



MUNICIPAL ASSOCIATION OF VICTORIA



LOCAL GOVERNMENT IN VICTORIA

An introduction for Members of Parliament

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Local government is a key pillar of Australian representative democracy.

Community representation has always been an important element of governance, but its value has skyrocketed in recent years as public trust and connection with its leaders has waned.

As representatives living within our communities, councillors have a unique understanding of what makes their towns, cities and regional areas tick.

Not only does this mean they can provide local policy and infrastructure best targeted to the individual needs of an area, but they can also act as a conduit for broader state and federal policy, and as a critical delivery partner for services.

And while working cooperatively and constructively with Victoria's councils offers many benefits, local government is not, and should never be considered, a branch of the State Government.

We are a proud collection of 79 individual councils, who stand ready to work alongside the State and Federal Governments of the day – in a respectful, mutually-beneficial way.

We hope you find this introduction to the role of local government useful and if you'd like to discuss any element of it further, I'd be happy for you to reach out to myself or the MAV via our numerous communication channels.



MAV President, Cr David Clark



A council's great strength is its ability to focus on local issues, infrastructure, and needs. Having 79 of them—all rightly focused on their own community—presents a unique challenge when a State or Federal Government wants to work with the sector as a whole.

This is the core reason for the Municipal Association of Victoria's (MAV) existence.

The MAV brings the sector together as a collective voice, advocating on behalf of our members and providing training and other services to support and strengthen local government across the state.

Our role is to:

- Represent and advocate local government interests
- Promote the role of local government
- Build the capacity of councils
- Facilitate effective networks
- Provide policy and strategic advice
- Support councillors
- Provide insurance and procurement services.

As the legislated peak body for local government in this state, the MAV is also the best organisation for State and Federal Governments to partner with when working with local government.

The opportunities for working together are many and varied. Whether it's the implementation of services, in infrastructure delivery or broader supporting broader policy, local government has proven to be an outstanding partner for both State and Federal Governments. We look forward to this continuing through a respectful working relationship.

MAV CEO, Kerry Thompson





1—Victorian local government



In Victoria, local government is made up of 79 councils representing the state's more than six million people. Councils are area-based, representative governments with a legislative and electoral mandate to manage local issues and plan for the community's needs.

Local government enables the economic, social and cultural development of the municipal area it represents, supports individuals and groups, and provides a wide range of services for the wellbeing of the local community.

Each municipality is different – its community may be young or old, established or still developing, rural or urban, and its population may vary from fewer than 3,000 people to more than 340,000.

Councils are designed to respond to local community needs. Each council has the powers to set their own regulations and local laws, and provide a range of services, including the implementation of policies, regulations and programs set by other levels of government.

Councils collect rates from residents and businesses in their municipality to help fund the delivery of community infrastructure worth over \$110 billion, as well as more than 100 local services.

It's important to note that nationally, local governments collect just 3.6 cents of every tax dollar raise. This means councils rely on funding from other levels of government – through ongoing funding, specific grants, co-funding partnerships – to fund services and infrastructure for their communities.

All Victorian councils broadly have similar roles and responsibilities, and derive their power from the same legislation, however not all municipalities are the same.

In Victoria, local government is established by an Act of state parliament – the [Local Government Act 2020](#) – which specifies council powers, duties and functions. The legal basis for councils is established under the Constitution Act 1975.

Councils have autonomy to provide services that meet the needs of their local community, and will establish a range of discretionary processes, including local laws, to guide certain activities that can occur within their municipality.



2—The MAV



The Municipal Association of Victoria (MAV) is a membership association and the legislated peak body for Victoria's 79 local councils.

The MAV was formed in 1879, with the [Municipal Association Act 1907](#) officially recognising us as the voice of local government in Victoria.

We are a driving and influential force behind a strong and strategically positioned local government sector.

Our role is to:

- Represent and advocate local government interests
- Promote the role of local government
- Build the capacity of councils
- Facilitate effective networks
- Provide policy and strategic advice
- Support councillors
- Provide insurance and procurement services.

The success of the MAV stems from its people and we pride ourselves on having a quality team of staff and consultants to ensure our members' needs are met.

As a small organisation, our people are the foundation of the MAV.

We employ a mix of staff and specialist consultants to advocate our members' interests; provide advice, training and capacity-building programs; and supply insurance, procurement and workers compensation services to councils.

We also have a number of grant-funded staff appointed to deliver specific projects or programs to councils with funding support from the Victorian or Australian governments, or external organisations.

Specialist consultants supplement the skills of our core staff in areas such as insurance, financial management, digital transformation and sector development.

As at June 30 2021 our staffing profile included:

- 37 full-time and part-time staff
- 16 full-time and part-time grant-funded staff
- Nine specialist consultants

We draw extensive input from member councils to inform our work through a network of advisory committees, working groups and taskforces. This collaborative approach ensures the inclusion of diverse member views and expertise.

