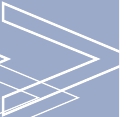
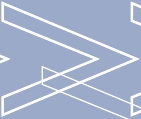
Municipal Association of Victoria

Strategic Work Plan 2010-11

*Delivering a strong and strategically positioned sector.*



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Introduction

The Municipal Association of Victoria (MAV) is the membership association of 78 of Victoria’s 79

councils. A team of 45 specialist staff focuses on achieving gains for Victorian councils through

collaboration, policy development and effective advocacy.

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

long term and prioritises the actions of the MAV in the year ahead that add most value to the work of

its members in providing for the peace, order and good governance of their municipalities.

The actions within each policy area are prioritised based on their relevance to the core issues

identified as impacting local government in Victoria.

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

set priorities and respond in a timely manner to issues affecting the sector as they arise. Accordingly,

the plan may be adjusted throughout the year to incorporate emerging issues.

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

Council is an opportunity for members to raise motions of business for incorporation into the MAV’s

work plan.

It is the MAV Committee of Management’s role, with support from established advisory groups, to

prioritise emerging matters in the context of the agreed work plan. Emerging issues will be prioritised

according to:

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

the number of councils affected by the issue;

the political ramifications of the issue for effective intergovernmental cooperation;

the immediacy of the issue; and

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

The process for developing the MAV’s strategic work plan includes consultation with the sector in

metropolitan, regional and rural locations. This year, eight meetings were held across the state –

Traralgon, Oakleigh, Bendigo, Wangaratta, Altona, Warrnambool, Hopetoun and Geelong.

A report outlining the themes emerging from the sessions was reviewed by the MAV Management

Committee at its meeting on 5 March 2010. The themes were noted and this draft strategic plan was

developed for review and comment at the 9 April 2010 MAV Management Committee meeting.

Following the feedback at this meeting, another draft was prepared and circulated to all members for

their response ahead of the plan being put to State Council meeting on 28 May 2010 for discussion

and endorsement.

The MAV will report on achievements against this plan in its Annual Report 2010/11.

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The state of play for Victoria’s councils

To ensure local government continues to function effectively, it is critical that we plan ahead and

prioritise actions that address the issues most likely to affect us in the coming year.

We need to consider the factors that will influence the direction and goals of the sector to inform our

work plans so that we continue to deliver for our communities through the external challenges

imposed on us. This year, for example, we are seeing Victorian local government coming under

increased scrutiny across all areas of operations.

The planned state and federal government elections form the backdrop of our operating environment

for this year and the outcomes of the strategic planning consultation, as detailed in this work plan,

have been used to develop our priorities.

Here is an overview of the current state of play for Victoria’s councils the coming year:

**1. Financial capacity of the sector**

Analysis by the MAV and the State Government over the past few years continues to highlight the

financial plight of over twenty Victorian councils, which generally have common attributes of small

populations and large geographic areas; long road lengths and communities with low incomes. An

examination over time clearly shows that local action by these councils will not overcome their issues

and that additional funding will be necessary from other levels of government.

In this context, an increasing problem for the sector is the growing gap between councils’ cost

movements (between 5 and 6 per cent per annum) and the escalator used by the Commonwealth for

allocating Financial Assistance Grants against CPI, and the distribution to deliver Home and

Community Care at 2.8 per cent. The gap is placing rising pressure on council rates.

This is a revaluation year and the valuation process is a complex one and not very well understood by

communities. The recent fluctuations in the real estate market, and the fall in commercial and

industrial activity on the back of the financial crisis, will have an impact on councils’ rates distribution.

How this is positioned and communicated to communities will be critical.

The Australia's Future Tax System Review, often referred to as the Henry Tax Review, is a broad

review of Australia's taxation and transfer (welfare) systems. Currently awaiting release by the

Commonwealth Government, the review could potentially pose suggestions for addressing the

imbalance between local government’s taxing powers and spending responsibilities.

An important issue for the next twelve months will be the outcome of the actuarial review to be

undertaken by Vision Superannuation for the Defined Benefits Scheme as at 30 June 2010.This has

the potential to negatively impact council finances in the 2011/12 and 2012/13 financial years.

**2. Land Use Planning**

A critical issue facing our sector is the continued and persistent attack by the State and

Commonwealth Governments on councils’ planning powers and its negative impact on community

input rights.

This has been most evident with the fast tracking of projects under the Commonwealth stimulus

package, call-ins by the Minister for Planning, the creation of Development Assessment Committees

and the proposed amendments to the Planning and Environment Act.

**3. Victorian Bushfires Royal Commission**

The establishment of the Royal Commission, its interim report and the State’s summer preparedness

program placed financial and resource pressures on many councils. The sector was under significant

pressure to respond to the interim report recommendations amid increased community anxiety.

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Councils undertook unprecedented levels of fire planning and prevention activities which put a strain

on the emergency management resources of interface, regional and rural councils. The new fire

danger index has escalated the responsibilities of councils to devise courses of action for their

communities.

A fire-event free summer at the beginning of 2010 has provided much-needed breathing space for

councils to continue with prevention and risk mitigation measures.

The outcomes from the Royal Commission are likely to include recommendations for councils

including land-use planning amendments, building guidelines, roadside clearance requirements and

new methods of managing native vegetation. The resources required for implementing new programs

and applying new legislation and regulations will need to be considered by all councils, both in

bushfire prone areas and beyond.

