

STATE COUNCIL

FRIDAY 17 MAY 2024

9:30 AM – 3:30 PM

MELBOURNE TOWN HALL
90 -130 Swanston Street Melbourne

ORDER OF BUSINESS

- | | |
|----------|--|
| 9.00 AM | REGISTRATIONS OPEN
<i>Tea and coffee on arrival</i> |
| 9.30 AM | WELCOME
<i>Cr David Clark, MAV President</i> |
| 9.35 AM | WELCOME TO COUNTRY |
| 9.45 AM | WELCOME ADDRESS
<i>The Rt. Hon. the Lord Mayor of Melbourne
Sally Capp AO</i> |
| 10.00 AM | CONFIRMATION OF MINUTES
<i>State Council 13 October 2023</i> |
| 10.05 AM | MAV PRESIDENT'S REPORT
<i>Cr David Clark, MAV President
Including Annual Financial Report</i> |
| 10.30 AM | MAV CEO'S UPDATE
<i>Kelly Grigsby, MAV CEO</i> |
| 11.00 AM | MORNING TEA |
| 11.20 AM | MOTIONS FROM MEMBERSHIP |
| 1.00 PM | LUNCH |
| 2.00 PM | MOTIONS FROM MEMBERSHIP |
| 3:30 PM | CLOSE |

STATE COUNCIL

Minutes MAV meeting of the State Council

Friday 13 October 2023

Attendees

Alpine Shire Council	Manningham City Council
Ararat Rural City Council	Mansfield Shire Council
Ballarat City Council	Maribyrnong City Council
Banyule City Council	Maroondah City Council
Bass Coast Shire Council	Melbourne City Council
Baw Baw Shire Council	Melton City Council
Benalla Rural City Council	Merri-bek City Council
Boroondara City Council	Mitchell Shire Council
Brimbank City Council	Moira Shire Council
Buloke Shire Council	Monash City Council
Campaspe Shire Council	Moonee Valley City Council
Cardinia Shire Council	Moorabool Shire Council
Casey City Council	Mornington Peninsula Shire Council
Central Goldfields Shire Council	Mount Alexander Shire Council
Colac Otway Shire Council	Moyne Shire Council
Corangamite Shire Council	Murrindindi Shire Council
Darebin City Council	Nillumbik Shire Council
East Gippsland Shire Council	Northern Grampians Shire Council
Frankston City Council	Port Phillip City Council
Gannawarra Shire Council	Pyrenees Shire Council
Glen Eira City Council	Borough of Queenscliffe
Glenelg Shire Council	South Gippsland Shire Council
Golden Plains Shire Council	Southern Grampians Shire Council
Greater Dandenong City Council	Strathbogie Shire Council
Greater Geelong City Council	Surf Coast Shire Council
Greater Shepparton City Council	Swan Hill Rural City Council
Hepburn Shire Council	Towong Shire Council
Hindmarsh Shire Council	Wangaratta Rural City Council
Hobsons Bay City Council	Wellington Shire Council
Horsham Rural City Council	Whitehorse City Council
Hume City Council	Whittlesea City Council
Kingston City Council	Wodonga City Council
Knox City Council	Wyndham City Council
Latrobe City Council	Yarra City Council
Loddon Shire Council	Yarra Ranges Shire Council
Macedon Ranges Shire Council	

Participating Member Councils not in attendance

Greater Bendigo City Council, Indigo Shire Council, Mildura Rural City Council, Stonnington City Council, Warrnambool City Council, West Wimmera Shire Council, Yarriambiack Shire Council.

Item 1: Welcome and introduction from MAV President

The Chair, Cr Clark, MAV President, opened the meeting at 9.32am welcoming members and staff, followed by a Welcome to Country from Wurundjeri Elder, Perry Wandin.

The Chair, Cr Clark, MAV President, acknowledged the Traditional Owners of the land and introduced the MAV Board Members and noted an apology from Cr Kathy Majdlik.

Item 2: Keynote Address

The Chair, Cr Clark, MAV President welcomed the Minister for Local Government, the Hon. Melissa Horne MP to address the meeting.

Item 3: Electronic Voting

That voting on matters before the meeting of State Council on 13 October 2023 be conducted by electronic voting.

Moved: Cr Symon, Maroondah City Council
Seconded: Cr Emerson, Northern Grampians Shire Council
CARRIED

Item 4: Confirmation of minutes

That State Council approve the minutes of the meeting of State Council on 19 May 2023.

Moved: Cr Stone, Yarra City Council
Seconded: Cr Reeves, East Gippsland Shire Council
CARRIED

Item 5: Procedural Motion: State Council Duration

That the State Council meeting finish no later than the scheduled time being 3:00pm.

Moved: Cr Getley, Buloke Shire Council
Seconded: Cr Collier, Gannawarra Shire Council
CARRIED

Item 6: ALGA Update

The Chair, Cr Clark, MAV President welcomed Cr. Linda Scott, the President of the Australia Local Government Association (ALGA) to address the meeting.

Item 7: Finance Report

That the State Council notes the report about the financial position of MAV as at 30 June 2023.

Moved: Cr Robertson, Southern Grampians Shire Council
Seconded: Cr McPhee, Swan Hill Rural City Council
CARRIED

Item 8: MAV President's Report

That the State Council receive the President's report.

Moved: Cr Haweil, Hume City Council
Seconded: Cr Clarke, Maribyrnong City Council
CARRIED

Item 9: MAV CEO's Update

The Chair, Cr Clark, MAV President introduced Kelly Grigsby, MAV Chief Executive Officer (CEO) to provide her report.

State Council took a break at 10:38am for morning tea resuming at 11:08am

Item 10: Planning Reform

The Chair, Cr Clark, MAV President introduced the item and handed over to Kelly Grigsby, MAV CEO to provide the planning reform presentation.

State Council Motions

Planning Reform Motion

Procedural Motion: Admission of a Board Motion on Planning reform

That the motion from the Board titled Planning Reform be admitted for consideration at this meeting of State Council as the first item of business.

Moved: Cr Lancashire, Brimbank City Council
Seconded: Cr Anderson, Macedon Ranges Shire Council
CARRIED

Board Motion: Planning Reform

Submitted by: MAV Board

Motion:

That State Council:

1. In **acknowledging**:
 - a) the Operation Sandon special report by IBAC;
 - b) Victoria's Housing Statement – The Decade Ahead 2024-2034 and its housing targets; and
 - c) the planning reforms already gazetted without notice as a subset of the Housing Statement;
2. In **affirming** the ambition of Local Government to address both the housing supply and housing affordability crises in Victoria, in line with long-standing calls from the sector for comprehensive reform to facilitate this;
3. In **asserting** that any reforms to overcome the housing affordability and supply crisis must be based on a complete understanding of the causes of the crisis, many of which fall outside the planning system, and a public process grounded in evidence and honesty;
4. In **recognising** that democratically vested planning powers lie with both Local Government and the State Government and that any fundamental reforms to the planning system require serious consultation and engagement between the two levels of Government and the planning profession if they are to succeed; and
5. In **upholding** the democratic imperative for communities to influence the way Victoria is planned;

Does hereby resolve:

6. To **confirm** that Local Government stands ready to facilitate the increase in housing necessary to house Victorians;
7. To **endorse** "Local Government's Vision for Planning in Victoria" as the basis for the MAV's planning reform advocacy, noting its focus on:
 - a) The social licence of the planning system;
 - b) The need to embed sustainability and inter-generational equity;
 - c) Delivering the housing Victorians need;
 - d) Effective and efficient decision making grounded in local communities;
 - e) Committing resources to where they make the most difference;

- f) Continuous improvement; and
 - g) Integrity, Accountability, and Transparency;
8. To **engage** with all Councils on the question of the preferred spatial distribution of new homes across Victoria and how democratic governance reforms could better facilitate the strategic planning of that distribution;
 9. To **express serious concern** about the disconnection between planning reforms, already gazetted without notice, and the recommendations of the Operation Sandon special report, as well as the selection of Activity Areas without first seeking any local knowledge held by Local Government;
 10. To **commit** to good faith engagement with the State Government to work in genuine partnership on further planning reforms, including and especially a thorough review of the *Planning and Environment Act 1987* and the development of Plan Victoria, in the interests of ensuring a system that works to provide supply and affordability while retaining integrity, accountability, transparency and the ability for local communities to add value to community, regional, metropolitan and State-wide plans and development;
 11. To **formally request** that the Planning Minister enter into a Memorandum of Understanding with the MAV that establishes this partnership and enables genuine input and improvement from the Local Government sector to any and all fundamental planning system reforms.

Moved: Cr Leppert, City of Melbourne
Seconded: Cr Staikos, Kingston City Council

Amendments to the motion were proposed and accepted by the mover and seconder.

Substantive motion:

That State Council:

1. In **acknowledging**:
 - a) the Operation Sandon special report by IBAC;
 - b) Victoria's Housing Statement – The Decade Ahead 2024-2034 and its housing targets; and
 - c) the planning reforms already gazetted without notice as a subset of the Housing Statement;
2. In **affirming** the ambition of Local Government to address both the housing supply and housing affordability crises in Victoria, in line with long-standing calls from the sector for comprehensive reform to facilitate this;
3. In **asserting** that any reforms to overcome the housing affordability and supply crisis must be based on a complete understanding of the causes of the crisis, many of which fall outside the planning system, and a public process grounded in evidence and honesty;
4. In **recognising** that democratically vested planning powers lie with both Local Government and the State Government and that any fundamental reforms to the planning system require genuine consultation and engagement between the two levels of Government and the planning profession if they are to succeed; and
5. In **upholding** the democratic imperative for communities to influence the way Victoria is planned;

Does hereby resolve:

6. To **confirm** that Local Government stands ready to facilitate the increase in housing necessary to house Victorians;
7. To **endorse** "Local Government's Vision for Planning in Victoria" as the basis for the MAV's planning reform advocacy, noting its focus on:
 - a) Delivering the housing Victorians need;
 - b) The need to embed sustainability and inter-generational equity;
 - c) The social licence of the planning system;
 - d) Effective and efficient decision making grounded in local communities;
 - e) Committing resources to where they make the most difference;
 - f) Continuous improvement; and
 - g) Integrity, Accountability, and Transparency;
8. To **engage** with all Councils on the question of the preferred spatial distribution of new homes across Victoria and how democratic governance reforms could better facilitate the strategic planning of that distribution;
9. To **express** serious concern about the disconnection between planning reforms, already gazetted without notice, and the recommendations of the Operation Sandon special report, as well as the selection of Activity Areas without first seeking any local knowledge held by Local Government;
10. To **commit** to good faith engagement with the State Government to work in genuine partnership on further planning reforms, including and especially a thorough review of the *Planning and Environment Act 1987* and the development of Plan Victoria and Activity Centres, in the interests of ensuring a system that works to provide supply and affordability while retaining integrity, accountability, transparency and the ability for local communities to add value to community, regional, metropolitan and State-wide plans and development;
11. To **formally request** that the Planning Minister enter into a Memorandum of Understanding with the MAV that establishes this partnership and enables genuine input and improvement from the Local Government sector to any and all fundamental planning system reforms.

CARRIED

Consolidated Motions

C1. Affordable housing and homelessness sector support

Motion:

1. Increase social housing stock across the state to address homelessness and improve living standards of existing social housing including increased support for residents to maintain their tenancy; extending the Big Housing Build by funding an increase in social and affordable housing to at least 60,000 dwellings over 10 years; and committing to a target for priority local government areas.
2. Urgently develop a state-wide social and affordable housing strategy that addresses housing need across a range of tenures, from emergency housing to long term community and private rental housing.
3. Provide adequate funding for the homelessness sector for sufficient staffing of homelessness service agencies to deliver critical wrap-around services for individuals with complex needs and who have experienced long term homelessness to develop skills to exit homelessness, live independently and retain their housing. This includes funding for out-of-hours (before 9 am and after 5 pm) assertive outreach. This is in line with the Council to Homeless Persons' 2023/24 state budget submission that called on the Victorian Government:

“... to invest an additional \$47.5 million in 2023-24 (\$220.6 million over four years) to continue and grow the From Homeless to a Home program to support at least 2,100 households (growing to 2,400 by year 4) for as long as that support is needed to sustain that home (page 4, State Budget Submission 2023–24 - Council to Homeless Persons website (chp.org.au)).”

4. Directly support local government homelessness response by funding the establishment of assertive outreach services and community connector roles, based in councils to lead prevention activities and guide service coordination efforts.

Consolidated motions:

- Housing and homelessness sector support - Boroondara City Council (Motion 1)
- Affordable housing and homelessness – Brimbank City Council (Motion 2)
- Homelessness and affordable housing – Wyndham City Council (Motion 3)

Moved: Cr Watson, Boroondara City Council
Seconded: Cr Lancashire, Brimbank City Council

CARRIED

The Chair, Cr Clark, MAV President sought agreement to defer Consolidated Motion C2. C2 was then dealt with following resolution of Motion 45.

C2. Building resilience into flood-prone communities

Motion:

That the MAV calls on the Victorian Government to:

1. Work with councils to ensure that flood hazard controls within the Victoria Planning Provisions are fit for purpose.
2. Implement a state-led process for ensuring flood mapping is up to date and incorporated into planning schemes.
3. Review the effectiveness of flood warning systems, particularly the information available to at-risk communities.

Consolidated motions:

- Building resilience to future flood events – Mitchell Shire Council (Motion 4)
- State Government leadership in planning scheme amendments to incorporate updated flood mapping - East Gippsland Shire Council (Motion 5)
- Modification to the Land Subject to Inundation Overlay - South Gippsland Shire Council (Motion 6)

Moved: Cr Hersey, South Gippsland Shire Council

Seconded: Cr. Stevens, Mitchell Shire Council

Amendments were proposed and accepted by the mover and seconder.

Substantive motion:

That the MAV calls on the Victorian Government to:

1. Work with councils to ensure that flood hazard controls within the Victoria Planning Provisions are fit for purpose.
2. Implement a state-led process for ensuring flood mapping is up to date and incorporated into planning schemes.
3. Review the effectiveness of flood warning systems, particularly the information available to at-risk communities.
4. Fund and implement a state-led process to modify the Victorian Planning Provisions to amend, strengthen and protect the Land Subject to Inundation Overlay to manage risks in all affected coastal and riverine areas that are vulnerable to climate change inclusive of all affected coastal and riverine areas.

CARRIED

C3. Don't leave the growth areas behind

Motion:

That the MAV calls on the Victorian Government to:

1. Ensure that the needs of growth area communities are still prioritised despite the renewed focus on delivering 70% of housing growth in in-fill areas;
2. Provide infrastructure and service delivery funding assistance to growth area councils who have and continue to see significant population growth;
3. Restore programs like the Growing Suburbs Fund to their previous levels.

Consolidated motions:

- Essential Funding for Growth Areas - Mitchell Shire Council (Motion 7)
- Victorian Government financial support for Councils for infrastructure planning and delivery – Wyndham City Council (Motion 8)

Moved: Cr Ramesh, Wyndham City Council

Seconded: Cr Stevens, Mitchell Shire Council

CARRIED

C4. Enshrining climate change responses and environmental sustainability into our planning system

Motion:

That the MAV calls on the Victorian Government to ensure that the planning system prioritises sustainability and climate change, including through authorising the Elevating Targets planning scheme amendment progressed by CASBE and 24 councils to require a higher standard of Environmentally Sustainable Development.

Consolidated motions:

- Planning reforms to give greater weight to environmental sustainability in the assessment process - Surf Coast Shire Council (Motion 9)
- Aligning the Victorian Planning Framework to Government Climate Change Policy - Mitchell Shire Council (Motion 10)

Moved: Cr Stevens, Mitchell Shire Council

Seconded: Cr Schonfelder, Surf Coast Shire Council

CARRIED

C5. Exempt rural councils from the Windfall Gains Tax

Motion:

That the MAV calls on the Victorian Government to exempt rural areas from the Windfall Gains Tax.

Consolidated motions:

- Windfall Gain Tax - Northern Grampians Shire Council (Motion 11)
- Call to revoke Windfall Gains Tax in rural Victoria - Ararat Rural City Council (Motion 12)
- Addressing Windfall Gains Tax in rural areas - Towong Shire Council (Motion 13)

Moved: Cr Armstrong, Ararat Rural City Council

Seconded: Cr Emerson, Northern Grampians Shire Council

Amendments were proposed.

Motion to amend:

That the words 'and all councils' be inserted after 'rural areas'.

Moved: Cr Watson, Boroondara City Council

Seconded: Cr Hersey, South Gippsland Shire Council

The amendment was WITHDRAWN by the submitting council.

The original motion was CARRIED.

C6. Protecting, enhancing and expanding open spaces for all communities

Motion:

The MAV calls on the Victorian Government to:

1. Recognise that open space is critical to building healthy and active communities across Victoria;
2. Mandating higher minimum public open space requirements as part of any state-approved planning proposal
3. Improve public access to public school grounds through reforming joint-use agreements;
4. Working more closely with local government in state Government planning decisions to identify opportunities and needs for open space, particularly as part of large infrastructure projects;
5. Notes that open space remains a critical consideration in developing a liveable Victoria by promoting healthy and active communities with access to open green space.

Consolidated motions:

- Improved Community Access to Underutilised Land and Broader Community Open Space needs - Glen Eira City Council (Motion 14)
- Open Space within metropolitan Melbourne – Port Phillip City Council (Motion 15)

Moved: Cr Zmood, Glen Eira City Council

Seconded: Cr Nyaguy, Port Phillip City Council

CARRIED

C7. Retain and protect community voice in the planning system

Motion:

That the MAV calls on the Victorian Government to:

1. Recognise the subject matter expertise found within local government, and partner with councils to co-design an improved planning system;
2. Retain community voice and local decision-making as key pillars of the Victorian planning system;
3. Ensure that councils are resourced to effectively carry out their central role in the planning system.

Consolidated motions:

- Proposed Planning Reforms - Yarra City Council (Motion 16)
- Keep Local Democracy on Planning Decisions - Mansfield Shire Council (Motion 17)

Moved: Cr Stone, Yarra City Council

Seconded: Cr Tehan, Mansfield Shire Council

CARRIED

C8. Victorian Government Erosion of Funding for Public Libraries

Motion:

That the MAV:

1. Notes that Victorian Government grants for public libraries are frozen at 2022/23 levels, with the result that funding for public libraries is effectively being further cost-shifted onto Local Government. As a result, councils are now bearing 80% of the cost of this invaluable community service which was previously equally funded by state and local governments.
2. Calls on the Victorian Government to commit to:
 - a) not place additional responsibilities on local government without a sustainable revenue stream to support their implementation
 - b) reverse its decision to freeze the level of grants for public libraries in 2023/24
 - c) increase the 2023/24 public library grant and commit to restoring its funding contribution to 50% of the service cost.

Consolidated motions:

- Public Library Grants – Erosion of Library Services to Community – Maroondah City Council (Motion 18)
- Victorian Government Funding of Public Libraries – Knox City Council (Motion 19)

Moved: Cr Symon, Maroondah City Council

Seconded: Cr Laukens, Knox City Council

CARRIED

Board Motion

BM1. Local Government Emergency Management Arrangements

Submitted by: MAV Board on behalf of MAV Emergency Management Committee

Motion:

That the MAV calls on the Minister for Local Government, the Minister for Emergency Services, the Emergency Management Commissioner and Local Government Victoria (LGV) to:

1. Urgently review the Municipal Emergency Resourcing Program (MERP) to cover all 79 councils, with a new formula based on risk and capacity, and an immediate investment in training for councils' statutory emergency management roles. Significantly higher levels of ongoing funding, guaranteed to continue each year, that reflect the risk and community expectations are essential.
2. To improve timely processing and approval periods for the Disaster Recovery Funding Arrangements (DRFA) that are hindering effective recovery;
3. To 'truly' recognise the advantage of betterment funding through the DRFA and proactively work with councils and the federal government to achieve this outcome;
4. To resolve the lack of clarity about the roles and responsibilities of councils in emergency management;
5. To develop and deliver training for core statutory emergency management roles.

Moved: Cr Scales, Towong Shire Council

Seconded: Cr Anderson, Macedon Ranges Shire Council

CARRIED

Motions from Membership: Consolidated

Motion 1. Housing and Homelessness Sector Support (C1)

Submitting Council: Boroondara City Council

Strategic Priority motion

Consolidated

See Consolidated Motion 1: Affordable housing and homelessness sector support.

Motion 2. Affordable Housing and Homelessness (C1)

Submitting Council: Brimbank City Council

Strategic Priority motion

Consolidated

See Consolidated Motion 1: Affordable housing and homelessness sector support.

Motion 3. Homelessness and Affordable Housing (C1)

Submitting Council: Wyndham City Council

Strategic Priority motion

Consolidated

See Consolidated Motion 1: Affordable housing and homelessness sector support.

Motion 4. Building resilience to future flood events (C2)

Submitting Council: Mitchell Shire Council

Standard Priority motion

Consolidated

See Consolidated Motion 2: Building resilience into flood-prone communities.

Motion 5. State Government leadership in planning scheme amendments to incorporate updated flood mapping (C2)

Submitting Council: East Gippsland Shire Council

Strategic Priority motion

Consolidated

See Consolidated Motion 2: Building resilience into flood-prone communities.

Motion 6. Modification to the Land Subject to Inundation Overlay (C2)

Submitting Council: South Gippsland Shire Council

Strategic Priority motion

Consolidated

See Consolidated Motion 2: Building resilience into flood-prone communities.

Motion 7. Essential funding for growth areas (C3)

Submitting Council: Mitchell Shire Council

Standard Priority motion

Consolidated

See Consolidated Motion 3: Don't leave the growth areas behind.

Motion 8. Victorian Government financial support for Councils for infrastructure planning and delivery (C3)

Submitting Council: Wyndham City Council

Standard Priority motion

Consolidated

See Consolidated Motion 3: Don't leave the growth areas behind.

Motion 9. Planning reforms to give greater weight to environmental sustainability in the assessment process (C4)

Submitting Council: Surf Coast Shire Council

Strategic Priority motion

Consolidated

See Consolidated Motion 4: Enshrining climate change responses and environmental sustainability into our planning system.

Motion 10. Aligning the Victorian Planning Framework to Government Climate Change Policy (C4)

Submitting Council: Mitchell Shire Council

Strategic Priority motion

Consolidated

See Consolidated Motion 4: Enshrining climate change responses and environmental sustainability into our planning system.

Motion 11. Windfall Gains Tax (C5)

Submitting Council: Northern Grampians Shire Council

Strategic Priority motion

Consolidated

See Consolidated Motion 5: Exempt rural councils from the Windfall Gains Tax.

Motion 12. Call to revoke Windfall Gains Tax in rural Victoria (C5)

Submitting Council: Ararat Rural City Council

Strategic Priority motion

Consolidated

See Consolidated Motion 5: Exempt rural councils from the Windfall Gains Tax.

Motion 13. Addressing Windfall Gains Tax in rural areas (C5)

Submitting Council: Towong Shire Council

Strategic Priority motion

Consolidated

See Consolidated Motion 5: Exempt rural councils from the Windfall Gains Tax.

Motion 14. Improved Community Access to Underutilised Land and Broader Community Open Space Needs (C6)

Submitting Council: Glen Eira City Council

Standard Priority motion

Consolidated

See Consolidated Motion 6: Protecting, enhancing and expanding open spaces for all communities.

Motion 15. Open Space within metropolitan Melbourne (C6)

Submitting Council: Port Phillip City Council

Standard Priority motion

Consolidated

See Consolidated Motion 6: Protecting, enhancing and expanding open spaces for all communities.

Motion 16. Proposed planning reforms (C7)

Submitting Council: Yarra City Council

Strategic Priority motion

Consolidated

See Consolidated Motion 7: Retain and protect community voice in the planning system.

Motion 17. Keep Local Democracy on Planning Decisions (C7)

Submitting Council: Mansfield Shire Council

Strategic Priority motion

Consolidated

See Consolidated Motion 7: Retain and protect community voice in the planning system.

Motion 18. Public Library Grants - Erosion of Library Services to Community (C8)

Submitting Council: Maroondah City Council

Standard Priority motion

Consolidated

See Consolidated Motion 8: Victorian Government Erosion of Funding for Public Libraries.

Motion 19. Victorian Government Funding of Public Libraries (C8)

Submitting Council: Knox City Council

Standard Priority motion

Consolidated

See Consolidated Motion 8: Victorian Government Erosion of Funding for Public Libraries.

Motions from Membership: Strategic priority

Motions considered to align with the MAV Strategy by advancing whole of sector policy positions and/or advocacy activities.

Motion 20. Candidate resources for 2024 Local Government elections

Submitting Council: Baw Baw Shire Council

Motion:

That the MAV advocate to the Victorian Government and Local Government Victoria for greater resources and training to build capacity of future candidates in the lead up to the 2024 Local Government elections.

Moved: Cr McCabe, Baw Baw Shire Council

Seconded: Cr Gibson, Latrobe City Council

CARRIED

Motion 21. Increasing amount and diversity of housing stock in Victoria

Submitting Council: Mitchell Shire Council

Motion:

That the MAV advocate for the State to conduct an in-depth examination of a range of strategies to streamline the existing planning processes and explore alternative approaches to increase and diversify the housing stock across Victoria.

WITHDRAWN: By the submitting council noting resolution of the Board motion on planning reform.

Motion 22. Targeted approaches to delivering Maternal Child Health services

Submitting Council: Yarra Ranges Shire Council

Motion:

That the MAV advocate to the Victorian Government for a Maternal Child Health Services policy that supports local government to implement a targeted service approach, as funding models and workforce challenges are preventing delivery of the full-service model.

Moved: Cr Child, Yarra Ranges Shire Council

Seconded: Cr Ireland, Hindmarsh Shire Council

CARRIED

Motions from Membership: Standard Priority

Motions considered consistent with sector roles and responsibilities, are significant to whole sector and relevant to current policy and advocacy activities at state and commonwealth level.

Motion 23. Alternate approval pathway for pedestrian works

Submitting Council: Yarra City Council

Motion:

That State Council call on the State Government to give councils an alternative approval pathway for certain types of pedestrian works in line with recent changes to transport delegations in NSW, including for:

- a) works to enable alfresco dining on a road (where there is no change to the number of continuous travel lanes);
- b) continuous footpaths;
- c) converting existing pedestrian ('zebra') crossings to raised pedestrian ('wombat') crossings;
- d) mid-block treatments to manage vehicle speed including road humps, road cushions, chicanes and slow points;
- e) pedestrian crossings;
- f) pedestrian refuges;
- g) 'No Stopping' controls at intersections;
- h) kerb buildouts to reduce intersection crossing distance or manage vehicle speed (where there is no change to the number of continuous travel lanes);
- i) kerb modifications for footpath improvements or tree planting (where there is no change to the number of continuous travel lanes); and
- j) associated changes to kerbside parking necessary to implement the proposal and to offset any parking impacts.

Moved: Cr Stone, Yarra City Council

Seconded: Cr Binks, Strathbogie Shire Council

CARRIED

Motion 24. Bus Network Reforms

Submitting Council: Manningham City Council

Motion:

That the MAV:

1. Requests the Victorian Government deliver the actions in accordance with the timeframe committed to in the Victorian Bus Plan.
2. Requests the Department of Transport and Planning collaborate with councils on the proposed network plans in the Bus Network Reform Pilot Projects.
3. Requests the Victorian Government commit funding to deliver the Bus Network Pilot Projects.

Moved: Cr Mayne, Manningham City Council

Seconded: Cr James, Monash City Council

CARRIED

Motion 25. Changes to the Victorian Planning Provisions in relation to the use of car stackers

Submitting Council: Kingston City Council

Motion:

That the MAV urgently request the State Government to make changes to the Victoria Planning Provisions and prepare a new Planning Practice Note to provide clear policy direction aimed at improving the design, useability, specifications and accessibility of car stackers.

Moved: Cr Staikos, Kingston City Council

Seconded: Cr James, Monash City Council

CARRIED

Motion 26. Golf Course Land Planning Guidelines

Submitting Council: Kingston City Council

Motion:

That the MAV request the Victorian Government to review the Planning Guidelines for the Conversion of Golf Course Land for other Purposes, and their practical application.

Moved: Cr Staikos, Kingston City Council

Seconded: Cr Roper, Mornington Peninsula Shire Council

CARRIED

Motion 27. Maintenance of Freeway and Arterial Roads

Submitting Council: Kingston City Council

Motion:

That the MAV urgently request the State Government to ensure that Freeways and Arterial Roads, for which the Department of Transport Planning (VicRoads) are responsible, are maintained to an appropriate level of service.

Moved: Cr Staikos, Kingston City Council

Seconded: Cr Gulline, Horsham Rural City Council

CARRIED

Motion 28. Strengthening the RRV Roads Management Plan

Submitting Council: Mitchell Shire Council

Motion:

That the MAV advocate to the State Government to strengthen the RRV Roads Management Plan to achieve higher standard outcomes which are expected by communities, including an increased focus on drainage.

Moved: Cr Stevens, Mitchell Shire Council

Seconded: Cr Getley, Buloke Shire Council

CARRIED

Motion 29. Council Compliance Framework uniformity in Victoria

Submitting Council: Port Phillip City Council

Motion:

That the MAV:

1. Lead a coordinated approach to development of a regulatory and compliance framework and technology to support Victorian councils to effectively respond to their extensive and diverse legislative compliance requirements in an efficient manner.
2. Consider previous examples such as Queensland in the development of such a framework.

Moved: Cr Nyaguy, Port Phillip City Council

Seconded: Cr Zmood, Glen Eira City Council

Amendments were proposed and accepted by the mover and seconder.

Substantive motion:

That the MAV, after consulting Local Government Victoria and considering options to draw on governance expertise throughout the sector:

1. Pursue a coordinated approach to development of a regulatory and compliance framework and technology to support Victorian councils to effectively respond to their extensive and diverse legislative compliance requirements in an efficient manner.
2. Consider previous examples such as Queensland in the development of such a framework.
3. Report progress to State Council in May 2024

CARRIED

Motion 30. Maggolee partnership and advocacy for local government's involvement in Treaty implementation

Submitting Council: Moonee Valley City Council

Motion:

That the MAV:

1. Assists in the promotion of the Maggolee website (<https://www.maggolee.org.au/>) and resources to the MAV membership.
2. Through the Maggolee partnership, help produce model policies and best practice guidelines on Local Government changes relating to issues affecting Aboriginal and Torres Strait Islander people with statewide relevance, consistent with the Treaty negotiation framework, Self-determination, and State Government policy and legislation.
3. Establish a relationship with the First Peoples Assembly of Victoria, as the lead body for negotiating statewide Treaty, and keep the membership informed of the progress of Treaty negotiations and in particular where Treaty outcomes may involve Local Government in their implementation.
4. Request the Victorian Government involve Local Government as early as possible in designing a Treaty implementation program aimed at supporting positive local outcomes.

Moved: Cr Iser, Moonee Valley City Council

Seconded: Cr Stone, Yarra City Council

CARRIED

Motion 31. Maintenance of state-managed roads

Submitting Council: Wodonga City Council

Motion:

That the MAV calls on the Victorian Government to:

1. Allow for closer collaboration between the Department of Transport and Planning, Regional Roads Victoria and local councils to ensure consistent intervention levels, standard of maintenance and response times for state-managed roads; and,
2. Put in a place a process for the inspection and maintenance of road surfaces to be undertaken by local councils, should they choose to do so on behalf of the department, under an indexed full cost recovery model.

Moved: Cr Mildren, Wodonga City Council

Seconded: Cr Haweil, Hume City Council

CARRIED

Motion 32. Regional health services

Submitting Council: Wodonga City Council

Motion:

That the MAV calls on the Victorian Government to:

1. Ensure equal access to basic and emergency health care for communities in rural and regional areas;
2. Provide incentives to specialists across disciplines to work regionally and rurally;
3. Make a key priority for the government to retain of medical professionals and address the shortage of medical professionals in rural and regional Victoria; and,
4. Advocate to the federal government for increases in Medicare rebates for rural and regional doctors to ensure medical practitioners are adequately remunerated for their services.

Moved: Cr Mildren, Wodonga City Council

Seconded: Cr Formoso, Greater Dandenong City Council

CARRIED

Motion 33. Surplus state-owned land

Submitting Council: Wodonga City Council

Motion:

That the MAV calls on the Victorian Government to undertake rezoning where required and progress the immediate sale of all unused VicTrack and other state-owned land within town and city centres to:

1. Provide a source of revenue for the state;
2. Allow for private industry to rehabilitate and develop much needed housing and other commercial operations to continue CBD activation;
3. Open up potential sites to address commercial and industrial land shortages; and,
4. Ensure improved presentation of highly visible land.

Moved: Cr Mildren, Wodonga City Council

Seconded: Cr Zmood, Glen Eira City Council

Amendments to the motion were proposed and accepted by the mover and seconder.

Substantive motion:

That the MAV calls on the Victorian Government to undertake rezoning when required and consider to undertake rezoning when required and consider in consultation with the local municipality, the sale of unused VicTrack and other state-owned land within town and city centres to:

1. Provide a source of revenue for the state;
2. Allow for private industry to rehabilitate and develop much needed housing and other commercial operations to continue CBD activation;
3. Open up potential sites to address commercial and industrial land shortages; and,
4. Ensure improved presentation of highly visible land.

CARRIED

Motion 34. Funding advocacy for critical roads and bridges

Submitting Council: Strathbogie Shire Council

Motion:

That the MAV advocate to Victorian Government of behalf of rural and regional Councils to redirect funding previously allocated to the Commonwealth Games into critical road and infrastructure projects.

Moved: Cr Binks, Strathbogie Shire Council

Seconded: Cr Walsh, Murrindindi Shire Council

CARRIED

Motion 35. Accessibility of Electric Vehicle Charging Infrastructure

Submitting Council: Merri-bek City Council

Motion:

That the MAV calls on the State Government to lobby the Federal Government to elevate and expedite the work to create access standards for people with disabilities seeking to use electric vehicle charging infrastructure:

- a) through active engagement and consultation with disability groups about standards for making EV charging infrastructure accessible to people with disabilities.
- b) by considering relevant standards, the National Construction Code and other guidance to ensure new electric vehicle charging infrastructure is fully accessible.

Moved: Cr Tapinos, Merri-bek City Council

Seconded: Cr Rennie, Darebin City Council

CARRIED

Motion 36. Mental Health

Submitting Council: Maribyrnong City Council

Motion:

That the MAV requests that the Victorian Government:

1. conduct an inquiry into the psycho-social impacts of COVID-19; and
2. consider additional measures and funding to invest in community resilience, psychological and material support to mitigate identified impacts.

Moved: Cr Clarke, Maribyrnong City Council

Seconded: Cr Formoso, Greater Dandenong City Council

CARRIED

Motion 37. Support for the Small Business Community

Submitting Council: Maribyrnong City Council

Motion:

The MAV requests the Victorian Government to provide financial support, including grant programs, to members of the business community experiencing financial stress.

Moved: Cr Clarke, Maribyrnong City Council

Seconded: Cr Tyler, Hobsons Bay City Council

LOST

Motion 38. Construction of Melbourne Airport Rail

Submitting Council: Brimbank City Council

Motion:

The MAV calls on the Victorian Government to deliver the Melbourne Airport Rail in a timely manner.

Moved: Cr Lancashire, Brimbank City Council

Seconded: Cr Nyaguy, Port Phillip City Council

CARRIED

Motion 39. Upgrading the Calder Freeway

Submitting Council: Brimbank City Council

Motion:

The MAV calls on the Victorian Government to release the business case for future improvements to the Calder Freeway transport corridor and to commit funding to:

- a) Upgrade the Calder Freeway between Western Ring Road (M80) and the Melton Highway to bring it up to freeway standard by adding lanes from Keilor Park Drive to Melton Highway and widening the Maribyrnong River Bridge
- b) Construct a full diamond interchange at the intersection of the Calder Freeway and Calder Park Drive
- c) Duplicate Calder Park Drive between the Calder Freeway and the Melton Highway

Moved: Cr Lancashire, Brimbank City Council

Seconded: Cr Getley, Buloke Shire Council

LOST

Motion 40. Addressing planning barriers for regional workers accommodation

Submitting Council: Yarra Ranges Shire Council

Motion:

That the MAV advocate to the Minister for Planning to consider permit exemptions for Rural Worker accommodation in the Green Wedge Zones and release of other reforms from the Planning for Melbourne's Green Wedge and Agricultural Land Review.

Moved: Cr Child, Yarra Ranges Shire Council

Seconded: Cr Laukens, Knox City Council

CARRIED

Motion 41. Strategic review into the School Crossing Supervisor Program

Submitting Council: Yarra Ranges Shire Council

Motion:

That the MAV advocate to the Victorian Government to reinstate a broad strategic review of the School Crossing Supervisor Program, to address urgent outstanding issues, including:

1. crossing supervisor staff shortages
2. regular unsupervised school crossings
3. unsustainable State Government funding model that puts increasing financial pressure on Councils.

Moved: Cr Child, Yarra Ranges Shire Council

Seconded: Cr Zmood, Glen Eira City Council

CARRIED

Motion 42. Victorian Government Responsibility for Education Related Infrastructure

Submitting Council: East Gippsland Shire Council

Motion:

That the MAV calls on the Victorian Government to take responsibility for the provision of adequate parking, playing fields, open space, and other infrastructure that support public schools, including requiring the Victorian School Building Authority to seek planning approval for new schools and school expansions.

Moved: Cr Reeves, East Gippsland Shire Council

Seconded: Cr Hersey, South Gippsland Shire Council

CARRIED

Motion 43. Resources for Freedom of Information requests

Submitting Council: Towong Shire Council

Motion:

That the MAV advocates to the State Government to make resources available (eg. a 'flying squad' approach) for small rural councils, to enable those councils with limited resources to remain compliant with the Freedom of Information Act 1982 (Vic).

Moved: Cr Scales, Towong Shire Council

Seconded: Cr Stevens, Mitchell Shire Council

CARRIED

Motion 44. Review of Victorian Grants Commission Funds Allocation Methodology

Submitting Council: Murrindindi Shire Council

Motion:

That the MAV advocate for the formulae used by the Victorian Grants Commission in determining the allocation of Commonwealth Financial Assistance Grants be reviewed to place greater emphasis on:

- a) the impacts of natural disasters and climate change,
- b) the limited alternate revenue options for rural Councils, and
- c) the increased demands of heavy transport and tourism impacting local roads.

Moved: Cr Walsh, Murrindindi Shire Council

Seconded: Administrator Wilson, Whittlesea City Council

Amendments proposed were not accepted by the mover and seconder.

Motion to amend:

That the words 'following the increase in overall Financial Assistance Grants funding to 1% of Commonwealth,' be inserted after 'advocate'.

Moved: Cr Leppert, City of Melbourne

Seconded: Cr Nyaguy, Port Phillip City Council

LOST

Substantive Motion:

That the MAV advocate for the formulae used by the Victorian Grants Commission in determining the allocation of Commonwealth Financial Assistance Grants be reviewed to place greater emphasis on:

- a) the impacts of natural disasters and climate change,
- b) the limited alternate revenue options for rural Councils, and
- c) the increased demands of heavy transport and tourism impacting local roads.

The substantive motion was put and LOST.

Motion 45. Redistribution mechanism of the Community Benefits Statements

Submitting Council: Hume City Council

Motion:

That the MAV calls on the State Government to review the redistribution mechanism of the Community Benefits Statements to ensure that the losses from gambling are directly invested back into community and community-led initiatives.

Moved: Cr Haweil, Hume City Council

Seconded: Cr James, Monash City Council

CARRIED

The Chair, Cr Clark, MAV President, returned to Consolidated Motion C2.

Late Motions

Motions received after the circulation of the Business Paper.

Procedural Motion: Admission of Late Motions

That Late Motions 1 – 8 be admitted for consideration at this meeting.

Moved: Cr Martin, Glenelg Shire Council
Seconded: Cr Gstrein, Corangamite Shire Council

CARRIED

Late Motion 1. Betterment of public assets

Submitting Council: Campaspe Shire Council

Strategic Priority motion

Motion:

That the MAV calls on the Victorian Government and Australian Government to:

1. Commit to allowing the betterment of public assets damaged by natural disasters to be funded through the state and federal Disaster Recovery Funding Arrangements (DRFA).
2. Allow Councils to submit claims for betterment and fund improvements to assets where the asset is critical and can be better protected against damage from natural disasters into the future.

Moved: Cr Gates, Campaspe Shire Council
Seconded: Cr Getley, Buloke Shire Council

CARRIED

Late Motion 2. Establishment of Renewable Energy Development Guidelines

Submitting Council: Moyne Shire Council

Strategic Priority motion

Motion:

That the MAV advocate for the establishment of Renewable Energy Development Guidelines including provisions that infrastructure to support renewable energy transmission:

- a) be developed using existing easements,
- b) be located where practicable underground, and
- c) require co-location of connecting lines to reduce the impact on agriculture, the visual landscape, recognise risks of bushfire and protect amenity.

Moved: Cr Foster, Moyne Shire Council
Seconded: Cr Ebbels, Borough of Queenscliffe

CARRIED

Late Motion 3. Ongoing maintenance and additional replacement and renewal of the local road network

Submitting Council: Moyne Shire Council

Standard Priority motion

Motion:

That the MAV advocate to the State Government to reinstate a state funded program to ensure local government is adequately supported to continue the ongoing maintenance and additional replacement and renewal of the local road network.

Moved: Cr Foster, Moyne Shire Council

Seconded: Cr Martin, Glenelg Shire Council

CARRIED

Late Motion 4. Streamlining the planning amendment and planning permit processes

Submitting Council: Moyne Shire Council

Strategic Priority motion

Motion:

That the MAV represent rural Councils in any review of the Planning System by state government, including but not limited to streamlining the amendment and planning permit processes.

WITHDRAWN: By the submitting council noting resolution of the Board motion on planning reform.

Late Motion 5. Review Maternal and Child Health Key Age and Stages framework and rectify funding shortfall

Submitting Council: Hobsons Bay City Council

Strategic Priority motion

Motion:

That the MAV calls on the Victorian Government to review the Maternal and Child Health (MCH) Key Ages and Stages (KAS) framework and associated historical funding model in which local and state governments equally fund the service, and seeks immediate action to rectify the funding shortfall through:

1. Reviewing the KAS framework to ascertain the level of complexity, need and resources required to effectively assess the health and wellbeing of children and their families within the current environment where incidents of family violence, child abuse and mental illness are continuing to rise;
2. Undertaking a sector wide analysis of the historical shared funding model in which local and state governments are required to equally fund the delivery of the service; and
3. Consulting with local government to determine the level of additional funding required to be invested in local government by the Victorian Government as a result of the state's ongoing funding shortfall.

