



The Future is Local

EXPLORING THE PAST(S), PRESENT(S) AND FUTURE(S) OF LOCAL GOVERNMENT IN VICTORIA

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ACKNOWLEDGMENT
OF COUNTRY

The Municipal Association of Victoria
acknowledges Traditional Owners of
Country throughout Victoria and pays
respect to their cultures and Elders past
and present.



Introduction

LOCAL GOVERNMENTS HAVE ALWAYS STEPPED FORWARD TO MEET
THE NEEDS OF THEIR COMMUNITIES

For many of us, local council is the front door to government. Beyond the mantra of ‘roads, rates and rubbish’, Victoria’s local government sector plays a vital role in distributing resources, delivering and maintaining collective assets that are the backbone of everyday life, celebrating local culture, fostering a distinct sense of place, and cultivating social understanding.

All tiers of government are experiencing a shift in roles and expectations as our world becomes increasingly complex and turbulent. In the face of real opportunity and significant constraint, Victoria’s local government sector has responded by engaging more voices through deliberative democracy and facilitating greater access to services, and to physical and digital spaces. At the same time, the sector is working to help communities navigate a housing crisis, cost of living pressures, shifting social currents, and accelerating technology, as well as the impacts of climate change on our collective health, productivity, assets and infrastructure.

Yet building the capabilities that local government needs to help our communities shape ‘what’s next’ with passion, purpose, and optimism cannot be achieved by the sector alone. The full power of the broader ecosystem needs to be catalysed – from global actors to local communities, the civil and not-for-profit sectors, State and Commonwealth partners, academia and private enterprise.

A resilient local government sector will need this collaboration, alongside imagination, determination, and foresight to deliberately adapt to radically different contexts. This report represents initial steps towards this, applying futures thinking by –

- Looking back at how intertwined histories have shaped the evolution of local government and the role they play in society
- Looking around at the functions and services local government provides today and at the impact this has in community
- Looking forward to grow awareness of forces already shaping our context and explore not only what is probable, but what alternatives are possible

The phenomena discussed in this report are by no means limited to Victorian, or even Australian, local governments. Municipal bodies around the world are facing similar questions, inflection points and opportunities. As such, The Future is Local is one of many moments where this work intersects with related labs and local government innovation initiatives from around the world.

MAKE-ROOM REPURPOSED A COUNCIL-OWNED BUILDING TO HELP ADDRESS CHRONIC HOMELESSNESS

[Read more](#)



“ No one understands the challenges and opportunities facing Victoria in the 21st century better than local councils.

From rapidly evolving technology to social changes, shifting economies to environmental pressures, our local communities – and the governments that represent them – are at the forefront of multiple transformations happening simultaneously.

These changes will affect every aspect of life in Victoria – and local councils, equipped with intimate knowledge of the needs and capabilities of their communities – are uniquely positioned to meet them head on.”

MAV Strategic Plan 2024-2027

FOREWORD

The rate of change in our world is accelerating at an unprecedented pace, and few institutions feel its impact more acutely than local government. As communities navigate shifting economic, environmental, and technological landscapes, it is critical that local councils cultivate an evidence-based approach to strategic foresight – one that enables them to anticipate, adapt, and choose their response to emerging challenges and opportunities.

The Municipal Association of Victoria (MAV) believe that strong, resilient local governments play a vital role in supporting communities to thrive. This belief is embedded in MAV’s strategic plan and drives its commitment to fostering innovation and foresight in the sector.

Local councils are uniquely positioned to enhance community resilience by providing essential services, strengthening social cohesion, and investing in adaptive infrastructure. By fostering collaboration between different levels of government, community organizations, and businesses, councils can develop holistic strategies that address economic vulnerabilities, social disparities and polarisation, and environmental, energy and climate risks.

Proactive engagement to build trusting relationships with residents ensures that local responses are inclusive and reflective of the diverse needs within communities, encouraging and empowering individuals to participate in shaping their own future. Strengthening local governance through adapted engagement practice, community strengthening and innovative policy-making will be key to ensuring communities can navigate change with confidence and stability.

Established in 2024, MAVlab was created as an innovation lab serving all 79 Victorian councils. MAVlab operates at network scale to support local governments to successfully prepare for and respond to change.

The MAVlab team embarked on The Future is Local project to build a comprehensive understanding of the trends and signals influencing the world, and how these forces can manifest in local Victorian communities. To guide this process, we partnered with the Strategic Foresight team from Arup, collaborating through extensive research, stakeholder workshops, and interviews with leaders across the local government sector.

Key participants in this initiative included the MAVlab Innovation Associates—a network of motivated individuals working in the Victorian Local Government sector who are passionate about leading innovation in local government—alongside a diverse range of sector leaders.

Collaborative investment in the MAVlab program of work is now prioritising critical shared challenges identified in this report with the intent to find solutions and interventions that can scale positive impact and systems change for all councils in Victoria.

Over the course of this six month project, from late 2024 into early 2025, the world witnessed significant and rapid change – even more so than previous highwater marks of disruption – reinforcing the importance and the urgency of this work.

KEY THEMES AND EMERGING CHALLENGES – A SUMMARY

The delivery of this project coincided with a period of dramatic shifts across multiple domains. In the realm of climate and infrastructure, devastating wildfires in Los Angeles and across Victoria underscored the increasing volatility of extreme weather events. These fires not only resulted in the loss of lives and homes but also placed immense strain on emergency response systems, air quality, and energy infrastructure. The financial burden on governments and insurers has intensified, with global insurance markets recalibrating risk assessments and redefining high-risk areas. Furthermore, misinformation and disinformation surrounding the causes and responses to these disasters have posed challenges to public trust, making transparent, timely communication and coordinated emergency planning more critical than ever.

This period has reinforced the need for local governments to proactively address the interconnected challenges of climate, physical and communications infrastructure, and social resilience. A better understanding of interwoven social, economic, and environmental vulnerabilities is essential. Understanding the way we collectively hold and price in future risk and integrating spatial, health, and climate planning will be paramount to ensuring communities can adapt to an era of extreme climate volatility.

In this evolving climate landscape, councils will play a key role in resilience and recovery efforts, leveraging foresight and community engagement to develop tailored, localised responses. By embedding sustainability and adaptation into governance frameworks, councils can provide communities with the stability and security they need to thrive in an uncertain future.

At the same time, demographic shifts present new challenges and opportunities for local government. Victoria’s population is projected to reach 8.8 million by 2040, with uneven growth patterns across different council areas. While some regions experience rapid expansion, others face population decline, creating distinct challenges in service provision, workforce sustainability, and infrastructure planning. An aging population necessitates policies that attract and retain a working-age population while ensuring that our elders are offered the support and services to live healthy, happy lives – all while balancing cost of living and housing availability. Local governments

will need to foster inclusive, diverse, and vibrant communities by promoting active local democracy, equitable economic opportunities, and culturally responsive governance models.

In the rapidly evolving digital landscape, automation and AI adoption is accelerating. During the life of this project, the UK government pledged to “mainline AI into the veins of the public service” and the newly appointed American government announced major AI collaborations with OpenAI while undertaking efforts to significantly reducing the headcount of the federal public service.

These developments point to a future in which AI-driven decision-making and automation may play a growing role in public sector operations. These advancements also introduce challenges related to data privacy, cybersecurity, and equitable access to digital infrastructure. For local governments, ensuring that digital transformation enhances, rather than undermines, community well-being will require careful policy design, upskilling initiatives, and ethical governance frameworks that prioritise transparency, accountability, and the public interest.

Additionally, democratic instability is a growing concern. Political polarisation increasingly shapes alliances along ideological lines rather than economic considerations, leading to shifts in civic engagement and a decline in trust in institutions. While Australia continues to exhibit relatively strong trust in government compared to other OECD nations, local councils must play an active role in reinforcing civic participation, community cohesion, and inclusive governance. Addressing emerging challenges regarding polarisation, racism and misinformation requires robust community engagement strategies that emphasise transparency and collective problem-solving at a local community level – in partnership with government.

Alongside these shifts, our collectively-held infrastructure and assets continue to support the daily lives of Victorian communities and business. Requirements for upkeep and renewal under increasing use and changing climate conditions – and making the most of opportunities like the energy transition – will ensure infrastructure resilience remains top of mind for local governments.

THE NEED FOR ONGOING FORESIGHT AND LOCAL ACTION

The sheer scale and speed of the transformations seen during the delivery of this project highlight the need for local governments to adopt a continuous, rather than episodic, approach to strategic foresight. Trends and signals must be localised to ensure they are relevant and actionable, and councils must have the capability to translate the signals from the noise, to understand and identify the implications, and to leverage timely insights to drive proactive decision-making and adaptive leadership.

To this end, MAVlab is committed to equipping councils with the tools, guidance, and coaching support needed to strengthen their foresight capabilities. As history has shown, local governments have consistently risen to meet the critical challenges of their time. Moving forward, this ability to anticipate and prepare for future uncertainties will be a defining skill set for councils dedicated to serving their communities effectively.

While our world is changing rapidly, the core elements of Victorian communities remain steadfast—belonging, safety, access to nature and a healthy environment, and public spaces that foster creativity and well-being. Local governments are uniquely positioned to support communities through these changes by fostering resilience, strengthening social cohesion, and ensuring that essential services and infrastructure evolve to meet emerging needs. By investing in adaptive leadership, inclusive decision-making, and proactive community engagement, councils can empower residents to navigate uncertainty with confidence.