**4. State and Federal elections**

Responding to last year’s global financial crisis with Commonwealth Government stimulus packages

for community infrastructure was welcomed by the sector. This beneficial fallout from the financial

crisis for local government was coupled with an opportunity for the sector to manage – and deliver on

– federally funded projects. This has helped the sector to build a more direct relationship with the

Commonwealth and places us in a favourable position to auspice similar national initiatives.

The subsequent effect of the stimulus funding is that it almost certainly means we will not see any

significant new funding initiatives as part of this year’s federal election campaign. We will be doing

our utmost to improve recurrent funding levels, particularly for Home and Community Care services,

and to avoid the elements of the Commonwealth Government’s fiscal strategy that impact the local

government sector as it strives to return to surplus.

The 2010 Victorian Government Statement of Intention sets out the state’s priority issues for the

coming year. In addition to public transport, the agenda centres on increasing employment,

recovering from bushfire, improving public safety and the rural and regional strategy.

The Commonwealth has indicated that the federal election platform will focus on the ‘three p’s’ of

productivity, workforce participation and population growth and a four-point plan focusing on funding

for nation-building infrastructure, education, business innovation through broadband, and red tape

reduction.

**5. Population and demographic change**

The 2010 Intergenerational Report prepared by the Australian Government aims to forecast the likely

implication of Australia’s ageing society on key government services. It estimates that the health,

aged care and pension costs are likely to rise at a slower rate due to increased birth rates and

migration.

These issues are likely to have significant implications for councils in a range of areas, including aged

care and planning – which has been on the local government agenda over the last few years.

Initiatives in positive ageing have encouraged councils to address the needs of their older residents.

New to this report is recognising that climate change is an important intergenerational question. The

challenges are couched in terms of the impact on the Commonwealth’s budget position and the

proposed solutions are aimed at reducing the fiscal deficit that will worsen as the population ages.

One of the critical issues for our sector is managing dramatic population growth or combating decline

and the subsequent financial sustainability facing each council. Each scenario has an impact on

economic development and subsequent impacts on livability, services and transport, community

safety including police presence, and planning issues.

The focus on young people in our communities continues to escalate with the level of reported

antisocial behaviour. The issue is not isolated to metropolitan Melbourne – regional areas also

require proactive action to mitigate against future problems.

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**6. Climate change**

Climate change continues to be a high priority for councils in terms of mitigation and adaptation. In

response to community expectation, councils are working hard to drive down their corporate

greenhouse gas emissions and support their communities to do likewise. Further, the sector

continues to strive to understand, plan for and adapt to the likely impacts of climate change, as

complementary to their mitigation efforts.

The State Government’s Climate Change White Paper, due out in mid 2010, will provide an important

framework for councils to organise their climate change response.

The Commonwealth Government’s recently released National Climate Change Adaptation Position

Paper, will reset the parameters for local government’s contribution to the national climate change

agenda.

**7. Cost of regulation enforcement**

The State election will provide the MAV with an opportunity to undertake a visible campaign calling for

a reduction in the regulation that is consistently placed on councils through State reforms.

The MAV is of the view that the introduction of new legislation originating out of the State adds vast

expense to local government. It is proposed that further work on the cost of regulations imposed on

local government will complement and build on previous work already undertaken on cost shifting.

The Essential Services Commission (ESC) review of performance indicators for local government will

only increase pressure on councils already operating in a resource-strapped environment. The

sector’s subtle approach to self imposed change, coupled with our inability to demonstrate

improvement, has been met with increasing regulation of the sector in just about every area of our

operations. The ESC review is likely to bring these issues to a head.

**8. Intergovernmental relations**

The clear message from the Commonwealth is that local government data needs to accurately

articulate and justify the need for funding. Currently, when investment decisions are being

considered, the data available to Commonwealth planners and fund-brokers is not robust enough to

base funding decisions upon.

The ALGA is striving to bring the other states’ data – some of which is over ten years old – up to the

standards of Victoria. This outcome would enable decision makers to allocate financial support to the

states in a more strategic way. In the current economic conditions, no government is going to allocate

funding without seeing the benefits of their investment and without targets to measure its impact.

The lack of performance and operating environment data impacts on the perception of the sector.

Without the evidence to prove service delivery and performance, and to then build awareness

campaigns based on this, local government as a sector repeatedly scores low on satisfaction surveys.

On an individual council service-by-service basis our councils rate well, but overall state-wide surveys

for local government as a whole deliver low satisfaction numbers. Low perception issues will clearly

impact on the sector’s capacity to achieve a successful outcome from the planned referendum on

constitutional recognition for local government.

There is a need to improve the consultation and engagement by the State Government with the

sector. The examples of poor or no consultation cited in the strategic planning sessions in the areas

of land use planning were particularly significant.

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In an election year – our focus

Following state-wide consultation and our state of play analysis, the high level priorities and election

focus for the MAV is in five areas:

**Constitutional Recognition**

Support for the ALGA’s Constitutional Recognition campaign.

**Finance and Economics**

Campaign for a change to the cost escalator for Financial Assistance Grants to more closely

represent local government cost movements

Advocate for permanent funding for Roads to Recovery for councils

Campaign for a better funding deal from the Commonwealth for councils, and in particular the

rural councils, under financial stress

Advocate for a comprehensive review of Commonwealth and State legislation and regulation

to reduce its impact on local government

Advocate for regulatory impact statements on proposed regulation and legislation that directly

impact local government

Seek greater financial contributions from the State Government for public library services.

