy resulted in a change of scope to the Victorian Competition and Efficiency Commission's work on the regulatory burden of local government to focus its inquiry on examining the burden of reporting obligations on councils. The MAV is confident that the final report will include further recommendations to reduce regulatory burdens on local government.





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### **Tender touch reaches out to every council**

All 79 councils have now participated in MAV Procurement tenders, demonstrating widespread support for the aggregated model of purchasing, and evidence of the value offered by the contracts. Council demand for a wide variety of contracts led to MAV Procurement successfully running or participating in 12 tenders this year. These included contracts for electricity, an incident management system, Microsoft licensing agreement, records storage and imaging services, corporate work wear, tractors, road and bridge making equipment, human resources consulting, recruitment services, marketing services and trucks and heavy duty commercial vehicles. Supplier showcases were held in five locations around Victoria, introducing councils to MAV Procurement certified suppliers who demonstrated best practice in a number of product and service categories.

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### **Procurement delivers extra value**

A plain English guide to doing business with local government was developed with input from councils, to educate and encourage local businesses about the opportunities and processes of commercial transactions with local government. In another value-add, MAV Procurement brokered access to a heavily discounted online quotation system for councils to improve the administration and management of quotes; make it easier to use MAV Procurement panel suppliers; and make it easier for councils to use their own panels more effectively. This year 70 procurement officers attended one of 11 professional development workshops aimed at building sector capacity in procurement.

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### **Cloud lifts on shared services dream**

Incremental progress was made towards establishing a common information technology platform for councils that would eventually enable participating councils to deliver any number of shared services. A tender process on behalf of 11 councils was completed to select a partner to help deliver the program. HCL Axon was appointed to work with the MAV to develop and deliver a business case detailing the governance, commercial and technical details for the platform. Presentations and detailed documentation were provided to the Minister for Local Government on plans to establish a shared services company and seek an exemption for purchasing through the company. The shared service requires a critical mass of councils in order to progress.

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## Workforce

### New vision defined

Councils were required to fund a \$71 million shortfall for the Vision Super defined benefits plan due to poor investment returns during the global financial crisis. The MAV has appealed to the Australian Government to allow the full funding of the defined benefits scheme over the medium term, in line with requirements on the Victorian and Australian Governments, whose shortfalls amount to billions. The MAV also sought, but was refused, permission for councils to borrow from the State Government's central financing authority, which would have provided access to rates well below those available commercially and reduced the burden on communities of those councils that borrowed to repay their shortfall. Meanwhile the MAV used its position on the Vision Super Board to pursue a merger with Equisuper which will significantly increase the member base of the fund, enhance investment risk management and expand the range and quality of services delivered in the interests of members and employers.

### Health benefits extended to more employees

Participation in the Local Government Employees Health Plan grew from 47 to 53 councils this year and individual membership increased from 3,029 to 3,711. The Plan offers a superior health insurance product as an employment benefit for council employees in support of the sector's efforts to be recognised as an employer of choice. It provides a pool facility, funded by four per cent of member premiums, which by this year's end had returned \$125,000 in excess refunds to members. The Plan was extended to Tasmanian councils this year, with 13 Tasmanian councils joining the fund. Following an application by the MAV, the Australian Taxation Office ruled favourably in November that the fund is exempt from Fringe Benefits Tax. The ruling represents a significant decision for local government and provided greater certainty about the product's tax status and its many advantages for employees and councillors.







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### **Analysis reveals younger age profile**

An analysis of contemporary data sourced from Vision Super on the age, gender and salary profile of councils revealed that the sector has reduced its risks of major staff shortfalls as the baby boomer cohort moves into retirement. The data updates analysis first performed by the MAV in 2005 and shows that the sector has a slightly younger age profile than it did five years ago. This research assists councils in better understanding future recruitment and skills shortages and indicates that the local government workforce needs to remain vigilant to the risks of staff shortages caused by an ageing workforce. The MAV has also represented Victoria in the development of a national local government workforce strategy being facilitated by the Australian Centre for Excellence in Local Government. The draft strategy includes the development of a local government data set that will better inform the sector.

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### **Responding to an ageing workforce**

A survey of 1135 local government employees aged 55 years and over, yielded a 54 percent response rate. The survey report included a statistical analysis of the data collected and identified strategic issues facing councils, potential strategies for attracting and retaining older workers, and recommendations for councils to consider as part of the development of their own strategic response to this critical issue. A working group of representatives from interested councils was formed to consider each recommendation with a view to determining any future actions. The working group was assisted in their deliberations by representatives from Vision Super and National Seniors Australia. Many of the recommendations were identified by the working group as issues of equal significance and relevance for employees other than mature aged workers. A 'lifestyle' forum is planned to outline a strategy for councils to engage with their mature aged employees to assist them in the transition to retirement, including job opportunities, flexible employment options and financial planning for retirement.

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### **Benchmarking performance in human resources**

Forty councils participated in the second annual local government human resources benchmarking survey. The report provides a valuable management information tool that has assisted councils to make comparative assessments with like councils thereby enabling the identification of issues and the development of relevant responses and programs. Data was reported on a state-wide basis as well as a trend analysis of data collected in 2009 and 2010. While more than 50 per cent of councils in the survey reduced their unplanned turnover rate from the previous year, the survey highlighted an extensive level of unplanned absenteeism and a significant level of annual leave liability. In respect of the occupational health and safety benchmarks, the number of lost time injuries was significantly higher overall to that reported in 2009, particularly in small rural councils.

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### **Fostering leadership in council management**

The Vision Super Leadership Scholarship was awarded to John Milkins, Environmental Sustainability Coordinator at Banyule City Council. The scholarship is open to permanent employees of councils who hold a management position and covers the full cost of the recipient participating in the Williamson Community Leadership Program. The Williamson Community Leadership Program was established in 1990 and is regarded as one of Australia's most sought-after leadership development experiences. The participation of the successful applicant in the program is considered to be of great benefit to their personal and professional development. Applications received were reviewed by a panel, consisting of representatives from the MAV, Vision Super and members of the Williamson Alumni. The short listed candidates were then submitted for consideration by Leadership Victoria for a final decision.

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## Human Services and Public Health

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### Riding the new wave of reform

Persistent advocacy ensured that support for the current model of home and community care in Victoria and the previously given commitment to work on a tripartite approach recognising the role of local government survived a second wave of health reform and a change in state government this year. Two submissions on major reform proposals to the funding, administration and delivery of aged care services stressed the importance of preserving the strengths of the Victorian system. A forum was organised for councils to hear from the Productivity Commission directly, understand the risks and opportunities in the proposed changes and consider whether the proposed reforms will deliver a better and more sustainable care system for older people in local communities over the next 30 years or more.

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### Access all areas

A framework was developed to support local government in its ongoing efforts to build diverse, well-designed, accessible and inclusive local communities. The framework was informed by research involving 24 councils and other key stakeholders. The focus of this work was on local government's progress in improving access and inclusion and a review of councils' disability action plans, council plans and municipal public health and wellbeing plans. The findings were captured in a report that documents achievements and initiatives of councils. Meanwhile the MAV rejected a proposition by the Productivity Commission that councils fund a large proportion of the costs associated with disabilities from injuries. A submission argued that the proposal would effectively make councils responsible for injuries occurring in private premises including commercial facilities; remove incentives to reduce risks, and; would not significantly offset the costs of councils' public liability insurance.

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### Input to local health outcomes

A draft agreement was brokered on local government's role in primary health care and the manner in which councils should be engaged in the establishment and ongoing operation of Medicare Locals. Medicare Locals will be charged with undertaking population need and primary health care service planning as well as implementing programs and initiatives in defined geographic regions under a raft of reforms designed to identify locally appropriate measures to improve service integration and address gaps in the primary health care system. The relationship to state government roles in health and local government's planning and service delivery roles have not been clearly articulated. Through close engagement with the Victorian Government and other key stakeholders the MAV has achieved acknowledgement in Victoria that for the new model to be successful these relationships and modes of working together will need to be agreed.

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### Planning for more child's play

Councils' planning for kindergarten reforms improved considerably this year as a result of the MAV's advocacy and support. The position of Victorian councils and issues of growth pressures, infrastructure, three year old programs, cost and timelines is now well documented. A submission was made to the midterm review on progress towards universal access to 15 hours kindergarten in the year before school and the MAV met with the responsible Australian Government minister to appraise him of the challenges in Victoria. The Victorian Government has announced additional funding for capital works and taken up flexible timelines, infrastructure and service delivery funding in its bilateral negotiations with the Australian Government. In addition the MAV supported and resourced councils to plan for 15 hour service, facility and staffing models. Workshops on the national quality reforms, model development, infrastructure planning, leases/licenses and central registration were attended by 200 council officers; a rural capacity building project was facilitated in the Hume region to support smaller, flood/fire affected councils undertake early years planning; five councils were supported to participate in funded 15 hour pilots; and nine councils, supported by the MAV, were provided with additional funding and support to meet growth demands for kindergarten participation in 2011.

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### Meeting workforce challenges in maternal and child health

Support was provided to 25 councils to commence or continue scholarship programs as an incentive to attract nurses to a career in maternal and child health nursing. Assistance was also provided to establish student placement and graduate transition programs. Further support was given to four groups of councils to develop collaborative approaches for scholarship and student support programs and shared relief nurse arrangements. A strengthened relationship with major media enabled focused marketing campaigns and alignment between career expos, advertising, editorial and online promotion. Research commenced on perceived barriers to pursuing a career in maternal and child health nursing that will inform future workforce initiatives. Meanwhile guidance was given to councils on the impacts of new national laws for the regulation of all health professionals and the required educational qualifications for maternal and child health nurses to meet Victorian Government requirements. Councils were also represented on committees providing input to a strategic review of the management and provision of the maternal and child health service.

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### Responding to youth

A survey developed in conjunction with the Victorian Government identified local government support for children, young people and their families. The survey was completed by all councils and the final report was launched at a forum for councils on youth issues. The report provides a key resource for councils' planning and advocacy. Work commenced on a standardised approach to agreements between councils and schools for joint use of facilities to cut down the time taken to sign agreements and the need for each party to seek independent legal advice. The MAV is also involved in testing new ways for services to work together across sectors to ensure that young people receive the help they need.

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### Responding to cultural diversity

Funding was used to support the work of Victorian councils in promoting and responding to cultural diversity through a series of initiatives this year. A conference was staged in Wangaratta; two pilot projects involving several municipalities focused on developing councils' capacity to engage with local interfaith networks; a series of forums were held to showcase good practice in the delivery of Home and Community Care services to culturally diverse communities; support was provided to pilot projects in Shepparton and Whittlesea aimed at developing resources for councils to facilitate increasing acceptance of diversity and reducing discrimination; a special ceremony was organised to mark Australian Citizenship Day and demonstrate good practice in holding citizenship ceremonies; support was provided to a forum on international students issues, and; councils were encouraged to participate in government and community sector initiatives including Harmony Day, A Taste of Harmony, Cultural Diversity Week, Refugee Week and Sports Without Borders. The MAV represented local government on behalf of the ALGA on the intergovernmental Standing Committee on Immigration and Multicultural Affairs and continued to provide support to networks of local government diversity planners.