Through strategic foresight and collaboration, councils can anticipate challenges before they escalate, enabling timely interventions that protect vulnerable populations, sustain local economies, and enhance overall well-being. Whether through climate adaptation strategies, digital inclusion initiatives, or innovative urban planning, local governments have the capacity to shape the future rather than be shaped by it.

The future is local.

“ It is near impossible to put hard edges and boundaries around a piece of work like this as one that – like all things – inevitably leads to another. However, for the sake of delivering timely and practical and actionable insights back into our sector, we have tried! ”

Bonnie Shaw, MAVlab Lead.



Looking back

EVOLUTION OF LOCAL GOVERNMENT IN VICTORIA

Victoria's local government sector is a distinct ecosystem operating within regional, state, national and global contexts. Charting its evolution shows the ways local government role in the daily lives of Victorians has expanded alongside growing recognition of the need for place-specific, community-focused responses.

THE GOVERNANCE PATHWAY

FORMALISATION OF LOCAL GOVERNMENT IN VICTORIA

Local government is not formally recognised by Australia’s dualist federal system. Yet, its presence, role, and influence in Victoria pre-dates Federation and continues to this day. In fact, the value of local leadership representing local needs was recognised some fifty years before the Constitution of Australia was enacted in 1901, with the Municipal Institutions Act of 1854.

This Act designated district-based responsibilities for road and bridge maintenance and construction – a role still familiar today – and acted as a precursor to the Local Government Act of 1874, setting the stage for our current ‘three tier’ system of governance. Since the Act of 1874, State and Commonwealth governments have held legislated responsibilities for local government in a tripartite relationship characterised by funding channelled to local governments to deliver urban and economic development priorities, often tied to infrastructure and maintenance.

Post Word War II stimulus funding was followed by population growth, economic headwinds and social change into the 1970s which saw local government take on an increasing leadership role in community service provision, planning and infrastructure delivery. This vital role of was reflected in the Constitution (Local Government) Act 1979, which amended the Victorian Constitution 1975 to recognise the sector as a ‘distinct and essential tier of government’.

Radical structural shifts were made in the mid 1990s with a reform movement aimed to enhance local government efficiency and transparency, while retaining place specificity. State-led amalgamations decisively altered the number, size, and structure of local councils in Victoria. Some 60% administrative functions were dissolved, councils merged and services consolidated, as 210 councils became 78 (79 from 2002 with the Shire of Delatite de-merger). Two decades on, a reduced and more competitive Commonwealth funding pool met rate capping in 2016, amplifying the need for resourceful local government management and service delivery.

More recently, the Local Government Act 2020 ushered in a fresh wave of reform. This updated Act recognises infrastructure delivery remains core to local government, while also recognising the ways the sector thinks and acts need to reflect changes in community expectations for participation and transparency, deliver better service through digitalisation, and take into account a rapidly changing environmental context. Among other reforms, the Act champions ‘principle-led’ governance and a reduction in red tape, a requirement for long-term planning and recognition of the expanded remit of councils.

over 6 million

Victorians have their needs met by local councils



79

councils across the State of Victoria

31

metropolitan councils

48

regional and remote councils

56,900

people are directly employed in Victoria’s local government sector



HOW LOCAL GOVERNMENT
HAS EVOLVED OVER TIME

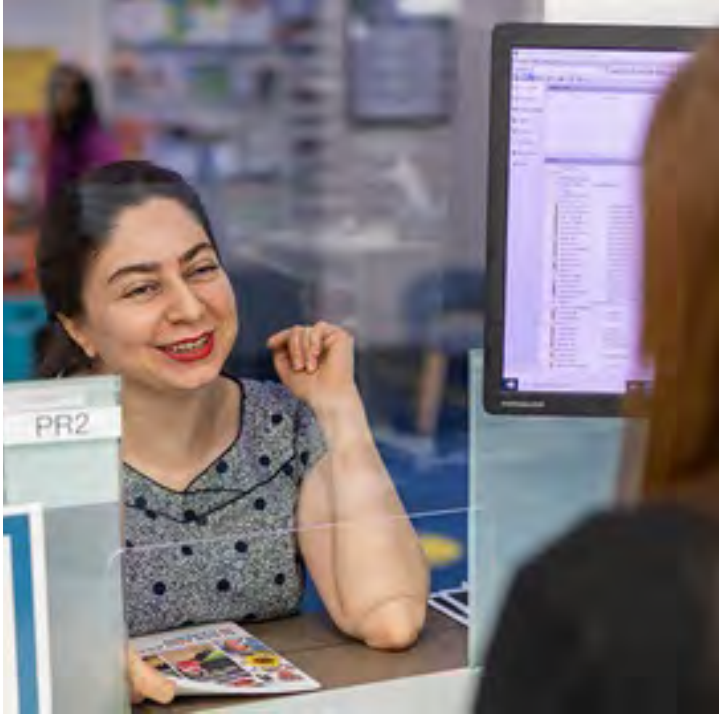
The innovation continuum overpage maps just some of the key moments that have shaped local government in Victoria – or the territories and Country now called Victoria.

“ Local government is a district and essential tier of government consisting of democratically elected councils having the functions and powers that the Parliament considers are necessary to ensure peace, order and good government of each municipal district. ”

Victorian Constitution Act 1975 (Sect 74A(1))

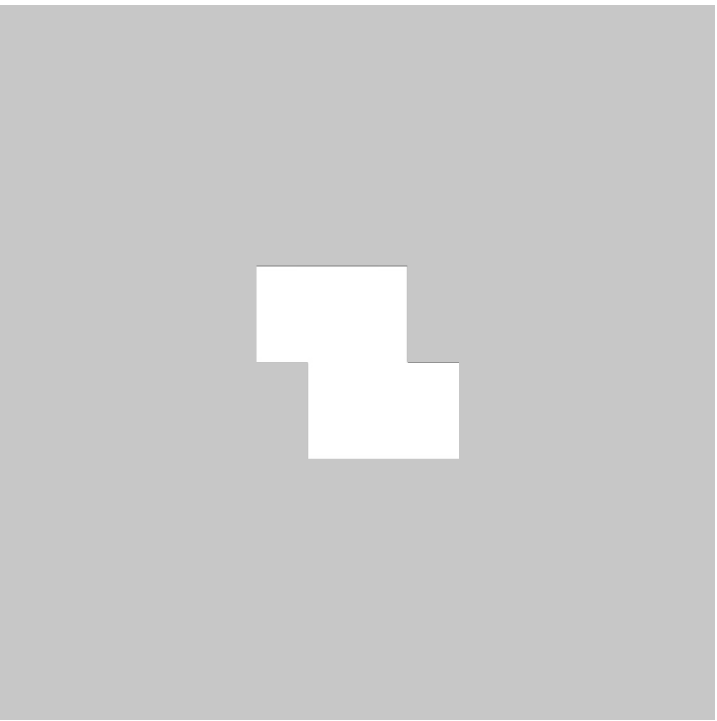
38

First Nations languages are spoken across 11 language families in Victoria



almost
300

different occupations are employed through Victorian councils



FIRST NATIONS

FIRST NATIONS PEOPLE UPHOLD OVER 60,000 YEARS OF ENDURING STEWARDSHIP AND CONNECTION TO COUNTRY, BUT EFFORTS TO SUPPORT MEANINGFUL RELATIONSHIPS WITH THESE GROUPS HAVE ONLY STARTED TO GAIN TRACTION IN RECENT YEARS.

GOVERNANCE

LOCAL GOVERNMENT IS NOT FORMALLY RECOGNISED BY AUSTRALIA'S DUALIST SYSTEM, YET ITS PRESENCE AND INFLUENCE PREDATE FEDERATION AND THE SECTOR CONTINUES TO BE A LEADER IN CIVIC INNOVATION.

INFRASTRUCTURE

DESPITE COUNCIL RESPONSIBILITIES EXPANDING AND DIVERSIFYING OVER TIME, THE ROLE OF LOCAL GOVERNMENT AND ITS RELATIONSHIP TO THE STATE AND COMMONWEALTH CONTINUES TO BE CHARACTERISED BY INFRASTRUCTURE DELIVERY AND MAINTENANCE.

SERVICES

AS AN INCREASINGLY GROWING PROPORTION OF PUBLIC ASSETS IS OWNED AND MANAGED LOCALLY, THE SCOPE OF SERVICES DELIVERED AT THE LOCAL LEVEL ALSO WIDENS SIGNIFICANTLY.

RESOURCES

WHILE EMPLOYEE NUMBERS HAVE GROWN STEADILY, THE SECTOR IS WORKING TO REDRESS CRITICAL SKILLS SHORTAGES AND THE UNDERRPERSENTATION OF FIRST NATIONS PEOPLE.

PROCESS

WITH NEW CHALLENGES COME NEW OPPORTUNITIES FOR ENHANCING PROCESS EFFICIENCY THROUGH DIGITAL TECHNOLOGY AND PROCESS INTEGRITY THROUGH NEW MODELS OF DEMOCRATIC GOVERNANCE.

• **1874**
Local Government Act
1874 is established as first
Victorian general Act
dealing with local
government

• **1879**
MAV IS FORMED

• **1891**
Melbourne and
Metropolitan Board of
Works (MBW) established

• **1912**
Ballarat Kindergarten opens as
the first documented evidence
of a council donating land for a
kindergarten to operate

1924
Brunswick Kindergarten opens as the first
free Kindergarten in the northern suburbs,
established through council grant

• **1920s**
Commonwealth government
implements conditions on how States
pass on grants to local government and
on how funds are ultimately spent.