**Planning**

Campaign for the reinstatement and protection of planning powers for local government

Advocate for the urgent amendment to planning fees to full cost recovery

**Climate Change and Environment**

Campaign to secure Commonwealth and State Government financial support for the large

scale roll out of low carbon public street lighting technologies

Seek appropriate consultation with local government to ensure a fair outcome for councils in

Commonwealth and State Government water reform and catchment management planning,

including the Murray-Darling Basin Plan process.

**Human Services**

Campaign to ensure the views of local government and potential impacts for Home and

Community Care are forefront in Commonwealth and State negotiations and decision-making

on the proposed health and aged care reforms

Campaign for an increase in the cost escalator for Home and Community Care to reflect aged

care labour market movements

Campaign to secure Commonwealth and State Government financial support for increased

program, workforce and infrastructure funding for universal early childhood education and

care

Promote an increase of accessible housing outcomes for local communities through

partnerships with all levels of government and ensure local government provide design input

into State and Commonwealth affordable and accessible housing development.

**Emergency Management**

Seek adequate funding support from the State for councils to implement outcomes from the

Royal Commission’s interim and final reports

Seek recurrent funding for local government to undertake emergency management planning,

including roadside vegetation management

Participate in a review of the municipal emergency management guidelines (EMMV part 6)

and seek a more appropriate sharing of accountability for emergency management planning

at the municipal level.

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Finance and Economics

The leading issues for the sector include managing population growth, the financial and economic

development impacts of population decline and the sustainability of small councils, the mounting cost

of regulation for councils, the introduction and increase of levies and, being a revaluation year,

managing the complexities of rates and the communication of changes.

The population in some metropolitan councils is increasing annually by 11 per cent. In one

municipality the birthrates are reaching averages of 54 new arrivals weekly which is the equivalent of

populating two standard kindergarten groups. Rapid growth impacts infrastructure particularly roads

and transport, human services and the environment.

Councils support the review of the current escalation model for allocating assistance grants to mitigate

the growing decline of Financial Assistance Grants. The percentage of revenue received by local

government has not kept pace with the demands placed on councils for increased spending on

human services and public safety. This trend is set to exacerbate with the onset of an ageing

population and, in the case of Victoria’s rural councils, the impacts are worsened by small rate bases,

typically larger geographic areas, the continued dryness and subsequent structural adjustment.

A proposed solution is to identify possible cost savings for councils with the stripping back of onerous

regulation and there has been strong support from the sector for the MAV to undertake a more

detailed analysis into this matter. Local government delivers on state and federal requirements which

are intangible and unseen by rate payers.

The MAV is also identifying what opportunities there are for local government to retain a fixed

percentage of the Waste Management (Landfill) Levy without the increase going directly to

Sustainability Victoria. The MAV has called for this revenue to be directly reinvested back into

municipal resource recovery and waste technology.

Councils are aware of the imposition the Essential Services Commission (ESC) review will have on

daily operations. However the review also provides an opportunity for councils to assess their

procurement, pecuniary interests and general business auditing. A consistent data set and

performance indicators will then provide irrefutable figures for councils to evidence requests for

funding and support from other levels of government and from alternative income streams.

Priorities 2010/11

The MAV’s priorities in 2010/11 will be to:

Continue to influence and inform the ALGA agenda and to actively engage with the Australian

Council of Local Governments (ACLG) steering committee

Advocate to minimise the financial and resource impact of the ESC performance indicator

requirements on local government

Campaign for a better funding deal for rural councils from the Commonwealth Government

Seek greater financial contributions from the State Government for public library services

Examine the cost impact of Commonwealth and State regulation on local government

Following the review of the cost impact of regulation, advocate for a comprehensive review of

Commonwealth and State legislation and regulation and its impact on local government

Advocate for regulatory impact statements on proposed regulation and legislation that directly

impact local government

Continue advocating for State funding targeted at rural councils and with a focus on

economic development, population growth and financial sustainability

Participate in the State’s Fire Services Levy review with the objective of stopping councils

from becoming the collection agency for the levy

Assist local government to communicate the cost pressures facing councils, how rates are

calculated, what they are used for and the impacts of a revaluation year

Bring forward the development and analysis of the Financial Viability Index findings so they

can be distributed earlier to help councils with budgeting processes.

8



Workforce

The coming year will see some of the most profound and far-reaching changes introduced into the

workplace for decades. The State Government has amended the Accident Compensation Act (AC

Act) to include proposals put forward by Peter Hanks QC as part of his review of the AC Act. These

changes come into effect from 1 July 2010 and will have a significant impact on how employers and

employees deal with WorkCover accident claims.

The Commonwealth and State Government have embarked on a program to harmonise Occupational

Health and Safety laws across all states and territories to develop a single national legislative

framework. Similarly, it is proposed by the Commonwealth that a national long service leave

framework also be developed for adoption by all states and territories. Work is yet to commence on

this project, however it is expected to start some time during 2010/11.

The matter of attraction and retention of staff remains a key issue for the sector. While the Global

Financial Crisis provided some relief in this area it is generally accepted that we are likely return to the

situation where labour shortages, particularly in skill areas of high demand and at the CEO level, will

be a significant issue that councils will need to deal with on an ongoing basis.

The MAV undertook independent research investigating the retirement intentions of the older

workforce in eight selected councils. The results of the research will contribute to local government

knowledge around retirement issues; assist in workforce planning and developing strategies to

support older workers in their transition to retirement.

Councils impacted by the Black Saturday bushfires experienced heightened workforce challenges. In

the face of dire emergencies the sector was thrown into a space where, whilst doing everything they

could, the usual limitation on finances, resources and experience prevailed. Now following the

Victorian Bushfires Royal Commission, there will be increased expectations on the delivery of

regulation around native roadside vegetation, planning and human services – for all councils.