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### Reducing impacts of smoking

Council roles in reducing the incidence of smoking in the community came to the fore this year. A consultation process facilitated by the MAV provided detailed recommendations and advice to the Victorian Government on a statewide framework for smoking in outdoor public places. Advice and support was provided for the development of a toolkit to support and encourage councils in Victoria to adopt smoke-free policies in outdoor areas, including playgrounds, sporting fields, beaches, council-run or sponsored events and alfresco dining areas. In addition \$850,000 was disbursed to councils under a joint program with the Victorian Government to support councils to undertake education and enforcement activities which support the objectives of the *Tobacco Act 1987*.

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### Dining out on technology solutions

New food regulations with big impacts for councils came into effect this year. The MAV worked closely with councils to develop a technological solution to new reporting requirements and managed the development of a single registration system for temporary and mobile food businesses that will have significant benefits for councils and business operators. The MAV also participated on a new committee established by the Victorian Government to improve coordination between the food regulators in Victoria.

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### Coordinating mosquito response

Extensive flooding and weather conditions this summer led to an increased risk of mosquito borne diseases which could incite community fear and have serious flow-on impacts for local economies, particularly through loss of tourism and agriculture. Following detection of a virus in chickens with potentially high mortality and morbidity rates, a taskforce was established to coordinate agency responses in the event of human cases. The MAV participated on the taskforce to provide rapid information to councils actively engaged in mosquito control and local awareness raising activities and to convey council concerns back to Victorian Government agencies.

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## Planning

### Councils take steps to improve processes

A new program to help councils improve their performance and demonstrate accountability in the administration, management and delivery of planning services attracted participation by 22 councils in its first year. Two intakes have undergone an intensive audit and review of their planning processes and participating councils now have individual improvement plans in place. Quarterly reports were provided to the councils to better understand their performance and track improvement in a timely way. Improvement concepts were showcased at a forum for members of the program and scoping of these concepts has been incorporated into a review of the planning scheme amendment process.

### Certainty sought for growth

Member consultation structures were used to respond with speed and certainty during a period of significant change in metropolitan and urban growth policy and strategy following the state election. The MAV was engaged in multiple forums to ensure the interests of local government were accurately represented in the interim period and early stages of development of a new metropolitan strategy. Advocacy stressed the need for certainty and the relevance of strategies to future projections. Submissions and representations to government highlighted the importance of a new metropolitan strategy being clearly articulated and having a long term view; a bipartisan commitment for the coordinated rollout of critical public infrastructure; more financial models for housing options; higher minimum standards and improved planning processes, and; a mechanism for local government to be involved in the development and implementation of the strategy.



#### Sustainable Population

Facilitated by Jon Faine, 774 ABC Broadcaster and Media Personality

##### Panelists

- Professor Roger Short, University of Melbourne
- Jill Quirk, Chair, Sustainable Population Australia
- Nick Mesic, General Manager, Strategy Marketing and Communications, VicUrban
- Gordon Nobel, Deputy CEO Committee for Melbourne





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### Planning for coastal change

A specialist committee set up to advise the Victorian Government on managing the coastal impacts of climate change heard that council responsibilities, particularly for land use decisions, carry numerous and significant liability. A working session was convened for councils to better understand their legal risks associated with expected sea level rises and agreement was achieved for the MAV to pursue legislative reform that would provide Victorian councils the same immunity that exists in other jurisdictions for environmental risks including flooding, bushfire, coastal erosion and inundation.

Meanwhile councils were represented on a project reference group to establish guidelines that would support a consistent approach to planning for and managing the impacts of climate change and coastal hazards on the Victorian coast. The MAV also supported four projects to assess coastal vulnerability in Port Fairy, Gippsland, Westernport Bay and the Bellarine Peninsula.

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### Planning reforms in limbo

The Victorian Government established a working group in response to concerns raised by the MAV during the review of the *Planning and Environment Act 1987*. In addition to its President and Chief Executive Officer, the MAV was requested to nominate another three local government representatives to be on the working group which also included representation from the development and planning industries. The group was established to report to the Minister for Planning on outstanding reforms to the planning scheme amendment process; assessment of simple permit applications, and processes for assessing matters of state significance. The MAV also facilitated council input to a review of planning fees in a bid to better recover costs incurred by councils. A change in government has left both reviews in limbo. The MAV has raised the status of these reforms in meetings with the incoming government.

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### Winds of change

The MAV led a delegation of councils to broker a partnership with the Victorian Government to address the standards and processes for assessing, monitoring and enforcing wind farm proposals. The minister of the day accepted the partnership approach and a joint working group was formed to progress the initiatives proposed. Significant progress was made including reaching agreement to review the standard permit conditions for wind farms. The new government moved quickly after the election to make councils the responsible authority for all wind farms. Advocacy subsequently switched focus to ensure adequate transitional arrangements and access for councils to expert support on noise, flora and fauna, landscape and other matters.

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### Priorities established for rural planning

The MAV surveyed councils and provided recommendations to the Victorian Government on a proposal to establish a rural planning flying squad to maximise the potential benefits of this program to councils. Submissions were also made on several other initiatives impacting rural land use planning including a review of permit guidelines in open domestic water catchments; changes to the assessment process for mining approvals, and; a proposed carbon offset scheme offering new economic opportunities for farmers. The MAV also influenced the Victorian Government's training program to include specific content on rural planning. In response to feedback from members a forum was established for councils to identify and advance common interests, share information and engage with representatives from across government and industry on rural land use planning issues.

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### Building sustainable communities

A guide for councils to facilitate more sustainable buildings won national accolades for its usefulness in assisting councils through the challenge of integrating sustainability into planning frameworks and decisions. The easy-to-read tool steps the reader through the benefits of sustainable buildings, requesting better performing buildings and assessing them as part of a planning application. It provides advice for planners on setting up a sustainability assessment process and advice for applicants on how to address these requirements.



## Insurance

### Staking more claim

MAV Insurance took on more direct involvement in day to day claims management, attending case reviews with an external legal panel, settlement conferences and court hearings. Three matters were contested before the courts this year with judgments delivered in favour of MAV Insurance members in all three. In two cases the members were exonerated of any negligence and the scheme recouped most of its legal costs. In the third matter, the plaintiff was awarded damages less than had already been offered, offsetting legal costs against the damages awarded.

### Ensuring high quality services

Independent experts were engaged to review in house legal and risk management services provided to members. The review measured effectiveness, value for money and customer satisfaction in risk auditing, risk consulting services, quality of legal advice, reporting protocols and best practice forums. While the overall results were generally positive, several areas for improvement were identified. An improvement plan was developed and the auditors' recommendations are being implemented. An internal review of the external legal panel confirmed positive outcomes for settlement activity and timelines. The reviews will assist in ensuring the level of services provided to members are of the highest quality and keep pace with changing needs.

### Upward trend in property claims

This year saw higher than expected numbers of new claims for the second year running. This trend has caused the actuaries to revise their valuation of potential scheme liabilities for recent years and their projections for future years. The increase in claim lodgements has been largely driven by property damage claims.

### New brand of insurance

MAV Insurance was rebranded to improve understanding of the business structure and clarify relationships with service provider Jardine Lloyd Thompson. MAV Insurance was established as the primary and dominant brand in all communication, to the exclusion of all other brands. Civic Mutual Plus and Fidelity Insurance products were renamed and repositioned under MAV Insurance to correct common misconceptions that the schemes were separate entities or stand alone brands, unconnected to the MAV.



## Environment

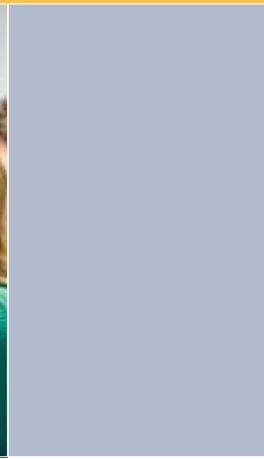
### Weeding out a solution

Mayors and chief executive officers were brought together to be briefed on a report prepared for a ministerial working party tasked with breaking the legal deadlock surrounding the management of roadside weeds. Discussion about potential approaches arising from the report and the economic analysis that underpinned it informed a submission made to the Victorian Government on the way forward from local government's perspective. The MAV continued to represent councils on the ministerial working party and facilitate maximum opportunity for input from councils through a subcommittee set up to inform local government's representatives on the working party. Councils' interests were also represented on a panel, which assessed applications from 40 councils for \$1.1 million in grants this year to undertake pest control activities on roadsides. The grants program operates on a 'without prejudice' basis that does not involve participating councils assuming responsibility for managing pests on roadsides.

### Heat turned up on councils

As national policy on climate change progressed, the MAV undertook critical analysis on the implications of proposed carbon pricing and research to better understand the status of and barriers to adaptation planning by Victorian councils. This work identified what support, tools and guidance are needed and will underpin future advocacy and partnerships with the Victorian Government for climate change adaptation planning. Timely advice was provided to councils on complex emissions reporting matters. A guide was published to help councils understand their obligations and reporting requirements and make informed decisions for reducing their greenhouse gas emissions. A public advocacy campaign led by the MAV and Maribyrnong City Council continued into this year and was successful in achieving grants of up to \$500,000 from the Australian Government to assist councils with energy efficient street lighting upgrades and \$20 million in assistance from the Victorian Government.





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### River of disquiet

The MAV brokered a special consultation session for councils on proposed plans for the management of water resources in the Murray Darling Basin. The workshop informed a submission on the plan which called for the Murray Darling Basin Authority to rethink the consultative process used to engage regional communities, councils, industries and other stakeholders in the development of the plan. Subsequent submissions were made to two parliamentary inquiries following significant community backlash. The MAV met with Victorian Minister for Water, Agriculture and Food Security to discuss aspects of its submission. The Minister invited direct participation in a new regional advisory group to provide input and advice on the development of the Murray Darling Basin Plan from a Victorian perspective.

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### Getting rid of junk TV

Proposed regulations to govern the disposal of television and computer products were the subject of two bilateral meetings convened with the Australian governments. A submission formalised the position of local government that was advocated through ongoing participation in a stakeholder reference group. The MAV also made representations to the television industry, Victorian and Australian governments about the likely impacts of the switchover to digital television in regional Victoria and arrangements to deal with large numbers of televisions being disposed of, which led to the establishment of a regional collection program at nine sites across Victoria.

