

## **Nillumbik Shire Council Submission to the Local Government Bill 2019**

Nillumbik Shire Council (Council) strongly advocated for an extension to the consultation period for the Local Government Bill 2019 with the Minister for Local Government. Due to multiple requests from various councils, the Minister extended the deadline for submissions by two weeks, with the new deadline being 31 July 2019.

Council prides itself on transparent governance and good democratic process, and therefore wishes to partake in considered discussion and resolve the formal submission to the Local Government Bill 2019 through a Council meeting. The extension of the deadline allows for a formal resolution on the submission.

Without an Exposure Draft on the proposals, Council is unable to fully consider the some of the more complex reforms. Whilst the two-week extension is welcome, Council's position is that there is not sufficient time or information to consider the impacts of the proposed changes, and as a result Council's view is broad, based on the limited detail provided.

Council proposes that the Local Government Bill 2018 be introduced to Parliament. The new reforms proposed in the Local Government Bill 2019, can then be considered as an amendment.

### **Reform 1 – Simplified Franchise**

Council supports the reform of aligning council electoral rolls with state electoral rolls will make for a more seamless process for all involved with the election process, especially the Victorian Electoral Commission (VEC).

### **Reform 2 – Electoral Structures**

Given that Council already operates under a single member ward structure, the impact on Council as a result of this proposed reform will be minimal.

Council however recognises the diverse nature of councils across the state and that a single ward structure may not be appropriate in all instances. Council would therefore advocate for the electoral structure for each Council be considered on its merits and not on a one structure for all basis.

### **Reform 3 – Training**

Whilst Council supports the idea of mandatory training for election candidates as outlined in Reform 3, it has concerns with the budget implications to Council of such a reform. Will the onus be on Council and, ultimately, ratepayers? Council's position is that the cost should fall onto the individual candidates.

Council already runs a 'Councillor Induction' program for newly elected Councillors, therefore it is fully supportive of the legislated Councillor induction training as outlined in Reform 3. This training will help to equip incoming Councillors with the skills and knowledge they need in order to make informed and unbiased decisions for the community. This training will be invaluable for incoming Councillors with little knowledge of governance and the workings of local government. It will also be a helpful refresher for re-elected Councillors and those candidates coming from a government background.

### **Reform 4 – Donation Reform**

Lowering the threshold from \$500 to \$250 will allow for more accountability and transparency with any gifts/benefits received by election candidates and Councillors.

Lowering the threshold may prove to be inequitable for those candidates campaigning in the rural areas as opposed to the urban areas.

Rural candidates would have to cover a greater area whilst campaigning, and thus may require more financial support in the form of donations. The cap on donations may prohibit them from campaigning effectively. In contrast, candidates campaigning in the urban areas have less area to cover due to potential donors being in closer proximity.

#### Reform 5 – Improved Conduct

Having prescribed standards of conduct that define specific acts and omissions of behaviours, will enable Councillors and the Council administration to have a clear understanding of what is expected of Councillors, as opposed to the current standards that reference conduct standards broadly.

The proposed internal arbitration process is also a welcome addition as it will help streamline an otherwise unnecessarily complicated process.

#### Reform 6 – Community Accountability

Council supports stringent policies in place to deal with Councillor misconduct. The removal of a Councillor is a serious matter, and the requirement to have 25 per cent of Council's residents sign a petition is a high threshold in order to substantiate any claims of misconduct.

However it is the view of Council that the role of the VEC in accepting a complaint is concerning. A complaint based on a 200 word submission, and allowing a 200 word response is not sound grounds to pursue a serious matter. A further concern of Council is that the VEC's role will be deemed as supporting the complainant and could unfairly bias the community against the Councillor. Residents see the VEC as a respected body and therefore are likely to assume guilt on behalf of the Councillor without the supporting evidence on the matter.

In any event, Council would like more detail on the practicality of this reform in order to have a more informed view.

#### **Conclusion:**

Councillors have been briefed on the Local Government Bill 2019 and the proposed reforms.

Councillors have unanimously agreed to advocate for an extension to the deadline for consultation on the Local Government Bill 2019; having the Local Government Bill 2018 introduced to Parliament; and having the 2019 reforms introduced as an amendment.

# Local Government Bill – A reform proposal



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ISBN 978-1-76077-563-6

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# Local Government Bill – A reform proposal



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# Ministerial foreword

Councils are part of our communities, providing infrastructure and services we rely on every day.

To be able to meet the expectations of Victorians, our Councils need to be supported by legislation that empowers them to provide first class services and ensures they are accountable to the communities they serve.

The Andrews Labor Government is committed to deliver a new Local Government Bill this year.

The new Bill has been developed through rigorous consultation with the community, councils and peak bodies and builds on the reforms presented in 2018.

The Labor Government is looking at further reforming electoral laws, making councils more accountable to their communities between elections, improving councillor behaviour and lifting standards by introducing mandatory training for candidates and councillors.

This is an important step in creating strong, effective local councils.

I would like to thank everyone who contributed their time and feedback to develop the new Bill, and I look forward to working together to deliver a modern, effective Act that will help communities better understand and have confidence in their council.



**Hon Adem Somyurek MP**

Minister for Local Government

# Local Government Bill 2019

A Bill intended to become the new Local Government Act for Victorian councils was introduced into Parliament in May 2018. The Local Government Bill 2018 (the 2018 Bill) was passed by the Legislative Assembly but lapsed in the Legislative Council when Parliament expired before the November 2018 Victorian election.

It is proposed that a new Bill be presented to Parliament in 2019. The new Bill will retain the substance of accountability and provision of services and include some additional reforms designed to further improve and strengthen the 2018 Bill.

As the independent review into the local government rating system will provide its recommendations to government by 31 March 2020, previously proposed changes to the rates and charges provisions in the *Local Government Act 1989* (LG Act) will not be introduced in the new Bill. The provisions relating to rates and charges will continue to operate under the LG Act until the rating system review has been completed. The only exception to this will be that the new Bill will amend the LG Act to provide for Environmental Upgrade Agreements to be available to residential properties.

This Paper considers the background to the 2018 Bill. It also describes the proposed additional reforms.





# Part 1 – Background

Victoria's councils need to be equipped to deliver a range of services and infrastructure for the diverse communities they represent.

