



COVID-19 RECOVERY FOR VICTORIA'S COMMUNITIES AND LOCAL BUSINESSES

OPPORTUNITIES FOR THE STATE BUDGET

POSITION STATEMENT

March 2021

© Copyright Municipal Association of Victoria, 2021.

The Municipal Association of Victoria (MAV) is the owner of the copyright in the publication MAV Position Statement.

No part of this publication may be reproduced, stored or transmitted in any form or by any means without the prior permission in writing from the Municipal Association of Victoria.

All requests to reproduce, store or transmit material contained in the publication should be addressed to inquiries@mav.asn.au.

The MAV does not guarantee the accuracy of this document's contents if retrieved from sources other than its official websites or directly from a MAV employee.

The MAV can provide this publication in an alternative format upon request, including large print, Braille and audio.

Table of Contents

1. <i>Introduction</i>	4
1.1. Supporting community and local business during COVID-19	4
1.2. Challenges created by COVID-19	5
1.3. Submission structure.....	5
2. <i>Financial settings for Victoria’s councils during COVID-19</i>	6
3. <i>Longer Term Opportunities</i>	9
3.1 Built and Natural Environment	9
Climate Change	9
Planning support.....	10
Waste and Resource Recovery	10
Better Regulation	11
3.2 Community Services	12
Maternal and Child Health.....	12
Early Year	13
Aged Care and Ageing	13
3.3 Health and Local Economies	14
3.4 Infrastructure and Community Strengthening.....	17
Emergency management	18
4. <i>Conclusion</i>	21

1. Introduction

Victoria's continuing response to the COVID-19 pandemic provides a range of opportunities for all levels of government to come together and support the community and businesses as they move towards recovery.

This position paper, prepared by the Municipal Association of Victoria (MAV) draws upon the experiences of councils in responding to the impacts of COVID-19 on their communities.

The MAV is the statutory peak body for local government in Victoria. Established in 1879, we are the voice for Victoria's 79 councils.

We advocate on councils' behalf, represent their interests and build their capacity. We also deliver important services to the sector including insurance, workers' compensation, collaborative procurement, training and professional development.

1.1. Supporting community and local business during COVID-19

Councils are continuing to provide critical services focussed on community health and safety including maternal and child health, childhood immunisations, community care, waste and recycling, and public health inspections to support their communities throughout the different levels of health restrictions in operation.

Councils have also quickly adapted and innovated service delivery models to help their communities stay connected and supported. From delivery of online library, community and family support services to the development of campaigns and platforms to share stories of positivity, resilience, community spirit and kindness, councils remain committed to working with and looking after our communities.

Recognising the likely economic impacts of the pandemic on businesses and households, councils led the way in offering fee waivers, refunds and reductions; relaxing enforcement of infringements; reducing or waiving rent for council facility tenants; and promoting financial hardship policies.

Across Victoria, councils have announced multi-million dollar support packages for local businesses. Councils also continuing to implement a range of practical support measures including facilitation of online training and networking opportunities and development of "shop / support local" campaigns.

Where possible, councils have worked to streamline regulatory activities and fast-track approval processes. They immediately got behind supporting hospitality businesses to operate more in the outdoors, with officers dealing directly with businesses to identify options

and provide education about the issues needing to be worked through, such as public safety for installations near busy streets and roads.

1.2. Challenges created by COVID-19

As is the case with many industry sectors, local government has and will continue to experience significant negative financial impacts as a result of the COVID-19 pandemic. All Victorian councils have suffered sizeable loss of revenue through the mandated closure of facilities. The Victorian local government sector is anticipating sustained financial challenges ahead as their local residents and businesses seek to recover from the pandemic.

Even with the Commonwealth's provision of additional financial support in the form of the Local Roads and Community Infrastructure program, we anticipate councils will have difficult decisions to make in terms of service reduction and capital project deferral. It is important to note that councils do not have the same revenue raising capacity as the State or Federal governments.

Nationally, local government rates account for around 3.6 per cent of tax collected in Australia. Rate capping and communities' capacity to pay limit Victorian councils' ability to raise funds to cover the increased costs of additional service provision they have needed to undertake to support communities. They also have experienced significant declines in income from provision of regulatory fee waivers and increased use of hardship provisions by landowners requiring assistance to pay their rates.