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### Plague brought under control

Councils were supported to prepare for what was expected to be Victoria's worst locust plague in 75 years. The MAV worked to ensure that councils received appropriate information to allow them to efficiently and effectively respond to the outbreak. Affected councils were given practice notes, standard operating procedures, occupational health and safety instructions and templates for documenting spraying operations, generating incident reports, and preparing contract agreements with commercial contractors. Councils treated nearly 10,000 hectares of public land to control locusts at more than 2000 sites, representing 49 per cent of the total public land area sprayed during the outbreak.

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### Simplifying native vegetation rules

Councils were closely engaged in developing new processes and tools that have eased some of the tasks involved in managing native vegetation. A reference group was formed in partnership with the Victorian Government to inform the development of guidelines for local government and an exemption for works on roadsides to reduce bushfire risk. This work responded to the recommendations of the Bushfire Royal Commission. A separate working group oversaw the development of a range of new tools and improved guidance to assist councils assess planning permit applications for native vegetation removal in response to a Victorian Competition and Efficiency Commission inquiry into environmental regulation. The MAV also represented local government on a community reference group for the Victorian Environment Assessment Council investigation into remnant native vegetation on public land which has recommended the establishment of a state-wide advisory committee comprising local government and other stakeholders to oversee the management of native vegetation on road and rail reserves.

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### Waste not, want not

Strong advocacy and widespread media coverage ensued when the Victorian Government brought forward an increase to the landfill levy, imposing an additional \$43 million burden on council budgets and the community. The increase coincided with onerous new standards for landfill design and rehabilitation, which were the subject of representations to the relevant minister and agencies. Local government interests were represented in a review of regional waste arrangements which morphed into a broader review of the whole waste management system that is considering disposal, recycling targets, policy levers, behaviour change and institutional arrangements. Councils were also represented nationally on the Australian Packaging Covenant Council which delivered a new Covenant that will address the ongoing challenge of designing and producing packaging that is easier to recycle, less likely to be littered and more efficient.





## Transport and Infrastructure

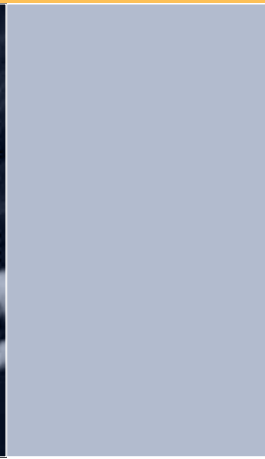
### **Sensible solution to electric line safety**

An alternative solution was sought to satisfy government changes to regulations that threatened significant financial, environmental and amenity impacts for councils and their communities. A commitment was sought and obtained from the Victorian Government to work cooperatively with councils to deliver the safety outcomes intended by the changes to regulations for tree clearances around electrical lines. A risk-based model was developed that will allow councils some variation from the regulated clearance spaces. A group of five pilot councils informed the development of the methodology, with a larger group of 16 councils providing further input and assistance. The model is yet to be accepted by the regulators for inclusion in council electric line clearance management plans.

### **Responsibility for level crossings agreed**

Several years of work came to fruition this year with the finalisation of a template agreement for road and rail authorities jointly managing risks at the interface of their infrastructure. Negotiations were protracted, with much work needed to reach agreement on appropriate demarcation of responsibility for the full range of infrastructure located at road and rail interfaces. Further advocacy work resulted in a change to lease agreements that increased rail authorities' responsibility for the road pavement from 2.44 metres to 3 metres from each track. This was a significant achievement that negated onerous compliance requirements on councils for safe working procedures that apply when working within 3 metres of a railway track.





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### **Recycled roads lead to a greener path**

Councils were issued a challenge to increase the use of recycled content in the construction of road, footpath and shared pathways under a partnership between the MAV and Sustainability Victoria. The MAV commissioned independent laboratory and field testing that showed councils can reduce their civil construction costs, energy use, greenhouse gas emissions and reliance on quarried materials with no reduction in pavement performance and no cost increase by using approved recycled content. Council demonstration projects received funding support and a new web-based resource was developed to support councils' access to information.

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### **Bringing councils up to speed**

Councils were supported to increase the readiness of their municipalities and position their communities to benefit early in the roll out of the National Broadband Network. Support was obtained from the Victorian Government to amend the planning schemes of nine councils so that those councils could require the provision of conduits for optical fibre cabling wherever a permit is required for the subdivision of land in their municipality. This initiative establishes the infrastructure for future broadband services and will ensure that major growth areas are not disadvantaged by any delay in the roll out. Councils will have a critical role to play in the efficient roll out of the network. Workshops were organised for planning and economic development officers to share learning from pilot councils for streamlining roll out, improving communications and improving the coordination of capital works.

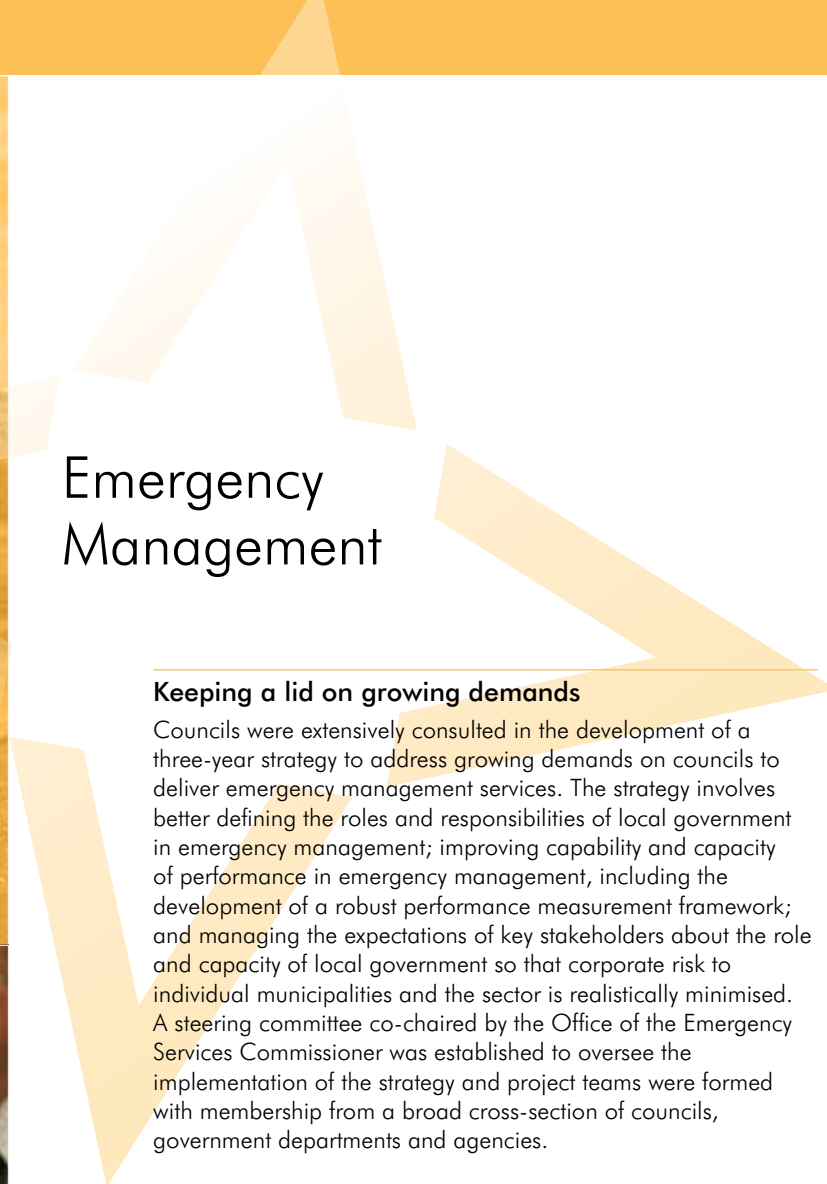
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### **Getting communities ready to switch**

Arrangements were put in place with Latrobe, Greater Bendigo, Wodonga and Warrnambool city councils to host liaison officers coordinated by the MAV to generate community awareness of the switch to digital television in regional Victoria. Liaison officers identified the most vulnerable groups in each local community and worked closely with councils, agencies and groups in the broadcast regions to ensure they were ready for the switchover in May. The officers actively promoted awareness of the switchover, access to support programs, alternative satellite services and subsidies. The switchover was ultimately successful, with only a few hundred calls from regional and rural Victoria made to the call centre in the days following.

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# Emergency Management

## Keeping a lid on growing demands

Councils were extensively consulted in the development of a three-year strategy to address growing demands on councils to deliver emergency management services. The strategy involves better defining the roles and responsibilities of local government in emergency management; improving capability and capacity of performance in emergency management, including the development of a robust performance measurement framework; and managing the expectations of key stakeholders about the role and capacity of local government so that corporate risk to individual municipalities and the sector is realistically minimised. A steering committee co-chaired by the Office of the Emergency Services Commissioner was established to oversee the implementation of the strategy and project teams were formed with membership from a broad cross-section of councils, government departments and agencies.

## Floods focus attention on funding flaws

Councils affected by several severe flood events this year received coordinated assistance from other councils in the form of staff, resources and cash donations. The MAV advocated a broadening of eligible costs under natural disaster financial assistance arrangements and provided advice to the Victorian Government on priorities for a clean-up fund to supplement funding provided under the existing arrangements. A submission to a subsequent review of the flooding events focused on the inadequacy of funding provided by the Victorian and Australian governments. Staff visited a number of flood-affected municipalities to seek councils' input on the local impact of the floods.





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### Combating bushfire risk

Support was provided to councils to meet new obligations arising from the Victorian Bushfire Royal Commission including listing organisations and facilities that support vulnerable people; procedures and criteria for identifying and notifying hazard trees; local planning for evacuation; expanded roadside clearance duties, and; land use planning policy and compliance. Councils were actively represented in the development of a registration system for identifying vulnerable people in high bushfire risk areas and a template was developed for identifying and notifying hazard trees. A nationwide recruitment and advertising campaign attracted 180 applications for 21 coordinators to help councils in high fire risk areas to implement the Royal Commission recommendations. The MAV coordinated progress reports on the implementation of recommendations applicable to local government. The reports demonstrated best practice and illustrated some of the challenges faced by councils as implementation progressed.

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### Locating the last resort

Funding was distributed and support provided to 42 councils to identify 190 'neighbourhood safer places' or places of last resort in a bushfire. Protocols were negotiated for obtaining consent from government departments and agencies for sites under their authority. The MAV worked closely with the Country Fire Authority to develop an online system for requesting site assessments, advising the designation or decommissioning of a site and requesting an annual site review. An online toolbox provided access to forms, templates and documents as well as facilitating a secure portal for discussing issues among councils. Particular support was provided to councils working to establish sites in high-risk areas where locating a suitable site proved challenging.

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## Governance and Professional Development

### Conflict subsidies

Persistent advocacy resulted in changes to conflict of interest rules, including an increase of the gift disclosure threshold to \$500; an exemption for gifts received more than 12 months before assuming office; clarification that being a member of a club is not grounds for conflict of interest unless holding a responsible position in the club, and; broadening the definition of 'assembly of councillors' to include advisory committees, and planned or scheduled meetings involving at least half the councillors. An information session was organised for councillors on the changes. Councillors were surveyed to inform a submission to the Victorian Government on revised guidance for councillors on conflict of interest provisions.