This is why the Victorian Government has spent the past four years reforming the LG Act, the legislative framework that support councils' key functions. The Victorian Government embarked on a local government reform agenda in 2015 with the aim of developing a new principal Act for local government.

Since the current LG Act was made law in 1989, local government in Victoria has undergone significant changes. The 210 relatively small councils in 1989 have been incorporated into 79 larger, more capable organisations. Democratic processes have changed and the functions performed by councils have increased and diversified. Councils now manage over \$90 billion of public infrastructure and deliver services valued at more than \$7 billion each year.

The Victorian Government is working to produce an open, transparent and balanced piece of legislation to ensure councils are more engaged with and accountable to their community, improving the standards and behaviours of councillors and strengthening community confidence with the election process. Communities will also know that action can be taken to hold councillors and councils to account.

The new Local Government Bill 2019 will provide a framework that will revitalise local democracy and improve council governance.

The Bill underpins how Victoria's 79 councils function, and through the LG Act review process the Victorian Government has consulted widely with councils, peak bodies and the wider community to shape an Act that will empower councils to support their communities now and in the future.

## The Reform Process

It is the first comprehensive review of the LGA in a quarter of a century, and it responds to calls from the local government sector for legislative reform after over 100 amending acts have resulted in hundreds of individual amendments to the Act in the past 25 years.

The LG Act was reviewed in four stages to ensure the local government sector and wider community were engaged in creating and shaping the new Bill.

- **Stage 1** started with identifying issues, commissioning research papers and forming an advisory committee.
- **Stage 2** involved exploring reform ideas. Six technical working groups made up of local government specialists, explored a range of options at 10 community forums held around the State. These ideas informed the discussion paper, which was published in September 2015 and received 348 submissions in response.
- **Stage 3** saw a detailed examination of specific policy directions. A Directions Paper was released in June 2016 which outlined 157 potential reform directions. Responses to these included 333 written submissions and direct feedback in 18 community forums involving Mayors, council Chief Executive Officers (CEOs) and community members. Further work was then undertaken in technical working groups and meetings with key stakeholder groups from the sector and the community.
- **At stage 4**, the government released an Exposure Draft of the proposed Bill in December 2017. Extensive briefings and public meetings were held to socialise the Exposure Draft. One hundred and ninety submissions were received and analysed in the process of preparing a final Bill for Parliament.

Following extensive consultation, the 2018 Bill was introduced into the Victorian Parliament, proposing significant changes to how councils are governed and the legislative framework. The Bill lapsed when Parliament expired before the November 2018 Victorian election.

However, the work done over the past four years will not be wasted, with the Local Government Bill 2019 expected to be presented to Parliament in 2019. Once passed through Parliament, the Act will be implemented in various stages, over a two year period.

## Part 2

# Reform Themes

**The new Local Government Act will improve the democracy, accountability and service delivery of Victoria's Councils.**

### **A NEW RELATIONSHIP**

*Example*  
Minister will no longer set Mayor and Councillor allowances.

To support a **new relationship** between State and local government and the community by removing unnecessary Ministerial approvals and arbitrary powers. Autonomy is provided to councils to develop and adopt their own policies and procedures in accordance with principles of transparency, accountability and sound financial management.

### **COMMUNITY CONFIDENCE**

Improve **community confidence** through reforms to election processes, electoral structures and candidate requirements. A balanced legislative framework will be provided that gives power back to the local community and makes councils and councillors directly accountable.

*Example*  
Electoral campaign donations to individual candidates and candidate groups from a single donor will be capped and foreign donations banned.

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### **IMPROVE CONDUCT**

*Example*  
A Councillor no longer being qualified to be a Councillor if they are the subject of two or more findings of serious misconduct.

**Improved service delivery** through deliberative engagement and principles to support councils in delivering effective essential services.

## IMPROVED SERVICE DELIVERY

*Example*  
The development of long term plans and increased scope for Council co-operation.



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## STRONG LOCAL DEMOCRACY

**Strengthen local democracy** by making councillors directly accountable to their community.

*Example*  
To provide for more direct accountability it is proposed to move to single member wards for all Councils with the exception of smaller rural shires.

**Improved conduct** by providing clear standards of behaviour in regulations and stronger mechanisms for conduct breaches, including requiring Councillors to complete training and providing arbiters powers to address misconduct. New mandatory standards of conduct will be prescribed to assist councillors to clearly understand what acceptable conduct is.

## Part 3

# Proposed Reforms

### REFORM

## 1

### Simplified Franchise

It is proposed to make council electoral rolls more closely aligned with the State electoral roll. Voters whose only entitlement is as an owner or lessee of a property in the municipality will be required to lodge an enrolment form to vote in that municipality's election if they want to vote.

### Voter Franchise

Council voters' rolls are a complex mix of state enrolled residents and property based voters. Currently, voters may have elected to be on a roll or may have been enrolled without application.

#### Why is this proposed?

The proposed arrangement is for people on the State electoral roll to be directly enrolled to vote in their council election and for other people who pay council rates to have a right to apply for enrolment. This type of system is commonly used in other Australian states.

The proposed arrangement will more closely align council electoral rolls with the State electoral roll. This will simplify the council elections process.

Separate arrangements will apply for Melbourne City Council reflecting its unique status.

Under current legislation, the council prepares a list of ratepayer voters and the Victorian Electoral Commission (VEC) combines that list with the State roll to form the Municipal voters' roll. The list of ratepayer voters automatically includes one or two owners for a rateable property.

There are problems with this system. In many cases property owners are already on the State electoral roll, so the VEC must go through every council's list of ratepayers to remove the duplicated voters. This is a difficult and imprecise task.

A further issue is that voting is compulsory for residents on the State electoral roll but not for property-based voters. In practice, voter participation by non-residents is historically low. Well over three quarters of residents on the State roll vote in their council elections whereas less than half the non-resident ratepayers vote.



## How will it work?

Changing the voter franchise is proposed to be done in two stages over two election cycles. There are two reasons for this:

- firstly, it will allow time to ensure every person with a voting entitlement has a reasonable opportunity to exercise their rights; and
- secondly, it will allow time to review electoral structures to address changes in the distribution of voters between the wards of some councils.