Moved: Cr Tyler, Hobsons Bay City Council

Seconded: Cr Clarke, Maribyrnong City Council

CARRIED

Late Motion 6. Assess existing and future transport needs of the western suburbs

Submitting Council: Hobsons Bay City Council

Standard Priority motion

Motion:

That the MAV, in response to the SRL Airport Rail, Geelong Fast Rail and Western Rail Plan projects being put on hold by the Victorian and Australian governments, calls on the Victorian Government to undertake an assessment of the existing and future transport needs of communities in the growing western suburbs to ensure that existing and future infrastructure is adequate.

Moved: Cr Tyler, Hobsons Bay City Council

Seconded: Cr Ramesh, Wyndham City Council

CARRIED

Late Motion 7. Recognise the Ramsar-protected Cheetham Wetlands and support local initiatives highlighting the significance of inner western coastal wetlands to First Nations people, promoting education on the impact of climate change upon coastal wetlands, and supporting eco-tourism and nature-based recreation in metropolitan Melbourne

Submitting Council: Hobsons Bay City Council

Standard Priority motion

Motion:

That the MAV calls on the Victorian and Australian governments to recognise the internationally significant Ramsar-protected Cheetham Wetlands, visited by thousands of migratory birds annually, and that both governments support local and regional initiatives that:

1. Highlight the significance of the inner western coastal wetlands to First Nations people
2. Promote education about the impact of climate change on coastal wetlands
3. Provide unique eco-tourism and nature-based recreational experiences in metropolitan Melbourne

Moved: Cr Tyler, Hobsons Bay City Council

Seconded: Cr Clarke, Maribyrnong City Council

LOST

Late Motion 8. MAV Public Facing Name Change

Submitting Council: Whitehorse City Council

Standard Priority motion

Motion:

That the Municipal Association of Victoria (MAV) considers adopting 'Councils Victoria' as its public facing name to enable fresh associated branding and increase the public understanding of the MAV and what it represents.

Moved: Cr Munroe, Whitehorse City Council

Seconded: Cr Melican, Banyule City Council

Procedural Motion

That the motion be put to a vote.

Moved: Cr McPhee, Swan Hill Rural City Council

Seconded: Cr Iser, Moonee Valley City Council

CARRIED

Substantive Motion was put and LOST

Meeting Close

The Chair, Cr Clark, MAV President, thanked the State Council attendees for their participation and closed the meeting at 1.09pm.

The next meeting of the State Council will be held on 17 May 2023.

Title

MAV Financial Statements for the MAV State Council

Author

Anthony DeJong, Chief Financial Officer

Background and Key Issues

Under section 16.3.1 of the MAV Rules, and at the annual meeting, State Council is to consider an annual report from the President about the activities and financial affairs of the Association.

The MAV financial statements include the following statements for each year.

1. MAV Consolidated financial statements (includes MAV General, MAV Insurance and MAV Work Care)
2. MAV Insurance financial statements (Fidelity and LMI Insurance Schemes)
3. MAV Work Care financial statements
4. MAV LGE financial statements (noting these statements are not included in the MAV consolidated financial statements as they do not meet the accounting standard definition of control).

Financial Statements for 30 June 2023

The financial statements were approved and signed off by the MAV Board in early October 2023.

An update was provided to the State Council in October 2023, however not put formally to State Council for adoption as final sign off from VAGO was still outstanding at that time.

The financial statements have been available online since late 2023. The financial statements at 30 June 2023 are now included in the papers for State Council for completeness of records.

Recommendation

That the MAV State Council receives the financial statements for 30 June 2023.

Attachment

1. MAV financial statements at 30 June 2023.

Financial Report 2022-2023

Components of the financial report

The financial report contains three main sections:

- financial statements
- notes to the financial statements
- statements by the directors and auditor.

The financial statements consist of four main statements – Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows.

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

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

Guide to the Financial Statements

1. Statement of Comprehensive Income

The Statement of Comprehensive Income shows:

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

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

2. Statement of Financial Position

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

The components of the Statement of Financial Position are:

2.1 Current and non-current assets

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

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

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

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

2.2 Current and non-current liabilities

Bank overdraft indicates the amount the Association owes its bankers on its daily operating account. Payables are monies owed by the Association to its suppliers as at 30 June. Premiums in advance are insurance premiums relating to the next financial year billed to members of the insurance fund before 30 June.

Provision for employee entitlements is the accounting term for annual leave, long service leave and retirement gratuities owed to staff. Provision for claims outstanding represents insurance claims reported by members, together with an estimate of claims incurred but not yet reported, including an estimate of the costs of settlement for these claims.

2.3 Net assets

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

3. Statement of cash flows

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

3.1 Cash flows from operating activities

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

3.2 Cash flows from investing activities

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

4. Notes to the financial statements

To enable the reader to understand the basis on which the values shown in the statements are established, it is necessary to provide details of the Association's accounting policies. These are described in note 2.

Apart from the accounting policies, the notes also give details behind many of the summary figures contained in the statements.

The note numbers are shown beside the relevant items in the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Financial Position.

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

Statement by directors

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

Independent audit report

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



Independent Auditor's Report

To the Directors of Municipal Association of Victoria

Opinion I have audited the combined financial report of Municipal Association of Victoria (the association) and its controlled entities (together the combined entity), which comprises the:

- combined entity and association statement of financial position as at 30 June 2023
- combined entity and association statement of comprehensive income for the year then ended
- combined entity and association statement of changes in equity for the year then ended
- combined entity and association statement of cash flows for the year then ended
- notes to the financial statements, including significant accounting policies
- statement by directors.

In my opinion, the financial report presents fairly, in all material respects, the financial positions of the combined entity and the association as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the association and the combined entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Directors' responsibilities for the financial report The Director's of the association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the association's and combined entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's and the combined entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's and the combined entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the association and the combined entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the association and the combined entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the association and the combined entity. I remain solely responsible for my audit opinion.

Auditor's responsibilities for the audit of the financial report I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
12 October 2023



Travis Derricott
as delegate for the Auditor-General of Victoria

MUNICIPAL ASSOCIATION OF VICTORIA

STATEMENT BY DIRECTORS

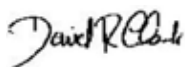
as at 30 June 2023

In the opinion of directors of the Municipal Association of Victoria

- (a) the accompanying combined Statement of Comprehensive Income drawn up so as to present fairly in all material respects the result of the association for the year ended 30 June 2023
- (b) the accompanying combined Statement of Financial Position is drawn up so as to present fairly in all material respects the state of affairs of the association as at that date;
- (c) at the date of this statement there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due;
- (d) the accompanying Combined Financial Statements present fairly in all material respects the state of affairs of the association as at that date;
- (e) the financial statements and notes also comply with the Australian Accounting Standards as disclosed in note A3.

The financial statements and combined financial statements have been made out in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.

Signed in accordance with the resolution of directors.



Cr. David Clark
President



Cr. Jennifer Anderson
Director



Kelly Grigsby
Chief Executive Officer

Melbourne
6/10/2023

OTHER INFORMATION

Legal form:

The MAV is an association incorporated by the *Municipal Association Act 1907*.

Domicile:

Melbourne, Australia

Address of registered office and principal place of business:

Level 5, 1 Nicholson Street, East Melbourne, 3002, Victoria, Australia

Nature of the operation and principal activities:

The MAV represents, promotes and supports the interest of Victorian local governments and their communities.

Combined Statement of Comprehensive Income

for the year ended 30 June 2023

	NOTE	COMBINED		MAV - GENERAL FUND	
		2023 \$	2022 \$	2023 \$	2022 \$
REVENUE	C	98,261,606	93,219,428	17,615,645	15,548,007
		98,261,606	93,219,428	17,615,645	15,548,007
EXPENSES	D	98,448,724	92,179,447	17,015,353	17,270,878
NET SURPLUS(DEFICIT)	B	(187,118)	1,039,981	600,292	(1,722,871)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		(187,118)	1,039,981	600,292	(1,722,871)

The accompanying notes form an integral part of these statements.

Combined Statement of Financial Position

as at 30 June 2023

	NOTE	COMBINED		MAV - GENERAL FUND	
		2023 \$	2022 \$	2023 \$	2022 \$
CURRENT ASSETS					
Cash and cash equivalents	G1	12,234,876	20,021,558	6,472,276	11,067,387
Investments	E1	42,030,524	9,686,705	4,329,722	38,684
Trade and other receivables	F1	89,631,581	81,366,781	3,564,706	3,140,947
Right of use assets	G2	457,017	504,721	457,017	504,721
Prepayments		278,106	388,021	274,356	388,021
TOTAL CURRENT ASSETS		144,632,104	111,967,786	15,098,077	15,139,760
NON-CURRENT ASSETS					
Trade and other receivables	F1	120,968,648	116,177,092	-	-
Property and equipment	E2	173,290	243,150	173,290	243,150
Right of use assets	G2	3,906,607	21,962	3,906,607	21,962
Intangibles	E3	71,212	124,169	71,212	124,169
TOTAL NON-CURRENT ASSETS		125,119,757	116,566,373	4,151,109	389,281
TOTAL ASSETS		269,751,861	228,534,159	19,249,186	15,529,041
CURRENT LIABILITIES					
Trade and other payables	F3	9,979,551	9,764,152	999,563	926,797
Premiums and Income in advance	F2	57,740,547	52,752,027	6,097,230	7,152,988
Provision for employee entitlements	F4	1,461,217	1,174,126	1,461,217	1,174,126
Provision for claims outstanding	F5, F6, F7	28,187,984	24,170,824	-	-
Lease liabilities	G2	347,172	578,004	347,172	578,004
Provision for make good		-	195,000	-	195,000
Provision for ceased self insurer members	J5	462,400	541,139	-	-
Other current liabilities		500,734	664,039	500,734	664,039
TOTAL CURRENT LIABILITIES		98,679,605	89,839,311	9,405,916	10,690,954
NON-CURRENT LIABILITIES					
Provision for employee entitlements	F4	76,521	66,411	76,521	66,411
Provision for claims outstanding	F5, F6, F7	155,913,054	127,341,416	-	-
Lease liabilities	G2	4,417,210	22,429	4,417,210	22,429
Provision for ceased self insurer members	J5	1,226,709	1,638,712	-	-
TOTAL NON-CURRENT LIABILITIES		161,633,494	129,068,968	4,493,731	88,840
TOTAL LIABILITIES		260,313,099	218,908,279	13,899,647	10,779,794
NET ASSETS (LIABILITY)		9,438,762	9,625,880	5,349,539	4,749,247
EQUITY / (DEFICIENCY)		9,438,762	9,625,880	5,349,539	4,749,247

The accompanying notes form an integral part of these statements.

Combined Statement of Changes in Equity

for the year ended 30 June 2023

	COMBINED		MAV - GENERAL FUND	
	2023 \$	2022 \$	2023 \$	2022 \$
RETAINED EARNINGS				
Balance at beginning of year	9,625,880	8,585,899	4,749,247	6,472,118
Surplus/(deficit) from ordinary activities	(187,118)	1,039,981	600,292	(1,722,871)
BALANCE AT END OF YEAR	9,438,762	9,625,880	5,349,539	4,749,247

Combined Statement of Cash Flows

for the year ended 30 June 2023

	NOTE	COMBINED		MAV - GENERAL FUND	
		2023 \$	2022 \$	2023 \$	2022 \$
CASH FLOW FROM OPERATING ACTIVITIES					
RECEIPTS					
Premiums, subscriptions, grants and fees		67,985,289	86,776,722	21,438,306	25,567,525
Interest and investment gain (loss)		765,720	43,943	256,364	10,521
Reinsurance and other recoveries		27,867,106	18,221,352	-	-
PAYMENTS					
Suppliers		(40,748,451)	(134,854,642)	(21,027,113)	(18,314,883)
Claim payments		(30,821,645)	(19,597,568)	-	-
Interest on lease		(212,262)	(55,384)	(212,260)	(55,384)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	G1(b)	24,835,757	(49,465,577)	455,297	7,207,779
CASH FLOW FROM INVESTING ACTIVITIES					
Net Proceeds from redemption (application of investments)		(31,607,892)	(2,788,684)	(4,035,861)	(38,684)
Proceeds from sale of fixed assets		17,024	89,607	17,024	77,595
Payments for fixed assets and intangibles		(184,581)	(173,478)	(184,581)	(173,478)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		(31,775,449)	(2,872,555)	(4,203,418)	(134,567)
CASH FLOW FROM FINANCING ACTIVITIES					
Repayment of lease liabilities		(846,990)	(1,056,148)	(846,990)	(1,056,148)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		(846,990)	(1,056,148)	(846,990)	(1,056,148)
NET (DECREASE)/INCREASE IN CASH HELD		(7,786,682)	(53,394,280)	(4,595,111)	6,017,064
Cash at beginning of year		20,021,558	73,415,838	11,067,387	5,050,323
CASH AT END OF YEAR	G1(a)	12,234,876	20,021,558	6,472,276	11,067,387

The accompanying notes form an integral part of these statements.

Notes to and forming part of the financial statements

for the year ended 30 June 2023

NOTE A: CORPORATE INFORMATION

Structure:

- A1 Corporate information
- A2 Basis of preparation
- A3 Statement of compliance
- A4 Principles of the combined entity

A1 CORPORATE INFORMATION

The combined financial report of Municipal Association of Victoria (MAV) for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors on the date shown on the attached Statement by Directors.

The MAV is an Association incorporated by an Act of the Parliament of Victoria, Australia, known as the *Municipal Association Act 1907*.

The nature of the operations and principal activities of MAV are:

- to promote the efficient carrying out of municipal government throughout the state of Victoria and watch over and protect the interests, rights and privileges of municipal corporations
- to arrange contracts of insurance
- to arrange fidelity insurance for local government - MAV Insurance
- to provide a public liability insurance scheme for local government - MAV Insurance
- to provide a workers' compensation self-insurance scheme for local government - MAV WorkCare (see note below)

The nature of the operations and principal activities of MAV WorkCare was the provision of workers' compensation insurance for its members and other Local Government Authorities. The MAV is specifically named in the *Workplace Injury Rehabilitation and Compensation Act 2013* (Vic) (WIRC Act) as an entity that could hold a self-insurance licence for the benefit of its members. This division commenced business on 1 November 2017 and the last day the Scheme operated as a self-insurer was 30 June 2021. From 1 July 2021 the MAV was a ceased self-insurer with ongoing requirements to 30 June 2027.

A2 BASIS OF PREPARATION

The financial report is a general purpose financial report which has been drawn up in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, and having regard to the financial reporting requirements of the *Financial Management Act 1994*. The report has been prepared on a going concern basis.

The principal accounting policies adopted in preparing the financial report are stated to assist in a general understanding of the financial report. Accounting policies have been consistently applied unless otherwise indicated.

The financial report is presented in Australian dollars. The MAV is a not for profit entity.

The financial statements have been prepared on the accrued basis using the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

A3 STATEMENT OF COMPLIANCE

The financial report complies with Australian Accounting Standards, which include interpretations issued by the Australian Accounting Standards Board (AASB).

Notes to and forming part of the financial statements (continued)

A4 PRINCIPLES OF THE COMBINED ENTITY

The financial report comprises the economic entity of the MAV and its controlled entities the Local Government Mutual Liability Insurance Scheme (trading as Liability Mutual Insurance - LMI) and the Commercial Crime Fund (CCF), referred to jointly as MAV Insurance, and the MAV WorkCare Self-Insurance Mutual Scheme (Commenced 1 November 2017 and last day of operation was 30 June 2021), referred to as MAV WorkCare.

A controlled entity is any entity controlled by MAV (Incorporated under the *Municipal Association Act 1907*). Control exists where MAV has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with MAV to achieve the objectives of MAV.

The effects of all transactions between entities in the combined entity have been eliminated.

The financial statements of all the divisions, including MAV Insurance, and MAV WorkCare are prepared for the same reporting period as the MAV, using consistent accounting policies.

All interdivisional balances and transactions, including unrealised profits arising from intra-divisional transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

The equity in the insurance businesses of MAV Insurance and MAV WorkCare represent the assets of the members of each of the insurance mutual Schemes and are not available to the members of the MAV.

NOTE B: CONTRIBUTION TO OPERATING SURPLUS

		COMBINED	
	NOTE	2023 \$	2022 \$
B CONTRIBUTION TO OPERATING SURPLUS			
CONTRIBUTIONS FROM INSURANCE & WORKCARE ACTIVITIES			
Premium income		45,175,807	42,638,231
Reinsurance expense	D	(11,070,792)	(25,268,298)
NET PREMIUM INCOME		34,105,015	17,369,933
Claims expense	D1	(63,417,337)	(42,037,887)
Reinsurance and other recoveries	C	35,043,783	36,035,077
NET CLAIMS EXPENSE	F5	(28,373,554)	(6,002,810)
NET UNDERWRITING RESULT		5,731,461	11,367,123
Fees		(568,486)	(933,526)
Investment income		994,857	(68,361)
Administration and general expenses		(6,945,242)	(7,602,384)
INSURANCE ACTIVITY OPERATING SURPLUS		(787,410)	2,762,852
MAV SURPLUS (DEFICIT)		600,292	(1,722,871)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		(187,118)	1,039,981

NOTE C: FUNDING THE DELIVERY OF OUR SERVICES

	COMBINED		MAV - GENERAL FUND	
	2023 \$	2022 \$	2023 \$	2022 \$
C1 REVENUE				
REVENUES FROM OPERATING ACTIVITY				
Subscriptions/premiums	48,803,421	46,171,015	3,627,614	3,532,784
Reinsurance and other recoveries	35,043,783	36,035,077	-	-
Brokerage fees	1,732,919	1,614,447	1,732,919	1,614,447
Management fee income	602,712	712,423	1,171,198	1,645,949
Reimbursement of office fit-out	121,872	-	121,872	-
Seminars and sale of publications	1,738,913	515,015	1,738,913	515,015
Sponsorship, membership and tender income	5,016,464	4,025,675	5,016,464	4,025,675
Grant income	3,913,719	4,149,827	3,913,719	4,149,827
Investment income (loss)	1,270,779	(56,228)	275,922	12,133
TOTAL REVENUE FROM OPERATING ACTIVITIES	98,244,582	93,167,251	17,598,621	15,495,830
REVENUES FROM NON-OPERATING ACTIVITIES				
Gain on disposal of non-current assets	17,024	52,177	17,024	52,177
TOTAL REVENUE FROM OUTSIDE THE OPERATING ACTIVITIES	17,024	52,177	17,024	52,177
TOTAL REVENUE	98,261,606	93,219,428	17,615,645	15,548,007

Grant and Project revenue - Grant and Project income is recognised at the point, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

Subscriptions - Subscriptions are recognised on an accrual basis.

Sponsorship, management and rental income - Income is recognised on an accrual basis.

Brokerage Income - Income comprises amounts received from third parties for the placement of insurance for members. The MAV signed the "General Insurance Agreement" (the Agreement) dated 30 June 2016 with Jardine Lloyd Thompson (JLT). The agreement is a replacement of the agreement dated 17 July 1987 (Existing Agreement). For the 15 year term of the Agreement, the MAV agrees to not directly or indirectly provide insurance broking services to local government bodies in Victoria or to persons who are associated with or employed by local government bodies. The agreement provides that JLT pay an annual licence fee to the MAV consistent with the Existing Agreement. The annual licence fee received by the MAV for the year ended 30 June 2023 was \$1.732 million (2022 \$1.614m).

Investment Income - Investment income consists of interest which is recognised on a time-proportionate basis that takes into account the effective interest rate on the financial asset and movements in unit values in cash and fixed interest funds which are carried at fair value through the Statement of Comprehensive Income.

Management Fee Income - Management fees are received for managing grants, projects, MAV Insurance and MAV WorkCare activities.

Special Purpose Vehicle Income (part of management fee income). In October 2014, the MAV established a special purpose vehicle, Local Government Funding Vehicle (LGFV), to facilitate the issuing of debt instruments for and on behalf of its members. The MAV considers itself the sponsor of this SPV as it was involved in establishment of the pooled borrowing vehicle. The LGFV is designed to aggregate a portfolio of non-amortising fixed rate council loans and issue loan backed bonds with matching maturities arranged by financial institutions. Upon establishment of each Bond Issuance, the MAV incurs costs professional advice in connection with the transaction. These costs are recovered from the SPV so that that MAV bears no net costs. The MAV is also entitled to earn a fixed fee of up to \$24,000 per annum for the management of the SPV. The MAV has no interest in the SPV at the reporting date, nor has it transferred any assets to the SPV during the reporting period. In the event of a default by participating councils, the MAV is not exposed to any loss. The Directors have determined that the MAV does not have control over the SPV under IFRS 10 Consolidated Financial Statements, and as such, the assets and liabilities of the SPV are not included in the financial statements of the MAV.

Notes to and forming part of the financial statements (continued)

Insurance Reinsurance and other recoveries receivable on paid insurance claims, reported claims not paid, claims incurred but not reported and unexpired risk liabilities are recognised as revenue. Recoveries are assessed in a manner similar to the assessment of outstanding claims. Recoveries are measured at the present value of the expected future receipts, calculated on the same basis as the liability for outstanding claims.

Insurance Premiums - recognised in the period the fund is at risk. Premiums comprise amounts charged to members of the Schemes for policy cover and net of amounts returned to members as surplus distributions. The earned portion of premiums received is recognised as revenue. Premiums are treated as earned prorata from date of attachment of risk. The pattern of recognition over the policy is based on time, which is considered to closely approximate the pattern of risks undertaken.

NOTE D: COST OF DELIVERING OUR SERVICES

Structure:

D1 Claims Expenses

D2 Employee Benefits

D3 Scheme Management fees

	NOTE	COMBINED		MAV - GENERAL FUND	
		2023 \$	2022 \$	2023 \$	2022 \$
D EXPENSES					
The following items have been recognised in the operating surplus:					
Reinsurance expense	D1	11,070,792	25,268,298	-	-
Claims expense	D1	63,417,337	42,037,887	-	-
Scheme management fee	D3	2,662,057	3,851,952	-	-
Administration		3,640,096	2,457,698	2,395,320	1,898,695
Expenses related to office fitout		121,872	-	121,872	-
ALGA membership		538,337	521,649	538,337	521,649
Amortisation of website and educational programs		146,326	147,340	146,326	147,340
Audit fees	H3	205,001	366,473	30,001	66,270
Board of management expenses		300,535	328,474	210,332	215,626
Depreciation of furniture and equipment	E2	8,567	16,827	8,567	16,827
Depreciation of motor vehicles	E2	22,459	32,572	22,459	31,346
Depreciation of information technology equipment	E2	91,970	109,201	91,970	109,006
Depreciation of leasehold improvements	E2	2,050	2,050	2,050	2,050
Grants and project		3,050,303	4,271,771	3,050,303	3,688,609
Actuarial fees		140,750	106,631	-	-
Meetings and seminars		1,434,857	141,327	1,434,857	141,327
Movement in make good provision		(195,000)	195,000	(195,000)	195,000
MAV contribution to MAV Workcare wind-down		-	1,260,000	-	1,260,000
Amortisation of leases	G2	961,738	987,891	961,738	987,891
Finance costs - leases	G2	212,259	55,384	212,259	55,384
Movement in ceased self insurer provision	J5	-	8,467	-	-
Expense incurred from prior year ceased self insurer provision	J5	(493,191)	(945,944)	-	-
Employee Benefits	D2	7,983,962	8,048,254	7,983,962	7,933,858
Stamp duty		3,125,646	2,910,245	-	-
TOTAL EXPENDITURE		98,448,724	92,179,447	17,015,353	17,270,878

Notes to and forming part of the financial statements (continued)

COMBINED

	NOTE	2023 \$	2022 \$
D1 CLAIMS EXPENSES			
Paid		30,828,540	19,627,971
Outstanding claims at end of financial year	F5	184,101,038	280,614,566
Less: Outstanding claims at beginning of financial year		(151,512,241)	(129,102,325)
TOTAL CLAIMS EXPENSES	D	63,417,337	42,037,887

WorkCare's closing balance does not roll forward to the opening balance due to the wind-down of the WorkCare scheme.

Claims - MAV Insurance

Claims-incurred expense and liability for outstanding claims are recognised in respect of direct business. The liability covers claims incurred but not yet paid, incurred but not yet reported claims, and the anticipated direct and indirect costs of settling those claims. Claims outstanding are assessed by reviewing individual claim files and estimating claims not notified and settlement costs using statistical and actuarial techniques. The liability for outstanding claims is measured as the present value of the expected future payments, reflecting the fact that all the claims do not have to be paid out in the immediate future. The expected future payments are estimated on the basis of the ultimate cost of settling claims, which is affected by factors arising during the period to settlement such as normal inflation and "superimposed inflation". Advice from the MAV's actuary has estimated superimposed inflation to be 1.75% per annum (2022 1.75%) for personal injury non-large claims and the discount rate at 4.01% (2022 3.35%).

Superimposed inflation refers to factors such as trends in court awards, for example increases in the level and period of compensation for injury. The expected future payments are then discounted to a present value at the reporting date using discount rates based on the investment opportunities available to the organisation on the amounts of funds sufficient to meet claims as they became payable. Details are disclosed in note 17.

The MAV has purchased retrospective insurance cover on the net amount of all claims incurred up to 30 June 2018.

Claims - MAV WorkCare

Claims-incurred expense and liability for outstanding claims are recognised in respect of direct business at 30 June 2021 (the last day the scheme operated). The liability covers claims incurred but not yet paid, incurred but not yet reported claims, and the anticipated direct and indirect costs of settling those claims. Claims outstanding were assessed by reviewing individual claim files and estimating claims not notified and settlement costs using statistical and actuarial techniques. The liability for outstanding claims was measured as the present value of the expected future payments, reflecting the fact that all the claims do not have to be paid out in the immediate future. The expected future payments were estimated on the basis of the ultimate cost of settling claims, which is affected by factors arising during the period to settlement such as normal inflation and "superimposed inflation". Advice from the MAV's actuary had estimated superimposed inflation to be 1.90% per annum at 30 June 2021 and the discount rate used to value claims liabilities for the 2021 financial year was 1.50%.

Superimposed inflation refers to factors such as trends in court awards, for example increases in the level and period of compensation for injury. The expected future payments are then discounted to a present value at the reporting date using discount rates based on the investment opportunities available to the organisation on the amounts of funds sufficient to meet claims as they became payable. Details of rates applied are disclosed in note 17.

Reinsurance expense

Reinsurance expense relates to insurance premiums paid to reinsurers in accordance with the established reinsurance strategy of the entity and in order to protect the insurance businesses from catastrophic and unforeseen claims.

Notes to and forming part of the financial statements (continued)

	NOTE	COMBINED		MAV - GENERAL FUND	
		2023 \$	2022 \$	2023 \$	2022 \$
D2 EMPLOYEE BENEFITS					
Wages and Superannuation		7,686,761	7,907,801	7,686,761	7,724,469
Movement in leave balances	F4	297,201	140,453	297,201	209,389
TOTAL EMPLOYEE BENEFITS	D	7,983,962	8,048,254	7,983,962	7,933,858

D2.1 Superannuation Contributions

The amount charged to the Statement of Comprehensive Income in respect of superannuation represents contributions made or due by the MAV to the relevant superannuation plans in respect to the services of the MAV's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that the MAV is required to comply with.

The MAV makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from the MAV and the MAV's legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund are recognised as an expense in the Statement of Comprehensive Income when they are made or due. The amount of superannuation contributions paid by the MAV to the accumulation and defined benefit Fund during the reporting period was \$778,569 (2022 \$652,677).

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2023, this was 10.5% required under the Superannuation Guarantee Legislation). Our commitment to defined contribution plans is limited to making contributions in accordance with our minimum statutory requirements. No further liability accrued to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit

As provided under Paragraph 34 of AASB 119, the MAV does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a multi-employer sponsored plan. As a multi-employer sponsored plan, the Fund was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, there is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of the MAV in the Fund cannot be measured as a percentage compared with other participating employers. While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Notes to and forming part of the financial statements (continued)

Funding arrangements

The MAV makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. The Fund's employer funding arrangements comprise of three components:

1. Regular contributions - which are ongoing contributions needed to fund the balance of benefits for current members and pensioners
2. Funding calls – which are contributions in respect of each participating employer's share of any funding shortfalls that arise
3. Retrenchment increments – which are additional contributions to cover the increase in liability arising from retrenchments. The MAV is also required to make additional contributions to cover the contribution tax payable on the contributions referred to above. Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

Employer contributions

Regular Contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2023, the MAV makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2023, this rate was 10.5% of members' salaries. This rate is expected to increase in line with the required Superannuation Guarantee contribution rate.

In addition, the MAV reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

Funding calls

The Fund is required to comply with the superannuation prudential standards. Under the superannuation prudential standard SPS 160, the Fund is required to target full funding of its vested benefits.

There may be circumstances where:

- (a) a fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100% at the date of the actuarial investigation); or
- (b) a fund's VBI is below its shortfall limit at any time other than at the date of the actuarial investigations.

If either of the above occur, the fund has a shortfall for the purposes of SPS 160 and the fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. There may be circumstances where the Australian Prudential Regulation Authority (APRA) may approve a period longer than three years.

The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97% VBI.

The full actuarial investigation of the Fund's liability for accrued benefits was based on the Fund's position as at 30 June 2023.

This actuarial investigation was completed in September 2023 and confirmed that the Fund's Vested Benefits Index (VBI) was greater than 100% and as a consequence no call on member assets was required.

		COMBINED	
	NOTE	2023 \$	2022 \$
D3 SCHEME MANAGEMENT FEES			
Scheme management fees are paid to the scheme manager for:			
Reinsurance placement, risk management and administration- MAV Insurance		2,083,634	3,016,831
Claims management - MAV Insurance		578,423	835,121
TOTAL SCHEME MANAGEMENT FEES	D	2,662,057	3,851,952

Notes to and forming part of the financial statements (continued)

NOTE E: ASSETS WE MANAGE

Structure

E1 Investments

E2 Property and Equipment

E3. Intangible Assets

	NOTE	COMBINED		MAV - GENERAL FUND	
		2023 \$	2022 \$	2023 \$	2022 \$
E1 INVESTMENTS					
Cash and cash equivalents	G1	12,234,876	20,021,558	6,472,276	11,067,387
Investments		42,030,524	9,686,705	4,329,722	38,684
TOTAL EXPENDITURE		54,265,400	29,708,263	10,801,998	11,106,071

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Investments are valued at fair value at balance date. Investment income includes interest received and receivable on investments and changes in fair values of investments in cash and fixed interest funds.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the MAV determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The MAV does not have any level 3 financial assets.

Investments are holdings in managed investment funds that are not traded in a market considered active. The fair value of these assets is regularly revalued by the Investment Manager based on observable inputs or derivable from observable inputs. These are considered level 2 financial assets. The carrying amounts of financial assets and financial liabilities represent their approximate net fair value. All maturity dates are within twelve months.

For the purpose of fair value disclosures, the MAV has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

	Level 1	Level 2	Level 3	Total
2023				
Investments	-	42,030,524	-	42,030,524
Total	-	42,030,524	-	42,030,524
2022				
Investments	-	9,686,705	-	9,686,705
Total	-	9,686,705	-	9,686,705

Notes to and forming part of the financial statements (continued)

	COMBINED		MAV - GENERAL FUND	
	2023 \$	2022 \$	2023 \$	2022 \$
E2 PROPERTY AND EQUIPMENT				
Leasehold Improvements - at cost	715,775	727,526	715,775	727,526
Less accumulated depreciation	(715,775)	(722,506)	(715,775)	(722,506)
	-	5,020	-	5,020
Furniture and Equipment - at cost	522,214	932,159	522,214	932,159
Less accumulated depreciation	(503,580)	(924,078)	(503,580)	(924,078)
	18,634	8,081	18,634	8,081
Motor vehicles - at cost	161,844	193,286	161,844	193,286
Less accumulated depreciation	(110,242)	(109,792)	(110,242)	(109,792)
	51,602	83,494	51,602	83,494
Information technology equipment- at cost	360,543	1,323,196	355,892	1,318,545
Less accumulated depreciation	(257,488)	(1,176,641)	(252,837)	(1,171,990)
	103,055	146,555	103,055	146,555
TOTAL PROPERTY AND EQUIPMENT	173,291	243,150	173,291	243,150

Property, equipment, leasehold improvements and motor vehicles are carried at cost less, where applicable, accumulated depreciation. On disposal the difference between the sales proceeds and the carrying amount of the asset is recognised as a gain or loss.

The depreciable amount of all fixed assets are depreciated/amortised on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The following depreciation and amortisation rates are in use:	Annual Rate
Leasehold Improvements at cost	10%
Furniture and Equipment at cost	20% - 33%
Motor Vehicles at cost	20%
Information Technology Equipment at cost	33%

Notes to and forming part of the financial statements (continued)

E2.1 Reconciliations of the carrying amounts of property and equipment at the beginning and end of the financial year.

	COMBINED		MAV - GENERAL FUND	
	2023 \$	2022 \$	2023 \$	2022 \$
LEASEHOLD IMPROVEMENTS				
Movements during the year				
Beginning of year	5,020	7,070	5,020	7,070
Additions	-	-	-	-
Disposals	(2,970)	-	(2,970)	-
Depreciation	(2,050)	(2,050)	(2,050)	(2,050)
End of year	-	5,020	-	5,020
FURNITURE AND EQUIPMENT				
Movements during the year				
Beginning of year	8,081	22,671	8,081	22,671
Additions	29,020	2,237	29,020	2,237
Disposals	-	-	(9,900)	-
Depreciation	(8,567)	(16,827)	(8,567)	(16,827)
End of year	28,534	8,081	18,634	8,081
MOTOR VEHICLES				
Movements during the year				
Beginning of year	83,494	54,884	83,494	43,241
Additions	-	98,989	-	98,989
Disposals	(9,433)	(37,807)	(9,433)	(27,390)
Depreciation	(22,459)	(32,572)	(22,459)	(31,346)
End of year	51,602	83,494	51,602	83,494
INFORMATION TECHNOLOGY EQUIPMENT				
Movements during the year				
Beginning of year	146,555	215,262	146,555	213,472
Additions	50,385	42,484	50,385	42,484
Disposals	(1,916)	(1,990)	(1,916)	(395)
Depreciation	(91,970)	(109,201)	(91,970)	(109,006)
End of year	103,054	146,555	103,054	146,555

Notes to and forming part of the financial statements (continued)

	COMBINED		MAV - GENERAL FUND	
	2023 \$	2022 \$	2023 \$	2022 \$
E3 INTANGIBLE ASSETS				
Website, Licences and Educational Programs	473,797	1,213,522	473,797	1,213,522
Less accumulated amortisation	(402,585)	(1,089,353)	(402,585)	(1,089,353)
	71,212	124,169	71,212	124,169
Reconciliation of the carrying amounts of intangible assets at the beginning and end of the financial year:				
INTANGIBLE ASSETS				
Movement during the year	124,169	232,483	124,169	232,483
Beginning of year	44,325	39,026	44,325	39,026
Additions	-	-	-	-
Disposals	(97,282)	(147,340)	(97,282)	(147,340)
Amortisation				
End of year	71,212	124,169	71,212	124,169

The website and educational programs are treated as intangible assets with a finite life and is amortised over the useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in the accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in statement of comprehensive income in the expense category "Amortisation". The MAV does not have any intangible assets with indefinite useful lives. The rates in use are 20% per annum for 2023 (2022=20%).

Notes to and forming part of the financial statements (continued)

NOTE F: OTHER ASSETS AND LIABILITIES

Structure

- F1 Receivables
- F2 Premiums and Income in Advance
- F3 Payables
- F4 Provisions for Employee Entitlements
- F5 Insurance Provisions

	COMBINED		MAV - GENERAL FUND	
	2023 \$	2022 \$	2023 \$	2022 \$
F1 RECEIVABLES				
Future reinsurance and other recoveries receivable	174,088,523	159,475,116	-	-
Discount to present value	(24,993,073)	(17,556,343)	-	-
	149,095,450	141,918,773	-	-
Impairment of reinsurance recoveries	-	-	-	-
Premiums receivable	56,496,687	50,158,944	-	-
Other receivables	5,008,092	5,511,894	3,564,706	3,186,684
Impairment of receivables	-	(45,737)	-	(45,737)
TOTAL RECEIVABLES	210,600,229	197,543,874	3,564,706	3,140,947
Represented By:				
Current	89,631,581	81,366,781	3,564,706	3,140,947
Non-current	120,968,648	116,177,093	-	-
TOTAL	210,600,229	197,543,874	3,564,706	3,140,947

The ageing analysis of trade receivables excluding future reinsurance and other recoveries receivable are as follows:

2023	Total	<30 days	31 - 60 days	61 - 90 days	>90 days
Combined	61,504,779	60,085,471	-	309	1,418,999
MAV General Fund	3,564,706	3,564,706	-	-	-

2022	Total	<30 days	31 - 60 days	61 - 90 days	>90 days
Combined	55,670,838	54,985,638	-	-	685,200
MAV General Fund	3,140,947	3,140,947	-	-	-

Trade receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the MAV will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts, other than outstanding reinsurance recoveries, more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

Notes to and forming part of the financial statements (continued)

	COMBINED		MAV - GENERAL FUND	
	2023 \$	2022 \$	2023 \$	2022 \$
F2 PREMIUMS AND INCOME IN ADVANCE				
Contributions/Memberships/Grants billed in advance	57,740,547	52,752,027	6,097,230	7,152,988

Contributions/Memberships have increased due to increased memberships and higher contributions.

During the month of June each year, the Schemes issue premium notices to Scheme Members. The risk attaches to the premiums in the next accounting period and accordingly the revenue is recognised each following year commencing 1 July. Prior to each balance date members have committed to participate in either the Schemes or the Fund for the ensuing year and accordingly the premiums are disclosed in the Statement of Financial Position as "premiums receivable" with an offsetting liability described as "premiums in advance".

	COMBINED		MAV - GENERAL FUND	
	2023 \$	2022 \$	2023 \$	2022 \$
F3 PAYABLES				
Represented By:				
Current	9,979,551	9,764,152	999,563	926,797
Non-current	-	-	-	-

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the MAV prior to the end of the financial year that are unpaid and arise when the MAV becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

	COMBINED		MAV - GENERAL FUND	
	2023 \$	2022 \$	2023 \$	2022 \$
F4 PROVISIONS FOR EMPLOYEE ENTITLEMENTS				
The aggregate amount of employee entitlement liability is comprised of:				
Annual leave provisions (current)	726,377	494,769	726,377	494,769
Long service leave provisions (current)	734,840	679,357	734,840	679,357
TOTAL CURRENT EMPLOYEE ENTITLEMENTS	1,461,217	1,174,126	1,461,217	1,174,126
Annual leave provisions (non-current)	-	-	-	-
Long service leave provisions (non-current)	76,521	66,411	76,521	66,411
TOTAL NON-CURRENT EMPLOYEE ENTITLEMENTS	76,521	66,411	76,521	66,411
TOTAL EMPLOYEE ENTITLEMENTS	1,537,738	1,240,537	1,537,738	1,240,537

Notes to and forming part of the financial statements (continued)

Reconciliation of the carrying amounts of provision for employee entitlements at the beginning and end of the financial year

	COMBINED		MAV - GENERAL FUND	
	2023 \$	2022 \$	2023 \$	2022 \$
EMPLOYEE ENTITLEMENTS				
Movement during the year				
Balance at beginning of year	1,240,537	1,100,084	1,240,537	1,031,148
Entitlements paid	(454,382)	(406,947)	(454,382)	(406,947)
Increase in provision	751,583	547,400	751,583	616,336
BALANCE AT END OF YEAR	1,537,738	1,240,537	1,537,738	1,240,537

The liabilities arising in respect of employee entitlements are measured at their nominal amounts: wages and salaries, annual leave and sick leave regardless of whether they are expected to be settled within twelve months of balance date. Other employee entitlements are expected to be settled within twelve months of balance date.

All other employee entitlements, including long service leave, are measured at the present value of the estimated future cash outflows in respect of services provided up to balance date. Liabilities are determined after taking into consideration estimated future increase in wages and salaries and past experience regarding staff leave. Related oncosts are included.

Contributions made to an employee superannuation fund are charged as expenses when incurred.

F5 MAV INSURANCE PROVISIONS

	COMBINED	
	2023 \$	2022 \$
F5.1 OUTSTANDING CLAIMS		
Central Estimate	214,846,926	169,499,128
Discount to present value	(33,660,381)	(20,465,901)
Excesses and recoveries	2,066,694	1,649,863
	183,253,239	150,683,090
Claims handling costs	847,799	829,151
Risk margin	-	-
TOTAL OUTSTANDING CLAIMS	184,101,038	151,512,241
Comprising:		
Current	28,187,984	24,170,825
Non-current	155,913,054	127,341,416
TOTAL CLAIMS PROVISION	184,101,038	151,512,241

As at 30 June 2023, the MAV Insurance Board determined that the outstanding claims liability is to be held at the 50% probability of sufficiency on the basis of the non-discretionary mutual structure of LMI. As a result, a 0% risk margin was applied to the central estimate (2022 0%) to achieve the desired level of sufficiency.