We also represent or nominate representatives for the local government sector on a significant number of external committees and other bodies.

Together, these networks are critical to the success of our advocacy and outcomes achieved for and on behalf of the local government sector.

We also maintain a variety of officer support and information networks, including Yammer Groups to facilitate sharing of information between members within specific policy areas of interest.

2.1—Our governance

We are incorporated by an Act of State Parliament. The [Municipal Association Act 1907](#) defines our purpose, sets out how we operate, and empowers our members to make rules to further clarify our role and processes.

Membership of the MAV is voluntary and all 79 Victorian councils are currently members.

Our Board is elected by member councils every two years. The president is elected by all members, while 12 regional Board members are elected by their region. See the [MAV Board regions map \(Word - 331KB\)](#).

[State Council](#) is our governing body, made up of representatives from each of our [member councils](#).

Our [Rules of Association](#) (the Rules) establish positions of office and set out the obligations and functions of the Board.

The Rules empower the [Board](#) to pass codes of practice or [protocols](#) to supplement the Rules.

In 2021/2022 as part of our Strategic Plan 2021-2025 initiatives we reviewed the MAV Rules.

2.2—Policy & advocacy

We initiate policy development and advice to councils, and advocate local government interests across a broad range of council areas of responsibility.

We establish networks of council working groups and committees to inform our policy work, and have [Board Advisory Committees](#).

We produce submissions and reports on behalf of the local government sector, and publish a range of information and resources to build the capacity of councils and support their delivery of services to local communities.

We also work closely with other levels of government to establish productive partnership agreements where local government has a shared service delivery responsibility.

Strategic Plan 2021-2025

Our 2021-25 Strategy will guide the MAV's policy and advocacy activities over the next four years. It outlines the priorities and actions that are needed to ensure we can continue to deliver for our communities and local businesses.

The strategy sets out our intentions through objectives and actions, in line with the key themes of:

- Economically sound councils

- Healthy, diverse and thriving communities
- Well planned, connected and resilient built environment
- Changing climate and a circular economy
- Sector capability and good governance
- Effective and responsive MAV

2.3—Insurance

The MAV provides a range of reliable insurance products tailored to the needs and risks of the local government sector.

MAV Insurance is not-for-profit, and exists only to provide stability and support to its members.

It was established in 1993 to provide policies to councils that couldn't find appropriate coverage after the collapse of Municipal Mutual, and has since developed a strong history of providing stability and support to its members.

MAV Insurance offers:

- The [Liability Mutual Insurance](#) scheme which provides public liability and indemnity insurance cover tailored to meet the specific risks and exposures faced by members
- The [Commercial Crime Fund](#) which covers local authorities against losses from fraudulent or dishonest acts committed by an employee or third party
- The [Local Government Employees Health Plan](#) which is a unique health insurance offer designed to provide local government and water industry employees with good value health care.

The MAV also supports the [Community Group Insurance](#) scheme which provides affordable insurance protection for not-for-profit clubs and community groups.

The MAV Insurance Board oversees MAV Insurance's operations. Board members are appointed by the [MAV Board](#) from the insurance industry and local government.

2.4—Councillor development

The MAV offers a series of professional development training for councillors and officers. Our training workshops and professional development pathways provide councillors with an enhanced understanding of their obligations, roles and responsibilities through skill enhancement and professional development pathways. Our professional development training programs have been designed specifically for the local government sector.

The MAV councillor development program, through collaborative partnerships with corporate training companies, offer councillors and officers relevant, contemporary professional development options, from introductory skill development workshops and sessions, to accredited further higher-education pathways, to leadership scholarships with the McArthur Fellowship and professional development

options with the Australian Institute of Company Directors programs; the Company Directors Course and Governance Essentials.

2.5—Procurement

MAV Procurement is a not-for-profit unit focused on achieving better procurement outcomes for local government in Victoria. By leveraging the combined purchasing power of councils, we can achieve better value on products and services.

Working with our members and suppliers we reduce procurement costs, simplify processes, and improve services while delivering sustainable outcomes for communities and local government.

MAV Procurement has created panels for the supply of a wide range of goods and services that meet the needs of our member councils.

There are many benefits for councils who purchase using a MAV Procurement panel arrangement, these include:

- Better value for money, offering member councils a competitive advantage through the combined purchasing power of the Victorian local government sector (and, in some cases, the [National Procurement Network](#)).
- MAV Procurement has run a comprehensive public tender process and established the contract, saving individual councils the time and expense of running separate processes.
- Social and ethical procurement practices are embedded within all MAV Procurement processes.
- Convenient, simple online access to the full range of MAV panel contracts, supporting documents and suppliers via [VendorPanel](#).
- Expert guidance, professional development support and resources available throughout the procurement and contract management cycle, via the MAV Procurement team.