### *Stage 1*

The voter franchise for the Victorian local government 2020 elections, and any subsequent by-elections, would be as follows:

- State electoral roll voters would continue to be directly enrolled.
- Non-resident property owners who were enrolled would retain their enrolment status as an interim arrangement.
- Non-resident new property owners not previously enrolled will be entitled to apply for enrolment and will not be directly enrolled without application.
- Commercial lessees and company representatives will continue to be entitled to apply for enrolment.

### *Stage 2*

For the 2024 Victorian Local Government elections, the final stage of the reform will come into effect. Non-resident property owners will no longer be directly enrolled to vote in council elections. Owners will be entitled to apply for enrolment if they wish to vote. Each affected person will be notified of the change and provided an opportunity to enrol.

Compulsory voting will continue to apply only to residents on the State roll in 2020. From 2024 however, it will become compulsory for all enrolled voters to vote.

### *Melbourne City Council Reforms*

Melbourne City Council has separate voter franchise arrangements. At that Council, direct enrolment of non-resident owners will continue with one exception. It is proposed to remove the requirement for the Melbourne City Council to directly enroll property owners and corporation representatives whose primary residence is outside Australia. Overseas owners/representatives will retain the right to apply for enrolment. The changes through amendments to the *City of Melbourne Act 2001* will be fully implemented for the 2020 election.





## Electoral Structures

Representative structures and election processes are to be simplified and made consistent.

### Electoral Structure

Representative structures and election processes are to be simplified and made consistent. It is proposed to move to a single consistent model of single member wards, unless it is impractical to subdivide a council into wards.

Currently Victorian councils may be constituted in one of five structural models.

#### Why is this proposed?

Single member wards for each council enable residents to more effectively receive direct representation. Councillors will be more accountable to local communities, fostering true 'local' government.

Consistent application of this model also ensures that all councillors are elected under the same system with equal vote shares within their council. This more closely reflects the way members of Parliament are elected.

#### How will it work?

It is proposed that an unsubdivided municipality model option will be available to those councils whose demographic profile make division into wards inappropriate, e.g. councils with large geographical areas and small populations (such as some rural councils). It is intended that the Electoral Representation Advisory Panel will investigate and advise the Minister in relation to structures for those councils that are of the type specified by the Minister as being potentially permitted for unsubdivided arrangements.

The option for councils to be constituted as multi-member wards will be removed.



## Training

Communities deserve the highest calibre councillors representing local community issues. It is proposed to introduce new requirements on candidates and councillors to improve competency, skills and transparency.

### Election Candidates – Mandatory Training

All candidates for council elections will be required to undertake mandatory training as a condition of their candidature. The level of training required will be carefully balanced against the need to not create an unnecessary barrier to participation.

Since 2016 all candidates for local government elections have been able to choose to outline what training they have completed relevant to the councillor role in the Candidate Questionnaire published on the VEC website. Many councils provide access to free training sessions for potential candidates prior to council elections.

Almost 50 per cent of all candidates for the 2016 general election said they undertook training.

Within the first nine months in office councillors are required to make major strategic decisions and develop council and financial plans, a budget, and other matters. Councillors who come into office with a strong understanding of the strategic decision-making role a councillor must perform, will be better equipped to contribute to this important work.

#### Why is this proposed?

People nominating as candidates in local council elections sometimes have limited understanding of the role they are putting themselves forward for. Concerns also exist about candidates' understanding of the level of commitment required to undertake the role of councillor. In addition, many people don't understand what a councillor can legally do in their role.

#### How will it work?

All candidates in council elections will be required to demonstrate that they have undertaken relevant training. The VEC will reject any nominations that fail this test.

The nature of the mandatory training will be the subject of further consultation with the local government sector and then prescribed in Regulations.

### Councillor Induction Training

#### Why is this proposed?

Requiring all councillors to complete mandatory training will improve their standards and capability to meet the requirements of office. A lack of understanding of the requirement of the role of councillor has been identified as a cause of diminished operational effectiveness in many councils.

#### How will it work?

Councillor induction training will be arranged by the Chief Executive Officer for councillors within six months of being elected. It will contain information relating to the role of a councillor, the Councillor Code of Conduct, conflicts of interest and any other prescribed matters, and will be subsequently prescribed in Regulations.

If a councillor fails to take the councillor induction training within the specified time, their allowance will be withheld until such time the councillor has taken the training, at which point the allowance will be refunded.

## REFORM

# 4

### Donation Reform

A number of recent changes to the electoral campaign donations arrangements in Victorian Parliamentary elections will be extended to local government elections.

#### Why is this proposed?

Controlling electoral donations and gifts will improve the integrity and transparency of the donations process. This will increase community confidence in council decision making by making sure that decisions are made purely on merits.

#### How will it work?

- Foreign donations will be banned. Donors will need to be an Australian citizen or resident, or a business with an Australian Business Number.
- Electoral campaign donations to individual candidates and candidate groups from a single donor will be capped at an aggregated amount of \$1000 for Victorian local government elections, in respect of each 'donation period' – that is, commencing 30 days after the last general election or 30 days after the last election for which a candidate was required to give a return (whichever is later), and 30 days after the election day of the current election.
- The 'gift disclosure threshold' which applies to campaign donations and other gifts received by councillors, subject to requirements of the Bill, will change from the \$500 proposed in the 2018 Bill, to \$250 for all councils.
- All councils will be required to have a gift register and a publicly transparent gift policy covering the acceptance and disposal of gifts by councillors and staff.

#### *Melbourne City Council Reform*

- Electoral campaign donations to individual candidates and candidate groups from a single donor will be capped at an aggregated amount of \$4,000 for Melbourne City Council elections.
- The 'gift disclosure threshold' which applies to campaign donations and other gifts received by councillors will remain at \$500 for the Melbourne City Council.





## Improved Conduct

Councillor conduct is an ongoing challenge for the local government sector. It is proposed to introduce mandatory standards of conduct, a clear and consistent arbitration process and provide the arbiter powers to impose sanctions.

### Prescribed standards of conduct

#### Why is this proposed?

Consultation with the local government sector and community groups has revealed that councils need more assistance in developing and enforcing their codes of conduct. To date, councils have had to develop and adopt their codes of conduct with limited guidance. As a result, codes vary widely in size, scope and content. An examination of existing councillor codes of conduct shows that they vary in size from three pages to 145 pages and that most only deal with conduct standards in broad terms. Many include internal council procedures with limited connection to conduct standards.

