Municipal Association of Victoria

Strategic Work Plan 2011-12

May 2011

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Introduction

The Municipal Association of Victoria (MAV) is the peak body for local government in Victoria. A

small team of 45 specialist staff focuses on achieving gains for Victoria’s councils through

advocacy, collaboration, policy development and effective governance.

This strategic plan sets out the state of play for local government in Victoria in the short,

medium and long term and outlines the actions of the MAV in the year ahead that add most

value to the work of its members in providing for the peace, order and good governance of their

municipalities.

The broad work plan addresses core issues impacting local government in Victoria. Actions are

based on their capacity to assist councils effectively and efficiently carry out their operations in

the context of economic uncertainty, fiscal constraint, a new State Government and a Federal

Government formed only with the loose support of independents from wide ranging

perspectives.

A smaller number of issues are identified as high priority. These are based on issues

consistently identified by members through consultation sessions and assessed as rating highly

against the following criteria:

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the magnitude of impact the issue is likely to have on councils and their communities;

the number of councils affected by the issue;

the political ramifications of the issue for effective intergovernmental cooperation;

the immediacy of the issue; and

the likelihood of influencing an outcome in local government’s favour.

Focusing this way will enhance the capacity of the MAV to direct its limited resources towards

achieving the best outcomes for Victoria’s councils and their communities.

A critical characteristic of the MAV is its ability to remain flexible and adaptable enough to

achieve its set priorities and respond in a timely manner to issues affecting the sector as they

arise. Accordingly, the plan may be adjusted throughout the year to incorporate emerging

issues.

Emerging issues may be identified by the MAV or more formally in the context of State Council.

State Council is councils’ opportunity to raise motions of business for incorporation into the

MAV’s work plan. It is the MAV Board of Management’s role, using the same criteria described

above, to prioritise emerging matters in the context of the agreed work program with input from

members.

Consultation sessions were conducted in eight locations across Victoria to inform the

development of this plan. A draft was circulated to members for their feedback ahead of the plan

being put to and endorsed by the State Council meeting on Wednesday 26 May 2011.

The MAV will report its achievements against this plan in its Annual Report 2011-12.

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Priority Issues

Focusing on a small number of high priority issues will enhance the capacity of the MAV to

apply its limited resources on achieving the best outcomes for Victoria’s councils and their

communities.

The following issues, presented in alphabetical order, were consistently identified by members

through the regional consultation process as priority areas for action and assessed as rating

highly against the following criteria:

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the magnitude of impact the issue is likely to have on councils and their communities;

the number of councils affected by the issue;

the political ramifications of the issue for effective intergovernmental cooperation;

the immediacy of the issue; and

the likelihood of influencing an outcome in local government’s favour.

**Climate change and carbon pricing**

*Objective: To assist local government to understand the financial implications of carbon pricing*

*for its business and support mitigation and adaptation strategies.*

Actions:

 Conduct a survey and modelling of councils’ expenditure on carbon impacted goods and

services to understand the likely financial impacts of the proposed carbon price on

councils

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Lobby the Federal Government for support to address impacts of carbon pricing on

councils

Conduct briefings for councillors and officers in four locations to understand and reduce

their corporate carbon footprint

Conduct training in four locations for officers to help measure councils’ corporate carbon

footprint

Secure the Victorian Government’s $20 million commitment to upgrade to energy

efficient street lighting

Seek changes to the Public Lighting Code that provide for greater transparency and

competition in public lighting upgrades and services

Conduct a collaborative tender for the purchase and installation of energy efficient street

lighting

Produce a report on the status of councils’ planning for climate change adaptation and

barriers to planning as an advocacy tool for seeking assistance for councils from the

Victorian and Australian Government for climate change adaptation planning

Develop and promote tools that will allow councils to translate climate change impacts

on assets into strategic and operational and asset management plans in partnership with

the Local Government Association of South Australia

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**Constitutional recognition of local government**

*Objective: To help councils better understand the potential benefits, likelihood and possible*

*costs of achieving constitutional recognition.*

Actions:

 Prepare a members brief on the ALGA campaign

 Prepare a members brief on the benefits of achieving constitutional recognition and the

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likelihood of success

Invite a constitutional expert to address councils

Convene a working group of local government communicators to develop a campaign

plan and budget outline for stage one of the ALGA strategy, being a state based

campaign to improve understanding of local government in Victoria

**Councillor attraction and remuneration**

*Objective: To improve the demographic representation of councillors and ensure councillors*

*have the skills and aptitudes required to carry out their roles*

Actions:

 Survey the existing population of councillors on deciding factors in standing for election,

including remuneration; support and practical assistance for potential candidates;

intentions to stand for election again in 2012; perceived barriers to participation

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Convene a working group of interested councillors from under represented demographic

groups to review previous awareness strategies and identify opportunities to reach new

audiences

Prepare a community awareness campaign to encourage people to stand for election

Seek funding opportunities to encourage greater demographic representation among

elected councillors

Review the councillor competency framework and develop materials to assist existing

councillors to identify and encourage potential candidates to stand for election

**Electric line clearance**

*Objective: To develop a risk management approach to the clearance of vegetation around*

*electrical lines that is acceptable to councils.*

Actions:

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Complete a draft risk management framework

Achieve approval of the framework from regulators

Provide assistance to councils using the framework to seek exemptions in their electric

line clearance management plans

Hold a workshop with councils and regulators to review the risk management framework

after six months

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**Emergency management**

*Objective: To define the role of local government in emergency management and to ensure that*

*councils are properly resourced to meet their obligations.*

Actions:

 Complete a literature and legislative desktop review of emergency management

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responsibilities and funding arrangements

Hold regional workshops with councils to develop a clear and accepted definition of the

appropriate role of local government in emergency management

Produce a role statement that defines the extent of local government’s role in emergency

management

Develop a position paper on emergency management responsibilities

Determine whether legislative change is required to better align the agreed role of local

government

Produce a report identifying budgetary impacts including cost recovery arrangements

and determine an appropriate ongoing funding strategy for emergency management

activities

Develop and implement a communications strategy to advocate appropriate funding

models for local government responsibilities in emergency management

Provide submissions to the reviews of flooding events that highlight the impacts of

reimbursement arrangements on recovery

**Financial sustainability**

*Objective: To build evidence for greater resources to be directed towards Victoria’s financially*