Priorities 2010/11

The MAV’s priorities in 2010/11 will be to:

Advise the sector on how employers and employees deal with WorkCover accident claims in

the wake of the review of the AC Act

Ensure councils are informed of WorkCover developments; impacts of the harmonisation of

Occupational Health and Safety legislation; national long service leave; and national paid

parental leave schemes

Following the review of the local government retiring workforce, provide findings to the sector

on how best to undertake workforce planning to mitigate further skills shortage and

knowledge loss

Undertake a Human Resources benchmarking survey to assist councils in the development

and implementation of their workforce planning strategies, including managing succession

planning for employees intending to retire, retention of skilled employees in regional areas

and identifying ways to engage older people wishing to return to the workforce

Develop a plan for the introduction of modern local government awards in Victoria

Achieve the objectives of the Maternal and Child Health (MCH) workforce initiative for the

recruitment and retention of MCH nurses and finalise the funding arrangements for the

program to promote local government as an employer of choice.

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Human Services

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

areas of health, aged services and early years. The MAV need to ensure councils are engaged in the

national reform debate and the subsequent process of implementing reforms given councils’ roles in

planning and service delivery across these areas.

In the lead up to the federal election, it is integral that federally funded local government-provided

services such as Home and Community Care (HACC) be protected. Further, these services require

more appropriate indexation to ensure the gap between funding and real cost is minimised.

The focus will be on achieving quality policy, financial and service outcomes for local government

from Commonwealth and State reform agendas, along with achieving sustainable and adequate

resourcing to councils providing HACC services, Early Years and MCH services, and support councils

through transitions required to achieve new commonwealth and state policy.

Rural municipalities have cost challenges due to geographic size and limited human resource. Most

are at risk of providing a reduced service as the current funding is struggling to meet community

requirements. This presents an opportunity to further examine shared services and resources.

Intergovernmental relations are integral in the area of social policy. With early childhood services and

libraries, where local government is delivering programs and implementing reform in partnership with

the State, close monitoring is required to mitigate any further cost shifting.

Most Victorian councils have taken positive steps to plan for their ageing communities. Through the

2010 Intergenerational Report, a soon to be released state ageing policy will continue to focus how

councils respond to the needs of older people in their local communities.

Priorities 2010/11

The MAV’s priorities in 2010/11 will be to:

Campaign to ensure the views of local government and potential impacts for HACC are

forefront in Commonwealth and State negotiations and decision-making on the proposed

health and aged care reforms

Campaign for an increase in the cost escalator for HACC to reflect aged care labour market

movements

Campaign to secure Commonwealth and State Government financial support for increased

program, workforce and infrastructure funding for universal early childhood education and

care

Promote an increase of accessible housing outcomes for communities through partnerships

with all levels of government and ensure local government provide design input into State and

Commonwealth affordable and accessible housing development

Monitor and advise councils on the implications for MCH as a result of the health reforms; and

advocate to protect local government’s roles

Support councils to continue innovative health promotion and social inclusion initiatives

focusing on young people, those from culturally diverse and indigenous backgrounds, people

with disabilities, older people, children, women, and people with mental illness, and advocate

for Commonwealth and State Governments to support these initiatives also

Promote development and rationalisation of council and community infrastructure that

supports services and activities focused on the early years, lifelong learning (libraries), and

creation of community hubs and meeting spaces for young people

Identify, in conjunction with the State, initiatives to address priority issues relating to young

people

Support councils to identify and address priority issues relating to the ongoing mitigation of

alcohol and drug abuse in communities and support the Local Government Drug Issues

Forum

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Support councils to focus on actions to achieve cultural harmony in their local communities

e.g. Localities Embracing and Accepting Diversity (LEAD) program and the development of

interfaith networks

Support changes to councils’ systems to meet new food safety regulatory reporting and

registration requirements

Support councils to meet the new statutory requirements for the banning of advertising

displays where tobacco products are being sold.

11



Planning and Building

Planning is complex, often controversial and regularly contested. Councils are responding to

pressures of population growth, housing affordability, demographic and climate change including

rising sea levels in coastal areas.

There is greater Commonwealth and State intervention, scrutiny and driving of regulatory reform.

Councils must increasingly demonstrate process improvement while communities expect collaborative

processes and locally tailored outcomes. Resources available to councils – technical and financial –

remain limited; particularly for rural councils.

In the lead-up to the State election, effort is likely to focus on the Planning and Environment Act

review, introduction of housing growth targets and new residential zones, resolution of high profile

issues such as wind farm development and enforcement, and delivering on commitments made.

Planning will remain of high interest, driven nationally as part of the Council of Australian

Governments (COAG) reform agenda. Key elements include strategic planning principles for capital

city planning, State driven strategies to identify and progress infill and redevelopment to boost

affordable housing supply; and the reform of development assessment and approval processes,

which will require greater transparency in planning decision-making and improve access to councils’

performance data.

The MAV is working to ensure the burden on councils for data collection is minimised, while data

collected adds value to council business processes. A considered response to the Victorian

Competition and Efficiency Commission (VCEC) enquiry into the local government regulation report

will also be required.

The Major Cities Unit in Infrastructure Australia released its *State of Australian Cities 2010* report and

planning for major cities to align infrastructure funding with capital cities plans will see more active

national involvement in urban planning.