The MAV would implore the State Government to continue the Community Activation and Social Isolation program (CASI) funding, beyond the next six months, as per the November 2020 budget. This funding would provide an opportunity for councils to continue initiatives introduced over the last six months to support members of the community experiencing social isolation due to COVID, many of whom had never accessed support services before the COVID pandemic.

1.3. Submission structure

This paper is divided into two parts. The first part provides a broad overview of the financial impact of COVID-19 on councils.

The second part outlines the medium to longer term opportunities for councils in supporting the recovery of community and local businesses from the impacts of the pandemic. It also identifies a range of priority funding opportunities for the State Government to consider over future budget cycles.

2. Financial settings for Victoria's councils during COVID-19

Increasingly, recovery from disasters such as bushfire, drought and flood has utilised a mix of targeted programs and untied grants to local councils. This allows councils to allocate resources that address local needs and be accountable to their communities for delivery.

A similar approach is required in response to COVID-19 to advance shared government objectives in driving economic and social recovery. The COVID-19 pandemic has emphasised the importance of local places contributing to the recovery of the state as a whole.

Victorians are using council parks and services in unprecedented numbers, and looking more closely at their local environments. They are supporting local businesses. Regional Victoria is becoming the holiday destination for all Victorians.

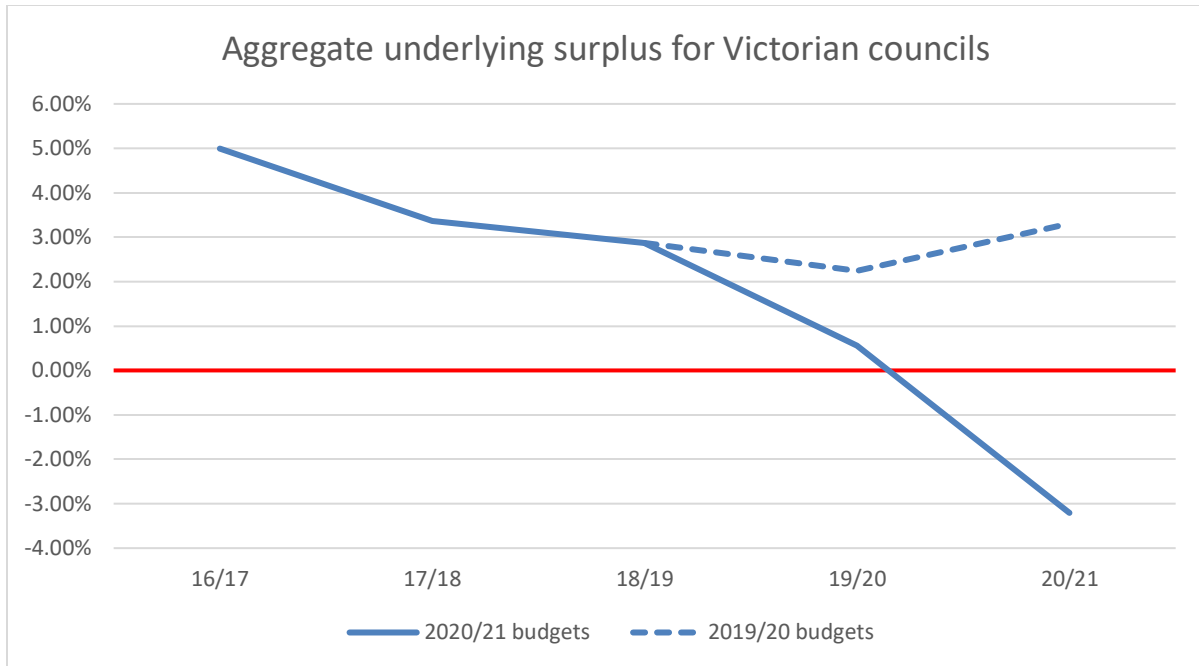
The impacts of COVID-19 also need to be examined from the lens of local communities and the people who live and work within them. The pandemic has affected each community in different ways. A successful plan for recovery needs to be centred around this understanding. A purely infrastructure-led recovery will leave many Victorians behind.

Councils are uniquely placed to support local-led recovery. As the level of government closest to the community, they understand how COVID-19 has affected their municipalities and regions, and what assistance is most needed.