3—Council governance

3.1—Councillors and Mayors

Councillors are elected for a four-year term. The default setting for elections under the Local Government Act 2020 is for several wards which each elect a single councillor. Rural shires can make an application to instead have either one single unsubdivided ward that elects all councillors, or several wards that each elect an equal number of councillors (for example three wards each electing three councillors). Previously the choice of electoral structure was up to councils, and there are still some transitions to occur ahead of the 2024 local government elections.

The role of councillors is to take part in the decision-making of council, inform the direction of council through the development of key strategic documents, and to represent the interests of the local community.

Following an election, the councillors elect the mayor from among their ranks, and may choose to elect a deputy mayor. The council must decide whether a mayoral term is one year or two. In the case of a two-year mayoral term, a three-quarters majority of the council is able to declare the office of Mayor to be vacant.

In the City of Melbourne the Lord Mayor is elected directly for a four-year term by the voters rather than council. In the City of Greater Geelong, the Mayor is elected by councillors but this must be for a two-year term.

The role of the mayor is to chair council meetings, be the principal spokesperson for the council, and act as a leader within council supporting other councillors to fulfil their roles.

3.2—Council Staff

One of the most important decisions councillors take part in is the employment of a Chief Executive Officer. The CEO is the only employee appointed directly by council, all other council employees are appointed by the CEO or under delegation from the CEO. It is an offence for councillors to direct or seek to direct council staff in their duties.

The two overarching functions of the CEO is to support the mayor and councillors in the performance of their roles, and to ensure the effective and efficient management of day-to-day operations of the council.

The CEO is also responsible for developing key documents including a workforce plan and a staff code of conduct.

A council must indemnify the CEO and all council staff for good faith actions undertaken in the performance of their duty. For the vast majority of councils this is achieved through the liability mutual insurance scheme operated by the MAV.

3.3—Planning

With the introduction of the Local Government Act 2020, Victorian councils moved from a heavily

prescribed legislative environment, to a more principles-based one that better reflects their autonomy as a democratic third tier of government (see Section 3.5).

Victorians rightly expect councils to give priority to achieving the best outcomes for them and future generations, and to make decisions which promote economic, social, and environmental sustainability.

There are legislated requirements for councils to develop and review key strategic planning documents.

	Minimum scope	Deadline
Community Vision	10 years	31 October the year following an election
Council Plan	4 years	31 October the year following an election
Financial Plan	10 years	31 October the year following an election
Asset Plan	10 years	31 October the year following an election
Revenue and Rating Plan	4 years	30 June following an election
Budget	4 years	30 June each year

Other Acts require councils to develop plans, such as a Municipal Public Health and Wellbeing Plan under the Public Health and Wellbeing Act 2008.

There are also several key policies a council must develop including a community engagement policy and financial policies. These are required to give effect to principles set out in the Local Government Act.

3.4—Accountability and oversight

Councils operate under numerous layers of oversight, including council-initiated processes as well as external agencies.

A councillor, group of councillors, or the council by resolution may apply to have an alleged breach of conduct actioned. This application is made to a Principal Councillor Conduct Registrar appointed by the Departmental Secretary. The registrar must be satisfied that a complaint is not vexatious and is supported by evidence. The registrar must then initiate an internal arbitration process for council, or for serious misconduct a councillor conduct panel. In both cases, the council must fund the costs of the arbitration or panel.

These processes can lead to outcomes including directing a councillor to make an apology, undertake training, or temporarily be suspended or stood down from council or roles within council.

The Local Government Inspectorate, the Victorian Ombudsman, and the Independent Broad-based Anti-corruption Commission are each able to investigate the conduct of councils, councillors, and council staff. The Local Government Inspectorate may refer matters of gross misconduct to the Victorian Civil and Administrative Tribunal, which can result in a councillor being disqualified from holding office for up to eight years.

The Minister may appoint a municipal monitor to observe and report back on the processes of a

council, as well as to provide advice to the council itself. In some cases, councils have pro-actively asked for a monitor to be appointed to assist them in improving governance.

In the most serious circumstances, Parliament has the power to dismiss an elected council and appoint administrators to act in the equivalent role of councillors.

For broader challenges councils are often included within the scope of performance audits undertaken by the Auditor General.

