Municipal Association of Victoria

Strategic Work Plan 2014-15





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# Introduction

The Municipal Association of Victoria (MAV) is the peak body for local government. Our team of specialist staff focus on achieving gains for Victoria’s councils through advocacy, capacity-building, policy development and promoting effective governance.

The *Strategic Work Plan 2014-15* sets out the MAV’s work program for the year. The issues and actions outlined here were identified in consultation with our 79 member councils. Eight consultation sessions were conducted in seven locations across Victoria. Our Board of Management and staff also had significant input into the development of this plan.

The actions we have proposed in this plan reflect our capacity to respond to the issues identified. Occasionally, the MAV will form working groups or committees to help guide our actions and provide advice. Responsibility for delivering all actions outlined in this strategic plan rests with the MAV. We will report our achievements against this plan in our *Annual Report 2014-15*.

One of MAV’s critical characteristics is its ability to respond in a timely manner to issues affecting the sector, as they arise. State Council is our members’ opportunity to raise motions of business for incorporation into the MAV’s work plan. Our Board of Management will prioritise emerging matters in the context of the agreed work plan. We may adjust the resources allocated in this plan in order to address emerging issues.

## State of play: the local government sector in 2014-5

The upcoming Victorian state election and the state and federal budgets set the tone for MAV’s strategic planning this year.

We have been warned that, with a projected $47 billion budget deficit and a promise to return to surplus by 2023-24, we can expect significant cuts to the federal budget. The 2014-15 federal budget is shaping up to be the toughest since 1996-97 and our goal will be to preserve existing funding streams to local government. We have already witnessed spate of manufacturing job losses, particularly in Victoria, calls to curb wage-growth and an emphasis on ‘personal responsibility’ over ‘entitlement’. The Commonwealth Commission of Audit, currently underway, may also mean that there will be an increased need to guard against responsibility shifting onto local government by other levels of government.

At the state level, with potentially less money coming in from the Federal Government and continued pressure on the State’s own revenue sources, we can expect greater competition for scarce funding opportunities. Job losses in manufacturing, one of Victoria’s traditionally strong industries, will also present economic, financial and social challenges. It is unlikely that the State will support councils to embark upon any significant new initiatives in the short-term, with major initiatives likely to be focused on election commitments and major projects. In view of this, the local government sector is going to have to work hard to retain current state funding arrangements, including the Country Roads and Bridges program and the Regional Growth Fund. To do this, we will need to demonstrate our efficiency and effectiveness across our major state-funded projects.

As the baby boomer generation retires and more Australians move into care, Home and Community Care (HACC) and other services aimed at the aged will have further pressure placed upon them. Funding and management of HACC is transitioning to the Commonwealth—the MAV will be working with the State and Commonwealth governments to define the terms of the transition, set to be complete by July 2015. We will also be looking to ensure system stability for councils and users over the next five years, with an agreement already reached for existing service providers to be offered Commonwealth service contracts. Continued advocacy is needed in this space to ensure continuity and the best outcomes for service users.

The makeup of the local government workforce will also be impacted with the retirement of the baby boomer generation, with around 30 per cent of local government employees expected to retire over the next decade. The Defined Benefit Superannuation Taskforce will continue to implement its recommendations to minimise the negative impact of superannuation obligations from these retirements.

Extreme weather events also continue to form the backdrop for local government planning. Bushfires, flooding, coastal inundation and the broader effects of climate change have continued to create a need for action to minimise risk to our communities. Definition of the roles and responsibilities of local government and different agents in climate change mitigation and emergency management are critical to the resilience of Victorian communities.

Recognising the place of Aboriginal Australians as the custodians of the world’s oldest continuing cultures is achieving momentum, with bipartisan support from the major political parties for constitutional recognition of Aboriginal and Torres Strait Islander people. As a result, 2014-15 will provide an opportunity for the MAV to actively progress bringing together Aboriginal and non-Aboriginal Australians.

Finally, in view of the fact that there is no interest from the Commonwealth in proceeding with last year’s bid to have local government recognised in the Australian Constitution, the MAV will not be pursuing this matter in the coming year. Constitutional recognition will remain a long-term goal for the MAV.

## MAV’s priorities in 2014-15

Some of the issues set out in this document have been further identified as high priority issues for the MAV. These issues were consistently identified by our members and assessed as rating highly against the following criteria:

* magnitude of impact the issue is likely to have on councils and their communities
* number of councils affected by the issue
* political ramifications of the issue
* immediacy of the issue
* likelihood of influencing an outcome in local government’s favour.

Focusing in this way will enhance the MAV’s capacity to direct our limited resources toward achieving the best outcomes for councils. Our priorities are outlined below.

**State election**

A core focus for the MAV this year will be to secure commitments from political parties on a range of priorities identified in this document, ahead of the State election. We will produce a log of claims in consultation with members to achieve this.