Locally, progressing strategic work and ensuring that statutory tools can support implementation for

coastal hazards, increased bushfire and flooding risk, achieving ecological sustainable development

(ESD) and for changing rural land uses in a time of climate change remain priorities.

Release of the Victorian Bushfires Royal Commission recommendations and the final report of the

Coastal Advisory Committee will require the State and local government to turn attention to how risk

management approaches to land hazards can be more effectively integrated into planning schemes

and planning decisions.

The challenges faced by rural councils to develop rural strategies and address key issues associated

with demographic change, climate change, changing nature, scale and intensity of farming and water

reform are a priority which will inform the MAV response to the release of the Future Farms working

group recommendations.

Finally, the planning process improvement methodology in response to the Victorian Auditor

General’s performance audit of planning has been successfully piloted and aims to expand to include

all councils over a three year period.

Priorities 2010/11

The MAV’s priorities in 2010/11 will be to:

Campaign for the reinstatement and protection of planning powers for local government

Advocate for the urgent amendment to planning fees to full cost recovery

Position local government to benefit from the Commonwealth focus on urban Australia

Explore and build a direct relationship with the Major Cities Unit of Infrastructure Australia to

benefit councils and to champion the quality of Victoria’s local area planning

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Advocate to resolve concerns identified in the Planning and Environment Act (Amendment)

Bill

Advocate for support to councils to minimise impacts and optimise benefits of the introduction

of the new residential zones and housing growth requirements

Monitor rural and urban planning concerns of councils in the context of the adequacy of the

Victoria Planning Provisions and their application

Support councils affected by wind farm proposals and compliance for established farms, and

work with councils to negotiate an agreed position in response to the National Wind Farm

Guidelines

Work with the 22 coastal councils, the Future Coasts Program and the Coastal Climate

Change Advisory Committee to deliver practical support to councils in permit assessment,

vulnerability assessment, risk assessment and mitigation, and strategic planning and referrals

processes

Identify key challenges and opportunities to assist councils in their rural strategy development

in the context of the Regional Development Victoria regional strategic planning initiative,

regional growth targets, the Future Farming statement and the impacts of water reforms

Expand the participation and awareness, and demonstrate benefits of the MAV Planning

Process Improvement Program.

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Climate Change and Environment

The Commonwealth Government continues to pursue its policy commitment to introduce a price on

carbon pollution in most sectors of the economy over the longer term; including waste, energy and

liquid fuels. This will have a significant impact on the operations of local government in waste

management and energy intensive activities including public lighting; when introduced.

The MAV remains committed to supporting councils to understand their exposure to a carbon price

and to seek opportunities to increase their energy efficiency, identify new low-emissions energy

sources and reduce reliance on fossil fuels by embracing the introduction of alternative waste

technologies and providing sustainable public lighting options.

Acknowledging that the impacts of climate change are ‘locked in’ for the next 30 to 40 years, despite

the potential for significant global emissions reduction, councils will also need to anticipate these

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

plan for, reduce vulnerability and adapt to climate change.

In response to the continuing challenge of urban and rural water scarcity, councils remain committed

to finding new ways of managing public open space and other water-reliant council assets, and

working with communities to encourage further water conservation.

Councils continue to advocate for new and secure sources of water to be made available to

communities and industries to ensure the long-term viability of regions. Increasing storm surges and

projections of sea level rise have also led to significant effort to build understanding of climate change

impacts on Victoria’s coastal environs and incorporate this knowledge into land use planning and

management decisions.

The MAV awaits the release of the State Government’s Climate Change White Paper in mid-2010 to

set out the State’s agenda for working with Victorian councils and communities on climate change

mitigation, adaptation and structural adjustment to a pending carbon price.

In response to the launch of the State Government’s Land and Biodiversity White Paper *Securing Our*

*Natural Future*, the MAV continues to work with councils and the State Government on issues relevant

for the sector during its implementation. Further, the MAV continues to work with councils and the

State Government to identify the most appropriate management arrangements for pest plant and

animals, with regard for Victoria’s bio-security approach.

The Vicotorian Bushfires Royal Commission continues to explore the natural resource management

responsibilities of councils, and the native vegetation management policies and practices of councils

in bushfire prone areas. It will be important to maintain a balance between managing fire risk and

protecting native vegetation and biodiversity values that sustain resilient and productive landscapes.

Priorities 2010/11

The MAV’s priorities in 2010/11 will be to:

Campaign to secure Commonwealth and State Government financial support for the large

scale roll out of low carbon public street lighting technologies

Seek appropriate consultation with local government to ensure a fair outcome for councils in

Commonwealth and State Government water reform and catchment management planning,

including the Murray-Darling Basin Plan process

Advocate for direct funding support to councils to and undertake municipal climate change

risk assessments and adaptation plans

Work with councils to understand the projected impacts of climate change on their operations

and communities with initial emphasis on adaptation planning for sea level rise, heat stress

and food security

Inform and support councils to understand the implications and opportunities to transition to a

low-carbon economy

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Continue to work with councils to progress the objectives of the National Packaging

Covenant, represent members interests in the State Government’s Regional Waste

Management Group Review and advocate for an equitable outcome for local government in

the distribution of funding collected through the landfill levy

Engage and support councils to explore their role in implementation of the Land and

Biodiversity White Paper

Continue to advocate for an equitable outcome for councils on management of regionally

prohibited and regionally controlled weeds and established pest animals on roadsides

Continue to represent the interests of councils in the VCEC Inquiry into Environmental

Regulation; development of the Victorian Biodiversity Strategy; Victorian Strategy for Healthy

Rivers, Estuaries and Wetlands and Victorian Natural Resource Management Plan

Support councils to participate in strategic projects under Phase 2 of the Victorian Local

Sustainability Accord.