*stressed councils*

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Develop a strategy with councils to approach the state and federal governments to seek

a resolution for financially stressed councils

Conduct a series of briefings with the new State Government to raise awareness of

financial stress on councils

Conduct financial analysis of councils to identify funding shortfalls and improvement over

time

Provide templates for councils to document the projects funded through the Country

Roads and Bridges Fund as an advocacy tool for securing further funds

Produce an advocacy document profiling outcomes of community infrastructure grants

as an advocacy tool for seeking an ongoing program of grants

Support ALGA efforts to extend Roads to Recovery beyond June 2014

**Home and Community Care**

*Objective: To maintain the high standard and quality of services currently provided in Victoria*

*and position councils to be funded adequately to maintain their roles in service planning,*

*coordination, assessment and/or delivery.*

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Consult councils on how the role of local government should be described in the new

tripartite agreement on the HACC program in Victoria

Negotiate a new tripartite agreement on HACC

Reject the proposition that the Federal Government take over total responsibility for

HACC in Victoria and argue for the maintenance of a role for the State Government

Advocate for the maintenance and support of public sector community care services in

Victoria in any mooted aged care reform

**Kindergarten funding**

*Objective: To secure adequate support for councils in the planning and implementation of*

*reforms to kindergarten services, including increasing staff-student ratios and the move to the*

*universal provision of 15 hours per week*

Actions:

 Produce a report on the status of councils’ planning for the implementation of the

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reforms for use as an advocacy tool to demonstrate support needed for councils

Prepare a joint submission with the State Government to seek an extension in targets,

timelines and flexible models for implementing reforms in Victoria and advocate for an

increase in the training of early childhood educators

Conduct a community awareness campaign for $600 million in capital funding by the

Commonwealth to provide the required early years service infrastructure

Conduct quarterly briefings to share innovative planning and service delivery models to

meet community demand for early years services

**Productivity**

*Objective: To pursue reforms that achieve whole of sector productivity gains.*

Actions:

 Hold a forum for CEOs to identify opportunities for whole of sector productivity gains

 Recruit a minimum three metropolitan and four rural/regional councils to participate in

the first tranche of the IT shared service and prepare the first councils to migrate into the

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shared IT service from 1 July 2012

Audit the current asset management performance of all rural councils and identify

common asset management tasks with potential for collaboration including regional

action plans to improve asset management practices

Increase the number of participating councils in the MAV STEP Planning Process

Improvement program from 10 to 20

**State planning policy**

*Objective: To influence the Government’s vision for planning in Victoria and mitigate challenges*

*associated with policy gaps and ambiguities by clearly articulating local government’s priorities*

*for land use planning.*

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Actions:

 Hold a series of roundtables to identify local government’s vision and priorities for

planning and the growth of Victoria including the strategic objectives for regional and

metropolitan growth; form and structure of Melbourne and desired role of an Urban

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Growth Boundary; and infrastructure investment needed to support growth

Produce a report articulating local government’s vision and priorities for planning and the

growth of Victoria and advocate this to the State Government

Seek urgent clarification of the scope of the new metropolitan strategy and implications,

if any, for the current activity centres policy and population targets

Seek resolution of coastal planning policy and planning for natural hazards such as fire,

coastal erosion and inundation and flood

Clarify the role of planning in economic development and the protection of productive

agricultural land and seek a resolution of the treatment of applications for dwellings in

rural zones for small lots and what may be reasonably required to support the

agricultural activity on the land

**Workforce and staff attraction**

*Objective: To reposition local government as an employer of choice*

Actions:

 Identify funding opportunities to revive the employment branding campaign

 Commission the production of key campaign elements including television commercial,

artwork for press advertisements, banners etc that can be used to generate support

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within councils

Undertake a 12 month engagement program with councils using campaign materials

Implement the campaign using existing channels available at low cost eg Municipality,

MAV website, YouTube

Provide supporting materials to councils that can be implemented at low cost

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The State of Play for Victoria’s Councils

Uncertainty pervades the political and economic landscape locally, nationally and globally. In

order to ensure local government continues to function effectively, it is crucial that we plan

ahead and prioritise actions that address the issues most affecting Victoria, Australia and the

world.

Australia escaped the worst of the global financial crisis and has emerged in a stronger position

than many other first world countries. The strong economic recovery, and the continuing

minerals boom is causing the return of supply pressures and capacity constrains the economy,

potentially placing upward pressure on wages and interest rates.

While subsequent events including conflicts in the Middle East and the earthquake and ensuing

nuclear disaster in Japan have exposed our nation’s vulnerability to global markets, this is likely

only to impact in the short term.

Japan is Australia’s second biggest trading partner. As they rebuild it is probable there will be

further demand for Australian commodities, causing prices to rise, strong demand for

employees in the mining states and putting pressure on the Reserve Bank to once again tighten

monetary policy. In the medium term this will place further pressure on household budgets

already feeling the pinch of rising costs of living.

Australia’s own natural disasters are putting pressure on government budgets at all levels as

well as impacting household budgets through inflated grocery prices and possible reconstruction

levies. Local government’s role in emergency management, particularly in recovery, has

seemingly expanded without close consideration of councils’ capacity to undertake or fund the

work.

While most commentators and experts were reluctant to link recent disasters directly to climate

change per se, these severe weather events have nevertheless reinvigorated debate about our

changing climate and generated a sense of urgency for action.

The minority Federal Government have struck an agreement with the Australian Greens to

introduce a fixed carbon price by 1 July 2012. While much of the detail of this plan is unknown it

will have long term consequences for local government services and operations that will require

significant adaptation both within council and at the broader community level.