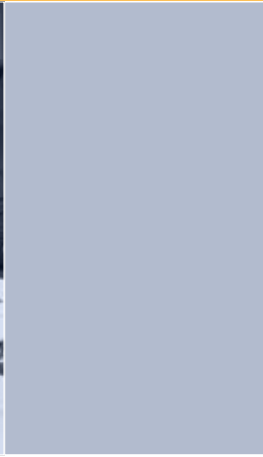
### Elections brought forward

Responding to a resolution of State Council, the Victorian Government moved to bring forward the timing of council elections by six weeks. Information was provided to councils outlining the impacts arising from overlap with the October school holidays, including additional costs to councils and reduced voter participation. Feedback was sought from councils on alternative options proposed and a submission was made on the basis of responses received from 54 councils, 26 of which supported the fourth Saturday in October. Building on the success of the electoral services tender conducted on behalf of 49 councils in 2008, work commenced to establish the needs and requirements of councils for electoral services in 2012. A discussion paper was developed to garner councils' views on the role the MAV should play in the lead up to the 2012 general election and electoral services that would be required.

### Refining the rules of conduct

Conduct panels were formed to consider eight matters this year. The first appeal of a panel decision to VCAT identified a number of shortcomings in the legislation governing councillor conduct panels. These problems were raised with the Victorian Government and a review of the legislation was sought. An internal review of the number of members appointed to the two lists from which panels are formed determined that it was necessary to increase the number of legal members by one. Ms Katrina Raymond was appointed to the legal members list in January 2011.





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### Cover works for councillors

In the first year since workers compensation was extended to councillors only a handful of incidents were reported and no claims made. Legal advice and guidance was provided to councils to meet employer obligations. A central service provider was appointed following a competitive process to provide a 24/7 injury reporting line; early intervention injury management; advice on claims management and risk mitigation measures, and; premium advice. 72 councils subscribed to the independent employer representative model. Laminated wallet cards and quick reference guides were distributed to councillors on the steps to take if they are injured and guides were provided to chief executive officers.

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### Graduating from council

Seventeen councillors and officers formed the first intake in a graduate program developed in partnership with Swinburne University. The Graduate Diploma in Management (Leadership, Governance and Strategy) offers 8 units focusing on leadership, business strategy, entrepreneurship, marketing, negotiation, strategic relationships, governance, corporate leadership and strategic foresight. The program supports councillors in their elected roles and will also benefit their professional opportunities beyond the council chamber. Officers can apply their learning to their current roles and to progress their careers in the sector. Preparations for a second intake have commenced.

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### Tailored course essential

The Australian Institute of Company Directors was commissioned to develop a tailored module in local government finance that would complement existing modules to establish a new 'governance essentials' program. The Institute's strong reputation for governance, leadership and board development was considered a good fit with the aims of the MAV's professional development offerings. The program was conducted five times for 68 councillors and 10 officers. The program was designed to be offered in-house for councils on request and two councils took up this opportunity in the first year. Twenty participants went on to undertake the ten-module Company Directors Course.

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### Training in abundance

Over 70 days of professional development were conducted across Victoria, an increase of 20 per cent on the previous year. A wide range of options and choices were deliberately offered to reflect the diversity of experience and interest among councillors. The spread of programs aims to provide each councillor with the possibility of participating in programs of their choice balancing depth, cost and access. Councillor Fundamentals programs were delivered in various locations on meeting procedure, strategic thinking and leadership in addition to the expanded Governance Essentials program. Two-day intensive programs for small groups were offered on public speaking, negotiation skills and advance leadership. An induction program on understanding local government was conducted nine times in-house for hosting councils. More than 130 councillors attended the three-day Councillor Development Weekend and others took up the extended opportunities offered by the Company Directors Course and Graduate Diploma Management. Further opportunities for development were provided through two scholarships to the Cranlana Colloquium and the McArthur Local Government Fellowship which supports overseas study by a councillor.

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### Credit where credit is due

Progress towards an accredited councillor training framework that recognises prior learning took a leap forward this year with the mapping of eight competencies against existing training modules in the adult education market and a pilot to build data sets on the experience, skills, training and educational achievements of councillors. Training opportunities will be tailored around agreed competencies and the program accredited and registered ahead of the next round of general elections. All training programs offered by the MAV will count towards the achievement of a diploma level award.



MAV MANAGEMENT COMMITTEE

# The MAV Team

**Rob Spence**

Chief Executive Officer  
1

**Christine Jones**  
Executive Assistant  
40

**Gavin Mahoney**  
Senior Projects  
Officer  
41

**John Hennessy**  
Sector  
Development  
Consultant

**Trevor Koops**  
Senior Economist

**Geoff Pawsey**  
Manager,  
Workforce and  
Risk Management  
11

**Daniel Hogan**  
Manager,  
Marketing  
5



**Alison Lyon**

Deputy Chief  
Executive Officer

**Jay Westfold**  
Governance and  
Legal Support  
Officer  
2

**Paul Rozario**  
Governance and  
Legislation  
Adviser  
36

**Andrew Rowe**  
Councillor  
Development  
Officer

**John Smith**  
Claims Adviser  
16

**Alison Standish**  
Manager,  
HR & Corporate  
Services  
25

**Owen  
Harvey-Beavis**  
Manager,  
Research and  
Strategy  
33

**Ben Morris**  
Manager,  
Environment  
45

**Liz Johnstone**  
Manager,  
Planning  
12

**Clare  
Hargreaves**  
Manager, Social  
Policy

**Emma  
Fitzclarence**  
Manager,  
Emergency  
Management  
29

**Imogen Kelly**  
Senior  
Communications  
Adviser  
3

**Cameron  
Spence**  
Manager, MAV  
Procurement  
35

**Steve Vasilevski**  
IT Coordinator  
46

**Maxine  
Morrison**  
Rural Councils  
Victoria

**James Cleaver**  
Policy Adviser  
7

**Simone  
Stuckey**  
Policy Adviser  
21

**Naree  
Atkinson**  
Policy Adviser  
26

**Derryn Wilson**  
Project Officer  
10

**Rosemary  
Hancock**  
Policy Adviser  
37

**Claire Dunn**  
Policy Adviser  
22

**Russell Rees**  
Policy Adviser  
42

**Debbie Smith**  
Senior  
Communications  
Adviser  
6

**Max Fonovic**  
Marketing  
Manager, MAV  
Procurement  
32

**Simon Morgan**  
Finance and  
Insurance Officer  
28

**Elisabeth  
Jackson**  
VicLink  
17

**Lloyd Brady**  
Swift Systems

**Gareth Hatley**  
Project Officer  
43

**Jan Bruce**  
Project Officer

**Jan Black**  
Project Officer  
34

**Ros Handley**  
Project Officer  
14

**Adrian Birch**  
Project Officer  
44

**Janet Metcalf**  
Online  
Communications  
Coordinator  
20

**Chestine Ong**  
Procurement  
Officer  
9

**May Yin  
Posarnig**  
Accounts Officer  
38

**Bernie Cotter**  
Association of  
Bayside  
Municipalities  
13

**Carrie White**  
Project Officer  
8

**Jan Barrett**  
Project Officer  
24

**Helen Rowe**  
Project Officer  
15

**James Holman**  
Project Officer  
39

**Claudia  
Laidlaw**  
Project Officer  
31

**Francesca  
Bennett**  
Public Relations  
Officer  
23

**Candice Ong**  
Corporate  
Services Officer

**Jillian Molina**  
Timber Towns  
Victoria and  
National Timber  
Councils  
Taskforce

**Con Pagonis**  
Project Officer  
19

**Sophie Gale**  
Project Officer

**Julie-Ann  
Undrill**  
Manager, Events  
and Sponsorship  
18

**Deborah  
Tabone**  
Events  
Coordinator  
4

**Michael Green**  
Electronic  
Records Officer  
47









# Governance

## Municipal Association Act 1907

The *Municipal Association Act 1907* defines the purpose of the MAV to promote the efficient carrying out of municipal government throughout the state of Victoria and watch over and protect the interests, rights and privileges of municipal corporations. It establishes the MAV as a corporation with perpetual succession and requires it to provide a mutual liability insurance scheme for local government and empowers it to provide fidelity insurance.

## MAV Rules

The Act requires the MAV to set Rules for

- > the management of the Association
- > the regulation of proceedings
- > fixing the annual subscription paid by each municipality
- > fixing of contributions to the Municipal Officers' Fidelity Guarantee Fund
- > other matters affecting the management of the Association.

## State Council

The Act provides that each member council may appoint a councillor as its representative, and these representatives constitute the Association. The representatives come together twice a year to form State Council which sets the policy direction of the Association and monitors its performance. The State Council Annual General Meeting was held in October 2010 and received a report from the President on the activities and financial affairs of the Association and voted on 76 motions from member councils. In May 2011 the State Council met and approved the Strategic Work Plan for the MAV for 2011/12 and considered a further 68 motions from member councils. For a list of MAV representatives at 30 June 2011 see page 40.

## Board

Thirteen board members are elected for a two-year term. Twelve board members are elected to represent a geographic grouping of councils. The representatives in that grouping elect the regional board member. The thirteenth member of the board is the President who is popularly elected by the representatives of each

member council. The Rules prescribe the functions of the Board which include ensuring the directions set by State Council are met, setting the budget and overseeing the manner by which the MAV engages with its membership.

## Board elections

Board elections were held in March 2011. Cr Bill McArthur was re-elected as President. Four board members were re-elected unopposed: Cr Rod Fyffe (Rural North Central); Cr Ken Gale (Rural South West); Cr Geoff Lake (Metropolitan Southern); and Cr Geoff Gough (Metropolitan East). Another three members were re-elected in contested elections: Cr Lisa Mahood (Rural North East); Cr Reid Mather (Rural North West); and Cr John Sipek (Metropolitan West). Incumbents Cr Enver Erdogan and Cr Jane Rowe were defeated by Cr Gaetano Greco (Metropolitan Central) and Cr Jeff Amos (Rural Gippsland) respectively. Cr David Clark (Rural South Central), Cr Coral Ross (Metropolitan South East) and Cr Mary Lalios (Interface) were elected to fill the remaining three vacancies.