Most councils include the Councillor Conduct Principles in their codes. These Principles are specified in the LG Act and, while they may have been contemporary when first legislated in 2008, they have proven to be too general in nature to be a practical benchmark for good conduct. Councils not including the Principles generally include other material of a similar nature in their Codes.

Councils have internal resolution procedures whereby an independent arbiter can assess whether a councillor has followed the code of conduct. More specific standards of conduct need to be applied for this process to work effectively.

#### How will it work?

Under this proposal, the 2019 Bill will no longer include the Councillor Conduct Principles. Instead it will require each council to adopt a councillor code of conduct that includes the standards of conduct prescribed in Regulations.

The standards will define specific acts and omissions of behaviour that apply to all councillors in all councils. Councils will retain discretion to include additional material in their codes (but not to the standards of conduct). The standards of conduct will be developed in consultation with the local government sector and the community.

This will provide a clearer understanding of what is required of councillors and support arbiters when investigating alleged breaches of the standards.

### Internal arbitration process

The arbitration process will become a legislated process managed by the Principal Councillor Conduct Registrar (PCCR) rather than requiring each council to develop and adopt its own process.

#### Why is this proposed?

Internal resolution procedures were introduced in 2016 for councils to deal with low-level misconduct locally and to resolve matters more quickly than through Councillor Conduct Panels. In practice, councils have struggled to deal with this obligation, with many adopting a multi-step approach that draws out the dispute and is costly to implement.

The LG Act currently requires internal resolution procedures to deal with interpersonal disputes as well as allegations of misbehaviour. This is unnecessarily complicated. Arguably, interpersonal disputes between councillors do not require a legislative resolution as there are various forms of mediation and counselling available when needed. Legislation should focus on allegations of misconduct where consequences may need to be imposed.

Some practical aspects of the current internal resolution procedures have proven problematic:

- It can sometimes be difficult for councils to find and appoint an independent arbiter. This can result in delays for matters being heard. Appointing arbiters from a central list managed by the PCCR will remove this problem. It will also help lead to more standardised responses to types of misconduct.
- Councils do not always deal well with adverse findings of arbitration. This can include keeping the findings confidential or not imposing sanctions where they appear warranted. It is therefore desirable that arbiters have some capacity to directly impose forms of discipline.

### **How will it work?**

It is proposed the 2019 Bill will replace internal resolution procedures developed by councils with internal arbitration processes. The 2019 Bill will specify that the internal arbitration processes will include:

- the appointment of an arbiter by the PCCR from a pre-approved list of qualified arbiters;
- an application fee that will be refunded at the end of the arbitration process unless the application is deemed frivolous, vexatious, misconceived or lacking in substance; and
- arbiters being empowered to directly impose minor disciplinary penalties, such as requiring an apology or imposing a one-month suspension.

The terminology of the Act will change to accommodate these reforms:

- A finding by an arbiter that a councillor has breached the standards of conduct will be a finding of 'misconduct'.
- Any adverse finding by a Councillor Conduct Panel against a councillor will be a finding of 'serious misconduct'.

The term 'gross misconduct' will continue to relate only to a finding of the Victorian Civil and Administrative Tribunal that results in the disqualification of a councillor.



## Community Accountability

It is proposed to make councillors more accountable through stronger sanctions for serious conduct violations and the introduction of a community initiated Commission of Inquiry.

There will be two clear new pathways that can lead to disqualification, these are:

1. where a councillor has been subject to a finding of Serious Misconduct on two occasions over an eight year period; or
2. where a community initiated Commission of Inquiry, appointed as a result of a petition, makes a finding that a councillor has caused or contributed to:
  - a. a failure by the council to provide good governance; or
  - b. a failure by the council to comply with a governance direction.

## Disqualification - conduct

### Why is this proposed?

Occasionally, a councillor acts in ways that seriously inhibits the ability of a council to function effectively or repeatedly acts in ways that are unacceptable in public office. It is in the interests of the community that a person who acts this way be removed from office.

The 2018 Bill proposed that the Minister have powers to suspend a councillor who was preventing the council from providing good government. While this could only be done on the recommendation of an integrity body, it placed a Minister elected at one level of government in a position of having to decide whether to remove an elected member at another level of government.

A better approach is to limit the removal from office of a councillor to independent processes and/or give the community who elected the councillor the power to seek review or dismissal of the councillor.

### How will it work?

Two new processes will be able to result in a councillor being removed from office and prohibited from being a councillor of any council for a period of four years.

#### *Disqualification – Repeated Serious Misconduct*

Councillor Conduct Panels hear allegations of serious misconduct against councillors. Serious misconduct can relate to bullying, conflicts of interest, improper direction of council staff, disclosing confidential information, sexual harassment or failing to comply with an arbitration process. If a panel makes a finding of serious misconduct against a councillor twice within eight years, that councillor will be automatically disqualified.

A disqualified councillor will be ineligible to contest another council election for the next four years.

#### *Community initiated Commission of inquiry*

Under the *LG Act* the Minister may appoint a Commissioner to conduct an inquiry into the affairs of a Council or councils. This power was included in the 2018 Bill along with some minor changes to ensure the powers of the commission align to the *Inquiries Act 2014*.

It is intended to create a second pathway for a Commission of Inquiry above the powers proposed in the 2018 Bill. Under this pathway, the Minister must appoint a Commission of Inquiry into a Council on receiving a petition signed by eligible voters in the municipal district, whose total numbers are greater than 25 per cent of the total enrolment number on the voters' roll prepared at the council's most recent general election (see **petition process** below).

In setting the terms of reference for the Commission of Inquiry the Minister must have regard to the reasons included in the application for the petition.

The Commission of Inquiry may make a finding that a councillor has significantly caused or contributed to:

- a failure by the council to provide good governance; or
- a failure by the council to comply with a governance direction.

Before a Commission proposes to make an adverse finding, that councillor must have an opportunity to respond to those matters. The Commission must consider the response before making the finding. If a Commission of Inquiry appointed as a result of a petition, makes a finding that a councillor should be disqualified, the subject councillor will be disqualified from being a councillor for four years (subject to the report being tabled in Parliament).

The Minister must provide notice of the outcome of a petition for a Commission of Inquiry to the applicant, the VEC and the council. The VEC must publish notice of the outcome in a manner prescribed in regulation.