The looming problem of our ageing population is starting to affect councils with the leading edge

of the baby boomer generation having reached retirement age. This will have serious

consequences for councils’ workforce with about 30 per cent of employees predicted to retire

over the next decade. Councils will also need to consider their role in aged and disability

services and respond carefully to new recommendations emerging around models of delivery

and funding.

An increasing focus on productivity at the Federal level is also impacting local government

service provision. Productivity is likely to stay on the agenda with little to no real increase in

national productivity in recent years. Local government can expect to come under increasing

pressure to deliver productivity gains and should be trying to drive its own reforms in this regard.

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In Victoria, a change in State Government has opened up new opportunities for local

government but also cast doubt on the future of some existing programs and large infrastructure

projects. The new Government is focussing on delivering election promises and is unlikely to

embark on any significant new initiatives in the short term. It is more likely instead that some

initiatives will be delayed or abandoned as the Government works through the budget,

particularly in light of the need to respond to recent flooding events.

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Finance and Productivity

The financial sustainability of small rural councils remains a critical issue. It is widely recognised

that there is no easy answer to the structural factors that make these councils more susceptible

to financial distress. These councils are typically small in population and large in geographic

area with large road networks to maintain off a small rate base.

A two-pronged approach to reforming local government operations and seeking a more

sustainable funding model for councils is considered to have most likelihood of success. The

reform pathway is underway with councils being actively recruited to establish a common IT

platform that would provide the basis for establishing any number of shared service

opportunities.

Currently the variance in systems used by councils inhibits reform across local government

service delivery and back end operations. A critical mass of councils is needed to implement

this reform. If local government can demonstrate the whole of sector productivity gains

envisaged through shared services it will make it much easier to mount the case for sustainable

funding.

Further reform is proposed in rolling out a pilot that involved benchmarking financial data for ten

councils and integrating this with their asset management systems. This has been shown to

help councils better understand their financial position and more accurately forecast the costs of

delivering services to the community and likely impacts on rates. It provides a more realistic

basis for setting long term financial strategies and making effective decisions about the financial

future of municipalities.

Another area that has been a focus for reform in recent years is procurement. Councils continue

to benefit from the economies of scale created by collaborative procurement opportunities,

leading to lower prices for product and services and reduced administration and compliance

costs.

Obligations on councils to tender for goods and services over a certain value restrict councils

from taking advantage of third party procurement services unless the council appoints the third

party as its agent to undertake a specific tender on its behalf. Legislative amendments will be

sought to repeal these onerous requirements that have no public benefit and only serve to

prevent councils from accessing products and services at the cheapest possible price.

Analysis of the financial position of councils will continue to inform advocacy efforts and to assist

councils track improvements over time. Councils have identified a need to better understand

constitutional restrictions on federal funding for local government and the potential benefit,

likelihood and possible costs of achieving a form of constitutional recognition that would enable

federal funding to flow directly to councils.

A number of external factors are impacting the cost of doing local government business.

Instability in the Middle East is driving up oil prices, increasing the costs of road construction

and maintenance and running transport, fleet and plant equipment. The introduction of a carbon

price will also significantly impact costs, particularly in waste management.

Cost shifting remains an issue across many community services delivered on behalf of and/or in

response to changes in policy by other levels of government. In addition, several proposals

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loom for local government to collect taxes levied by other levels of government. With local

government’s own costs on the rise it is imperative to reenergise the cost shifting debate.

Reforming local government operations

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Recruit a minimum three metropolitan and four rural/regional councils to participate in

the first tranche of the IT shared service

Identify and prioritise the IT services to be delivered by the shared service

Identify and prioritise opportunities for reforming local government practices by

leveraging the IT shared service

Define and implement the governance structures for the shared IT service

Design and build the technology for the IT shared service

Migrate first councils into the shared IT service

Seek State Government funding to ameliorate the risk for start-up councils in the IT

shared service

Roll out the pilot to integrate financial benchmarks with council asset management

systems

Produce a response in consultation with councils to the release of the pilot of the

performance management framework for local government

Seeking a sustainable funding model

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Conduct financial analysis of councils to identify funding shortfalls and improvement over

time

Prepare a members brief on the ALGA campaign for constitutional recognition

Prepare a members brief on the benefits of achieving constitutional recognition and the

likelihood of success

Invite a constitutional expert to address the MAV Annual Conference

Convene a working group of local government communicators to develop a campaign

plan and budget outline for stage one of the ALGA campaign ie state based campaigns

to improve understanding of local government

Cost shifting

 Negotiate a revised Victorian State Local Government Agreement that strengthens

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protections for councils against cost shifting

Reject any propositions for local government to become the collection vehicle for taxes

levied by other levels of government

Conduct a study on the costs to councils and value of state levies and taxes collected

through local government

Undertake costing studies in Maternal and Child Health and Home and Community Care

to inform advocacy for funding that keeps pace with movements in real costs

Conduct a targeted campaign to restore funding levels in public libraries

Conduct a campaign seeking adequate funding for implementing kindergarten reforms

Library Funding

 Negotiate with the State Government to undertake an immediate review of the allocation

and adequacy of the recurrent funding to councils for Victorian public library services

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Advocate for a commitment by the State Government to developing a Public Library

Partnership Agreement, and jointly identify potential areas of funding assistance to put to

the Commonwealth

Commission research and development of the local government position to contribute to

the agreement, to be undertaken through a consultative process with councils and the

regional library corporations

Procurement

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Identify appropriate opportunities and facilitate collaborative procurement

Pursue opportunities for national or interstate collaboration to drive commercial savings

Manage existing contracts

Lobby the State Government for changes to procurement guidelines to simplify access

to aggregated contracts and give parity for local government with State Government

agencies

Provide regular training and workshops

Identify opportunities for using electronic tendering, contract management and

compliance systems

Identify ongoing opportunities for sector development

Provide ongoing support and guidance to councils

Develop procurement specific documentation and guidelines to simplify processes for

councils

13

Workforce

The leading edge of the baby boomer generation turns 65 this year, bringing into sharp focus

the now urgent need for local government to address its aging workforce profile. As a short term

measure, consideration needs to be given to facilitating part-time work options and employee

health and welfare programs that will extend the retirement age of existing workers.