Every Victorian council has taken significant steps to support their communities. This includes financial and mentoring support for local businesses, expanded hardship provisions for ratepayers and expanding eligibility criteria for support services. Drawing on their local knowledge and connections, councils have been able to target their response to what their community needs most.

Forgone income and the provision of additional support services have significantly affected council finances. Without additional support, councils will not be able to deliver the scale of support that is needed to recover from the pandemic. In aggregate, underlying results have been revised to a largely break-even position in 2019/20 and a significant underlying deficit in 2020/21.

Figures vary significantly between individual councils. Some councils predict deficits greater than 20 per cent. Even these figures may be optimistic, as many budgets were adopted prior to Stage three restrictions being imposed across the state, and the nearly four-month Stage Four lockdown across metropolitan Melbourne in 2020.



*Underlying surplus excludes one-off capital funding such as developer contributions and is an important measure of the financial sustainability of councils' revenue and expenses. An underlying surplus is an important aspect of councils' capacity to fund and maintain both services and infrastructure.

Sources: VGC council surveys; ABS monthly workforce data (for June ending each FY).

Population decline in the short-term is also impacting funding allocations coming to Victorian councils through the Commonwealth Financial Assistance Grants program. In 2020-21, Victorian councils will receive a total of \$624.7 million in financial assistance grants (\$462.5 million in general purpose grants and \$162.2 million in local roads grants).

Due to projected population declines relative to other states, it is possible Victoria's share of these grants will be less than anticipated based on population growth expectations prior to COVID-19. This has already manifested, when the Commonwealth Government deducted \$2.573 million in cash payments to reflect population estimates and inflation outcomes for the 2019-20 financial year.

Many councils have also been particularly impacted by Victoria's less-than-anticipated population increases as a result of the sudden drop in overseas and interstate migration. The Federal Budget anticipates that Net Overseas Migration will fall from 154,000 people in 2019-20 to -72,000 in 2020-21, and then -22,000 people in 2021-22.

Net interstate migration projects for Victoria show drops from 11,600 people in 2019-20 to -1,200 in 2020-21 and -1,300 in 2021-22. Even in 2023-24, the Commonwealth Treasury is forecasting net interstate migration to be less than half of last year's numbers.

Those councils with projects already underway and committed to based on expectations of new ratepayers will be significantly impacted by the loss of anticipated revenue. Infrastructure renewal in the future is also likely to be adversely impacted.

Council costs are largely driven by wages for the tens of thousands of staff they employ. Enterprise agreements negotiated prior to COVID-19 have locked in wage rate increases that will need to continue to be funded in future years.

The immediate and urgent roll-out of significant infrastructure builds by the State Government is expected to drive up the cost for local infrastructure projects and programs. Council are already reporting significant increases in tender responses for capital projects.

Many are agencies competing for the same skillsets and supplies at the same time. Rural and regional councils are particularly being impacted by the sudden escalation in infrastructure costs, with resulting pressures on local service provision and council infrastructure. Regional councils are anecdotally reporting increases of 30-40% on requests for quote.

3. Longer Term Opportunities

3.1 Built and Natural Environment

Climate Change

There is a significant opportunity and need for COVID-19 recovery economic stimulus to support and accelerate the transition to a zero emissions future, in the process supporting Victoria to become a leader in new approaches and technologies. Investment and leadership in climate change adaptation is also critical to build resilience to climate change impacts.

We applaud the Victorian Government for its strong support for renewable energy and the significant investment in energy efficiency programs announced in the 20/21 State Budget. Funding for energy efficiency upgrades of major road lighting is one outstanding opportunity that we call on the State to prioritise in this next budget. Some 80,000 of these lights are cost-shared by the Department of Transport (DOT) and councils, with councils keen to proceed with the works as soon as DOT commits to contributing its share of funding.

The MAV is pleased that after continued advocacy, the Victorian Government has now committed to introducing a state-wide baseline requirement for Environmentally Sustainable Development (ESD). ESD can act both as a climate change mitigation and adaptation response, with a carbon positive built environment needed to avoid extreme climate change.

While many councils continue to advance policies to address climate change through the planning system, not all councils have the capacity or capability to do so. For those councils still at a nascent stage in implementing ESD policies, additional resourcing, support and training will be required.