3.5— Principles under the *Local Government Act 2020*

Overarching governance principles
Council decisions are to be made and actions taken in accordance with the relevant law
Priority is to be given to achieving the best outcomes for the municipal community, including future generations
The economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted
The municipal community is to be engaged in strategic planning and strategic decision making
Innovation and continuous improvement is to be pursued
Collaboration with other Councils and Governments and statutory bodies is to be sought
The ongoing financial viability of the Council is to be ensured
Regional, state and national plans and policies are to be taken into account in strategic planning and decision making
The transparency of Council decisions, actions and information is to be ensured
Community engagement principles
A community engagement process must have a clearly defined objective and scope
Participants in community engagement must have access to objective, relevant and timely information to inform their participation
Participants in community engagement must be representative of the persons and groups affected by the matter that is the subject of the community engagement
Participants in community engagement are entitled to reasonable support to enable meaningful and informed engagement
Participants in community engagement are informed of the ways in which the community engagement process will influence Council decision making
Public transparency principles
Council decision making processes must be transparent except when the Council is dealing with information that is confidential by virtue of this Act or any other Act
Council information must be publicly available unless: <ul style="list-style-type: none"> • The information is confidential by virtue of this Act or any other Act; or • Public availability of the information would be contrary to the public interest
Council information must be understandable and accessible to members of the municipal community
Public awareness of the availability of Council information must be facilitated
Strategic planning principles
An integrated approach to planning, monitoring and performance reporting is to be adopted
Strategic planning must address the Community Vision
Strategic planning must take into account the resources needed for effective implementation
Strategic planning must identify and address the risks to effective implementation
Strategic planning must provide for ongoing monitoring of progress and regular reviews to identify and address changing circumstances
Financial management principles
Revenue, expenses, assets, liabilities, investments and financial transactions must be managed in accordance with a Council's financial policies and strategic plans
Financial risks must be monitored and managed prudently having regard to economic circumstances
Financial policies and strategic plans, including the Revenue and Rating Plan, must seek to provide stability and predictability in the financial impact on the municipal community
Accounts and records that explain the financial operations and financial position of the Council must be kept
Service performance principles
Services should be provided in an equitable manner and be responsive to the diverse needs of the municipal community
Services should be accessible to the members of the municipal community for whom the services are intended
Quality and costs standards for services set by the Council should provide good value to the municipal community
A council should seek to continuously improve service delivery to the municipal community in response to performance monitoring
Service delivery must include a fair and effective process for considering and responding to complaints about service provision

A photograph of a road construction site. In the foreground, several workers in blue and orange high-visibility clothing are using shovels to spread dark asphalt. A concrete curb runs across the frame. In the background, two large asphalt pavers are visible, with workers standing near them. The sky is blue with some clouds.

4—Council finances

Local government delivers the services and infrastructure that Victorian communities rely on every day. As a democratic third tier of government, councils need long-term financial sustainability to ensure they can deliver on the priorities and needs of their communities. As councils find themselves increasingly challenged by delivering services on behalf of other tiers of government alongside revenue constraints and rising costs, there is a real risk that communities will have reduced autonomy. In turn, the local resilience which state and national governments rely on in times of crisis is reduced.

Nationwide, councils collect 3.6% of taxation revenue, yet manage 24.4% of non-financial public assets and employ 190,000 people. Asset portfolios, service delivery costs, and the capacity of communities to pay also vary significantly from council to council. This means that financial transfers from other levels of government are vital to ensure equitable outcomes. The long-term financial viability of Victoria's 79 councils has been diminished by Victorian and Commonwealth Government policies that limit constrain council revenue and increase expenditure. This includes the current rate capping policy, historical freezes to Commonwealth Financial Assistance Grants, increases on levies collected from councils, and shifting funding and service delivery responsibility to local government.

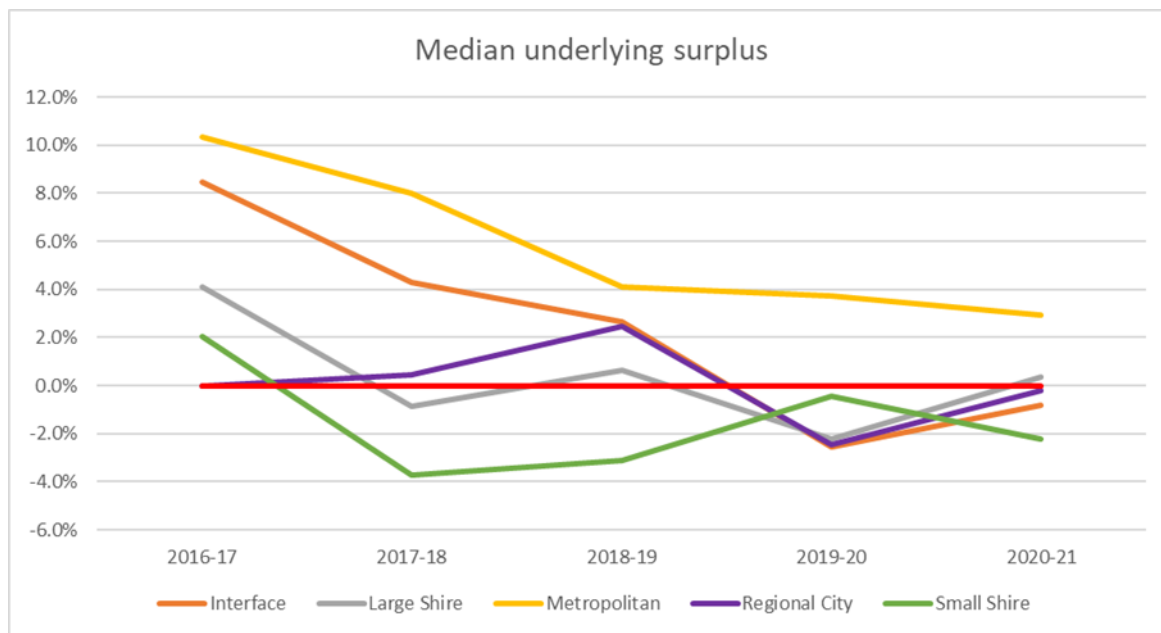
Communities are best served by councils that are equipped to act on local priorities. Too often other levels of government overlook the powerful economic drivers local councils can activate through local employment and stimulus.