• **1954-1968**
In 1954, the MBW
first metropolitan
scheme, given f
the Minister in 1

• **1852**
Goldrush brings
roads, galleries,
theatres and
stock exchanges
to towns like
Ballarat and
Bendigo

• **1854**
Municipal Institutions
Act establishes districts
responsible for roads
and bridges

• **1856-58**
State Library (then named
Melbourne City Library)
opens as the first free
library in Australia,
inspiring calls for free
public libraries in Ballarat,
Castlemaine and
Richmond

• **1907**
MAV is incorporated by Act
of Parliament, the Municipal
Association Act 1907

• **1918**
Victorian Minister for Health grants a
pound-for-pound subsidy (up to £125)
which induced nine councils to establish
baby health centres by June

1944
**TOWN AND COUNTRY
PLANNING ACT**
VESTS COUNCILS WITH THE POWER TO
CREATE AND ENFORCE PLANNING
SCHEMES (ONCE ENDORSED BY A
CENTRALBODY)

• **1849**
Geelong is
incorporated
as a town

• **1842**
Melbourne is
incorporated
as a town

• **1877**
Fitzroy public
library opens

• **1901**
Constitution of Australia
sets local government
functions and powers to
be defined by States
and Territories

• **1921**
Local Government Act 1921
vests councils with the power
to declare residential areas
and prohibit incompatible
uses within these

• **1788**
First Fleet
arrives at
Botany Bay

• **1833**
Roads and Streets Act
(NSW) provides Colonial
Government with the
power to make roads

• **1842**
Constitution of 1842
grants Governor of NSW
the power to establish
District Councils

• **1851**
Port Phillip is separated
from NSW and becomes an
independent colony under
the name of Victoria

• **1860**
City Baths opened by the City of Melbourne to
become the first council operated public pool

W adopts the
an planning
ull force by
1968

original and Torres
ait Islanders have
ne option to enrol
and vote

1975 VICTORIAN CONSTITUTION

late 1990s
Councils begin to establish
Aboriginal Advisory Committees,
formal Statements of Commitment
to Aboriginal Australians and
Reconciliation Action Plans

FIRST PEOPLE'S ASSEMBLY OF VICTORIA ESTABLISHED

2019-20
Black Summer accelerates
emergency service
delivery demand and
response

2024
54 Victorian
councils are part
of the Cities Power
Partnership

2024
MAVLab
launches

2019
MAV McArthur
Fellowship investigates
the power of deliberative
democracy globally

2021
Darebin City Council leads 46
Victorian councils in collaborative
procurement for renewable energy,
since expanding to 51 councils.

2024
Forthcoming Inquiry
into Local Government
funding and service

2021
Victorian Aboriginal
and Local Government
Strategy 2021-26

2025
Plan for Victoria
is released

2020
Pandemic
accelerates digital
service delivery
demand and
response

2024
Original City
Baths building
remains open
and in use

2022
Moreland City Council
renamed Merri-bek

2024
Local Government Act 2024 passes
focusing on governance and integrity with
a forthcoming amendment planned

2019

2016 RATE CAPPING

2018
Local Government manages
\$1.02 billion worth in assets

2017
In a world first,
Darebin City Council
declares a climate
emergency

2018

Victoria passes Australia's first treaty
law, Advancing the Treaty Process with
Aboriginal Victorians Act 2018

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City of Melbourne led 14 institutions, including 4 councils, in collaborative procurement
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LOCAL GOVERNMENT ACT 2020

2015
Maggolee platform launches as a local
council resource for working more closely
with First Nations communities

2013
Emergency Management
Act 2013

Cities Power Partnership launches to
drive local government climate action

2018

Yarra City Council declares
a climate emergency

2017

2010
Victorian Climate Change Act
2010 requires councils to
incorporate climate change
considerations into planning and
decision-making

2010
Traditional Owner
Settlement Act

2008-09

Australian Council for Local
Government launches to
strengthen collaboration and
engagement between local
and Commonwealth
governments

2004
A group of councils initiate a
collaborative, grassroots
movement to support climate
action through planning (to
become CASBE)

1993
MAV Insurance launches
and is tailored to the local
government sector

1993-95 STATE-LED AMALGAMATIONS

Civic innovations in deliberative
governance gain traction with citizens juries
or assemblies and participatory budgets

1988

Referendum for
Constitutional
recognition of Local
Government results in
a 'No' vote

1986

National Awards for Local
Government launch

1984

Aboriginal and
Torres Strait
Islanders are
required to enrol
and vote

1983

Transport Act 1983 defines
local government road
management responsibilities,
including integrated planning
with State government

1989

Local Government
Act 1989

1976

Commonwealth
loosens control over
road related project
approval and grant
spending

1975-2015
State funding for libraries
drops from 50% to 15%

1974

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Commonwealth
Constitution is amended by
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Victorian councils in collaborative
procurement for renewable energy,
since expanding to 51 councils.

2024
Forthcoming Inquiry
into Local Government
funding and service

2021
Victorian Aboriginal
and Local Government
Strategy 2021-26

2025
Plan for Victoria
is released

2020
Pandemic
accelerates digital
service delivery
demand and
response

2024
Original City
Baths building
remains open
and in use

2022
Moreland City Council
renamed Merri-bek

2024
Local Government Act 2024 passes
focusing on governance and integrity with
a forthcoming amendment planned

2019

2016 RATE CAPPING

2018
Local Government manages
\$1.02 billion worth in assets

2017
In a world first,
Darebin City Council
declares a climate
emergency

2018

Victoria passes Australia's first treaty
law, Advancing the Treaty Process with
Aboriginal Victorians Act 2018

2017

City of Melbourne led 14 institutions, including 4 councils, in collaborative procurement
for renewable energy, resulting in a new windfarm becoming operational in 2019.

LOCAL GOVERNMENT ACT 2020

2015
Maggolee platform launches as a local
council resource for working more closely
with First Nations communities

2013
Emergency Management
Act 2013

Cities Power Partnership launches to
drive local government climate action

2018

Yarra City Council declares
a climate emergency

2017

2010
Victorian Climate Change Act
2010 requires councils to
incorporate climate change
considerations into planning and
decision-making

2010
Traditional Owner
Settlement Act

2008-09

Australian Council for Local
Government launches to
strengthen collaboration and
engagement between local
and Commonwealth
governments

2004
A group of councils initiate a
collaborative, grassroots
movement to support climate
action through planning (to
become CASBE)

1993
MAV Insurance launches
and is tailored to the local
government sector

1993-95 STATE-LED AMALGAMATIONS

Civic innovations in deliberative
governance gain traction with citizens juries
or assemblies and participatory budgets

1988

Referendum for
Constitutional
recognition of Local
Government results in
a 'No' vote

1986

National Awards for Local
Government launch

1984

Local government today

THE CURRENT STATE OF PLAY

Like all tiers government, the local government sector is navigating a fast changing landscape that is unfolding new challenges and possibilities. This section of the report considers how the local government remit is shifting and expanding to meet growing and evolving needs.

AN INCREASE IN MAJOR CLIMATE EVENTS PRESSURISES INFRASTRUCTURE BUDGETS AND INCREASINGLY REQUIRES COUNCILS TO ATTRACT AND RETAIN SUFFICIENT VOLUNTEERS FOR DISASTER RELIEF

[Read more](#)



LOCAL LEADERSHIP

THE VOICE OF COMMUNITY

Local government represents the needs and aspirations of more than 6 million Victorians, while stewarding over \$140 billion worth in infrastructure and assets. While these are big numbers, the value of local government cannot be quantified quite so simply; the sector’s importance to Victoria lies as much in leadership and connection to local communities and businesses.

In a time of declining trust in institutions, local government continues to show the highest level of public support for its capacity to represent the needs of their communities and to quickly organise. With an ear to the ground and an eye for the nuance of community dynamics, local government often takes the lead in shaping agendas that take on state- and nation-wide significance, from community-led development plans to crisis response.

Local governments and bodies like MAV play a further role in preparing and supporting electoral candidates, Councillors and Mayors to navigate the complexities of governance in an uncertain world. Part of this is an increased role for training and development in the Victorian electoral system. Yet, the ability to attract skilled and representative Councillors may be at risk in light of ballooning time commitments, increasing issue complexity, low compensation, and a disturbing increase in public harassment and online abuse of elected officials.

51%

of Australians trust, or strongly trust, their local councils

This places Australia in the ‘trust top ten’ of 30 OECD countries



3.6%

of each tax dollar is directly collected by local councils

85%

of Victorian roads are managed by councils



\$140+ billion

infrastructure assets managed by Victorian councils

[Read more](#)

INFRASTRUCTURE AND ASSETS

COMMON SUPPORT SYSTEMS FOR DAILY LIFE

‘All the stuff you don’t think about’. Engineer and author Deb Chachra’s definition of infrastructure captures the vast scale of the wires, poles, footpaths and other assets that make up our communication, transport, sewage, electricity, and water systems, as well as our sports and recreation facilities, public spaces, and parklands. As Chachra reminds us, the human, ecological, and economic toll of these systems failing is often unthinkable – until it happens.