Since October 2020, several councils have been conducting a trial of the Sustainable Subdivisions Framework developed in partnership with the Victorian Planning Authority (VPA) and the Council Alliance for a Sustainable Built Environment (CASBE). Additional resourcing is needed to ensure data and feedback from that trial can be effectively analysed and applied to improve the framework.

Coastal climate change impacts are evident across Victoria. As the intensity and frequency of extreme weather events increase, there is a strong sense of urgency for significant strategic investment in coastal climate change adaptation measures, moving beyond the current fix-on-fail approach. Councils do not have the financial capacity to undertake this without Victorian Government support.

Planning support

Resourcing and support for council planners is fundamental to ensuring the timely and rigorous assessment of planning applications as well as laying out the strategic directions for future communities. We welcome recent government investment into regional planning hubs and updating of resources such as ministerial guidelines and practise notes. However, we believe more targeted funding is required for some key areas.

Heritage planning is a time and resource intensive undertaking for councils, with community members often divided on the conflicting objectives of conservation and new development. Planning scheme amendments are frequently delayed, undermining protection for heritage places and creating uncertainty in the community as to how local heritage is to be conserved and enhanced. Extra support for councils is needed to research as well as prepare planning scheme amendments that seek to manage heritage places for future communities.

Infrastructure contributions help fund key local community and state infrastructure in Victoria's growth areas. Over time the state's infrastructure contributions system has become less transparent and more complex. Councils frequently face difficulties in training and retaining planning and support staff to develop and then administer contributions schemes.

While we welcome recent government moves seeking to reform the system to enable for fair and efficient contributions systems, more dedicated support is required. Recognising that planning for and management of infrastructure contributions will likely remain a specialised skill, additional staff and resources are needed to boost the capabilities of local government planning departments.

Waste and Resource Recovery

It is crucial that the Victorian Government works with industry and councils to strengthen the market fundamentals of Victoria's recycling system. Much of the focus so far has been on councils' delivery of kerbside services. Councils have limited control over what goes into the recycling stream or the demand for recycled content.

Restricting the production of problematic materials, minimising waste generation, requiring producers to take increased responsibility for the waste impacts of their products, and ensuring demand for recycled content are all necessary elements of a sustainable resource recovery system.

The MAV operates a strongly subscribed collaborative procurement platform for Victorian councils. With a dedicated resource within the MAV we believe we can help drive procurement of recycled material in Victorian local government, and subsequently drive new investment by private industry.

Better Regulation

We need to ensure our regulatory systems continue to provide adequate protection to Victorians. Some temporary adjustments may be appropriate to help immediate economic recovery. As we move forward, these should be assessed to find where some longer-term improvements can be made and what should be rolled back.

The MAV worked closely with the Department of Environment, Land, Water and Planning (DELWP) and the Environment Protection Authority (EPA) to design the Officers for the Protection of the Local Environment (OPLE) program, commencing in 2017. The program has yielded positive results, strengthening ties between the EPA and host councils, and demonstrably improving understanding of, and compliance with, environmental laws by the private sector. Expanding the program would ensure these benefits reach more of the state. The OPLE program will also be invaluable in supporting local businesses to adapt to the new *Environment Protection Act* commencing on 1 July 2021.

VicSmart was introduced in 2014 as a streamlined assessment pathway for low-risk planning applications. Alongside its introduction, local VicSmart provisions were introduced to the Geelong and Ballarat planning schemes. Since then, only one additional set of local VicSmart provisions has been introduced. We believe this represents a missed opportunity. We would encourage DELWP to provide funding to councils that have identified suitable candidates for local VicSmart provisions to develop and implement those provisions. These could respond to specific local issues, or act as pilots for future state-wide VicSmart application classes.

We welcome the Victorian Government's women building surveyors program in last year's budget. This program was oversubscribed with interest from both councils and applicants. A number of councils identified multiple candidates within their organisation that were eager and suitable to participate in the program. An additional round of funding should be provided for this program to increase involvement of women in building surveying and help address shortages of this key profession within local government.

Priority funding opportunities in the built and natural environment portfolio.