**Financial sustainability**

Financial sustainability, including the sustainability of smaller councils, is one of the MAV’s core priorities and is a theme that underpins much of our strategic work program.

|  |  |
| --- | --- |
| **Reducing red-tape** | **See page 5** |
| In view of the Commonwealth Commission of Audit and an increased emphasis on performance under cost pressures at the State and Federal levels, we will focus on reform work, this year, with a view to reducing red-tape and securing local government’s robust future. |  |
|  |  |
| **State and federal funding for transport and infrastructure**The MAV will advocate to gain recommitments to current funding arrangements, including the state-funded Country Roads and Bridges program and the Regional Growth Fund and the federal-funded Roads to Recovery program. | **See pages 6 and 15-16** |
|  |  |
| **Bond issue for debt aggregation**The MAV will finalise the debt aggregation project through the NAB-Commonwealth Bank bond issue, as recommended by Defined Benefits Superannuation Taskforce. | **See page 6** |
|  |  |
| **Self-insurance for worker’s compensation**The MAV has commenced the process to apply for a licence for a self-insurance scheme for workers’ compensation. The objective for the next year is to significantly advance the application and prepare the scheme to commence operations on 1 July 2015. | **See page 23** |
| **Victorian State-Local Government Agreement**Following our work to have local government concerns addressed in the latest iteration of the agreement, the MAV will work with the State Government to ensure the spirit and letter of the agreement are respected. | **See page 4** |
| **Early years National Partnership Agreements**The MAV will advocate for the Commonwealth and State governments to sustain the operational and capital funding required to deliver the intended outcomes of the early years National Partnership Agreements, including ‘15 hours’ universal access to kindergarten and adherence to the National Quality Framework. | **See page 9-10** |
| **Home and Community Care (HACC)**With the funding and management of HACC set to transition to the Commonwealth in July 2015, MAV will be working with state and Commonwealth officials to define the terms of the transition. We will be looking to ensure system stability for councils and users over the next five years, with an agreement that existing service providers are to be offered Commonwealth service contracts already reached. | **See pages 10** |
|  |  |
| **Libraries**Public library services funding is also a key concern for the MAV in the coming year, with the *Tomorrow’s Library* proposal providing no indication of the State’s capital and recurrent funding commitments. We aim to negotiate solutions which support local government in maintaining innovative and financially-viable public library services. | **See pages 10** |

# Strategic Work Plan

## Performance and Productivity

### Governance and Reform

Providing governance advice and support is a key function of the MAV. Some of the issues detailed, here, will form the backbone of our governance support in the coming year.

Prior to the last election, the State Government made a commitment to review the Victorian State-Local Government Agreement (VSLGA), to ensure that it fulfilled its purpose, had practical significance and provided an overall framework for managing the relationship between the State and local government. There was a consensus, across local government, that the first iteration of the new agreement had not been successful at addressing cost-shifting on to local government or improving relations between the State and local government. After consultation with the sector, the MAV produced a position paper on the agreement, which was then considered by the State. At State Council, members will have the opportunity to vote on the revised agreement.

Earlier this year, the Minister for Local Government also announced a range of reforms to govern councillor conduct. To date, the proposed changes have included enabling mayors to suspend misbehaving councillors from council meetings, stronger powers for the Inspectorate to examine serious misconduct, tightened code of conduct rules and others.

Mayors, councillors and council administrators involved in councillor conduct-related matters have sought a range of guidance from the MAV and expressed strong views that whatever models are promulgated by the State, the MAV should provide additional guidance to assist in providing process clarity and role certainty. The MAV has sought more detail on the reforms, in order to examine them before the legislation is introduced to parliament.

The new Local Government Performance Reporting Framework has been piloted and legislation to enact it is currently being drafted. The MAV remains concerned about costs associated with compliance, the large number of indicators and the problems associated with the variability of council data. Work with the State is ongoing to ensure that data obtained through reporting is meaningful.

In view of the Commonwealth Commission of Audit and an increased emphasis on performance under cost pressures, the MAV also has a large program of reform work scheduled for the 2014-15 year, with an aim to ensure local government’s robust future.

The MAV’s program of governance and reform work are outlined below.

**Governance**

* Monitor and report on the State’s adherence to the new Victorian State Local Government Agreement.
* Support the implementation of the new Performance Reporting Framework and advocate for a reduction in the number of performance indicators, in order to ensure that data obtained through reporting is meaningful.
* Prepare councillor conduct guidance material.
* Hold the Annual Report Awards and Annual Report Writing Workshop.

**Reform and the future of local government**

* Improve efficiency in reporting between levels of government, through collaborative information and communications technology initiatives.
* Help councils respond to the changing needs of their communities through the Championing Change program (including Top Teams and Future of Local Government program).
* Work with state and federal governments towards federated data standards to enable better creation, sharing, and integration of data between levels of government.
* Develop open data value proposition for councils to ensure potential benefits from council data assets are realised.
* Support councils to improve the integration of their council plan, asset management plans, service plans, strategic resource plans and community plans.
* Facilitate and support councils to improve community involvement and participation in council decision-making and planning.
* Improve regional collaboration through shared services opportunities and support councils to develop their implementation plans (see page 21 for more detail).
* Develop a Local Government Private Network (cloud) to facilitate greater operational efficiency, leverage collective skills, reduce exposure to technological risk and improve customer service.
* Encourage and reward innovation in information and communications technology through annual Awards for Excellence and Innovation Fellowship.
* Explore opportunities for establishment of information and communications technology centres of excellence, to facilitate role and skill sharing.

### Finance and Productivity

Both the Victorian and Australian governments are pursuing tight fiscal policy. Our finance advocacy will be primarily guided by these overarching economic and fiscal conditions in Victoria and Australia. We will also continue to promote efficiency and savings through our self-reform programs and initiatives.