Notes to and forming part of the financial statements (continued)

F51.1 Reconciliation of movement in discounted outstanding claims liability

	2023			2022		
	Gross \$	Reinsurance \$	Net \$	Gross \$	Reinsurance \$	Net \$
Outstanding claims brought forward	151,512,241	141,918,773	9,593,468	129,102,325	124,105,048	4,997,277
Changes in assumptions	(1,151,028)	(1,041,375)	(109,653)	(6,129,330)	(5,273,101)	(856,229)
Increase in claims incurred/ recoveries anticipated	64,568,364	36,085,158	28,483,206	48,167,217	41,308,178	6,859,039
Incurred claims recognised in Statement of Comprehensive Income	63,417,337	35,043,783	28,373,553	171,140,212	160,140,125	11,000,087
Claim payments/recoveries during the year	(30,828,540)	(18,221,352)	(1,406,619)	(19,627,971)	(18,221,352)	(1,406,619)
Outstanding claims carried forward	184,101,038	149,095,450	35,005,588	151,512,241	141,918,773	9,593,468
Debtor excesses and reinsurance recoveries on paid claims	-	5,370,686	(5,370,686)	-	4,972,188	(4,972,188)
Total net outstanding claims	184,101,038	143,724,764	40,376,274	151,512,241	136,946,585	14,565,656

	2023			2022		
	Gross \$	Reinsurance \$	Net \$	Gross \$	Reinsurance \$	Net \$
F5.2 NET CLAIMS INCURRED						
MAV INSURANCE						
Gross claims and related expenses - undiscounted	47,214,337	28,980,649	76,194,987	42,079,323	14,272,649	56,351,972
Discount	(7,948,925)	(4,828,725)	(12,777,650)	(5,284,763)	(9,029,322)	(14,314,085)
Gross claims and related expenses – discounted	39,265,412	24,151,924	63,417,337	36,794,560	5,243,327	42,037,887
Reinsurance and other recoveries - undiscounted	(11,664,264)	(30,323,106)	(41,987,370)	(30,822,652)	(16,975,664)	(47,798,316)
Discount	(1,073,439)	8,017,025	6,943,587	456,603	11,306,637	11,763,239
Reinsurance and other recoveries – discounted	(12,737,703)	(22,306,081)	(35,043,783)	(30,366,049)	(5,669,027)	(36,035,077)
NET CLAIMS INCURRED	26,527,709	1,845,843	28,373,554	6,428,511	(425,700)	6,002,810

Notes to and forming part of the financial statements (continued)

F5.3 CLAIMS DEVELOPMENT TABLE

Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
GROSS ESTIMATE OF ULTIMATE CLAIMS COST											
At end of accident year	22,191,872	22,465,862	22,303,614	20,097,434	21,743,945	22,793,891	24,705,870	30,720,155	41,062,929	46,469,895	
One year later	22,401,912	21,693,885	20,487,169	21,295,287	21,194,033	23,080,037	26,255,218	38,132,271	43,027,312		
Two years later	28,143,146	21,462,820	18,332,131	20,143,548	21,196,000	24,778,903	25,467,579	48,288,683			
Three years later	28,118,433	21,059,584	17,579,579	18,803,428	21,843,602	29,855,405	24,102,517				
Four years later	26,386,726	20,988,591	23,198,558	21,437,347	27,911,688	34,100,745					
Five years later	25,709,500	22,615,763	23,992,747	18,770,721	28,536,962						
Six years later	26,048,889	23,941,043	23,904,496	29,658,062							
Seven years later	25,845,811	24,599,167	24,038,941								
Eight years later	25,199,008	26,312,049									
Nine years later	24,960,459										
<i>Current estimate of</i>											
Cumulative claims cost	24,960,459	26,312,049	24,038,941	29,658,062	28,536,962	34,100,745	24,102,517	48,288,683	43,027,312	46,469,895	329,495,624
Cumulative payments	(23,159,483)	(21,415,871)	(18,973,361)	(14,238,914)	(13,935,884)	(11,451,180)	(8,154,798)	(4,352,543)	(1,885,323)	(286,418)	(117,853,774)
Outstanding claims - undiscounted	1,800,976	4,896,178	5,065,580	15,419,148	14,601,078	22,649,565	15,947,719	43,936,140	41,141,989	46,183,477	211,641,850
DISCOUNT											(31,229,506)
Claims Handling Expense											833,910
2018 and prior											2,854,784
TOTAL GROSS OUTSTANDING CLAIMS F1											184,101,038

Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
NETT ESTIMATE OF ULTIMATE CLAIMS COST											
At end of accident year	4,602,870	12,238,620	3,710,694	3,367,525	35,959	1,278,911	3,851,527	4,763,923	6,002,562	30,630,162	
One year later	4,674,158	11,932,830	3,740,554	68,793	47,759	1,300,067	3,892,698	5,039,117	5,999,639		
Two years later	4,707,042	11,973,116	90,797	174,862	107,740	1,319,341	3,856,114	7,314,288			
Three years later	4,237,880	3,598,339	335,276	263,365	141,874	1,287,260	3,895,577				
Four years later	2,799,428	3,693,245	457,093	267,548	141,484	1,346,274					
Five years later	2,834,228	3,806,394	510,580	330,038	162,994						
Six years later	2,865,305	3,843,435	525,251	335,635							
Seven years later	2,873,721	3,850,230	525,635								
Eight years later	2,859,177	3,856,579									
Nine years later	2,879,177										
<i>Current estimate of</i>											
Cumulative claims cost	2,879,177	3,856,579	525,635	335,635.27	162,993.91	1,346,274	3,895,577	7,314,288	5,999,638.98	30,630,161.66	56,945,961
Cumulative payments	(2,885,835)	(4,128,472)	(686,915)	(513,648)	(813,253)	(2,058,053)	(2,180,539)	(1,645,989)	(839,215)	(236,690)	(15,988,611)
Outstanding claims - undiscounted	(6,658)	(271,893)	(161,280)	(178,013)	(650,259)	(711,779)	1,715,038	5,668,299	5,160,424	30,393,471	40,957,350
DISCOUNT											(6,600,615)
Claims Handling Expense											833,910
2018 and prior											(185,057)
Outstanding claims											35,005,588
Debtor Excesses and Reinsurance Recoveries on Paid Claims											5,370,686
TOTAL NET OUTSTANDING CLAIMS F2											40,376,274

These tables show the trend in the balance of outstanding claims.

NOTE G: FINANCING OUR OPERATIONS

Structure

G1 Notes to statement of cash flows

G2 Leases

G1 NOTES TO STATEMENT OF CASH FLOWS

(a) Cash and cash equivalents at balance date as shown in the Statement of Cash Flows are held in S & P rated AA- and A- cash deposits and reconciled to the related items in the Statement of Financial Position as follows:

	NOTE	COMBINED		MAV - GENERAL FUND	
		2023 \$	2022 \$	2023 \$	2022 \$
Cash and cash equivalents		12,234,876	20,021,558	6,472,276	11,067,387
TOTAL CASH AND CASH EQUIVALENTS	E1	12,234,876	20,021,558	6,472,276	11,067,387
(b) Reconciliation of Net Cash Used In Operating Activities to Operating Surplus (Deficit)					
Surplus (Deficit) for year		(187,118)	1,039,981	600,292	(1,722,871)
Depreciation		125,046	160,650	125,046	159,229
Amortisation - Including Leases		1,108,064	1,135,231	1,108,064	1,135,231
(Surplus)/deficit on disposal of assets		(17,024)	(52,177)	(17,024)	(52,177)
Unrealised gains on investments		(487,641)	99,679	-	-
Changes in assets and liabilities					
(Increase)/decrease in trade and other receivables		(13,056,356)	(1,735,616)	(423,759)	5,547,105
(Increase)/decrease in prepayments		109,915	(253,456)	113,665	(253,456)
Increase/(decrease) in trade and other payables		215,399	(1,121,522)	72,766	56,829
Increase/(decrease) in provision for employee entitlements		297,201	140,453	297,201	209,389
Increase/(decrease) in outstanding claims		32,588,798	(52,945,428)	-	-
Increase/(decrease) in premiums in advance		4,988,520	4,936,109	(1,055,758)	2,060,504
Increase/(decrease) in other liabilities		(849,047)	(869,481)	(365,196)	67,996
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES		24,835,757	(49,465,577)	455,297	7,207,779

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to and forming part of the financial statements (continued)

G2 LEASES

	COMBINED		MAV - GENERAL FUND	
	2023 \$	2022 \$	2023 \$	2022 \$
Right of Use Assets				
Balance at start	526,683	1,480,568	526,683	1,480,568
Additions	4,798,679	34,006	4,798,679	34,006
Amortisation Charge	(961,738)	(987,891)	(961,738)	(987,891)
Balance at End	4,363,624	526,683	4,363,624	526,683
Lease Liabilities				
Maturity analysis - contractual undiscounted cash flows				
Not later than one year	347,172	578,004	347,172	578,004
Later than one year but not later than five years	1,713,265	22,429	1,713,265	22,429
Later than five years	2,703,945	-	2,703,945	-
TOTAL Lease Liabilities (discounted)	4,764,382	600,433	4,764,382	600,433
Lease liabilities included in the Balance Sheet at 30 June:				
Current	347,172	578,004	347,172	578,004
Non-current	4,417,210	22,429	4,417,210	22,429
TOTAL Lease Liabilities	4,764,382	600,433	4,764,382	600,433

The MAV has elected not to recognise right-of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets.

The MAV recognises the leases payments associated with these leases as an expense on a straight-line basis over the lease term.

	COMBINED		MAV - GENERAL FUND	
	2023 \$	2022 \$	2023 \$	2022 \$
Expenses relating to:				
Short-term leases	-	-	-	-
Leases of low value assets	-	-	-	-
Total	-	-	-	-
Non-cancellable lease commitments - Short term and low-value leases				
Commitments for minimum lease payments for short-term and low-value leases are				
Not later than one year	-	-	-	-
Later than one year but not later than five years	-	-	-	-
Later than five years	-	-	-	-
TOTAL Lease Liabilities	-	-	-	-

Notes to and forming part of the financial statements (continued)

The MAV recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date less any lease incentive received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTE H: PEOPLE AND RELATIONSHIPS

Structure

H1 Related Parties

H2 Remuneration of Key Management Personnel

H3 Auditor Fees

H1 RELATED PARTIES

The MAV is a body corporate established under the *Municipal Association Act 1907* to provide services for and represent local government authorities in Victoria. The Board of the MAV is elected from its members. The MAV and its wholly owned and controlled entities trade with each other and with its members in the normal course of business and on an arm's length basis. The Liability Mutual Insurance Scheme was formed by a Deed of Establishment which provides for the MAV to appoint a Committee of Management (MAV Insurance Board) to be responsible for the administration of the Scheme. Total expenses of \$533,205 (2022: \$520,000) were payable to the MAV from the Liability Mutual Insurance Scheme being payment for administrative support, and overseeing the management of the insurance activities, including the conduct of bi-monthly Board meeting. In accordance with the *Municipal Association Act 1907* the MAV is required to establish a Fidelity Fund to provide commercial crime insurance for its members.

The MAV paid insurance premiums to the Liability Mutual Insurance Scheme \$25,282 (2022 \$24,546) and to the Commercial Crime Fund \$15,694 (2022 \$13,743).

The MAV WorkCare Self-Insurance Scheme was formed by a Deed of Participation which provides for the MAV to appoint the MAV WorkCare Board to be responsible for the administration of the Scheme. The MAV General Fund contributed \$1.260m to MAV Work Care on wind down.

The MAV pays superannuation contributions to Vision Super Pty Ltd. Kerry Thompson the CEO of the MAV (until 20 March 2023) is a director of Vision Super Pty Ltd and received directors fees. The directors fees for Kerry Thompson were deducted from her salary paid by the MAV during her time as MAV CEO.

Notes to and forming part of the financial statements (continued)

H2 REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key Management Personnel (KMP) are those personnel who have the authority and responsibility for planning, directing and controlling the activities of the MAV, directly or indirectly. KMP of the MAV include MAV Board Members and the CEO.

MAV Board Members receive an annual allowance. There are eleven Board members (previously thirteen), including two Deputy Presidents, and the President. They also receive reimbursement of travel costs and a data allowance. All benefits paid have been included in the tables below.

	Annual Allowance \$	Data allowance \$
President	73,875	-
Deputy Presidents	15,230	-
Board Members	10,370	-

	COMBINED		MAV - GENERAL FUND	
	2023 \$	2022 \$	2023 \$	2022 \$
MAV Board Members				
Short term employment benefits	267,388	219,327	267,388	219,327
Post employment benefits	22,690	21,408	22,690	21,408
MAV WorkCare Board Members				
Short term employment benefits	40,000	32,917	-	-
Post employment benefits	-	-	-	-
MAV Insurance Board Members				
Short term employment benefits	87,729	112,848	-	-
Post employment benefits	-	-	-	-
Key Management Personnel				
Short term employment benefits	472,115	319,323	332,344	278,568
Post employment benefits	35,971	24,171	22,690	20,095
Total				
Short term employment benefits	867,232	684,415	599,732	497,895
Post employment benefits	58,661	45,579	45,380	41,503

Details of the total remuneration paid to each Director (\$)

Range	2023	2022
\$0 to \$9,999	7	0
\$10,000 to \$19,999	7	12
\$20,000 to \$29,999	1	0
\$70,000 to \$79,999	0	1
\$90,000 to \$99,999	1	0
Total \$	16	13
Total \$	267,388	219,327

President Cr David Clark was also provided with full private use of a motor vehicle at a cost of \$16,438

Notes to and forming part of the financial statements (continued)

Loans to KMP and Directors

The MAV has a strict policy of not providing loans to KMPs and Directors. No loans were made to or are payable by KMP's or Directors during the year.

Insurance

The activities of the MAV board members are covered by the MAV directors' and officers' indemnity insurance policy effected by the MAV.

	COMBINED		MAV - GENERAL FUND	
	2023 \$	2022 \$	2023 \$	2022 \$
H3 AUDITORS FEES				
Amounts paid or due and payable for audit services:				
Audit services	205,001	366,473	30,001	66,270
TOTAL AUDITORS FEES	205,001	366,473	30,001	66,270

NOTE I: MANAGING UNCERTAINTIES

Structure

- I1 Insurance risk - MAV Insurance
- I2 Insurance risk - WorkCare Insurance
- I3 Insurance risk - MAV Group
- I4 Capital management objectives and economic dependency
- I5 Contingent Liabilities
- I6 Accounting estimates and judgements
- I7 Actuarial assumptions and methods
- I8 Interest rate risk
- I9: Liquidity risk
- I10 Credit risk

I1 INSURANCE RISK - MAV INSURANCE

Risk management objectives and policies for mitigating insurance risk

The MAV's local government mutual liability scheme trading as Liability Mutual Insurance (LMI) is established by the *Municipal Association Act 1907*. Membership is available to local government councils and prescribed bodies. LMI operates in Victoria and Tasmania to provide services to members in respect of their potential and actual liabilities. A member may seek indemnity from LMI in respect of a claim.

Actuarial models, using information from LMI's management information systems are used to confirm contributions and monitor claim patterns. Past experience and statistical methods are used as part of the process.

The principal risk is that the frequency and severity of claims is greater than expected. Civil Liability Risk events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

Objectives in managing risk arising from insurance and policies for mitigating those risks

LMI has an objective to control insurance risk thereby reducing the volatility of its operating surplus. In addition to the inherent uncertainty of civil liability risks, which can lead to variability in the loss experience, operating surpluses can also be affected by external factors, such as competition and movements in asset values.

LMI relies on a strong relationship with its members and actively encourages them to adopt practices of risk management that reduce the incidence of claims to LMI.

Notes to and forming part of the financial statements (continued)

Reinsurance strategy

LMI adopts a conservative approach towards management of risk and does this by utilising various risk transfer options. The MAV Insurance Board determines the level of risk, which is appropriate for LMI having regard to ordinary concepts of prudence and regulatory constraints. The risk transfer arrangements adopted by LMI include the utilisation of commercial reinsurance / excess arrangements. These arrangements include constant review of both reinsurers' financial strength, and ensuring spread of risk among reinsurers who meet the requirements of the MAV Insurance policies. These risk transfer arrangements assist LMI to limit exposures to large single claims, catastrophic events and a higher than expected number of smaller claims. These programs are reviewed each year to ensure that they continue to meet the risk needs of LMI.

Terms and conditions of membership

Membership of LMI is offered to eligible bodies and renewed annually on 30 June. Payment of the annual contribution confirms continuation of membership.

Product features

LMI operates in Victoria and Tasmania. Should a claim be accepted, LMI provides indemnity to the member for \$600 million Public / Products Liability and \$600 million for Professional Indemnity insurance, in excess of any self-insured amount, for any claim incurred anywhere throughout the world.

Operating surpluses arise from the total contributions charged to members less the amounts paid to cover claims and the expenses incurred by LMI.

Management of risks

The key insurance risks that affect LMI are contribution risk and claims experience risk.

Contribution risk is the risk that LMI does not charge contributions appropriate for the indemnity cover it provides. LMI partially manages contribution risk through its proactive approach to risk management that addresses all material risks both financial and non-financial. There are no specific terms and conditions that are expected to have a material impact on the financial statements.

Claims experience risk is managed through the non-financial risk assessment and risk management and reinsurance management process. Claims experience is monitored on an ongoing basis to ensure that any adverse trending is addressed. The Scheme is able to reduce the claims experience risk of severe losses through the reinsurance program, and by managing the concentration of insurance risks. LMI is a non-discretionary mutual fund which, under the Constitution has the ability to obtain contributions from members to pay liabilities and expenses.

12 INSURANCE RISK - MAV WORKCARE

Not applicable from 1 July 2021

13 INSURANCE RISK - MAV GROUP

Concentration of insurance risks

Insurance risk is managed by taking a long term approach to setting the annual contribution rates that eliminates price fluctuations, through appropriate investment strategy, reinsurance and by maintaining an active state-wide risk management profile. The MAV keeps abreast of changes in the general economic, legal and commercial environment in which it operates. The MAV spreads its risk of reinsurance failure by ensuring reinsurers are of high financial quality and can meet their commitments to the MAV. The MAV maintains policies and strategies and receives advice from an independent actuary on at least an annual basis in order to determine the concentration and amount of risk exposure.

14 CAPITAL MANAGEMENT OBJECTIVES AND ECONOMIC DEPENDENCY

The MAV WorkCare was set up as a captive, non-discretionary mutual fund, and under Schedule 1, Part B, Clause 3 of the Participation Agreement, the MAV has the ability to obtain contributions from members to meet any shortfall in the Provision set aside in respect of that Insurance Year.

Schedule 1, Part B, Clause 7 of the Participation Agreement, provides the ability for MAV to make additional calls on each Participant (member) who remain liable to make further contributions to the Scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the Participant remains a Participant in future Insurance Years. On cessation of the Scheme (last day was 30 June 2021) contributions from participating members were sought to meet the transfer requirement of funds to WorkSafe Victoria. Consultation with participating members indicate that amounts were and are recoverable, consistent with the participating agreements with appropriate timeframes.

15 CONTINGENT LIABILITIES

15.1 MAV INSURANCE

During the normal course of business, MAV Insurance may be exposed to contingent liabilities from litigation arising from its insurance and reinsurance activities, which if they should crystallise may adversely affect the financial position and performance of MAV. Provisions are made for obligations that are probable and able to be quantified.

In June 2014, MAV Insurance committed to purchasing retrospective stop-loss reinsurance for the 2009 and 2011 financial years.

The policies provide coverage for the first \$1 million in claim costs with a cap of \$5 million in the aggregate in each of the years.

LMI benefits from the 2009 policy when aggregate claim costs below \$1 million reach \$22 million and the 2011 policy provides coverage when aggregate claim costs reach \$20 million. The effect of the policies is to provide additional protection from adverse development for claim costs below \$1 million. The reinsurance policies commenced at the close of business on 30 June 2014.

15.2 MAV WORKCARE

As required under the *Workplace Injury Rehabilitation and Compensation Act 2013*, the MAV has a bank guarantee for insolvency risk in place for the duration of the ceased self-insurer period. The guarantee is in respect of the tails claims liability given by an ADI to or in favour of Work Safe Victoria. The guarantee must guarantee payments of amounts not less than: a) insolvency risk in respect of - i) in relation to the first year of the liability period, the initial assessment of tail claims liability until the end of the first year after the exit date ii) in relation to the second and subsequent years of the liability, the revised amount of the tail claims liability still outstanding as assessed at the end of each subsequent year of the duration of the next year until the final assessment date, and b) against claims deterioration - i) in relation to the period from the exit date until the interim assessment date, for the amount, if any, by which the revised assessment of the tail claims liability at the end of each year exceeds the initial assessment tail claims liability ii) in relation to the period referred to above, until the final assessment date, or if a review of the final assessment is undertaken resulting from the employer disputing WorkSafe's final revised assessment unit the date on which the review is finalised, for the amount, if any, by which the revised assessment of tail claims liability at the end of each year exceeds the revised assessment of tail claims liability as assessed at the end the 3rd year and 6th year.

The MAV has a bank guarantee in place which meets WorkSafe Victoria's requirements with an annual fee of 1.1% of the face value of the bank guarantee each year.

Where WorkSafe Victoria make a claim on the Bank Guarantee and the cash reserves are insufficient to clear the liability, the MAV will undertake to make a claim on its members within 30 days.

In accordance with the *Workplace Injury Rehabilitation and Compensation Act 2013*, there is a six year liability period following the cessation of the Scheme (to 30 June 2027). During the liability period, adjustment payments may be required (or received). The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claim liabilities as undertaken by Work Safe Victoria. Any adjustments, which are expected to occur at the 3-year and 6-year periods during this period will affect participating members. At 30 June 2023 the assessment is that payment experience over the past year had been broadly in line with expectations, and considered the initial assessment from 30 June 2021 to remain reasonable.

16 ACCOUNTING ESTIMATES AND JUDGEMENTS

The MAV makes estimates and judgements in respect of certain key assets and liabilities. Estimates and judgements are continually reviewed and are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas in which critical estimates and judgements are applied are described below.

a) Estimation of outstanding claims liability

Provision is made at the year-end for the estimated cost of claims incurred but not settled at the Statement of Financial Position date, including the cost of claims incurred but not yet reported ("IBNR"). The MAV take all reasonable steps to ensure that it has appropriate information regarding its claims exposure. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome may be different from the original liability established.

Provisions are calculated gross of all recoveries. A separate estimate is made of the amounts that will be recoverable from reinsurers and any third party.

The determination of an appropriate outstanding claims provision for MAV Insurance involves:

- (i) Establishing a case estimate for each reported claim at year-end taking into account legal advice where appropriate on larger claims;
- (ii) Allowance for incurred but not reported claims as confirmed by the actuarial review on 30 June 2023
- (iii) Allowance for incurred but not enoughed reported claims as confirmed by the actuarial review on 30 June 2023
- (iv) Allowances for wage inflation of 3.85%, as assumed by the Actuary
- (v) Allowances for discount at 4.01%, as assumed by the Actuary
- (vi) A risk margin of 0% of net outstanding claims after the effect of reinsurance has been applied.

Refer to Note I7 for details

Details of specific actuarial assumptions used in deriving the outstanding claims liability at year-end are detailed in note I7.

17 ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial Assumptions

MAV INSURANCE

The following assumptions have been made in determining the outstanding claims liabilities:

	2023	2022
Key Actuarial Assumptions		
Wage inflation	3.85%	3.69%
Discount rate	4.01%	3.35%
Risk margin	0.00%	0.00%
Superimposed inflation (Public liability - personal injury portfolio)	1.75%	1.75%

Notes to and forming part of the financial statements (continued)

Process used to determine actuarial assumptions

A description of the processes used to determine the above key actuarial assumptions is provided below:

Liability Mutual Insurance has provided public and professional indemnity insurance to local government bodies in Victoria and Tasmania and other bodies constituted under any Act for any public or local governing purpose since 30 September 1993. The Actuary was supplied with details of all transactions (payments, recoveries, changes of estimates) from 30 September 1993 to 30 June 2021. The individual claim payments and case estimates reconciled closely with totals in Liability Mutual Insurance financial statements for each year of cover. The actuary subdivided the claims data into four claim types (Public Liability - Personal Injury, Public Liability - Property Damage, Professional Indemnity and the 2009 Bushfire claims) and made separate estimates of the gross outstanding claims liabilities for each of these claim types. The actuary estimated the gross outstanding claims liabilities for each claim type using five different actuarial methods. Large claims (claims above \$250,000 in 2009 dollars) were estimated based on a numbers times average size method and non-large claims were estimated using four different actuarial methods- payments per claim incurred, payments per claim finalised, incurred cost development and projection of case estimates. The actuary selected a combination of these methods for estimating the outstanding claims. Payments were projected with a payment pattern, based on past experience. Estimates of outstanding excesses were based on a numbers times average size method and estimates of non-reinsurance recoveries were made by a recoveries per claim method. Claim administration expenses at 30 June 2023 approximate actual costs to be incurred.

Estimates of reinsurance recoveries were made from projected gross payments, excesses and non-reinsurance recoveries, allowing for the different insurance treaties applying to each year. Based on Access Economics, June 2023 forecasts for Victorian average weekly claims, inflation was assumed to be 3.85%. The discount rate was assumed to be 4.01% pa, derived from the yields on Commonwealth Government bonds.

MAV WORKCARE

The following assumptions were made in determining the outstanding claims liabilities at 30 June 2021:

	30-Jun-21
Key Actuarial Assumptions	
Wage inflation	2.25%
Claim administration expense	8.90%
Discount rate	1.50%
Risk margin	0.00%
Superimposed inflation	1.90 %

Process used to determine actuarial assumptions

A description of the processes used to determine the above key actuarial assumptions is provided below:

MAV WorkCare commenced business operations on 1 November 2017. It provided workers' compensation insurance for thirty Local Government Authorities and the Municipal Association of Victoria. The Actuary was supplied with details of all transactions (payments, recoveries, estimates) to 30 June 2021. The individual claim payments and case estimates reconciled closely with totals in MAV WorkCare's financial statements for the year of cover. The actuary subdivided the claims data into 2 groups (Above Excess and Below Excess) and made separate estimates of the gross outstanding claims liabilities for each claim type. The actuary estimated the gross outstanding claims liabilities for Above Excess (Standard) claims by splitting the payments on Above Excess claims into 5 different sub-groups and modelling each sub-group separately. Above Excess claims were predominantly estimated using a numbers times average size method (PPCI). Below Excess (Minor) claims were modelled separately and utilised a numbers times average size method. Payments were projected with a payment pattern, based on past experience. Estimates of non-reinsurance recoveries were made by a recoveries per claim method. Outstanding non-reinsurance recoveries for accident periods up to and including 2016/17 were reduced to 0% to allow for the inability of MAV WorkCare to claim recoveries for these accident periods. Reinsurance recoveries for periods post 1 November 2017 were estimated by considering a total payment model and a total payment model where payments are capped at the expected excess of loss limit. The difference between these two models is the implied reinsurance recovery that would have been received if a similar reinsurance contract had been in place for historical periods. There was no allowance for reinsurance recoveries for periods prior to 1 November 2017.

Notes to and forming part of the financial statements (continued)

18 EXPOSURE TO INTEREST RATE RISK

The Combined group's exposure to interest rate risk and the effective average interest rate for the classes of financial assets is set out below:

2023	COMBINED		MAV - GENERAL FUND	
	Non-Interest Earning \$	Floating Interest Rate \$	Non-Interest Earning \$	Floating Interest Rate \$
FINANCIAL ASSETS				
Cash and cash equivalents	-	12,234,876	-	6,472,276
Investments	-	42,030,524	-	4,329,722
Trade and other receivables	210,600,229	-	3,564,706	-
TOTAL FINANCIAL ASSETS	210,600,229	54,265,400	3,564,706	10,801,998
Weighted Average Interest Rate		5.0%		4.4%
FINANCIAL LIABILITIES				
Outstanding claims	214,846,926	-	-	-
Unearned premiums/subscriptions	57,740,547	-	6,097,230	-
Trade and other payables	9,979,551	-	999,563	-
TOTAL FINANCIAL LIABILITIES	282,567,024		7,096,793	-
Weighted Average Interest Rate				0%

2022	COMBINED		MAV - GENERAL FUND	
	Non-Interest Earning \$	Floating Interest Rate \$	Non-Interest Earning \$	Floating Interest Rate \$
FINANCIAL ASSETS				
Cash and cash equivalents	-	20,021,558	-	11,067,387
Investments	-	9,686,705	-	38,684
Trade and other receivables	199,378,873	-	3,140,947	-
TOTAL FINANCIAL ASSETS	199,378,873	29,708,263	3,140,947	11,106,071
Weighted Average Interest Rate		1.7%		1.4%
FINANCIAL LIABILITIES				
Outstanding claims	169,499,128	-	-	-
Unearned premiums/subscriptions	52,752,027	-	7,152,988	-
Trade and other payables	9,764,152	-	926,797	-
TOTAL FINANCIAL LIABILITIES	232,015,307	-	8,079,785	-
Weighted Average Interest Rate		0%		0%

Notes to and forming part of the financial statements (continued)

Investments are considered level 2 financial assets in accordance with AASB 13 (Fair Value Measurement). The carrying amounts of financial assets and financial liabilities represent their approximate net fair value. All maturity dates are within twelve months.

The table below reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities as at 30 June 2023. Cash flows for financial assets and liabilities without fixed amount or timing are based on conditions existing at 30 June 2023.

The remaining contractual maturities of the financial liabilities are:

2023	COMBINED		MAV - GENERAL FUND	
	2023 \$	2022 \$	2023 \$	2022 \$
3 months or less	33,373,039	34,922,406	7,096,793	8,274,785
3-12 months	54,828,691	55,476,876	2,309,123	2,416,169
1-5 years	101,842,990	99,076,811	4,493,731	88,840
Over 5 years	48,551,968	48,551,968	-	-
	238,596,688	238,028,061	13,899,647	10,779,794

INTEREST RATE RISK

MAV Combined is exposed to interest rate risk from its cash, cash equivalents and investments.

Variable	Current Rate %	Change variable to -1.0%/+1.0% %	Operating surplus (deficit) at 30 June 2023 \$	Total Accumulated Funds after the impact of applying variable \$
IMPACT OF CHANGES IN INTEREST RATE ON FINANCIAL ASSETS				
MAV COMBINED				
Base value at 30 June 2023	5.0%		(187,118)	9,438,762
Interest Rate p.a.		6.0%	(1,444,400)	8,181,480
		4.0%	1,070,164	10,696,044

MAV COMBINED - Interest rate risk

VARIABLE	IMPACT OF MOVEMENT IN VARIABLE
Wage inflation	Expected future payments are inflated to take account of inflationary increases. An increase or decrease in the assumed levels of economic inflation would have a corresponding impact on claims expense, with particular reference to longer tail claims.
Discount rate	The outstanding claims liability is calculated by reference to expected future payments. These payments are discounted to adjust for the time value of money. An increase or decrease in the assumed discount rate will have an opposing impact on total claims expense.
Case estimate development	Case estimates are initially established in accordance with established guidelines and by reference to the known facts. Where new information becomes available the initial case estimate will change. This development movement is applied to open claims and will have a corresponding impact on claims expense.

Notes to and forming part of the financial statements (continued)

Wage inflation rate sensitivity

Expected future payments are inflated to take account of inflationary increases. An increase or decrease in the assumed levels of economic inflation would have a corresponding impact on claims expense, with particular reference to longer tail claims.

Variable	Current Rate (weighted) %	Change variable to +0.5%/0.5% %	Operating surplus (deficit) at 30 June 2023 \$	Total Accumulated Funds after the impact of applying variable \$
IMPACT OF CHANGES IN KEY VARIABLES				
MAV GROUP				
Base value at 30 June 2023	3.85%		(187,118)	9,438,762
Wage inflation rate p.a.		4.35%	(948,118)	8,677,762
		3.35%	573,882	10,199,762

MAV GROUP

Interest rate sensitivity

The reinsurance indemnity contracts contain no clauses that expose the Scheme, directly to interest rate risk. The reinsurance contracts are long term arrangements, reviewed and payable annually.

Variable	Current Rate (weighted) %	Change variable to -0.5%/+0.5% %	Operating surplus (deficit) at 30 June 2023 \$	Total Accumulated Funds after the impact of applying variable \$
IMPACT OF CHANGES IN DISCOUNT RATES				
MAV GROUP				
Base value at 30 June 2023	4.02%		(187,118)	9,438,762
Discount rate p.a.		3.52%	(903,118)	8,722,762
		4.52%	528,882	8,722,762

Claims handling sensitivity

Future claims handling expenses represent administrative costs relating to the payment of claims incurred to date.

Variable	Current Rate %	Change to the Current Rate +.5%/-0.5% %	Operating surplus (deficit) at 30 June 2023 \$	Total Accumulated Funds after the impact of applying variable \$
IMPACT OF CHANGES IN CLAIMS				
ADMINISTRATION EXPENSE				
MAV GROUP				
Base value at 30 June 2023	0.6%		(187,118)	9,438,762
Claim administration expense		1.14%	(679,618)	8,946,262

Notes to and forming part of the financial statements (continued)

Non-large average claim size (LMI Scheme)

This covers the cost of estimated claims up to \$389,000. For claims which exceed the threshold, all costs up to \$389,00 are included in the non-large value.

Variable	Current Value \$	Change variable to +10%/-10% \$	Operating surplus (deficit) at 30 June 2023 \$	Total Accumulated Funds after the impact of applying variable \$
IMPACT OF CHANGES IN KEY VARIABLES MAV GROUP				
Base value at 30 June 2023	45,136,000		(187,118)	9,438,762
Average claim size		(4,760,000)	(4,947,118)	4,491,644
		4,760,000	4,572,882	14,011,644

Incurred but not enough yet reported (IBNER) - Case estimate development of large claims (LMI Scheme)

This covers the cost of estimated claims between \$389,000 and \$1m.

Variable	Current Value \$	Change variable to +25%/-25% \$	Operating surplus (deficit) at 30 June 2023 \$	Total Accumulated Funds after the impact of applying variable \$
IMPACT OF CHANGES IN KEY VARIABLES MAV GROUP				
Base value at 30 June 2023	40,520,000		(187,118)	9,438,762
Case estimate development of large claims		(144,000)	(331,118)	9,107,644
		144,000	(43,118)	9,395,644

Claim Numbers (LMI Scheme)

This covers the increase or reduction of personal injury claims from the central estimate for the fund years 2021, 2022 and 2023, based on the dollar impact on the net discounted provision.

	Number of Claims	Operating surplus (deficit) at 30 June 2023 \$	Total Accumulated Funds after the impact of applying variable \$
IMPACT OF CHANGES IN KEY VARIABLES MAV GROUP			
		(187,118)	9,438,762
Additional personal injury claims	30	(1,814,118)	7,624,644
Additional personal injury claims	60	(3,792,118)	5,646,644
Fewer personal injury claims	(30)	1,655,882	11,094,644
Fewer personal injury claims	(60)	3,416,882	12,855,644

Notes to and forming part of the financial statements (continued)

19 LIQUIDITY RISK

Maturity analysis of financial assets and liabilities based on management's expectation.

The risk implied from the values in the table below, reflects a balanced view of cash inflows and outflows. These liabilities originate from insurance contracts and other financial assets used in the ongoing operations of the business. These assets are considered in the MAV's overall liquidity risk. To monitor existing financial assets and liabilities as well as to enable effective controlling of future risks, the MAV has established a comprehensive risk reporting covering its insurance business that reflects the management of expected settlement of financial assets and liabilities. Amounts are undiscounted.

Year ended 30 June 2023	<3 months \$	3-12 months \$	1-5 years \$	>5years \$	Total \$
COMBINED FINANCIAL ASSETS					
Cash and cash equivalents	12,234,876	-	-	-	12,234,876
Investments	42,030,524	-	-	-	42,030,524
Trade and other receivables	69,608,785	19,572,613	92,533,150	52,533,651	234,248,200
	123,874,185	19,572,613	92,533,150	52,533,651	288,513,600
COMBINED FINANCIAL LIABILITIES					
Outstanding claims	7,184,457	21,553,371	121,584,052	65,372,846	215,694,725
Trade and other payables	9,880,911	-	-	-	9,880,911
Other liabilities	6,097,230	2,309,123	4,493,731	-	12,900,084
TOTAL FINANCIAL LIABILITIES	23,162,598	23,862,494	126,077,783	65,372,846	238,475,720
NET MATURITY	100,711,587	(4,289,880)	(33,544,633)	(12,839,194)	50,037,879

Year ended 30 June 2022	<3 months \$	3-12 months \$	1-5 years \$	>5years \$	Total \$
COMBINED FINANCIAL ASSETS					
Cash and cash equivalents	20,021,558	-	-	-	20,021,558
Investments	9,686,705	-	-	-	9,686,705
Trade and other receivables	62,438,008	18,913,196	86,638,927	47,413,829	215,403,959
	92,146,271	18,913,196	86,638,927	47,413,829	245,112,222
COMBINED FINANCIAL LIABILITIES					
Outstanding claims	6,106,763	18,320,289	97,349,259	48,551,968	170,328,278
Trade and other payables	10,067,895	541,139	1,638,712	-	12,247,746
Other liabilities	7,347,988	2,416,169	88,840	-	9,852,997
TOTAL FINANCIAL LIABILITIES	23,522,646	21,277,597	99,076,811	48,551,968	192,429,021
NET MATURITY	68,623,624	(2,364,401)	(12,437,884)	(1,138,139)	52,683,201

Notes to and forming part of the financial statements (continued)

Year ended 30 June 2023	<3 months \$	3-12 months \$	1-5 years \$	>5years \$	Total \$
MAV GENERAL FUND FINANCIAL ASSETS					
Cash and cash equivalents	6,472,276	-	-	-	6,472,276
Investments	4,329,722	-	-	-	4,329,722
Trade and other receivables	3,564,706	-	-	-	3,564,706
	14,366,704	-	-	-	14,366,704
MAV GENERAL FUND FINANCIAL LIABILITIES					
Trade and other payables	999,563	-	-	-	999,563
Other liabilities	6,097,230	2,309,123	4,493,731	-	12,900,084
TOTAL FINANCIAL LIABILITIES	7,096,793	2,309,123	4,493,731	-	13,899,647
NET MATURITY	7,269,911	(2,309,123)	(4,493,731)	-	467,057

Year ended 30 June 2022	<3 months \$	3-12 months \$	1-5 years \$	>5years \$	Total \$
MAV GENERAL FUND FINANCIAL ASSETS					
Cash and cash equivalents	11,067,387	-	-	-	11,067,387
Investments	38,684	-	-	-	38,684
Trade and other receivables	3,140,947	-	-	-	3,140,947
	14,247,018	-	-	-	14,247,018
MAV GENERAL FUND FINANCIAL LIABILITIES					
Trade and other payables	926,797	-	-	-	926,797
Other liabilities	7,347,988	2,416,169	88,840	-	9,852,997
TOTAL FINANCIAL LIABILITIES	8,274,785	2,416,169	88,840	-	10,779,794
NET MATURITY	5,972,233	(2,416,169)	(88,840)	-	3,467,224

110 CREDIT RISK

The MAV is exposed to credit risk on insurance contracts as a result of exposure to reinsurers. The credit risk of reinsurers is managed through the Reinsurance Management Strategies and policies that includes regularly monitoring both the financial rating of the reinsurers both prior to and during the reinsurance program and the flow of payments coming from the reinsurers. Investments in cash and cash equivalents at balance date as shown in the Statement of Cash Flows are held in S&P rated AA- and A- rated cash deposits.

CREDIT RATING

		AAA +/- \$M	AA +/- \$M	A +/- \$M	BBB \$M	Speculative Grade \$M	Not Rated \$M	Total \$M
Reinsurance and other recoveries on outstanding claims	2023	-	0.801	56.133	-	-	-	56.934
	2022	-	0.518	49.589	-	-	0.000	50.107
Reinsurance and other recoveries on paid claims	2023	-	0.073	3.039	-	-	-	3.112
	2022	-	-	2.575	-	-	-	2.575

Notes to and forming part of the financial statements (continued)

PAST DUE BUT NOT IMPAIRED

		Neither past due nor impaired \$M	Less than 3 months \$M	3 to 6 months \$M	6 months to 1 year \$M	Greater than 1 year \$M	Impaired \$M	Total \$M
Reinsurance and other recoveries on paid claims	2023	-	2.815	0.204	0.034	0.059	-	3.112
	2022	-	2,131	0,409	0,035	-	-	2,575

PRICE RISK

Investments held through managed investment schemes are subject to price risk.

J: OTHER MATTERS

Structure

- J1 Summary of significant accounting policies
- J2 Income tax
- J3 Comparative figures
- J4 Impact of COVID 19 pandemic
- J5 Self-insurance licence - MAV WorkCare Self-Insurance Scheme
- J6 Administered item
- J7 Events Subsequent
- J8 Number of employees

J1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Standards and Interpretations issued but not yet effective.

Reference	Title Summary	Application Date of Standard	Impact on MAV Financial Report	Application Date for MAV
AASB 17	Insurance Contracts	Reporting periods beginning on or after 1 January 2023	Adoption of this standard is not expected to have a material impact	1-Jul-23
AASB 2020-1	Amendments to AAS - Classification of Liabilities as Current or Non-current	Reporting periods beginning on or after 1 January 2023	Adoption of this standard is not expected to have a material impact	1-Jul-23
AASB 2022-8	Amendments to AAS - Insurance Contracts - Consequential Amendments	Reporting periods beginning on or after 1 January 2023	Adoption of this standard is not expected to have a material impact	1-Jul-23
AASB 2022-9	Amendments to AAS - Insurance Contracts in the Public Sector	Reporting periods beginning on or after 1 January 2026	Adoption of this standard is not expected to have a material impact	1-Jul-26
AASB 2022-10	Amendments to AAS - Fair Value Measurement of Non-Financial Assets for Not-for-profit Public Sector Entities	Reporting periods beginning on or after 1 January 2024	Adoption of this standard is not expected to have a material impact	1-Jul-24

Notes to and forming part of the financial statements (continued)

J2 INCOME TAX

The MAV is a State and Territory Body (STB) and is exempt from income tax, in accordance with Division 1AB of Part III of the *Income Tax Assessment Act*.

J3 COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

J4 IMPACT OF COVID-19 PANDEMIC ON THE FINANCIAL REPORT

On 30 January 2020, COVID 19 was declared as a global pandemic by the World Health Organisation. Since then, various measures have been taken by all three levels of Government in Australia to reduce the spread of COVID-19. The MAV has been instrumental in proactively engaging with federal and state governments and advocating on behalf of members during this time.

At 30 June 2023 there is some evidence that unfavourable PL-PI experience from the 2021 fund year relating to LMI insurance was at least partly driven by COVID related lockdowns. Given the long-tail nature of the scheme's claims liabilities and the existing actuarial methodologies employed to value the outstanding claim liabilities, a large proportion of any adverse development related to COVID lockdowns is likely to have recognised in the claims liabilities at the balance date. This will continue to be monitored and if any further evidence of an effect due to COVID-19 develops, this will be incorporated into the scheme's estimate of its claims liabilities.

J5 SELF-INSURANCE LICENCE - MAV WORKCARE SELF-INSURANCE SCHEME

Under the *Accident Compensation Act 1985* the MAV is specifically named as a body that can apply for a workers' compensation Self-Insurance Licence. On 3 May 2017, Work Safe Victoria approved the MAV as a self-insurer commencing from 4pm on 1 November 2017. There were 31 inaugural members of the Scheme, including the MAV. The last day of the Scheme was 30 June 2021 following Work Safe Victoria's decision not to renew the licence, with all claims being transferred to Work Safe Victoria from 1 July 2021. The MAV continues to have responsibilities as a ceased self-insurer until 30 June 2027. The estimate of these expenses have been included in the ceased self insurer provision.

On 1 November 2017 MAV WorkCare commenced business as a licensed self-insurer under the WIRC Act. WorkSafe Victoria granted the licence to MAV WorkCare on 3 May 2017 to commence business as a self-insurer subject to meeting performance and financial conditions. MAV met all the conditions required to be met by WorkSafe Victoria prior to commencement. On commencement of the Scheme WorkSafe Victoria paid to MAV WorkCare the sum of \$65,856,545 which was the Statistical Case Estimate (SCE) of claims outstanding for the 31 inaugural members of the Scheme. The independent actuary to the Scheme estimated the value of the claims outstanding, including claims handling expenses, for the 31 inaugural members of the Scheme that were transferred by WorkSafe Victoria to the Scheme, net of recoveries, at \$67,478,639. This resulted in a deficit of \$1,622,094 at commencement.

At 30 June 2021, the Independent actuary to the Scheme estimated the value of the claims outstanding, including claims handling expenses of the Scheme that are to be transferred to Work Safe Victoria, net of recoveries at \$73.421 million, an amount \$0.655 million less than Work Safe Victoria's valuation. This resulted in a deficit of \$0.655 million on cessation of the Scheme.

