• Local Government Act Review

• Fair Go Rates

• Recycling Support Package

• 2018–19 State Budget

• Rural and Regional Council sustainability

• LGV Funding Programs

• Local Government Performance Reporting Framework / Know Your Council
• **Role:**
  - Support responsive and accountable local government services
  - Work with the Minister and Victoria’s 79 local councils
  - Provide policy advice to the Minister for Local Government
  - Oversee legislation administered by the Minister (mainly the *Local Government Act 1989* – currently under review)
• Three high-level reform aims:
  1. Establish clear, simple and accessible Act (in the place of a confusing, outdated and contradictory Act)
  2. Revitalise local democracy (e.g.: through more equitable representative structures and greater transparency)
  3. Boost council innovation and efficiency, significantly reducing regulatory burden.

• Four phases of review:
  1. Discussion paper released (September 2015)
  2. Directions paper released (June 2016)
  3. **Exposure Draft Bill released** (December 2017)

• Currently on track
• Included policy changes regarding:
  – Mayoral terms
  – Option to directly elect mayor (except for City of Melbourne)
  – Audit and risk committee responsibilities
  – Community engagement principles
  – Timing of Council Plans
  – Council Budgets (for 4 years)

• Removal of proposals relating to:
  – Electoral franchise / vote counting
  – Councillor numbers range

• 189 submissions received
• Responses were very positive and constructive
Local Government Act Review – Implementation

Stage 1 - 1 July 2018
- Overarching principles
- Supporting principles
- Roles and powers of councils
- Constitution of councils

Stage 2 - 1 January 2019
- Community engagement and accountability
- Entitlements
- CEO and council staff
- Audit and Risk committee

Stage 3 - 1 July 2019
- Governance proceedings and rules
- Local laws
- Financial management and council operations
- Councillor integrity and conflict of interest
- Councillor conduct framework
- Ministerial oversight

Stage 4 – 2020 general elections/ new council term
- Role of councillors and mayors
- Election of mayors and deputy mayors
- Council planning and reporting
- Rates and charges
- Council elections
The Minister has set the Rate Cap for 2018–19 at 2.25% – equal CPI forecast by the Department of Treasury and Finance.

This cap applies to all councils in Victoria – other than those with existing exemptions for 2018-19.

Existing Rate Cap exemptions:
- West Wimmera Council 3.5%
- Pyrenees Council 3.5%
- Towong Shire 5.55%

The deadline for councils to lodge applications for higher cap with Essential Services Commission was 31 March 2018.

Only one council (Monash City Council) has applied to the ESC for a rate cap variation in 2018–19.
• China recyclable import policy change from 1 January 2018

• The Victorian Government announced $13m assistance package in Feb 2018 to help councils and industry respond to changes
  – Includes $12m temporary relief program to councils

• Established recycling industry taskforce to develop strategic plan for industry transition

• Temporary relief program for councils
  – Funding offered to all councils on non-competitive basis
  – Fixed flat rate of $60 per tonne of collected recyclable materials
  – 1 March 2018 to 30 June 2018
  – All 79 Victorian councils have applied for grant funding from the assistance package

• s186 Ministerial Exemptions from Public Tender for 62 councils
The 2018–19 Victorian Budget will be delivered on 1 May 2018

Pre-budget announcements include:
- an additional $50m for the Growing Suburbs Fund covering the 10 interface councils
- $30m for a new “Pick my Project” community initiatives fund.

Grants and transfers to local government in 2017–18 were estimated to be $1.002 billion
- First time exceeded $1 billion
- Increase of $103.5 million from previous year (estimated $898.1m in 2016–17 State Budget)
• State Government has committed to working collaboratively with rural and regional councils to address constraints and structural challenges.

• Rural and Regional Councils Sustainability Reform Program allocated $1m in 2017–18 State Budget.

• KPMG engaged to develop a program report and business case that:
  – identifies barriers to the sustainability of rural and regional councils, and
  – sets out a suite of options to deliver improved service delivery and long-term financial and operational sustainability.

• Ten regional forums were held across five locations discussing council sustainability.

• KPMG worked with LGV and a Steering Group to deliver the program outputs.

• LGV has used the report and business case to develop a budget submission for a Rural & Regional Transformation Program for 2018–19 and beyond. Await budget decisions.
• Parliamentary Inquiry into the sustainability and operational challenges of Victoria’s rural and regional councils – final report tabled in Parliament on 27 March 2018

• Report outlines 14 recommendations relating to four areas:
  1. The funding of councils
  2. Council responsibilities
  3. Potential efficiencies that could be made
  4. The importance of managing community expectations

• Government to respond to report by September 2018
• This $2.7m program supports councils to reduce costs and improve services to their communities

• Through grants, councils can collectively find new ways to:
  – improve procurement or shared service delivery
  – invest in more socially, financially and environmentally sustainable technologies
  – reduce waste, and
  – support innovation in recycling

• Grants are available to councils through multiple funding rounds, and groups of councils can apply for matched grants of up to $75,000

• So far, the program has delivered 21 projects, including:
  – the Joint Resource Recovery Centre Feasibility Study (led by Northern Grampians Shire Council)
  – the CO2 Performance Ladder Feasibility Study (led by Melbourne City Council)
  – the Waste-to Energy Micro-Power Station Network (led by Hepburn Shire Council), and
  – the Regional Low Emissions Fleet Assessment (Nillumbik Shire Council)

• A further $880,000 is to be allocated in 2018–19
The FAST program received $3.2 million over 4 years in the 2016-17 Victorian government budget.

Delivered in three streams.

Stream One uses expert consultants to provide specialist accounting and finance advice and support to rural councils on a project-by-project basis.

Stream Two provides up to $75,000 grants per project to allow rural and regional councils to explore shared services and/or collaborative procurement opportunities.

Stream Three develops and revises policy and guidance in local government finance for the whole local government sector.
• Third year of LGPRF reporting in 2017–18

• LGV has worked with the local government sector, VAGO and audit service providers to continuously improve and refine the framework

• Technical Working Group meetings with service area specialists and LGPRF coordinators from the sector held over past several months to:
  – review the existing framework
  – review the Know Your Council (KYC) website, and
  – inform the future direction of the framework and KYC website

• LGPRF 2.0 to be developed, aiming to:
  – streamline information sought by government as best as possible (‘single source of truth’)
  – standardise indicator definition and calculation with other State reporting
  – reduce duplication of reporting where possible
  – improve the KYC website
Thank you / Questions