With the Commonwealth’s Commission of Audit guiding the first Abbott Government budget, it is likely to be the most constrained spending environment in nearly 20 years. This will limit the MAV’s capacity to advocate for further federal funding. Our strategy will be to work cooperatively through the Australian Local Government Association, as well as with other state associations, to protect current funding programs to local government, including Financial Assistance Grants and Roads to Recovery.

At the state level, the upcoming election provides some opportunities to secure favourable funding commitments for councils. With regional Victoria likely to be a key election battleground, we will advocate for the renewal of the Country Roads and Bridges program and the extension of the Regional Growth Fund.

Following our campaign for public library funding and the *Tomorrow’s Library* report, the MAV will be campaigning for improved core funding for our state’s libraries. As a key community institution, additional funding will be essential to ensure that libraries can evolve to meet new challenges.

The MAV’s work to promote financial sustainability and improve productivity will include the below key actions.

**Financial sustainability**

* Negotiate an ongoing funding deal for councils’ administration of the Fire Services Property Levy.
* Advocate for the continuation of the state-funded Country Roads and Bridges program and the Regional Growth Fund, encompassing the Putting Locals First and Local Government Infrastructure programs (see pages 14-15 for more detail).
* Advocate for continuation of the federal-funded Roads to Recovery program (see page 15 for more detail).
* Advocate for new state and federal funding for road upgrades identified through regional freight plans (see page 14 for more detail).
* Advocate for increased investment and fairer funding by the State in the provision of Victoria’s public library services (see page 10 for more detail).
* Advocate for the Australian Government to sustain the operational and capital funding required to bring about the intended outcomes of the early years National Partnership Agreements (see page 9-10 for more detail).
* Revise the methodology for the Cost Index to respond to the Auditor-General’s recommendations.

**Productivity**

* Finalise the debt aggregation project through the NAB-Commonwealth Bank bond issue, as recommended by Defined Benefits Taskforce. Ensure understanding and take-up of the bond among councils.
* Progress work towards self-insurance model for worker’s compensation, preparing the scheme to commence operation on 1 July 2015 (see page 23 for more detail).
* Increase council efficiency and drive savings through aggregated procurement (see page 23 for more detail).

### Councillor and Workforce Development

The 2014-15 year takes us into the middle of the current electoral cycle for local government. The period will be a time for strengthening the MAV’s training offerings for elected representatives, providing greater opportunities for rural and regional councillors and responding to proposed changes in the legislative environment.

The period is also important for ensuring that our education courses and training partnerships continue to improve and reach higher standards, gain greater acknowledgement across the sector and are contemporary in their approach.

The effectiveness of local government’s non-elected workforce is also important to our communities. A combination of factors will form the agenda for workforce development in the coming year. Some of the factors are new, such as federal modern award coverage that will apply to employees who were previously covered by the Victorian Local Authorities Award 2001 and the requirement under the *Fair Work Act* for the Fair Work Commission to undertake a four-year review of all modern awards. If the Local Government Industry Award 2010 becomes the applicable modern award for the sector, it will be the first time that Victorian local government will be required to participate in a national industry award, rather than a state-based instrument.

Other factors, such as the ageing population, ageing workforce and skills shortages in a number of occupations, will continue to be relevant issues facing councils. The sector will, to some extent, be supported by national initiatives such as the ‘Future-Proofing Local Government: National Workforce Strategy 2013-2020’ report released by the Australian Centre of Excellence for Local Government (ACELG) in 2013 and the Australian Local Government Workforce and Employment Census also undertaken by ACELG. The MAV will work in the areas of employment costs and workforce development to assist councils to address these challenges.

Local government also needs to consider the diversity of their workforce to ensure a greater number of perspectives among senior managers and other officers involved in making decisions on behalf of communities. For example, a 2012 survey showed that there were only 76 Aboriginal and Torres Strait Islander people employed in a collective workforce of approximately 40,000 employees—these low numbers present opportunities for local government to better engage with these communities.

Our councillor and workforce development areas will focus on the below program of work.

**Strengthening MAV Knowledge Centre**

* Increase our emphasis on core one-day training programs offered to councillors.
* Grow the specialist MAV training offers, including the Diploma of Local Government, Company Directors Course and the Graduate Diploma of Management.

**Providing increased access for regional and rural councillors**

* Expand councillor training programs across regional and rural Victoria—for every one-day program offered in metropolitan Melbourne, two programs will be offered across rural and regional Victoria.
* Spread training delivery across regional and rural Victoria over an expanded variety of locations, ensuring the greatest opportunity for participation, while maintaining the sustainability of each program.
* Develop an online training package, including abridged versions of the councillor programs, primarily to support remote access.

**Prepare for proposed future legislative impacts on councillor development**

* Update and develop programs to keep councillors abreast of the impacts of legislative change.
* Commence planning for candidate and induction training modules in response to proposed legislative changes, including a redesign of the candidate briefing sessions and a new approach to councillor induction programs and tools.
* Develop a monitoring tool that provides information on longer-term impacts of councillor professional development, including analysis of existing tools and identification of sector-wide impacts.

**Workforce development**

* Work with key stakeholders to develop relevant responses to the recommendations of the National Workforce Strategy.
* Consider the findings of the Employment Census in the context of specific issues facing local government.

**Employment costs**

* Monitor proceedings in relation to the four-year review of modern awards being undertaken by the Fair Work Commission, in particular, the Local Government Industry Award 2010.
* Work with the MAV Board’s Long Term Financial Strategy Group in relation to employment costs, such as superannuation.