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Infrastructure

Following the rollout of the Regional and Local Community Infrastructure Program (RLCIP), whereby

councils needed ‘shovel ready’ projects, the MAV identified where councils required further support to

access future government infrastructure funding opportunities, and where this funding could be

directed to leverage the best economic development outcomes.

Rural councils have the greatest need to replace ageing infrastructure with solutions that will

withstand the changing climate and can continue to be managed and maintained. However, these

councils are often unable to seek external funding when it becomes available because of limited staff

to undertake appropriate pre-construction planning and feasibility studies.

Broadband infrastructure continues to be significant for economic development, health reform and

education. The MAV recognises the importance of high-speed broadband connectivity to support

domestic and commercial activities for social and economic benefits for councils. Education on the

benefits, and support to secure the best services possible for Victorians, is a priority and work

continues with councils and the State Government to ensure benefits from the federal investment.

New telecommunication legislation from the Commonwealth will influence the rollout of the National

Broadband Network (NBN), and the Greenfields legislation scheduled to become effective from July

2010 will impact the work of the NBN working group of growth councils.

The MAV will be working on an agreed uniform strategic approach with members on the NBN as well

as being responsive for emerging issues particular to metropolitan, urban fringe, regional and rural

areas.

Councils are under enormous pressure with public library services. The key challenges include

maintaining their operation and staffing in the rapidly changing environment; paper and electronic

collections; need to improve information and communication technology capacity; and the need for

continued State Government contributions to library buildings through the Living Libraries Program.

Priorities 2010/11

The MAV’s priorities in 2010/11 will be to:

Continue to advocate and support local government to improve their capacity to access

funding by undertaking pre-construction engineering plans for infrastructure to expedite the

construction when funding becomes available

Continue to support local government in the development and adoption of infrastructure/

demarcation agreements with the relevant State Government agencies

Continue to advocate for support for councils to understand the potential impacts of climate

change on local infrastructure and assets, and identify appropriate risk reduction responses

through the Advanced Step Asset Management framework

Work with rural councils to deal with common challenges such as the provision of local

community infrastructure and services through the funding provided to Victoria for the Local

Government Sustainability Project and the Regional Asset Management Service Project

Support the establishment of the councils and communities in transition program

Continue to implement Councils Reforming Business initiatives and projects to reduce costs

through greater use of shared services

Work with councils and State Government to improve council and community IT accessibility

including maximising council and community benefit from the federal broadband investment.

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Transport

Climate change, the expected growth in the freight task, congestion, peak oil, social inclusion and the

growing and ageing population all inform the transport policy arena. All of these factors and more

necessitate short and long-term strategic planning in transport.

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

government has a critical role in providing and maintaining transport infrastructure. Almost all road

journeys start and finish on a local road, and with a trend towards larger trucks and on-farm grain

storage, and predictions that freight volume in Victoria will almost double by 2020, the growing

importance of local roads cannot be denied.

Recognising the many benefits of increased walking and cycling, local government directly contributes

to the liveability and wellbeing of local communities by striving to provide safe and connected

footpaths and bicycle paths. As demand for this infrastructure grows, the need for a matched increase

in investment raises problems for already stretched municipal capital works budgets.

Local government also has a significant responsibility to lobby the Commonwealth and State

Governments to meet the public transport needs of local communities.

Access to transport options other than the private vehicle, particularly for the aged, the young, the

disabled and the disadvantaged, is a fundamental need. Without the means to travel to work, to

school and to social events, individuals are at risk of becoming socially excluded and vulnerable.

Across all levels of government there is a growing appreciation of the need for integrated land-use

and transport planning. At the federal level, funding for local roads through the Roads to Recovery

program will remain a primary focus for transport advocacy.

Priorities 2010/11

The MAV’s priorities in 2010/11 will be to:

Advocate for improved funding arrangements for the construction, maintenance and upgrade

of bicycle paths, footpaths, public transport and roads, particularly to meet the needs of local

communities including growth suburbs

Advocate for the improvements to regional transport services including passenger rail

services, services between local communities and regional centres and intra-regional centres

Advocate to ensure the State Government meet its rail freight commitments to 2020

Advocate for the standardisation of the rail network throughout Victoria

Facilitate negotiation with the State Government for recognition of community transport in

state policy with requisite funding support

Ensure councils meet their obligations for rail crossing safety, particularly through the

coordination of council efforts to enter into Safety Interface Agreements (SIAs)

Advocate for and assist to progress the integration of the rural school bus network into the

mainstream transport network

Engage with the State and the Major Cities Unit on capital city strategic planning from a

transport infrastructure standpoint

Lobby the Commonwealth to support funding public transport infrastructure to meet urban

population growth.

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Emergency Management

The increased interest in emergency management from all levels of government will mean changes to

emergency preparation and planning, along with the introduction of new programs in 2010/11. This

may be an opportunity to address gaps in the current system, however, councils are already

dedicating significant resources to emergency management and additional funding and resources will

be required if councils, particularly rural municipalities, are to meet new obligations on top of current

legislated requirements.

The MAV State Budget submission called for more funding to support communities in an emergency

and the State Fire Management Planning Committee has also requested additional funding to support

councils to implement Integrated Fire Management Planning (IFMP).

The Victorian Bushfires Royal Commission final report will be released 31 July 2010. There will be a

number of submissions by Counsel Assisting the Commission released before this time to which the

MAV and councils will have to respond.