As the economy grows, the recruitment and retention issues impacting councils prior to the

global financial crisis will tighten once again. Councils will experience increased pressure in the

already stretched labour market for professional areas of local government including but not

limited to planning, engineering and nursing.

Wage pressures will be difficult to contain in areas where local government is forced to compete

with the minerals sector. And in the inherently resource intensive and costly areas of community

services, wage pressures will continue to grow without a concerted effort to attract people to

these professions.

The MAV has previously identified the need to reposition local government as a significant

employment industry. Market research has revealed that local government is seen as a low

performance sector, unattractive to in-demand candidates. An employment branding campaign

has been developed to address this need. However, significant funding is required to fund these

activities.

Councils continue to be impacted by calls to top up the defined benefits superannuation scheme

for local government employees. While the scheme was closed to new members in 1993,

further calls on councils are possible over the next decade while a critical mass of retirees and

their dependents remain alive. This will need to be carefully managed in the context of volatile

market conditions.

Attraction and retention

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Complete modeling on the expected retirement trends in Victorian councils

Analyse movements in staff expenses over the past decade

Identify funding opportunities to revive the employment branding campaign

Commission the production of key campaign elements including television commercial,

artwork for press advertisements, banners etc that can be used to generate support

within councils

Undertake a 12 month engagement program with councils using campaign materials

Implement the campaign using existing channels available at low cost eg Municipality,

MAV website, YouTube

Provide supporting materials to councils that can be implemented at low cost

Explore opportunities to partner with education institutions to develop courses that

prepare students for roles in high demand in local government

Support councils to improve diversity in recruitment outcomes

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Defined benefits superannuation

 Pursue a merger of Vision Super and Equip to achieve better economies of scale, cost

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reduction and reduced investment volatility

Seek legislative change to remove requirement on councils to top up shortfalls in

investments

Pursue access for councils to borrow from Treasury Corporation Victoria at reduced

rates than commercially available

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Human Services and Public Health

Commonwealth and State reform agendas continue to impact significantly on local government

in the areas of health, preventive health, primary care, aged care, disability and early years.

Major reforms are proposed, which require the active development of a negotiation position

given councils’ roles in planning, coordination and service delivery across these areas.

Advocacy targeting all political parties is underway at the federal level to urge more appropriate

investment and transition arrangements to implement the national early childhood education

policy to provide all children with ‘universal access’ to 15 hours of preschool in the year before

they start school.

Despite the proposed federal ‘takeover’ of responsibility for aged care, a commitment has been

obtained to retain the current arrangements for the Home and Community Care (HACC)

program in Victoria. Vigilance will be needed to protect the interests of Victorian councils in

negotiating a tripartite agreement on HACC. Partnership arrangements need to be formalised to

ensure local government’s voice is heard in the national reform debate.

The newly installed Liberal Coalition State Government has indicated support for local

government positions on HACC and early childhood education, and in principle support for

increased funding to councils for libraries. A renewed campaign to restore levels of recurrent

funding for public libraries is needed to support public libraries as an essential platform to

lifelong learning.

The critical leadership role that local government plays in impacting preventive health,

promoting positive ageing, supporting family friendly environments and access and inclusion for

all is being increasingly recognised. However, insufficient resources and capacity is available,

particularly in smaller rural councils, to enable this role to be adequately fulfilled.

Considerable changes have been made to food safety laws over the last few years. Mandatory

reporting of food safety regulatory activities has been introduced and systems put in place to

capture statewide data which is expected to lead to increased scrutiny in the coming year.

The introduction of a single online system for registering temporary and mobile food businesses

will also be introduced. While there may be some transitional issues that have to be carefully

managed, the system will allow councils to share regulatory information in real time and to

cooperate and coordinate their regulatory activity with individual food businesses in a way that

reduces significant duplication of effort.

Councils have entered service agreements with the State Government to reduce the incidence

of smoking in Victoria from 30 per cent in 1997 to 17 per cent on 2009. There is a renewed push

to ban smoking in some outdoor areas. While some councils have already taken their own

initiative in this regard, it is understood that the new State Government is open to proposals

from VicHealth to consider a statewide policy.

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Health and Aged Care Reform

 Negotiate tripartite agreement on the role of local government in the HACC program in

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Victoria

Advocate for the maintenance and support of public sector community care services in

Victoria in any mooted aged care reform

Develop a heads of agreement with General Practice Victoria to support negotiations by

councils at the regional level on protocols with incorporated Medicare Locals

Develop an agreement with the Victorian Department of Health on preventive health,

articulating the statewide role of local government in preventive health and advocate for

federal and state resources to councils to support them in undertaking this role

Progress primary prevention work across local government in preventing violence

against women, in conjunction with the community sector

Early Years Reform

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Seek a review of the Commonwealth - Victorian Bilateral Agreement on Universal

Access (15 hours of kindergarten) to revise existing targets and timelines

Continue to lobby for an injection of $600 million in capital funding by the

Commonwealth to provide the required early years service infrastructure

Continue to resource and support councils in developing innovative planning and service

delivery models to meet community demand for early years services, including family

day care, and to implement the early childhood quality reforms

Advocate to retain the Victorian model of provision of the Maternal and Child Health

service in the national health/primary care reform scenario

Youth

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Advocate for more State Government funding to expand youth services across Victoria

Progress more integrated support for young people, and planning for schools as

community hubs (including joint use agreements)

Food safety

 Advocate appropriate support for councils to manage the impact of regulatory changes

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in food safety

Coordinate funding to councils to upgrade IT systems to respond to new regulatory

requirements

Manage transitional issues associated with the introduction of an online single

registration system for mobile and temporary food businesses

Tobacco

 Advocate for a statewide framework for smoking in outdoor areas

 Seek funding and support for councils to implement any legislative proposals being

considered by the State Government

17

Planning and Building

Planning and building remain key policy levers for councils and other levels of government to

implement economic, social and environmental policy objectives and deliver more accessible,

affordable and sustainable places and buildings.