**Promoting workforce diversity**

* Promote gender equity strategies, the Victorian Local Government Women’s Charter and the MAV’s ‘Commitment to Cultural Diversity’ and the positive changes that arise from having diversity among decision-makers.
* Undertake activities to encourage councils to increase their employment of Aboriginal and Torres Strait Islander people, including raising awareness of the Victorian Local Government Aboriginal Employment Framework.
* Continue to advocate jointly with disability peak bodies, such as the Australian Federation of Disability Organisations (AFDO), the Australian Disability Network (AND) and the Australian Consumers Action Network (ACCAN), to Standards Australia and the Federal Government for the development and adoption of Australian procurement standards for accessible Information and Communication Technology (ICT).
* Continue to lobby software vendors to encourage them to make commitments to develop sector-specific solutions for accessible software programs for local government.

## Policy Areas

### Human Services and Public Health

Local government is increasingly recognised for its leadership role in the promotion of public health, positive ageing, gender equity, anti-racism, cultural diversity and inclusion for all.

Ensuring the sustainability of Home and Community Care (HACC) services remains one of the MAV’s core priorities this year. With the funding and management of these services set to transition to the Commonwealth in July 2015, we will be working with the State and Commonwealth governments to define the terms of the transition. The MAV will be looking to ensure system stability for councils and users over the next five years, with an agreement that existing service providers are to be offered Commonwealth service contracts already reached.

The National Partnership on Early Childhood is also under question, with a review scheduled for June 2014. The MAV will continue its advocacy in support of the initiative and push for the continuation of the funding needed to bring about the fulfilment of the ‘15 hours’ universal access to kindergarten reforms and adherence to the National Quality Framework.

Public library services funding is also a key concern for the MAV in the coming year, with the *Tomorrow’s Library* proposal providing no indication of the State’s funding commitment. We hope to negotiate solutions which support local government to maintain innovative and financially-viable public library services.

An opportunity also exists to ensure the continuation of the MAV’s work around gender equality and the prevention of Violence Against Women (VAW). The most significant challenge the program currently faces is State Government funding for 2014-15 year and beyond. The MAV will work to ensure funding continues to support this vital social and cultural change agenda.

Finally, the MAV is continuing to support the Patchwork project as it expands to other councils. Patchwork is an innovative web application that seeks to improve collaboration between practitioners from different agencies who have vulnerable clients in common. At the state level, the government has proposed to establish ‘Area Partnerships’ to focus on vulnerable children, with a potentially wider remit in human services in the longer term. The partnerships will be formed between senior state and local government officers, with the involvement of community services organisations. The MAV will negotiate and advocate for local government’s role in the design and delivery of the program.

The actions, outlined below, will guide the MAV’s work in human services and public health this year.

***Human services***

**Early years and youth**

* Continue to promote early years reform priorities among councils, with particular attention to the National Quality Framework, the implementation of new staff ratios in 2016 and vulnerable children.
* Work with DEECD and councils to articulate agreed roles and responsibilities for kindergarten governance, infrastructure provision, central enrolment and negotiate status, scope and resourcing of Municipal Early Years Plans.
* Advocate for the Commonwealth and state governments to sustain the operational and capital funding required to deliver the intended outcomes of the National Partnership Agreements, including ‘15 hours’ universal access to kindergarten and adherence to the National Quality Framework.
* Progress more integrated support for young people and planning for schools-as-community hubs (including joint-use agreements and the School Focused Youth Service program).

**Home and Community Care (HACC) and positive ageing**

* Work with state and Commonwealth governments to define the terms of the transition to Commonwealth funding and management of HACC.
* Consult with all councils and the HACC Sustainability Group on the proposed ‘statement of intent’ that aims to recognise local government’s role in HACC.
* Advocate for fair funding to councils in the HACC pricing review.
* Provide leadership and support to councils on age-friendly initiatives to encourage further development of age-friendly communities in Victoria, in line with the World Health Organisation’s Global Network of Age-friendly Cities and Communities.
* Support development of ‘Casserole Club’ to link generations, encourage volunteering and address social isolation among older people.

**Disability**

* Advocate for the retention and extension of the community building program (metropolitan, rural and deaf-access workers).
* Continue to support the network of disability planners and advocate for sufficient funding to resource councils with information, templates and good practice examples.
* Monitor impact of the National Disability Insurance Scheme on council HACC services and access/participation by people with disabilities in community life.

**Vulnerable people**

* Provide support for councils using the Patchwork web application for improved collaboration by administering the program and providing helpdesk support and training.
* Negotiate with state departments for local government to be included in the intergovernmental anchor group on Area Partnerships and consulted with regarding the design of the partnerships.
* Facilitate an Area Partnership structure that supports councils’ work in health and human services and achieves outcomes for local communities.

**Libraries**

* Advocate for increased investment and fairer funding by the State in the provision of Victoria’s public library services.
* Review the costs and benefits of the *Tomorrow’s Library* proposal under consideration by the State Government and negotiate solutions which support local government in maintaining innovative and financially-viable services.
* Pursue the recommendation of the Ministerial Advisory Council on Public Libraries that a partnership agreement be established outlining the responsibilities and funding commitment of state and local governments.

**Cultural diversity**

* Support municipal cultural diversity planning through regular professional development opportunities and act as a multicultural resource hub for councils.
* Represent local government’s role in migrant and refugee settlement planning and multicultural policy development to other sectors and all levels of government.
* Advocate for increased recognition and resourcing for local government’s role in cultural development through MAV representation on the National Local Government Cultural Forum.