Commencing 1 July 2021, Work Safe Victoria is responsible for all claims. At 30 June 2021 the Work Care Scheme's gross claims were assessed at \$75.355 million made up of \$14.549 million (current liability) and \$60.806 million (non-current liability). The assessed recoveries were \$1.934 million with a net valuation of \$73.421 million. The current and non-current value reflects the nature of the claims. Work Safe Victoria's assessed valuation was \$74.076 million. The difference was recorded as an administration expense in 2020-21. On 1 July 2021 the outstanding claims at 30 June 2021 for WorkCare were assessed as a payable to Work Safe Victoria and recorded as a supplier rather than an opening outstanding claims balance at 1 July 2021.

The MAV established a ceased self-insurer members provision for the estimated ongoing expenses, including bank guarantee expenses, expected to be incurred during the 6-year liability period as a ceased self-insurer. The initial provision was for \$3.117 million. At 30 June 2023 the balance of the provision is \$1.689 million with \$1.226 million assessed as non-current.

There is also a potential contingent liability in relation to the 3-year and 6-year liability period. Refer to Note I5.2 Contingent Liabilities.

Notes to and forming part of the financial statements (continued)

	2023 \$	2022 \$
MOVEMENT IN CEASED SELF INSURER PROVISION		
Opening balance	2,179,851	3,117,328
Expenditure incurred from prior year provision	(493,191)	(945,944)
Movement during the year	2,449	8,467
TOTAL CEASED SELF INSURER PROVISION	1,689,109	2,179,851
Represented By:		
CURRENT	462,400	541,139
NON-CURRENT	1,226,709	1,638,712
TOTAL	1,689,109	2,179,851

J6 Administered item

The MAV administers a grant for \$1.4 million which was received on the 27th of June 2023 from the Department of Transport and Planning (balance at 30 June 2023 is \$1.4 million). The grant enables 48 rural and regional councils across Victoria to access support for implementing existing flood studies into planning schemes. Funding is provided to the MAV to disburse to municipal Councils at the direction of the Department. The Department will enter into individual agreements with municipal Councils to implement flood studies and will instruct the MAV to disburse the Funds once agreements are entered into.

J7 EVENTS SUBSEQUENT

There were no material events subsequent to the year end that require reporting.

J8 NUMBER OF EMPLOYEES:

Average number of equivalent full time employees during the year was 52 (2022 = 54)

Independent Auditor's Report

To the Directors of MAV Insurance

Opinion	<p>I have audited the combined financial report of MAV Insurance (the insurer) which comprises the:</p> <ul style="list-style-type: none"> • statement of financial position as at 30 June 2023 • statement of comprehensive income for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • notes to the financial statements, including significant accounting policies • statement by the MAV Insurance Board • statement by MAV Directors. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the insurer as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the insurer in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Directors' responsibilities for the financial report	<p>The Directors of the insurer are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Directors are responsible for assessing the insurer's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the insurer's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the insurer's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the insurer to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



MELBOURNE
12 October 2023

Travis Derricott
as delegate for the Auditor-General of Victoria

MAV INSURANCE

STATEMENT BY THE MAV INSURANCE BOARD

In accordance with a resolution of the MAV Insurance Board, we state that:

In the opinion of the members of the MAV Insurance Board:

- (a) the financial statements and notes of the combined entity are drawn up so as to present fairly in all material respects the results of Liability Mutual Insurance and the Commercial Crime Fund for the year ended 30 June 2023
- (b) the accompanying Statement of Financial Position is drawn up so as to present fairly in all material respects the state of affairs of Liability Mutual Insurance and the Commercial Crime Fund as at that date
- (c) at the date of this statement there are reasonable grounds to believe that Liability Mutual Insurance and the Commercial Crime Fund will be able to pay its debts as and when they fall due
- (d) the financial statements and notes also comply with the Australian Accounting Standards as disclosed in note A3.

The financial statements have been made out in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.

On behalf of the MAV Insurance Board



Rob Spence
MAV Insurance Board Chairman



Kelly Grigsby
Chief Executive Officer - Municipal Association of Victoria

Melbourne
2/10/2023

STATEMENT BY MAV DIRECTORS

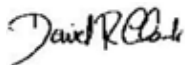
In accordance with a resolution of the directors of the Municipal Association of Victoria, we state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the combined entity are drawn up so as to present fairly in all material respects the results of Liability Mutual Insurance and the Commercial Crime Fund for the year ended 30 June 2023
- (b) the accompanying Statement of Financial Position is drawn up so as to present fairly in all material respects the state of affairs of Liability Mutual Insurance and the Commercial Crime Fund as at that date
- (c) at the date of this statement there are reasonable grounds to believe that Liability Mutual Insurance and the Commercial Crime Fund will be able to pay its debts as and when they fall due
- (d) the financial statements and notes also comply with the Australian Accounting Standards as disclosed in note A3.

The financial statements and combined financial statements have been made out in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.

Signed in accordance with the resolution of Directors



Cr. David Clark
President



Cr. Jennifer Anderson
Director



Kelly Grigsby
Chief Executive Officer

Melbourne
6/10/2023

OTHER INFORMATION

Legal form:

MAV Insurance is the insurance division of the MAV. The MAV is an association incorporated by the *Municipal Association of Victoria Act 1907*.

Domicile:

Melbourne, Australia

Address of registered office and principal place of business:

Level 5, 1 Nicholson Street, East Melbourne, 3002, Victoria, Australia

Nature of the operation and principal activities:

The MAV has the power provided to it by the *Municipal Association of Victoria Act 1907* to establish Liability Mutual Insurance and the Commercial Crime Fund in order to provide public liability, professional indemnity and fidelity insurance to Local Government and Water Authorities.

Statement of Comprehensive Income

for the year ended 30 June 2023

		COMBINED		LIABILITY MUTUAL INSURANCE		COMMERCIAL CRIME	
	NOTE	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Premium revenue	B1	45,216,784	42,676,520	45,216,784	42,676,520	-	-
Reinsurance expense		(11,070,792)	(25,268,298)	(11,070,792)	(25,268,298)	-	-
NET PREMIUM INCOME		34,145,992	17,408,222	34,145,992	17,408,222	-	-
Claims expense	C1	(63,417,337)	(42,037,887)	(63,417,337)	(42,037,887)	-	-
Reinsurance and other recoveries	B1	35,043,783	36,035,077	35,043,783	36,035,077	-	-
NET CLAIMS EXPENSE	12	(28,373,554)	(6,002,810)	(28,373,554)	(6,002,810)	-	-
NET UNDERWRITING RESULT		5,772,438	11,405,412	5,772,438	11,405,412	-	-
Management fees	B1	57,777	88,138	-	-	57,777	88,138
Gain/(Loss) from investment income	B1	994,857	(76,828)	991,597	(77,134)	3,260	306
Administration and general expenses	C2	(7,612,482)	(8,653,870)	(7,542,448)	(8,575,045)	(70,034)	(78,825)
OPERATING SURPLUS/(DEFICIT)		(787,410)	2,762,852	(778,413)	2,753,233	(8,997)	9,619
Other comprehensive income		-	-	-	-	-	-
TOTAL COMPREHENSIVE SURPLUS/(DEFICIT) FOR THE YEAR		(787,410)	2,762,852	(778,413)	2,753,233	(8,997)	9,619

The accompanying notes form an integral part of these statements.

Statement of Financial Position

as at 30 June 2023

		COMBINED		LIABILITY MUTUAL INSURANCE		COMMERCIAL CRIME	
	NOTE	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
CURRENT ASSETS							
Cash and cash equivalents	G1	5,629,731	8,927,999	5,414,196	8,802,501	215,535	125,498
Investments	D1	37,498,662	9,648,021	37,498,662	9,648,021	-	-
Trade and other receivables	E1	85,726,772	77,417,377	85,726,772	77,417,377	-	-
TOTAL CURRENT ASSETS		128,855,165	95,993,397	128,639,630	95,867,899	215,535	125,498
NON-CURRENT ASSETS							
Trade and other receivables	E1	119,963,649	114,769,092	119,963,649	114,769,092	-	-
TOTAL NON-CURRENT ASSETS		119,963,649	114,769,092	119,963,649	114,769,092	-	-
Total Assets		248,818,814	210,762,489	248,603,279	210,636,991	215,535	125,498
CURRENT LIABILITIES							
Trade and other payables		8,985,236	8,774,577	8,881,348	8,769,723	103,888	4,854
Premiums in advance	E2	51,643,317	45,599,039	51,643,317	45,599,039	-	-
Outstanding Claims	F1	28,187,984	24,170,824	28,187,984	24,170,824	-	-
TOTAL CURRENT LIABILITIES		88,816,537	78,544,440	88,712,649	78,539,586	103,888	4,854
NON-CURRENT LIABILITY							
Outstanding Claims	F1	155,913,054	127,341,416	155,913,054	127,341,416	-	-
TOTAL NON-CURRENT LIABILITY		155,913,054	127,341,416	155,913,054	127,341,416	-	-
TOTAL LIABILITIES		244,729,591	205,885,856	244,625,703	205,881,002	103,888	4,854
NET ASSETS		4,089,223	4,876,633	3,977,576	4,755,989	111,647	120,644
EQUITY		4,089,223	4,876,633	3,977,576	4,755,989	111,647	120,644

The accompanying notes form an integral part of these statements.

Statement of Changes in Equity

for the year ended 30 June 2023

	COMBINED		LIABILITY MUTUAL INSURANCE		COMMERCIAL CRIME	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
RETAINED EARNINGS						
Balance at beginning of year	4,876,633	2,113,781	4,755,989	2,002,756	120,644	111,025
Surplus/(Deficit) from ordinary activities	(787,410)	2,762,852	(778,413)	2,753,233	(8,997)	9,619
BALANCE AT END OF YEAR	4,089,223	4,876,633	3,977,576	4,755,989	111,647	120,644

Statement of Cash Flows

for the year ended 30 June 2023

NOTE	COMBINED		LIABILITY MUTUAL INSURANCE		COMMERCIAL CRIME	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
CASH FLOW FROM OPERATING ACTIVITIES						
RECEIPTS						
Premiums and fees	46,115,163	41,782,924	44,923,318	40,751,935	1,191,845	1,030,989
Interest received	507,216	22,899	503,956	22,545	3,260	354
Reinsurance and other recoveries	27,867,106	18,221,352	27,867,106	18,221,352	-	-
PAYMENTS						
Trade and other payables	(19,596,213)	(33,983,364)	(18,491,145)	(32,898,718)	(1,105,068)	(1,084,646)
Claim payments	(30,828,540)	(19,597,568)	(30,828,540)	(19,597,568)	-	-
NET CASH (USED IN)/ PROVIDED BY OPERATING ACTIVITIES	G11 24,064,732	6,446,243	23,974,695	6,499,546	90,037	(53,303)
CASH FLOW FROM INVESTING ACTIVITY						
Payment for investment	(27,363,000)	(2,750,000)	(27,363,000)	(2,750,000)	-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	(27,363,000)	(2,750,000)	(27,363,000)	(2,750,000)	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	(3,298,268)	3,696,243	(3,388,305)	3,749,546	90,037	(53,303)
Cash at beginning of year	8,927,999	5,231,756	8,802,501	5,052,955	125,498	178,801
CASH AT END OF YEAR	G11 5,629,731	8,927,999	5,414,196	8,802,501	215,535	125,498

The accompanying notes form an integral part of these statements.

Notes to and forming part of the financial statements

for the year ended 30 June 2023

NOTE A: CORPORATE INFORMATION

Structure:

- A1 Corporate information
- A2 Basis of preparation
- A3 Statement of compliance
- A4 Principles of the combined entity

A1 CORPORATE INFORMATION

The combined financial report of MAV Insurance (the Group) for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors of the MAV Insurance Board and the Municipal Association of Victoria (MAV) on the dates shown on the Statement by Directors.

MAV Insurance is the insurance division of the MAV. The MAV is an association incorporated by an Act of the Parliament of Victoria known as the *Municipal Association Act 1907*.

The nature of the operations and principal activities of MAV Insurance are the provision of public liability, professional indemnity by the Liability Mutual Insurance Scheme (The Scheme) and arranging fidelity insurance by the Commercial Crime Fund (The Fund) for its members located in Victoria and Tasmania and community groups within its council member boundaries.

On 1 July 2010 the Commercial Crime Fund ceased to write insurance business on its own account. From this date the Fund facilitated insurance for its members via a policy issued initially by Zurich Insurance Australia and now by Chubb. The Fund undertook this change in business due to the inability of the Fund to offer the broad terms and conditions currently available in the market. This is due to the restrictions placed on the Fund by the provisions of the *Municipal Association Act 1907*. From 1 January 2011 the Fund is not at risk for any insurance claim that might be made against it.

The MAV has purchased retrospective insurance cover on the net amount of all claims incurred by the Liability Mutual Insurance Scheme up to 30 June 2018. (Refer to Note I).

A2 BASIS OF PREPARATION

The financial report is a general purpose financial report which has been drawn up in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The report has been prepared on a going concern basis.

The principal accounting policies adopted in preparing the financial report are stated to assist in a general understanding of the financial report. Accounting policies have been consistently applied unless otherwise indicated.

The financial report is presented in Australian dollars. MAV Insurance is a Not for Profit entity.

The financial statements have been prepared on the accrued basis using the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

The financial statements of the entities are prepared for the same reporting period as the MAV, using consistent accounting policies.

A3 STATEMENT OF COMPLIANCE

The financial report complies with Australian Accounting Standards, which include interpretations issued by the Australian Accounting Standards Board (AASB).

A4 PRINCIPLES OF THE COMBINED ENTITY

The combined financial report relates to the insurance activities of the MAV being its controlled entities the Local Government Mutual Liability Insurance Scheme (trading as Liability Mutual Insurance, - LMI) "the Scheme", and the Commercial Crime Fund (the "Fund"). The MAV is the only legal entity. Neither insurance entity has control over the other. The effects of all transactions between entities in the combined entity have been eliminated.

NOTE B: FUNDING THE DELIVERY OF OUR SERVICES

NOTE	COMBINED		LIABILITY MUTUAL INSURANCE		COMMERCIAL CRIME		
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$	
B1 REVENUE FROM ORDINARY ACTIVITIES							
REVENUES FROM OPERATING ACTIVITIES							
Premiums	B1.1	45,216,784	42,676,520	45,216,784	42,676,520	-	-
Reinsurance and other recoveries	B1.2	35,043,783	36,035,077	35,043,783	36,035,077	-	-
Management fees received	B1.3	57,777	88,138	-	-	57,777	88,138
TOTAL REVENUE FROM OPERATING ACTIVITIES		80,318,344	78,799,735	80,260,567	78,711,597	57,777	88,138
REVENUES FROM NON-OPERATING ACTIVITIES							
Investment income	B1.4	994,857	(76,828)	991,597	(77,134)	3,260	306
TOTAL REVENUE FROM OUTSIDE THE OPERATING ACTIVITIES		994,857	(76,828)	991,597	(77,134)	3,260	306
TOTAL REVENUE FROM ORDINARY ACTIVITIES		81,313,201	78,722,907	81,252,164	78,634,463	61,037	88,444

B1.1 Premiums

Premiums comprise amounts charged to members of the Schemes for policy cover, net of amounts returned to members as surplus distributions. The earned portion of premiums received is recognised as revenue. Premiums are treated as earned from date of attachment of risk. The pattern of recognition over the policy is based on time, which is considered to closely approximate the pattern of risks undertaken.

B1.2 Reinsurance and other recoveries receivable

Reinsurance and other recoveries receivable on paid claims, reported claims not paid, claims incurred but not reported and unexpired risk liabilities are recognised as revenue. Recoveries receivable are assessed in a manner similar to the assessment of outstanding claims. Recoveries are measured as the present value of the expected future receipts, calculated on the same basis as the liability for outstanding claims.

B1.3 Management fees received

Management fees comprise amounts received from members to manage and pay expenses for and on behalf of the Commercial Crime Fund.

B1.4 Investment income

Investment income consists of interest which is recognised on a time-proportionate basis that takes into account the effective interest rate on the financial asset and movements in unit values in cash and fixed interest funds which are carried at fair value through the Statement of Comprehensive Income.

B1.5 Revenue recognition

Revenue is recognised at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms. The following specific recognition criteria must also be met before revenue is recognised.

- (i) Premiums - recognised in the period the fund is at risk.
- (ii) Future reinsurance and other Recoveries - on an accruals basis.
- (iii) Investment Income - on an accruals basis including adjustments made to account for changes in the value of cash backed unit trusts to account as investment income.

Notes to and forming part of the financial statements (continued)

NOTE C: COST OF DELIVERING OUR SERVICES

Structure:

C1 Claims Expenses

C2 Administration & General expenses

C3 Scheme Management fees

NOTE	COMBINED		LIABILITY MUTUAL INSURANCE		COMMERCIAL CRIME	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
C1 CLAIMS EXPENSES						
Paid	30,828,540	19,627,971	30,828,540	19,627,971	-	-
Outstanding claims at end of financial year	F1 184,101,038	151,512,241	184,101,038	151,512,241	-	-
Less: Outstanding claims at beginning of financial year	(151,512,241)	(129,102,325)	(151,512,241)	(129,102,325)	-	-
TOTAL CLAIMS EXPENSES	63,417,337	42,037,887	63,417,337	42,037,887	-	-

C1.1 Claims

Claims-incurred expense and liability for outstanding claims are recognised in respect of direct business. The liability covers claims incurred but not yet paid, incurred but not yet reported claims, and the anticipated direct and indirect costs of settling those claims. Claims outstanding are assessed by reviewing individual claim files and estimating claims not notified and settlement costs using statistical and actuarial techniques. The liability for outstanding claims is measured as the present value of the expected future payments, reflecting the fact that all the claims do not have to be paid out in the immediate future. The expected future payments are estimated on the basis of the ultimate cost of settling claims, which is affected by factors arising during the period to settlement such as normal inflation and superimposed inflation. Advice from the MAV's actuary has estimated superimposed inflation to be 1.75% per annum (2022: 1.75%) for personal injury non-large claims, the discount rate at 4.01% (2022: 3.35%) and the wage inflation rate at 3.85% (2022: 3.69%).

NOTE	COMBINED		LIABILITY MUTUAL INSURANCE		COMMERCIAL CRIME	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
C2 ADMINISTRATION & GENERAL EXPENSES						
The following items have been recognised in the operating surplus/(deficit):						
Administration	1,509,031	1,584,639	1,438,995	1,505,814	70,036	78,825
Actuary fees	140,750	106,631	140,750	106,631	-	-
Audit fees	H3 175,000	200,403	175,000	200,403	-	-
Scheme management fees	C3 2,662,057	3,851,952	2,662,057	3,851,952	-	-
Stamp duty	3,125,646	2,910,245	3,125,646	2,910,245	-	-
TOTAL EXPENDITURE	7,612,484	8,653,870	7,542,448	8,575,045	70,036	78,825

Notes to and forming part of the financial statements (continued)

NOTE	COMBINED		LIABILITY MUTUAL INSURANCE		COMMERCIAL CRIME		
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$	
C3 SCHEME MANAGEMENT FEES							
Included within administration and general expenses are management fees paid to the service provider for:							
Reinsurance placement, risk management and administration	C3.1	2,083,634	3,016,831	2,083,634	3,016,831	-	-
Claims Management		578,423	835,121	578,423	835,121	-	-
TOTAL SCHEME MANAGEMENT FEES		2,662,057	3,851,952	2,662,057	3,851,952	-	-

C3.1 Reinsurance Placement Expense

Reinsurance expense relates to insurance premiums paid to reinsurers in accordance with the established reinsurance strategy of the entity and in order to protect the Insurance businesses from catastrophic and unforeseen claims.

NOTE D: ASSETS WE MANAGE

Structure:

D1 Investments

D2 Fair Value Measurement

D1 INVESTMENTS

Investments are valued at fair value at balance date. Investment income includes interest received and receivable on investments and changes in fair values of investments in cash and fixed interest funds.

D2 FAIR VALUE MEASUREMENT

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the MAV determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. MAV does not have any level 3 financial assets.

Cash and cash equivalents is considered level 1 financial assets.

NOTE E: OTHER ASSETS AND LIABILITIES

Structure

E1 Receivables

E2 Premiums and Income in Advance

E3 Payables

	COMBINED		LIABILITY MUTUAL INSURANCE		COMMERCIAL CRIME	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
E1 TRADE AND OTHER RECEIVABLES						
Future reinsurance and other recoveries receivable	174,088,523	159,475,116	174,088,523	159,475,116	-	-
Discount to present value	(24,993,073)	(17,556,343)	(24,993,073)	(17,556,343)	-	-
	149,095,450	141,918,773	149,095,450	141,918,773	-	-
Premiums receivable	56,496,687	50,158,944	56,496,687	50,158,944	-	-
Other receivables	98,284	108,753	98,284	108,753	-	-
Less provision for doubtful debts	-	-	-	-	-	-
	56,594,971	50,267,697	56,594,971	50,267,697	-	-
TOTAL RECEIVABLES	205,690,421	192,186,470	205,690,421	192,186,470	-	-
Represented By:						
CURRENT	85,726,772	77,417,377	85,726,772	77,417,377	-	-
NON-CURRENT	119,963,649	114,769,092	119,963,649	114,769,092	-	-
TOTAL	205,690,421	192,186,469	205,690,421	192,186,469	-	-

Reinsurance recoveries are due from reinsurers with S&P ratings of AA-, A and A-. Other recoveries are due from unrated Local Authorities based in Victoria and Tasmania.

E1.1 Reinsurance and other recoveries receivable

Reinsurance and other recoveries receivable on paid claims, reported claims not paid, claims incurred but not reported and unexpired risk liabilities are recognised as revenue. Recoveries receivable are assessed in a manner similar to the assessment of outstanding claims. Recoveries are measured as the present value of the expected future receipts, calculated on the same basis as the liability for outstanding claims.

E1.2 Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised where there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue, other than outstanding reinsurance recoveries, are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

Notes to and forming part of the financial statements (continued)

The ageing analysis of premiums receivable and other receivables are as follows:

2023	Total	<30 days	31 - 60 days	61 - 90 days	>90 days
Combined	56,594,971	56,594,971	-	-	-
Liability Mutual Insurance	56,594,971	56,594,971	-	-	-
Commercial Crime Fund	-	-	-	-	-

2022	Total	<30 days	31 - 60 days	61 - 90 days	>90 days
Combined	50,267,697	50,267,697	-	-	-
Liability Mutual Insurance	50,267,697	50,267,697	-	-	-
Commercial Crime Fund	-	-	-	-	-

All premiums receivable and other receivables are due from Local Authorities based in Victoria and Tasmania.

	COMBINED		LIABILITY MUTUAL INSURANCE		COMMERCIAL CRIME	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
E2 PREMIUMS IN ADVANCE						
Contributions billed in advance	51,643,317	45,599,039	51,643,317	45,599,039	-	-

E2.1 Premiums in advance

During the month of June each year, the Liability Mutual Insurance Scheme issues premium notices to Scheme members. The risk attaches to the premiums in the next accounting period and accordingly the revenue is recognised each following year commencing 1 July. Prior to each balance date members have committed to participate in either the Scheme or the Fund for the ensuing year and accordingly the premiums are disclosed in the Statement of Financial Position as "premiums receivable" with an offsetting liability described as "premiums in advance".

E3 PAYABLES

E3.1 Trade and other payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Notes to and forming part of the financial statements (continued)

NOTE F: INSURANCE PROVISIONS

Structure:

F1 Outstanding claims

F2 Reconciliation of movement in discounted outstanding claims liability

F3 Net claims incurred

F4 Claims development table

	COMBINED		LIABILITY MUTUAL INSURANCE		COMMERCIAL CRIME	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
F1 OUTSTANDING CLAIMS						
Central estimate	214,846,926	169,499,128	214,846,926	169,499,128	-	-
Discount to present value	(33,660,381)	(20,465,901)	(33,660,381)	(20,465,901)	-	-
Excesses and recoveries - Discount to present value	2,066,694	1,649,863	2,066,694	1,649,863	-	-
	183,253,239	150,683,090	183,253,239	150,683,090	-	-
Claims handling costs	847,799	829,150	847,799	829,150	-	-
Risk margin	-	-	-	-	-	-
TOTAL OUTSTANDING CLAIMS	184,101,038	151,512,240	184,101,038	151,512,240	-	-
Comprising:						
CURRENT	28,187,984	24,170,824	28,187,984	24,170,824	-	-
NON-CURRENT	155,913,054	127,341,416	155,913,054	127,341,416	-	-
TOTAL OUTSTANDING CLAIMS	184,101,038	151,512,240	184,101,038	151,512,240	-	-

As at 30 June 2023, the MAV Insurance Board determined that the outstanding claims liability is to be held at the 50% probability of sufficiency on the basis of the non-discretionary mutual structure of the LMI Scheme. As a result, a 0% risk margin was applied to the central estimate (2022: 0%) to achieve the desired level of sufficiency.

Notes to and forming part of the financial statements (continued)

F2 COMBINED RECONCILIATION OF MOVEMENT IN DISCOUNTED OUTSTANDING CLAIMS LIABILITY

	2023			2022		
	Gross \$	Reinsurance \$	Net \$	Gross \$	Reinsurance \$	Net \$
Outstanding claims brought forward	151,512,241	141,918,773	9,593,468	129,102,325	124,105,048	4,997,277
Changes in assumptions	(1,151,028)	(1,041,375)	(109,653)	(6,129,330)	(5,273,101)	(856,229)
Increase in claims incurred/ recoveries anticipated	64,568,364	36,085,158	28,483,206	48,167,217	41,308,178	6,859,039
Incurred claims recognised in income statement	63,417,337	35,043,783	28,373,553	171,140,212	160,140,125	11,000,087
Claim payments (recoveries) during the year	(30,828,540)	(27,867,106)	(2,961,433)	(19,627,971)	(18,221,352)	(1,406,619)
Outstanding claims carried forward	184,101,038	149,095,450	35,005,588	151,512,241	141,918,773	9,593,468
Debtor Excesses and Reinsurance Recoveries on Paid Claims	-	5,370,686	(5,370,686)	-	4,972,188	(4,972,188)
TOTAL NET OUTSTANDING CLAIMS	184,101,038	143,724,764	40,376,274	151,512,241	136,946,585	14,565,656

F3 NET CLAIMS INCURRED

	2023			2022		
	Current Year \$	Prior Year \$	Total \$	Current Year \$	Prior Year \$	Total \$
LIABILITY MUTUAL INSURANCE						
Gross claims and related expenses – undiscounted	47,214,337	28,980,649	76,194,987	42,079,323	14,272,649	56,351,972
Discount	(7,948,925)	(4,828,725)	(12,777,650)	(5,284,763)	(9,029,322)	(14,314,085)
Gross Claims and related expenses – discounted	39,265,412	24,151,924	63,417,337	36,794,560	5,243,327	42,037,887
Reinsurance and other recoveries – undiscounted	(11,664,264)	(30,323,106)	(41,987,370)	(30,822,652)	(16,975,664)	(47,798,316)
Discount	(1,073,439)	8,017,025	6,943,587	456,603	11,306,637	11,763,239
Reinsurance and other recoveries – discounted	(12,737,703)	(22,306,081)	(35,043,783)	(30,366,049)	(5,669,027)	(36,035,077)
NET CLAIMS INCURRED	26,527,709	1,845,843	28,373,554	6,428,511	(425,700)	6,002,810

Notes to and forming part of the financial statements (continued)

F4 CLAIMS DEVELOPMENT TABLE

Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
GROSS ESTIMATE OF ULTIMATE CLAIMS COST											
At end of accident year	22,191,872	22,465,862	22,303,614	20,097,434	21,743,945	22,793,891	24,705,870	30,720,155	41,062,929	46,469,895	
One year later	22,401,912	21,693,885	20,487,169	21,295,287	21,194,033	23,080,037	26,255,218	38,132,271	43,027,312		
Two years later	28,143,146	21,462,820	18,332,131	20,143,548	21,196,000	24,778,903	25,467,579	48,288,683			
Three years later	28,118,433	21,059,584	17,579,579	18,803,428	21,843,602	29,855,405	24,102,517				
Four years later	26,386,726	20,988,591	23,198,558	21,437,347	27,911,688	34,100,745					
Five years later	25,709,500	22,615,763	23,992,747	18,770,721	28,536,962						
Six years later	26,048,889	23,941,043	23,904,496	29,658,062							
Seven years later	25,845,811	24,599,167	24,038,941								
Eight years later	25,199,008	26,312,049									
Nine years later	24,960,459										
<i>Current estimate of</i>											
Cumulative claims cost	24,960,459	26,312,049	24,038,941	29,658,062	28,536,962	34,100,745	24,102,517	48,288,683	43,027,312	46,469,895	329,495,624
Cumulative payments	(23,159,483)	(21,415,871)	(18,973,361)	(14,238,914)	(13,935,884)	(11,451,180)	(8,154,798)	(4,352,543)	(1,885,323)	(286,418)	(117,853,774)
Outstanding claims - undiscounted	1,800,976	4,896,178	5,065,580	15,419,148	14,601,078	22,649,565	15,947,719	43,936,140	41,141,989	46,183,477	211,641,850
DISCOUNT											(31,229,506)
Claims Handling Expense											833,910
2013 and prior											2,854,784
TOTAL GROSS OUTSTANDING CLAIMS F1											184,101,038

Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
NETT ESTIMATE OF ULTIMATE CLAIMS COST											
At end of accident year	4,602,870	12,238,620	3,710,694	3,367,525	35,959	1,278,911	3,851,527	4,763,923	6,002,562	30,630,162	
One year later	4,674,158	11,932,830	3,740,554	68,793	47,759	1,300,067	3,892,698	5,039,117	5,999,639		
Two years later	4,707,042	11,973,116	90,797	174,862	107,740	1,319,341	3,856,114	7,314,288			
Three years later	4,237,880	3,598,339	335,276	263,365	141,874	1,287,260	3,895,577				
Four years later	2,799,428	3,693,245	457,093	267,548	141,484	1,346,274					
Five years later	2,834,228	3,806,394	510,580	330,038	162,994						
Six years later	2,865,305	3,843,435	525,251	335,635							
Seven years later	2,873,721	3,850,230	525,635								
Eight years later	2,859,177	3,856,579									
Nine years later	2,879,177										
<i>Current estimate of</i>											
Cumulative claims cost	2,879,177	3,856,579	525,635	335,635.27	162,993.91	1,346,274	3,895,577	7,314,288	5,999,639	30,630,162	56,945,961
Cumulative payments	(2,885,835)	(4,128,472)	(686,915)	(513,648)	(813,253)	(2,058,053)	(2,180,539)	(1,645,989)	(839,215)	(236,690)	(15,988,611)
Outstanding claims - undiscounted	(6,658)	(271,893)	(161,280)	(178,013)	(650,259)	(711,779)	1,715,038	5,668,299	5,160,424	30,393,471	40,957,350
DISCOUNT											(6,600,615)
Claims Handling Expense											833,910
2013 and prior											(185,057)
OUTSTANDING CLAIMS											35,005,588
Debtor Excesses and Reinsurance Recoveries on Paid Claims											5,370,686
TOTAL NET OUTSTANDING CLAIMS F2											40,376,274

NOTE G: FINANCING OUR OPERATIONS

Structure

G1 Notes to statement of cash flows

G1.1 Cash and cash equivalents at balance date as shown in the Statement of Cash Flows are held in NAB cash deposits and are reconciled to the related items in the Statement of Financial Position as follows:

	COMBINED		LIABILITY MUTUAL INSURANCE		COMMERCIAL CRIME	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Cash and Cash Equivalents	5,629,731	8,927,999	5,414,196	8,802,501	215,535	125,498
Reconciliation of Net Cash (Used In)/provided by Operating Activities to Operating Surplus/(Deficit)						
Surplus (deficit) for year	(787,410)	2,762,852	(778,413)	2,753,233	(8,997)	9,619
Adjustments for:						
Depreciation	-	-	-	-	-	-
Amortisation	-	-	-	-	-	-
Unrealised gains/losses on investments	(487,641)	99,679	(487,641)	99,679	-	-
Changes in assets and liabilities:						
(Increase)/decrease in trade and other receivables	(6,327,275)	(4,852,248)	(6,327,275)	(4,852,248)	-	-
Increase/(decrease) in trade and other payables	210,661	964,164	111,627	1,027,086	99,034	(62,922)
(Increase)/decrease in reinsurance recoveries	(7,176,677)	(17,813,725)	(7,176,677)	(17,813,725)	-	-
Increase/(decrease) in premiums in advance	6,044,277	2,875,605	6,044,277	2,875,605	-	-
Increase/(decrease) in outstanding claims	32,588,797	22,409,916	32,588,797	22,409,916	-	-
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	24,064,732	6,446,243	23,974,695	6,499,546	90,037	(53,303)

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

NOTE H: PEOPLE AND RELATIONSHIPS

Structure

H1 Related Parties

H2 Remuneration of Key Management Personnel

H3 Auditor Fees

H1 RELATED PARTIES

The MAV is a body corporate established under the *Municipal Association Act 1907* to provide services for and represent Local Government authorities in Victoria. The MAV and its wholly owned controlled entities trade with its members in the normal course of business and on an arm's length basis. The Deed of Establishment provides for the MAV to appoint a Committee of Management (MAV Insurance Board) to be responsible for the administration of the Scheme. Total expenses of \$533,205 (2022 \$520,000) were payable to the MAV being payment for administrative support, and overseeing the management of the insurance activities, including the conduct of bi-monthly Board meeting. The MAV pays insurance premiums to the Liability Mutual Insurance Scheme \$25,282 (2022 \$24,546) and to the Commercial Crime Fund \$15,694 (2022 \$13,743). Other than this, there were no other related party transactions.

Board members during the year

R. Spence (Independent Chair)

Cr. D. Clark (MAV President)

Cr. M. Emerson (MAV Board Representative)

J. Drysburgh (General Manager Brighton Council)

J. Bennie (Greater Dandenong City Council - Chief Executive Officer) - until 4 November 2022

A. Day (Manningham City Council - Chief Executive Officer) - from 4th November 2022

H. Sui (Moonee Valley City Council - Chief Executive Officer) from 4th November 2022

D. Lester (LGAT - Chief Executive Officer)

K. Thompson (MAV - Chief Executive Officer) until 20 March 2023

D. Isola (Acting MAV Chief Executive Officer) between 21 March 2023 and 30 April 2023

T. Edwards (Acting MAV Chief Executive Officer) from 1 May 2023

K. Williams (Independent)

K. Reid (Independent)

P. Woodhouse (Independent)

B. Richards (Independent)

H2 REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key Management Personnel (KMP) are those personnel who have the authority and responsibility for planning, directing and controlling the activities of MAV Insurance, directly or indirectly. KMP of MAV Insurance include MAV Board Members, Insurance Board Members and the CEO.

No remuneration was paid to MAV Board Members by MAV Insurance during the year, who are remunerated separately by the MAV (related party).

Notes to and forming part of the financial statements (continued)

Independent Board members receive meeting fees.

	Annual Meeting Allowance					
	\$					
Chairperson	25,000					
Independent Board members	15,300					
	COMBINED		LIABILITY MUTUAL INSURANCE		COMMERCIAL CRIME	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
Short-term remuneration of MAV Insurance						
Board and key management personnel (Cost of key management personnel is recovered by the MAV)	143,315	168,562	143,315	168,562	-	-
Post employment benefits	3,073	4,019	3,073	4,019	-	-

Loans to KMP and MAV Insurance Board members

No loans were made to or are payable by Insurance Board Members during the year.

Other transactions

There were no other material transactions with Insurance Board Members.

Insurance

The activities of the MAV Insurance Board members are covered by the MAV directors and officers indemnity insurance policy effected by the MAV.

	COMBINED		LIABILITY MUTUAL INSURANCE		COMMERCIAL CRIME	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
H3 AUDIT FEES						
Amounts payable or due and payable for audit services:						
Audit of the entity	175,000	200,403	175,000	200,403	-	-
TOTAL AUDIT FEE	175,000	200,403	175,000	200,403	-	-

NOTE I: MANAGING UNCERTAINTIES

Structure

- I1 Risk management objectives and policies for mitigating insurance risk
- I2 Capital management objectives and economic dependency
- I3 Contingent liabilities
- I4 Purchase of retrospective insurance
- I5 Accounting estimates and judgements
- I6 Actuarial assumptions and methods
- I7 Interest rate risk
- I8 Liquidity risk
- I9 Credit risk

I1 RISK MANAGEMENT OBJECTIVES AND POLICIES FOR MITIGATING INSURANCE RISK

The MAV's local government mutual liability scheme (trading as Liability Mutual Insurance) is established by legislation contained in the *Municipal Association Act 1907*. Membership is available to local government councils and prescribed bodies. The Scheme operates in Victoria and Tasmania to provide services to members in respect of their potential and actual liabilities. A member may seek indemnity from the Scheme in respect of a claim.

Actuarial models, using information from the Scheme's management information systems are used to confirm contributions and monitor claim patterns. Past experience and statistical methods are used as part of the process.

The principal risk is that the frequency and severity of claims is greater than expected. Civil Liability Risk events are, by their nature, random, and the actual number and size of events during any one-year may vary from those estimated using established statistical techniques.

Objectives in managing risk arising from insurance and policies for mitigating those risks

The Scheme has an objective to control insurance risk thereby reducing the volatility of its operating surplus. In addition to the inherent uncertainty of civil liability risks, which can lead to variability in the loss experience, operating surpluses can also be affected by external factors, such as competition and movements in asset values.

The Scheme relies on a strong relationship with its members and actively encourages them to adopt practices of risk management that reduce the incidence of claims to the Scheme.

Reinsurance strategy

The Scheme adopts a conservative approach towards management of risk and does this by utilising various risk transfer options. The MAV Insurance Board determines the level of risk, which is appropriate for the Scheme having regard to ordinary concepts of prudence and regulatory constraints. The risk transfer arrangements adopted by the Scheme include the utilisation of commercial reinsurance / excess arrangements. These arrangements include constant review of both reinsurers' financial strength, and ensuring spread of risk among reinsurers who meet the requirements of the MAV insurance policies. These risk transfer arrangements assist the Scheme to limit exposures to large single claims, catastrophic events, and a higher than expected number of smaller claims. These programs are reviewed each year to ensure that they continue to meet the risk needs of the Scheme. In 2018 the Scheme purchased retrospective re-insurance that fully reinsures all claims made against the Scheme up to 30 June 2018.

Terms and conditions of membership

Membership to the Scheme is offered to eligible bodies and renewed annually on 30 June. Payment of the annual contribution confirms continuation of membership.

Product features

The Scheme operates in Victoria and Tasmania. Should a claim be accepted the Scheme provides indemnity to the member in respect of its civil liabilities for \$600 million Public / Products Liability and \$600 million for Professional Indemnity insurance, in excess of any self-insured amount, for any claim incurred anywhere throughout the world.

Operating surpluses and deficits arise from the total contributions charged to members less the amounts paid to cover claims and the expenses incurred by the Scheme.

Management of risks

The key insurance risks that affect the Scheme are contribution risk, and claims experience risk.

Contribution risk is the risk that the Scheme does not charge contributions appropriate for the indemnity cover it provides. The Scheme manages contribution risk through its proactive approach to risk management that addresses all material risks both financial and non-financial. There are no specific terms and conditions that are expected to have a material impact on the financial statements.

Claims experience risk is managed through the non-financial risk assessment and risk management and reinsurance management process. Claims experience is monitored on an ongoing basis to ensure that any adverse trending is addressed. The Scheme is able to reduce the claims experience risk of severe losses through the reinsurance program, and by managing the concentration of insurance risks. LMI is a non-discretionary mutual fund which, under the Constitution has the ability to obtain contributions from members to pay liabilities and expenses.

Concentration of insurance risks

Insurance risk is managed by taking a long term approach to setting the annual contribution rates that eliminates price fluctuations, through appropriate investment strategy, reinsurance and by maintaining an active state-wide risk management profile. The Scheme keeps abreast of changes in the general economic, legal and commercial environment in which it operates. The Scheme spreads its risk of reinsurance failure by ensuring reinsurers are of high financial quality and can meet their commitments to the MAV. The MAV maintains policies and strategies and receives advice from an independent actuary on at least an annual basis in order to determine the concentration and amount of risk exposure.

12 CAPITAL MANAGEMENT OBJECTIVES AND ECONOMIC DEPENDENCY

The MAV is specifically excluded from the provisions of the *Insurance Act* and from APRA regulation. There is no externally imposed capital requirement on the MAV. The MAV's capital management philosophy is focused on capital efficiency and effective risk management to support a progressive business model for the benefit of members of both LMI and the Commercial Crime Fund. The Board of directors and management have in place a strategic plan that is aligned to achieving the MAV's capital management philosophy with an objective to remain in surplus. Key elements of this plan include premium setting, risk management, claims management and reinsurance management.

The MAV operates LMI which is a non-discretionary mutual fund, and under Sections 6.4 and 6.5 of the Constitution the MAV has the ability to obtain contributions from members to meet any shortfall in the Provision set aside in respect of that insurance year.

Section 6.4 of the Constitution, states that each Participant (member) will remain liable to make further contributions to the Scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the Participant remains a Participant in future insurance years.

13 CONTINGENT LIABILITY

During the normal course of business, the Scheme may be exposed to contingent liabilities from litigation arising from its insurance and reinsurance activities, which if they should crystallise may adversely affect the financial position and performance of MAV. Provisions are made for obligations that are probable and able to be quantified.

No other material contingent liabilities have arisen in the year ended 30 June 2023.

14 PURCHASE OF RETROSPECTIVE INSURANCE COVER - LIABILITY MUTUAL INSURANCE SCHEME

The MAV has purchased retrospective reinsurance cover on the net amount of all MAV Insurance outstanding net claims liabilities from 30 June 2018 for the 2008/2009 to 2017/2018 accident years incurred up to 30 June 2018. The coverage has a retrospective date of 30 June 2018. The MAV authorised management to negotiate the retrospective coverage on 8 June 2018. Subsequent to this, MAV received an offer to purchase retrospective coverage on 30 August 2018. The MAV Board endorsed the purchase of coverage on 14 September 2018 and a contract was signed on 18 September 2018. The discounted net amount of claims reinsured was \$21.7 million. A premium of \$20 million has been agreed with a single reinsurer which has an S&P credit rating of A+.

15 ACCOUNTING ESTIMATES AND JUDGEMENTS

The Scheme makes estimates and judgements in respect of certain key assets and liabilities. Estimates and judgements are continually reviewed and are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas in which critical estimates and judgements are applied are described below.

15.1 Estimation of outstanding claims liability

Provision is made at the year-end for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported ("IBNR") to the Scheme. The Scheme takes all reasonable steps to ensure that it has appropriate information regarding its claims exposure. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome may be different from the original liability established.