Councils must deliver an ever increasing quality, range and level of planning and building

services, in an environment of scarce resources, increased scrutiny and raised community and

government expectations. Councils need to be supported to improve the consistency, quality

and efficiency of planning services.

As access to and retention of skilled labour remains a challenge, most pronounced in the

smaller and more remote council areas, cooperative approaches and shared services will

become more common.

The change of government in Victoria signals significant change in planning policy and priorities

affecting councils. Election commitments to change policy direction and planning provisions are

being progressively implemented. However, much uncertainty remains about more major policy

directions for both metropolitan and country Victoria, and a number of long standing issues,

such as managing growth and expectations for dwellings on rural land, persist.

Consequences for councils can be far reaching and ongoing. This is exemplified by the decision

to make councils responsible for all wind energy proposals. In other policy areas significant

opportunity exists to address long standing concerns for councils and communities, most

notably the commitment to new residential zones to assist councils manage growth and protect

areas where little change is wanted.

Councils need to work together as a matter of priority to influence and shape the new

Government’s vision for planning in Victoria and mitigate challenges associated with policy gaps

and ambiguities, to progress local government’s position regarding:

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Strategic objectives for regional and metropolitan growth

The form and structure of Melbourne and desired role of an Urban Growth Boundary

The new metropolitan strategy and implications, if any, for the current activity centres

policy and population targets

Resolution of coastal planning policy and planning for natural hazards such as fire and

flood

Planned infrastructure investment by the state

Resolution of the treatment of applications for dwellings in rural zones, for small lots and

what may be reasonably required to support the agricultural activity on the land

The Federal Government has a renewed focus on urban and population policy. Affordable living

is characterised by access to transport, services and employment. Increased reliance on

greenfield sites will only become more challenging for future governments. Indeed the economic

and social consequences of getting it wrong are extreme – from congestion to social

disadvantage and rural decline.

A tripartite approach to integrated transport and land use planning is needed to house a rapidly

growing population, plan for climate change impacts, and bridge the ever widening infrastructure

and service gap for new and established communities. Previous attempts have faltered due to a

lack of coordination and investment.

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Local government performance

 Double the number of participating councils in the MAV STEP Planning Process

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Improvement program;

Support councils to participate in a review of the implementation of the e-planning

roadmap and strategy;

Seek cost recovery through the review of planning fees

Identify and develop strategies to mitigate risks related to planning with MAV Insurance

Utilise performance data to defend and stop the erosion of councils planning roles and

undermining of local policy by Government and VCAT

Planning policy agenda

 Hold a series of roundtables to identify local government’s vision and priorities for

planning and the growth of Victoria including the strategic objectives for regional and

metropolitan growth; form and structure of Melbourne and desired role of an Urban

Growth Boundary; and infrastructure investment needed to support growth

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Articulate local government’s vision and priorities for planning and the growth of Victoria

and advocate this to the State Government.

Facilitate council input to the drafting of the new bushfire planning framework

Support rural councils participation in the Regional Settlement Planning processes to

ensure that councils’ long term planning scheme aspirations are addressed

Support the wind farm joint working group

Proactively develop and advance a position about new go-go and no-go Residential

Zones

Audit previous reviews (Planning and Environment Act, retail policy, car parking etc) to

identify and progress councils’ priority issues

Leverage the Housing Growth Requirements project to support policy development and

solutions to identified housing issues in metropolitan Melbourne and sector input to the

new metropolitan strategy

Defend the utility of a fixed Urban Growth Boundary to enable effective delivery and use

of infrastructure and for social cohesion and environmental protection

Contribute to the development of any National Urban Policy and any subsequent

implementation programs

Improving implementation

 Focus on implementation and ‘what councils expect from government’ in the review of

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the metropolitan strategy and rural and regional settlement planning.

Improve the understanding of the needs and challenges across council types and

regions of different urban forms and impacts of distance

Explore mechanisms such as inclusionary zoning to assist councils implement housing

strategies.

Clarify the role of planning in economic development and the protection of productive

agricultural land

Seek resolution of coastal planning policy and planning for natural hazards such as fire

and flood

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Transport and Infrastructure

Access to a safe and efficient transport system is fundamental to a liveable and prosperous

Victoria. The growing and ageing population, multiplying freight task, climate change, road

congestion and peak oil all contribute to the urgency for smart transport planning and sustained

long-term investment.

Growth in Melbourne’s outer areas is outstripping all other areas of Australia. Integrated land-

use and transport planning will be imperative to managing this growth in the current economic

conditions to avoid supply constraints.

Responsibility for the planning and provision of public transport in Victoria lies squarely with the

State Government. The newly installed State Government has made a number of commitments

to improve Victoria’s transport system, including a new authority to integrate the multiple public

transport agencies and authorities; $900 million for rail asset renewal and maintenance; 40 new

trains for the Melbourne suburban network; and returning passenger rail between Geelong,

Ballarat and Bendigo.

The gap between the promises and rhetoric of those in power and what is actually delivered and

implemented has become increasingly intolerable to a frustrated Victorian public. It is critical

that the State Government meaningfully engages and works with local government to ensure

that both new communities and existing metropolitan, regional and rural communities are

sustainable.

As the owners and managers of approximately 85 per cent of Victoria’s road network, local

government has its own critical role in providing and maintaining transport infrastructure. Almost

all road journeys start and finish on a local road. With a trend towards larger trucks and on-farm

grain storage, and expectations of freight volume doubling by 2020, the growing importance of

local roads cannot be denied.

The State Government has committed $160 million for rural roads and bridges targeted at 40

smaller, sparsely populated rural municipalities in addition to $100 million over four years for

local government infrastructure projects. It will be important to acquit these funds efficiently and

effectively and demonstrate the importance of this funding to secure this commitment long term.

A similar need exists at the federal level in planning for an extension of the Roads to Recovery

program beyond 2013/14.