Request	Funding	Timing	Portfolio
Officers for the Protection of the Local Environment – extension, continuation and expansion of the OPLE program to 40 officers by 2023-24.	\$20 million	4 years	EPA
Roadside weeds and pests – continuation of the existing program targeting rural roadsides.	\$9 million	3 years	DJPR/LGV
Support for implementation of environmentally sustainable development (ESD) in the planning system – provision of training and resources to councils and funding for a part-time officer to work	\$8.5 million	2 years	DELWP

with CASBE to assess and improve the Sustainable Subdivisions Framework.			
Energy efficient street lighting upgrades – commitment from Department of Transport to provide its share of funding to cover the cost for energy efficiency upgrades of major road lighting	\$60 million	3 years	DOT
Development of local VicSmart provisions – funding support for councils seeking to develop local VicSmart provisions that enable streamlined planning decisions	\$5 million	3 years	DELWP
Coastal climate change adaptation – long term investment in climate adaptation planning and works to manage strategic risk.	\$100 million	4 years	DELWP
Recycled content procurement officer – funding for an officer within MAV to run a two year program focused on procurement of recycled content by councils	\$350,000	2 years	DELWP
Heritage protection – funding to support councils to progress and improve heritage protection	\$4 million	2 years	DELWP
Infrastructure contributions implementation – funding support for councils to implement and manage infrastructure contribution schemes	\$5 million	2 years	DELWP
Expansion of the women building surveyors program – An additional round of funding for this program recognising the high interest among councils and candidates	\$6.3 million	2 years	DJPR

3.2 Community Services

Maternal and Child Health

The COVID-19 pandemic has highlighted the important role local government and its services play in the lives of all Victorians. At the peak of the pandemic, Victoria’s Maternal and Child Health (MCH) sector continued to provide face-to-face services to clients, including the most vulnerable children and their families.

The universality of the service will be crucial as more families experience changing levels of disadvantage in response to the impacts of the COVID-19 pandemic. In order to ensure the Victorian MCH service remains one of the key pillars of our preventative health system, an assurance of adequate, flexible and sustained funding will be critical, particularly as we move beyond the pandemic and consider the important role this service will play supporting Victorian families to recover from its impacts.

To ensure the sustainability of this essential service, the state Governments commitment to the 50:50 partnership with local government for ongoing funding is vital. We encourage the State to continue working with the MAV to develop a funding model, reporting framework and flexible models of service delivery.

Early Year

Victorian councils are partners in the ten year State Government Kindergarten Expansion Reform announced in 2018. MAV seeks ongoing funding for councils to continue to support the planning of Kindergarten Infrastructure and Service Delivery Plans (KISPs) beyond 2021. It is important the KISPs remain current as they will guide investment and service delivery by the sector, the State Government and councils.

MAV also advocates for the Victorian Government, after more than ten years of short-term National Partnerships, to engage further with the Commonwealth to achieve enduring and sustainable funding for 4 year old kindergarten in Victoria, in line with the review commissioned by the Council of Australian Governments in 2019 has recommended the Commonwealth Government commit to funding preschools in a five-year block to provide certainty to the sector.

Additionally, a recent VAGO report into the Early Years Management (EYM) Platform made several recommendations around EYM in Victorian sessional Kindergartens. Although this report did not specifically address the funding of EYMs, MAV and councils seek an urgent review of the funding model for EYM Policy and Program to reflect the increasing unfunded investment made by councils to meet State Government outcomes.

Aged Care and Ageing

The Victorian local government sector is uniquely placed to plan and coordinate vibrant, accessible local communities for older people. The goal is to keep them at home and connected to their local communities, for as long as possible.

The key directions from Victoria's Commissioner for Senior Citizens, Ageing Well in a Changing World report, intersects with the current work happening across municipalities. Funding support will be key to ensuring older people, in all municipalities benefit from this aspirational plan. Particular areas of policy development that the MAV, in conjunction with councils, would be interested in collaborating on include the development of community registers and increasing the digital connectivity of older Victorians.

COVID-19 has highlighted the issues in aged care services. The MAV looks forward to working in partnership with the State Government and the Commonwealth Government to implement relevant recommendations that arise from the Royal Commission into Aged Care Quality and Safety.

There has been significant reform in the policy governing home-based aged services over recent years. There remains a need for the State, along with local government to advocate strongly to the Commonwealth for a responsive and place-based service system, that ensures all Victorians have access to the community care services they need.

While individual councils continue to make decisions about their role in service delivery, each continues to have an interest in the health and wellbeing of their older citizens. There is a risk a serious gap develops between those older citizens who require assistance and those who do not and therefore it will be important for the levels of government closest to the people, to have a role in the oversight, planning and governance of this system.