## BOARD MEETING ATTENDANCE

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Jeff Amos	-	-	-	-	-	-	-	-	✓	✓	✓	✓
Sam Alessi	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-	-
John Chandler	✓	✓	✓	✓	✓	✓	X	✓	-	-	-	-
David Clark	-	-	-	-	-	-	-	-	✓	✓	✓	✓
Enver Erdogan	X	X	✓	✓	X	X	X	X	-	-	-	-
Jan Farrell	✓	✓	✓	✓	X	✓	✓	✓	-	-	-	-
Rod Fyffe	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓
Ken Gale	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	X	✓
Geoff Gough	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓
Gaetano Greco	-	-	-	-	-	-	-	-	✓	✓	✓	✓
Geoff Lake	✓	✓	X	✓	X	✓	✓	✓	✓	✓	X	X
Mary Lalios	-	-	-	-	-	-	-	-	✓	✓	✓	✓
Bill McArthur	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lisa Mahood	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Reid Mather	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	X	✓
Coral Ross	-	-	-	-	-	-	-	-	✓	✓	✓	✓
Jane Rowe	✓	X	✓	✓	X	X	✓	✓	-	-	-	-
John Sipek	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	X

## Board Allowances and Expenses

The Board Allowance and Expense Policy makes provision for board members to receive an annual allowance paid quarterly in advance. Board members are provided with a data allowance for accessing business papers via iPads and can claim out-of-pocket expenses for travel, parking, accommodation and meals when undertaking duties as a board member. The policy also allows for Board members to attend MAV events including the Annual Conference, Councillor Development Weekend, Asset Management Conference and Future of Local Government Summit.

	ANNUAL ALLOWANCE	DATA ALLOWANCES	EXPENSES	EVENTS	TOTAL
Jeff Amos	2,540.31	60	1,300.00	891.00	4,791.31
Sam Alessi	7,646.72	180	5,527.66	495.00	13,849.38
John Chandler	5,206.54	180	1,047.34	1,575.00	8,008.88
David Clark	2,540.31	60	1,297.82	-	3,898.13
Enver Erdogan	5,206.54	180	-	495.00	5,881.54
Jan Farrell	5,206.54	180	2,178.00	1,575.00	9,139.54
Rod Fyffe	7,746.86	297	6,426.00	1,575.00	16,044.86
Ken Gale	7,746.86	297	10,472.75	1,575.00	20,091.61
Geoff Gough	8,937.40	297	1,864.71	1,575.00	12,674.11
Gaetano Greco	2,540.31	60	-	-	2,600.31
Geoff Lake	7,746.86	297	414.54	1,630.00	10,088.40
Mary Lalios	2,540.31	60	604.00	-	3,204.31
Bill McArthur	55,195.96	297	20,619.89	3,016.00	79,128.85*
Lisa Mahood	8,937.40	297	8,635.75	1,575.00	19,445.15
Reid Mather	7,746.86	297	5,612.39	1,575.00	15,231.25
Coral Ross	2,540.31	60	-	550.00	3,150.31
Jane Rowe	7,646.72	180	9,075.39	1,575.00	18,477.11
John Sipek	7,746.86	297	480.05	1,575.00	10,098.91

\*President Cr Bill McArthur was also provided with full private use of a motor vehicle at a cost of \$17,891.29.

The above amounts do not correlate to the allowance and expense payment figures in the financial statements as they include some payments made to board members for expenses incurred in 2009/10 and claimed in 2010/11. Some expenses are also charged to other areas in the MAV accounts. Payments for expenses were made directly to board members, to their council for travel where they have utilised a council fleet vehicle, or directly to the hotel for some accommodation expenses. It should be noted that board members may lodge claims after 30 June 2011 for expenses incurred in the 2010/11 year, details of which will be reflected in the 2011/12 Annual Report.

## Compliance

In addition to the requirements of the *Municipal Association Act 1907* and MAV Rules, the MAV must comply with relevant regulations and obligations applicable to statutory and public bodies. The MAV is also required to comply with the provisions of its Australian Financial Services Licence (AFSL). The MAV has established a significant compliance and governance structure to ensure it meets its obligations under the AFSL. This structure includes a compliance and risk management strategy; compliance and risk management plan; compliance and risk analysis table; and disaster recovery and business continuity plan. An electronic risk management and compliance system operates within MAV Insurance to ensure compliance with its AFSL obligations. Compliance with this system is audited by the MAV's independent internal auditor and findings are reported to both the MAV Insurance Committee and the MAV Board.

**JOHN WARBURTON**

APPOINTED 1995

Chair, MAV Insurance Committee 2005 – present

Director, Lend Lease Real Estate Investments Limited

Director, Health Super Financial Services

Director, Emergency Services Foundation

Chairman, Vision Super Audit Committee

Chairman, Metlink Audit Committee

**RON FARRELL**

APPOINTED 2001

Non Executive Director, connect.com.au Pty Ltd

Member, Professional Standards Councils (All States and Territories)

**CR ROD FYFFE**

APPOINTED 2004

MAV Regional Representative for Rural North Central

Councillor, Greater Bendigo City Council

Mayor 2004, 2005, 2011

**ALLAN GARCIA**

APPOINTED 2003

Chief Executive Officer, Local Government Association of Tasmania  
Quadrant Superannuation**MICHAEL GUILMARTIN**

APPOINTED 2009

Company Director Lake Eildon Country Club Ltd

Chief Executive Officer, Victorian Managed Insurance Authority 1997 – 2007

**DR MICHAEL KENNEDY OAM**

APPOINTED 1995

Chief Executive Officer, Mornington Peninsula Shire Council

Chairman, Frankston Mornington Peninsula Local Learning and Employment Network

Chairman, GAMUT (Centre for the Governance and Management of Urban Transport) University of Melbourne

Director, LifeSaving Victoria

Director, Inner East Community Health

**CR BILL MCARTHUR**

APPOINTED 2009

MAV President

Councillor, Golden Plains Shire Council

Mayor 2004, 2005

Director, Australian Local Government Association

Member, MAV Audit Committee

**ROB SPENCE**

APPOINTED 1997

Chief Executive Officer, Municipal Association of Victoria  
Trustee, Vision Super**Insurance Committee**

The Board has delegated authority and responsibility for the operation of the MAV Insurance business to the MAV Insurance Committee (MAVIC). A Deed of Establishment requires the formation of a management committee, and formalises authorities, duties and powers of delegation by the committee and provides guidance as to the day-to-day operation of the insurance business.

MAVIC has oversight of the operation of the insurance schemes and monitors the MAV's compliance with its Australian Financial Services Licence (AFSL). It comprises nine members – four independent insurance experts, one council CEO, one MAV board member, one representative of the Local Government Association of Tasmania, and the President and CEO of the MAV. The Committee oversees the operations of the MAV Insurance business.

Independent committee members receive a sitting fee for each meeting attended. In 2010/11 the sitting fee was:

> Chair: \$875

> Independent committee members: \$620

In addition, an allowance of \$1,185 was paid to the independent committee members for attendance at other insurance-related meetings.

**MAV INSURANCE COMMITTEE ATTENDANCE**

	AUG	OCT	OCT*	DEC	FEB	APR	MAY*	JUN
John Warburton	✓	✓	✓	✓	✓	✓	✓	✓
Ron Farrell	X	✓	✓	✓	✓	✓	✓	✓
Rod Fyffe	✓	✓	✓	✓	✓	✓	X	✓
Allan Garcia	X	X	X	✓	✓	✓	X	X
Michael Guilmartin	✓	✓	✓	✓	✓	✓	✓	✓
Michael Kennedy	✓	✓	✓	X	✓	✓	✓	✓
Bill McArthur	✓	X	✓	✓	✓	✓	✓	X
Anne Murphy	✓	✓	✓	✓	✓	✓	X	✓
Rob Spence	✓	✓	✓	✓	✓	✓	✓	✓

\* Denotes special meetings of the MAV Insurance Committee. The special meeting in October was to consider the financial statements for MAV Insurance. The special meeting in May was to consider premium levels in 2011/12.

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## Audit Committee

The Audit Committee is an independent committee established at the direction of the MAV Board in 2004. The Committee operates under a charter approved by the Board, which was reviewed and updated this year. Its primary objective is to assist MAV management in maintaining good governance, compliant financial reporting, management of risk, maintaining a reliable system of internal controls and monitoring organisational performance. The Committee meets quarterly and additional meetings are convened as required.

The Committee comprises three independent members and two board members. Dean Newlan CPA, an independent member since the Committee's inception, is Chair. Michael Ulbrick was appointed as an independent member in October 2010 to replace Elizabeth Reeves CPA (2004 – September 2010). The third independent member is Terry Makings AM FIEAust (appointed 2009). The Board was represented by the MAV President, Cr Bill McArthur and Cr Jan Farrell (until board elections in March 2011) and Cr Mary Lalios (post board elections).

In addition to monitoring the financial and risk management performance of the MAV and reviewing the annual work program of the internal and the external auditors, in 2010/11 the MAV Audit Committee received reports on the Local Authorities Super Defined Benefit Scheme, events and training policies and processes, information technology and communication enhancements, shared services, and food safety projects. It also monitored the MAV's involvement in the Bushfire Royal Commission and reviewed the performance of MAV's external auditor.

Independent committee members receive a sitting fee for each meeting attended. In 2010/11 the sitting fees were:

- > Chair: \$865.20 (2010 calendar year) and \$891.15 (2011)
- > Independent committee members: \$576.80 (2010) and \$594.10 (2011).

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## Advisory Groups

A scheduled 12 month review of the Board's committee structure was postponed from December until after board elections in March. Four advisory groups established in 2009 continued to provide advice to the Board until the elections. A board member chaired each group and provided a conduit for feedback between the group and the Board.

### MAV ENVIRONMENT ADVISORY GROUP

Provides advice on environmental issues of importance to local government and the needs and issues of members for delivery of environmental outcomes.

Co-chairs: Cr Reid Mather and Cr Jane Rowe

### MAV HUMAN SERVICES ADVISORY GROUP

Provides advice on social policy and human services issues. The committee also facilitates consultation with regional groupings of councils on current statewide issues.

Chair: Cr Ken Gale

### MAV PLANNING ADVISORY GROUP

Provides advice on strategic and statutory planning issues affecting local government and guides MAV policy and position development on planning related issues.

Chair: Cr Jan Farrell

### MAV TRANSPORT AND INFRASTRUCTURE ADVISORY GROUP

Provides advice on infrastructure and transport issues affecting local government and assists the MAV to carry forward key policies and campaigns in this area.

Co-chairs: Cr Geoff Gough and Cr Lisa Mahood

Immediately after the elections the Human Services Advisory Group was reconvened with Cr Ken Gale as Chair. Cr Rod Fyffe was appointed Chair of the interim Environment Advisory Group and Cr David Clark as Deputy Chair. Cr Geoff Gough was appointed Chair of the interim Planning Advisory Group with Cr Coral Ross as Deputy Chair.

In May 2011 the Board resolved to establish committees on arts and culture; environment; human services; multicultural; planning; and transport and infrastructure. Reference groups on emergency management and professional development were also established. The positions of chair and deputy chair and the terms of reference for each committee and reference group were unresolved at 30 June 2011.