The arrangements for municipal level emergency management, which is part of the Emergency

Management Manual Victoria (EMMV), will be reviewed throughout the year and will require

significant input from the sector. The MAV also expects reviews of fire refuges and flood policy to

resume.

At the federal level there is an interest in resilience building through policy. The Commonwealth

Government has established a National Emergency Management Committee (NEMC) that will focus

on natural disaster policy. The MAV will provide input to the NEMC via the ALGA.

The future priorities include the consolidation of new tools and systems to ensure they are integrated

into MAV Emergency Management policy. There is a requirement for a renewed focus on key

programs that were second priority in 2009, such as flood management and integrated fire

management planning.

Finally, there will be a focus on information sharing and supporting councils through the remainder of

the Royal Commission process and the implementation of the final report recommendations.

Priorities 2010/11

The MAV’s priorities in 2010/11 will be to:

Seek adequate funding support from the State Government for councils to implement

outcomes from the Royal Commission’s interim and final reports

Seek recurrent funding for local government to undertake emergency management planning,

including roadside vegetation management

Participate in a review of the municipal emergency management guidelines (EMMV part 6)

and seek a more appropriate sharing of accountability for emergency management planning

at the municipal level

Represent the interests of local government regarding pandemic planning and advise

members of any relevant developments

Advocate for financial support for councils to assist with the development and maintenance of

Neighbourhood Safer Places and fire refuges

Provide councils with the opportunity to participate in reviews of new initiatives such as

Township Protection Plans and Neighbourhood Safer Places

Improve the provision of emergency management information through the MAV website

Participate in a review of emergency relief arrangements

Support councils through the Royal Commission process and respond to the counsel

submissions and the final report

Participate in an evaluation of the first phase of IFMP implementation and share the outcomes

with the sector

Represent local government’s interests in the State’s Heatwave Planning Framework review.

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Governance and Councillor Development

The federal and state elections will provide the opportunity for local government to once again pursue

constitutional recognition for the sector. The ALGA is leading the proposed campaign which is

currently a two-fold process beginning with a State Government-focused engagement plan. This will

be the third time that recognition has been sought and bi-partisan endorsement will be critical to the

success of the campaign.

While the MAV is scoping the plan to investigate the cost of regulation on the sector, there is a call to

drive sector-wide consistency and credibility through a plausible data management and reporting

framework to measure financial sustainability, delivering against council plans and positive community

outcomes. Such a framework will further assist councils to comply with both Local Government Act

and Local Government Regulation requirements.

Council operations continue to be impacted by the conflict of interest provisions and many councillors,

particularly in regional areas, are concerned regarding the impact of these provisions on informed and

appropriate council decision making.

Councillors will be covered, as deemed council workers, by the Accident Compensation Act from 1

July 2010. Injury risk management programs, occupational rehabilitation plans and claims and return

to work injury management must be managed by each council, as employer, in relation to councillors.

Councillors and council officers have been unanimous in their concern regarding the prospect of

councillor WorkCover claims, injury management and return to work processes being managed by

council officers. The MAV proposed to establish a service for councils to manage councillor

WorkCover so as to eliminate this issue.

Increasingly, the decisions facing councillors are focusing on climate change adaptation and the

economic development impacts of this along with, in the case of rural Victoria, population decline, and

the sustainability of councils in the wake of the economic downturn. This, combined with a

requirement for stringent regulation knowledge and a growing range of possible liabilities, emphasises

the importance of the continued governance, development and support of Victoria’s councillors.

There is a continual and ongoing need to support councillors in fulfilling their increasingly demanding

and complex roles through a range of learning opportunities that include both conference programs

and professional development programs. The primary objective of the Professional Development

program is to improve the skills, knowledge and experience of councillors so they can perform their

roles at the highest level.

The secondary objective is to strengthening coverage of training opportunities thereby increasing

MAV presence as the primary provider of councillor professional development. It is important to offer

programs as diverse as half day Audit Committee training through to Graduate Diploma courses in

partnership with universities.

Priorities 2010/11

The MAV’s priorities in 2010/11 will be to:

Implement the MAV’s WorkCover proposal and provide support to participating councils on

the statutory and operational requirements particularly in the areas of claims management

and return to work

Extend the MAV’s capacity to provide advice to councillors and councils on matters related to

governance and legislation

Advocate for:

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amendments to unnecessarily restrictive elements of the conflict of interest

provisions

clarity in the way the statutory provisions are expressed

the provision of appropriate guidance material legislation

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Support councils to ensure they meet the highest standards of accountability and

transparency and comply with the statutory framework

Promote indigenous inclusion in local government consultation and decision making

Promote greater participation of women in local government

Continue to support the development, adoption and implementation of high quality

governance processes, protocols, conduct and relationships across the local government

sector and improving the skills, knowledge and experience of councillors

Strengthen the depth, reach and variety of the councillor professional development offer

Embed the partnerships with the Australian Institute of Company Directors and Swinburne

University and develop innovative program offerings with relevant partners

Further develop accredited training opportunities through existing program offerings.

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Insurance

The aim of mutual funds such as Civic Mutual Plus (CMP) is to provide members with greater value

and certainty in their insurance coverage as opposed to wildly fluctuating private insurance markets.

With this in mind, in 2008 MAV Insurance took the step to increase its portion of risk to protect

members from the full impact of significant reinsurance premium increases. This resulted in

substantial savings for the fund.

The worldwide reinsurance market remains volatile and MAV Insurance will continue to assume a non

reinsured portion of risk so as to maintain reduced reliance and subsequent expense of reinsurance.