The Minister maintains the discretion to appoint a Commission of Inquiry into the affairs of Council. Where a Commission of Inquiry (appointed at the Minister's discretion) makes a finding against a councillor, the Minister has the discretion to take appropriate action, including issue a governance direction, suspend or dismiss a Council. However, the Minister will not have the power to disqualify a Councillor under these circumstances.

## **Petition process**

The process for petition will be set through regulations. The process is outlined below.

The requirements for a petition will be treated as seriously as an election. An application for a petition will be made to the VEC accompanied by the prescribed fee. This application will require specific information including a statement of up to 200 words providing grounds for why a petition is sought.

Applications will be limited to people who are enrolled or entitled to be enrolled on the voters' roll for the municipal district. Councillors, members of staff of the council and people who have previously been an applicant or nominated representative during the current council term will not be permitted to receive approval for a petition.

The VEC will provide a copy to the council named in the petition for a response of up to 200 words.

The VEC will provide public notice of the petition and include the relevant response, if any. The applicant and nominated representatives will be allowed to collect signatures to the petition for 60 days from the date of the public notice.

The applicant and nominated representatives must collect signatures in the prescribed manner and must reasonably believe that the persons signing the petition are enrolled, or entitled to be enrolled, in the municipal district and are providing informed consent to be included in the petition.

The applicant may lodge a petition with the Minister within five days of the end of the 60-day period. Upon receipt of a petition, the Minister must provide it to the VEC to provide advice on validity and percentage of signatures represented by the petition.

## Part 4

# Implementation and Comments



### Implementation

The 2018 Bill proposed that the provisions of the Bill commence in stages to enable councils to implement the changes effectively and orderly. The government also indicated that support and guidelines would be provided to assist councils during the transition. It is proposed that this approach will also apply to the 2019 Bill.

The implementation support will be tailored to the timeframe and nature of the change and continue beyond implementation as a continuous improvement approach.

If enacted, the provisions of the Bill would be implemented in stages up until late 2021.

### Comments

We welcome your feedback on these reforms before **17 July 2019**.

Please send any feedback you have on the proposed reforms to [local.government@delwp.vic.gov.au](mailto:local.government@delwp.vic.gov.au) using the subject line Local Government Bill 2019.



## Local Government Bill 2019 Proposed Reforms

### Introduction

A comprehensive review of the *Local Government Act 1989* has been sought by MAV and its members for more than a decade. The phased consultation process of the review that led to the 2018 *Local Government Bill* provided an opportunity for the sector to carefully consider and respond to the proposed directions and to the vast majority of proposed reforms.

The proposed reforms are in addition to the original reforms in the *Local Government Bill 2018* except in relation to rates and charges where the current provisions will continue to apply until after the completion of *State's Rating System Review*, the proposed changes to single member wards (intended to take effect after the 2020 general elections) and to the internal dispute resolution process, both of which are detailed below

The short window of time (30 days) allowed for feedback together with the lack of detail in relation to the 2019 reform proposals does not enable proper consultation on a number of the proposed changes that will have significant, negative consequences for councils, councillors and their communities.

The State intends that the *Local Government Bill 2019* be introduced to Parliament later this year and that many of the reforms included in the 2018 Bill will be fast tracked for implementation. The MAV and the sector have previously emphasised that the workload required for new policies, plans and budgets required of councils and newly elected councillors in the original indicative implementation schedule was not feasible. Any further erosion of the time period for implementation is completely untenable.

The MAV calls on the State to take no further steps on the proposed reforms and to provide an appropriate period for sector consultation on a circulated *Local Government Bill 2019 Exposure Draft* preferably together with draft regulations. Proper consultation would enable the sector to give considered input on the new reforms as well as identifying any unintended consequences that often result from an expedited legislative reform process.

Successive Labor governments have confirmed their commitment to strengthening state-local government relations by building a collaborative working relationship between state and local government and improving communication and consultation. The approach taken in relation to the 2019 Proposed Reforms flies in the face of these commitments.

This Members Brief does not address the proposed reforms that are specific to the City of Melbourne. Separate discussions will be held with City of Melbourne.

### Next Steps

MAV seeks your input on the reforms, on the MAV's call for a proper consultation process informed by an Exposure Draft, the MAV's proposed position on each of the reforms and any other matter.

Please provide input by no later than **5pm Tuesday 9 July 2019** to [rodger@mav.asn.au](mailto:rodger@mav.asn.au).

## Background

The State's [Local Government Bill- A reform proposal](#) and [Overview](#) were released Monday 17 June 2019.

The MAV's July 2018 Members Brief on the *Local Government Bill 2018* (See Attached) identified the more contentious aspects of the 2018 Bill. [The MAV's Submission on the Local Government Bill Exposure Draft 2018](#) highlighted a number of priority areas of concern including electoral structures and the new suite of strategic documents.

This Members Brief concentrates on the State's 2019 proposed reforms.



## State's 2019 Proposed Reforms

### Voter's Petition – Commission of Inquiry

#### ***State's Proposal***

That a Commission of Inquiry into a council must be appointed by the Minister on receipt of a voter petition signed by more than 25 per cent of the number of voters on the roll used at the most recent general election. The Minister must have regard to the reasons included in the petition when setting the terms of reference of the Commission of Inquiry.

If the Commission makes a finding that a councillor has significantly caused or contributed to a council's good governance failure or a council's non-compliance with a governance direction, the Commission may make a finding that the councillor should be disqualified from being a councillor for four years. The disqualification will take effect once the report is tabled in Parliament.

Prior to the Commission making any adverse finding about a councillor, the councillor will have an opportunity to respond and the Commission must consider the response.

The Commission outcome will be provided to the applicant, the council and the Victorian Electoral Commission (VEC). The VEC must publish a notice of the outcome.

#### Petition Process (to be set in regulations)

An application for a petition:

- cannot be made within 6 months before or after a council election
- must be made to the VEC accompanied by the prescribed fee
- must contain specific information including a statement of grounds describing why the petition is sought of up to 200 words
- may be made by eligible voters
- councillors, council staff, previous petition applicants and their nominated representatives within the council term 'will not be permitted to receive approval for a petition'.
- the VEC will provide a copy of the petition to the council for a response of up to 200 words
- the VEC will provide public notice of the petition and the council response
- the applicant and nominated representatives may then collect signatures in the manner prescribed in the regulations, reasonably believing signatories are eligible voters and are providing informed consent, for 60 days
- the applicant must lodge the petition with the Minister within 5 days after the end of the 60-day period
- the VEC must provide advice to the Minister on the validity and percentage of signatures represented by the petition.