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## Other MAV Committees

The MAV has also established and supported several other committees across major policy areas and projects, including:

### MAV COAG WORKING PARTY (HUMAN SERVICES)

Advises MAV advocacy into COAG policy directions, and monitors progress of agreements being developed with the Victorian Government.

### MAV/DEPARTMENT OF HEALTH FOOD SAFETY COORDINATION PROJECT STEERING COMMITTEE

Provides an interface mechanism between the Victorian and local government in respect of food regulations.

### MAV EARLY YEARS ADVISORY GROUP

Guides the MAV on issues relating to early years policy and service provision and planning.

### MAV ECOLOGICALLY SUSTAINABLE DEVELOPMENT ADVOCACY GROUP

Advises the MAV and shares information on reducing the environmental impacts of the built environment.

### MAV HACC AND AGEING ADVISORY GROUP

Guides the MAV on issues relating to government ageing policies, Home and Community Care and related aged programs, and positive ageing issues.

### MAV HOUSING GROWTH COUNCILLOR REFERENCE GROUP

Guides MAV input to the Victorian Government on housing growth requirements and metropolitan planning issues.

### MAV LOCAL GOVERNMENT ALCOHOL AND OTHER DRUG ISSUES FORUM

Brings councils together to share ideas and information for improving responses to drug use in our communities.

### MAV INFORMATION AND COMMUNICATION TECHNOLOGY COMMITTEE

Plans, coordinates and supports information and communication technology initiatives that deliver better council services and reduce costs.

### MAV PROFESSIONAL DEVELOPMENT REFERENCE GROUP

Provides advice on the MAV's professional development program for councillors, identifies ongoing areas of need within the sector to be addressed, and encourages participation of colleagues in the MAV professional development program.

### MAV ROADSIDE, WEEDS AND PESTS SUB-COMMITTEE

Provides input to the Ministerial Working Party on roadside pests.

### MAV STEP PLANNING PROCESS IMPROVEMENT PROJECT STEERING COMMITTEE

Provides direction to the program development.

### MAV SWIFT CONSORTIUM MANAGEMENT GROUP

Manages the ongoing implementation of shared library services contracts and policies.

### MAV ELECTRIC LINE CLEARANCE REFERENCE GROUP

Provides input into the development of a risk management model that would allow councils to deliver safety outcomes and preserve streetscape amenity in urban areas.

### MAV/DPCD WINDFARM JOINT WORKING GROUP

Engages councils to improve the assessment, compliance and public confidence in wind farm development.

### MAV PLANNING AND ENVIRONMENT ACT REVIEW WORKING GROUP

Enables local government input to contentious matters during the review of the *Planning and Environment Act 1987*.

### MAV/DSE LOCAL GOVERNMENT NATIVE VEGETATION REFERENCE GROUP

Provides advice on native vegetation management, principally on private land and roadsides which impact on local government.

### MAV NATIVE VEGETATION PERMITS ASSESSMENT WORKING GROUP

Provides advice on simplifying the native vegetation permit assessment process.

### MAV PUBLIC LIGHTING CUSTOMER INNOVATION COMMITTEE

Reviews public lighting technology to reduce costs and reduce greenhouse emissions.

### MAV IMPROVING EMERGENCY MANAGEMENT IN LOCAL GOVERNMENT PROGRAM STEERING COMMITTEE

Oversees projects to define the role of local government in emergency management, improve capability and capacity of performance and develop robust performance measures.

### MAV COUNCILLOR WORKCOVER COMMITTEE

Provides guidance on issues arising from workers compensation being extended to councillors.

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## External Committees

As the peak body for local government, the MAV represents or nominates representatives for the sector on a range of external committees and other bodies. In 2010/11, these included:

Animal Welfare Advisory Committee  
Association of Bayside Municipalities  
Association of Regional Waste Management Groups  
Broiler Code Review Stakeholder Reference Group  
Building Regulation Advisory Committee  
Climate Change and the Emergency Management Sector: Building Research Capacity Steering Group  
Community Emergency Risk Management Review and Redevelopment Committee  
Community Recovery Fund  
Community Road Safety Reference Group  
Country Fire Authority Board Development Assessment Forum  
Department of Planning and Community Development Procurement Technical Advisory Group  
Department of Planning and Community Development Sustainable Procurement Working Group  
Department of Transport Maintaining Mobility Steering Group  
Domestic Animal Management Implementation Committee  
Emergency Management Manual Victoria Strategy Group  
E-planning Council  
Essential Service Commission Customer Consultative Committee

Fire Safety in Public Buildings Committee  
Flood Warning Consultative Committee Victoria  
Future Coasts: Preparing Victoria's Coasts for Climate Change Steering Committee  
Geographic Place Names Advisory Committee – ANZAC Commemorative Naming Program Committee  
Infringements Standing Advisory Committee  
HACC Departmental Advisory Committee (Victorian Department of Health)  
Heart Foundation (Vic) and Quit Victoria Smoke-Free Policies Advisory Group  
MAV/Department of Human Services Food Safety Coordination Project Steering Committee  
Melbourne Bushfire Protection Program Project Control Group  
Metropolitan Fire and Emergency Services Board  
Metropolitan Local Government Waste Forum  
Metropolitan Transport Forum  
Minister for Agriculture's Roadside Pests Working Party  
Ministerial Advisory Council on Public Libraries  
Ministerial Utilities Infrastructure Reference Panel  
Mosquito Borne Virus Taskforce  
Municipal Emergency Management Enhancement Group  
National Packaging Covenant Council  
National Television and Computer Product Stewardship Scheme Stakeholder Reference Group  
National Timber Councils Association  
Office for Children Early Childhood Development Advisory Group

Planning and Environment Act Review Expert Advisory Group  
Planning and Subdivision Fees Review Technical Advisory Group and Stakeholder Reference Group  
Project Board Evaluating Trials of Community Warning Sirens  
Railway Crossing Project Delivery Committee  
Railway Crossing Technical Group Committee  
Regional Greenhouse Alliance and Stakeholders Network  
Road Transport Advisory Committee  
Rural Councils Victoria  
Sex Work Ministerial Advisory Committee  
Standing Committee on Local Government and Cultural Diversity  
State Emergency Mitigation Committee  
State Emergency Recovery Planning Committee  
State Emergency Relief Sub-committee  
State Emergency Response Planning Committee  
State Emergency Strategy Team  
State Fire Management Planning Committee  
State Flood Strategy Committee  
State Library Advisory Committee on Public Libraries  
State Natural and Built Environment Recovery Planning Committee  
Timber Towns Victoria  
UN Global Compact Cities Programme Advisory Council  
VicHealth Alcohol Strategy Advisory Group  
Victorian Bushfire Reconstruction and Recovery Authority Interagency Taskforce  
Victorian Childcare Industry Liaison Group

Victorian Children's Council  
Victorian Climate Change Coastal Hazard Guidelines Project Steering Group  
Victorian Community Road Safety Alliance  
Victorian Emergency Management Council  
Victorian Feedlot Committee  
Victorian Food Safety Council  
Victorian Freight and Logistics Council

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# Operations

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## Human Resources

The MAV retains a mix of staff and consultants to advocate the interests of its members, raise the sector's profile, provide advice and capacity building programs to support local government activities, and supply insurance and procurement services to councils. In 2010/11 the staffing profile of the MAV included:

- > 40 staff (32 full-time and eight part-time) funded from membership subscriptions. These staff focus on delivering the MAV Strategic Work Plan ratified by State Council and provide policy support, advice and capacity-building programs to councils in addition to maintaining the representation of Victorian local government views to the Victorian and Australian governments and other key groups
- > 17 staff (nine full-time and eight part-time) funded from Victorian and Australian government grants or external organisations to deliver specific projects and programs to support Victorian councils
- > Seven specialist consultants who supplement the skills of staff and provide support in areas such as insurance, financial management, information technology and policy advice.

During the year, 16 staff left the organisation. The employment term of four staff concluded with the end of projects that were grant funded. Twelve staff moved on to new career opportunities or retired. These positions were filled through recruitment or reorganisation of tasks.

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## Events

In 2010/11 the MAV ran 113 events, excluding committee meetings, attracting more than 7,154 registrations. These included conferences, forums, workshops, and training to support the ongoing professional development of councillors and senior officers. The Councillor Development Weekend, Annual Conference, Asset Management Conference and Future of Local Government Summit were among the major events staged. Many MAV events are sponsored by external organisations, keeping registration costs low. Sponsorship generally takes the form of direct financial contributions but may also involve discounted or in-kind services or products provided to the MAV. In 2010/11 the MAV received \$402,601 from events sponsorship.

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## Media coverage

The MAV continued to provide widespread media commentary on councils' roles in emergency management following the release of the final report of the Victorian Bushfires Royal Commission and the Government's response. Extensive radio and print news commentary was also provided on the recovery efforts and funding needs of councils following a succession of devastating floods that impacted hundreds of townships across more than 30 municipalities.

The collation of an annual rates media package achieved more balanced reporting of council rate rise stories. In addition to coverage in metropolitan daily, suburban and regional newspapers, an editorial was published in the Weekly Times and talkback radio interviews also highlighted the struggles facing councils to meet funding shortfalls for community services.

Importantly, the media coverage moved beyond blaming councils for lifting rates to an examination of the limitations of the funding structures and cost pressures facing local government. A number of stories called upon the Victorian and Australian governments to stop shifting costs onto councils, and to come up with policies that fix the inequity faced in areas where smaller populations cannot sustain the funding injections needed by councils.

The MAV's media effort also included extensive publicity achieved for three key advocacy campaigns. A call to parties seeking commitments from political parties in the lead up to the state election was reported in radio and print media across the state.

The Give Our Streets the Green Light campaign achieved strong media support during the federal and state elections, with more than 80 articles published in newspapers across the state. The public support generated through the campaign helped to secure both Australian and Victorian government funding commitments for councils to implement energy efficient street lighting.

Prominent coverage was given to the \$600 million funding shortfall necessary for Victoria to achieve national kindergarten reforms in The Age and Herald Sun as well as regional and suburban media. This issue continued to attract strong media coverage as councils and preschools try to identify solutions, and impacts such as fee increases, waiting lists, and cessation of three-year old kinder classes.

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## Secretariats

The MAV hosts the secretariat functions for several local government groups. The various agreements generally provide office space, facilities and support services at an affordable cost for an officer employed to support the various activities and governance arrangements of the groups.

### ASSOCIATION OF BAYSIDE MUNICIPALITIES

A consortium led by the Association of Bayside Municipalities, Central Coastal Board and MAV was successful in securing \$1 million to assist councils understand the choices and costs in responding to climate change risks by focusing on four case studies and developing tools, approaches and decision making methodologies. An operational review of the Association determined to re-cast the secretariat coordinator role as Executive Officer, review and recommend appropriate member contributions, seek additional resources for the 2011/2012 budget, undertake stakeholder workshops to build awareness and ownership of Association priorities, identify critical partnerships and scope potential projects of mutual benefit. In addition a workshop convened in conjunction with the Central Coastal Board identified priority issues facing Port Phillip Bay's coastal and marine environments to inform the actions of the Association in 2011. Mornington Peninsula Shire Council provided administrative support until the appointment of the new Executive Officer in March 2011.