Priority funding opportunities in the community services portfolio.

Request	Funding	Timing	Portfolio
Maternal and child health funding – in line with the MCH partnership between State and local government, MCH unit prices increases to reflect cost increases.	Unit price increase from \$121.42 to \$139.99	For the 2021-2022 financial year	DH

3.3 Health and Local Economies

COVID-19 has significantly and suddenly redistributed service-needs of communities right across the state. Not only did the locations where people work change in a matter of weeks, many people from metropolitan Melbourne also re-located to regional areas because they were able to work remotely from their workplace.

Even as the roll-out of a COVID-19 vaccine mean that the pandemic impacts retreat in coming years, expectations are that relocation of where people are living and working will have a permanent impact on individual council service delivery and funding allocations.

Despite the many immediate service challenges, these changes also present many opportunities for the state and councils to collaborate on re-thinking distribution of goods, transport modes and the provision of public community infrastructure and places to match where people meet, collaborate and work. Improved acceptance of remote meetings also opens up new access channels to new international contacts and markets for Victorian businesses.

A particular COVID-19 recovery focus for councils will be supporting the visitor economy, including the accommodation sector, environmental tourism, arts, culture and heritage infrastructure and programs. State Government investment in working with councils, as well as regional groups of councils, to grow the visitor economy should be a priority. The strategic

work being undertaken by the State Government on the next iteration of the Creative Victoria strategy should underpin this partnership (see associated item on the creative arts in the Community Strengthening section).

Councils will continue to have an important public health role in recovering from COVID-19. This recovery activity is heavily reliant on the local government sector's environmental health officers. They will continue to play a vital role over the short term and in future years. New environmental protection laws come into effect from 1 July 2021 for domestic and small business onsite wastewater management (septic tanks), and food-safety continues to be a priority outcome for the hospitality industry.

Council EHOs are key conduits to over 45,000 food businesses through the inspections and activities they undertake with these local businesses every year. There is a significant structural challenge relating to the supply of qualified EHOs with existing education and training pathways diminishing over recent years. This is a challenge that will require coordinated interventions from the State Government if community expectations about the safety of the food they purchase and consume, and the local environment where they live is going to be maintained.

The expansion of the new Department of Health's public health function is also going to put pressure on the supply of qualified public health officers. We seek urgent collaboration and investment in course pathways to skill-up graduates with suitable under-graduate degrees, and an environmental health officer recruitment and retention program.

The MAV and the local government sector has long advocated for increasing the supply of social and affordable housing. The impact of decreasing housing affordability, and the growing need for social housing, are both significant issues for local government – the level of government closest to the community. The significant \$5.3 billion infrastructure investment in 12,000 more homes in the next four years will make real and important inroads to tackling these endemic issues. Councils' capacity to provide services and support to these new residents will be critical to the successful integration of new social housing tenants within their new communities.

To enable councils meet these new and emerging service needs we urgently seek a commitment from the State Government to remove its plans for rate exemptions for these new residences. We believe this is an unfair and inappropriate cost shift from the State Government to local communities.

The Commonwealth and State frameworks for action on disability have fundamentally changed with the introduction of the NDIS and the State Government passing on funds and responsibility to the Federal Government. Although the NDIS is a major social reform providing support to people with high needs, only 10 per cent of people with a disability are eligible. Full

inclusion of community life for other people with disabilities will need to be provided for by state and local governments.

A new National Disability Strategy and new State Disability Plan are being developed. Employment and economic participation, transport, community attitudes to disability and access to mainstream services and activities continue to be important. The Local Government Building Accessible Communities Program remains as important as ever to be funded to aid the State Government's delivery of the Victorian Disability Plan.

Other emerging issues are the adequacy of income support and the need to repair the damage caused to people with a disability and carers by the 2020 bushfires and the COVID-19 experience.

Priority funding opportunities in the health and local economies portfolio.