## ***State's Rationale***

The new process will make councillors more accountable to the community. Occasionally, a councillor acts in ways that seriously inhibits the ability of a council to function effectively or repeatedly acts in ways that are unacceptable in public office. It is in the interests of the community that a person who acts this way be removed from office.

The 2018 Bill proposed that the Minister have powers to suspend a councillor who was preventing the council from providing good government. While this could only be done on the recommendation of an integrity body, it placed a Minister elected at one level of government in a position of having to decide whether to remove an elected member at another level of government.

A better approach is to limit the removal from office of a councillor to independent processes and/or give the community who elected the councillor the power to seek review or dismissal of the councillor.

## ***MAV Commentary***

It is extremely difficult to assess the manner in which this proposal will operate given the limited available detail. There appears to be a disconnect between the objective, which is to make councillors more accountable to the community, and the Commission of Inquiry process.

There appears nothing to prevent a petition from being politically motivated or the result of a carefully considered and difficult decision by a council. An example would be where a council resolved to propose an increase in rates in order to preserve council services and maintain infrastructure. A decision to exceed the rate cap may, despite ESC approval, be sufficiently unpalatable to more than 25 per cent of eligible voters to result in a valid voter's petition. Other examples include service level changes (library service hours, swimming pools closures) made in order to manage limited resources or controversial planning decisions after community input. The council would then be subject to a Commission of Inquiry, need to divert resources to respond to the Inquiry and pay the costs of the Inquiry.

There is no detail on whether the grounds for the petition could reference specific councillors, which would create a nexus with the objective of the proposal but would inevitably result in reputational detriment to a councillor. The petition process, including the publication of the grounds by the VEC, the collection of signatories by the applicant and the promotion of the petition via social media would also likely result in impacts on the wellbeing of a councillor. There would be no prospect of the councillor clearing his or her name for 3-6 months after which the damage could not be repaired even with a complete 'exoneration' by the Commission. It is not hard to envisage both stress claims arising from this drawn out process and cross claims of some sort, eg. defamation or injunctive relief.

The serious nature and significant costs of an Inquiry are not reflected in the obligations imposed on an applicant. At this time, we do not know what information, other than the 200 word 'grounds', needs to be provided by the applicant. 200 words is the same length as candidate's statement. What process, if any, is followed to assess the purported "grounds" and where will that responsibility lie?

It is also unclear whether all other governance and/or conduct-related processes including the new internal dispute arbitration process, a Councillor Conduct Panel or an investigation by the Municipal Inspectorate would continue or could be brought during the course of the petition and any inquiry process.

There seems to be no thought given to the prospect of multiple petitions occurring contemporaneously and what would happen in these circumstances.

This proposed reform coupled with the proposed default single member wards reform could together fundamentally shift the nature of governance of councils, possibly placing too much emphasis on individual councillors rather than collective decision-making in the interests of the municipality. These are significant changes that require extensive discussion within the sector.

The MAV wonders why the State Government proposes to apply elected representative recall mechanisms (Voter Petitions) to local government while not proposing to do the same for State Parliamentarians.

### ***MAV's Proposed Position***

This is a significant reform that has not been the subject of previous discussion or consultation. MAV is most concerned at the sparse detail provided and the potential implications for councils and councillors both in terms of damage to reputation and the costs of being involved in a Commission of Inquiry. MAV seeks full and proper consultation with the sector on this reform and requests that it be held over from the current Bill until such time as this occurs.

## Single Member Wards

### ***State's Proposal***

That a single electoral structure of single member wards apply unless it is impractical to subdivide a council into single wards eg. some rural councils with small populations and large areas.

The Electoral Representation Advisory Panel will advise the Minister on councils that may be permitted to be an unsubdivided municipality.

### ***State's Rationale***

It is contended that the proposal enables residents to more effectively receive direct representation and results in greater accountability of councillors to local communities, fostering true 'local' government. It has the benefit that councillors will be elected with equal vote shares within their council and the process more closely reflects the way members of parliament are elected.

### ***MAV Commentary***

The role of a councillor is to act in the best interests of the municipality as a whole and the rationale that there is more effective representation and greater accountability of councillors in single member wards risks promoting parochialism.

Where a councillor is absent, for personal reasons, with or without a leave of absence the local community will have no 'direct representation' by the ward councillor. Where a councillor is suspended, which may occur for a period of up to 12 months (under the Bill), there will be a need for the councillor role to be 'back filled' in some way, presumably by other councillor/s with more support from within the council administration.

In the event of an extraordinary vacancy a by-election will be necessary. These would be paid for by the Council, a cost ultimately borne by ratepayers.

Supporters of single member wards might argue this structure is preferable because councillors will be more familiar with issues within the ward and therefore able to ensure those issues are raised and appropriately prioritised.

Single member wards eliminate the inequities that occur in the proportion of voter support (quota) required to be achieved where there are differences in the number of councillors in each ward. Multi-member wards with equal numbers of councillors do the same.

Proponents for the proportional representation voting system which applies to multi member and un-subdivided structures argue that it is more representative of the wishes of an electorate in that candidates are elected based on the percentage of the vote they receive together with the transfer of surplus votes from successful candidates. While only one party openly endorses candidates, it is understood that many Labor and Liberal aligned candidates are provided various levels of campaign support.

It is concerning that we haven't seen any modelling from the State on the impacts of their single member ward proposal. This is a significant reform and communities are entitled to know the impacts if it is being put forward as the preferred option.

In contrast, the current electoral structure reviews conducted by the VEC are comprehensive, involve affected councils and communities, and put forward analysis detailing the impacts of proposed electoral structures.

The objective of the electoral representation review is to recommend a ward structure that provides fair and equitable representation for voters taking in the vagaries of different municipal districts.

Under the State's proposal, unless the population within a municipality is very evenly distributed, artificial ward boundaries will be needed in order to achieve wards with the allowable councillor-voter variance. Regional councils with towns or a city and otherwise dispersed populations will likely need ward boundaries that cut through the town resulting in advantages to candidates with greater profiles within the populated areas and detrimentally affecting other candidates.