The inaugural Sustainability Gap Report identified four serious risks to the financial sustainability of Victorian councils that require immediate action:

- Local government has been trending toward underlying deficits
- There is a significant asset renewal gap
- The rate cap has consistently been set below the level of cost increases experienced by councils
- A limited and reducing unrestricted cash position

Underlying surplus is a critical measure for understanding the financial position of councils. The surplus councils are required to report includes grants for capital works, developer contributions, and works in kind as income. This means the surplus reported bears little resemblance to the actual operational position of council. For example, in 2020/21 Victorian councils reported an aggregate surplus of \$2.1bn. The underlying position, which excludes these once-off transfers, reflected an aggregate deficit of \$94m across the sector and a median deficit rate of -0.2%.

Councils are often perceived as being financially strong based on their cash holdings. It is critical to understand that much of this cash is 'restricted' in nature, linked to statutory or contractual obligations such as developer contributions for the funding of infrastructure. Unrestricted cash has been steadily decreasing. This decline potentially affects the ability of councils to make discretionary investment in local priorities and aspirations. Reduced unrestricted cash also reduces the capacity and ability of Council's to maintain infrastructure and react effectively in the event bushfires, floods, or other emergencies.



The budgeting constraints facing local government are unique. The rate cap and prescribed statutory fees and fines for many services and functions place major constraints on own-source revenue. The constituency of a given council is more homogenous than state or federal governments, and there is less opportunity to distribute the revenue burden progressively.

Councils are also the only level of government required to formally consult with the community on their annual budget.

4.1—Financial assistance grants

The financial sustainability of councils, particularly those in rural and regional areas, is supported by Financial Assistance Grants. These grants from the Commonwealth are delivered through each State’s grants commission, in our case the Victorian Local Government Grants Commission (VLGGC). Critically, these grants are untied which means they can be used for local priorities the council deems fit, including supporting the day-to-day operations of council.

Financial Assistance Grants consist of two parts: General Purpose Grants and Local Roads Grants. General Purpose Grants are apportioned between states based on population, and then to individual councils within Victoria through a formula devised by the VLGGC. This formula considers the relative ability to raise revenue, as well as the relative costs in delivering an equivalent service across each council. At least 30% of the General Purpose Grants must be allocated between councils on a per capita basis, ensuring that even those councils with a strong financial base receive some level of funding, referred to as a minimum grant.

The Local Roads Grants are allocated between states at a set rate, and then between councils based on consideration of the road network those councils manage. Despite their allocation formula, these grants are also untied and don’t necessarily have to be used to service the road network.

Previously, the total amount of Financial Assistance Grants distributed was 1% of Commonwealth tax

revenue. Previous governments froze indexation, and while indexation has resumed the proportion has fallen to 0.55%. Restoring Financial Assistance Grants to that 1% level is a core ask from local government's across Victoria and the nation.