Victorian local government is custodian of \$140b in shared assets. A significant portion is aging or needs of renewal to meet changing circumstances. Climate adaptation and resilience are emblematic of this, with infrastructure rarely designed or built for the more frequent and severe weather events that are now increasingly common. While council mitigation and adaptation strategies have been required since 2010, environmental management was not separately listed as an expenditure in council budgets until 2017-18 despite being 15% of national council spend.

Infrastructure Victoria has called for all tiers of government to incorporate uncertainty scenarios in infrastructure planning, recognising sectors that commit to undertaking such planning are better prepared for a range of eventualities. For local government, a joint scenario planning approach can help coordinate across jurisdictions and build on collective strength.

A LOCAL PROVIDER

AT YOUR SERVICE, NOW MORE THAN EVER

While infrastructure has long been one of the primary areas of local government service delivery, today it represents a much smaller proportion of total expenditure. While a growing proportion of public assets – from parks to roads – are owned and managed locally, recent shifts have laid the groundwork for broader council service delivery and innovation at the local level. For example, councils maintain a longstanding role in planning and building, from permits and compliance to strategically focused planning schemes and neighbourhood character plans.

The nature of these services is shifting, expanding, and becoming more complex. Local government is increasingly called to bridge community aspiration with State and Commonwealth agendas, balance planning for urban growth while maintaining quality of life, become active players in the decarbonisation of the construction and transport sectors, work to arrest declining health and wellbeing indicators, and navigate housing needs while managing an increase in climate risk to assets.

Sudden shocks have also seen councils rapidly step-up service provision. During the pandemic, they lead the way in public health responses, offering direct support to vulnerable communities at unprecedented breadth and scale, from coordinating front line PPE gear in rural and regional areas to providing new facilities to meet a pandemic surge in urban pet ownership.

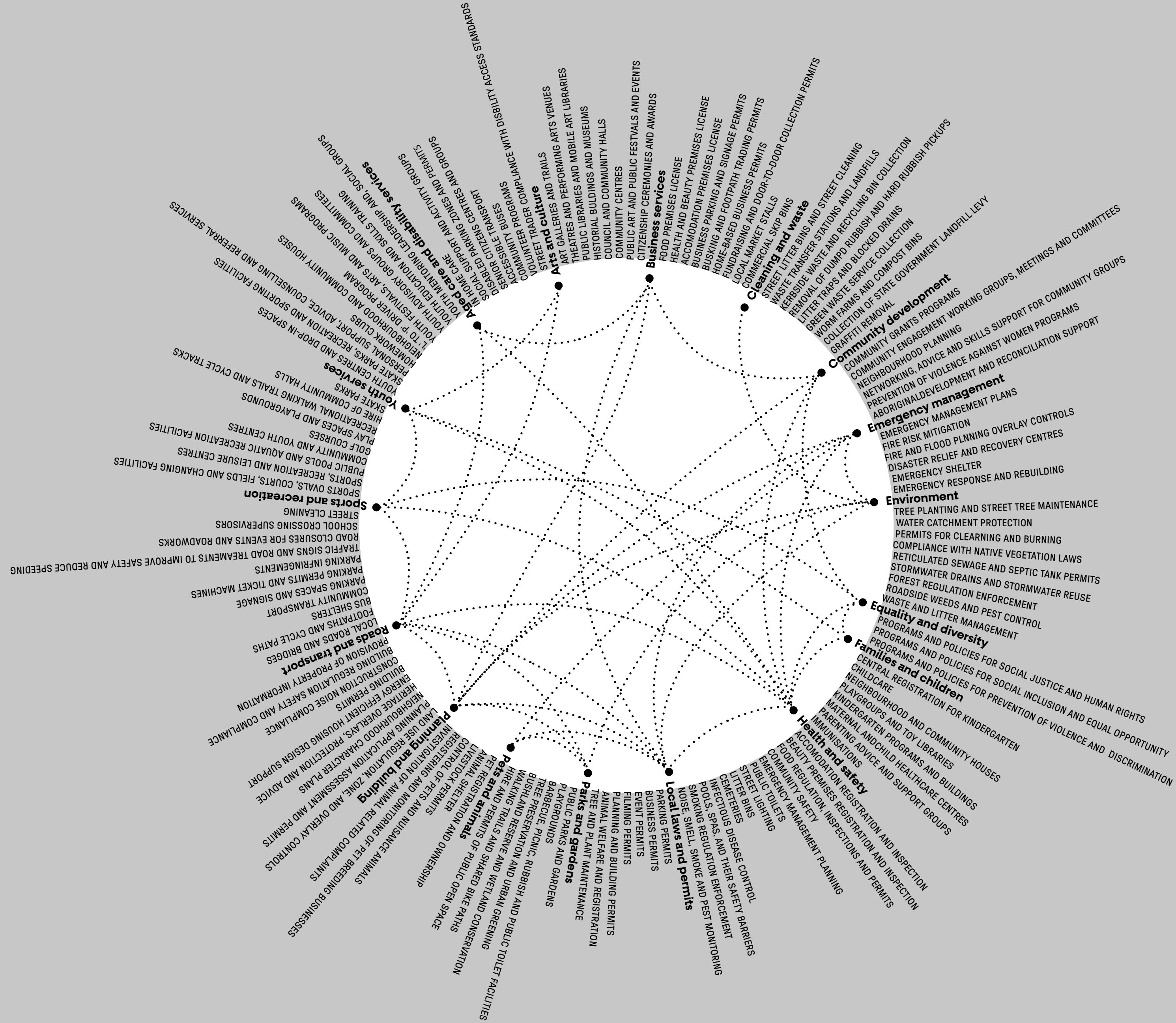
Two recent shifts have further impacted the way councils fulfil their responsibilities – greater process efficiency through digital transformation and process integrity through direct community input. Each creates avenues for new types of participation, greater transparency, and more effective governance, while introducing new risks and challenges. At the same time, ever-present demands for efficiency are in tension with growing demand for service expansion.

With this, new resourcing challenges are surfacing across the local government ecosystem as already stretched budgets contend with increasing demand for new and more services and the maintenance and upkeep of a broad asset and service portfolio. Despite – or perhaps because of – this, the aperture is opening to rethink the ways local government can cultivate new services, collaborations, and skills.

There is an additional urgency to this task. The amount and reliability of funding from higher tiers of government has not always kept pace with local need, amplified by declining local government staffing capacities. As total expenditure per capita by local government plateaued over the past decade, Commonwealth expenditure has grown since 2019-2020, sparked by the pandemic, and State and Territory expenditure began trending upwards for some time before.



This diagram captures a broad picture of just some of the many, varied services that Victorian councils provide to residents, businesses, and visitors every day.



FIRST NATIONS STEWARDSHIP
ENDURING CONNECTION TO COUNTRY AND COMMUNITY

Victoria’s local councils operate across the lands, waters and air where First Nations people have been custodians for over 60,000 years. In the 200+ years since colonisation, First Nations Victorians have rarely been consulted through federalist channels when it comes to the management and ongoing care for our shared places.

In recent years more meaningful investment in partnerships with Traditional Owners has begun to involve these groups in decisions to benefit both First Nations people and wider communities. As the Victorian government moves closer to Treaty, local government has a clear role to play in furthering First Nations systems, culture, and voices in civic leadership, participation, and innovation.



INNOVATION FOR THE PUBLIC GOOD

THE POWER OF LOCAL EXPERTISE AND DISTRIBUTED GOVERNANCE

The closeness of local government to its communities and environments places the sector in an uncommon position to respond quickly, inventively, and nimbly by marshalling collective expertise, resources, and levers. It has a longstanding history of identifying and stepping in to address critical community needs – from the provision of public libraries, parks and roads to child and maternal healthcare and, more recently, open data platforms and resilience and recovery efforts. We don’t need to look far to see evidence of local government innovation.

- In 1994, the Yarra City Council responded to passionate residents who organised a large-scale occupation of the Fitzroy Pool in a collective bid against the closure of this valued public asset. The campaign lasted almost eight weeks and continues to inspire democratic action at the local level to the present day
- The City of Melbourne became a pioneer in participatory budgeting and representative citizens assemblies in the 2000s, alongside Yarra City Council and Merri-bek City Council (formerly Moreland).
- In a global first, the City of Darebin declared a climate emergency in 2017 and encouraged governments across the world to follow suit. In 2021, the City of Darebin also led 46 Victorian councils in collaborative procurement for renewable energy, since expanding to include 51.
- Brimbank City Council became the first local government to prepare a Community Plan in 2009, setting up early groundwork for a practice that has since been adopted far more widely across the sector and ultimately incorporated into the Local Government Act 2020
- The Lake Tyers Emergency Relief Centre was established in the wake of the 2019-20 bushfires, co-designed by the Lake Tyers Aboriginal Trust, Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC and the local community.
- During the COVID-19 pandemic lockdowns, Wyndham City Council and Hume City Council were among the first to act, inspiring action from other levels of government and showcasing how local government is placed to lead and act effectively in the face of shocks and stressors

- Macedon Ranges Shire Council with Hepburn Shire Council, Mount Alexander Shire Council and the City of Greater Bendigo are running the Practical Regenerative Agricultural Communities Program to boost productivity, profitability, and waterway and soil health through regenerative agriculture
- Central Goldfields Shire’s Every Child, Every Chance program is delivering programs to Maryborough’s families and young people to safeguard opportunities for safe, healthy and confident childhoods
- Wellington and East Gippsland Shire Councils joined forces in 2022 to reduce environmental footprint, improve data security, and ensure continued service in the face of climate hazards via the Data Centre and ICT Consolidation – Shared Services Project
- In 2024, Banyule City Council became the first local government in Victoria to introduce a Self-Determination Strategy (the Marrageil Strategy), going beyond legislative requirements to recognise and nurture the needs and voices of the local First Nations community
- Greater Dandenong City Council is partnering with MAV on the Local Government Housing Innovation Program through the \$500,000 Commonwealth Housing Support program
- The Surf Coast Shire is simulating bushfire scenarios with local and regional emergency management agencies to simulate relief and early recovery efforts, ensuring small coastal communities with be ready if and when emergencies hit.