The failure of a reinsurer remains the single biggest risk and therefore MAV Insurance will ensure a

broad reinsurance program to provide maximum protection for members. The Board continues to

monitor the risk rating of every reinsurer that has participated in the scheme since its inception.

MAV Insurance will review service arrangements and the performance of the scheme’s service

providers to ensure they are consistent with providing members with best practice claims and risk

management services. A particular focus will be on risk management policies and procedures.

The findings from the 2009 Victorian Bushfires Royal Commission will remain a key risk management

issue for members with particular focus already on Neighbourhood Safer Places and roadside

vegetation strategies that ensure safe access and egress at times of extreme emergency.

In relation to claims liabilities, trends indicate we have reached a point where incoming claim numbers

seem to have stabilised following the dramatic early effects of Tort Reform in the first part of this

decade. With improved clarity around claims trend analysis, MAV Insurance will be well placed to

work closely with actuaries and reinsurers to ensure accurate future liability projections.

General market conditions and the international financial and business environment will affect the

ability of MAV Insurance to meet their priorities for this year. In addition, they could be impacted by

the findings of the Victorian Bushfires Royal Commission.

Priorities 2010/11

The MAV Insurance priorities in 2010/11 will be to:

Conduct a broad review of the CMP risk management program in consultation with Scheme

members

Conduct a review of the reinsurance placement practices, procedures and cost structure

Provide advice to councils on what makes a good Road Management Plan

Increase in minimum capital held and surplus at the end of the 2010 financial year and attract

additional members at the 30 June 2011 renewal.

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Procurement

MAV Procurement strives to achieve value for money for local government, to make doing business

easier for councils and suppliers, and to support local economic and industry development.

At the federal level strategic procurement is increasingly being seen as an integral way to gain

economies of scale and realise savings. Local government, through MAV Procurement, has the

opportunity to move toward this direction and the sector is very much in favour of growing this model.

There is concern, however, that bulk purchasing may undercut ‘buy local’ initiatives, particularly in

rural and regional municipalities. Opportunities for rurally based industries to meet a procurement

requirement and establish a purchasing contract with local government are welcomed by councils.

There are the additional economic benefits of local employment and minimising carbon footprint

through local rather than metropolitan or offshore purchases.

The MAV is operating in a competitive environment, alongside Procurement Australia, and the State

Government which has opened up some of its existing contracts to the local government sector. As a

result, MAV Procurement must ensure it continues to meet the specific requirements of local

government as well as offering reduced product and service costs and lower administration and

compliance costs.

MAV Procurement is working with Local Government Victoria (LGV) to refine the process for councils

around agency appointments. LGV is currently evaluating alternative models which would allow

councils more simple access to tenders and contracts established through procurement groups such

as MAV Procurement and Procurement Australia.

In line with council feedback, MAV Procurement continues to respond to requests for support from

special interest groups to develop tenders in specific areas e.g. the Content Management System for

the Local Government Information and Communication Technology Committee and the After Hours

Contact Service for the Corporate Services group.

Priorities 2010/11

The MAV’s priorities in 2010/11 will be to:

Provide advice and support to grow the procurement capacity and practices of local

government

Support and assist suppliers to market their products or services to relevant councils,

including opportunities for rural municipalities to provide tenders where appropriate

Maximise the uptake of all existing MAV Procurement contracts by councils and Regional

Library Corporations

Review MAV Procurement’s current funding model and work with the sector to improve

council participation levels

Maintain relationships with interstate local government procurement groups and partake in

collaborative national tendering opportunities where appropriate

Continue to work with LGV to undertake research, contribute to policy development and

establish best practice in procurement under the Councils Reforming Business program.

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Corporate

The focus on improving processes and service across all areas of MAV operations continues.

Improvements include the ongoing focus of carbon footprint reduction, review pricing and accounting

policies, and review events contracts and on-site services.

The provision of video-conferencing facilities is a major step towards improved processes and

services. Using this method of communication has many benefits for members including the

reduction of carbon emissions, promoting health and safety, improving the regularity communications

and reducing cost.

The governance and advisory structures that support the MAV Board were reviewed and an induction

process was developed. Further work is required on this process and enhancements to the induction

package are on the agenda for the coming year with the purpose of providing the best introduction

and transition to MAV Board membership.

The new MAV website is scheduled for launch and the subsequent focus will be on the development

of the MAV extranet. An extranet will further enhance service to members by providing increased and

immediate access to information.

In 2009 there was a communication audit of all MAV colleagues. The purpose was to gain a snapshot

of the activity undertaken in the workplace including the level of support received by members, the

content of enquiries and possible gaps in the services provided. The corporate team hopes to build

on this activity to develop a regular logging of contact with members through a Client Management

System.

Following the success of the social media workshops hosted by the MAV, a Model Social Media

Policy for local government is being developed with a representative council working group.

Priorities 2010/11

The MAV’s priorities in 2010/11 will be to:

Launch the MAV Model Social Media Policy for councillors and council colleagues

Launch the MAV extranet

Review the MAV events pricing policy to provide a clear pricing structure for members and

non-members including a pay up-front system and an electronically managed councillor

credits system that ensures members get the best value for money

Develop a Client Management System following on from the colleague activity audit of 2009,

to facilitate continued monitoring of the MAV’s communication with members

Reduce printing costs for event promotional material and merchandise including postage;

promote the availability of the MAV’s expanded meeting space capacity and seek competitive

rates on large function rooms in major hotel chains.

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