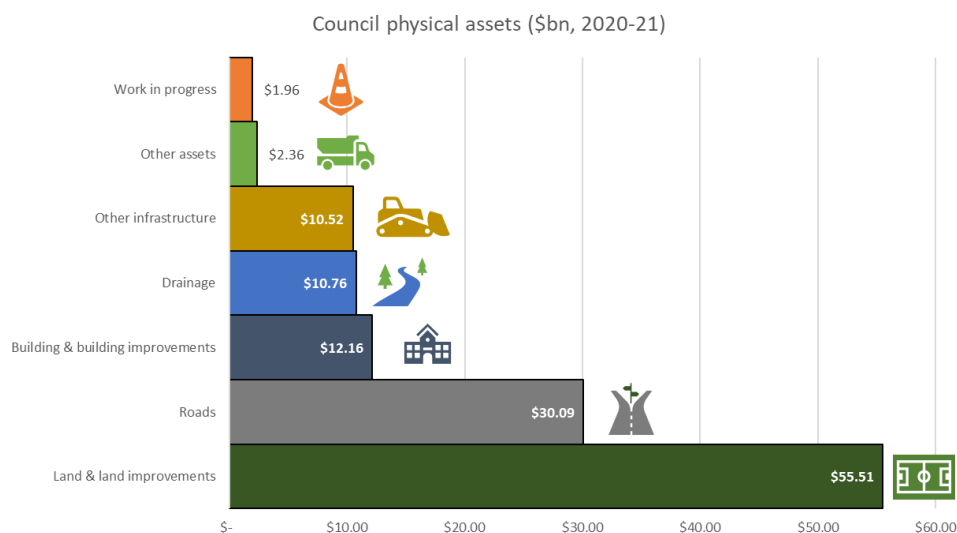


5—Infrastructure



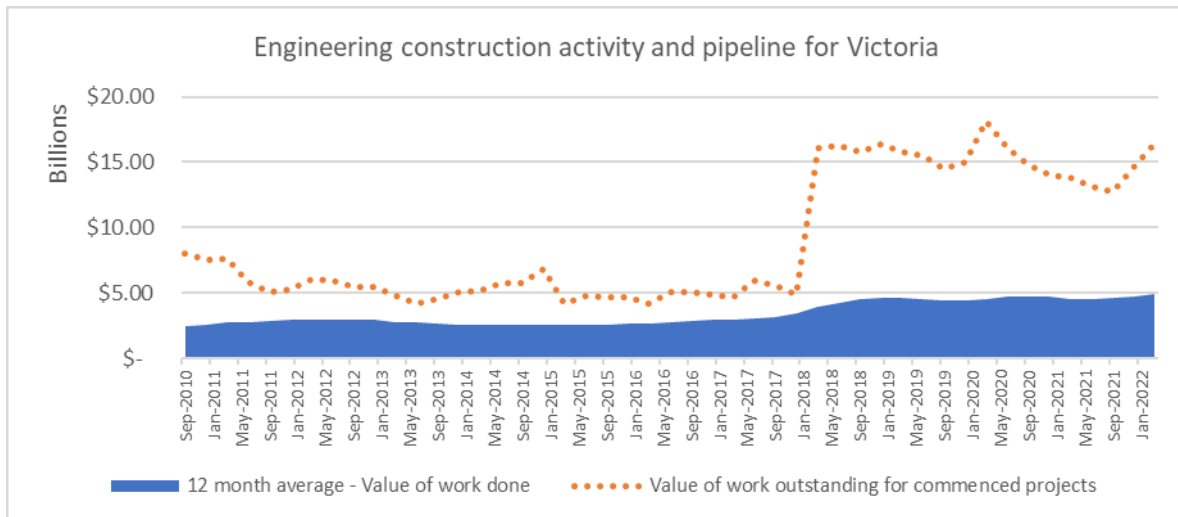
Delivery and management of infrastructure is one of the key roles, and greatest challenges, for Victorian councils. In 2020-21, Victorian councils managed \$123.35bn in property, plant, equipment, and infrastructure assets. For every dollar of council revenue, this represents \$9.56 in physical assets managed. By comparison the Victorian government managed \$2.69 for every dollar in revenue, and the Commonwealth Government \$0.35.

The largest components of this asset base are land, roads, and buildings. Councils manage over 130,000 kilometres of roads in total, representing 87% of the Victorian road network.



Communities across the state are seeing increased pressures on paths, roads, transport, infrastructure, and community services driven by population changes and economic growth and the increasing cost of asset maintenance. During the COVID pandemic, Victorians have also placed greater importance on local infrastructure.

In the last year, councils have faced growing challenges in delivering infrastructure. In a recent MAV survey, over 80% of councils reported weaker industry responses to tenders and major cost increases. It is difficult to overstate the impact that large state and federal infrastructure programs have on the ability of councils to deliver their own capital works programs. Demand outstrips the capacity of the infrastructure industry, and this is projected to get worse before it gets better.



Climate change will make asset management increasingly challenging for councils. In many parts of the state climatic conditions will change how existing assets perform and how they need to be maintained. The most obvious example is the performance of roads under changing temperatures.