In the course of this research, participants repeatedly noted while this imperative to think differently and innovate is vital, so to delivering everyday services effectively, efficiently and meaningfully. It is the reliability of everyday core services that builds the trust, confidence and mutual respect needed for local government to take bold steps and experiment.

Looking forward

FORCES OF CHANGE

Our future is not yet written. While we continue to hold agency, no one outcome is inevitable. This can be both empowering and unsettling. It also means our local government network can be an influential collective to shape what is to come.

In this section of the report we share outcomes from collective engagement in a series of applied futures techniques designed to help long-range thinking. Interviews with elected officials, current and former public servants and civic leaders, workshops with MAV and MAVlab Innovation Associates, and a global horizon scan have identified five major dynamics – ‘forces of change’ – that are already critically influencing the operating environment for local government and will form the contours of what’s to come.

LIVING IN INTERESTING TIMES

STEWARDING COMMUNITY THROUGH UNPRECEDENTED CHANGE

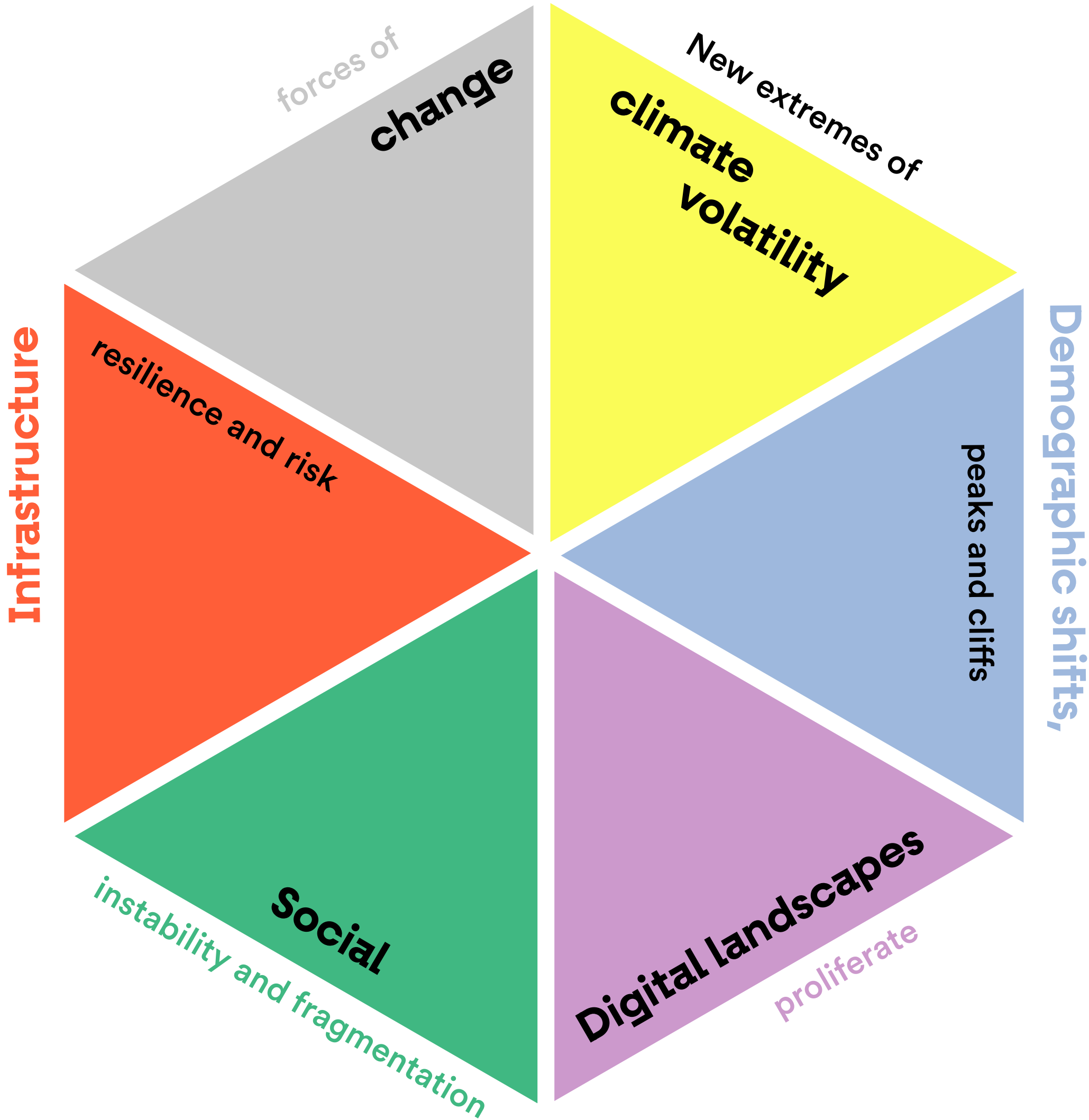
The following pages outline the major dynamics of change identified through this project. These five forces represent high-level phenomena that will influence the operating context of Victorian local government over the next 10 years and beyond. Each has been mapped against the MAV’s strategic priorities to inform avenues for action and the MAVlab work program.

Each of the five forces of is underpinned by a range of intersecting social, technological, economic, environmental, political, and valued-based influences. A set of dominant trends been identified alongside weaker signals of change – emerging policy, innovation and social indicators that could bear more forceful impacts if they gain in scale and speed.

Trends and signals explored here are not exhaustive, nor are they a prediction. Rather, they are a summary of our research and engagement, and both an invitation and provocation for local government to consider how the sector might respond to changes that will require different governance responses moving forward.

We ask readers to consider:

- How do forces and trends interrelate and impact one another?
- Which early signals do we want to breathe life into?
- What early signals might we hope to atrophy or influence in other directions?
- How might trends and signals play out in urban, suburban, regional and rural areas?
- What – and who – might be missing?



CONNECTING TO ACTION PATHWAYS
MAPPING THE DRIVERS TO MAV’S STRATEGIC GOALS

New extremes of
climate volatility

Australia’s weather related disasters are becoming costlier and more frequent, hitting roads and community infrastructure particularly hard. The critical need for affordable homes is supercharging the challenge, with many areas slated for development highly vulnerable to climate impact. Pricing in future risk and joining the dots between spatial, health, and climate planning will help communities adapt and withstand.

- Connected places
- Health and wellbeing
- Sustainable economy
- First Peoples local governance
- Climate and regenerative design
- Resilience and recovery
- Intergenerational infrastructure

Demographic shifts,
peaks and cliffs

Forecasts point a Victorian population of 8.8 million people by 2040. Where and how this growth manifests will be uneven – some council areas are already growing while others are shrinking. Victoria is also getting older. Lower birthrates and longer, healthier lives mean economies will continue to rely on attracting international and interstate residents for skills and to sustain a working age population.

- Active local democracy
- Connected places
- Health and wellbeing
- Sustainable economy
- FutureGen
- First Peoples local governance
- Diversity, equity and inclusion
- Resilience and recovery

Digital landscapes
proliferate

Data is a critical utility. For local government, it offers new potential in everything from asset management and bushfire detection to rapid planning approvals and fast procurement. Yet the right governance, skills and collaborations will be needed to ensure local government is tech enabled rather than tech-led. Privacy and security risks are also acute, and AI opens new doors to spread mis- and dis-information.

- Active local democracy
- Health and wellbeing
- Sustainable economy
- FutureGen
- Climate and regenerative design
- Resilience and recovery
- Intergenerational infrastructure

Social instability and
fragmentation

While institutional trust is waning, Australian still retains a higher-than-OECD-average trust in government. Local government has a role in fortifying active citizenship and combating early signs of rising polarisation to help reverse a decreasing belief in the power of collective action. A lack of social cohesion fuelled by disinformation is also leading to increased risk to elected officials and council staff.

- Active local democracy
- Sustainable economy
- FutureGen
- First Peoples local governance
- Diversity, equity and inclusion
- Resilience and recovery

Infrastructure
resilience and risk

Victoria’ s asset and infrastructure maintenance and renewal backlog comes alongside growing demand to cope with population growth and an increase in extreme weather events. Local councils will need to be adept at finding financially astute ways to upgrade and retrofit assets while bringing new infrastructure online, including shepherding in an equitable energy transition.