Provisions are calculated gross of all recoveries. A separate estimate is made of the amounts that will be recoverable from reinsurers and any third party.

The determination of an appropriate outstanding claims provision involves:

- (i) Establishing a case estimate for each reported claim at year-end taking into account legal advice where appropriate on larger claims;
- (ii) Allowance for incurred but not reported claims as confirmed by the actuarial review on 30 June 2023;
- (iii) Allowance for incurred but not enough reported claims as confirmed by the actuarial review on 30 June 2023;
- (iv) Allowances for claim inflation of 3.85%, as assumed by the Actuary;
- (v) Allowances for discount at 4.01%, as assumed by the Actuary;
- (vi) A risk margin of 0% of net outstanding claims after the effect of reinsurance has been applied.

Details of specific actuarial assumptions used in deriving the outstanding claims liability at year-end are detailed in note 16.

15.2 Assets arising from reinsurance contracts

Assets arising from reinsurance contracts were estimated for each fund year, from the payments to date and estimated outstanding claims history at 30 June 2023, taking into account the reinsurance terms applying to that fund year.

16 ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial assumptions

The following assumptions have been made in determining the outstanding claims liabilities:

	2023	2022
Key actuarial assumptions		
Wage inflation	3.85%	3.69%
Discount rate	4.01%	3.35%
Risk margin	0.00%	0.00%
Superimposed inflation (Public liability - personal injury portfolio)	1.75%	1.75%

Notes to and forming part of the financial statements (continued)

Process used to determine actuarial assumptions

A description of the processes used to determine the above key actuarial assumptions is provided below:

Liability Mutual Insurance has provided public and professional indemnity insurance to local government bodies in Victoria and Tasmania and other bodies constituted under any Act for any public or local governing purpose since 30 September 1993. The Actuary was supplied with details of all transactions (payments, recoveries, changes of estimates) from 30 September 1993 to 30 June 2023. The individual claim payments and case estimates reconciled closely with totals in Liability Mutual Insurance financial statements for each year of cover. The actuary subdivided the claims data into four claim types (Public Liability - Personal Injury, Public Liability - Property Damage, Professional Indemnity and the 2009 Bushfire claims) and made separate estimates of the gross outstanding claims liabilities for each of these claim types. The actuary estimated the gross outstanding claims liabilities for each claim type using five different actuarial methods.

Large claims (claims above \$250,000 in 2009 dollars) were estimated based on a numbers times average size method and non-large claims were estimated using four different actuarial methods- payments per claim incurred, payments per claim finalised, incurred cost development and projection of case estimates. The actuary selected a combination of these methods for estimating the outstanding claims. Payments were projected with a payment pattern, based on past experience. Estimates of outstanding excesses were based on a numbers times average size method and estimates of non-reinsurance recoveries were made by a recoveries per claim method. Claim administration expenses at 30 June 2023 approximate actual costs to be incurred.

Estimates of reinsurance recoveries were made from projected gross payments, excesses and non-reinsurance recoveries, allowing for the different insurance treaties applying to each year. Based on Access Economics June 2023 forecasts for Victorian average weekly wage inflation was assumed to be 3.85%. The discount rate was assumed to be 4.01% pa., derived from the yields on Commonwealth Government bonds.

A risk margin of 0% of the net liabilities was used to give a probability of 50% that the provisions will prove adequate to meet the relevant liabilities.

VARIABLE	IMPACT OF MOVEMENT IN VARIABLE
Wage inflation	Expected future payments are inflated to take account of inflationary increases. An increase or decrease in the assumed levels of economic inflation would have a corresponding impact on claims expense, with particular reference to longer tail claims.
Discount rate	The outstanding claims liability is calculated by reference to expected future payments. These payments are discounted to adjust for the time value of money. An increase or decrease in the assumed discount rate will have an opposing impact on total claims expense.
Case estimate development	Case estimates are initially established in accordance with established guidelines and by reference to the known facts. Where new information becomes available the initial case estimate will change. This development movement is applied to open claims and will have a corresponding impact on claims expense.

Notes to and forming part of the financial statements (continued)

Wage Inflation rate sensitivity

Expected future payments are inflated to take account of inflationary increases. An increase or decrease in the assumed levels of economic inflation would have a corresponding impact on claims expense, with particular reference to longer tail claims.

Variable	Current Rate %	Change variable to +0.5%/0.5% %	Operating surplus (deficit) at 30 June 2023 \$	Total Accumulated Funds after the impact of applying variable \$
IMPACT OF CHANGES IN KEY VARIABLES LIABILITY MUTUAL INSURANCE				
Base value at 30 June 2023	3.85%		(778,413)	3,977,576
Wage Inflation rate p.a.		4.35%	(1,539,413)	3,216,576
		3.35%	(17,413)	4,738,576

Discount rate sensitivity

The reinsurance indemnity contracts contain no clauses that expose the Scheme, directly to interest rate risk. The reinsurance contracts are long term arrangements, reviewed and payable annually.

Variable	Current Rate %	Change variable to +0.5%/0.5% %	Operating surplus (deficit) at 30 June 2023 \$	Total Accumulated Funds after the impact of applying variable \$
IMPACT OF CHANGES IN DISCOUNT RATES LIABILITY MUTUAL INSURANCE				
Base value at 30 June 2023	4.01%		(778,413)	3,977,576
Discount rate p.a.		4.51%	(62,413)	4,693,576
		3.51%	(1,494,413)	3,261,576

Claims handling sensitivity

Future claims handling expenses represent administrative costs relating to the payment of claims incurred to date.

Variable	Current Rate %	Change to the Current Rate +0.5%/-0.5% %	Operating surplus (deficit) at 30 June 2023 \$	Total Accumulated Funds after the impact of applying variable \$
IMPACT OF CHANGES IN KEY VARIABLES LIABILITY MUTUAL INSURANCE				
Base value at 30 June 2023	0.56%		(778,413)	3,977,576
Claim administration expense		1.06%	(1,270,913)	3,485,076
		0.06%	(285,913)	4,470,076

Notes to and forming part of the financial statements (continued)

Non-large average claim size

This covers the cost of estimated claims up to \$389,000. For claims which exceed the threshold, all costs up to \$389,000 are included in the non-large value.

Variable	Current Value \$	Change variable to +10%/-10% \$	Operating surplus (deficit) at 30 June 2023 \$	Total Accumulated Funds after the impact of applying variable \$
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IMPACT OF CHANGES IN KEY VARIABLES LIABILITY MUTUAL INSURANCE

Base value at 30 June 2023	45,136,000		(778,413)	3,977,576
Average claim size		(4,760,000)	(5,538,413)	(1,560,837)
		4,760,000	3,981,587	7,959,163

Incurred but not enough yet reported (IBNER) - Case estimate development of large claims

This covers the cost of estimated claims between \$389,000 and \$1m.

Variable	Current Value \$	Change variable to +25%/-25% \$	Operating surplus (deficit) at 30 June 2023 \$	Total Accumulated Funds after the impact of applying variable \$
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IMPACT OF CHANGES IN KEY VARIABLES LIABILITY MUTUAL INSURANCE

Base value at 30 June 2023	40,520,000		(778,413)	3,977,576
Case estimate development of large claims		(144,000)	(922,413)	3,055,163
		144,000	(634,413)	3,343,163

Claim Numbers

This covers the increase or reduction of personal injury claims from the central estimate for the fund years 2021, 2022 and 2023, based on the dollar impact on the net discounted provision.

	Number of Claims	Operating surplus (deficit) at 30 June 2023 \$	Total Accumulated Funds after the impact of applying variable \$
		(778,413)	3,977,576
Additional personal injury claims	30	(2,405,413)	1,572,163
Additional personal injury claims	60	(4,383,413)	(405,837)
Fewer personal injury claims	30	1,064,587	5,042,163
Fewer personal injury claims	60	2,825,587	6,803,163

Notes to and forming part of the financial statements (continued)

17 INTEREST RATE RISK

The Group's exposure to interest rate risk and the effective average interest rate for the classes of financial assets is set out below:

2023	NOTE	COMBINED		LIABILITY MUTUAL INSURANCE		COMMERCIAL CRIME	
		Non-Interest Earning \$	Floating Interest Rate \$	Non-Interest Earning \$	Floating Interest Rate \$	Non-Interest Earning \$	Floating Interest Rate \$
FINANCIAL ASSETS							
Cash and cash equivalents	G1	-	5,629,731	-	5,414,196	-	215,535
Investments	D1	-	37,498,662	-	37,498,662	-	-
Trade and other receivables	E1	205,690,421	-	205,690,421	-	-	-
TOTAL FINANCIAL ASSETS		205,690,421	43,128,394	205,690,421	42,912,859	-	215,536
Weighted Average Interest Rate			5.1%		5.2%		4.1%
FINANCIAL LIABILITIES							
Outstanding claims	F1	184,101,038	-	184,101,038	-	-	-
Unearned premiums/subscriptions	E2	51,643,317	-	51,643,317	-	-	-
Trade and other payables	E3	8,985,236	-	8,881,348	-	103,888	-
TOTAL FINANCIAL LIABILITIES		244,729,590	-	244,625,702	-	103,888	-

2022	COMBINED		LIABILITY MUTUAL INSURANCE		COMMERCIAL CRIME	
	Non-Interest Earning \$	Floating Interest Rate \$	Non-Interest Earning \$	Floating Interest Rate \$	Non-Interest Earning \$	Floating Interest Rate \$
FINANCIAL ASSETS						
Cash and cash equivalents	-	8,927,999	-	8,802,501	-	125,498
Investments	-	9,648,021	-	9,648,021	-	-
Trade and other receivables	192,186,469	-	192,186,469	-	-	-
TOTAL FINANCIAL ASSETS	192,186,469	18,576,020	192,186,469	18,450,522	-	125,499
Weighted Average Interest Rate		1.8%		1.9%		1.4%
FINANCIAL LIABILITIES						
Outstanding claims	151,512,240	-	151,512,240	-	-	-
Unearned premiums/subscriptions	45,599,039	-	45,599,039	-	0	-
Trade and other payables	8,774,577	-	8,769,723	-	4,854	-
TOTAL FINANCIAL LIABILITIES	205,885,856	-	205,881,002	-	4,854	-

Investments are considered level 2 financial assets in accordance with AASB 13 (Fair Value Measurement). The carrying amounts of financial assets and financial liabilities represent their approximate fair value. All maturity dates are within twelve months.

Notes to and forming part of the financial statements (continued)

The table below reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities as at 30 June 2023. Cash flows for financial assets and liabilities without fixed amounts or timing are based on conditions existing at 30 June 2023.

The remaining contractual maturities of the financial liabilities are:

	COMBINED		LIABILITY MUTUAL INSURANCE		COMMERCIAL CRIME	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
3 months or less	29,080,522	26,281,100	28,976,634	26,276,246	103,888	4,854
3-12 months	60,285,858	52,519,568	60,285,858	52,519,568	-	-
1-5 years	121,584,052	97,349,259	121,584,052	97,349,259	-	-
Over 5 years	65,372,846	48,551,968	65,372,846	48,551,968	-	-
	276,323,278	224,701,895	276,219,390	224,697,041	103,888	4,854

Interest rate risk

MAV Insurance is exposed to interest rate risk from its cash, cash equivalents and investments.

Variable	Current Rate %	Change variable to +1.0%/-1.0% \$	Operating surplus (deficit) at 30 June 2023 \$	Total Accumulated Funds after the impact of applying variable \$
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IMPACT OF CHANGES IN INTEREST RATE ON FINANCIAL ASSETS MAV INSURANCE

Base value at 30 June 2023	5.1%		(787,410)	4,089,223
Interest Rate p.a.		6.1%	(2,156,062)	2,720,571
		4.1%	581,242	5,457,875

Notes to and forming part of the financial statements (continued)

18 LIQUIDITY RISK

Maturity analysis of financial assets and liabilities based on management's expectation

The risk implied from the values in the table below, reflects a balanced view of cash inflows and outflows. These liabilities originate from insurance contracts and other financial assets used in the ongoing operations of the business. These assets are considered in the MAV's overall liquidity risk. To monitor existing financial assets and liabilities as well as to enable effective controlling of future risks, the MAV has established a comprehensive risk reporting covering its insurance business that reflects the management of settlement of financial assets and liabilities. Amounts are undiscounted.

Year ended 30 June 2023	<3 months \$	3-12 months \$	1-5 years \$	>5years \$	Total \$
COMBINED FINANCIAL ASSETS					
Cash and cash equivalents	5,414,196	-	-	-	5,414,196
Investments	37,498,662	-	-	-	37,498,662
Trade and other receivables	66,044,079	19,572,613	92,533,150	52,533,651	230,683,494
	108,956,937	19,572,613	92,533,150	52,533,651	273,596,352
COMBINED FINANCIAL LIABILITIES					
Outstanding claims	7,184,457	21,553,371	121,584,052	65,372,846	215,694,725
Trade and other payables	8,881,348	-	-	-	8,881,348
TOTAL FINANCIAL LIABILITIES	16,065,805	21,553,371	121,584,052	65,372,846	224,576,073
NET MATURITY	92,891,132	(1,980,757)	(29,050,902)	(12,839,194)	49,020,279

Year ended 30 June 2022	<3 months \$	3-12 months \$	1-5 years \$	>5years \$	Total \$
COMBINED FINANCIAL ASSETS					
Cash and cash equivalents	8,927,999	-	-	-	8,927,999
Investments	9,648,021	-	-	-	9,648,021
Trade and other receivables	58,611,861	18,486,196	85,230,927	47,413,829	209,742,812
	77,187,881	18,486,196	85,230,927	47,413,829	228,318,832
COMBINED FINANCIAL LIABILITIES					
Outstanding claims	6,106,763	18,320,289	97,349,259	48,551,968	170,328,278
Trade and other payables	8,774,577	-	-	-	8,774,577
TOTAL FINANCIAL LIABILITIES	14,881,340	18,320,289	97,349,259	48,551,968	179,102,855
NET MATURITY	62,306,540	165,907	(12,118,332)	(1,138,139)	49,215,977

Notes to and forming part of the financial statements (continued)

19 CREDIT RISK

CREDIT RATING

		AAA +/- \$M	AA +/- \$M	A +/- \$M	BBB \$M	Speculative Grade \$M	Not Rated \$M	Total \$M
Reinsurance and other recoveries on outstanding claims	2023	-	0.801	56.133	-	-	-	56.934
	2022	-	0.518	51.765	-	-	-	52.283
Reinsurance and other recoveries on paid claims	2023	-	0.073	3.039	-	-	-	3.112
	2022	-	-	2.575	-	-	-	2.575

PAST DUE BUT NOT IMPAIRED

		Neither past due nor impaired \$M	Less than months \$M	3 to 6 months \$M	6 months to 1 year \$M	Greater than 1 year \$M	Impaired \$M	Total \$M
Reinsurance and other recoveries on paid claims	2023	-	2.815	0.204	0.034	0.059	-	3.112
	2022	-	2.131	0.409	0.035	-	-	2.575

The Scheme is exposed to credit risk on insurance contracts as a result of exposure to reinsurers. The credit risk of reinsurers is managed through the Scheme's Reinsurance Management Strategy and policies that includes regularly monitoring both the financial rating of the reinsurers both prior to and during the reinsurance program and the flow of payments coming from the reinsurers. Investments in cash and cash equivalents at balance date as shown in the Statement of Cash Flows are held in S&P rated AA- and A- rated cash deposits.

Price risk

Investments held through managed investment schemes are subject to price risk.

J: OTHER MATTERS

Structure

- J1 Summary of significant accounting policies
- J2 Income tax
- J3 Comparative figures
- J4 Impact of COVID 19 pandemic
- J5 Events Subsequent
- J6 Number of employees

J1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Standards and Interpretations issued but not yet effective.

Reference	Title Summary	Application Date of Standard	Impact on MAV Financial Report	Application Date for MAV
AASB 17	Insurance Contracts	Reporting periods beginning on or after 1 January 2023	Adoption of this standard is not expected to have a material impact	1-Jul-23
AASB 2020-1	Amendments to AAS - Classification of Liabilities as Current or Non-current	Reporting periods beginning on or after 1 January 2023	Adoption of this standard is not expected to have a material impact	1-Jul-23
AASB 2022-8	Amendments to AAS - Insurance Contracts - Consequential Amendments	Reporting periods beginning on or after 1 January 2023	Adoption of this standard is not expected to have a material impact	1-Jul-23
AASB 2022-9	Amendments to AAS - Insurance Contracts in the Public Sector	Reporting periods beginning on or after 1 January 2026	Adoption of this standard is not expected to have a material impact	1-Jul-26
AASB 2022-10	Amendments to AAS - Fair Value Measurement of Non-Financial Assets for Not-for-profit Public Sector Entities	Reporting periods beginning on or after 1 January 2024	Adoption of this standard is not expected to have a material impact	1-Jul-24

J2 INCOME TAX

The MAV is a State and Territory Body (STB) and is exempt from income tax, in accordance with Division 1AB of Part III of the *Income Tax Assessment Act 1997*.

J3 COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

J4 IMPACT OF COVID-19 ON FINANCIAL STATEMENTS

On 30 January 2020, COVID 19 was declared as a global pandemic by the World Health Organisation. Since then, various measures have been taken by all three levels of Government in Australia to reduce the spread of COVID-19. At 30 June 2023 there is some evidence that unfavourable PL-PI experience from the 2021 fund year was at least partly driven by COVID related lockdowns. Given the long-tail nature of the scheme's claims liabilities and the existing actuarial methodologies employed to value the outstanding claim liabilities, a large proportion of any adverse development related to COVID lockdowns is likely to have recognised in the claims liabilities at the balance date. This will continue to be monitored and if any further evidence of an effect due to COVID-19 develops, this will be incorporated into the scheme's estimate of its claims liabilities.

J5 SUBSEQUENT EVENTS

There were no material events subsequent to the year end that require reporting.

J6 NUMBER OF EMPLOYEES

Nil

INDEPENDENT AUDITOR'S REPORT To the Members of MAV WorkCare

Opinion

We have audited the financial report of MAV WorkCare (the "Scheme"), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Statement by MAV WorkCare Board and Statement by MAV Directors.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Scheme as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the ABC Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Report

The directors of the Scheme are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

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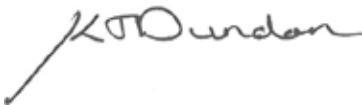
Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



RSM AUSTRALIA PARTNERS



KRISTIE DUNDON
Partner

Dated: 9 October 2023
Melbourne, Victoria

MAV WORKCARE

STATEMENT BY MAV WORKCARE BOARD

In the opinion of the MAV WorkCare Board:

- (a) the accompanying Statement of Comprehensive Income is drawn up so as to present fairly in all material respects the result of MAV WorkCare for the year ended 30 June 2023
- (b) the accompanying Statement of Financial Position is drawn up so as to present fairly in all material respects the state of affairs of MAV WorkCare as at that date
- (c) at the date of this statement there are reasonable grounds to believe that MAV WorkCare will be able to pay its debts as and when they fall due
- (d) the financial statements and notes also comply with the Australian Accounting Standards as disclosed in note A3.

The financial statements have been made out in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.

Signed



Marilyn Duncan
MAV WorkCare Board Chair



Kelly Grigsby
Chief Executive Officer - Municipal Association of Victoria

Melbourne
3/10/2023

STATEMENT BY MAV DIRECTORS

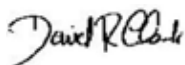
In accordance with a resolution of the directors of the Municipal Association of Victoria, we state that:

In the opinion of the Directors:

- (a) the accompanying Statement of Comprehensive Income drawn up so as to present fairly in all material respects the result of MAV WorkCare for the year ended 30 June 2023;
- (b) the accompanying Statement of Financial Position is drawn up so as to present fairly in all material respects the state of affairs of MAV WorkCare as at that date;
- (c) at the date of this statement there are reasonable grounds to believe that MAV WorkCare will be able to pay its debts as and when they fall due; and
- (d) the accompanying MAV WorkCare Financial Statements present fairly in all material respects the state of affairs of MAV WorkCare as at that date;
- (e) the financial statements and notes also comply with the Australian Accounting Standards as disclosed in note A3.

The financial statements have been made out in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.

Signed in accordance with the resolution of Directors.



Cr. David Clark
President



Cr. Jennifer Anderson
Director



Kelly Grigsby
Chief Executive Officer

Melbourne
6/10/2023

OTHER INFORMATION

Address of registered office and principal place of business:

Level 5, 1 Nicholson Street, East Melbourne, 3002, Victoria, Australia

Nature of the operation and principal activities:

The MAV was approved by WorkSafe Victoria to operate a self-insurance workers' compensation Scheme for its members and their employees for the period November 2017 until 30 June 2021 when WorkSafe Victoria did not renew the licence and as a result for the period to 30 June 2027 the MAV Work Care is now a ceased self insurer.

Statement of Comprehensive Income

for the year ended 30 June 2023

	NOTE	2023 \$	2022 \$
Net investment gain	B1	2,449	8,467
Movement in ceased self insurer provision	C2	(2,449)	(8,467)
OPERATING SURPLUS		-	-
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-

Statement of Financial Position

as at 30 June 2023

	NOTE	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents		132,869	26,172
Investments		202,140	-
Trade and other receivables	E1	414,309	1,112,200
TOTAL CURRENT ASSETS		753,068	1,138,372
NON-CURRENT ASSETS			
Trade and other receivables	E1	1,004,999	1,408,000
Motor vehicles, furniture and equipment	D1	-	-
TOTAL NON-CURRENT ASSETS		1,004,999	1,408,000
TOTAL ASSETS		1,758,067	2,546,372
CURRENT LIABILITIES			
Trade and other payables	E2	68,958	366,521
Provision for ceased self insurer members	C2	462,400	541,139
TOTAL CURRENT LIABILITIES		531,358	907,660
NON-CURRENT LIABILITY			
Provision for ceased self insurer members	C2	1,226,709	1,638,712
TOTAL NON-CURRENT LIABILITY		1,226,709	1,638,712
TOTAL LIABILITIES		1,758,067	2,546,372
NET LIABILITIES		-	-
EQUITY		-	-

The accompanying notes form an integral part of these statements.

Statement of Changes in Equity

for the year ended 30 June 2023

	2023 \$	2022 \$
RETAINED EARNINGS		
Balance at beginning of year	-	-
Income from ordinary activities	-	-
BALANCE AT END OF YEAR	-	-

Statement of Cash Flows

for the year ended 30 June 2023

	NOTE	2023 \$	2022 \$
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
Premiums and fees		1,099,060	20,486,226
Interest and investment gain		2,140	10,523
PAYMENTS			
Suppliers and Loans		(792,363)	(8,261,005)
Payments to WorkSafe Victoria		-	(75,355,343)
NET CASH FLOWS TO/FROM OPERATING ACTIVITIES	F1	308,837	(63,119,599)
CASH FLOWS TO/FROM INVESTING ACTIVITY			
Net Proceeds from redemption of investments (Application of investment funds)		(202,140)	12,012
NET CASH FROM INVESTING ACTIVITIES		(202,140)	12,012
NET INCREASE (DECREASE) IN CASH HELD		106,697	(63,107,587)
Cash at beginning of year		26,172	63,133,759
CASH AT END OF YEAR	F1	132,869	26,172

The accompanying notes form an integral part of these statements.

Notes to and forming part of the financial statements

for the year ended 30 June 2023

NOTE A: CORPORATE INFORMATION

Structure:

- A1 Corporate information
- A2 Basis of preparation
- A3 Statement of compliance
- A4 Transition to WorkSafe Victoria

A1 CORPORATE INFORMATION

The financial report of MAV WorkCare (the Scheme) for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors of the Municipal Association of Victoria (MAV), and a resolution of the directors of the MAV WorkCare board and Statement by the MAV WorkCare board on the date shown on the attached Statement by Directors and Statement by the WorkCare board.

The nature of the operations and principal activities of MAV WorkCare is the provision of workers' compensation insurance for its members and other Local Government Authorities. The MAV is specifically named in the *Workplace Injury Rehabilitation and Compensation Act 2013 (Vic)* (WIRC Act) as an entity that can hold a self-insurance licence for the benefit of its members.

MAV WorkCare is the workers' compensation insurance division of the MAV. This division commenced business on 1 November 2017 and the last day the Scheme operated as a self-insurer was 30 June 2021. From 1 July 2021 the MAV is a ceased self-insurer with ongoing requirements to 30 June 2027. The MAV is an association incorporated by an Act of the Parliament of Victoria known as the *Municipal Association Act 1907*.

Under the *Accident Compensation Act 1985* the MAV is specifically named as a body that can apply for a workers' Compensation Self-Insurance Licence. On 3 May 2017, Work Safe Victoria approved the MAV as a self-insurer commencing from 4pm on 1 November 2017. There were 31 inaugural members of the Scheme, including the MAV. The last day of the Scheme was 30 June 2021 following Work Safe Victoria's decision not to renew the licence, with all claims being transferred to Work Safe Victoria from 1 July 2021. The MAV continues to have responsibilities as a ceased self-insurer until 30 June 2027. The estimate of these expenses have been included in the ceased self insurer provision.

A2 BASIS OF PREPARATION

The financial report is a general purpose financial report which has been drawn up in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on a going concern basis.

The financial report is presented in Australian dollars. MAV WorkCare is a Not for Profit entity.

The financial statements have been prepared on the accrued basis using the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

The principal accounting policies adopted in preparing the financial report are stated to assist in a general understanding of the financial report. Accounting policies have been consistently applied unless otherwise indicated.

A3 STATEMENT OF COMPLIANCE

The financial report complies with Australian Accounting Standards, which include interpretations issued by the Australian Accounting Standards Board (AASB).

Notes to and forming part of the financial statements (continued)

A4 TRANSITION TO WORKSAFE VICTORIA

Commencing 1 July 2021, Work Safe Victoria is responsible for all claims. At 30 June 2021 the gross claims were assessed at \$75.355 million made up of \$14.549 million (current liability) and \$60.806 million (non-current liability). The assessed recoveries were \$1.934 million with a net valuation of \$73.421 million. The current and non-current value at 30 June 2021 reflect the nature of the claims.

The MAV has established a ceased self-insurer members provision for the estimated ongoing expenses at 30 June 2021, including bank guarantee expenses, expected to be incurred during the 6-year liability period as a ceased self-insurer. The provision at 30 June 2021 was \$3.117 million. At 30 June 2023 the value of the provision has decreased to \$1.689 million from \$2.180 million at 30 June 2022.

There is also a potential contingent liability in relation to the 3-year and 6-year liability period. Please refer to Note H1 Contingent Liability.

NOTE B: FUNDING THE DELIVERY OF OUR SERVICES

	NOTE	2023 \$	2022 \$
REVENUE FROM ORDINARY ACTIVITIES			
REVENUES FROM NON-OPERATING ACTIVITIES			
Investment income	B1.1	2,449	8,467
TOTAL REVENUE FROM OUTSIDE THE OPERATING ACTIVITIES		2,449	8,467
TOTAL REVENUE FROM ORDINARY ACTIVITIES		2,449	8,467

B1.1 Revenue recognition

Revenue is recognised at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms. The following specific recognition criteria must also be met before revenue is recognised.

- (i) Investment Income - on an accruals basis including adjustments made to account for changes in the value of cash backed unit trusts to account as investment income.

B1.2 Investment income

Investment income consists of interest which is recognised on a time-proportionate basis that takes into account the effective interest rate on the financial asset and movements in unit values in cash and fixed interest funds which are carried at fair value through the Statement of Comprehensive Income.

NOTE C: COST OF DELIVERING OUR SERVICES

Structure:

C1 Administration & General expenses

C2 Movement in Ceased Self Insurance Provision

C1 ADMINISTRATION & GENERAL EXPENSES

	NOTE	2023 \$	2022 \$
Administration and wind-down expenses		10,653	17,014
Bank guarantee expenses		407,538	713,313
Audit fees	G3	35,000	99,800
Depreciation of motor vehicles	D1	-	1,226
Depreciation of information technology equipment	D1	-	195
Staffing and Board costs		40,000	114,396
Expenditure incurred from prior year provision	C2	(493,191)	(945,944)
TOTAL ADMINISTRATION AND GENERAL EXPENDITURE		-	-

C2 MOVEMENT IN CEASED SELF INSURER PROVISION

	2023 \$	2022 \$
Opening balance	2,179,851	3,117,328
Expenditure incurred from prior year provision	(493,191)	(945,944)
Movement during the year	2,449	8,467
TOTAL CEASED SELF INSURER PROVISION	1,689,109	2,179,851
Represented By:		
CURRENT	462,400	541,139
NON-CURRENT	1,226,709	1,638,712
TOTAL	1,689,109	2,179,851

NOTE D: ASSETS WE MANAGE

Structure

D1 Motor Vehicles, Furniture and Equipment

D1 MOTOR VEHICLES, FURNITURE AND EQUIPMENT

	2023 \$	2022 \$
Motor vehicles	-	-
Less accumulated depreciation	-	-
	-	-
Furniture and equipment - at cost	-	-
Less accumulated depreciation	-	-
	-	-
Total written down value at year end	-	-
Reconciliations of the carrying amounts of property, furniture and equipment at the beginning and end of the financial year.		
MOTOR VEHICLES		
Movements during the year		
Beginning of year	-	11,643
Additions	-	-
Disposals	-	(10,417)
Depreciation	-	(1,226)
End of year	-	-
FURNITURE AND EQUIPMENT		
Movements during the year		
Beginning of year	-	1,790
Additions	-	-
Disposals	-	(1,595)
Depreciation	-	(195)
End of year	-	-

Motor vehicles, Furniture and Equipment are carried at cost, less where applicable, accumulated depreciation and impairment. In 2022, motor vehicle and furniture and equipment was disposed at its carrying amount. Accordingly, no gain or loss is recognised in the transaction.

All fixed assets are depreciated/amortised on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

The following depreciation and amortisation rates are in use:	Annual Rate
Motor Vehicles	20%
Furniture and Equipment	33%

NOTE E: OTHER ASSETS AND LIABILITIES

Structure

E1 Receivables

E2 Payables

E1 TRADE AND OTHER RECEIVABLES

	2023 \$	2022 \$
Other receivables	1,419,308	2,520,200
TOTAL RECEIVABLES	1,419,308	2,520,200
Represented By:		
CURRENT	414,309	1,112,200
NON-CURRENT	1,004,999	1,408,000
TOTAL	1,419,308	2,520,200

The ageing analysis of premiums receivable and other receivables are as follows:

	Total	<30 days	31-60 days	61-90 days	>90 days
2023					
MAV WorkCare	1,419,308	-	-	309	1,418,999
2022					
MAV WorkCare	2,520,200	1,835,000	-	-	685,200

E1.1 Other receivables

Other receivables relate to amounts collectible from participating members of the Scheme as part of the wind-down of the Scheme. Terms are as set by the MAV Board and are aligned to the ceased self insurer requirements of WorkSafe Victoria and the participation agreements of the Scheme. Amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

E2 Payables

Trade and other payables are carried at amortised cost and, due to their short term nature, are not discounted. They represent liabilities for goods and services provided to the Scheme prior to the end of the financial year that are unpaid and arise when the Scheme becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTE F: FINANCING OUR OPERATIONS

Structure

F1 Notes to statement of cash flows

F1 NOTES TO THE STATEMENT OF CASH FLOWS

Cash and cash equivalents at balance date as shown in the Statement of Cash Flows are held in NAB cash deposits and are reconciled to the related items in the Statement of Financial Position as follows:

	NOTE	2023 \$	2022 \$
Cash and Cash Equivalents		132,869	26,172
TOTAL CASH		132,869	26,172
Reconciliation of Net Cash (Used In) Operating Activities to Operating Surplus/(Deficit)			
Surplus/(deficit) for year		-	-
<u>Adjustments for:</u>			
Depreciation		-	1,421
<u>Changes in assets and liabilities:</u>			
(Increase) decrease in trade and other receivables and prepayments	E1	1,097,142	19,257,870
Increase(decrease) in employee entitlements		-	(68,936)
Increase (decrease) in loans, trade and other payables		(297,562)	(6,017,134)
Increase (decrease) in provision for ceased self insurance members		(490,742)	(937,477)
Increase (decrease) in outstanding claims		-	(75,355,343)
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES		308,837	(63,119,599)

Cash and cash equivalents in the balance sheet comprise cash at bank.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and deposits held at call with banks.

NOTE G: PEOPLE AND RELATIONSHIPS

Structure

G1 Related Parties

G2 Remuneration of Key Management Personnel

G3 Audit Fees

G1 RELATED PARTIES

The MAV is a body corporate established under the *Municipal Association Act 1907* to provide services for and represent local government authorities in Victoria. The MAV and its wholly owned controlled entities trade with its members in the normal course of business and on an arm's length basis. The Participation Agreement provides for the MAV to appoint the MAV WorkCare Board to be responsible for the administration of the Scheme. Some administrative items are paid on behalf of MAV Work Care by MAV General and reimbursed. Other than these, there were no other related party transactions.

Board members during the year

M. Duncan (Independent Chair)

Cr. T. Melican (MAV Board) until 2 March 2023

Cr. S. James (MAV Board) - from 6 April 2023

J. Dore (Independent)

Cr. D. Clark (MAV President)

K. Thompson (MAV Chief Executive Officer) until 20 March 2023

D. Isola (Acting MAV Chief Executive Officer) between 21 March 2023 and 30 April 2023

T. Edwards (Acting MAV Chief Executive Officer) from 1 May 2023

G2 REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key Management Personnel (KMP) are those personnel who have the authority and responsibility for planning, directing and controlling the activities of MAV WorkCare, directly or indirectly. KMP of MAV WorkCare include MAV Board Members, WorkCare Board Members and the Director MAV WorkCare.

No remuneration was paid to MAV Board Members by the MAV WorkCare Scheme during the year, who are remunerated separately by the MAV (related party).

Independent Board members receive meeting fees.

	Annual Sitting Fee 2023 \$	Annual Sitting Fee 2022 \$
Chairperson	25,000	25,000
Independent board members	15,000	15,000
	2023 \$	2022 \$
Short-term remuneration of MAV WorkCare board and key management personnel	40,000	73,672
Post employment benefits	-	4,076

Loans to MAV WorkCare Board members and other transactions

No loans were made to or are payable by WorkCare board members during the year, and there were no other material transactions with WorkCare board members.

Insurance

The activities of the MAV WorkCare board members are covered by the MAV directors and officers indemnity insurance policy effected by the MAV.

Notes to and forming part of the financial statements (continued)

G3 AUDIT FEES

	2023 \$	2022 \$
Amounts payable or due and payable for audit services:		
Audit of the entity	35,000	99,800
TOTAL AUDIT FEE	35,000	99,800

NOTE H: MANAGING UNCERTAINTIES

Structure

H1 Contingent liabilities

H2 Interest rate risk

H3 Liquidity risk

H1 CONTINGENT LIABILITY

In accordance with the *Workplace Injury Rehabilitation and Compensation Act 2013*, the MAV has a bank guarantee in place for the duration of the ceased self-insurer period at 50% of the outstanding claims liability. The guarantee is in respect of the tails claims liability given by an ADI to or in favour of WorkSafe Victoria. The guarantee must guarantee payments of amounts not less than: a) insolvency risk in respect of - i) in relation to the first year of the liability period, the initial assessment of tail claims liability until the end of the first year after the exit date ii) in relation to the second and subsequent years of the liability, the revised amount of the tail claims liability still outstanding as assessed at the end of each subsequent year of the duration of the next year until the final assessment date, and b) against claims deterioration - i) in relation to the period from the exit date until the interim assessment date, for the amount, if any, by which the revised assessment of the tail claims liability at the end of each year exceeds the initial assessment tail claims liability ii) in relation to the period referred to above, until the final assessment date, or if a review of the final assessment is undertaken resulting from the employer disputing WorkSafe Victoria's final revised assessment unit the date on which the review is finalised, for the amount, if any, by which the revised assessment of tail claims liability at the end of each year exceeds the revised assessment of tail claims liability as assessed at the end the 3rd year and 6th year.

The MAV has a bank guarantee in place which meets WorkSafe Victoria's requirements with an annual fee of 1.1% of the face value of the bank guarantee each year. Where WorkSafe Victoria make a claim on the Bank Guarantee and the cash reserves are insufficient to clear the liability, the MAV will undertake to make a claim on its members within 30 days.

In accordance with the *Workplace Injury Rehabilitation and Compensation Act 2013*, there is a six year liability period following the cessation of the Scheme (to 30 June 2027). During the liability period, adjustment payments may be required (or received). The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claim liabilities as undertaken by WorkSafe Victoria. Any adjustments, which are expected to occur at the 3-year and 6-year periods during this period will affect participating members. At 30 June 2023 the assessment is that payment experience over the past year had been broadly in line with expectations, and considered the initial assessment from 30 June 2021 to remain reasonable.

Notes to and forming part of the financial statements (continued)

H2 INTEREST RATE RISK

MAV Work Care's exposure to interest rate risk and the effective average interest rate for the classes of financial assets is set out below:

2023	Non-Interest Earning \$	Fixed Interest Rate \$	Floating Interest Rate \$
FINANCIAL ASSETS			
Cash and cash equivalents	-	-	132,869
Investments	-	202,140	-
Trade and other receivables	1,419,308	-	-
TOTAL FINANCIAL ASSETS	1,419,308	202,140	132,869
Weighted Average Interest Rate		5.07%	4.10%
FINANCIAL LIABILITIES			
Trade and other payables/loans	1,758,067	-	-
TOTAL FINANCIAL LIABILITIES	1,758,067	-	-
Weighted Average Interest Rate			

2022	Non-Interest Earning \$	Fixed Interest Rate \$	Floating Interest Rate \$
FINANCIAL ASSETS			
Cash and cash equivalents		-	26,172
Trade and other receivables	2,520,200	-	-
TOTAL FINANCIAL ASSETS		2,520,200	26,172
Weighted Average Interest Rate			0.85%
FINANCIAL LIABILITIES			
Trade and other payables	2,546,372	-	-
TOTAL FINANCIAL LIABILITIES	2,546,372	-	-
Weighted Average Interest Rate			

Investments are considered level 2 financial assets in accordance with AASB 13 (Fair Value Measurement). The carrying amounts of financial assets and financial liabilities represent their approximate fair value. All maturity dates are within twelve months.

The table on the following page reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities as at 30 June 2023. Cash flows for financial assets and liabilities without fixed amounts or timing are based on conditions existing at 30 June 2023.

Interest rate risk

MAV WorkCare is exposed to interest rate risk from its cash at bank.

MAV WorkCare manages its interest rate risk with the advice and assistance of its Investment Adviser and its independent actuary. Interest rate risk exposure showing the effect on the net operating result and total accumulated resulting from 'reasonably possible' changes in interest rate risk at 30 June 2023 is set out in the table on the following page.

Notes to and forming part of the financial statements (continued)

Variable	Current Rate %	Change variable to -1.0%/+1.0% %	Operating surplus (deficit) at 30 June 2023 \$	Total Accumulated Funds after the impact of applying variable \$
IMPACT OF CHANGES IN INTEREST RATE ON FINANCIAL ASSETS				
Base value at 30 June 2023	4.10%		-	-
Interest Rate p.a.		5.10%	-	6,700
		3.10%	-	(6,700)

H3 LIQUIDITY RISK

Maturity analysis of financial assets and liabilities based on management's expectation

The risk implied from the values in the table below, reflects a balanced view of cash inflows and outflows. These liabilities originate from workers' compensation insurance contracts and other financial assets used in the ongoing operations of the business. These assets are considered in the MAV's overall liquidity risk. To monitor existing financial assets and liabilities as well as to enable effective controlling of future risks, the MAV has established a comprehensive risk reporting covering its Workcare insurance business that reflects the management of settlement of financial assets and liabilities.

Year ended 30 June 2023	<3 months \$	3-12 months \$	1-5 years \$	>5years \$	Total \$
FINANCIAL ASSETS					
Cash and cash equivalents	132,869				132,869
Investments	202,140	-	-	-	202,140
Trade and other receivables	309	414,000	1,004,999	-	1,419,308
	335,318	414,000	1,004,999	-	1,754,317
FINANCIAL LIABILITIES					
Outstanding claims	-	-	-	-	-
Trade and other payables/loans	68,958	462,400	1,226,709	-	1,758,067
TOTAL FINANCIAL LIABILITIES	68,958	462,400	1,226,709	-	1,758,067
NET MATURITY	266,360	(48,400)	(221,710)	-	-

Year ended 30 June 2022	<3 months \$	3-12 months \$	1-5 years \$	>5years \$	Total \$
FINANCIAL ASSETS					
Cash and cash equivalents	26,172				26,172
Investments	-	-	-	-	-
Trade and other receivables	685,200	427,000	1,408,000		2,520,200
	711,372	427,000	1,408,000	-	2,546,372
FINANCIAL LIABILITIES					
Outstanding claims	-	-	-	-	-
Trade and other payables/loans	366,521	541,139	1,638,712	-	2,546,372
TOTAL FINANCIAL LIABILITIES	366,521	541,139	1,638,712	-	2,546,372
NET MATURITY	344,851	(114,139)	(230,712)	-	-

Notes to and forming part of the financial statements (continued)

NOTE I: OTHER MATTERS

Structure

- I1 Summary of significant accounting
- I2 Income tax
- I3 Comparative figures
- I4 Events Subsequent
- I5 Number of employees

I1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Standards and Interpretations issued but not yet effective

Reference	Title Summary	Application Date of Standard	Impact on MAV Financial Report	Application Date for MAV
AASB 17	Insurance Contracts	Reporting periods beginning on or after 1 January 2023	Adoption of this standard is not expected to have a material impact	1-Jul-23
AASB 2020-1	Amendments to AAS - Classification of Liabilities as Current or Non-current	Reporting periods beginning on or after 1 January 2023	Adoption of this standard is not expected to have a material impact	1-Jul-23
AASB 2022-8	Amendments to AAS - Insurance Contracts - Consequential Amendments	Reporting periods beginning on or after 1 January 2023	Adoption of this standard is not expected to have a material impact	1-Jul-23
AASB 2022-9	Amendments to AAS - Insurance Contracts in the Public Sector	Reporting periods beginning on or after 1 January 2026	Adoption of this standard is not expected to have a material impact	1-Jul-26
AASB 2022-10	Amendments to AAS - Fair Value Measurement of Non-Financial Assets for Not-for-profit Public Sector Entities	Reporting periods beginning on or after 1 January 2024	Adoption of this standard is not expected to have a material impact	1-Jul-24

I2 INCOME TAX

The MAV is a State and Territory Body (STB) and is exempt from income tax, in accordance with Division 1AB of Part III of the *Income Tax Assessment Act 1997*.

I3 COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

I4 EVENTS SUBSEQUENT

There were no material events subsequent to the year end that require reporting.