### PUBLIC LIBRARIES VICTORIA NETWORK

A seminal research report was published to demonstrate the economic benefit of public libraries. The research found that every dollar invested in public libraries yields \$3.56 in community benefit. The report will be a critical advocacy tool in securing a better funding deal for public libraries. In addition to the quarterly meetings for network members, nine workshops were attended by 640 library staff on various topics. The network also collaborated with the State Library of Victoria on evaluations of nine library services and the digitisation of several local newspapers.

### RURAL COUNCILS VICTORIA

Rural Councils Victoria was successful in not only securing but increasing a funding commitment of \$3 million to \$3.5 million following a change in government. The primary focus since the

funding announcement was on scoping the new program and delivering already planned events. A detailed plan and budget for the first year of the program was agreed with the funding body. The past year also saw the development and adoption of a robust governance structure to guide the management of the network; the election of Cr Ken Gale from Moyne Shire Council as Chair; two forums for mayors and CEOs of rural councils; a new website for the network, and; the flagship event, the Rural Summit. The fourth annual Rural Summit took place in Rutherglen and was attended by 200 delegates from around the state.

### TIMBER TOWNS

A study was commissioned in partnership with Victorian Government agencies and one of Australia's largest private plantation companies detailing funding needed to maintain timber impacted local roads to a suitable standard. The report will assist with planning for future funding needs. It listed 330 roads, forecast to cart 41.3 million tonnes of logs during 2011 – 2015, and found that the total cost of works required to upgrade the roads is \$95.6 million. The Association increased its membership this year welcoming Ararat Rural City Council, Corangamite Shire Council, Greater Geelong City Council and South Gippsland Shire Council. After ten years as Chair, Cr Malcome Hole from Wellington Shire Council stood down and Vice President Cr Bill Harrington from Baw Baw Shire Council took on the presidency. Timber Towns Victoria also held the secretariat for the National Timber Councils Association for the fourth year running.

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# MAV Representatives

AT 30 JUNE 2011

Alpine Shire Council - Cr Nino Mautone  
Ararat Rural City Council - Cr Andrea Marian  
Ballarat City Council - Cr Cheryl Bromfield  
Banyule City Council - Cr Jenny Mulholland  
Bass Coast Shire Council - Cr John Duscher  
Baw Baw Shire Council - Cr Diane Blackwood  
Bayside City Council - Cr James Long  
Benalla Rural City Council - Cr Bill Hill  
Boroondara City Council - Cr Coral Ross  
Brimbank City Council - Ms Joanne Anderson  
Buloke Shire Council - Cr Reid Mather  
Campaspe Shire Council - Cr Neil Pankhurst  
Cardinia Shire Council - Cr George Blankhorn  
Casey City Council - Cr Geoff Ablett  
Central Goldfields Shire Council - Cr John Smith  
Colac Otway Shire Council - Cr Stephen Hart  
Corangamite Shire Council - Cr Ruth Gstrein  
Darebin City Council - Cr Gaetano Greco  
East Gippsland Shire Council - Cr Jane Rowe  
Frankston City Council - Cr Brad Hill  
Gannawarra Shire Council - Cr Max Fehring  
Glen Eira City Council - Cr Margaret Esakoff  
Glenelg Shire Council - Cr Bruce Cross  
Golden Plains Shire Council - Cr David Cotsell  
Greater Bendigo City Council - Cr Rod Fyffe  
Greater Dandenong City Council - Cr Peter Brown  
Greater Geelong City Council - Cr Andy Richards  
Greater Shepparton City Council - Cr Jenny Houlihan  
Hepburn Shire Council - Cr Bill McClenaghan  
Hindmarsh Shire Council - Cr Michael Gawith  
Hobsons Bay City Council - Cr Angela Altair  
Horsham Rural City Council - Cr Michael Ryan  
Hume City Council - Cr Ros Spence  
Indigo Shire Council - Cr Larry Goldsworthy  
Kingston City Council - Cr Ron Brownlees  
Knox City Council - Cr Joe Cossari  
Latrobe City Council - Cr Bruce Loughheed  
Loddon Shire Council - Cr Allen Brownbill  
Macedon Ranges Shire Council - Cr John Letchford  
Manningham City Council - Cr Geoffrey Gough  
Mansfield Shire Council - Cr Tom Ingpen  
Maribyrnong City Council - Cr Michael Clarke  
Maroondah City Council - Cr Tony Dib  
Melton Shire Council - Cr Broden Borg  
Mildura Rural City Council - Cr John Arnold  
Mitchell Shire Council - Cr Graeme Coppel  
Moira Shire Council - Cr Ed Cox  
Monash City Council - Cr Geoff Lake  
Moonee Valley City Council - Cr John Sipek  
Moorabool Shire Council - Cr Tom Sullivan  
Moreland City Council - Cr Enver Erdogan  
Mornington Peninsula Shire Council - Cr Bev Colomb  
Mount Alexander Shire Council - Cr Michael Redden  
Moyne Shire Council - Cr Ken Gale  
Murrindindi Shire Council - Cr Peter Beales  
Nillumbik Shire Council - Cr Helen Coleman  
Northern Grampians Shire Council - Cr Ray Hewitt  
Port Phillip City Council - Cr John Middleton  
Pyrenees Shire Council - Cr David Clarke  
Queenscliffe Borough Council - Cr Bob Merriman  
South Gippsland Shire Council - Cr Warren Raabe  
Southern Grampians Shire Council - Cr Bob Penny  
Stonnington City Council - Cr Claude Ullin  
Strathbogie Shire Council - Cr Graeme Williams  
Surf Coast Shire Council - Cr Libby Coker  
Swan Hill Rural City Council - Cr Gary Norton  
Towong Shire Council - Cr Peter Joyce  
Wangaratta Rural City Council - Cr Anthony Griffiths  
Warrnambool City Council - Cr Jacinta Ermacora  
Wellington Shire Council - Cr Jeff Amos  
West Wimmera Shire Council - Cr Darren Rayner  
Whitehorse City Council - Cr Ben Stennett  
Whittlesea City Council - Cr Mary Lalios  
Wodonga City Council - Cr Lisa Mahood  
Wyndham City Council - Cr Cynthia Manson  
Yarra City Council - Cr Alison Clarke  
Yarra Ranges Shire Council - Cr Terry Avery  
Yarriambiack Shire Council - Cr Andrew McLean

# Civic Mutual Plus Members

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## Victoria

Alpine Shire Council  
Ararat Rural City Council  
Ballarat City Council  
Banyule City Council  
Bass Coast Shire Council  
Baw Baw Shire Council  
Bayside City Council  
Benalla Rural City Council  
Boroondara City Council  
Brimbank City Council  
Buloke Shire Council  
Campaspe Shire Council  
Cardinia Shire Council  
Casey City Council  
Central Gippsland Region Water Corporation  
Central Goldfields Shire Council  
Central Highlands Region Water Corporation  
City West Water Corporation  
Colac Otway Shire Council  
Coliban Region Water Corporation  
Corangamite Shire Council  
Darebin City Council  
East Gippsland Region Water Corporation  
East Gippsland Shire Council  
Eastern Regional Libraries Corporation  
Frankston City Council  
Gannawarra Shire Council  
Glen Eira City Council  
Glenelg Shire Council  
Golden Plains Shire Council  
Goulburn Valley Region Water Corporation  
Goulburn Valley Regional Library Corporation  
Goulburn-Murray Rural Water Corporation  
Grampians Wimmera Mallee Water Corporation  
Greater Bendigo City Council  
Greater Geelong City Council

Greater Shepparton City Council  
Hepburn Shire Council  
Hindmarsh Shire Council  
Hobsons Bay City Council  
Horsham Rural City Council  
Hume City Council  
Indigo Shire Council  
Kingston City Council  
Knox City Council  
Latrobe City Council  
Loddon Shire Council  
Lower Murray Urban and Rural Water Corporation  
Macedon Ranges Shire Council  
Manningham City Council  
Mansfield Shire Council  
Maribyrnong City Council  
Maroondah City Council  
Melbourne City Council  
Melton Shire Council  
Mildura Rural City Council  
Mitchell Shire Council  
Moira Shire Council  
Monash City Council  
Moonee Valley City Council  
Moorabool Shire Council  
Moreland City Council  
Mornington Peninsula Shire Council  
Mount Alexander Shire Council  
Moyne Shire Council  
Municipal Association of Victoria  
Murrindindi Shire Council  
Nillumbik Shire Council  
North Central Goldfields Library Service  
North East Region Water Corporation  
Northern Grampians Shire Council  
Port Phillip City Council  
Pyrenees Shire Council  
Queenscliffe Borough Council  
South Gippsland Region Water Corporation

South Gippsland Shire Council  
Southern Grampians Shire Council  
Southern Rural Water Corporation  
Stonnington City Council  
Strathbogie Shire Council  
Surf Coast Shire Council  
Swan Hill Rural City Council  
Towong Shire Council  
Victorian Water Industry Association Inc.  
Wangaratta Rural City Council  
Wannon Region Water Corporation  
Warrnambool City Council  
Wellington Shire Council  
West Gippsland Regional Library Service  
West Wimmera Shire Council  
Western Region Water Corporation  
Westernport Region Water Corporation  
Whitehorse City Council  
Whitehorse Manningham Regional Library Corporation  
Whittlesea City Council  
Wodonga City Council  
Wyndham City Council  
Yarra City Council  
Yarra Plenty Regional Library Service  
Yarra Ranges Shire Council  
Yarriambiack Shire Council

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## Tasmania

Ben Lomond Water Corporation  
Break O'Day Council  
Brighton Council  
Burnie City Council  
Central Coast Council  
Central Highlands Council  
Circular Head Council  
Clarence City Council  
Cradle Mountain Water Corporation  
Derwent Valley Council  
Devonport City Council  
Dorset Council  
Flinders Council  
George Town Council  
Glamorgan/Spring Bay Council  
Glenorchy City Council  
Hobart City Council  
Huon Valley Council  
Kentish Council  
King Island Council  
Kingborough Council  
Latrobe Council  
Launceston City Council  
Local Government Association of Tasmania  
Meander Valley Council  
Northern Midlands Council  
Onstream  
Rivers and Water Supply Commission  
Sorell Council  
Southern Midlands Council  
Southern Water Corporation  
Tasman Council  
Waratah-Wynyard Council  
West Coast Council  
West Tamar Council