- Connected places
- Health and wellbeing
- Sustainable economy
- Climate and regenerative design
- Resilience and recovery
- Intergenerational infrastructure



NEW EXTREMES OF CLIMATE CHANGE

LIVING WITH A NEW PARADIGM

TRENDS

- **Increased frequency and severity of extreme weather events.** Victorian local councils are already seeing the growing impacts of bushfires, floods, inundation, and drought – often at the same time – with cascading effects on housing, health, livelihoods and food security.
- **Blue and green infrastructure becoming more valued.** Nature-based solutions and reversing biodiversity decline are increasingly understood as vital to restoring climate health. In the next ten years, up to 33% of emissions reductions could come from improving nature’s capacity to absorb emissions, including initiatives like wetlands restoration around Port Philip Bay.
- **Net Zero trajectories.** Victoria’s path to 2030 and 2045 targets requires major boosts in renewable energy and changes in travel choice, Where most sectors are trending down, recent growth in private vehicle use and small freight is pushing Australian transport emissions in the opposite direction.

SIGNALS

- **Climate induced economic disparity.** Of 308,000 climate-displaced Australians each year, ~80% come from the bottom two income quartiles. This may become compounded by ‘climate gentrification’ in less environmentally at-risk locations.
- **Rise in climate based litigation.** Perceived climate inaction by government and businesses is increasingly in the judicial cross hairs. Since 2018, the number of climate court cases globally has doubled from 884 to 2,180. More than half resulted in ‘climate favourable’ outcomes.
- **Scaling nature repair and regenerative design.** Despite indications of some governments shifting views on climate commitments, regenerative initiatives continue to make global headway with programs like the Australian Nature Repair Market, green bonds and new climate funds.

CONSIDERATIONS

Planning now. Climate policy and planning is about risk management and being better prepared for changes already happening. While 2045 climate targets may seem distant, a Victorian who is ten years old in 2025 will be starting their career and family around 2045, and be reaching mid-life at 56 in 2070. Now is the time for councils to move into a more resilient context to safeguard current and future generations.

An expanded role. Councils are at the front-line of impact when it comes to leading, planning and implementing local solutions to climate shocks and stressors. While some responses will be technological or built, others will be behavioural and cultural. For example, social connectedness has been shown to be a major determinate of readiness and resilience.

More heatwaves and longer fire seasons. Extreme heat already costs Victoria’s economy approximately \$87 million each year. Rural areas, especially the agriculture sector, bear nearly half the losses. Hot days will become more frequent and intense, particularly inland, while frosts will decrease state wide. Severe fire weather days could triple by 2050, with the greatest change in the north west. Councils have a role in resilience initiatives like green canopies, cools roofs, and engaging with fire and heat-informed spatial, community and economic planning.

Managing water. By 2050, the Greater Melbourne area could experience declines in water availability of between 30 to 49%. Flash flooding is also a risk. Our infrastructure will need to adapt to cope with more – and more intense – short rain bursts. Advanced physical risk modelling can help form the basis of coordinated investment and information campaigns.

Living with coastal change. Erosion, landslips and storm tides will shift how we engage with Victoria’s coastline. The capacity of councils to translate technical information for community and business, and to explore optimistic scenarios for future change, will be vital. This includes communicating it is not too late to act and sharing positive stories of change.

“We’ve declared a climate emergency.
Does how we operate really reflect this?”

— Workshop participant

“People know climate change is happening but not
what it means day to day, what they can and should
do. Local council is on the ground and can help.”

— Workshop participant

\$2.7b
estimated annual cost
of extreme weather
damage in Victoria

\$3 in avoided
reconstruction cost
for every \$1 that is
invested in resilient
infrastructure

x5 the ‘best case’
estimated cost of
doing nothing versus
acting to avoid the
worst impacts of
climate change

(x20 worst case)

LOCAL DEMOCRACY IN ACTION DURING A PUBLIC PROTEST FOR CLIMATE CHANGE

Photography by William Gibson



OUR AGING POPULATION WILL RESHAPE THE NATIONAL ECONOMY

Photography by CDC

92%

of all population growth in the next decade will occur in South Asia and sub-Saharan Africa

143

occupations are reporting skills shortages across Victorian industries

22%

of Victorians are over the age of 60. Over 85 is the fastest growing population segment



DEMOGRAPHIC SHIFTS, PEAKS, AND CLIFFS

AGING, GROWING, SHRINKING POPULATIONS

TRENDS

- **Uneven population growth.** While global population is set to grow by 900 million people by 2035, as of 2024, population may have peaked in 63 counties including China and Germany. Most growth will occur in Asia and Africa. Countries in these regions are likely to be responsible for a significant Australian population growth, where birth rates have been below ‘replacement rate’ since the 1970s.
- **Skills gaps.** Victoria is facing a significant lack of trade and construction workers, engineers, planners and digital specialists – roles needed to deliver on housing, infrastructure and climate imperatives. These gaps are most acute in regional and rural areas but hit state-wide.
- **Aging population.** The youngest ‘Boomers’ are heading into retirement. Within a decade, ~10% of Victoria will be over 75. Our economy, society and built environment will transform as the ratio of workers to non-workers shifts, the cost of care rises, and a growing number of people experience, or are caring for people living with, cognitive and physical age-related change.

SIGNALS

- **Intergenerational strife.** Income inequality may widen through wealth transfer from those who benefited from strong growth in house prices, superannuation and affordable education. Globally, just 37% of people believe the government balances intergenerational interests fairly.
- **Intergenerational equity.** Ensuring decisions are made fairly across current and future generations. Already a consideration in Victorian local government, in countries like Wales, the approach is codified with a Commission for Future Generations to advocate for future generations and support government agencies in accounting for future cost and benefit.
- **Differing models for growth.** Alternative frameworks like the ‘steady-state economy’ and ‘donut economics’ have gained some momentum, proposing models where social wellbeing and environmental health are prioritised over an ‘economic growth at all costs’ mentality.

CONSIDERATIONS

Creating welcoming communities. State estimates put Victoria’s population at 8.8 million by 2040, mostly congregating in Greater Melbourne. Immigration and migration is central to this plan, and to growing Victoria’s workforce and economy. In a landscape where many countries have aging, competition for skilled migrants may intensify. A growth trajectory will need a supportive migration trajectory and a commitment to helping new residents establish and feel welcome.

Navigating acute skills shortages. Victorian councils report shortages of urban planners, engineers and surveyors. Rural councils, in particular, are struggling to attract and retain skilled professionals, with staff turnover in local government at 18% and higher rates in regional and rural areas. As younger people move to cities and outer suburbs for employment and education, new approaches incentives will be needed to sustain the needed skills some regional and rural areas.

Managing growth. Some places are attracting new arrivals through a mix of jobs, housing and transport choice, potentially leaving councils struggling to keep up with expanded demand. Others – often regional – may see population decline, exacerbating challenges to fund infrastructure and services. Balanced growth will rely on access to quality employment, education, housing, social and cultural options, which may stretch resources and capacity for many councils.

Active older populations. Australia’s aging population is expected to account for ~40% increase in government payments over the next 40 years, concentrated in health, age pension, and aged care spend. Local government is well placed to support the social needs of older people, helping elders to stay healthier, active and connected.

Active young people. Continued investment in programs, places and public spaces that embrace people of all ages, and placing more decision making in younger peoples hands, are essential to provide more and more diverse safe spaces for social interaction, physical activity and wellbeing for younger people to foster a sense of community and belonging.



DIGITAL LANDSCAPES PROLIFERATE

PROFOUND INTERGRATION OF THE PHYSICAL AND DIGITAL WORLDS

TRENDS

- **Human / AI collaboration.** Deploying AI to break silos and integrate council systems and infrastructure could allow for vastly improved, more open and responsive performance. However, this dependency also presents the risk of perpetuating bias without careful governance and transparency.
- **Advanced data analytics.** From digital consenting to asset management and early disaster warning systems, data analytics is enabling faster, more efficient service delivery, asset management and decision making. However, outdated procurement models, up front costs, and uncertain governance combined with a skills deficit can hamper full value realisation.
- **Mis- and dis-information.** Low institutional trust, the demise of traditional media, and digital ‘echo chambers’ are fertile grounds for malformed information ecosystems. Bots may drive greater efficiency, but can also seed further distrust in online communication platforms and increase the frequency and severity of scams and fraud

SIGNALS

- **Decentralised vs.. centralised ownership.** Competing social, political and industrial movements are visible – one advocating to democratise digital landscapes and the other narrowing control over how technology is developed, distributed, and used.
- **Regulation vs. deregulation.** The European Union is seen as a leader in driving accountability, transparency, and proactive obligations for big tech. For other nations, greater deregulation is on the cards with the aim of expediting innovation.
- **Push for technology maturity.** Digital adoption is a national priority for Australia to spur innovation and boost productivity. Given relatively low rates of robotics, automation and AI adoption, Australia needs the right skills, guardrails and incentives for uptake and innovation.

CONSIDERATIONS

Accelerating digital literacy and adoption. Cities and towns hold troves of data. However, this data is often-times siloed and disjointed. Barriers to be overcome include up front costs, uncertain governance models, and a skills deficit in procuring, developing, delivering and maintaining digital systems.

Preparing and planning for skills acquisition. Local government will need the right ethical, design and technical skills to shape community-centric services across digital life cycles. This is particularly important if the sector is to influence regulation through practical application of AI and translation of national standards into practice.

Digital first. Infrastructure Australia has identified ‘digital by default’ as the desired infrastructure norm, with clear actions and programmatic intent to enable Digital Twins as a core opportunity for the sector. Areas to realise this value include greater leadership and coordination, comprehensive information sharing and exchange, and guidance on best practice to support future capability.

Not forgetting ‘hidden citizens’. Not all people and businesses have equal digital access, literacy and resilience. For example, local government communicating primarily through digital means can limit access for some, including areas with limited supply or disrupted digital infrastructure.