I5 NUMBER OF EMPLOYEES AT 30 JUNE 2023

Nil (2022=Nil)

INDEPENDENT AUDITOR'S REPORT To the Members of LGE Health Plan

Opinion

We have audited the financial report of LGE Health Plan (the "Plan"), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Statement by Directors.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Plan as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the ABC Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Report

The directors of the Plan are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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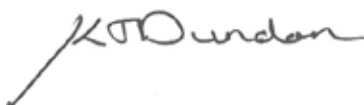
Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



RSM AUSTRALIA PARTNERS



KRISTIE DUNDON
Partner

Dated: 9 October 2023
Melbourne, Victoria

LGE HEALTH PLAN

STATEMENT BY MAV DIRECTORS

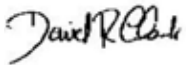
as at 30 June 2023

In the opinion of directors of The Municipal Association of Victoria:

- (a) the accompanying Statement of Comprehensive Income of the LGE Health Plan is drawn up so as to present fairly in all material respects the result of the Plan for the year ended 30 June 2023
- (b) the accompanying Statement of Financial Position is drawn up so as to present fairly in all material respects the state of affairs of the LGE Health Plan as at that date
- (c) at the date of this statement there are reasonable grounds to believe that the LGE Health Plan will be able to pay its debts as and when they fall due
- (d) the financial statements and notes also comply with the Australian Accounting Standards as disclosed in note A3.

The financial statements have been made out in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.

Signed in accordance with the resolution of directors of the Municipal Association of Victoria.



Cr. David Clark
President



Cr. Jennifer Anderson
Director



Kelly Grigsby
Chief Executive Officer

Melbourne
6/10/2023

OTHER INFORMATION

Legal form:

The MAV is an association incorporated by the *Municipal Association Act 1907*. The LGE Health Plan is a division of the MAV.

Domicile:

Melbourne, Australia

Address of registered office and principal place of business:

Level 5, 1 Nicholson Street, East Melbourne, 3002, Victoria, Australia

Nature of the operation and principal activities:

The MAV represents, promotes and supports the interest of Victorian local governments and their communities.

Statement of Comprehensive Income

for the year ended 30 June 2023

	NOTE	2023 \$	2022 \$
REVENUE			
REVENUE FROM OPERATING ACTIVITIES			
Administration allowance income	B	423,740	454,939
Interest income	B	100,031	14,522
TOTAL REVENUE		523,771	469,461
EXPENSES			
Hospital excesses refunded		134,646	132,003
Administration overhead		20,000	8,278
TOTAL EXPENSES		154,646	140,281
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		369,125	329,180

Statement of Financial Position

as at 30 June 2023

	NOTE	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	D1,F2	462,383	623,546
Term Deposits	F1,F2	2,786,670	692,905
Trade and other receivables	C1	81,613	52,988
TOTAL CURRENT ASSETS		3,330,666	1,369,439
NON-CURRENT ASSETS			
Term Deposits	F1,F2	-	1,592,102
TOTAL NON-CURRENT ASSETS		-	1,592,102
TOTAL ASSETS		3,330,666	2,961,541
CURRENT LIABILITIES			
Trade and other payables		4,000	4,000
TOTAL CURRENT LIABILITIES		4,000	4,000
TOTAL LIABILITIES		4,000	4,000
NET ASSETS		3,326,666	2,957,541
EQUITY		3,326,666	2,957,541

The accompanying notes form an integral part of these statements.

Statement of Changes in Equity

for the year ended 30 June 2023

	2023 \$	2022 \$
RETAINED EARNINGS		
Balance at beginning of year	2,957,541	2,628,361
Surplus from ordinary activities	369,125	329,180
BALANCE AT END OF YEAR	3,326,666	2,957,541

Statement of Cash Flows

for the year ended 30 June 2023

	NOTE	2023 \$	2022 \$
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
Administration allowance		432,760	446,736
Interest received		62,386	13,928
PAYMENTS			
Hospital excesses refunded		(134,647)	(132,004)
Administration overhead		(20,000)	(8,278)
NET CASH FLOWS FROM OPERATING ACTIVITIES	D1(b)	340,499	320,382
CASH FLOW FROM INVESTING ACTIVITIES			
Net Proceeds from redemption of investments (Application of investment funds)		(501,662)	(76,349)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(501,662)	(76,349)
NET INCREASE (DECREASE) IN CASH HELD			
Cash at beginning of year		623,546	379,513
CASH AT END OF YEAR	D1(a)	462,383	623,546

The accompanying notes form an integral part of these statements.

LGE HEALTH PLAN

Notes to and forming part of the financial statements

for the year ended 30 June 2023

NOTE A: CORPORATE INFORMATION

Structure:

- A1 Corporate information
- A2 Basis of preparation
- A3 Statement of compliance

A1 Corporate information

The LGE Health Plan was established by the Municipal Association of Victoria (MAV) in 2009. The MAV has joined with GMHBA and Choosewell Pty Ltd to offer attractive health insurance plans to council staff at reduced cost. The LGE Health Plan is owned and operated by the MAV and is not a provider of health insurance products.

The MAV is an Association incorporated by an Act of the Parliament of Victoria, Australia, known as the *Municipal Association Act 1907*.

The nature of the operations and principal activities of the MAV are:

- to promote the efficient carrying out of municipal government throughout the state of Victoria and watch over and protect the interests, rights and privileges of municipal corporations
- to arrange fidelity insurance for local government
- to arrange contracts of insurance
- to provide a public liability insurance scheme for local government

The financial report of LGE Health Plan for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors of the MAV on the date shown on the attached Statement by Directors.

A2 Basis of preparation

The financial report is a general purpose financial report which has been drawn up in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The principal accounting policies adopted in preparing the financial report are stated to assist in a general understanding of the financial report. Accounting policies have been consistently applied unless otherwise indicated.

The financial report is presented in Australian dollars. The MAV, and therefore LGE Health Plan, is a Not for Profit entity.

The financial statements have been prepared on the accrued basis using the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

A3 Statement of compliance

The financial report complies with Australian Accounting Standards, which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

NOTE B: FUNDING THE DELIVERY OF OUR SERVICES**Administration allowance income**

An administration allowance is paid by GMHBA to the LGE Health Plan. The allowance is recognised on an accrual basis.

Interest income

Interest received is accounted for on an accrual basis.

NOTE C: ASSETS AND LIABILITIES

Structure

C1 Trade and other receivables

C2 Trade and other payables

C3 Fair value measurement

C1 Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the LGE Health Plan will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment.

	2023 \$	2022 \$
TRADE AND OTHER RECEIVABLES		
Administration allowance receivable	36,080	45,100
Interest receivable	45,533	7,888
TOTAL TRADE AND OTHER RECEIVABLES	81,613	52,988
Represented By:		
Current	81,613	52,988
Non-current	-	-
TOTAL	81,613	52,988

The ageing analysis of trade receivables are as follows:

	Total	< 30 days	>30 days
2023			
LGE EMPLOYEE HEALTH PLAN	81,613	36,080	45,533
2022			
LGE EMPLOYEE HEALTH PLAN	52,988	45,100	7,888

Notes to and forming part of the financial statements (continued)

C2 Trade and other payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the LGE Health Plan prior to the end of the financial year that are unpaid and arise when the LGE Health Plan becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

C3 Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the MAV determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. LGE Health Plan does not have any level 3 financial assets.

The carrying amounts of financial assets and financial liabilities represent their approximate net fair value.

For the purpose of fair value disclosures, the LGE Health Plan has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

NOTE D: FINANCING OUR OPERATIONS

Structure

D1 Notes to statement of cash flows

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash includes deposits held at call with banks and investments in cash in fixed interest funds net of outstanding bank overdrafts.

(a) Cash and cash equivalents at balance date as shown in the Statement of Cash Flows are held in NAB cash deposits and reconciled to the related items in the Statement of Financial Position as follows:

	2023 \$	2022 \$
Cash and cash equivalents	462,383	623,546
TOTAL CASH AND CASH EQUIVALENTS	462,383	623,546
(b) Reconciliation of Net Cash Used In Operating Activities to Comprehensive Income		
Surplus for year	369,125	329,180
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable	(28,626)	(8,798)
Increase/(decrease) in accounts payable	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	340,499	320,382

NOTE E: PEOPLE AND RELATIONSHIPS

Structure

- E1 Related Parties
- E2 Remuneration of Key Management Personnel
- E3 Auditor Fees

E1 RELATED PARTIES

The MAV is a body corporate established under the *Municipal Association Act 1907* to provide services for and represent local government authorities in Victoria. The MAV and its wholly owned controlled entities trade with its members in the normal course of business and on an arm's length basis. There were no related party transactions during the year.

E2 REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key Management Personnel (KMP) are those personnel who have the authority and responsibility for planning, directing and controlling the activities of the LGE Health Plan, directly or indirectly. KMP of the LGE Health Plan include MAV Board Members and the MAV CEO

No remuneration was paid to Key Management Personnel by the LGE Health Plan during the year, who are remunerated separately by the MAV (related party).

Loans to Directors

The LGE Health Plan has a strict policy of not providing loans to Directors. No loans were made to or are payable by Directors during the year.

Other Transactions

There were no other material transactions with Directors.

E3 Audit Fees

	2023 \$	2022 \$
Amounts payable or due and payable for audit services:		
Audit services	20,000	8,278
	20,000	8,278

NOTE F: MANAGING UNCERTAINTIES

Structure

F1: Interest rate risk

F2: Liquidity risk

F3: Contingent Liabilities

F4: Equity

F1 INTEREST RATE RISK

The LGE Health Plan's exposure to interest rate risk and the effective average interest rate for the classes of financial assets is set out below:

2023	Non-Interest Earning \$	Fixed Interest Rate \$	Floating Interest Rate \$
FINANCIAL ASSETS			
Cash and cash equivalents	-	-	
Term Deposits	-	2,786,670	462,383
Trade and other receivables	81,613	-	-
TOTAL FINANCIAL ASSETS	81,613	2,786,670	462,383
Weighted Average Interest Rate		4.0%	4.1%
FINANCIAL LIABILITIES			
Trade and other payables	4,000	-	-
TOTAL FINANCIAL LIABILITIES	4,000	-	-

Cash and cash equivalents are considered level 1 financial assets in accordance with AASB 9 (Financial Instruments). The carrying amounts of financial assets and financial liabilities represent their approximate net fair value.

2022	Non-Interest Earning \$	Fixed Interest Rate \$	Floating Interest Rate \$
FINANCIAL ASSETS			
Cash and cash equivalents	-	-	623,546
Term Deposits	-	2,285,007	-
Trade and other receivables	52,988	-	-
TOTAL FINANCIAL ASSETS	52,988	2,285,007	623,546
Weighted Average Interest Rate		2.4%	1.4%
FINANCIAL LIABILITIES			
Trade and other payables	4,000	-	-
TOTAL FINANCIAL LIABILITIES	4,000	-	-

Notes to and forming part of the financial statements (continued)

The table below reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities as at 30 June 2023. Cash flows for financial assets and liabilities without fixed amount or timing are based on conditions existing at 30 June 2023.

The remaining contractual maturities of the financial liabilities are:

	2023 \$	2022 \$
3 months or less	4,000	4,000
3-12 months	-	-
1-5 years	-	-
Over 5 years	-	-
	4,000	4,000

F2 LIQUIDITY RISK

Maturity analysis of financial assets and liabilities based on management's expectation.

The risk implied from the values in the table below, reflects a balanced view of cash inflows and outflows. These liabilities originate from financial assets used in the ongoing operations of the business. These assets are considered in the MAV's overall liquidity risk. To monitor existing financial assets and liabilities as well as to enable effective controlling of future risks, the MAV has established a comprehensive risk reporting covering its business that reflects the management of expected settlement of financial assets and liabilities.

Year ended 30 June 2023	<3 months \$	>3 months \$	Total \$
FINANCIAL ASSETS			
Cash and cash equivalents	462,383	-	462,383
Term deposits	-	-	-
Trade and other receivables	58,823	22,790	81,613
	521,206	22,790	543,996
FINANCIAL LIABILITIES			
Trade and other payables	4,000	-	4,000
Other liabilities	-	-	-
Total Financial Liabilities	4,000	-	4,000
NET MATURITY	517,206	22,790	539,996

Year ended 30 June 2022	<3 months \$	>3 months \$	Total \$
FINANCIAL ASSETS			
Cash and cash equivalents	623,546	-	623,546
Term deposits	692,905	1,592,102	2,285,007
Trade and other receivables	46,412	6,576	52,988
	1,362,863	1,598,678	2,961,541
LGE EMPLOYEE HEALTH FUND			
FINANCIAL LIABILITIES			
Trade and other payables	4,000	-	4,000
Other liabilities	-	-	-
Total Financial Liabilities	4,000	-	4,000
NET MATURITY	1,358,863	1,598,678	2,957,541

Notes to and forming part of the financial statements (continued)

F3 CONTINGENT LIABILITIES

There are no contingent liabilities at 30 June 2023 nor were there at 30 June 2022.

F4 EQUITY

If the LGE Health Plan agreement was not to continue, an administrative levy of \$125 per Employee Member (excl. GST) will be paid from the LGE Health Plan to fund costs associated with putting in place alternative arrangements for Employee Members. The remaining balance of the LGE Health Plan will be returned to Participant Organisations as outlined in the agreement.

G: OTHER MATTERS

Structure

G1 Summary of significant accounting policies

G2 Income tax

G3 Comparative figures

G4 Events Subsequent

G5 Number of Employees

G1 Summary of significant accounting policies

There are no Accounting Standards and Interpretations issued but not yet effective relating to this Scheme.

G2 Income tax

The MAV is a State and Territory Body (STB) and is exempt from income tax, in accordance with Division 1AB of Part III of the *Income Tax Assessment Act 1997* and therefore LGE Health Plan is exempt from income tax.

G3 Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

G4 Events subsequent

There were no material events subsequent to the year end that require reporting.

G5 Number of employees

Average number of equivalent full time employees during the year is 0 EFT (2022=0)



MUNICIPAL ASSOCIATION OF VICTORIA

STATE COUNCIL MOTIONS

17 MAY 2024

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CONSOLIDATED MOTIONS

C1. Ministerial Good Practice Guidelines for Service Rates and Charges

Motion:

That the MAV, while recognising the benefits of a consistent approach to waste service charges across councils, calls on the Victorian Government to:

1. Defer the commencement date of the Ministerial Good Practice Guidelines for Service Rates and Charges so that they do not apply until at least the 2025/26 financial year;
2. Undertake proper consultation with the local government sector on the content of the Guidelines, especially in relation to any services proposed to be excluded from a service charge, to help ensure that that Guidelines do not undermine local government's ability to continue to deliver services to the community; and
3. Ensure that any consultation period with local government enables councils to consult with residents so that their sentiments can be included in local government feedback.

Which motions are being consolidated?	Is the motion of strategic relevance to the MAV or is the motion 'of significance to local government' that it ought to be considered at the meeting.
<p>Part of Motion 1: LG Election Costs – Baw Baw Shire Council</p> <p>Motion 2: Financial Sustainability Impacts from Waste Service Charges – Moyne Shire Council</p> <p>Motion 3: Ministerial Good Practice Guidelines for Service Rates and Charges – Macedon Ranges Shire Council</p> <p>Motion 4: To amend the 2024-25 Minister's Good Practice Guidelines for Service Rates and Charges – Maroondah City Council</p> <p>Motion 5: Transition Arrangements for Good Practice Guidelines – Corangamite Shire Council</p>	<p>Yes</p>

C2. Support for Victorian roads

Motion:

That the MAV calls on the Victorian Government to:

1. Increase funding provided to councils to enable urgent road maintenance and upgrades, including the maintenance of roadside reserves;
2. Explore legislative options for allowing a dedicated minimum percentage of the Department of Transport and Planning’s infrastructure budget to go towards the maintenance, rehabilitation and renewal of the rural arterial road network; and
3. Increase funding to upgrade Victoria’s major highways and work with councils to better understand the deficiencies of state-managed roads.

Which motions are being consolidated?	Is the motion of strategic relevance to the MAV or is the motion ‘of significance to local government’ that it ought to be considered at the meeting.
<p>Motion 6: Victorian Regional Roads Maintenance – Moyne Shire Council</p> <p>Motion 7: Upgrades to Major Highways – Brimbank City Council</p> <p>Motion 8: Financial Support for Roadside Maintenance – Nillumbik Shire Council</p> <p>Motion 9: Immediately increase funding available to Councils to enable road maintenance and upgrades – Mitchell Shire Council</p>	<p>Yes</p>

C3. Strengthening the planning system

Motion:

That the MAV calls on the Victorian Government to:

1. Recognise and respect the right of local government to influence local planning outcomes, and ensure the integrity of local planning schemes and quality of local development is upheld;
2. Provide clarity regarding councils' role in planning decisions transferred to the state government and establish a formal cost-sharing partnership agreement between state and local government for planning approvals to enable councils to meet their obligations;
3. Ensure where the Minister for Planning is the decision-maker for planning approvals and scheme amendments, public and transparent decision timeframes are provided and adhered to, to support timely and transparent outcomes for councils and communities;
4. Consult and partner with local government to improve housing choice, affordability, and sustainability;
5. Ensure that new homes are built to the highest possible environmentally sustainable design (ESD) standards; and
6. Provide adequate infrastructure and open space for resilient communities.

Which motions are being consolidated?	Is the motion of strategic relevance to the MAV or is the motion 'of significance to local government' that it ought to be considered at the meeting.
<p>Motion 10: Strengthening the planning system – Glen Eira City Council</p> <p>Motion 11: Housing Statement Consultation – Stonnington City Council</p> <p>Motion 12: Impact of Housing Statement and associated planning reform on local government – Moonee Valley City Council</p>	<p>Yes</p>

C4. Improving Melbourne’s Bus Network

Motion:

That the MAV calls on the Victorian Government to implement all of the recommendations in Infrastructure Victoria’s report ‘Fast, frequent, fair: how buses can better connect Melbourne’ in order to improve the capacity, regularity and reliability of Melbourne’s bus network.

Which motions are being consolidated?	Is the motion of strategic relevance to the MAV or is the motion ‘of significance to local government’ that it ought to be considered at the meeting.
Motion 13: Improving Victoria’s Bus Network – Brimbank City Council Motion 14: Implementation of Infrastructure Victoria’s 2023 Bus Reform Recommendations – Maribyrnong City Council Motion 15: Better Buses – Wyndham City Council	Yes

C5. Coastal and flood mitigation

Motion:

That the MAV calls on the Victorian Government to:

1. Commit to implementing a consistent state-wide planning approach to flood and coastal inundation, similar to the current bushfire arrangements, with the Minister for Planning made responsible for implementing best-available flood and inundation data into planning schemes
2. Develop a Flood Information Framework to support access to up-to-date, methodologically consistent data about where riverine and coastal inundation is likely to occur
3. Provide funding for adaptation action to mitigate coastal inundation and flood risk across Victoria
4. Support and work with the relevant councils to understand and act on the outputs from the Port Phillip Bay Coastal Hazard Assessment
5. Engage and consult with relevant communities to raise awareness of known coastal and flooding risk and to discuss potential adaptation responses

Which motions are being consolidated?	Is the motion of strategic relevance to the MAV or is the motion 'of significance to local government' that it ought to be considered at the meeting.
Motion 16: Sea Level Rise in Hobsons Bay – Hobsons Bay City Council Motion 17: Flood Information Framework, data sharing and investment for flood mitigation – Yarra Ranges Shire Council	Yes

C6. Emergency management funding

Motion:

That the MAV calls on the Victorian Government to:

1. Review existing funding arrangements for emergency management practitioners under the Municipal Emergency Management Resourcing Program to ensure councils can adequately resource emergency management practitioners based on the risk to each council;
2. Develop a program to support community-led planning and initiatives for emergency management; and
3. Increase funding for emergency relief services to increase core staff and respond to growing community needs and the impact of climate change.

Which motions are being consolidated?	Is the motion of strategic relevance to the MAV or is the motion 'of significance to local government' that it ought to be considered at the meeting.
<p>Motion 18: Emergency Management Funding – Campaspe Shire Council</p> <p>Motion 19: Community-led Emergency Management Planning – Maribyrnong City Council</p> <p>Motion 20: Funding for Emergency Relief Services – Yarra Ranges Shire Council</p>	<p>Yes</p>

C7. Effectively targeting housing and homelessness responses

Motion:

The MAV calls on the state government to work with the local government sector to ensure an equitable supply of social and affordable housing and homelessness services across the state. This should include the introduction of mandatory inclusionary zoning to require social and affordable housing through the planning system, co-design of social and affordable housing targets for new developments, and development of more effective needs-based funding models for homelessness support and related services that takes into account the specific needs of rural, regional and metropolitan municipalities.

Which motions are being consolidated?	Is the motion of strategic relevance to the MAV or is the motion 'of significance to local government' that it ought to be considered at the meeting.
Motion 21: Improved social and affordable housing for growth areas – Cardinia Shire Council Motion 22: Housing Affordability and Funding - East Gippsland Shire Council	Yes

C8. Local government financial sustainability and rating review

Motion:

That the MAV:

1. Notes:

- a) The context of the Victorian State Government's rate-capping policy and the need for local government financing to deliver positive outcomes for local communities
- b) That the Victorian Parliamentary Inquiry into Local Government funding and services provides a positive opportunity to explore a range of models, including those from other jurisdictions such as New South Wales and Queensland

2. Calls upon the Victorian Government to:

- c) Undertake a comprehensive, independent review of the workings of the rating system, specific to the rate cap provisions. with the objective of improving its effectiveness and supports long term sustainability for rural, regional and metropolitan municipalities.
- d) Provide an opportunity to revise the regulatory compliance, operational and revenue flexibility settings for Local Government such that councils have greater flexibility to fund the provision of critical services and infrastructure

Which motions are being consolidated?	Is the motion of strategic relevance to the MAV or is the motion 'of significance to local government' that it ought to be considered at the meeting.
<p>Motion 23: Review of the rating system – Hepburn Shire Council</p> <p>Motion 24: Calling on the Victorian Government to use its Inquiry into Local Government funding and services to consider alternative models for the regulatory compliance and revenue flexibility of Local Government – Stonnington City Council</p> <p>Motion 25: Financial Sustainability - East Gippsland Shire Council</p>	Yes

C9. Rainbow Alliance

Motion:

That the MAV establish a Rainbow Alliance Network for local councils.

Which motions are being consolidated?	Is the motion of strategic relevance to the MAV or is the motion 'of significance to local government' that it ought to be considered at the meeting.
<p>Motion 26: Establishment of a Rainbow Alliance Network - Darebin City Council</p> <p>Motion 27: Rainbow Alliance for Local Government - Yarra City Council</p>	<p>Yes</p>

MOTIONS WHICH HAVE BEEN CONSOLIDATED

Motion 1. Local Government Election Costs, Local Government Ward Boundary Review Costs, and Local Government service Rates and Charges ([C1](#) in part)

Submitting Council: [Baw Baw Shire Council](#)

Motion:

That the MAV

1. Note the increased costs imposed on all councils by the Victorian Electoral Commission for the 2024 Local Government Elections and advocate to the Victorian Government to provide adequate support to councils by way of financial assistance.
2. Note the increased costs imposed on some councils by the Victorian Electoral Commission for the 2024 Ward Boundary Reviews and advocate to the Victorian Government to provide adequate support to councils by way of financial assistance."
3. Advocate to the Minister for Local Government requesting that the implementation of the 'Local Government service Rates and Charges: Minister's Good Practice Guidelines for their use December 2023' is delayed from 1 March 2024 until 1 July 2025 to allow Local Government Victoria to fully understand the impact of the changes on councils' financial sustainability, to conduct comprehensive consultation with the sector and to work with councils and the Essential Services Commission to ensure councils are not significantly impacted financially by these changes. (Consolidated – [see C1](#))

Submitting Council Confirmation and Rationale:

Council Resolution	7/2/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

There are additional costs imposed on all councils by the Victorian Electoral Commission for the 2024 Local Government Elections. In the current economic climate it is difficult for councils to continue to absorb costs while maintaining effective service delivery and delivering all items in councils' budgets. The indicative costs for running the 2024 Local Government Elections as provided by the VEC is \$294,757.19 (excluding GST). The indicative costs for running the 2020 Local Government Elections as provided by the VEC were \$232,588.28 (excluding GST). Therefore, there is an unbudgeted cost of \$62,168.91 for the 2024 Local Government Elections. This is challenging for any council, but particularly for a growth council such as Baw Baw Shire, operating in a rate capped environment where other costs are rising significantly. Council feels

the Victorian Government should be providing more financial assistance for councils to meet these costs.

There are additional costs imposed on all councils by the Victorian Electoral Commission for the 2024 Ward Boundary Reviews. The VEC has provided a cost estimate of \$36,529.56 for the 2024 ward boundary review. Though it is a one-off cost, councils still must find the additional funds in the budget while operating in a financially constrained environment. Council feels the Victorian Government should be providing more financial assistance for councils to continue to operate sustainably in an environment of rising costs, where community expectations remain high.

The 'Local Government service Rates and Charges: Minister's Good Practice Guidelines for their use December 2023' were announced to councils at the end of December 2023, and come into effect on 1 March 2024. The guidelines will impact the financial sustainability of councils, and the lead time for the changes to come into effect has not afforded councils the opportunity to carry out adequate planning with respect to their annual budgets and service delivery. Comprehensive consultation is required to ensure that councils can implement any changes without compromise to current service delivery. All councils are currently operating in an environment of rising costs and changes such as this require adequate planning and consultation. Council requests that the MAV advocate to the Minister for Local Government requesting that the implementation be delayed to allow consultation to occur at an adequate level.

Motion 2. Financial Sustainability Impacts from Waste Service Charges (C1)

Submitting Council: Moyne Shire Council

Motion:

That MAV call on the Victorian Government to allow mechanisms that support relief from the immediate application of Waste Service Charges Guideline changes to ensure councils can adequately address the significant financial sustainability impacts that may result.

Submitting Council Confirmation and Rationale:

Council Resolution	27/2/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

The potential impacts on council financial sustainability are deemed significant in light of the recent guidelines on Waste Service Charges.

Multiple Local Government Forums have highlighted and discussed the issue of unsatisfactory timing for release of these guidelines misaligning with budget allocation activities, as well as the intention for the Minister to adhere to the short timeframe for implementation of these guidelines for the next financial year.

Motion 3. Ministerial Good Practice Guidelines for Service Rates and Charges (C1)

Submitting Council: Macedon Ranges Shire Council

Motion:

That the MAV advocates to the Victorian Government on behalf of the Local Government Sector to:

1. defer the implementation of the Ministerial Good Practice Guidelines for Service Rates and Charges until at least the 2025/26 financial year;
2. undertake proper consultation with the local government sector, ensuring that the impact of the guidelines does not undermine local government's ability to continue to deliver services to the community; and
3. ensure any consultation period with local government enables proper consultation with residents so that local ratepayer sentiments can be included in any local government feedback.

Submitting Council Confirmation and Rationale:

Council Resolution	28/2/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Late December 2023 the Victorian Government released the Ministerial Good Practice Guidelines for Service Rates and Charges. Disappointingly, these guidelines arrived with no notice on 22 December 2023, and without direct communication to councils, only via a Victorian Government Media Release from the Minister for Local Government.

It is understood that 'minimal' consultation was undertaken with industry groups, however not with individual Local Government Authorities. For Macedon Ranges Shire Council (MRSC), it is estimated that approximately \$1.89M of the waste service charge will need to be sourced from rates revenue rather than the waste service charge. This exacerbates the compound effect of recent rate caps, which has seen Council's spending power reduce by almost 11% over the last 5 years when compared with CPI.

Councils must exercise good governance. Good governance mandates that councils' need to operate within their financial capacity. Implementing the guidelines with little to no notice does not allow councils to carefully consider how services are adjusted and to seek informed community feedback on any planned changes. Implementation for the financial year 2024/25 is not achievable for MRSC and many councils without a significant impact on local communities.

Motion 4. To amend the 2024-25 Minister’s Good Practice Guidelines for Service Rates and Charges (C1)

Submitting Council: Maroondah City Council

Motion:

That the MAV recognises the benefits of a consistent approach to waste service charges across councils, including transparency for ratepayers regarding the services that the waste charge funds and calls on the Victorian Government to amend the 2024-2025 Minister’s Good Practice Guidelines for Service Rates and Charges to no longer consider the following items as waste services that should be excluded from the waste service charges: provision of public bins, litter and waste collection from public spaces and education that assists in the successful rollout of the Circular Economy, including contamination reduction.

Submitting Council Confirmation and Rationale:

Council Resolution	18/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

The 2024/25 Good Practice Guidelines for Service Rates and Charges suggest that services benefiting the entire municipality should be funded by the council through other revenue sources, however, most councils include costs related to waste services in their Waste Service Charge.

Of the examples provided in the guidelines, most councils include at least the following costs in their Waste Service Charge:

- litter and waste collection from public spaces;
- provision of public bins; and
- waste education

Most councils are not able to comply with the guidelines without being adversely impacted by the changes. Noting that councils are paying landfill levy at \$129.27 per ton for all landfill waste processed, included waste processed from public litter bins and waste collection from public spaces.

Current financial and external pressures already faced by councils include:

- rate capping limitations,
- cost escalations well above inflation and the rate cap,
- revenue and funding issues,
- workforce and employment pressures,
- infrastructure and asset renewal challenges,
- climate change and environmental impact, and
- regulatory and legislative reform,

The waste service has always been considered a fully cost recoverable service and not required to be funded from rating income. Implementing the guidelines as currently framed may hinder the ability of local councils to provide core services. The changes could also prevent the achievement of the Victorian Government's waste reduction and circular economy targets.

Council seeks to have the Ministerial Guidelines revised and re-published, considering the definition of waste as per the Circular Economy Act, which, would allow for, as an example, the 'litter and waste collection from public spaces, the provision of public bins and a strong waste education to be included as part of the waste service rate or charge.

Motion 5. Transition Arrangements for Good Practice Guidelines (C1)

Submitting Council: **Corangamite Shire Council**

Motion:

That the Municipal Association of Victoria call on the Victorian Government to introduce transitional arrangements for the implementation of the Local Government Minister’s Good Practice Guidelines for Service Rates and Charges ensuring councils can mitigate the adverse financial sustainability impacts that may arise.

Submitting Council Confirmation and Rationale:

Council Resolution	27/2/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

There are concerns echoed across the sector following the release of the Local Government Minister’s Good Practice Guidelines for Service Rates and Charges in late 2023.

Early analysis indicates the financial impact across the sector varies greatly. It is understood some councils will be impacted by the millions of dollars. This will ultimately have a detrimental effect of service levels and the financial sustainability of councils.

At the very least transitional arrangements need to be implemented to allow councils to adequately assess the impacts and consider mitigating measures. It is the view of council officers the guidelines should be phased in over budget cycles so that by 1 July 2026 all councils will be compliant.

Whilst the guidelines at this point in time are considered by many in the sector not binding on councils complying with them is in the best interests of ratepayers and community. Nevertheless, section 162 (2) of the Local Government Act 1989 allows councils to declare service charges on the basis of any criteria specified by the council. Whilst the Minister is able to issue good practice guidelines under the Local Government Act 2020 the view is held such guidelines are in direct conflict with the provisions of the 1989 Act.

Many councils, particularly rural and regional, are facing significant financial headwinds. Councils are constantly dealing with increasing costs, reducing revenue or revenue not increasing with the pace of inflation. The immediate shock of complying with the Guidelines is not able to be absorbed in the short-term by many councils and consequently transitional arrangements are required, which could include adjustments to rate income to offset the impact.

Motion 6. Victorian Regional Roads Maintenance (C2)

Submitting Council: Moyne Shire Council

Motion:

That MAV call on the state Government, in the interests of safety of rural road users and the productivity of Regional Victoria, to enact legislation to safeguard a designated minimum percentage of the Department of Transport and Planning infrastructure budget, supported by appropriate staffing levels, toward the maintenance rehabilitation and renewal of the rural arterial road network.

Submitting Council Confirmation and Rationale:

Council Resolution	27/2/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

The state government's consistent prioritization of metropolitan transport infrastructure over the maintenance and rehabilitation of the rural arterial road network in South West Victoria has led to a concerning decline in the overall condition of these crucial roads.

The Woolsthorpe-Heywood Road serves as a poignant example, with over 16 kilometres deteriorating to the extent of a permanent speed limit reduction to 60km/h in certain sections. This neglect not only compromises road safety but also prompts drivers to either disobey speed limits or detour onto inadequate local roads, incurring additional costs and inconveniences for businesses and individual users alike.

Moreover, the outdated bridge structures along the network are ill-equipped to handle modern heavy vehicle configurations, exacerbating the problem. With the region hosting significant renewable energy projects, such as wind farms and battery storage facilities, heavy traffic volumes are poised to persist, further deteriorating the road conditions unless urgent upgrades are made.

While recent infrastructure projects have been appreciated, issues like deteriorating sections of the upgraded Princes Highway highlight the pressing need for sustained investment in rural arterial roads.

The Motion of the Municipal Association of Victoria (MAV) advocates for legislation mandating a designated percentage of the infrastructure budget towards the maintenance and renewal of rural arterial roads, emphasizing the critical importance of prioritizing the safety and productivity of regional Victoria.

Motion 7. Upgrades to Major Highways (C2)

Submitting Council: Brimbank City Council

Motion:

The MAV calls on the Victorian Government to significantly increase the level of funding to upgrade major highways in Victoria and to work more closely with councils across the state to better understand the deficiencies in their road networks.

Submitting Council Confirmation and Rationale:

Council Resolution	19/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Victoria's arterial road network forms the major connections to move people and goods between the State's major regions, activity centres, freight terminals, tourist areas and population centres.

Victoria has the highest density of highways of any state in Australia, with high traffic and congestion deteriorating the roads and affecting the safety of commuters. Many of the existing interstate and intrastate road corridors pass through rapidly growing communities with busy intersections and lower speed limits. These highways and roads will become increasingly congested as the population grows, requiring further investment.

The 2023-2024 State Budget showed a \$380m reduction in annual spend on road maintenance by the State Government since 2020, equivalent to a 45% decrease. Roads are continuing to deteriorate. Given that current State Government funding streams and grants are insufficient, the Victorian Government needs to better support councils with greater funding to deliver safety upgrades to major highways.

Motion 8. Financial Support for Roadside Maintenance (C2)

Submitting Council: Nillumbik Shire Council

Motion:

That the State Government reimburses local councils the actual cost of maintaining State Government roadside reserves.

Submitting Council Confirmation and Rationale:

Council Resolution	12/3/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

Management of roadside reserves is essential not just for aesthetic value, but to improve visibility for drivers and reduce fire risk.

Many local councils, particularly those in outer metropolitan and rural regions, are responsible for the management of roadsides spanning hundreds of kilometres. In addition to this, many are also required to maintain the roadsides of VicRoads managed roads, as part of a special arrangement whereby councils may be provided with additional funding to undertake the work.

With rate capping tightening the budgets of councils across the sector, the funding provided through road maintenance arrangements with the State has not kept up with the costs of providing this important service.

Motion 9. Immediately increase funding available to Councils to enable road maintenance and upgrades (C2)

Submitting Council: Mitchell Shire Council

Motion:

That the MAV advocate to the State Government to increase and broaden funding available to councils to support and enable urgent road maintenance and upgrades.

Submitting Council Confirmation and Rationale:

Council Resolution	18/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Objective

For the State Government to increase funding available through existing and new programs to support councils to resolve ever increasing costs related to road maintenance and upgrades.

Key Arguments

Victoria's road network is facing substantially increased funding challenges related to road maintenance and upgrades. Local Government, as the responsible agency for a large proportion of the State's roads, is disproportionately bearing the burden of these increased costs.

Not only is the State's road network expanding, but utilisation is increasing as the population grows, and the impact of climate change and extreme weather events is becoming more severe.

Roads are an essential connection for people and communities, and it is vital that appropriate funding is available to support maintenance and upgrade works. Current funding available to local government is insufficient and continuously decreasing in comparison to the funding required. The State Government has a responsibility to support councils in delivering this service.

Motion 10. Strengthening the planning system (C3)

Submitting Council: Glen Eira City Council

Motion:

That the MAV calls on the Victorian Government to:

1. introduce a statutory clock, ideally three months, for the Minister to consider amendments for authorisation or approval;
2. prioritise environmentally sustainable design planning scheme amendments to take action on the climate emergency; and
3. audit planning system reforms since 2017 to ensure they have aligned with recommendations of the Victorian Auditor-General's (VAGO) report entitled Managing Victoria's planning system for land use and development and the Planning and Buildings Process Review discussion paper 2019.

Submitting Council Confirmation and Rationale:

Council Resolution	27/2/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

The issues identified by the Victorian Auditor-General in 2017 and subsequent recommendations from the Planning and Buildings Process Review discussion paper in 2019 underscore the critical need for substantial reforms. The reports found that the planning system was overly complex and difficult to understand.

Since then, there have been reforms to make the system more user friendly, but it is still too complex. Significant resources were put into these reviews following a comprehensive process that included stakeholder consultation. There have been reforms as a result, but there are still many recommendations that haven't been implemented and subsequent reforms have been insufficient in addressing these complexities.

Many planning scheme amendments proposing environmentally sustainable design outcomes remain unauthorised by the Minister for Planning. In July 2022, 24 councils asked the Minister for Planning to authorise the 'elevating Environmentally Sustainable Design (ESD)' amendment that proposes a specific new control. This control would ensure new developments incorporate more environmentally sensitive design requirements and encourage a move towards net zero carbon development. The amendments have still not been authorised. There have been some reforms to the Victorian planning provisions since then, but they are not as robust as those proposed by the councils.

It takes on average between nine and 12 months for the Minister for Planning to authorise some larger and more complex planning scheme amendments, including our Open Space Contributions, Planning Policy Rewrite and our Carnegie Structure Plan implementation. Planning permit applications have a 60-day statutory clock that councils must abide by, but decisions on the authorisation of planning scheme amendments have no such requirement. Delays impede momentum in council and pose significant challenges for our urban planning team. This motion seeks to have a time limit on how long authorisation should take.

Motion 11. Housing Statement – consultation with Local Government, Key Performance Indicators for Ministerial clearance times, and proposal for cost-sharing arrangement with Local Governments (C3)

Submitting Council: Stonnington City Council

Motion:

That the MAV calls on the Victorian Government, in the context of the Housing Statement to:

1. Return the right of Local Governments to influence local planning outcomes, and to ensure the integrity of Local Planning Schemes and quality of local development is upheld;
2. Ensure where the Minister for Planning is the decision-maker for planning approvals and scheme amendments, public and transparent Key Performance Indicators (KPIs) are provided and adhered to, to support timely and transparent outcomes for Council and communities; and
3. Establish a formal cost-sharing and partnership agreement between State and Local Government for Planning approvals.

Submitting Council Confirmation and Rationale:

Council Resolution	4/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Councils were not consulted on the first tranche of Gazetted changes to the Planning System, and changes have been made by State Government which may be ineffective or have adverse consequences. Stonnington fully supports the State Government's ambition to ease the housing crisis and increase affordable housing. However, Local Government plays a critical role in this process and has capability, specialist knowledge, and community partnerships which preserve the unique character of our suburbs.

City of Stonnington has a highly effective Local Planning System, with 3,099 planning applications assessed over the past two financial years. Of these, 98 per cent were approved. Just 3 per cent were determined by councillors. Conversely, approvals such as amendments to planning schemes for which the Minister for Planning is already the decision-maker have been routinely significantly delayed.

It is not clear that escalating planning approvals from Council to the Minister will improve timeliness or clear the backlog, nor is there evidence of a backlog caused by councils' planning processes.

Public KPIs and transparent timeframes for the Minister for approvals and making officer reports public to provide clarity as to why a decision has been made, would assist councils to plan appropriately and communicate with customers, critical for building trust with community.

The inclusion of the Minister for Planning as the responsible authority for developments falling under clause 52.22 or 52.23 imposes a considerable financial burden on councils; in Stonnington the impact amounts to over \$350,000 annually. This expenditure covers expert advice on development aspects; while much of this advice continues to be extended to the State Government, the financial responsibility now rests with councils, posing a further challenge to financial sustainability in a rate capped environment.

To effectively tackle these challenges, we propose the establishment of a formal cost-sharing and partnership agreement between the State and Local Government. This initiative aims to establish a sustainable financial model for the Statutory Planning Departments within Local Government. Through a formal agreement, the State can forego the necessity of engaging its own technical expertise, resulting in significant cost savings for the State.

Motion 12. Impact of Housing Statement and associated Planning Reform on the local government sector (C3)

Submitting Council: Moonee Valley City Council

Motion:

That the MAV:

1. Notes the Victorian Government's recent Housing Statement and plan to tackle housing supply in Victoria, and the impact of the associated planning reforms on the local government sector, including councils' resources, existing strategic planning, pressing need for an increase in public and social housing stock in Victoria and the opportunity to increase the percentage of public and social housing through the redevelopment of public housing estates.
2. Calls on the Victorian Government to:
 - a) provide clarity regarding councils' role in planning decisions transferred to the State Government;
 - b) undertake ongoing consultation and partnership with the local government on housing choice, affordability, and sustainable neighbourhoods affecting local communities;
 - c) provide adequate infrastructure and open space for resilient communities particularly residents in the public housing estates;
 - d) ensure that new homes are to be built to the highest possible Environmentally Sustainable Design (ESD) standards; and
 - e) keep all existing residents of the public housing estates up to date with clear information about relocations and timelines, and to keep these residents' needs at the centre of decision making with respect to the estates.

Submitting Council Confirmation and Rationale:

Council Resolution	12/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

The Victorian Government's Housing Statement and associated Planning Reform have great impact on the local government sector, including resources, existing planning schemes and shortage of social and public housing. MAV needs to advocate to the Victorian Government for more clarity on councils' planning role transferred to the State Government, the importance of ongoing consultation with the local government sector,

much needed infrastructure and open space for the residents living in public housing estates, the highest possible ESD standards for the new homes, keeping affected residents informed on the relocations.

This motion is aligned with the five pillars of metropolitan planning as identified in the SGS report – Shaping metropolitan Melbourne: A discussion Paper for the MAV.

Motion 13. Improving Victoria's Bus Network (C4)

Submitting Council: Brimbank City Council

Motion:

That the MAV calls on the Victorian Government to implement all 10 recommendations outlined in Infrastructure Victoria's report 'Fast, frequent, fair: How buses can better connect Melbourne'.

Submitting Council Confirmation and Rationale:

Council Resolution	19/3/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

By 2050, Victoria's population is expected to surpass 10 million. The population in outer metropolitan growth areas and regional centres is expected to almost double, creating new demands for transport in more locations. Rapid growth in Victoria has left communities without adequate bus services, as bus routes and service provision has not increased in-line with population and job growth.

In 2022, the Department of Transport and Planning held a community consultation on a bus network reform across Mildura and Melbourne's northeast and northern suburbs. The common themes that arose are a need for more frequent bus services, improved reliability and better connectivity to other suburbs, trains and activity centres.