The infrastructure gap continues to be the biggest source of financial challenge for local

government. Councils must continually make long term provision for renewing and rebuilding

this infrastructure at the rate it degrades. Climate change is likely to reduce the lifespan of

infrastructure and drive up maintenance and repair costs, speeding up the backlog of works.

Moves are afoot to gain access for councils to considerably lower lending rates than are

currently commercially available. This would enable councils to borrow cheaply for the purposes

of renewal catch up. Councils will have to consider their investment returns and borrowings

carefully to ensure against substandard infrastructure and prevent transfer of the burden to

rebuild infrastructure or pay borrowings to future generations.

Asset management practices will benefit from federal funding to extend a successful pilot that

involved benchmarking financial data for ten councils and integrating this with their asset

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management systems. Further funding will be used to identify potential for collaboration and the

development of regional action plans to improve the capacity of councils to manage their vast

infrastructure portfolios.

Broadband infrastructure will be critical to economic development, particularly in regional parts

of Victoria. These areas are more heavily reliant on narrow economic drivers such as agriculture

for wealth creation. Recent flooding events which followed years of persistent drought

conditions are having a significant impact on the viability of farming communities.

Local government has an important role in building community resilience by attracting

infrastructure investments that support alternative economic opportunities in these regions.

Current proposals for the roll out of fibre optic cable under the National Broadband Network

exclude towns of less than 1000 people, putting the same communities at further disadvantage

unless alternative proposals can deliver access to high speed broadband at costs that are not

prohibitive to users.

Improve intergovernmental relations

 Define the sector’s roles and responsibilities in transport

 Develop mechanisms for more effective two-way communication and consultation

between the state and local government for transport projects that specifically impact

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councils

Collaborate with other local government networks focused on transport-related advocacy

Restore the MAV VicRoads Liaison Group as a means of improving information

exchange and communication between councils and VicRoads

Ensure any reduced levels of service due to the digital switchover for small or remote

communities are documented and conveyed to the State and Federal Government

Increase investment in infrastructure

 Monitor State Government promises and policy positions for the transport system and

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the progress made on delivering those promises

Advocate a broadening of the range of funding streams available to improve the

transport system

Support a national campaign for the continuation of the Roads to Recovery Program

Seek additional investment by the Federal Government in public transport infrastructure

Advocate access to high speed broadband in communities of less than 1000 people at

costs that are not prohibitive to users

Work with the State Government and the NBNCo to streamline and facilitate locally the

roll out of the national broadband network ensuring local circumstances are properly

considered

Improving asset management

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Seek access to better lending rates for councils

Extend the successful pilot to integrate financial data with council asset management

systems

Audit the current asset management performance of all rural councils, including

resources available, service delivery structures and renewal forecasts

Identify common tasks with potential for collaboration, including

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Joint asset condition and other data collection surveys

Joint procurement and coordination of projects

Development of service standards across all asset groups

Knowledge and resource sharing between councils

Consistent monitoring and reporting of asset performance

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- Liaison and communication between regional councils

Promote adoption of common regional standards and frameworks for asset and financial

management and for data

Develop and seek agreement for the implementation of regional action plans to improve

asset management practices

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Environment

The science of climate change over the last year has firmed in confidence. The rate of sea level

rise has accelerated and rates of change in most observable responses of the physical and

biological environment are at or above expectations. Councils will need to anticipate these

impacts on their local landscapes and livelihoods, and seek to work with other levels of

government to plan for, reduce vulnerability and adapt to climate change

The Australian Government has committed to introducing a carbon price, firstly as a fixed price

tax and then transitioning to an emissions trading scheme in three to five years. This will have

an impact on councils’ service costs across the board. The State Government has reaffirmed a

commitment to reduce carbon emissions by 20 per cent by 2020. However, a plan for how this

will be achieved is yet to be released.

The Victorian Government has committed $20 million to assist councils with the costs of shifting

to more energy efficient street lighting. The State Government’s May Budget is expected

provide further details of how and when this commitment will be delivered.

Reforms to landfill management and licensing, whilst lifting the bar on environmental

performance, have caused significant cost increases for councils’ waste management. A

wholesale review of waste in Victoria incorporating institutional, legislative and financial

arrangements is planned. This will include the findings of the shelved review of regional waste

management arrangements and an audit of municipal solid waste management.

At a national level, waste and resource recovery continues to have a high priority with the

National Waste Policy and associated activities, television and computer product stewardship,

and Regulatory Impact Statement being prepared on container deposits and other measures to

reduce litter and increase recycling.

The Victorian Bushfire Royal Commission made a number of recommendations in relation to

native vegetation management. The MAV and councils are working with State Government

agencies to maintain a balance between managing fire risk and protecting native vegetation and

biodiversity values.

The development and finalisation of the Murray Darling Basin Plan remains uncertain. Local

government supports the principle of ensuring the environmental health of the river system.

However, this must be balanced against the impacts on local communities. The Australian

Parliament House of Representatives and Senate Committees are due to report in May and

November 2011 respectively.

Climate Change

 Conduct briefings for councillors and officers in four regions to understand and reduce

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their corporate carbon footprint

Conduct training in four regions for officers to help measure councils’ corporate carbon

footprint

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Secure the Victorian Government’s $20 million commitment to upgrade to energy

efficient street lighting

Write to the Minister for Energy seeking changes to the Public Lighting Code that

provide for greater transparency and competition in public lighting upgrades and

services

Conduct a collaborative tender for the purchase and installation of energy efficient street

lighting

Conduct a survey and modelling of councils’ expenditure on carbon impacted goods and

services to understand the likely financial impacts of the proposed carbon price on

councils

Produce a report on the status of councils’ planning for climate change adaptation and

barriers to planning as an advocacy tool for seeking assistance for councils from the

Victorian and Australian Government for climate change adaptation planning

Develop and promote tools that will allow councils to translate climate change impacts

on assets into strategic and operational and asset management plans in partnership with

the Local Government Association of South Australia

Waste Management

 Actively participate in the statewide waste review, seeking opportunities to bring together

local government to highlight the key issues, such as the need to reinvest landfill levies

into innovative resource recovery and landfill rehabilitation

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Identify the environmental risks of landfills