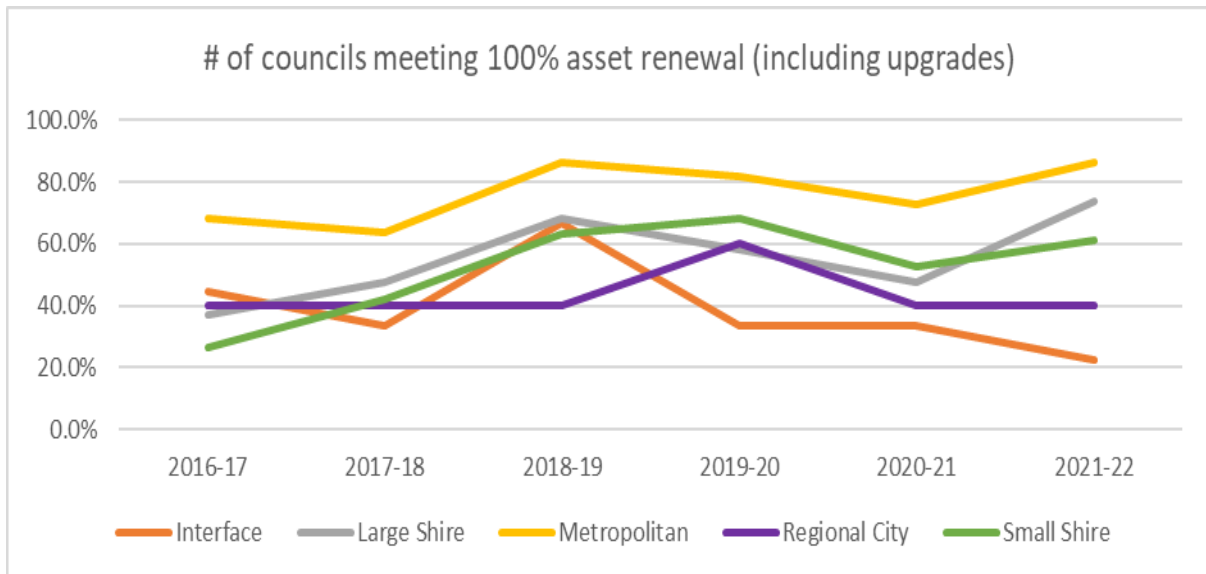
More severe and more frequent events such as floods, storms, and fires will require reconstruction more often. Councils affected by major disasters can receive funding through the Disaster Recovery Funding Arrangements under Commonwealth guidelines. However, the funding guidelines require restoration to the prior condition of the asset, and this can frustrate attempts to build assets that are more resilient to future disasters.

Local government infrastructure will also be expected to play a role in climate change mitigation, both in deploying new assets and adapting existing ones. For example, sea walls may be required to protect public assets near the coast. Alternatively, councils may be required to re-design buildings and public spaces to mitigate localised heat impacts.

5.1—Asset renewal gap

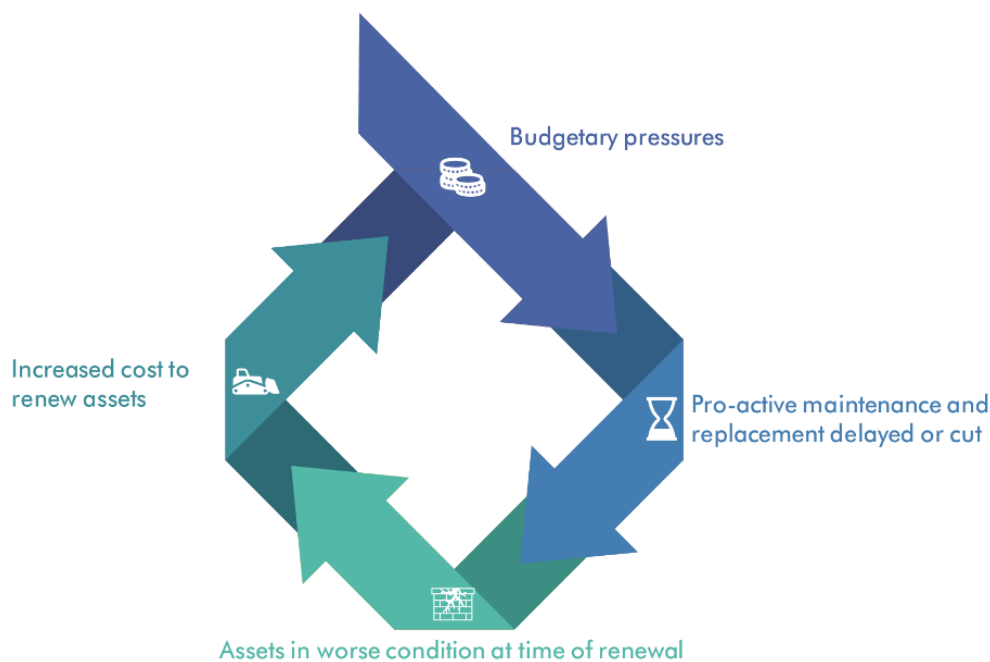
The asset renewal gap refers to the difference between the funding needed to retain assets at their performance level, and the money allocated to doing so. If an asset gap exists, assets degrade at a faster rate than they are maintained.

Many Victorian councils are currently not renewing their assets in line with depreciation. This is one of the most serious implications of the precarious financial sustainability of local government. In recent years, Local Government Victoria changed from measuring asset renewal based on solely the renewal expenditure by councils to also include asset upgrade expenditure. If measuring by renewal only the picture looks even worse.



If not addressed an asset renewal gap can be self-sustaining. Council budgets are done through consultation with the public. Reducing money spent on pro-active maintenance can be more palatable than more visible impacts such as reducing service levels or delaying new infrastructure.