**Arts**

* Utilise the alliance with the Cultural Development Network (CDN) to increase the arts and cultural development capacity of councils.
* Implement the plan to promote arts-associated activities and infrastructure in local government.

***Public health***

**Planning and development**

* Work to strengthen health and wellbeing networks, including through sharing information and projects from the Healthy Together Victoria initiative.
* Develop and implement a prevention and population health training resource for councillors and new staff.
* Influence State Government regarding relevant legislative changes to reduce harms associated with a range of social issues.

**Maternal and child health (MCH)**

* Improve service delivery through innovative platforms and report on outcomes.
* Inform the sector of key issues through the biannual maternal and child health nurses conference.
* Develop maternal and child health information software to improve services through integrated service delivery, with better reporting functionality and better usability across a variety of access channels, including mobile devices.
* Coordinate State negotiation with councils of improvements for the MCH service proposed in the ‘Future Directions’ document released April 2014, ensuring the maintenance of the universal service offered to all families.
* Undertake detailed service costings with councils and prepare a position on the unit price and indexation to lead into negotiations for the next MCH Memorandum of Understanding with the State, due in 2015.

**Preventing Violence Against Women (PVAW)**

* Pursue State Government funding to allow the MAV Preventing Violence Against Women (PVAW) program to continue for a further two years.
* Progress PVAW and gender equity principles across a range of functions in local government, in conjunction with the community sector.
* Measure the reach of MAV’s PVAW program activities into and across councils.
* Embed PVAW and gender equity principles in MAV organisational approaches and culture through the development of a Preventing Violence Against Women and Gender Equity Committee and 2014-15 Action Plan.

**Alcohol and smoking**

* Broker access for councils to State Government-held data, including alcohol-related ambulance and police attendance data and alcohol sales data, to enable councils to develop evidence-based policy, submissions and responses.
* Promote research into the economic and social impacts of the proliferation of packaged liquor outlets, particularly in disadvantaged communities.
* Convene quarterly meetings for councils to share information and ideas, analyse key issues affecting local government and strengthen partnerships with government, non-government organisations and key service providers.
* Continue advocacy for statewide smoking bans for alfresco dining areas.

**Gaming**

* Advocate legislative change to require the Victorian Commission for Gambling and Liquor Regulation (VCGLR) to consider the social and economic impacts of proposed new gaming venues and increases of gaming machines in venues.
* Promote research into successful council determinations on gaming venues and develop resources that will assist decision-makers to consider social and economic impacts.

**Food safety**

* Advocate for a reduction in regulatory red-tape for food businesses.
* Advocate for better targeting of effort to situations of highest risk.
* Promote STREATRADER registration system among councils.
* Develop a food sampling e-form to streamline and improve council reporting and data sharing with food labs and the Victorian Department of Health.

### Planning

Over the last year, the planning operating environment has undergone substantial change, with the development of *Plan Melbourne* and regional growth plans, reviews of the State Planning Policy Framework and the development contributions system and the introduction of new residential, commercial, industrial and rural zones. Local government has worked hard to inform this planning reform agenda.

The building system is subject to its own challenges, with a forthcoming review of the Building Regulations, the development of building control plans for councils and a range of other proposed legislative changes.

As a sector, we can do much to ease the impact of such change, including through identification of reform priorities, clear communication with communities and government and ensuring resources and effort are aligned. Sector-led planning reform that promotes a positive image and delivers high levels of efficiency and effectiveness in service delivery is also critical to positioning councils as influential in wider planning system reforms.

The MAV will advocate for the interests of local government throughout this period of change. In the coming year, the MAV’s planning team will focus on the below program of work.

**Metropolitan and regional planning**

* Advocate for the timely and prioritised implementation of *Plan Melbourne* and regional growth plans to enable government and the private sector to align work with funding.
* Work with the Metropolitan Planning Authority (MPA) to develop a partnership to promote a spirit of cooperation and provide clarity on the role of the authority, councils, sub-regional groups of councils and the minister.
* Advocate for local government representation on the MPA Board.
* Identify and deliver a suite of rural and regional land use planning projects to address sector needs and build capacity.
* Call for the Rural Council Planning Flying Squad program to be funded post-2014 to assist councils to align planning schemes with recent reform.

**Reform**

* Call for the establishment of a state-local government standing committee to identify planning priorities, monitor outcomes and performance and trial potential new or modified provisions.
* Position councils to identify and address issues associated with recent reforms, including the Victorian planning provisions, planning fees, development contributions and environmentally sustainable design.
* Deliver a series of forums to facilitate broader application of best practice planning and building initiatives across the sector.
* Work with affected councils and relevant authorities to identify and work towards resolving ongoing challenges relating to planning fees, Bushfire Management Overlays (BMOs), flood overlays and other land-use planning challenges.
* Advocate for the transfer of responsibility for noise monitoring and compliance for wind energy facilities to the Environmental Protection Authority (EPA).

**Local government performance**

* Evolve the STEP Planning program to facilitate a whole-of-council approach to improvement and include other important pillars, such as strategy, customer interface and staff development.
* Work with the State and councils to introduce the VicSmart program to ensure the sector is positioned to meet new timelines.
* Work with councils and the State Government to improve the operation of the building system, including the introduction of Building Control Plans.