Infrastructure Victoria's recent report 'Fast, frequent, fair: how buses can better connect Melbourne' found that buses can provide faster and more frequent services compared with other modes of transport, operate for longer hours and use routes that better connect shopping precincts, train stations and other activity centres. This can reduce road congestion, give more people access to public transport and cut Victoria's transport emissions.

The report outlined the following 10 recommendations to the Victorian government to prioritise actions and investment within 5 years:

1. Increase the frequency of bus services, beginning with outer and growth area suburbs.
2. Optimise the bus network through fast and direct routes.
3. Extend operating hours to match passenger demand and improve timetable integration.
4. Strengthen the role of community transport.
5. Speed up buses through on-road priority and smarter technology.
6. Plan and deliver bus rapid transit across Melbourne.
7. Improve the bus stop and interchange experience.
8. Substantially reduce bus fares relative to other modes.

9. Update the Principal Public Transport Network to align it with existing and future mass transit bus routes to be delivered through Victoria's bus plan.
10. Provide funding certainty for growth area buses.

Motion 14. Implementation of Infrastructure Victoria's 2023 Bus Reform Recommendations (C4)

Submitting Council: Maribyrnong City Council

Motion:

The MAV calls on the Victorian Government to implement the recommendations outlined in the Infrastructure Victoria Strategy 'Fast, frequent, fair: How buses can better connect Melbourne'.

Submitting Council Confirmation and Rationale:

Council Resolution	19/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

The Infrastructure Victoria Strategy 'Fast, frequent, fair: How buses can better connect Melbourne' incorporates key actions which include direct and high-frequency bus trunk routes, and faster and more frequent services.

This Strategy is evidence base and justification highlighting the need for bus reform across greater Melbourne. Implementation of these key actions will considerably improve access to jobs, local economies and services, enabling greater Melbourne to become more sustainable and liveable.

Motion 15. Better Buses (C4)

Submitting Council: Wyndham City Council

Motion:

That the MAV calls on the Victorian Government commit to invest in increasing the capacity, regularity and reliability of Melbourne’s bus network by implementing the recommendations of the Infrastructure Victoria report, ‘Fast, frequent, fair: How buses can better connect Melbourne’.

Submitting Council Confirmation and Rationale:

Council Resolution	26/3/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

Research by Infrastructure Victoria (IV) found comprehensive reform is needed to create a fast, fair and better-connected bus network.

The ‘Fast, frequent, fair: How buses can better connect Melbourne’ report states that Melbourne’s bus system is missing several features needed to make buses a viable choice for all, such as safe pedestrian crossings, real-time and accessible service information, and tailored community transport options.

IV also found that investing in higher frequency buses across Melbourne could return around \$1.40 in benefits for every dollar invested, while full scale reform could deliver \$2.4 to \$3.3 billion worth of travel time saving benefits to public transport users over the 20 years after implementation. The report also found the benefits from transforming Melbourne’s bus network are comparable to any one of Victoria’s big road and rail projects, at much less cost.

Motion 16. Sea Level Rise in Hobsons Bay (C5)

Submitting Council: Hobsons Bay City Council

Motion:

That the MAV calls on the Victorian Government to conduct an independent review into the Port Phillip Bay Coastal Hazard Assessment (PPBCHA) including implementing overlays into Victorian Planning Schemes, providing clear communication and guidance, and committing to the continuation of funding for adaptation planning and delivery across Port Phillip Bay.

This should include:

1. Leading a state-wide overlay to implement the relevant data into local planning schemes, which is more efficient and effective than requiring each council to undertake their own planning scheme amendment.
2. Funding for adaptation responses across Port Phillip Bay in response to the PPBCHA.
3. Communicating directly with coastal communities on the implications of the PPBCHA.

Submitting Council Confirmation and Rationale:

Council Resolution	13/2/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

1. The Port Philip Bay Coastal Hazard Assessment Report was released on 11 January 2024.
2. The release provides extensive modelling and analysis of the coastal hazards around Port Phillip Bay.
3. It included a range of technical reports, summaries and mapping.
4. The report looks at a series of scenarios including storm tide inundation, erosion, groundwater and permanent inundation.
5. The suburbs in Hobsons Bay impacted in the report are Williamstown, Altona and Seaholme which are shown to be affected by permanent sea flooding and a range of water impacts that will affect their operation as places to live and work in the future climate change scenarios adopted by state government.
6. State Government is asked to communicate directly and openly with an approach of education and improving preparedness with the residents of these affected areas in a consistent way across Victoria.

7. Many coastal areas of Victoria will be impacted, including City of Melbourne, Wyndham, Port Phillip and Bayside.
8. Responding to the information and mapping in the report and proposing mitigation and rezoning requires a State Government led response, as no one single Council can address these climate change impacts across Port Phillip Bay alone. Councils need funding for mitigation, new strategic planning tools for the Planning Scheme and Building Regulations, and technical drainage engineering expert support.

Motion 17. Flood Information Framework, data sharing and investment for flood mitigation (C5)

Submitting Council: Yarra Ranges Shire Council

Motion:

That the MAV advocate to the Victorian Government to:

1. develop a Flood Information Framework;
2. release flood mapping data collected by state authorities and water corporations; and
3. provide urgent investment into flood mitigation infrastructure.

Submitting Council Confirmation and Rationale:

Council Resolution	12/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Planners require reliable flood mapping data to fulfil their duties in strategic planning, assessment of developments, and to support the community in preparing for and mitigating against such risks.

This is becoming more critical given climate change impacts and increased frequency and severity of weather events. However, the current patchwork of existing datasets is insufficient, and exposes community to unnecessary risk. A joint partnership between local and state government and water authorities is needed to create a complete dataset.

The Planning Institute of Australia’s Victorian branch has recently renewed its calls for the Victoria Government to develop a Flood Information Framework to support state-wide consistency in flood mapping data collection and use, drawing together existing (and future) work by local governments and other authorities.

Further, a Flood Information Framework should also enable the provision of data from state authorities and water corporations to local government. This information is key to creating a clear and full picture of risks and is not readily available to councils currently.

The Victorian Government’s commitment in 2023 to provide \$22.2 million to fast-track more flood studies by local government is a welcome and worthwhile investment.

However, without an overarching framework or provision of data from state and water authorities, constraints will remain for planners while risks will remain for communities and our natural and built environments.

Beyond the framework and data, urgent investment in flood mitigation infrastructure is needed to manage increasing occurrences of severe weather and flooding events across Victoria.

Motion 18. Emergency Management Funding (C6)

Submitting Council: Campaspe Shire Council

Motion:

That the MAV calls on the Victorian Government to review current funding arrangements for Emergency Management practitioners, through the Municipal Emergency Management Resourcing Program, to ensure it is appropriately allowing councils to resource Emergency Management practitioners based on the risk to each council or consider sourcing, training, and stationing Emergency Management practitioners in councils, with access to State Government resources.

Submitting Council Confirmation and Rationale:

Council Resolution	20/2/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

The current arrangements for Municipal Emergency Resourcing Program (MERP) funding are inadequate and not in keeping with the ever-changing Emergency Management landscape. As Governments continue to push more and more responsibilities onto councils, resources are incredibly stretched. Inadequate funding for Emergency Management (EM) practitioners embedded in councils, means some regional councils share EM practitioners or use a significant portion of their own budget to appropriately staff Emergency Management teams. With the level of extreme weather events some local government areas are experiencing, councils should be adequately resourced to respond to the ever-growing needs of its community in complex and critical situations.

Further, councils are finding it increasingly difficult to recruit qualified and experienced Emergency Management practitioners. It appears that there is shortage of those candidates within Victoria. This means that councils either go without, or place inexperienced candidates, which can often result in poorer Emergency Management outcomes. It also results in a fluctuating level of quality of response across the state. A new model could involve the Victorian State Government taking the lead, recruiting, training and then placing EM practitioners within councils, and would allow for better surge workforces to better handle emergencies across the state.

Motion 19. Community-led Emergency Management Planning (C6)

Submitting Council: Maribyrnong City Council

Motion:

That the MAV calls on the Victorian Government to develop a program to support community-led planning and initiatives for emergency management.

Submitting Council Confirmation and Rationale:

Council Resolution	19/3/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

A program to support community-led planning and initiatives for emergency management will help build trust between Local Government and emergency impacted residents, providing an actionable lever to support community proposals.

Education initiatives are required to ensure people understand the risk of disasters such as extreme heat, severe thunderstorms and flooding.

Agencies, not communities, undertake emergency management planning. This means that the current focus and funding for community plans in an urban area has the same approach as a small regional or rural town.

Victorian Government and Local Government support for community-led campaigns will build a resilient community that understands risk, community support and the role of Government. This relationship and mutual understanding will build trust.

Motion 20. Funding for Emergency Relief Services (C6)

Submitting Council: Yarra Ranges Shire Council

Motion:

That the MAV advocate to the Victorian Government to invest in funding for emergency relief services (ERS), to increase core staff and respond to growing community need, climate change impacts and frequency of severe weather events.

Submitting Council Confirmation and Rationale:

Council Resolution	12/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Emergency and food relief services provide critical support to communities, including to those impacted by the cost-of-living crisis and by severe weather events that are increasing in frequency and intensity – such as the recent storm and bushfire events that swept across the state.

Services are experiencing some of the highest increases in demand in Yarra Ranges and Victoria more broadly, making these services more critical than ever. The increase in community needs observed through COVID has not subsided, and emergency relief services have noticed a shift in clientele with cost-of-living pressures contributing to expanded demand.

Councils have not only recognised an increase in these services struggling to meet growing demand, but also services closing, particularly due to the lack of resourcing to engage paid staff to manage increasing complex compliance requirements.

One example in Yarra Ranges was the closing of a service that had operated for 40 years, providing over \$300,000 in value to our local community per year through financial and personal support services, including for food, clothing, case work and advocacy. The service could not be sustained without ongoing funding for an officer to support operations while existing core staff focus on building critical partnerships and relationships with other agencies.

Councils have a role to play in funding emergency relief services, however, this funding alongside other sources are not sufficient to meet growing demand. Yarra Ranges has seen benefit from increased funding to support local emergency relief agencies through time-limited grant funding. This has provided for the coordination of effort across 12-15 local groups and is a model that should be recognised and built upon.

It is critical that emergency relief agencies are adequately supported, particularly as the cost of living continues to increase and disasters and emergency events become more frequent and severe. Importantly, this must include a funding model that provides for ongoing support officer roles to oversee operations, allowing other staff to focus on building strategic partnerships with other service areas.

Motion 21. Improved Social and Affordable Housing funding for Growth Areas (C7)

Submitting Council: Cardinia Shire Council

Motion:

That the MAV calls for a review by the State Government to investigate legislative targets for social and affordable housing as a requirement of new subdivision over 10 lots.

Submitting Council Confirmation and Rationale:

Council Resolution	19/2/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Rationale not provided.

Motion 22. Housing Affordability and Funding (C7)

Submitting Council: East Gippsland Shire Council

Motion:

That the MAV calls on the Victorian Government to provide equitable support across the state for affordable housing, based on need not just population.

Submitting Council Confirmation and Rationale:

Council Resolution	19/3/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

Support for social and affordable housing that is fair and principle-based is critical.

Victoria’s specialist homelessness services, funded through a combination of Commonwealth and State Government funding, have responsibility for responding to homelessness across the State.

Recent funding programs, with funding guarantees for some municipalities and competitive processes for others, do not reflect need, cost and availability of options in more remote areas or the capacities to compete for funding.

Further, some of the services that contribute to reducing homelessness by addressing drivers such as mental health and family violence are more difficult to access in rural areas. A more equitable approach is required.

Motion 23. Review of the Rating System (C8)

Submitting Council: Hepburn Shire Council

Motion:

That the MAV calls on the Victorian State Government to undertake a comprehensive, independent review of the workings of the rating system, specific to the rate cap provisions. While acknowledging the State Government’s policy to apply a rate cap, that the MAV seeks review of the application of the system – with the objective of improving its effectiveness and supports long term sustainability for rural, regional and metropolitan municipalities.

Submitting Council Confirmation and Rationale:

Council Resolution	19/3/2024
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

The proposed motion seeks to require the Victorian State Government to undertake a comprehensive, independent review of the workings of the rating system, specific to the rate cap provisions. Such as review has not been undertaken since the introduction of the Fair Go Rates System in 2015.

Motion 24. Calling on the Victorian Government to use its Inquiry into Local Government funding and services to consider alternative models for the regulatory compliance and revenue flexibility of Local Government (C8)

Submitting Council: Stonnington City Council

Motion:

That the MAV calls on the Victorian Government to use its Inquiry into Local Government funding and services to revise the regulatory compliance, operational and revenue flexibility settings for Local Government such that councils have greater flexibility to fund the provision of critical services and infrastructure and to partner with the State Government to deliver positive local outcomes. The inquiry should consider the relevant models that apply in jurisdictions such as New South Wales and Queensland.

Submitting Council Confirmation and Rationale:

Council Resolution	4/3/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

The State Government must consider, including through its Inquiry into Local Government funding and services, the cumulative detrimental impact of its operational and financial compliance regime, and ensure sensible changes are implemented that afford Local Government more flexibility to provide core services and infrastructure to the community, and which reduce the real cost of compliance with a wide range of State Government imposts and obligations.

Councils are also increasingly having to fund services that the State and Federal Governments, and the private sector, should be providing. An analysis by the Local Government Association of Queensland revealed that cost shifting to Queensland councils has increased 378 percent in the past 20 years.

If the rates cap is to be maintained, it is proposed that alternative models are considered:

- A calculated Local Government Cost Index would be a more appropriate measure for setting future rate cap advice to the Minister.
- In New South Wales, using a methodology which considers the actual Base Cost Change for councils (3.9% for 2023-24 to 2024-25), the rate peg has been set at a minimum of 4.5% for 2024-25, significantly higher than the 2.75% cap in Victoria.
- If a base service charge is not adopted, it is proposed that the RBA inflation forecast rather than the DTF inflation forecast is adopted by ESC given their forecasts have more closely aligned to actual inflation since 2021-22.

- Councils with very low relative rates could be allowed to re-base their rates to, for example, a median level amongst like councils. As an example, Stonnington has the second-lowest average rates per rateable property amongst 22 like metro councils. Stonnington had relatively low rates before the rates cap was introduced and has been wedged subsequently. Being afforded flexibility to apply a one-off or graduated increase to a reasonable mid-range base rate would better ensure the medium-term fiscal sustainability of Stonnington, and better enable it to partner with the State Government in areas of mutual policy intent and benefit.

Motion 25. Financial Sustainability (C8)

Submitting Council: East Gippsland Shire Council

Motion:

That the MAV calls on the Victorian Government to establish an inquiry into rate capping with a view to establishing a set of principles that could be applied, to ensure there is a consistent, principle-based approach to rate capping across local government, that supports financial sustainability.

Submitting Council Confirmation and Rationale:

Council Resolution	19/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

The Essential Services Commission (ESC) is responsible for administering the Fair Go Rates system and providing advice to the Minister for Local Government on the average rate cap for councils. For the 2024/25 financial year, council rate rises are capped at 2.75%.

When setting the rate cap the ESC analysed council financial data, price indices relevant to the sector, and economic forecasts from the RBA and the DTF, met with stakeholders, reviewed the 2023–24 analysis of council budgets conducted by Local Government Victoria (LGV) and the results of 2021–22 audits of the local government sector conducted by the Victorian Auditor General's Office (VAGO).

A key observation in the Letter to the Minister for Local Government (lg-highercap-advice-to-lg-minister-2024-25-20231102 (2).pdf) was *'that when updated with price inputs relevant to the Victorian setting, the three indices estimate that Victorian council costs increased by around 3.9 to 4.3 per cent from September 2022 to September 2023.'* The corresponding rate cap for those years that councils could apply was 1.75% for 2022/23 and 3.5% for 2023/24.

Further to this, for 2024/25 the Essential Services Commission advice to the Minister included the following:

'In our view, the gap between the rate cap and inflation, rising construction costs, and the expectation of future wage increases have the potential to present major cost pressures on councils going forward.'

The effects of the ongoing lower rate cap when compared to the increases in Council costs are:

- Council's costs increasing at a greater rate than the rate cap for the last three years
- There is a compounding impact on rate revenue in all future years
- Services to the community may be impacted to reduce costs and balance out the reduction in rate revenue.

STATE COUNCIL

Therefore, it is considered reasonable to establish a consistent, principle-based approach to rate capping across local government that enables sustainable financial practices for councils that are equitable the community.

Motion 26. Establishment of a Rainbow Alliance Network (C9)

Submitting Council: Darebin City Council

Motion:

That the MAV establish a Rainbow Alliance Network for local councils.

Submitting Council Confirmation and Rationale:

Council Resolution	26/2/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

The formal establishment by the MAV of a Local Council Rainbow Alliance Network would allow for cross-sharing of expertise and capacity building around risk management and LGBTIQ+ and intersectional inclusion in the face of threats to safety. The Network would provide an opportunity for coordination and partnership between local government authorities to address community safety matters and third-party protections.

Motion 27. Rainbow Alliance for Local Government (C9)

Submitting Council: Yarra City Council

Motion:

That the MAV establish a Rainbow Alliance Network for local government.

Submitting Council Confirmation and Rationale:

Council Resolution	12/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

The Municipal Association of Victoria is committed to supporting inclusive communities, including support for people who identify as LGBTIQ+ and provides suggested actions that Victorian councils can take in providing this support.

In October 2017, the MAV reaffirmed its commitment to marriage equality ahead of the national postal vote through a MAV State Council motion: “That the MAV recognises, in its marriage equality policy, that marriage equality is a human rights issue. We support full and equal human rights for all people and extend our support to the LGBTIQ community.”

At the LGBTIQ+ Community Safety Roundtable on 9 August 2023 hosted by the Minister for Equality and attended by the then Acting CEO of the MAV, one of the opportunities raised through discussions was for the MAV to consider formalising a network for the sharing of expertise and capacity building around risk management and LGBTIQ+ and intersectional inclusion in the face of threats to safety. This would represent coordination and partnership between local government authorities to address community safety matters and third-party protections.

The establishment of a Rainbow Alliance for Local Government would provide a forum for like-minded councils across Victoria to share learnings and to support each other to respond to the diversity of their communities.

MOTIONS LEGEND

Strategic priority motions

Motions considered to align with the MAV Strategy by advancing whole of sector policy positions and/or advocacy activities.

Standard priority motions

Motions considered consistent with sector roles and responsibilities, are significant to whole sector and relevant to current policy and advocacy activities at state and commonwealth level

Low priority motions

Motions considered not consistent with sector roles and responsibilities, are significant to whole sector and relevant to current policy and advocacy activities at state and commonwealth level

STRATEGIC PRIORITY MOTIONS

Motion 28. Affordable Housing

Submitting Council: Hobsons Bay City Council

Motion:

That the MAV calls on the Victorian Government to conduct an independent review into affordable housing. The review needs to provide a New Affordable Housing Planning Practice Note (PPN) and Building Practice Notes (BPN) to deal with the contemporary affordable housing crisis and fund strategic and statutory planning as well as building compliance guidelines for affordable housing.

Submitting Council Confirmation and Rationale:

Council Resolution	13/2/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	Yes

1. The new reforms have had no regard to these practice notes and they must be updated to ensure consistency of expectation across the state.
2. Funding towards updating local housing strategies and the development of local housing strategies to appropriately identify needs analysis for local areas on affordable housing
3. Funding towards the development of affordable housing strategies for local areas, including commitment and funding projects for the construction of affordable housing to timelines outlined in these strategies
4. Update planning schemes and the National Construction Code (NCC) to ensure appropriate standards of living, internal amenity and occupancy
5. Update planning schemes and building act to ensure appropriate standard for the protection of neighbourhood amenity to limit impact on peoples enjoyment of their home
6. Recognition and protection of the importance of neighbourhood character and other importance features of a neighbourhood
7. Recognition of the importance of local area housing strategies and working with local governments to appropriately plan and fund affordable housing
8. Imposing caps on the costs for the provision of affordable housing, to ensure the market need does not drive prices higher.

Motion 29. Kindergartens and Childcare

Submitting Council: Hobsons Bay City Council

Motion:

That the MAV calls on the Victorian Government to conduct an independent review into kindergarten and childcare provision. The review should provide clear legal decision pathways on the role of councils and the extent of their involvement in kindergarten and childcare provision so that council rates are used equitably across the state.

Submitting Council Confirmation and Rationale:

Council Resolution	13/2/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	Yes

By 2032, the State Government’s ‘Best Start Best Life’ early childhood education reforms will deliver 30 hrs per week of free pre-prep / 4-year-old kindergarten (increasing from the current 15 hrs) as well as 15 hrs per week of free 3 year old kindergarten (the rollout of which commenced in 2022 with kindergartens offering between 5 hrs and 15 hrs per week until 2029).

Local government plays a variety of roles in kindergarten provision, with some councils involved in direct service delivery and others just playing a broader support and coordination role. Advocating in the early years space is a strategic role that all councils undertake in partnership with MAV, providing strategic and operational context and information to State Government. Regardless of the role they play, most if not all Victorian local governments play a key role in provision of infrastructure facilities for kindergarten and some childcare programs. Accordingly, although the State Government has increased funding for kindergarten operating and facility expansion costs, there are potential costs for local government associated with facility planning, project management, and delivery of project items beyond a minimum standard allowed for by the State Government. The newly developed larger facilities will also increase the maintenance burden for many councils over time.

This motion, if passed, would call on the State Government to establish an independent review of local government’s role in kindergarten and childcare provision that clearly sets out responsibilities of state and local government, and that identifies future costs and funding sources in order to avoid cost-shifting to councils and ratepayers as the reform program is rolled out over the next eight years.

Motion 30. Resourcing and support for appointment and retention of Municipal Building Surveyors

Submitting Council: Campaspe Shire Council

Motion:

That the MAV calls on the Victorian Government to develop a program to support councils in the recruitment and costs of retaining key building personnel, specifically Municipal Building Surveyors along with Building Surveyors and Inspectors required to enable councils to fulfill their statutory obligations under the *Building Act 1993*.

Submitting Council Confirmation and Rationale:

Council Resolution	20/2/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

It is becoming increasingly difficult for councils to attract and retain key building personnel and in turn meet councils' obligations under the Building Act 1993. It is well known that the Building Control system in Victoria is under considerable strain. One key issue is the shortage of qualified building surveyors and inspectors to undertake the work required to ensure buildings are constructed in line with relevant standards and codes.

Councils are seeking to recruit and retain staff in competition with the private sector for decreasing numbers of qualified staff. However, unlike the private sector, councils are unable to pass on the full cost of the service onto the consumer and in the current rate-capping environment, the ability of councils to offer salaries and benefits that are competitive and attractive to the few staff qualified to fulfil the responsibilities of Local Government under the Building Act 1993 is constrained.

There is an ever-increasing risk that councils will not be able to fulfill their statutory obligations in a timely way which has the potential to delay development and put at risk the government's housing supply targets. More importantly it potentially puts the health and safety of the public at risk.

Motion 31. Provide local government guidance and direction on the implementation and use of emerging Artificial Intelligence systems and applications.

Submitting Council: Campaspe Shire Council

Motion:

That the MAV establish an industry working group to explore and advise on the current and future use of and opportunities for Artificial Intelligence applications and systems to assist in the delivery and decision-making processes within Local Government.

Submitting Council Confirmation and Rationale:

Council Resolution	20/2/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

Artificial Intelligence (AI) is an emerging field of computer applications that can produce computer generated written and visual content based on key words, questions, and images as well as other advanced inputs. The most recent use in generating written and visual content has potential to assist business users in producing research and general content for use within a business or local government. This needs to be balanced with caution to confirm the content is accurate, formatted correctly and using correct syntax and grammar at a minimum.

As this is an emerging field, concerns need to be addressed as to the security, free use of content and possible release of confidential or sensitive information.

Presently there is minimal guidance from within State and Federal governments as to the appropriate use and management of this technology. Specific advice and direction is required within a local government context to explore the use of AI technology and potential future benefits in assisting key business decision making. Until this advice and potential endorsement is available the use of AI needs to be considered from a risk perspective and limited or not deployed at all until full understanding and controls are in place to manage the risks.

Risks include:

- Control of and access to saved content
- Ownership and use of generated content including copyright or other protections
- Future assisted decision making, who is accountable for the output, what controls are in place.
- Legal implications of AI use
- Risks to local government brand when using AI to communicate with general public and rate payers.
- Managing AI suppliers.

The scope could include:

- Reviewing current and future use cases for AI within a local government framework
- Review and advise on potential legal implication of using AI
- Review and advise on legal and social impacts of using AI to generate content
- Provide guidelines and updates on the selection, use cases, management and end user guidance for using AI
- Alignment, where needed, with state and federal government guidelines, security practices and best practice for utilising AI
- Training and implementation guidelines for implementing any AI based solutions

Motion 32. Presentation of State Government owned infrastructure assets

Submitting Council: Frankston City Council

Motion:

That the MAV calls on the Victorian Government to prioritise the inclusion of additional reoccurring annual funding towards the proactive improvement and maintenance of state government owned road, median strips, gateway, bridges, sound walls and railway stations.

Investment should aim to deliver the following types of initiatives:

- a) Graffiti prevention of road and rail sound walls such as public art and/or greening including upkeep of median strips.
- b) Proactive road surface maintenance and improvements as a means of reducing reactive maintenance needs
- c) Increased responsiveness to graffiti removal and roadside litter and illegal dumping
- d) Increased responsiveness to maintenance requests of roads, bridges and underpasses
- e) Investment in beautification improvements to intersections and underpasses/bridges, including public lighting, public art, path surface improvements and new planting

Furthermore, seeking the development of service level agreements between the Victorian Government and Local Government authorities that clarifies roles, responsibilities, intervention levels, procedures and timings. Any service level agreements should also take into consideration adequate and timely responses to customers, acknowledging their requests as well as providing timely resolutions informing customers of the outcome.

Submitting Council Confirmation and Rationale:

Council Resolution	19/2/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

While there has been significant Victorian Government investment over recent years towards rail infrastructure, level crossing removals and road and intersection improvements across the state, the positive uplift these investments aim to deliver is diminished by a lack of maintenance and improvements to surrounding infrastructure.

Councils across the state consistently receive frequent reports requesting maintenance and improvements beyond our control. With poor reputation and community satisfaction often incorrectly and unfairly placed on Local Government.

A 2021 VAGO Maintaining Local Roads report highlights that Local Government manages 87 per cent of Victoria's road network, leaving 13 per cent the responsibility of the Victorian Government.

On average, the report shows that councils are spending about 10 per cent (over \$870 million in 2018-2019) of their annual budget expenditure on road maintenance, renewal, capital upgrade and capital expansion. While a Public Accounts and Estimates Committee Inquiry into the 2023-2024 Budget Estimates shows an annual expenditure of \$770 million spent on rebuilding, repairing and repaving road assets.

Additional Victorian Government investment is desperately needed across the state for a long-term solution that mitigates graffiti, increases responsiveness to graffiti removal and major arterial maintenance requests, while investing in beautification improvements such as public art and greening, and safety solutions such as public lighting.

These initiatives will provide an opportunity to deliver an exciting, interesting and pleasant sense of arrival for all municipalities.

Motion 33. Improving Council safety

Submitting Council: Glen Eira City Council

Motion:

The MAV calls on the Victorian Government to actively work with the local government sector and other relevant stakeholders to:

1. acknowledge the significant detrimental impact that the recent escalating disruptions at Council meetings is having on the good conduct of Council meetings and on the health, wellbeing and safety of councillors, council staff and community members;
2. recognise this may deter quality and diverse candidates from seeking office at the upcoming local government elections and existing councillors to continue in their roles or to seek re-election;
3. identify initiatives which strengthen understanding, inclusion, collaboration and respectful dialogue between the community and their elected representatives; and
4. direct relevant committees or working groups to explore and recommend strategies aimed at reducing the instance of civic incivility and assist and resource councils to implement safety measures to ensure the safety and wellbeing of elected representatives.

Submitting Council Confirmation and Rationale:

Council Resolution	27/2/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

Councils recognise and value the role of community participation in good governance. A healthy democracy depends on the principles of respect, understanding, consultation, participation, and open communication. The robust and respectful exchange of ideas ensures elected representatives can engage in constructive dialogue, understand community sentiment, collaborate on key issues, and make decisions that benefit the community.

There has been increasing disorderly conduct at Council meetings across Victoria widely reported throughout 2023 and 2024. This risks the wellbeing and safety of elected representatives, council staff and community members. It is a privilege to act as a representative of the community, however the rise of disorderly behaviour and threatening encounters takes a toll on councillors.

Councillors dedicate significant time and effort in serving their communities, and hostile behaviour undermines their confidence and ability to carry out their responsibilities safely and effectively. Councillors step up to represent their communities, usually in addition to other work and responsibilities. They are not career politicians, and they are not compensated for the hazards associated with the role and the costs on their personal lives.

This may also impact the upcoming local government elections deterring existing councillors from continuing in their roles and people from diverse backgrounds and perspectives from considering running to represent their community as a councillor. This could limit the number of quality candidates, impacting the quality and variety of local government representation.

The Victorian Government must actively work with the local government sector and other relevant groups to address this important issue and assist and resource councils to implement safety measures to ensure the health and safety of councillors, council staff and the community when going about council business.

This involves committing to initiatives that encourage understanding, collaboration, and respectful dialogue among elected representatives and the communities they represent. Creating an environment that welcomes diverse perspectives will ensure continued good governance in the local government sector.

Motion 34. Heatwave Planning

Submitting Council: Moonee Valley City Council

Motion:

That the MAV calls on the Victorian Government to provide role clarification and resources with respect to the operation of municipal cooling centres and heat refuges in extreme heat or declared heatwaves for the vulnerable community members.

Submitting Council Confirmation and Rationale:

Council Resolution	12/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Cooling centres and heat refuges are often used interchangeably, according to the Australian Journal of Emergency Management, 2022. A cooling centre is an air-conditioned public space established to temporarily mitigate the health effects of a heat wave. Given the increasing risk of climate change and extreme weather, it is important to provide cooling centres to vulnerable community members, such as residents in the public housing estates.

However, the expectations about the services delivered at these centres are unclear. Currently, there is no requirement for councils to establish cooling centres. Further, there are no resources allocated to cooling centres or funding arrangements for these costs to be recovered. It is important for the MAV to seek clarification and resource support from the Victorian Government to operate cooling centres in extreme heat or declared heatwaves for vulnerable community members.

Motion 35. Data, Digital Technology and Cyber Security

Submitting Council: Maribyrnong City Council

Motion:

That the MAV calls on the Victorian Government to provide meaningful financial support to assist all local government areas to become better 'Smarter Cities', utilising technology, data and innovation to improve service delivery and making communities better places to live.

Submitting Council Confirmation and Rationale:

Council Resolution	19/3/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

This motion proposes financial support or grant programs for local governments, to enable more Smart City initiatives to be implemented. This will foster a community of practice to share skills and knowledge across all levels of Government.

Effective and open source data can help build public trust, as they are able to easily find and identify data, while understanding that sensitive information is not being taken or shared.

Motion 36. Stronger Deterrents for Illegal Vegetation Removal

Submitting Council: Nillumbik Shire Council

Motion:

That the MAV call on the State Government to strengthen the powers of local councils to effectively enforce, and respond to breaches of, their Planning Schemes under the Victorian Planning Provisions, particularly in regards to illegal native vegetation removal as referenced in the 'Offsetting Native Vegetation Loss on Private Land' VAGO Report (May 2022), and illegal earthworks.

Submitting Council Confirmation and Rationale:

Council Resolution	12/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Native vegetation plays a critical role in protecting biodiversity, providing food and shelter for wildlife, helping control erosion, and improving water quality. It is a unique and valued feature of our landscapes, particularly in rural and peri-urban regions of the state that often comprise large parcels of land designated as Green Wedge.

Through its 'Protecting Victoria's Environment – Biodiversity 2037' plan, the State Government has set an objective of no net biodiversity loss from native vegetation clearing on private land. Under the Planning and Environment Act it is illegal to remove native vegetation without a permit. Local councils are responsible for enforcing breaches of the Act through their planning schemes as part of the Victorian Planning Provisions. However, current powers limit the enforcement action that councils are able to undertake, and fines for breaches are often not high enough to deter people from illegally removing vegetation.

When fines are issued, they are often significantly less than what councils spend resourcing enforcement action. When infringements are issued by the Magistrates Court, they are referred to Fines Victoria. However, fines are frequently not paid and get lost in the system. Councils also find it difficult to recover fines through Fines Victoria. Councils spend a lot of time trying to negotiate on-ground remediation outcomes including voluntary native vegetation offsets. Outside of these voluntary measures, councils have the ability to try and seek enforcement orders at VCAT. However, again, this has significant impacts on budgets and resources, and costs are often not recouped, even in the event of costs applications being made.

Councils also spend significant time and resources undertaking valuable work and producing important strategies, including Urban Tree Canopy, Neighbourhood Character and Biodiversity strategies, to protect biodiversity values and vegetation. Support in the deterrence of illegal vegetation removal, as outlined above, will support that investment, as well as the State Government's own biodiversity objectives, and ensure better outcomes are achieved for our community and the environment.

Motion 37. Supporting residents using in-home care

Submitting Council: Port Phillip City Council

Motion:

That the MAV advocates to the Victorian State Government for support for Local Governments wanting to be the first point of contact for older people seeking access to in-home care and related services that best meet their needs.

Submitting Council Confirmation and Rationale:

Council Resolution	6/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

The Support at Home Program means that there are impacts on Council’s ability to stay in the delivery of in-home care services. These changes include funding will transition from block funding to funding in arrears for services delivered, increased governance and reporting requirements, the creation of a demand driven marketplace and competitive neutrality considerations.

However, Council has an important role to play in connecting people into services and supports regardless of who funds or provides them.

Councils across Victoria have a strong commitment to supporting older people to age well at home. A model that could retain council involvement includes a funded Community Connector position that can support people to connect into the SHP as well as other services and programs that support older people to improve their health, wellbeing and stay living at home independently. This service would act as a safety net, so that older residents don’t fall through the gaps.

Motion 38. Electric line clearance and metropolitan tree canopies

Submitting Council: Yarra City Council

Motion:

That the MAV calls on the Victorian Government:

1. to amend the Electricity Safety (Electric Line Clearance) Regulations 2020, as part of the 2025 review, in order to retain trees and tree canopy and acknowledging metropolitan municipalities as a low bush fire area.
2. for an immediate amnesty to save any alleged non-compliant trees in metropolitan municipalities of Victoria.
3. consider funding support for bundling or undergrounding of powerlines and cross arm solutions when it plans for its 2024/2025 Victorian Budget.

Submitting Council Confirmation and Rationale:

Council Resolution	12/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

The motion should be considered as it seeks to address the mitigate the effects of climate change, by improving urban greening and reducing the heat island effect across metropolitan municipalities of Victoria.

While the clearance of trees in high-risk bush fire prone areas is essential, the benefits of such clearance in densely populated and inner urban areas are questionable, while the retention of canopy trees in these areas will improve the cooling and greening of the public realm and improve the health and wellbeing of the community.

Motion 39. Telecommunications Infrastructure and Connectivity Resilience

Submitting Council: East Gippsland Shire Council

Motion:

That the MAV calls on the Victorian Government to work with the Commonwealth Government to:

1. undertake an independent investigation into the widespread telecommunications infrastructure failures in the early 2024 storm events in the state with clear recommendations to enhance system resilience; and
2. establish mandatory telecommunications infrastructure reliability standards that consider a contemporary understanding of the use of infrastructure by emergency services, government and community.

Submitting Council Confirmation and Rationale:

Council Resolution	19/3/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

A key aspect of the 2019/20 Black Summer Fires (19/20 Fires) was the impact of isolation experienced by communities – due to road closures, and/or loss of power and/or loss of telecommunication. This was particularly traumatising given the heavy reliance of emergency agencies on the provision of emergency information by digital means. Lack of information contributes to the sense of “loss of control” during an event, increasing trauma.

Telecommunication systems were reviewed and upgraded following the 19/20 Fires, resulting in increased provision of batteries, generators, and other things to address service reliability. However, the experience of the most recent storms on 13 February 2024 is contrary to the “promise” offered by the system upgrades following the 19/20 Fires. In effect, the promised minimum 8 hours of battery life was not reflected in the service received on the 13 February 2024. This was experienced by several municipalities including East Gippsland, but possibly none more acutely than South Gippsland.

Large, widespread events that impact infrastructure are not “black swan” events – they are entirely foreseeable, examples include the 19/20 Fires, recent major flooding in the north of Victoria, and the storm event in February 2024.

Telecommunications is currently regulated as a commercial service and does not have mandated levels of service reliability and coverage. The Universal Service Obligation (USO) is currently under review (this relates to voice service through copper wires only). The future of the USO

needs to reflect changes in technology and the use of telecommunications, not just by consumers, but also by emergency services and other government service providers.

COVID 19 accelerated the shift of government service provision to online so there is a need to rethink service expectations for telecommunication and other infrastructure services that support interactions with government. Ironically, the key source of information about power outages is online outage trackers. However, the key cause of loss of telecommunications was loss of power and information on outages was not accessible.

Motion 40. Supporting rural councils to meet the Victorian Government's Renewable Energy transition targets

Submitting Council: South Gippsland Shire Council

Motion:

That MAV support rural councils which are impacted by Victoria's Renewable Energy transition targets, by calling on the State Government to provide:

1. funding and resourcing to support land use and infrastructure planning and delivery to rural councils impacted by the anticipated growth; and
2. dedicated funding in lieu of rates through Community Benefit Scheme payments to rural councils impacted by offshore wind.

Submitting Council Confirmation and Rationale:

Council Resolution	20/3/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

Many rural councils are open to working with the Australian and Victorian governments to support renewable offshore energy transition targets but require additional support to do so.

Funding for strategies to accommodate future growth increases in smaller communities is needed, along with funding - in lieu of rates - to offset potential negative community impacts.

Renewable energy investment offers generational change opportunities for rural councils, but support is required to capitalise on the potential investment whilst supporting our local community and preserving township character.

Motion 41. Increase betterment funding to build resilience and support communities to build back better following disasters

Submitting Council: Mitchell Shire Council

Motion:

That the MAV calls on the State Government to commence an urgent review of betterment funding arrangements to identify how increased betterment funding can be provided to support improved resilience to ever-increasing natural disasters and other emergencies.

Submitting Council Confirmation and Rationale:

Council Resolution	18/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Objective

For the State Government to increase the betterment funding provided to Councils and communities in the wake of a disaster. Without increased funding to support betterment communities will continue to be vulnerable to natural and other disasters.

Key Arguments

Whilst funding is available through the Disaster Recovery Funding Agreements (“DRFA”) to support certain relief and recovery activities, this funding only allows for damaged or compromised infrastructure to be returned to its existing condition. Essentially, this limits or discourages any attempt to better the infrastructure to make it more resilient.

Recent disasters have highlighted the futility of recovery funding when betterment is not included. In Victoria, flooding less than two years apart has resulted in a situation where repair work following floods in 2022 was washed away when flooding occurred again in January 2024. This is not only costly for all levels of government, but also incredibly frustrating for community who can see the clear logic is to take the opportunity to improve any damaged infrastructure to prevent future issues.

The DRFA and other existing relief funding models are clearly inadequate when supporting betterment of infrastructure in disaster impacted areas. An urgent review is required to consider and establish new funding mechanisms which can avoid waste, build infrastructure resilience, and ultimately support better outcomes for communities as they recover.

Any review of betterment funding should include a dialogue between all three levels of government, led by the State Government, regarding flooding mitigation and flood mitigation funding.

Motion 42. Strengthening Community Involvement in Emergency Events

Submitting Council: Mitchell Shire Council

Motion:

The MAV completes an independent strategic review of the Terms of Reference for the MAV Emergency Management Advisory Committee with a particular focus on increasing and empowering the community and community representatives.

Submitting Council Confirmation and Rationale:

Council Resolution	18/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Objective

That the community and community representatives are empowered and expanded as part of the MAV Emergency Management Advisory Committee. Community involvement should be centred in all emergency management conversations and the MAV Emergency Management Advisory Committee should not only practice, but also model this approach by identifying and addressing issues associated with these emergency events.

Background

As the effects of Climate Change become pronounced, Victorians will continue to face disaster events of increasing severity and regularity. The State's emergency management systems must be robust and responsive to ensure that government and communities work together to prepare and respond to emergency events. There are numerous issues which require community voice and participation to ensure that they are resolved, including:

1. Vulnerable telecommunications systems which have limited backups in case of emergencies;
2. Declining numbers of volunteers, with the CFA having lost approximately 7,000 volunteers since Black Saturday;
3. Ageing volunteer equipment, with some fire tankers over 30 years old;
4. Mitigation, including fuel reduction in urban and peri-urban areas;
5. Problems and relevance of the current insurance industry structure in the growing list of emergency events;
6. Fuel load management and provision of fire access tracks (including their maintenance) on public lands with the cessation of logging in old growth native forests;

7. Address multiple ingress and egress in planning for new subdivision in rural and interface areas; and
8. Better engaging with the community in response, recovery, and mitigation efforts.

It is important that the local government sector stays at the forefront when engaging with their communities before, during and after emergency events. A timely review may possibly be very beneficial in achieving better outcomes for all.

STANDARD PRIORITY MOTIONS

Motion 43. State Victorian Government to conduct an independent review into the operation of the administrative body Fines Victoria

Submitting Council: Hobsons Bay City Council

Motion:

That the MAV calls on the Victorian Government to conduct an independent review into the operation of the administrative body Fines Victoria regarding the administration and enforcement of infringement fines and court fines across Victoria.

The review should include an analysis of the benefit that councils receive when lodging infringements through the agency or when court fines are processed through the agency by:

1. Conducting a review of the success of collection of monies owed to Victorian councils since the inception of the agency including a provision of the dollar values.
2. Providing details of returns to each council monies that have been collected in the past four years.
3. Obtaining an understanding of the key performance indicators for Fines Victoria and the relevant measures and how they are being met.
4. Providing details of how each individual council's financial expectations will be met in the future by the agency.

Submitting Council Confirmation and Rationale:

Council Resolution	13/2/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

Victorian councils have been relying on Fines Victoria to collect outstanding infringements since Fines Victoria underwent its 'significant transformation' on 31 December 2017. Councils have not received an acceptable return on fines collected on their behalf, resulting in a considerable negative financial impact. This has affected individual councils' financial positions and ability to deliver services to their communities. These concerns have been shared with Fines Victoria, however, there have been minimal improvements. A review of process and procedure may identify the reasons for this and at the same time give councils confidence in retrieval of outstanding amounts in the future.

Motion 44. Grant opportunities for project scoping and feasibility

Submitting Council: Campaspe Shire Council

Motion:

That the MAV calls on the Victorian Government to widen the eligibility criteria of the grant programs available to Local Government to routinely include project identification, scoping, and feasibility analysis.