Work with councils and EPA Victoria to find sustainable solutions to managing and

rehabilitating landfills under higher environmental management and reporting

requirements

Develop an improved relationship between the Environment Protection Authority and

local government

Respond to the Container Deposit Legislation Regulatory Impact Statement on

additional measures to increase the recycling of used packaging and decrease

packaging-related litter

Native Vegetation and Biosecurity

 Develop appropriate, risk-based approaches of managing native vegetation on

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roadsides to reduce bushfire risk

Work with councils to increase the accessibility of native vegetation offsets for councils

and their residents

Continue to advocate for a fair deal for local government that supports efforts for

improved weed management

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Emergency Management

Recent emergencies along with a predicted increase in severe weather events in years to come

have brought the role and capacity of local government in emergency management response

and recovery more sharply into focus. Agreement will need to be achieved within the sector on

what this role should be in order to positively influence possible legislative and scheduled

regulatory reviews around emergency management arrangements.

New requirements on councils emerging from the Bushfires Royal Commission are significant,

including provision of shelter options, evacuation planning, planning for vulnerable communities,

new approaches to roadside risk assessment and vegetation management and changes to the

planning and building regime.

Advocacy has already commenced for recurrent funding in recognition of the increased

workload for councils. Further work will be required to secure adequate, ongoing funding for

broader council responsibilities in emergency management and to support the development of

shared or common systems to enhance capabilities moving forward.

Four significant flood events within six months have resulted in many Victorian councils dealing

with considerable recovery tasks in a dynamic policy environment with upcoming reviews of the

flooding events likely to have further ramifications for councils. The recovery process has been

hampered by policy failures in existing national disaster funding arrangements and highlighted

the need for a coordinated, whole of government process to support recovery for local

government.

Improving capacity in local government

 Develop a clear and accepted definition of the appropriate role of local government in

emergency management as an advocacy tool in support of legislative change and

appropriate funding models

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Undertake activities to provide the sector with the opportunity to improve capability and

capacity of performance in emergency management, including developing training

programs, templates for exercise plans, best practice tools and guides and facilitating

networks to support innovation, change and consistency of operation

Develop a robust performance measurement capability that aligns with the revised role

of local government in emergency management

Manage expectations of key stakeholders in respect of the role and capacity of local

government so that corporate risk to individual municipalities and the sector generally is

realistically minimised

Flood recovery and review

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Respond to the review of the 2010-11 Flood Warnings and Response

Respond to the Parliamentary inquiry into flood mitigation infrastructure in Victoria

Plans and procedures

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Facilitate sector feedback into the review of Part 6 of the EMMV

Facilitate sector feedback into the State Emergency Relief and Recovery Plan review

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Support councils in the transition to Municipal Fire Management Planning and advocate

legislative change to formalise governance, accountability and auditing procedures

Manage the procurement and development of a web-based incident management

system for councils

Advocate reform of the Natural Disaster Financial Assistance (NDFA) policy

Represent councils on an OESC steering committee to develop a research capacity into

the impact of climate change in the emergency management sector

Represent councils on an OESC steering committee to facilitate trials of community

warning sirens

Represent councils on a working committee to review the Community Emergency Risk

Management (CERM) system to align with changes to the international standards and

national guidelines

Develop a framework for state government agencies to work with councils on recovery

and reconstruction

Victorian Bushfires Royal Commission

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Coordinate local government reporting to the Victorian Bushfires Royal Commission

Implementation Monitor

Support municipalities in the placement of 25 additional positions provided under the

State Government’s implementation plan, including the review process and potential

transition of support to other municipalities

Develop guidance materials and templates to assist councils to meet the new obligation

to include hazard tree identification and reporting procedures in municipal fire prevention

plans

Represent councils on working groups relating to vulnerable communities, evacuation

planning and roadside risk assessment

Chair and provide secretariat support for the Local Government Native Vegetation

Reference Group to inform and assist the implementation of recommendations

associated with native vegetation

Establish issue-specific working groups and facilitate council input into new policy

development as required

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Governance and Councillor Development

Changes to the timing of council elections appear probable, bringing forward the tasks of

procuring electoral services and attracting new councillors.

At the last round of elections the MAV acted as the agent for 49 councils in the tendering

process for electoral services saving tendering costs and duplicated effort for participating

councils. The needs of councils are likely to have changed since that time. In preparation for the

next round of elections it is timely to review those arrangements and consult councils on their

requirements.

On past experience 30 per cent of councillors can be expected not to contest the elections.

While anecdotal concerns have been expressed about the impacts of four year terms on the

decision of people to stand for council including existing councillors, this is not born out in the

analysis of nominations for previous elections.

The campaign to encourage people to stand for council in 2008 was successful in reducing the

number of uncontested vacancies by 40 per cent from previous elections. However, the

demographic profile of councillors remains largely unchanged, indicating a need for different

approaches to target a more representative spread of the population.

Professional development for councillors continues to experience a life cycle of strong

engagement in the year after elections with gradual drop off in the subsequent years.

Specialised opportunities for councillors wanting to extend their learning have been developed

in partnership with recognised training providers to meet the changing and developing demands

of councillors.

Councils are increasingly making use of councillor conduct panels, indicating a willingness and

desire to try and resolve internal disputes. The panels have been in operation for two years, and

as with any new legislative mechanism there have been some implementation issues. It is

timely to review the panels and seek resolution to some of these outstanding matters.

Conflicts of interest provisions continue to be a source of frustration for councillors. Providing

advice to councillors and council governance personnel on legislative and regulatory

requirements continues to be an important value proposition for the MAV. Advice is provided

regularly on an individual basis and in forums that discuss topical issues.