### Transport and Infrastructure

Victoria will face significant transport challenges in the coming years, including population growth, increasing freight, climate change, congestion, peak oil, ageing and transport disadvantage. These challenges demand strategic, long-term investment in transport infrastructure, combined with effective use of our existing resources.

Council transport initiatives must be encompassed within supportive Federal and State Government frameworks, as only these levels of government can fund and deliver major transport infrastructure. Overly prescriptive government legislation on planning, speed limits and community transport can scuttle councils’ innovation and proactivity. It is critical that the State Government works meaningfully with local government to ensure that new communities and existing metropolitan, regional and rural communities are sustainable.

Major infrastructure projects must also be forecast within a long-term planning strategy to allow councils to identify and deliver complementary projects and achieve the most efficient use of their resources. Long-term planning strategies must recognise the benefits of increased walking, cycling and reduced car-dependency. The MAV is advocating on behalf of members for a long-term plan that identifies the state’s transport requirements and establishes a pathway to their fulfilment.

This year, councils continue to make long-term provisions for renewing and rebuilding their ageing infrastructure. Increasing freight volume will present a challenge to roads. Climate change also represents a financial challenge, reducing the lifespan of infrastructure and driving up maintenance and repair costs. The Australian Government has committed to an extension of the Roads to Recovery program to 2019, however, further advocacy is needed to ensure this program is made permanent, continues with bipartisan support and has its funding pool increased.

The MAV’s program of work for transport and infrastructure in 2014-15 will be centred around the below activities.

**Advocacy and planning**

* Update the MAV *Transport Position Paper—Living Document*, to continue to define Victorian local government’s vision for transport policy and investment in Victoria.
* Advocate for a state-wide, adequately resourced transport infrastructure plan.
* Advocate for improved public transport services across Victoria.
* Participate in national sector advocacy efforts to secure a permanent Roads to Recovery program and additional funding for local roads of $1.2 billion, per annum.

**Road safety**

* Represent the sector on funding committees for road safety infrastructure.
* Work with the Transport Accident Commission (TAC) to develop a new active transport infrastructure program.

**Freight**

* Work with councils, national heavy vehicle bodies and VicRoads to identify, prioritise and fund the maintenance of designated road freight routes.
* Continue national rollout of the MAV’s performance-based standards (PBS) Route Assessment Tool.
* Advocate for further state and federal funding for road and rail upgrades identified through successful regional freight plans.

**Infrastructure**

* Advocate for the continuation of the state-funded $160 million Country Roads and Bridges Program and the $100 million Local Government Infrastructure Programs.
* Advocate for the federal-funded Roads to Recovery program to be extended beyond 2019.
* Advocate for a Federal Government funding contribution for an urban rail upgrade.
* Advocate for the continuation of the Timber Industry Road Evaluation Study (TIRES) funding.
* Advocate for improved, cost-effective access to telecommunications infrastructure, including completion of the National Broadband Network (NBN), emphasising the adverse impacts of limited telecommunications capacity in rural and regional areas.
* Promote council collaboration and build the sector’s capacity through continued work on the STEP Asset Management program.
* Continue negotiations with the State Government regarding acceptance of an approach to vegetation clearance around power lines that balances safety, amenity and environmental considerations.

### Environment

Victorian councils face a range of challenges when managing climate-related risks. Councils are at different stages in their adaptation journey and will require focused support to prepare and implement climate change adaptation planning and projects.

The Victorian Climate Change Adaptation Plan and the $6 million Victorian Adaptation and Sustainability Partnership will advance adaptation planning and implementation at the state and local level. Further work needs to be undertaken, however, to clarify roles and responsibilities, in order to more effectively address climate risk.

Waste management and resource recovery continue to be high priorities for councils. Local government faces challenges in managing and funding landfills under current environmental requirements, particularly in rural and regional areas.

The Victorian Government has undertaken a review of the governance and funding arrangements for waste in Victoria. This included the regional and metropolitan waste management groups and the Sustainability Fund. The merging of 11 regional waste management groups into five and the inclusion of Mornington Peninsula into the Metropolitan Waste Management Group will be a challenging transition.

The management of roadside weeds and pests will come into focus as the $7.8 million in State funding to councils ends on 30 June 2015. The MAV will continue to advocate strongly for State Government funding to be tied to local government responsibilities.

The State’s Living Victoria initiative proposes a greater emphasis on alternative local water supplies to meet Victoria’s future water demand. The MAV is working with councils and the Office of Living Victoria (OLV) to ensure that councils are better equipped to meet their communities’ water cycle management objectives within the OLV’s strategic framework.

The MAV’s environment team will focus on the below program of work this year.

**Climate change adaptation**

* Work with the Victorian Government on local government-focused support to undertake and implement climate change adaptation planning.
* Work with State and local government, through the Victorian Adaptation and Sustainability Partnership, to support the establishment of a Memorandum of Understanding (MOU), ensuring that the MOU clarifies roles and responsibilities in relation to climate adaptation and meets sector needs.
* Facilitate the sharing of information and ideas between councils through MAV online resources and participation in the ALGA Climate Officers network.
* Support councils to identify, plan and implement opportunities to improve energy efficiency in council operations and facilities.
* Investigate opportunities for the sector to participate in the Emissions Reduction Fund.

**Waste**

* Support councils with the transition to the new governance model for the delivery of regional-scale waste management and resource recovery.
* Continue to work with councils and the Environment Protection Authority (EPA) to find sustainable solutions to manage and rehabilitate landfills under higher environmental management and reporting requirements.