Submitting Council Confirmation and Rationale:

Council Resolution	20/2/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

There is a bias within grant programs of both the State and Federal Governments toward supporting projects that are ‘shovel ready’. Such programs contain eligibility criteria that limit the projects that can be funded to only those that have already been subject to significant funding and resourcing to scope and design and otherwise bring to a stage that they are ready to construct.

This tends to favour larger councils with the resources to invest in planning and feasibility assessments and with capital programs that are less reliant on grant funding to implement. This issue is exacerbated by the greater weighting given to projects with multiple partners across the public and private sector.

Securing agreements across multiple agencies and partners is also resource intensive adding to the cost and resource burden of councils to identify projects and bring them to shovel ready status. Whilst there are some grant programs across government that do facilitate project design and feasibility such as the Local Sports and Infrastructure Fund (LSIF) which has a specific planning stream, many other programs do not. The incorporation of a planning and feasibility stream as a routine or standardised component in the design of grant programs would greatly assist the ability of all councils to access these programs and ensure the objectives of the program are met.

Motion 45. Review of the Domestic Animals Act 1994

Submitting Council: Campaspe Shire Council

Motion:

That the MAV calls on the Victorian Government review the *Domestic Animals Act 1994* to address a range of issues, including the current crisis with respect to animal shelters and pounds.

Submitting Council Confirmation and Rationale:

Council Resolution	20/2/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

Councils throughout Victoria are significantly concerned regarding the current state of the Animal Management systems, specifically the difficulties around running shelters and pounds. Challenges faced by councils include public expectations around kill rates, onerous reporting requirements which demonstrate the significant issues within the system with little to no assistance from the State, and no solutions to the crippling number of animals being surrendered or going unclaimed, particularly cats. A review of the *Domestic Animals Act* would assist, with a view to providing some flexibility for councils with respect to rehousing and holding days required. The use of 84Y agreements, are not the answer, and often cause more work for councils, with repeat animals escaping, being returned with little to no intervention, and often resulting in poor animal management outcomes and injuries from dog attacks.

Animal registration fees do not meet the costs to fund animal management activities of a council, and animal shelters and pounds result in a deficit for councils each year, with no possible way of cost recovery.

Campaspe Shire Council, along with other councils have seen significant challenges with adequately staffing our shelter, with the talent pool being limited.

Other challenges within the Act – holding dogs while determining control measures post-conviction or following an appeal to VCAT with no way of recovering costs, requiring councils to accept surrendered animals with no way of enforcing a fee for same, no requirement for animal owners to attempt to rehome animals before surrendering to council, no ability for councils to require improvement to fencing to properties without seeking a court order, challenges with Restricted Breed Dog identification, onerous training requirements for temporary animal management staff, limited ability to issue notices to comply, and poor animal noise complaint provisions are some areas which require review.

Motion 46. Improved Infrastructure Planning for Growth Areas

Submitting Council: Cardinia Shire Council

Motion:

That the MAV calls on the State Government to provide financial support to address the infrastructure planning needs arising from the significant population growth in Growth Area councils.

Submitting Council Confirmation and Rationale:

Council Resolution	19/2/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Growth Area Councils have experienced and continue to witness substantial population growth. The demands on infrastructure and service delivery in Growth Area councils have intensified due to the aforementioned population growth, the inability for DCP's and ICPs to cover the actual cost of infrastructure under rate capping.

Motion 47. Financial vulnerability and wellbeing

Submitting Council: Cardinia Shire Council

Motion:

That the MAV calls on the Commonwealth Government on behalf of Victorian councils to conduct a review into the funding mechanism that addresses financial vulnerability and wellbeing nationally and establish a dedicated fund that councils can access to address the financial vulnerability and wellbeing within communities.

Submitting Council Confirmation and Rationale:

Council Resolution	19/2/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Rationale not provided.

Motion 48. Seek action on the implementation of the Victorian food systems consensus statement

Submitting Council: Ballarat City Council

Motion:

That the MAV call on the Victorian Government to establish an action plan for achieving the following 10 policy priorities in the “Towards a Healthy, Regenerative and Equitable Food System in Victoria” Consensus Statement by VicHealth and the Food Systems and Food Security Working Group:

1. Right to Food Law in Victoria.
2. Food Systems Governance
3. Food Systems Monitoring
4. Agroecological Food Production
5. Local Food Infrastructure
6. Public Sector Food Procurement and Retail
7. School Food Systems
8. Community Food Systems Strategies
9. Community Food Systems Planning
10. Food Relief Models

Submitting Council Confirmation and Rationale:

Council Resolution	26/7/23
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

A commitment to these actions and leverage points will lead to a better food system for the LGA and Victoria more broadly. A food system that is healthy, regenerative and equitable for the decades to come. One that guarantees a right to food for all and fosters a resilient, thriving community. Amid the sky-rocketing cost of living crisis and speculation on vital agricultural land in Victoria, it is imperative that the State Government commit to strategies that enable access to food for all, protect our food production industries and regenerate the land.

Motion 49. A greater share of Short Stay Accommodation Levy funds for regional communities

Submitting Council: Warrnambool City Council

Motion:

That the MAV calls on the State Government to guarantee at least 50% of the funds raised by the Short Stay Accommodation Levy will be spent on providing housing in regional Victoria.

Submitting Council Confirmation and Rationale:

Council Resolution	4/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

The Victorian State Government released its housing statement last year. This document announced the introduction of a 7.5% Short Stay Levy on short stay accommodation platforms with the proceeds to support Homes Victoria to build and maintain affordable housing across the state. However, the document only commits to 25% of these funds being spent in regional Victoria.

This amounts to a disproportionate transfer of money that would have been spent in regional communities to now fund housing projects in metropolitan Melbourne. The document itself claims that around half of the properties used for short stay accommodation are located in regional Victoria so a 25% guarantee leaves these communities short changed.

The reforms also removed the power for local councils to apply their own charges to short stay accommodation. If the State Government is going to remove a potential funding source for local governments, it is crucial that the funds be returned to the communities proportionately to how they are raised.

Motion 50. State Government Funding for Regional Airport Infrastructure

Submitting Council: Warrnambool City Council

Motion:

That the MAV call on the State Government to establish a funding program for improving infrastructure at airports in regional Victoria.

Submitting Council Confirmation and Rationale:

Council Resolution	4/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Regional airports are valued community assets that are often managed and maintained by local government. They support export-oriented agribusiness, assist in medical evacuation and access to healthcare, support bushfire fighting operations, and are gateways to world-renowned tourist destinations.

However, currently regional communities are under serviced by commercial airlines despite there being an interest in establishing more services. The largest barrier to entry for these airlines is that the infrastructure at regional airports is not at the standard required to operate their services. This exacerbates regional disadvantage by further reducing connectivity and access to essential services such as specialist medical care and education.

The Federal Government has a number of funding programs available for regional airports such as the Regional Airports Program and the Regional Aviation Access Program but there is no equivalent programs offered by the State Government. The establishment of a program of this nature will be beneficial for all Victorian councils by boosting connectivity to and from our regional centres.

Councils in a rate capped environment cannot be expected to be the primary contributors to sorely needed infrastructure improvements for regional airports.

Motion 51. Mental Health Social Inclusion Action Groups

Submitting Council: Brimbank City Council

Motion:

The MAV calls on the Victorian Government to increase support for the delivery of mental health services by expediting the establishment of mental health social inclusion action groups in all Local Government Areas.

Submitting Council Confirmation and Rationale:

Council Resolution	19/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Early intervention and primary prevention programs for those facing mental health challenges will build courage, improve self-awareness and increase a sense of belonging and self-worth. Building resilience will contribute to preventing suicide ideation, increasing participation in society and reducing the load on the current mental health system that is struggling to keep up with demand.

The Royal Commission into Victoria’s Mental Health system recognised that communities are best placed to understand and drive local and social connection and inclusion efforts that support mental health and wellbeing. The Royal Commission therefore recommended that social inclusion action groups (SIAGs) be established in all of Victoria’s 79 LGAs to support local communities to prevent social exclusion and to promote social inclusion and connection.

The 2022-23 State Budget allocated \$9.1 million to deliver the first five SIAGs in Frankston, Benalla, Mansfield, Wangaratta and Latrobe, with the next five from 2024-25. However, the establishment of SIAGs in all 79 LGAs needs to be fast tracked, as the current roll-out is very slow despite the much-needed resources to address mental health challenges across the state.

Motion 52. Fire Plugs and Free Water

Submitting Council: Wodonga City Council

Motion:

That the MAV advocate for the changes to legislation to clarify the ownership of water hydrants, plugs and associated infrastructure should form part of the network to be maintained wholly by the water authorities.

Submitting Council Confirmation and Rationale:

Council Resolution	18/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Equitable Cost Allocation - The water authority charging for hydrant/plug use as part of their general overhead ensures a fair distribution of costs associated with availability, maintenance and utilisation of firefighting infrastructure and acknowledges that the water authority also uses these systems to service their infrastructure via method referred to as “scouring” to maintain clear waterpipes by removing material that builds up in the pipes.

Financial Sustainability - Generating revenue contributes to the financial sustainability of these services. The funds collected can be reinvested into infrastructure maintenance, upgrades, enhancing overall service delivery. For a government authority to have to provide these services without a reasonable means of recovery of costs appears to be unfair and shifting the cost. In summary the Country Fire Authority requires the installation of firefighting facilities as a referral authority under the Planning and Environment legislation and the Water Authorities maintain the associated infrastructure. Council is the middle authority only in this process and maintains no head of power in relation to these matters.

Motion 53. Challenges with ‘Build-to-Rent’

Submitting Council: Port Phillip City Council

Motion:

That the MAV seeks a review of existing Build to Rent regulations and provisions and assesses the ongoing challenges identified by local government around these developments for infrastructure and open space investment.

Submitting Council Confirmation and Rationale:

Council Resolution	6/3/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

There has been a significant increase in applications for Built-to-Rent (BtR) developments in Melbourne.

Build to rent is a process whereby developers construct multi-unit developments with the intention of retaining full ownership of the development while renting out the individual units under long term rentals. There is usually no prohibition on future subdivision and sale.

These developments have been incentivised by the State Government (through a 50% reduction in land tax) to create new affordable housing complexes, on the assumption that rentals will be below market value, although this has not proved to be the case and is not controlled in any way. They are, in planning terms, exactly the same as for-sale apartments.

When land is subdivided, and additional lots are created public open space contributions are payments made to Council. Open space contributions, often in millions of dollars annually, form a vital income source that enable Council to improve and expand public open space as the population grows.

As the number of BtR developments increase so too does pressure on our municipality’s parks, sporting ovals, foreshore etc. This results in a reduction in public open space available per person within our municipality combined with less funds to maintain and upgrade existing open spaces let alone increase supply of open spaces. This is especially difficult for inner-city councils where land prices are at a premium.

Motion 54. Victorian Precinct Rejuvenation after COVID

Submitting Council: Port Phillip City Council

Motion:

That the MAV seeks the collaborative support of the State Government through the Minister for Precincts and the Minister for Tourism to rejuvenate precincts significantly hit from a lack of visitation extending from the COVID pandemic and to open grant opportunities for these precincts to revive their visitor economies.

Submitting Council Confirmation and Rationale:

Council Resolution	6/3/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

Precincts across the Greater Melbourne area remain stagnant in visitation. Areas such as St Kilda, which have historically been destinations for backpackers and working holiday visa travellers have been unable to rebound in visitation numbers.

MAV is in a unique position to engage directly with the Minister for Precincts, Colin Brooks, and the Minister for Tourism, Steve Dimopoulos to ensure that visitors are coming to Victoria, and particularly to these precincts.

Areas such as Waterfront Place, that have lost TT Line and Princess Cruises, are also needing support from State Government to build back visitation numbers and create new opportunities.

Emphasising the Victorian precinct visitation opportunities will have flow on effects, including into Regional Victoria with the field work requirements of the working holiday visa holders.

Motion 55. Maximising the value of our Major Events economy

Submitting Council: Port Phillip City Council

Motion:

That the MAV requests the office of Minister for Tourism, Sport and Major Events consider a roundtable to hear from traders and local government on the challenges associated with holding these major events in their municipalities, and the opportunity for flow on impacts to be realised.

Submitting Council Confirmation and Rationale:

Council Resolution	6/3/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

The major events calendar in Victoria represents a key opportunity for economic growth opportunities. The annual major events calendar includes event such as the Formula 1 Australian Grand Prix, the Rip Curl Pro and the Australian Motorcycle Grand Prix.

However, these events can often place extra burdens on neighbourhood roads, parking and local residents' amenity. They can sometimes represent missed opportunities for financial benefits despite the visitation and public attention.

A strong engagement with State Government about our events calendar and the needs of traders could strengthen the chance of economic flow on effects from Victoria's major events.

Motion 56. Supporting People Seeking Asylum within our Communities

Submitting Council: Greater Dandenong City Council

Motion:

The MAV calls on the Victorian Government to advocate to the Australian Federal Government to:

1. rapidly process valid bridging visas with work and study rights while applicants await decisions on their protection application, including automating the bridging renewal process;
2. expand the Status Resolution Support Services (SRSS) Program eligibility and simplify the application process so that individuals and families seeking asylum who are in need and awaiting the outcome of their protection claims, or awaiting the outcome of the Administrative Appeal Tribunal (AAT) (or Administrative Review Tribunal once the AAT is abolished) can access healthcare, disability, housing support and other essential services; and
3. allow access to tertiary education options after the age of 18 for people seeking asylum (and their children) awaiting the outcome of their protection claims or awaiting the outcome of the AAT (or Administrative Review Tribunal once the AAT is abolished).

Submitting Council Confirmation and Rationale:

Council Resolution	12/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Cost shifting to Local Government and Charities

People seeking refugee protection in our communities face major hurdles in accessing federal government-funded support programs. Most are currently ineligible for the Status Resolution Support Services (SRSS) Program, the Federal Program to support people seeking asylum during their protection application process.

As a result, they rely on support from local governments, community groups for charity or work in exploitative conditions. This cost shifting places huge burdens on local governments and their communities, needlessly places individuals and families at risk of destitution and erodes trust in government processes and institutions.

The temporary status of this group creates added challenges, such as difficulty accessing women's refuges or homelessness services, and further education opportunities.

The Australian Federal Government has responsibility for immigration policy and providing people seeking protection with a clear and efficient Refugee Status Determination Process, with adequate support mechanisms for those in need.

The SRSS Program has become so narrow and restricted that it fails to meet its intended purpose. Financial assistance delivered through the SRSS Program has been cut by 95% (from \$300 million in 2015-16 to \$15 million in 2022-23) and the number of people assisted has dropped from more than 13,000 in 2017 to 1,600 in 2023. Expenditure on SRSS financial assistance in 2022-23 (\$15 million) was underspent by \$22 million.

Charities cannot meet the need for emergency assistance. State governments are winding back support and lengthy delays in visa processing have made the situation much worse. This lack of access to assistance is coupled with large waiting times for decisions for people who apply for protection onshore, with people waiting more than eight years without access to a safety net for a final resolution of their asylum application.

Since 2018, the Local Government Mayoral Taskforce Supporting People Seeking Asylum has been advocating for the rights of people seeking asylum to the Federal Government. Established and chaired by Greater Dandenong City Council, the Mayoral Taskforce Supporting People Seeking Asylum is now made up of a growing membership of over 40 councils nationwide, who understand this is an issue of national importance – the advocacy for a fairer and swifter Refugee Status Determination System with adequate support systems in place for individuals and families at risk of destitution.

Right now, in Australia, there are more than 90,000 people waiting for their application for protection to be finalised. Applications for asylum are clearly stuck in a broken system. This overly slow approach prevents individuals and families gaining the stability that refugee status provides. The result is vulnerable people living in local government communities for years, without access to critical support service such as Centrelink, Medicare, public housing, education, mental health and food.

This motion aligns with the MAV's strategic priorities health, wellbeing, diversity, equity and inclusion and falls within the role of the MAV to be an influencer and advocate as detailed in its 2024-2027 Strategic Plan 'Shaping Our Future'. It recommends that the MAV advocates for reforms or improvements in national community services programs that would help local governments support the Australia Government to deliver on its national objectives, and specifically, reforms to the federally funded Status Resolution Support Services Program so that people seeking asylum within our communities are appropriately supported.

Motion 57. Treaty with First Nations People

Submitting Council: Maribyrnong City Council

Motion:

That the MAV call on all levels of Government to support the First Nations Treaty Process.

Submitting Council Confirmation and Rationale:

Council Resolution	19/3/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

The MAV supports the key principles of the Uluru Statement from the Heart, which are Voice, Treaty and Truth and previously resolved in 2022 to call upon all Victorian local government authorities to consider supporting the Uluru Statement from the Heart, which calls on the Australian people to walk with First Nations in a people’s movement for Voice, Treaty and Truth.

The First Nations People require a Treaty to provide a framework and demarcation that details the enduring rights of the First Nations people to access traditional lands and water, policy changes to how Aboriginal Victorians interact with the justice and child protection system, and to promote the history, culture and language of the First Nations community.

Implicit within this process is the need to generate a document that reflects that self-determination can be exercised by all First Peoples in Victoria collectively and individually by Traditional Owner Groups.

The document details the responsibilities of Government that affirms and upholds the rights of the First Nations people in all aspects of an agreed Treaty.

Motion 58. Gender Equality Advisory Committee reinstatement

Submitting Council: Kingston City Council

Motion:

That the MAV advocate to the Minister for Local Government and the Minister for Women to reinstate the Gender Equality Advisory Committee (GEAC) to ensure the local government sector remains a key partner in helping achieve the Victorian Government’s vision for gender equality in Victoria’s 79 councils.

Submitting Council Confirmation and Rationale:

Council Resolution	25/3/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

The Gender Equality Advisory Committee (GEAC) was established in April 2021 to advise the Minister for Local Government and the Minister for Women on advancing gender equality in Victoria’s 79 councils. The Committee included representatives from a range of local councils along with sector representatives from MAV, VLGA, Local Government Professionals, Reconciliation Victoria, ALGWA, the Australian Services Union, and the Commissioner for Gender Equality in the Public Sector.

It provided advice on how to deliver the Government’s target of 50 per cent female mayors and councillors by 2025 and how to drive gender equality in the sector. Significant achievements also included:

- Delivery of the Advancing Women’s Leadership Summit in September 2022.
- The Women Leading Locally Program community leadership program
- Supporting the People Matter Survey to help councils meet Gender Equality Act 2020 reporting requirements.

The GEAC finalised its recommendations in September 2022, however the committee still has much to offer through collaboration with Local Government Victoria and the Office for Women. Reinstating the Committee would ensure that the sector continues to have a strong line of partnership and communication with the state government as it delivers on its welcome vision to improve gender equality in local government.

The Committee could play a key role in communicating progress from the sector, identifying ongoing barriers and advocating for continuous process improvement as we strive for gender equality.

This motion aligns with MAV Strategy 2021-2025 key strategic outcomes to achieve both: Healthy, diverse and thriving communities; and Sector capability and good governance.

Motion 59. Local Government Consultation – Local Government Act 2020 Reform

Submitting Council: East Gippsland Shire Council

Motion:

That the MAV calls on the Victorian Government to revise and reframe its consultation approach to the local government legislative reforms.

Submitting Council Confirmation and Rationale:

Council Resolution	19/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

In January 2024 Local Government Victoria (LGV) released a Consultation Paper on the Local Government Reforms 2024. Contained within is the consultation approach. This stated that feedback was due by 29 February 2024 and that:

The Municipal Association of Victoria (MAV), the Victorian Local Governance Association (VLGA) and the Local Government Professionals Inc (LGPro) will actively seek feedback and comments and submit this to LGV by the closing date.

The peak bodies will coordinate feedback from Mayors and elected representatives, CEOs, and council staff. Noting the tight timeframes, the peak bodies will determine the most appropriate engagement strategies.

Individual, sensitive, and confidential submissions can be sent directly to LGV via email at lgv@ecodev.vic.gov.au.

While the sector and the peak bodies are keen to partner with LGV on the proposed local government legislative reforms, the timing allocated to, and the approach applied to garnering insights was not conducive to such a relationship and did not imbue trust that the resultant reforms will be beneficial for the sector.

Motion 60. Review the unintended consequences of the *Environment Protection and Biodiversity Conservation Act 1999* on management of key infrastructure and community services

Submitting Council: East Gippsland Shire Council

Motion:

That the MAV calls on the Victorian Government to:

1. advocate on behalf of the sector to the Australian Government to review the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act); and
2. review the Flora and Fauna Guarantee (FFG),

so that these instruments are more effectively applied without unintended consequences and duplication.

Submitting Council Confirmation and Rationale:

Council Resolution	19/3/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

Whilst the EPBC Act framework for the protection and management of unique plants, animals, habitats and places is supported, its application requires review and refinement. Specifically:

- The implementation timeframes are unwieldy and can cause substantial delays to the design and delivery of critical public infrastructure projects. More reasonable timeframes for consideration of EPBC applications are needed – consistent with other authorising and referral agencies.
- It does not consider the type of project for which Native Vegetation may require removal and the implications of delays in these projects on public safety – for example vegetation removal to ensure regional airfields meet the changed requirements of other legislation such as the CASA.
- It places an unreasonable burden on small rural communities, where native vegetation has been preserved and is often in abundance.

The EPBC Act was independently reviewed in 2020, but major change has not been implemented. The review found it to be both ineffective and a costly duplication of State responsibilities, which should be devolved to the State authorities.

The FFG is administered by the State and whilst it has clearer processes and timeframes, it often applies to development that also triggers EPBC Act considerations, resulting in costly duplications and delays.

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The present approach both duplicates State and Commonwealth processes and unintentionally focuses on public land often ear-marked for essential safety measures (road widening, airstrip development etc.) and development of new community facilities such as ovals and passive recreation trails. As such important local government projects are often compromised by lengthy assessment processes by the non-discerning nature of the EPBC Act.

Motion 61. Renewable electronic vehicle (EV) chargers in schools

Submitting Council: East Gippsland Shire Council

Motion:

That the MAV calls on the Victorian Government, and specifically the Department of Education to partner with local government to enable power generated from school solar to be integrated in rural EV charging infrastructure.

Submitting Council Confirmation and Rationale:

Council Resolution	19/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

The Victorian Government supports more than 1,600 schools across Victoria. 1/3 or more of those schools are in remote, rural and regional Victoria. Most, if not all, of those schools have significant solar PV infrastructure. The generation capacity of this power source is quantifiable and significant.

This infrastructure is either under or not utilised for at least 12 weeks per year during school holidays, during which time the visitor economy could be targeted for use of this power resource, especially in rural areas.

Once this infrastructure is installed, this EV charging infrastructure could be used by teachers to charge their EVs in school time. This could be combined with EV lease incentives from the Victorian government, which will aid carbon production reduction and provide incentives for teachers to move to and work in regional and rural schools, which are currently difficult to fill.

Additionally, schools could sell their feed-in power to EV chargers, to generate an income source.

Motion 62. Increase Access to Funds from the Landfill Levy for Councils

Submitting Council: Yarra Ranges Shire Council

Motion:

That the MAV advocate for increased access to funds collected through the Landfill Levy to support councils in delivering key waste and environmental initiatives, particularly in light of the recent reforms introduced by the State Government's Circular Economy Plan and the recently released Local Government Service Rates and Charges Minister's Good Practice Guidelines.

Submitting Council Confirmation and Rationale:

Council Resolution	12/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

The introduction of the State Government's Circular Economy Plan, which requires councils to implement a four-bin system, coupled with Minister Horne's recent guidelines on what can be included in the waste charge, has the potential to significantly increased the financial pressure on councils. This is particularly true when key waste activities are removed from the waste charge, which can impact service delivery to other parts of our community.

This motion is significant for councils across Victoria as they grapple with the dual challenges of implementing new waste management systems and maintaining service delivery standards within their communities. The following key arguments support this motion:

- **Financial Pressure:** The recent reforms and guidelines have increased the financial burden on councils, making it more challenging to deliver and fund services.
- **Service Delivery:** Removing key waste activities from the waste charge can impact the delivery of other community services.
- **Environmental Initiatives:** Access to more funds from the Landfill Levy would enable councils to deliver key waste and environmental initiatives, contributing to a more sustainable Victoria.

The MAV must call on State Government to ensure councils and their communities can access the funds they need to effectively manage waste and drive environmental initiatives.

Motion 63. Second Dwelling provisions

Submitting Council: Surf Coast Shire Council

Motion:

That the MAV calls on the Victorian Government to adjust the Second Dwelling provisions, announced through the 2023 Housing Statement, to ensure such dwellings can only be used for long term occupancy and not short stay rental, in areas where there is a shortage of key worker and affordable accommodation.

Submitting Council Confirmation and Rationale:

Council Resolution	27/2/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

Inside Airbnb data, indicates that approximately 10% of total private dwellings in the Surf Coast Shire are available as short-term rental accommodation (STRA). That is more than 1800 houses not available to locals as permanent or long-term rentals. Inside AirBnB data indicates that the proportion is higher in the Surf Coast Shire’s coastal towns and is over 20% of Lorne’s total private dwellings.

The Surf Coast Shire Council welcomes the 7.5% short term accommodation levy. Council has previously advocated for the establishment of a centralised levy collection mechanism so that individual local governments do not have to resource the establishment a short-term accommodation permit scheme. Council’s research indicates that designing, administering and enforcing such a scheme would be prohibitively onerous and expensive.

Council supports the 7.5% levy that will enable Homes Victoria to fund the development of much needed social and affordable housing. However, Council believes that the levy misses the opportunity to address some of the regulatory imbalances between the STRA and long-term rental markets. Other Australian State Governments require STRAs owners to register and meet standards of safety and fairness that Victorian STRA owners are not requirement to meet, for example, bushfire preparedness and duty of care owed to clients and staff (STRA cleaners) during high fire risk days. Registration of STRA also enables authorities to understand the extent of STRA and its impact on the local housing market and housing affordability. Data on the effect of STRAs is key is developing the most efficient policy and program responses.

Several communities in the Surf Coast Shire are facing key worker shortages. Little available public land in these communities is suitable for the development of social and affordable housing. The design of the levy is inequitable if the communities most severely impacted by STRAs are not allocated a fair share of the funds that the levy collects.

Where the introduction of small second dwellings could enable a new avenue to increase the supply of affordable and long-term rental housing for key workers, the ability to rent small second

dwellings as short-term rental accommodation will incentivise property owners to join the more lucrative and less regulatory-onerous STRA market. This will impact who can afford to live in our communities and undermine the ability of key worker industries to fill vital roles in health, community safety, education, retail, hospitality, etc.

Motion 64. Increase funding to support councils to manage the cost impact of Cultural Heritage Management Plans

Submitting Council: Mitchell Shire Council

Motion:

That the MAV call on the State Government to providing funding to support councils to manage the significant costs associated with Cultural Heritage Management Plans.

Submitting Council Confirmation and Rationale:

Council Resolution	18/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Objective

For the State Government to make funding available to support councils to continue to deliver the benefits of both Cultural Heritage Management Plans and the infrastructure and projects they relate to in the face of increasing costs associated with the development and implementation of the plans.

Key Arguments

Cultural Heritage Management Plans (“CHMP”) are an important step in assessing, protecting, and celebrating Aboriginal cultural heritage. Whilst this is an important and very beneficial step, there are significant costs associated with their development and implementation.

Increasing costs associated with CHMPs are becoming a significant burden upon local government and are rapidly threatening local government’s ability to deliver infrastructure and projects in a financially sustainable way.

State Government has a responsibility to both support councils through the delivery of infrastructure and protect and preserve Aboriginal cultural heritage. Funding should be made available to local governments to ensure that CHMPs are achievable and financially sustainable.

Motion 65. Increased support for the management of heritage structures

Submitting Council: Mitchell Shire Council

Motion:

That the MAV advocate to the State Government for increased financial and other support to enable councils to appropriate manage and maintain heritage structures.

Submitting Council Confirmation and Rationale:

Council Resolution	18/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Objective

For the State Government to recognise and act up the need for increased funding, expert advice, and other support to enable councils to fulfill their obligations with regarding to managing and maintaining heritage structures.

Key Arguments

Heritage structures across Victoria are a wonderful celebration of the state's history, and provide significant benefits to their local communities, including forming part of the visitor economy. Management and maintenance of these structures, however, is often costly and requires significant expertise.

Local government disproportionately covers the costs associated with heritage structures. The State Government must recognise the state-wide value of appropriate management and maintenance and provide financial and expert support to ensure that these structures can be celebrated by future generations.

Motion 66. State Government funding for municipal public libraries

Submitting Council: Boroondara City Council

Motion:

That the MAV request the Victorian Government:

1. Reverse their declining funding for municipal public libraries and establish an annual funding model which is increased annually by CPI to reflect the rise in costs and service delivery.
2. Commit to providing annual payment of library funding in a timely manner, with notification and payment to local government in the first quarter of each financial year (as opposed to third quarter in the 2023/24 financial year).

Submitting Council Confirmation and Rationale:

Council Resolution	18/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Boroondara Council was notified of this year's Public Libraries Funding Program. This financial year, Boroondara Council is due to receive \$1,190,010 in funding. This is the same amount as last year, with no increase. Given there has been no CPI increase to support the rise in costs and services, this represents an overall reduction in funding from the previous year.

Each year, Boroondara Council contributes almost \$10m to Public Libraries in the municipality, as libraries are used by a significant proportion of our local residents, with approximately 800,000 visits, and almost 2 million branch loans annually. Boroondara Libraries also support the wider Victorian population by way of servicing inter-library loans to other public libraries across the state. Council does this, because it values the role Libraries have in supporting the wider community to support life-long learning and love of reading; establish and maintain social connections; provide social support; and contribute to the overall improved mental health and wellbeing for patrons.

Over the years, there has been a gradual decline in the funding received from the Victorian Government, from representing approximately 12.9% funding in 2017/18, required to deliver the service, to only 12% last year (Council contributed 88% of the funding required to deliver Library services in Boroondara).

Further to this, in the current year, there was an additional delay in receiving notification of the funding. Whereas in other years notification was received around August, this year, notification arrived mid- December, with funding yet to be received (this is expected sometime in early February). This presents a cashflow challenge for councils, with Boroondara Council being no exception. It is evident the Victorian Government expects local government to continue to provide the same level (or improved) customer service while waiting for funding to offset some of the

costs of providing the service, and therefore expects Council carry the associated financial risk should the funding not be granted.

Additionally, given this signifies payment received in arrears for services already delivered, this represents a change to the funding model, with no opportunity afforded for consultation or feedback.

Motion 67. State Government funding for local government immunisation services

Submitting Council: Boroondara City Council

Motion:

That MAV advocates to the Victorian Government to address the disparity of funding provided for different types of immunisation providers. Local Government authorities are specifically seeking:

1. Equal access to funding for future state government vaccination initiatives, including the 2024 free influenza vaccination package;
2. Increased funding for local government immunisation services which is equivalent to pharmacist immunisers; and
3. Funding for all vaccines on the National Immunisation Program (NIP) from birth to adulthood.

Submitting Council Confirmation and Rationale:

Council Resolution	18/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

LGA immunisation services are popular with local communities and are responsive and understanding of the unique needs of their community. The provision of vaccines by councils is perceived as highly competent and readily available.

Funding provided to LGAs for immunisations under the NIP is less than 60% of the funding provided to Pharmacist immunisation programs (\$10.94/vaccine vs. \$18.85/vaccine)

The disparity is larger in childhood vaccine payments, some attracting funding less than 20% of pharmacy programs (funding as low as \$3.64/vaccine).

Councils are not funded for all the NIP Vaccines they administer, forcing councils to implement vaccination administration fees and restricting access to free NIP vaccines. Pharmacy vaccination programs receive funding for all NIP vaccines they administer. This creates an uneven playing field where local government immunisation services are not funded to deliver some vaccines, where for-profit chemists are fully funded.

There is no justification for providing less funding to LGAs compared to pharmacists to provide the same service.

Motion 68. Increase current funding for prevention of violence against women

Submitting Council: Maroondah City Council

Motion:

That the MAV calls on the Victorian Government to increase current funding for the prevention of violence against women.

Submitting Council Confirmation and Rationale:

Council Resolution	18/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Violence against women is on the increase in Victoria. In March 2023, the Australian Bureau of Statistics reported that since the age of 15 years:

- 2 in 5 women have experienced violence,
- 1 in 5 women have experienced sexual violence
- 1 in 3 have experienced physical violence

Violence in any form is a violation of human rights, impacting the health and wellbeing of women across the state. Research shows that prevention of violence works best when delivered locally where people live, work and play.

Increasing long-term Victorian Government funding will allow investment in critical and sustainable partnerships between councils, local health organisations and crisis response groups. By continuing to fund these partnerships councils will be better placed to address violence against women at a local level and effectively engage the community to facilitate change. These meaningful partnerships will assist in creating frameworks that help to protect women across the state.

The nine Regional Primary Prevention Partnerships in Victoria act as a cohesive primary infrastructure to deliver services for Prevention of Violence Against Women (PVAW). This partnership is facilitated and led by each regions women's health service. Women's Health Services promote regionally based infrastructure to engage the community and local leaders, lead partnerships across metro and regional Victoria, deliver training, advocacy, provide support and assist in campaigning through events to raise awareness of violence against women. Councils rely on regional prevention partnerships led by regional health organisations to facilitate these legislative responsibilities.

Due to rate capping and inflation, councils cannot fund this work alone and additional funding is required from the Victorian Government to ensure these vital partnerships and collaboration

opportunities continue. The additional funding is required to continue this vital work in consultation with councils and their partnerships across the state.

This motion for increased funding for local and regional health organisations working in prevention of violence against women aligns with the collective commitment to creating a safer, healthier, and more equal society for all.

Motion 69. Road Safety

Submitting Council: Greater Dandenong City Council

Motion:

The MAV advocates to the Victorian Government to:

1. develop broader road safety messaging and education campaigns to address risks on roads neighbouring schools (not just School Speed Zones);
2. implement and adequately resource the roll-out of the new School Crossing Risk Assessment Framework; and
3. provide local governments with greater input on school planning decisions and provide investment to assist with pick-up, drop-off and parking facilities wherever necessary.

Submitting Council Confirmation and Rationale:

Council Resolution	12/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Recently there has been an increase in casualty crashes involving vulnerable road users across the state. The Greater Dandenong community has raised safety concerns following recent fatal crashes on arterial roads involving school aged pedestrians, as they made their way to/from school.

There are currently several 'tools' used to reduce the risk to pedestrians, which are described below.

School Speed Zones (SSZ)

SSZs serve a specific and important function in reducing risk to all road users on roads directly adjacent to schools. However, these risks can increase on neighbouring roads or road segments outside the extent of the SSZ, particularly for younger (school aged) pedestrians. This has been tragically demonstrated by recent fatal crashes which occurred on arterial roads outside of SSZ.

While the speed limit signage associated with the SSZ provides visual cues to motorists, similar cues may not exist on nearby local and arterial roads. Motorists may not be aware that during specific times of the day there may be an increase in pedestrian activity along such routes and may not be exercising the same level of caution.

Children's (School) Crossings

Such crossings aid younger pedestrians to safely cross the road and are often supervised. This may assist at 'satellite' sites, where a crossing is located away from a school along a major route. The Victorian Government has previously committed to the roll out of a new Schools Crossing Risk Assessment Framework, which would assist with identifying the suitability of suggested locations for such crossings. Earlier advice, provided in October 2023, indicated the roll out was imminent, however no further update has been forthcoming.

Drop off/Pick up and Parking Facilities

Further to the above, there is additional strain on the local road network resulting from the Victorian Governments expansion, consolidation, or construction of new schools with limited to no input from local councils. This can make it extremely difficult to facilitate safe and efficient drop off, pick-up and parking activities. The Victorian Government should be liaising with local councils to address these issues at the planning stage and provide sufficient funding to address these matters wherever necessary.

LOW PRIORITY MOTIONS

Motion 70. Commission or Inquiry into the Victorian Response to the Coronavirus

Submitting Council: Frankston City Council

Motion:

That the MAV calls on the Victorian Government and Victorian Opposition - given the present Royal Commission in relation to the national COVID response - to effectuate either an Inquiry or a Commission into the Victorian Government's response to the Coronavirus, notably during the height of the COVID virus (2020-2021).

Aspects of such an Inquiry or Commission should include:

- a) The impost on local governments throughout Victoria, including cost-shifting and support to the local government sector;
- b) Punitive measures that were implemented during the height of the COVID virus i.e.. 'curfews', 'ring of steel', 'fines', 'powers' etc;
- c) Whether the Victorian health-response was effective when juxtaposed against other jurisdictions both within and outside Australia;
- d) The veracity and consistency of information communicated to the public during the height of the COVID virus;
- e) The susceptibility of independent bureaucratic health advice to be politicised and therefore compromised;
- f) The impact on the rights, liberties and movements of Victorians during the height of the COVID virus;
- g) The number of 'lockdowns' and whether they were both effective and necessary; and
- h) Future safeguards and learnings to enable a more effective health-response to future viruses and diseases; and therefore, mitigating the impact on the liberties and movements of Victorians during such periods.

Submitting Council Confirmation and Rationale:

Council Resolution	19/2/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

The Victorian Local Government Sector (Sector) accepts that a pandemic response forms part of its emergency management function, however, the expectations placed upon the Sector was untenable.

Frankston City Council experienced a \$15m impact to its financial position as a result of substantial revenue losses, fee waivers and the introduction of programs and services to support our struggling local businesses and community members.

Unlike the Natural Disasters grant program, there was no financial assistance provided to the Sector to support our community during the COVID pandemic.

The Sector income structures differ to other levels of government, deriving nearly 90% of its revenue from its own sources (including rates) and only 10% from State and Federal government grants. The Victorian Government receives 47% of its revenue from the Federal Government (including all GST revenue) and 39% from uncapped taxation revenue (payroll tax, land tax, land transfer duty and new COVID debt levy tax). The extended lockdowns and closure of revenue producing facilities had a detrimental impact on the community and Sector.

Since its inception in 2016, rate capping has adversely challenged the Sector's financial sustainability. Particularly in recent years, the Consumer Price Index (CPI) has not accurately reflected the increased costs faced by councils as CPI does not reflect the same composition of expenditure for councils compared to households. Key council expenditures (wages, construction, utilities, insurance etc.) have been increasing faster than CPI. For example, the 2023/24 rate cap of 3.5% was well below the 2022/2023 seasonally adjusted 6%. The rate cap for 2024/25 has been set at 2.75% -also well below current the September 23 quarter of 5.4%.

More recently, Council's position has been threatened by escalating contract prices for infrastructure projects driven by inflation, supply pressures and competition from the Victorian government infrastructure initiatives, and the increasing cost-of-services above the rate of the CPI.

Motion 71. Shared school community facilities

Submitting Council: Wyndham City Council

Motion:

That the MAV requests the State Government to:

1. develop a policy to guide how councils and State Government can partner to share community facilities. The policy would explore including this in planning for new schools, where suitable and appropriate, to open outdoor sports facilities, indoor facilities, open space, and performing arts facilities for community use beyond school-only use outside of hours.
2. commit funding to support the development and operation of shared use community infrastructure on school sites, including:
 - a) early learning centres,
 - b) sports courts and facilities,
 - c) 'Community hubs' that provide meeting rooms, or
 - d) health services.

Submitting Council Confirmation and Rationale:

Council Resolution	26/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

The high cost of providing community infrastructure is prohibitive for many councils. Schools have facilities that have low level of usage outside school hours while council run facilities are most utilised outside school hours. As such there is an opportunity to share the costs and deliver high quality facilities and experiences for school children and the broader community.

Shared facilities bring schools and communities together. They give students broader and more positive learning experiences. Families become more involved in their children's school. Student attendance improves and they achieve more.

Infrastructure Victoria's report 'Social infrastructure in Melbourne's growth areas' found that there is a:

'Need to better plan and fund new social infrastructure in growth areas

Like all Victorians, residents of growth areas expect access to social infrastructure that meets their health, wellbeing, education, sport, and recreation needs. But many rapidly growing areas lack social infrastructure in Melbourne's new growth areas sufficient social

infrastructure to meet demand. To help address this, planning for new suburbs needs to better integrate social infrastructure. In some cases, only minor changes could enable existing and new facilities to provide multiple services, or to deliver infrastructure to support joint use. For example, the Victorian Government's delivery of many new schools in growth areas could include shared community use of competition-sized sports courts (which are standard in all new schools). Where joint use agreements are in place, the wider community can use these courts and facilities outside school hours for competition sports and community arts and performances.'

Motion 72. Ensure the timely delivery of new schools

Submitting Council: Mitchell Shire Council

Motion:

That the MAV advocate to the State Government, and in particular the Minister for Education, for an overhaul of the way in which new schools are planned and delivered in order to achieve best practice standards.

Submitting Council Confirmation and Rationale:

Council Resolution	18/3/24
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No

Objective

For the State Government and Department of Education to plan the delivery of new schools to be open early in the life of a community ensuring a local place for local children, rather than utilising the current methodology of school delivery based on dwelling counts and catchments. This will enable new schools to meet and model best practices.

Key Arguments

Schools are the backbone of a healthy, resilient, and well-connected community. They provide much more than just a pure educational purpose, by connecting children and families, and providing spaces in which communities can come together.

Despite the clear benefits which schools provide, planning for schools, and in particular planning for secondary schools, utilises an archaic methodology which is not community-centric and fails to deliver new schools in a timely manner. The focus on 3,000 dwellings for a primary school and 10,000 dwellings for a secondary school, coupled with a requirement for schools within the catchment to be at or above capacity is letting down our communities, and ultimately harming the ability for communities to form connections and social bonds.

An overhaul of how schools are planned for is urgently required. A more holistic methodology which includes projected growth and demand, a social and demographic analysis which incorporates consideration of vulnerabilities, and a prioritisation of delivery of schools early in the life of communities would ensure much better outcomes.

Motion 73. Wildlife Vehicle Collision Hotspots

Submitting Council: Nillumbik Shire Council

Motion:

That the State Government, in collaboration with local councils, allocate funding to investigate and trial initiatives to reduce harm to wildlife and improve driver safety.

Submitting Council Confirmation and Rationale:

Council Resolution	12/3/24	
Is the motion of strategic relevance to the MAV or of significance to local government?	Yes - of strategic relevance to the MAV or of significance to local government	
Is the motion repetitive in a form or substance of a motion or item considered at the most recently held meeting of the State Council?	No	

Many wildlife populations are in decline due to anthropogenic impacts from urbanisation and linear infrastructure.

Roads form barriers to wildlife movement, severing habitat connectivity and isolating populations and individuals from resources and mates. This results in wildlife traversing roads. Subsequent wildlife/vehicle collisions can cause serious injury and death to both wildlife and humans.

Research is being undertaken nationally and internationally into novel wildlife/vehicle collision mitigation methods, in the quest to identify methods that are successful and affordable, noting that there are many variables to be considered for different species and locations.

Ongoing state government investment to support local research (and trials) into methods that will more successfully reduce collisions and harm in Victoria is needed; along with investment into broader implementation of proven initiatives along VicRoads and council managed roads.