Request	Funding	Timing	Portfolio
Big Housing Build – position within MAV Support for councils in liaising with Homes Victoria and Community Housing Associations	\$400,000	2 years	DFFH
Local Government Hospitality Business Support Program to enable councils continue to support local hospitality and live music venues in their municipalities	\$10.0 million	1 year	DJPR
Environmental health officer recruitment pathway and career development program – funding for a coordination officer, and development and delivery of a communications and engagement campaign to increase the supply of a qualified public health regulatory workforce to work with local busines across the state	\$1.0 million	2 years	DH
New onsite wastewater (septic tanks) regulatory requirements – funding for councils to improve their risk assessment processes to monitor poorly performing systems, and deliver education and enforcement activities with landowners impacted by new environment protection reforms,	\$3.6 million	3 years	EPA
Victorian Aboriginal and Local Government Strategy – support for local government implementation of the new VALGAP strategy via the MAV.	\$200,000	2021	DJPR/LGV
Disability access and inclusion – resumption of the Local Government Disability Employment and	\$550,000	2 years	DHHS

Economic Participation project to assist the Victorian Government deliver the Victorian Disability Plan.			
Disadvantaged jobseekers – creation of an MAV-based program to support councils to deliver local outcomes, including social procurement innovations.	\$525,000	3 years	DJPR
Public libraries COVID recovery – additional recurrent funding to support extended hours of operation, more digital literacy learning programs, and employment of social workers to assist vulnerable jobseekers, disengaged young people and those experiencing social isolation connect with local services.	\$10 million recurrent funding	Commence 2021	DJPR/LGV

3.4 Infrastructure and Community Strengthening

The MAV's Infrastructure and Community Strengthening portfolio covers transport, asset management, emergency management, gender equity, arts and culture, and sport and recreation.

Across these portfolios there were several promising and welcome commitments in the November 2020 State Budget, particularly in capital expenditure and infrastructure-related grants programs. There are also some further opportunities and areas for concern that are detailed further below.

In the infrastructure and transport portfolios the landscape has changed significantly as a result of COVID-19, including significant changes to daily transport behaviours. Assumptions we had made about congestion, commuting patterns and the adoption of new technologies may all be affected by these new behavioural patterns.

There is an opportunity to seize on many Victorians' new-found interest in walking and bike riding to increase health and wellbeing. Investment in active transport infrastructure has an estimated dollar return of 1:5 through benefits including reduction in traffic congestion and vehicle operating costs, improving health and the environment (McLaughlin and Shilton, The Conversation, 23 July 2020). Smaller scale infrastructure investment can create local jobs and help stimulate local economies.

The MAV welcomed the announcement of funding for pop-up bike lanes in some parts of Melbourne last year, however we were disappointed that new funding for walking and bike riding announced in the November Budget was limited to works adjacent to other government projects in Fitzroy and along the Hurstbridge line. Funding is still the biggest barrier for councils to do more – reported by more than 80 per cent of councils in recent MAV surveys.

Providing ongoing funding for the critical School Crossing Supervisor Program is required to reduce the cost, uncertainty and community concern of the current unsatisfactory year-to-year funding. The MAV and councils have advocated for 50:50 split between councils and the State Government to fund the program.

This has been met in recent years though an annual boost to base funding, however there is no commitment to this or the program in the State's Budget beyond June 2021. The MAV requests that the Government commits to recurrent, indexed funding of the program to remove this year-to-year uncertainty and allow councils and school communities to plan effectively. Asset management planning, including the need for accurate and high-quality data, continues to be a significant issue and opportunity for local government. Unfortunately, many smaller rural and regional councils have capacity and capability constraints when it comes to asset management. Through the new Victorian Local Government Act provisions, councils are required to develop ten-year asset management plans by June 2022.

Recent changes to the Commonwealth and State Disaster Recovery Funding Arrangements (DRFA) requiring increased evidence of pre-disaster asset condition remain a significant risk for the state and the sector. There is a strong case for State Government funding to assist the sector to further mature and refine asset management capacity and capability.

Emergency management

In emergency management, we continue to be concerned about the growing expectation of councils. There is extensive fatigue in the local government emergency management workforce. This is directly attributed to the significant work supporting community through the bushfires and the response to COVID-19. Compounding this are reforms to the emergency management planning and governance regime, which took effect at the municipal level in December 2020.

In 2019, the State Government undertook an assessment of councils' capability and capacity to undertake their roles and responsibilities in emergency management. It identified that expectations of councils in several key areas exceed their capability and capacity. In 2020, Inspector-General for Emergency Management and Commonwealth Royal Commission into National Natural Disaster Arrangements reports both highlighted council capability and capacity as a concern.