**Native vegetation and invasive species**

* Advocate for ongoing funding for councils for the management of weeds and pests on roadsides in line with community and local government commitments.

**Water**

* Coordinate councils input into OLV local water cycle plans guidelines and the development of pilot local water plans.
* Represent the sector during the implementation of the State Government’s response to the Rural Drainage Inquiry.
* Coordinate council input into the Victorian Water Act Review.
* Work with stakeholders, including the EPA, VicWater, the Department of Environment and Primary Industries and the Department of Health, to develop a longer-term strategy to improve the understanding and management of onsite domestic wastewater systems.

### Emergency Management

The State Government’s emergency management reform agenda will continue to be implemented this year. The new governance arrangements set out in the *Emergency Management Act (2013)* will come into effect from 2014. These include the establishment of Emergency Management Victoria and the new roles of Inspector-General, Emergency Management, and Emergency Management Commissioner. Under the new Act, the MAV now formally represents councils in emergency management through its place on the State Crisis and Resilience Council (SCRC) and the three SCRC subcommittees.

We expect the second tranche of legislative reform to enter parliament mid-year. This should see changes to councils’ emergency management role, as foreshadowed in the December 2012 White Paper. In line with the White Paper commitments, we also expect the State to increase its support for local initiatives that aim to build disaster resilience.

The MAV will continue to represent councils on matters relating to bushfire shelter. The State will evaluate the community fire refuges pilot and is expected to review the policy relating to bushfire shelter options, including refuges and neighbourhood safer places.

This year we expect the State to finalise the Victorian Floodplain Management Strategy, which will outline roles and responsibilities at the local, state and regional levels and will cover risk assessment, communication and warnings, mitigation, infrastructure management and land-use planning.

The MAV’s Improving Emergency Management in Local Government Program will officially wind up at the end of the 2013-14 financial year. The program was made possible by a four-year State Government grant which supported councils to implement the Victorian Bushfires Royal Commission and Victorian Floods Review recommendations. The MAV’s capacity to run performance improvement initiatives will be limited in the absence of renewed funding. We will, however, continue to support council collaboration and officers employed under the Municipal Emergency Resourcing Program.

The State is increasing its focus on the gender dimensions of emergencies and their management. The MAV will continue to work with the State and councils to build capability for incorporating gender considerations into council emergency management agendas.

The Productivity Commission has announced a review into natural disaster funding. The review is expected to consider current resilience-building and mitigation grants programs, as well as relief and recovery funding arrangements. As Victorian councils are heavily reliant upon Commonwealth funding, the MAV will work with councils and the Australian Local Government Association (ALGA) to respond to the review.

MAV’s Emergency Management work in 2014-15 will include the below key actions.

**Reform agenda**

* Advocate for direct council consultation on legislative reform.
* Represent council interests through membership of committees.
* Ensure councils are central to the resilience-building agenda.
* Support council collaboration, including development of a guide and holding a forum.

**Flood management**

* Advocate for council interests in the Victorian Floodplain Management Strategy.
* Represent councils in the development of a new policy relating to sandbags and support councils through implementation.

**Bushfire shelter**

* Participate in the review of the fire refuges pilot.
* Support the State’s communications campaign to improve community awareness.

## Professional Services

### MAV Procurement

Budget pressures make leveraging councils’ purchasing power increasingly vital this year.

Stemming from last year’s Strategic Plan, the Defined Benefit Taskforce recommended an aggregated borrowing scheme for local government. This year, the MAV is pursuing a bond issue with a view to entering the wholesale borrowing market, rather than the commercial market. State and federal governments borrow this way, significantly decreasing their cost of borrowing. The MAV expects to attract an AA credit rating and interest rates up to 50 basis points below that attracted by other levels of government. Councils will be provided with the necessary information and encouraged to participate in the bond issue in the lead up to its establishment.

MAV Procurement will also work with councils to deliver cost and efficiency savings and deliver policy outcomes through collaborative procurement in other areas. We also seek to enhance the sector’s procurement capabilities through the provision of training and professional development and the development of best practice guidelines and templates.

The below priorities and will be central to MAV Procurement’s work this year.

**Drive savings through aggregated procurement and borrowing**

* Finalise the debt aggregation project through the NAB-Commonwealth Bank bond issue, as recommended by Defined Benefits Taskforce. Ensure understanding and take-up of the bond among councils.
* Establish a Local Government Funding vehicle to deliver significant longer-term savings to the sector through a lower cost of borrowing.
* Partner with other state local government associations to promote aggregated procurement by rolling-out national contracts, particularly in the fleet, Information and Communications Technology (ICT) and equipment categories.
* Continue to work with the sector to identify opportunities for regional procurement collaboration.

**Leverage procurement to assist councils to fulfill policy outcomes**

* Facilitate council bulk changeover to energy efficient street lighting, delivering substantial cost, energy and emissions savings.
* Work with key partners to facilitate a local government digital business strategy and support shared services opportunities.
* Facilitate the establishment of a sector-wide Maternal and Child Health information management system to increase efficiency, resource-sharing and information transfer.

**Enhance procurement through professional development**

* Develop a procurement training program covering contract management, contractor Occupational Health and Safety, tender evaluation and negotiation, specification writing and social procurement.
* Create a set of guidelines and templates to assist councils with contract management and tender evaluation and negotiations.
* Establish a procurement leaders’ conference to increase the capability and leadership of council procurement professionals.