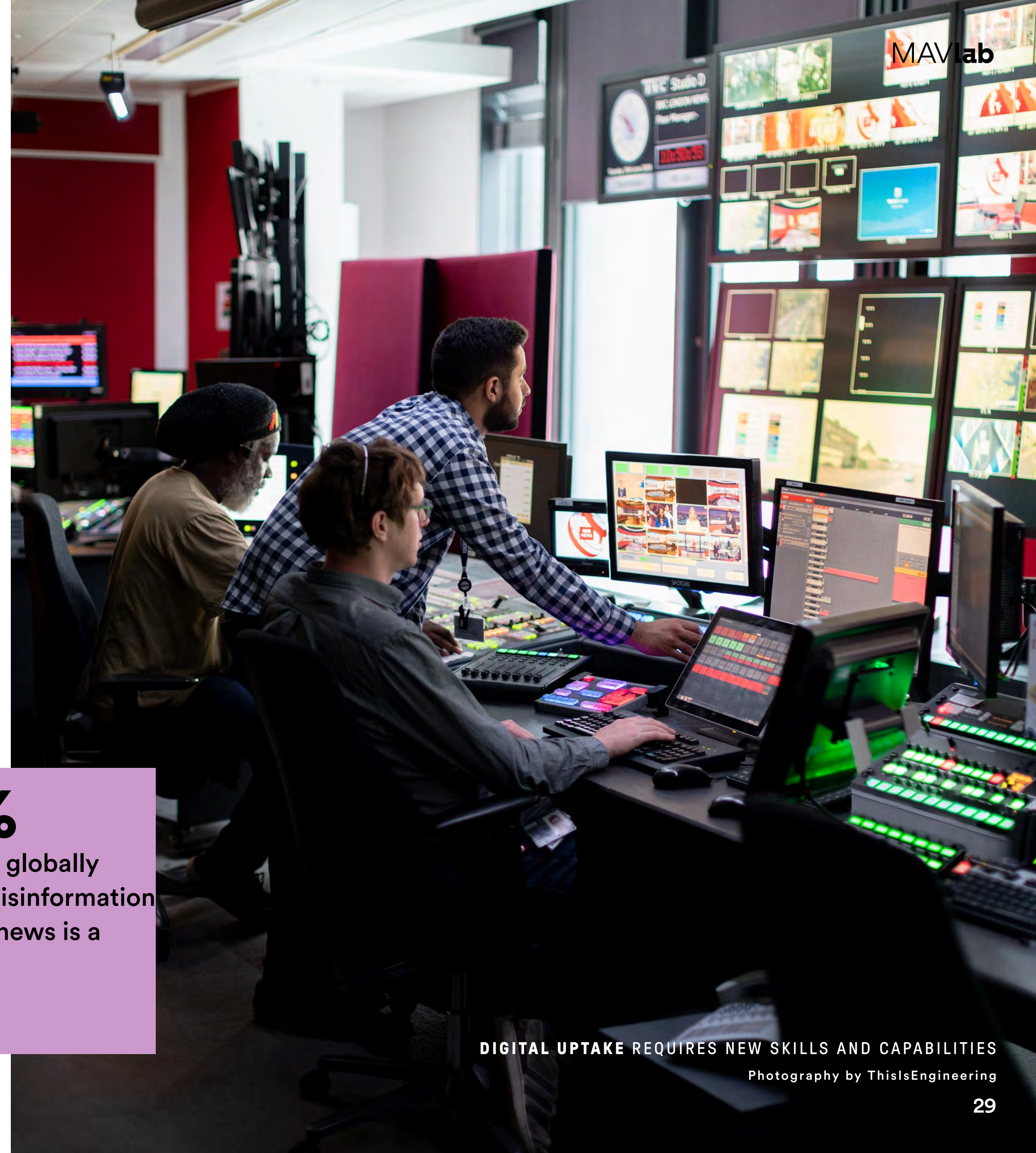
A clear voice. As trusted arms of government, local governments have a role to play in leading community conversations about the risks of mis- and dis-information, providing credible sources of information, and modelling good data stewardship.

Considered resource use. The Royal Society of Victoria warns of a lack of understanding in Australia about how the growth of AI can impact energy and water consumption. Local government will need to be conscious of hidden computational appetites through increased digital lives, including the impact of data centre growth on local resource use.

4 weeks
estimated time saved
processing small
lot subdivisions
by using the State
Government's
eComply

83%
Victorian local
councils consider
digital transformation
a top priority

83%
of people globally
believe misinformation
and fake news is a
problem



DIGITAL UPTAKE REQUIRES NEW SKILLS AND CAPABILITIES

Photography by ThisIsEngineering

GROWING ISOLATION THREATENS COMMUNITY WELLBEING

Photography by Burak Arslan



43%

of Gen Z cites social media as their main source of news

1 in 3

Victorians aged between 15 and 24 report problematic levels of loneliness

61%

of Australians believe trust and civility is at an all-time low



SOCIAL INSTABILITY AND FRAGMENTATION

A HIGH-STAKES CROSSROAD

TRENDS

- **New avenues for participation.** Even as diversity initiatives are being rolled back in some countries, in Australia a wider range of voices are increasingly participating in local decision making. Many Australian state and local governments have formalised processes with representative community panels, First Nations, older, youth, and LGBTQI+ communities.
- **Decreasing institutional trust.** Mirroring global shifts, Australians’ trust in institutions has declined – albeit less than in many other countries with politicians and the media rated as the least trusted. Drivers include distrust in government, perceived lack of shared identity and of systemic unfairness.
- **Collective anxiety and loneliness.** Lingering impacts of the pandemic, increased use of social media, the climate crisis, and rising cost of living have been shown to fuel uncertainty, instability, and loneliness. Shifting global allegiances and tensions are adding to this stress.

SIGNALS

- **Localised industrial policy.** Following the pandemic supply chain crisis and ‘trade wars’, nations are refocusing on resilient supply chains and economic development grouped around naturally occurring assets and complementary flows of people, skills, and innovations and community-led governance.
- **Incivility and polarisation.** As divisions deepen, common ground becomes harder to find. The rise of populism is correlated with fuelling incivility and amplifying extreme views, while respectful dialogue declines, eroding trust in institutions and hindering cooperation.
- **Radicalisation.** Radicalised and groups individuals pose a growing risk to communities through violence and division, challenging efforts to maintain social stability and unity.

CONSIDERATIONS

Fortifying social capital. Despite a general decline in institutional trust globally, Australian trust in local government increased 4 percentage points between 2021 and 2023. This puts local government in a unique position to nurture a fragile social contract, particularly in Victoria where the lingering impacts of an extended lock down risk further fraying the social fabric. A sense of agency, of having a voice and being heard, are key in building this trust.

Combating disengagement through empowerment. A lack of trust in the forth estate is a breeding ground for mis- and dis-information. A lack of trust in political parties leads to less confidence in the democratic system to operate with societies best interests at heart. Local councils will need to keep supporting empowered, connected communities to build the collective willingness needed to attack complex problems and realise bold new approaches.

Cultivating individual and social wellbeing. A recent ANU survey indicates Australian life satisfaction may be at the lowest levels since the COVID-19 lockdowns with cost of living and housing distress as key factors. Conversely, many more people now report feeling more comfortable in seeking wellbeing help when they need it.

Leveraging collaborative procurement for regional business support. Economic, social and institutional confidence can be mutually reinforcing. Councils can continue to partner with other tiers of government and the private sector on a collaborative approach to local jobs and bioregional industries which reduce reliance on long-distance trade while minimising environmental footprint.

Trust through consistency. Building trust relies on consistently delivering core services, especially during times of crisis. While innovation is crucial for addressing growing demands, proving reliability in essential services is key.



INFRASTRUCTURE RISK AND RESILIENCE

RECALIBRATING REWARD AND COST

TRENDS

- **Infrastructure in its twilight years.** A maintenance backlog to renew old, brittle infrastructure is exacerbated by growing populations and changes in use and performance expectations. Road management is a growing concern, particular for rural and regional councils.
- **Uninsurable assets.** Increased climate events increasingly fall outside the scope of traditional insurance, underscoring the need for comprehensive reform to avoid long term economic instability and associated human and ecological costs. Inability to insure often hit those who can least afford it hardest – 70% of Australian households in ‘highest risk’ flooding areas are located where the household income is below the national median.
- **Energy transition.** The transition has the potential to generate up 59,000 jobs by 2035 and is a crucial step to decarbonisation. The transition also needs to be carefully managed for fair sharing of benefits – for example, ensuring renters are included in rooftop solar savings and enabling regional communities to have an informed, clear voice in infrastructure roll out.

SIGNALS

- **Retrofit and adaptive reuse.** With infrastructure expectations often outpacing financial and carbon budgets, new design and management to optimise life cycle value are focusing on ‘re-life’ and design for durability and flexibility.
- **Just transition.** The concept benefits of a green economy must be shared across society without increasing inequalities. Recognising First Nations people as key partners is critical, as is foregrounding those community perspectives and voices who will be most immediately and directly impacted.
- **Community-based resilience.** Hyper-connected networks of community, industry, advocacy and government are building momentum as grassroots action supports distributed solutions.