After a year's hiatus due to the Black Summer bushfires and COVID-19, Local Government Victoria's Councils and Emergencies project is expected to resume this year, focusing on developing strategies to address capability and capacity shortfalls. It will be critical these strategies are funded and implemented, to ensure councils are better placed ahead of the 2021/22 season.

Through our participation in the Councils and Emergencies project, the MAV will continue to call for a review of the Municipal Emergency Resourcing Program (MERP) – including indexation, an expansion to cover all 79 councils and a review of the formula to better reflect risk and local government’s role in supporting community resilience. For 2021/22, the MAV is recommending an expansion in the MERP program funding to provide funding to all councils.

Arts, creative, sport and recreation industries

The creative, sport and recreation industries have been hit hard by the pandemic. The viability of some facilities and services is likely to be affected and the MAV looks forward to working with councils and the State Government as new data and trend analysis becomes available. Some outdoor public spaces and recreation facilities are likely to see dramatic increases in use, with associated wear and tear.

Investment in these sectors has multiple benefits including health and wellbeing, economic stimulus and community connectedness. The recovery of these sectors will require coordinated and innovative approaches by local and state governments and industry.

Gender equality and prevention of family and gender-based violence

The MAV continues to monitor the effects of COVID-19 on gender equality with the disproportionate impacts on women in relation to job loss and unpaid care, as well as an increase in reported incidents of family violence during lockdown.

In the important policy and program area of gender equality, the MAV is working closely with the newly established Commission for Gender Equality in the Public Sector (CGEPS) to support the implementation of the Gender Equality Act 2020 for local government in 2021.

The prevention of family violence and all forms of violence against women is an ongoing priority issue for State and local governments. We will continue to work with the Office for Prevention in relation to pilot the Primary Prevention in Local Government Model in 2021.

Priority funding opportunities in the infrastructure and community strengthening portfolio.

Request	Funding	Timing	Portfolio
Local walking and riding infrastructure – delivery funding for priority walking and cycling projects in all Victorian councils and additional, targeted funds for strategic bicycle links in inner and middle suburbs of Melbourne.	\$230 million	4 years	DOT
Asset management and renewal gap – targeted financial support for individual and/or groupings of rural and regional councils for system development and training/capacity building	\$5.43 million	1 year	DJPR

Request	Funding	Timing	Portfolio
School crossing supervisors – provision of indexed annual funding to match local government contributions.	\$19.3 million	Annually	DOT
Local road blackspot program – supplement the Federal Government’s Blackspot funding program to target local intersections, places, road segments or users to reduce risk and improve safety outcomes.	\$10 million	Annually	DOT
Municipal Emergency Resourcing Program – In recognition of the additional costs of planning for emergencies and building resilience in a COVID environment, expand the MERP program to cover all 79 councils and increase the allocations for rural and regional councils.	\$6 million	Annually	DJPR
Arts and culture support – support for the local government arts and culture network.	\$250k	4 years	DJPR
Sport and Recreation – support the Aquatics and Recreation Victoria (ARV) submission including funding for industry support, training packages, young people support package and investment in ESD infrastructure	\$11.9 million	2022	DJPR
Gender Equality Act obligations – one-off grant of \$50k per council to support initiation of Gender Equality Act obligations.	\$3.95 million	2021	DFFH
Prevention of family violence – funding 15 councils for three years to pilot the local government primary prevention model. Continue funding the MAV to support facilitation and capability building.	\$5.25 million	3 years	DFFH

4. Conclusion

We believe there are significant opportunities for closer collaboration and coordination between the State Government and Victoria's councils. The priority funding opportunities outlined in our submission go to the heart of this collaboration. Councils providing thousands of jobs for over half of the people employed through the Working for Victoria program is an example of positive engagement between the State Government and councils.

Victoria's councils are committed to playing their part in the state's recovery from COVID-19. There remain many opportunities for local government to contribute to the state's plans. We believe increased participation by councils in recovery planning would ensure better outcomes for communities and local businesses. This will be especially important in tackling the projected increases in the number of vulnerable and at-risk community members over coming years.

We look forward to the opportunity to continue working with State Government to deliver outcomes that benefit all Victorians while drawing on the important role of councils in presenting their communities and local businesses.