In 2003, 43 councils had a single member ward electoral structure, by 2019 the number of councils with single member wards had decreased to seven. The State has not provided any rationale as to why this is a bad thing.

In our response to the Government's 2016 Directions Paper, we did not support uniform electoral structures. Flexibility in the current model ensures that local circumstances are taken into account, as well as communities of interest.

### ***MAV's Proposed Position***

It is proposed to oppose this reform and support the retention of the current range of electoral structures in the *Local Government Act 1989*. Victorian local government comprises 79 unique councils and flexibility in electoral structure is needed to effectively respond to local needs.

## Simplified Voter Franchise

### ***State's Proposal***

That only those voters on the State electoral roll will automatically be enrolled to vote in council elections. All non-resident people who pay rates will need to apply for enrolment in order to vote. It is proposed that current electoral rights are grandfathered for the 2020 general election.

### ***State's Rationale***

It eliminates the need for duplicate names arising from combining the State electoral roll with council's ratepayer records. It will also increase voter participation overall because less than 50 per cent of non-resident voters cast a vote.

### ***MAV Commentary***

Non-resident ratepayers will need to apply to be enrolled in the same way business occupiers, corporation nominees and resident owners not on the State roll must apply.

In the 2016 general elections non-resident ratepayers comprised 14 per cent of the voters across all councils. The number of voters in 2016 was nearly 4,428,000 and accordingly, on 2016 figures, around 620,000 non-resident ratepayers would be affected by the proposed change and need to apply for enrolment.

It will be essential that any change is accompanied by timely information directed to these ratepayers about their right to apply for enrolment.

The State Government's Directions Paper had two options:

- Option 1: "Make the entitlement to vote in a council election to be on the register of electors for the Victorian Legislative Assembly (the State roll) for an address in their municipality. Grandfather the voting entitlements of existing property-franchise voters in that municipality. Institute compulsory voting for all enrolled voters."
- Option 2: "Maintain the existing franchise but cease automatic enrolment of property owners and require these voters to apply to enrol for future council elections if they choose to do so. Institute compulsory voting for all enrolled voters."

MAV's submission was that "options 1 and 2 be opposed because they disenfranchise key stakeholders in the municipality and that retention of the franchise provisions in the current Act be supported." The exposure draft accorded with MAV's position.

The State Government's rationale for changing the franchise for councils, but not for the City of Melbourne specifically, is inadequate.

### ***MAV's Proposed Position***

It is proposed to reiterate MAV's position that the retention of the existing voter franchise is supported.

## **Mandatory Candidate Training**

### ***State's Proposal***

All candidates for council elections will be required to undertake mandatory training as a pre-condition to the VEC accepting a nomination.

### ***State's Rationale***

Candidates may have limited understanding of the role of councillor, the level of commitment necessary to undertake the role and what a councillor can legally do. The new training requirements will improve competency, skills and transparency

### ***MAV Commentary***

The need for candidates to have an understanding of the role of and commitment necessary to be a councillor underpinned the MAV 'Stand for Council' program which we have delivered prior to the last three general elections. The 'Stand for Council' campaign objectives were to raise awareness of the elections, encourage members of the community to stand for council and provide information on the election process, the role of a councillor and expectations of councillors. A key objective of the most recent campaign was to boost overall candidate participation and, in particular, under-represented groups while profiling the role of local government. One specific focus in 2016 was to reach a broad constituency and encourage cultural and religious diversity, improved gender balance and a better mix of participation across age groups.

The 2016 'Stand for Council' program was delivered by the MAV on behalf of councils to 1,400 participants across 87 sessions provided at 74 councils.

### ***MAV's Proposed Position***

The MAV supports the provision of appropriate information to candidates prior to standing for election or information.

MAV considers candidate training should be provided in the context of raising awareness about local government elections, should continue to be provided by the MAV, with a state-wide consistent format and an auditable attendance record that can be provided to the VEC.

## Mandatory Councillor Training

### ***State's Proposal***

CEO arranged councillor induction training addressing the role of a councillor, the councillor Code of Conduct, conflicts of interest and any other matters to be included in regulations must be undertaken within six months. If the training is not undertaken within this time the councillor allowance is withheld until the training is complete at which time the allowance is refunded.

### ***State's Rationale***

Mandatory training will improve councillor standards and capability to meet the requirements of office. Councillors not understanding the role of councillor contributes to diminished operational effectiveness in many councils.

### ***MAV Commentary***

The underlying rationale for MAV's Councillor Professional Development Program is a recognition that councillor induction, ongoing councillor training and professional development are vital additions to the skills, knowledge and competencies that councillors bring with them to their role. The increasingly complex and ever changing regulatory and operational landscape means that properly considered and focussed training and development should occur throughout a councillor's term.

The proposal that critical knowledge requirements be required to be arranged by a CEO for delivery to each councillor within a six-month period is supported.

### ***MAV's Proposed Position***

The MAV supports mandatory councillor training and will work with the sector to establish a training program that can be tailored by each council to minimise the costs associated with this proposal. The program will be developed prior to the 2020 general elections.



## Donation reform/Gift disclosure threshold

### ***State's Proposal***

A number of recent changes to the electoral campaign donation arrangements in Victorian parliamentary elections are to be extended to local government elections. Foreign donations will be banned; individual donations will be capped at \$1,000; the gift disclosure threshold will be lowered from \$500 to \$250 and; councils will be required to have a gift register and publicly transparent gift policy.

### ***State's Rationale***

The disclosure of election funding is important for ensuring transparency in democratic elections. Voters have a right to know where candidates are obtaining their funding and to know that elected members are not improperly favouring people who donated to their election campaign. The current disclosure threshold of \$500 is considered too high for proper transparency in local government elections where overall expenditure is generally low.

### ***MAV Commentary***

The issue of foreign donations at the Federal and State levels has been topical for some time. MAV often espouses that the local government sector should be treated in a similar way to the situations that apply at the State Government level. For this reason, it is considered that the prohibition of foreign donations is reasonable and appropriate. The reduction in the gift disclosure threshold to \$250 will ensure increased transparency of donations and is supported. The funding arrangements for State elections are quite different to those applying to local government candidates. There are no supporting arguments for adopting a cap of \$1,000. Given that donations above \$250 will be transparent there seems to be no compelling reasons why this cap could not be higher given the cost of running an election campaign.