Preparing for elections

 Review the tendering process for electoral services

 Identify the needs and requirements of councils for electoral services in 2012

 Conduct a broad awareness campaign to encourage people to stand for council

 Survey the existing population of councillors on deciding factors in standing for election;

support and practical assistance for potential candidates; intentions to stand for election

again in 2012; perceived barriers to participation

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Convene a working group of interested councillors from under represented demographic

groups to review previous awareness strategies and identify opportunities to reach new

audiences

Prepare a community awareness campaign to encourage people to stand for election

Seek funding opportunities to encourage greater demographic representation among

elected councillors

Review the councillor competency framework and develop materials to assist existing

councillors to identify and encourage potential candidates to stand for election

Maximise take up of professional development offerings

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Offer greater variation in the modes of delivery and locality of programs

Ensure continued relevance of offers to the work of councillors and increase the number

of specialist offerings

Strengthen partnerships with recognised accredited training providers including existing

partners Swinburne University and the Institute of Company Directors

Develop an accredited training model

Governance support for councils

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Seek a review of the operation and costs of councillor conduct panels

Advocate changes to address costs and gaps in the legislative framework for councillor

conduct panels and/or guidance for councils

Review the current arrangements for the management of councillor WorkCover claims

and identify any adjustments

Provide timely and relevant information and advice to councils for councillor WorkCover

claims

Provide timely advice about changes to legislation and/or regulations which may impact

on council governance

Provide timely and responsive advice to councillors and council staff seeking advice and

guidance on governance issues

Support governance officers in councils through forums to discuss topical issues and

issues of specific concern

Seek a review of the Local Government Act

Build a case for State Government funding for expert advice for councillors in

understanding the practical application of conflicts of interest provisions

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Insurance

Natural disasters at home and overseas are likely to significantly impact the worldwide

reinsurance market. Despite taking steps to increase its portion of risk to protect MAV Insurance

members from the full impact of significant reinsurance premium increases, the market is likely

to harden even further putting pressure on premiums.

The ability to demonstrate quality risk management strategies and processes is important to

holding reinsurance costs down. An increase in claims was recorded last year. This increase will

be monitored to determine whether it is the beginning of a longer term trend or just a short term

variation. An external review of current approaches to risk management made

recommendations that will be rolled out this year to ensure best practice in this area.

The flooding events here and in Queensland have highlighted the need for councils to have

appropriate levels of protection for their assets, including roads and bridges. Debate has begun

at the federal level about a possible national disaster insurance model that would likely provide

the most affordable option for councils due to the economies of scale that could be achieved.

However, this will take some time and there is an immediate need to access affordable

protection. A mutual model is proposed as an interim measure in Victoria and Tasmania.

Changes in regulatory requirements for landfill management have heightened the environmental

risk profile for councils. There is a gap in existing protections available to councils that is

currently being tested in relation to the Brookland Greens Estate in Casey City Council which

highlights the need for a policy that provides maximum protection for councils at a reasonable

cost.

The State Government has advised that councils’ obligations to conduct a public tender before

entering into contracts for goods and services over a certain value extend to contracts for

insurance. This requirement does not reflect industry practice and does not necessarily deliver

the best outcome for entities seeking insurance cover. Clarification will be sought to ensure

procurement requirements are consistent with industry best practice.

There is some confusion about the structure of MAV Insurance and the products it provides

which complicates communication about the mutual model of protection. Some of this is due to

the multiplicity of brands associated with MAV Insurance, its products and its service providers.

In order to provide clarity about insurance products provided on a not-for-profit basis by the

MAV, the mutual entity will be rebranded MAV Insurance and its products renamed.

Improve risk management

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Implement the key recommendations from the recent independent review to ensure best

practice in the area of risk management

Monitor claim lodgment trends

Identify and engage additional risk management professional development opportunities

Property and infrastructure insurance

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Prepare a business case for the introduction of a property and infrastructure insurance

mutual

Commence discussions with Federal and State governments

Obtain expert input into the proposed mutual and its policy and organisational structure

Protection from environmental risks relating to landfills

 Obtain information on environmental risks from members

 Develop an insurance proposal for discussion with relevant insurance markets

 Negotiate an outcome that provides maximum protection for members at reasonable

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cost

Introduce environment policy option

MAV Insurance Rebranding

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Implement rebranding program to increase awareness and understanding of MAV

Insurance and associated insurance products.

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Corporate

Aligning the strategic planning process and resolutions of State Council is an evolving necessity

and a difficult task given the spectrum of matters now raised at State Council and the available

resources of the Association. Progressing State Council resolutions can have significant

resource implications for the MAV. It is important to consider the workload required for

progressing resolutions in the context of the strategic plan set in consultation with members on

an annual basis.

The MAV’s governance structure was last comprehensively reviewed in 2005, resulting in

changes being made to the Rules of Association the following year. This process involved broad

discussion and consultation about the role of the Association and the subsequent development

of proposals that were formally tested with the membership.

Feedback at the time largely supported retention of the status quo, including the continuation of

regional consultation sessions for developing the strategic plan; the ability for all councils to

submit motions for State Council; and that State Council continue to meet twice per year.

Members also supported existing provisions for the election of the MAV President and Board. It

is timely once again to review the Association’s structure and processes.

When the MAV’s value proposition is tested, its advocacy and policy roles are repeatedly most

persuasive for members. Communication is integral to this role to ensure that impacts of

changes in government policy are understood, minimised and managed, and councils are

supported to optimise any opportunities presented by change. Strategies to improve the

targeting and delivery of communication will continue to be implemented.

Review of governance structures

 Examine other membership association models of governance

 Conduct a review of most recent President and Board elections

 Review strategic planning and State Council processes in consultation with councils

 Prepare a discussion paper for seeking council views on proposed changes to MAV

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governance structures and processes

Develop a proposal for changing the MAV Rules to give effect to preferred governance

models

Submit rule change to State Council

Improving communications

 Complete production of new website and member’s only site

 Build new online portal for events and training registration

 Integrate new website with events and training registration system

 Appoint new online communications coordinator with responsibility for driving relevant

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and current content

Build out community education component to new website

Upgrade IT hardware and software

Provide support and training to staff on new software

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