The longer assets are left the greater expense they incur for council. This flows in both directions between renewal and maintenance. Preventative maintenance can prolong the useful life of an asset, and maintenance becomes significantly cheaper for a newly renewed asset. Reducing maintenance levels or retaining assets for longer at the end of their useful life thus creates further pressures on the budget. This means that even if the original budgetary problems were passing, they may now be ongoing. In the meantime, the community experiences potential amenity, economic, and safety impacts from the state of the assets.





6—Council services



Every time a person leaves their house, they are using services provided by their local council. Victorian councils deliver more than 100 different services to their local communities. A range of in-home services are also offered by councils. Councils also provide local infrastructure and community facilities valued at over \$110 billion across Victoria.

But not every municipality is the same. A council area may have a declining population, lots of young families moving in or an ageing community. They might have only residents, or many industrial businesses, farmers or transient populations that don't live locally.

Regardless of its characteristics, each council must respond to and provide for the needs of its local community. The list of services and infrastructure may vary from one council to the next depending on local community but generally includes diverse service delivery topics from aged care to health, safety, environment to local laws, emergency management, waste, community development and beyond.

Councils frequently have limited control over the cost and cost-recovery of many of their services. Where fees are charged, they are often prescribed in legislation or regulation. This can prove challenging as the costs for delivering a service can vary considerably between councils.

Some council services are also very exposed to external factors. Recycling and waste management services are a good example. Over the last five years councils have dealt with a global recycling market that was turned on its head by waste import restrictions put in place by China. Many Victorian councils went from having their recycling service subsidised by the value of the material, to paying steep gate fees to recycling processors.

Emergency management is another service where councils need to be flexible and adaptable. Councils are not emergency response services, however their closeness to the community and strategic local partnerships makes them important support partners in the response phase, as well as critical in coordinating relief and recovery efforts after an emergency.

Services are also affected by the actions of other levels of government within Australia. Councils are currently assessing the viability of their in-home aged care services under changes to the federal funding model. In another case, clauses of the new Environment Protection Act introduced in 2017 inadvertently invalidated the use of contractors, rather than employees, for enforcement. This practice was the default operating mode for many Victoria councils, and it has taken years for this legislative anomaly to be addressed.

These changes have material impacts to councils and their communities. Sometimes councils concerns are dismissed until too late, and at other times councils are collateral damage or simply not considered at all. The risks of these avoidable impacts is increased when reforms are rushed or undertaken in private. Unfortunately, the prevalence of this appears to be increasing. Too often major legislation is introduced to Parliament with no exposure draft having been circulated, and extremely limited time given to members of parliament to consult with stakeholders.



PAR HAIR ARTISTRY



Agraba



ERROL STREET MEDICAL CENTRE

7—Councils as regulators



Councils have extensive roles as regulators within their municipalities. These roles can largely be understood in one of three different contexts.

Role of council	Examples
Enforcing their own laws	Creation and enforcement of local laws under the <i>Local Government Act 2020</i>
Enforcing or administering State legislation	Enforcing nuisance provisions under the <i>Public Health and Wellbeing Act 2008</i>
Acting under delegated powers	Enforcement of requirements for septic tanks delegated from the EPA under the <i>Environment Protection Act 2017</i>

Possibly the most high-profile regulatory role councils take on is through the land use planning system. Councils assess almost every planning permit application in the state, are responsible for developing their planning scheme, and enforce compliance with planning requirements within their municipality.

Nation-wide, councils are facing difficulty in filling important regulatory roles. In the 2022 local government workforce skills and capability survey 40% of councils reported skills shortage in land use planning, 36% in building surveying, and 30% in environmental health inspectors. This impacts both the degree of regulatory oversight applied, and the cost to council of employing qualified people.

Pooling resources among councils is one way to mitigate these problems. However, the councils with greatest difficulty in finding and retaining staff are often rural councils with small populations dispersed over large areas. This can make it challenging for a shared officer to have a meaningful presence on the ground and to respond to issues in a timely manner.

Fees and fines that can be applied by councils are generally prescribed. As with service delivery, this can pose problems as the cost of delivery varies greatly from council to council.

Councils work best as regulators when their role is clearly defined, properly resourced, and well supported by the relevant State Government portfolios.

Where there is overlap between the role of councils and state agencies, things can fall through the gaps. With all organisations under resourcing pressures there is a tendency to minimise one's own responsibility and maximise that of others.

Councils are generally less equipped than state agencies to cover gaps in cost-recovery. The rate-cap has exacerbated this, and often shifting responsibilities or introducing new ones to council will leave local communities with extremely difficult choices about what services will be cut.

Delivering guidance material and training on a state-wide level has great benefits. In addition to better economies of scale, it can help promote a consistent approach to regulation across 79 different councils. This gives the community certainty and provides a level playing field for people being regulated.