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# Fidelity Members

Alpine Shire Council  
Ararat Rural City Council  
Ballarat City Council  
Bass Coast Shire Council  
Baw Baw Shire Council  
Bayside City Council  
Benalla Rural City Council  
Boroondara City Council  
Brimbank City Council  
Buloke Shire Council  
Cardinia Shire Council  
Casey City Council  
Central Goldfields Shire Council  
Central Highlands Region Water Corporation  
Citywide Service Solutions Pty Ltd  
Colac-Otway Shire Council  
Coliban Region Water Corporation  
Corangamite Regional Library Corporation  
Corangamite Shire Council  
Crowlands Water Supply Co-operative  
Darebin City Council  
East Gippsland Region Water Corporation  
East Gippsland Shire Council  
Eastern Regional Libraries  
Frankston City Council  
Gannawarra Shire Council  
Geelong Regional Library Corporation  
Glenelg Shire Council  
Golden Plains Shire  
Goulburn Valley Region Water Corporation  
Goulburn-Murray Rural Water Corporation  
Grampians Wimmera Mallee Water Corporation  
Greater Bendigo City Council  
Greater Geelong City Council  
Greater Shepparton City Council  
Hepburn Shire Council  
Hindmarsh Shire Council  
Hobsons Bay City Council  
Horsham Rural City Council  
Hume City Council  
Indigo Shire Council  
Kingston City Council  
Knox City Council  
Latrobe City Council  
Loddon Shire Council  
Lower Murray Urban and Rural Water Corporation  
Macedon Ranges Shire Council  
Manningham City Council  
Mansfield Shire Council  
Maribyrnong City Council  
Melbourne City Council  
Melbourne Wholesale Fish Market  
Melton Shire Council  
Mildura Rural City Council  
Mitchell Shire Council  
Moirra Shire Council  
Monash City Council  
Moonee Valley City Council  
Moorabool Shire Council  
Moreland City Council  
Mornington Peninsula Shire Council  
Mount Alexander Shire Council  
Moyne Shire Council  
Municipal Association of Victoria  
Murrindindi Shire Council  
Nillumbik Shire Council  
North East Region Water Corporation  
Northern Grampians Shire Council  
Port Phillip City Council  
Pyrenees Shire Council  
Queen Victoria Market  
Queenscliffe Borough Council  
South Gippsland Region Water Corporation  
South Gippsland Shire Council  
Southern Grampians Shire Council  
Southern Rural Water Corporation  
Stonnington City Council  
Strathbogie Shire Council  
Surf Coast Shire Council  
Swan Hill Rural City Council  
Tanjil Bren Water Co-op Ltd & Committee of Management - Recreation Reserve  
Towong Shire Council  
Wannon Region Water Corporation  
Warrnambool City Council  
Wellington Shire Council  
West Gippsland Regional Library Corporation  
West Wimmera Shire Council  
Western Region Water Corporation  
Westernport Region Water Corporation  
Whitehorse City Council  
Whittlesea City Council  
Wodonga City Council  
Wyndham City Council  
Yarra City Council  
Yarra Ranges Shire Council  
Yarriambiack Shire Council

# Financial Overview

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## Report on financial results for the year ended 30 June 2011

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

The Association represents local government in Victoria. One of the activities of the MAV is that it seeks out, applies for, and administers grant funds for, and on behalf of its members, for the benefit of both local government and the Victorian community. This activity of the Association has been accounted for as a segment and included at note 25 in the financial statements. The MAV financial statements also include the activities of MAV Procurement, which provides procurement services and training in procurement for MAV members; and MAV Insurance, which operates Civic Mutual Plus and the Municipal Officers' Fidelity Guarantee Fund.

Both insurance activities are nondiscretionary mutual funds and are subject to the oversight of the Association's Board, which acts through a committee of management established by the Board, the MAV Insurance Committee (MAVIC). MAVIC carries out oversight and management of the operational activities of MAV Insurance. Jardine Lloyd Thompson Pty. Ltd provides claims and risk management services to the MAV.

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## Municipal Association of Victoria

The financial result of the MAV in 2011 was impacted significantly by the payment of the Defined Benefits Superannuation Fund liability of \$136,000. The operating deficit for the year was \$92,805 (2010 deficit \$29,955). The operating result when both the grant fund and MAV Procurement are included was a deficit of \$84,908 (2010 surplus \$392,127).

The year also saw the continued development and expansion of MAV Procurement with sales more than doubling. This entity continues to improve and make major gains in contracted services resulting in increased revenues. Combined net assets of the MAV before including the MAV Insurance business reduced to \$6.7 million (2010 \$6.82 million). During 2011, the MAV received a further \$11.1 million in grants and other grant related income (2010 \$7.3 million). The MAV delivered on several significant projects during the year that have been funded by grants from

both Australian and Victorian governments and funds contributed by its members. These grants and contributions are managed by the MAV for the betterment of the local government sector and Victorian communities. As at 30 June 2011, the MAV had a commitment to spend \$6.09 million (2010 \$5.99 million).

The operating deficit of the combined entity has been further impacted by events in MAV Insurance including increasing claims costs and increasing costs of re-insurance premiums. The operating deficit of the combined entity was \$0.587 million (2010 deficit \$4.59 million) with net assets reducing from \$14.98 million in 2010 to \$14.39 million in 2011.

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## MAV Insurance

The MAV Insurance business consists of Civic Mutual Plus and the Municipal Officers' Fidelity Guarantee Fund. The Association is required under the *Municipal Association Act 1907* to provide both public liability and fidelity insurance to local government and other statutory authorities. MAV Insurance is not subject to Australian Prudential Regulatory Authority (APRA) regulations. However, the MAVIC views compliance with these regulations as being good business governance and practice and has a policy of complying with several, but not all, of the APRA regulations.

The MAV holds an Australian Financial Services Licence (AFSL No 27143). The MAV and MAV Insurance have AFSL compliant processes and activities in place to maintain the highest standards of governance, provide operational efficiency and enhance the future viability of the MAV Insurance business. The combined deficit for 2011 was \$0.5 million (2010 \$4.977 million). The net asset position at the end of 2011 was \$7.655 million (2010 \$8.157 million).


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## MAV Procurement

The year also saw the continued development and expansion of MAV Procurement with sales more than doubling, leading to a significant improvement in the result for the year. This entity continues to improve and make major gains in contracted services resulting in increased revenues. The objective of MAV Procurement is to assist members in accessing significant benefits from improvements in purchasing and procurement processes and activities. The deficit for 2011 was \$143,715 (2010 \$230,095). This result included a one-off expense related to the writing off of goodwill amounting to approximately \$41,000.

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# Guide to the Financial Report

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## Components of the Financial Report

The financial report contains three main sections: the financial statements, the notes to the financial statements and the statements by the directors and auditor.

The financial statements consist of three main statements: income statement, balance sheet and statement of cash flows.

The notes to the financial statements detail the Association's accounting policies and set out the detailed values that are carried into the financial statements.

The statements by directors and auditor provide the views of the directors of the MAV and the independent auditor on the financial report.

The statement by directors confirms the view of the directors that the financial report provides a true and fair view of the financial performance, financial position and solvency of the Association.

The audit report by the independent auditor expresses the auditor's opinion on whether the financial statements present fairly the financial position of the Association as at 30 June 2011, and the results of the various business operations and cash flows for the year ended 30 June 2011, in accordance with accounting standards and other mandatory professional reporting requirements.

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## Financial Statements

### 1. INCOME STATEMENT

The income statement shows:

- > the MAV's revenue from its various activities
- > the expenses incurred in running the MAV and its business activities.

These expenses relate only to the business operations and do not include costs associated with the purchase of assets. The expense item 'depreciation' spreads the cost of the assets over the estimated life of the assets. The most important figure is the surplus for the year. Where it is positive, this means that revenues were greater than expenses.

### 2. BALANCE SHEET

The balance sheet shows the assets the Association owns and the liabilities it owes at 30 June. The balance sheet separates the assets and liabilities into current and non-current. Current means those assets or liabilities that will be either collected or that fall due within the next 12 months. The components of the balance sheet are:

#### 2.1 CURRENT AND NON-CURRENT ASSETS

Cash assets include cash held in the bank, petty cash, cash deposits and cash investments. Receivables are monies owed to the Association.

Prepayments are payments made in the current financial year which relate to the next financial year. For example, annual subscriptions etc.

Property, plant and equipment represents the value of the equipment, furniture and fittings, computers, web site and intranet and motor vehicles owned by the Association.

Intangible assets are trademarks, educational programs and other intellectual property owned by the Association.

## 2.2 CURRENT AND NON-CURRENT LIABILITIES

Bank overdraft indicates the amount the Association owes its bankers on its daily operating account.

Payables are monies owed by the Association to its suppliers as at 30 June.

Premiums in advance are insurance premiums relating to the next financial year billed to members of the insurance fund before 30 June.

Provision for employee entitlements is the accounting term for annual leave, long service leave and retirement gratuities owed to staff.

Provision for claims outstanding represents insurance claims reported by members together with an estimate of claims incurred but not yet reported including an estimate of the costs of settlement for these claims.

## 2.3 NET ASSETS

This term describes the difference between total assets and total liabilities. It represents the net worth of the Association as at 30 June.

## 3. STATEMENT OF CASH FLOWS

The statement of cash flows summarises cash payments and cash receipts for the year. The values may differ from those shown in the income statement because the income statement is prepared on an accrual basis. Cash is derived from, and is used in, two main areas:

### 3.1 CASH FLOWS FROM OPERATING ACTIVITIES

Receipts relate to all cash received into the Association's bank account from members and others who owed money to the Association in the form of fees or premiums. Receipts also include interest earned from the Association's cash investments. It does not include receipts from the sale of assets.

Payments relate to all cash paid out of the Association's bank account to staff, creditors and others. It does not include cash paid for the purchase of assets.

### 3.2 CASH FLOWS FROM INVESTING ACTIVITIES

This relates to cash receipts and cash payments resulting from either the sale or purchase of property, plant and equipment. The statement of cash flows concludes with cash at end of year which indicates the cash the Association has at 30 June to meet its debts and liabilities.

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## Notes to the financial statements

To enable the reader to understand the basis on which the values shown in the statements are established it is necessary to provide details of the Association's accounting policies. These are described in note 2. Apart from the accounting policies, the notes also give details behind many of the summary figures contained in the statements. The note numbers are shown beside the relevant items in the income statement, balance sheet and the statement of cash flows.

Where the Association wishes to disclose information which cannot be incorporated into the statements, this is shown in the notes. The notes should be read at the same time as the financial statements in order to get a full and clear picture of the financial statements.

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## Statements by Directors

The statement by directors is made by two directors on behalf of the Board of the Municipal Association of Victoria. The statement states that in the opinion of the Board the financial statements present a true and fair view of the operations of the Association and that the Association can pay its debts as and when they fall due.

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## Independent Audit Report

This report is the independent auditor's opinion on the financial statements. It provides the reader of the financial statements a completely independent opinion of the financial statements of the Association. The opinion covers all statutory and accounting standards compliance requirements as well as providing a view on the truth and fairness of the financial statements.

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