CONSIDERATIONS

Meeting increasing demand for infrastructure repair. Maintenance costs for local government commonly increase at a rate that outpaces both funding from higher levels of government and local revenue-raising capabilities. New revenue streams, unified advocacy and exploration of near and long-term options will be needed.

‘Pre-insure’ by prioritising resilience. Local infrastructure planning will need to factor in both short- and medium-term insurability cost in locating, building and strengthening assets, particularly in locations where use is accelerating swiftly and where vulnerability to climate impacts are significant.

A voice on insurance reform. The Australian insurance sector is responding to new and escalating insurance risk with strategies like tailored pricing, parametric insurance (triggering payouts based on predefined event parameters rather than damage assessments) and resilience fund advocacy to hedge against the looming risk. Local government can support these moves, alongside investment in risk-modelling technologies and cross-council risk-sharing schemes.

Energy transition strategies. AMEO estimates Australia may need six times the current infrastructure to transition, alongside broad scale reform and collaboration between levels of government to ensure network stability and protect against outages (most common and impactful in rural and regional communities). Areas like the Wimmera and Southern Mallee have enormous solar and wind potential – if challenges like limited circuit capacity and investor uncertainty can be addressed.

New approaches to renewal. In the context of expanding asset portfolios, increasingly constrained financial sustainability and growing climate risk, local government can work alongside State and National counterparts to exploring policy levers to support retrofit, adaptive reuse and the stimulation of new materials markets in ways that can meet community needs and environmental targets while growing local economic opportunity.

“ It’s not just ‘working together’ better. Local government needs overarching governance to manage new risks and real inter-government agency collaboration. ”

— Workshop participant

1 in 25
Australian homes are expected to be ‘effectively uninsurable’ by 2030

\$1,000
household savings to annually by switching to electric systems

\$1t
estimated cost of infrastructure failure without coordinated investment by 2100
(which is within the average lifespan of a child born today)



MOUNT RIDDELL HEALESVILLE VICTORIA

Photography by Pat Whelan



Conclusion

LOCAL GOVERNMENT – WHAT’S NEXT?

This work highlights the need for the development of strategic foresight capabilities within councils. For many this may build on existing skills in urban strategy, economic forecasting, environmental modelling, etc. For others it may be a new consideration.

Strategic foresight allows councils to proactively prepare for possible futures that consider emerging trends, potential threats, and opportunities. This capacity will be key in strengthening local government resilience, enabling councils to make informed decisions about infrastructure, service delivery, and community engagement that anticipate the evolving needs of their populations.

By integrating foresight into their planning, councils can better navigate the complexities of climate change, demographic shifts, and technological advancements while enhancing their ability to address social and economic challenges before they escalate.

MAVlab is committed to supporting councils to grow their strategic foresight capability to ensure that both councils and communities remain resilient in the face of an unpredictable future. MAVlab will aim to equip local governments with the tools, resources, and insights needed to stay ahead of risks, enhance decision-making processes, and build long-term, adaptive solutions. In turn, this foresight-driven approach will help foster not only resilient local governments but also empowered and prepared communities that can collectively navigate and thrive amidst uncertainty.

‘The Future is Local’ has led to the cultivation of four core programs of work for the MAVlab.

Futures of Local Innovation. The MAVlab Futures of Local Innovation program aims to build strategic foresight capabilities in councils, foster a community of practice focused on local government innovation, and enhance skills and capabilities to address the challenges ahead.

Risk Infrastructure and Climate Adaptation. The Risk Infrastructure and Climate Adaptation program focuses on understanding, quantifying, and communicating risk infrastructures. It aims to identify opportunities for maintenance innovation, convene stakeholders, and advocate for changes that support councils and communities during this transition.

Active Citizens and Institutional Trust. Globally, modern democracies are facing significant change, with rising tribalism and polarization. The pervasive spread of disinformation hampers progress in areas like local climate action, urban planning, and technological transitions. The Active Citizens and Institutional Trust program aims to address these challenges through evidence-based solutions that foster community engagement, strengthen connections between local government and community, and promote active participation. Democracy is not a spectator sport!

Service Innovation and Technology. Increasing service demands and higher customer expectations require innovative responses from councils. This challenge is compounded by funding shortfalls and declining staffing, particularly in rural and regional areas. Data analytics are improving service delivery and decision-making, while AI has the potential to transform a range of services and asset management. Local government has a critical role in guiding best practices and regulating AI use. The Service Innovation and Technology program will focus on leveraging data and technology for service innovation, optimization, and standardization, while addressing skills development, leadership, information sharing, and best practice guidance to enhance future service delivery.

Methodology

HOW THIS REPORT WAS PREPARED

RESEARCH APPROACH AND SPECIAL THANKS

Looking back to look forward

Our work began with a deep dive into the pasts and presents of Victorian local governments to build a comprehensive and evidenced-based understanding of the sector’s evolution over time. This contextual research first involved looking back through key moments in history and then looking around at current challenges and emerging issues. Pivotal moments were mapped in a visualisation designed to spark discussion and debate, while capturing how the sector has evolved and where it is placed now.

Turning to the future, we leveraged foresight thinking to build a clearer picture of where Victorian local government may be headed. A horizon scan of trends and weak signals helped to understand global forces and identify locally-specific implications. Research undertaken here was complemented by a series of interviews with civic leaders, working both within and around Victorian local government.

Following this, we hosted an interactive workshop with the MAVlab Innovation Associates Network, public servants from metropolitan, regional and rural Victoria. Participants were invited to interrogate the relevance, potential impacts and uncertainties surrounding various political, economic, socio-cultural, technological, legal and environmental factors and analyse how these may interact and vary across contexts.

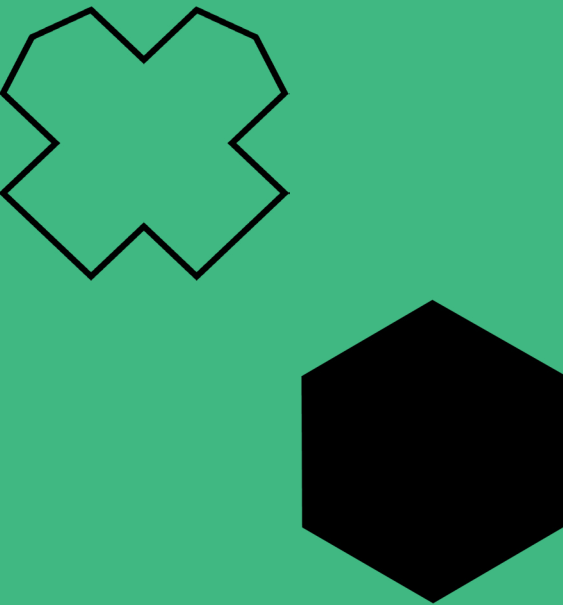
The final step involved a back casting process with MAV where strategic aspirations for the sector’s future were unpacked before working backwards to identify how each can be fulfilled. MAV’s expertise and passion for Victorian local government supported this process, agreeing on clear statements that represent preferred futures and identifying tangible actions, investments, and partnerships required to inform MAVlab’s work going forward.

Interview participants

We’re grateful to the following people for sharing their time and perspectives on the potential futures of local government in Victoria, what these might look and feel like.

- | | |
|------------------------|-------------------------|
| • Uncle Charles Pakana | • Allison Jones |
| • Terry Moran, AC | • Tracey Slatter |
| • Jess Scully | • Rohan Leppert |
| • Dale Dickson | • Tahlia Azaria |
| • Kerryn Ellis | • Jack Manning Bancroft |
| • Ika Trijsburg | • Kelly Grigsby |

We would like to offer special thanks and great appreciation to the many people who contributed their time, energy, experience and unique insights to this work.



MAVlab Innovation Associate workshop participants

The following people took part in a strategic workshops unpacking the inner workings of and ongoing possibilities for the local government sector.

- | | | |
|---|---|--|
| • Akbar Husnoo, Horsham Rural City Council | • Emma Pryse, Melton Council | • Nick Grant-Collins, Bass Coast Shire Council |
| • Amanda Kearn, Yarra Ranges Council | • Jordi McInerney, Melbourne City Council | • Ophelia Mouton, Wyndham City Council |
| • Amanda Rigby, Kingston Council | • Kara Stewart, Casey Council | • Peter Hodgson, Boroondara Council |
| • Amee Cooper, Yarra Ranges Council | • Kate Archdeacon, Maribyrnong Council | • Raman McCaskill, Whitehorse Council |
| • Bec Carey-Grieve, Moorabool Shire Council | • Kate Henderson. Melbourne City Council | • Sara Davis, Port Phillip Council |
| • Ben Kolaitis, City of Melbourne | • Kim Quach, Whittlesea Council | • Tavis Vallance, Boroondara Council |
| • Callum Morrison, Benalla Rural City Council | • Liam Collins, Wyndham City Council | • Kelly Grigsby, MAV |
| • Cam Perkins, Darebin Council | • Liz Johnstone, Maroondah Council | • Bonnie Shaw, MAVlab |
| • Chloe Davies, Darebin Council | • Matthew Head, Casey Council | • Gemma Baxter, MAVlab |
| • David Gatt, Wyndham City Council | • Max Ree-Goodings, Murrindindi Shire Council | |
| • Emily Johns, Melbourne City Council | • Nick Gaff, Glen Eira City Council | |

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March 2025

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PUBLIC LIBRARIES HAVE BEEN OPERATED BY COUNCILS FOR OVER A CENTURY AND A HALF

Photography by Kollinger