### MAV Insurance

The MAV runs two insurance schemes that have arisen out of the failure of the private market to provide competitive insurance products to local government—the Liability Mutual Insurance (LMI) scheme and the Commercial Crime scheme.

MAV Insurance faces several significant challenges, as well as opportunities, in 2014-15. Following persistent increases in claims over the past five years, the core costs of the LMI scheme have increased. This resulted in a substantial increase to reinsurance premiums in 2012-13, which was only partially passed on to members. The continued low interest rate environment places an additional drag on the scheme’s balance sheet, as low actuarial discount rates result in higher claims liabilities.

To counter increasing claims, the MAV has commenced a widespread review of the risk management services provided by the scheme. We have focused our attention on the core claims drivers and the particular failings that have led to claims. This process will continue in the next year, with an additional focus on sharing systematic lessons from this program. We will continue to review our risk management services, such as the Best Practice Forums, to reduce claims. We will also hold risk management conferences in both Victoria and Tasmania to support members’ risk management services.

To support additional focus on individual member claims, we will continue to implement our revised pricing model, which reflects their claims experience.

On the upside, the reinsurance market remains soft for liability insurance, with significant capital entering the international market. Since the major correction in the reinsurance program last year, and while excess capacity remains in the market, we can expect a period of relative stability in our costs. We have effectively drawn on the benefits of this soft market by purchasing reinsurance from a large panel of underwriters, reducing the exposure of the scheme to reinsurance failure. The softer market should also allow us to obtain earlier confirmation of pricing for members.

We will also look to engage further with our Tasmanian members, with plans for the establishment of an Annual General Meeting to provide comprehensive information on the performance of the scheme.

Finally, we will advocate against changes to the *Wrongs Act* which have arisen from the Victorian Competition and Efficiency Commission that could increase claims costs of public liability schemes.

The Commercial Crime scheme has faced a small number of claims in the previous year. We have been in negotiations with our insurer and expect to provide pricing stability.

The MAV has also commenced the process to apply for a licence for a self-insurance scheme for workers’ compensation. We have commenced planning for the application and have undertaken actuarial analysis on the potential benefit to councils. The objective for the next year is to significantly advance the application and prepare the scheme to commence operations on 1 July 2015.

The following key action items will make up MAV Insurance’s program of work for the year.

**Liability Mutual Insurance scheme**

* Continue to implement the revised contributions model.
* Place reinsurance early, in order to offer members early renewal terms.
* Review best practice forums to ensure ongoing relevance to membership.
* Continue to implement the revised risk management processes.
* Establish an Annual General Meeting for Tasmanian members.
* Run risk conferences in Tasmania and Victoria for members.
* Advocate against changes to the *Wrongs Act* that could reduce injury thresholds.

**Commercial Crime Fund**

* Maintain the broadest possible insurance cover for councils, at a market-leading price.
* Provide members with advice and assistance in managing a claim, if one arises.

**Worker’s compensation self-insurance mutual**

* Establish the costs and benefits of establishing and operating a worker’s compensation self-insurance scheme for local government.
* Ensure the establishment of the self-insurance scheme will provide financial savings, improvement in safety performance, flexibility and high level risk and claims management services.
* Work with WorkSafe to develop a mutual program for local government, with the aim to commence on 1 July 2015.

### Corporate

Effective communication remains integral to the success of the MAV’s advocacy, policy and member engagement functions. Strategies to strengthen the targeting and delivery of communication will continue to be implemented to ensure that impacts of changes in government policy are understood, minimised and managed, and that councils are supported to optimise any opportunities presented by change.

Conferences, seminars and forums also continue to provide important opportunities for councils to collaborate on topics of shared-importance and to learn from each other’s experiences. Professional development programs continue to steer councillors through the challenges they face in their roles. Following last year’s review of marketing strategies, the MAV will employ new marketing initiatives in 2014-15 to ensure that our events reach broader audiences and that conference programs are topical, progressive and collaborative.

The MAV’s communications and events teams will focus on the below strategic objectives in their work this year.

**Communications**

* Develop a Media and Communications Strategy document to guide MAV’s communications to members, governments and other stakeholders.
* Continue to profile the good work and important role of local government through our magazine *CiVic*, as well as proactive media relations work.
* Ensure strong branding and alignment with the MAV strategic objectives in our messaging.
* Improve social media planning and usage in order to enhance engagement with stakeholders.
* Review the functionality of MAV e-bulletins and implement publication design improvements to boost readability and expand audience reach.
* Improve intranet infrastructure and usability for our staff and Board, including through the MAVIS upgrade project.
* Promote availability of the extranet as a secure portal for council staff to retrieve members-only information.
* Improve online content management and relevance, including by utilising web analytics to evaluate the effectiveness of messages delivered.
* Enhance the profile of MAV Procurement, MAV Insurance and MAV LGICT among our members.
* Enhance staff communications, ensuring staff are engaged with the organisation and with the issues being faced by the sector.

**Events**

* Seek more collaboration within the MAV when developing conference programs and training curriculum.
* Improve awareness of MAV events designed to inspire improved business outcomes for councils.
* Continue to seek more female speaker involvement to promote gender balance.
* Reduce costs through direct contact with prospective speakers and/or greater negotiation with agencies.
* Strengthen communication with sponsors to ensure the MAV’s role as a conduit between vendors and delegates is clear.
* Establish new event opportunities in policy areas that are increasingly top-of-mind or through State Council nominations.