### ***MAV's Proposed Position:***

That:

- The prohibition on foreign donations be supported
- The reduction in the gift disclosure threshold to \$250 be supported
- The position on the cap of \$1000 per donation be considered after feedback from the sector
- The requirement for a gift register and gift policy be supported

## Prescribed standards of conduct

### ***State's Proposal***

The Bill will no longer include the Councillor Conduct Principles. Each council will be required to adopt a councillor code of conduct that includes the standards of conduct prescribed in regulations. The standards will define specific acts and omissions of behaviour that apply to all councillors in all councils. Councils will have discretion to include additional material in their codes – but not material that relates to the standards of conduct.

### ***State's Rationale***

An examination of the existing codes has highlighted areas of concern with a lack of consistent standards to which councillors can be held accountable. Many codes contain matters that are internal procedures with limited connection to standards of behaviour. The standards will be clearly defined and apply universally to councillors.

### ***MAV Commentary***

There are standards of conduct prescribed in regulation in other Australian jurisdictions. The proposal enables a council to include additional material in its code in addition to the matters prescribed in regulation but not material that deals with standards of conduct. It is considered that consistency in the standards prescribed for councillor behaviour across the sector should be supported. These arrangements will also provide further clarity on the types of matters that may be referred to the Internal Arbitration process.

### ***MAV's Proposed Position***

That the proposal be supported in principle subject to further consultation with the sector on the detailed standards of conduct to be prescribed in regulation.

## Internal Arbitration process

### ***State's Proposal***

The arbitration process will become a legislated process managed by the Principal Councillor Conduct Registrar rather than requiring each council to develop and adopt its own process. An application for an Internal Arbitration Process must be made within 3 months of the alleged breach occurring. An application must be made to the Principal Councillor Conduct Registrar (PCCR).

### ***State's Rationale***

The internal resolution procedures were introduced in 2016 to enable councils to deal with low-level misconduct locally and to resolve matters more quickly than resorting to Councillor Conduct Panels. The current Act provides for internal resolution procedures to deal with interpersonal disputes as well as allegations of misbehaviour. It suggests that interpersonal disputes between councillors do not require legislative resolution. It contends that the current arrangements for councils to deal with the findings of an arbitrator can be problematic.

### ***MAV Commentary***

The exposure draft for the 2018 Bill proposed to retain the existing provisions relating to the internal resolution procedure. In its submission on the exposure draft, MAV flagged members concerns with the operation of the internal resolution procedure. MAV's position was that LGV should undertake sector-wide consultation on the councillor conduct framework and the operation of the internal resolution procedure.

The proposal removes matters relating to disputes between councillors from the internal arbitration process. Disputes between councillors will be expected to be resolved by mediation and counselling. MAV agrees that the arbitration process is not an appropriate forum to resolve disputes between councillors.

The proposal involves an application being made to the PCCR in accordance with the process prescribed in regulations (still to be developed). The PCCR will determine whether there is sufficient evidence to support an application for misconduct. This will align the application process for the Internal Arbitration Process with the Councillor Conduct Panel process. Instead of the council considering the findings of an arbiter and deciding on any penalties to apply to a councillor, the arbiter will now apply any penalties deemed appropriate. The penalties that can be applied are similar to those that can currently be imposed by a council. The proposal is considered an improvement over the arrangements in the *Local Government Act 1989*, not least because of its impartiality.

The notion that the proposed regulations be subject to consultation with the sector is strongly supported.

### ***MAV's Proposed Position***

That the proposal be supported in principle subject to further consultation with the sector on the content of the regulations.

## Repeated serious misconduct disqualification

### ***State's Proposal***

Councillor Conduct Panels hear allegations of serious misconduct against councillors. Serious misconduct can relate to bullying, conflicts of interest, improper direction of council staff, disclosing confidential information, sexual harassment, or failing to comply with an arbitration process. If a panel makes a finding of serious misconduct against a councillor twice within 8 years, that councillor will be automatically disqualified. A disqualified councillor will be ineligible to contest another council election for the next four years.

### ***State's Rationale***

Where a councillor acts in ways that seriously inhibits the ability of a council to function effectively or repeatedly acts in ways that are unacceptable in public office, it is in the interests of the community that a person who acts this way be removed from office. It is contended that the existing mechanisms that depend on a decision in VCAT or a court are inadequate for some situations.

### ***MAV Commentary***

MAV supported retention of the existing provisions in the *Local Government Act 1989* in relation to misconduct and serious misconduct allegations being heard by Councillor Conduct Panels and gross misconduct being heard by VCAT. Where a panel makes a finding of serious misconduct, the finding may be appealed at VCAT. Because of the gravity of matters covered by serious misconduct that are heard by Councillor Conduct Panels, it is considered that automatic disqualification for a councillor who is subject to two findings of serious misconduct may be warranted.

### ***MAV's Proposed Position***

That the proposal be supported.

## Rates and charges

### **State's Proposal**

It is proposed to retain the existing rating provisions in the *Local Government Act 1989* in the new Bill for the time being. New rating provisions are proposed to be enacted after the Victorian Local Government Rating System Review has been completed in March 2020.

### **State's rationale**

It is considered appropriate to await the outcome of the Rating System Review to inform changes to the rating provisions.

### **MAV Commentary**

In relation to rating exemptions in the exposure draft, MAV expressed its disappointment with the missed opportunity to fully engage the sector in the review of the rating provisions. It requested that further consultation be undertaken with the sector on the rating provisions, including rate exempt land used for commercial purposes and operating electronic gaming machines as well as land used for solar farms, desalination plants, etc.

In relation to the Fair Go Rates System, MAV indicated that the sector remains strongly opposed to the Fair Go Rates System and that reconsideration of the arrangements is sought together with a review and streamlining of the application process for a variation to the cap.

In relation to a municipal charge, MAV supported retention of the provisions in the *Local Government Act 1989* in the absence of any policy base for limiting the municipal charge to 10 per cent of total revenue from rates and charges.

In relation to service charges, MAV has advocated that the proposed changes that appeared in the *Local Government Bill 2018* should not proceed as they threaten council's ability to sensibly and reasonably manage costs, including waste management costs.

The sector will have the opportunity to make submissions to the Rating System Review.

### **MAV's Proposed Position**

That the State Government undertake detailed consultation with the sector on the outcomes of the Rating System Review together with a broader Local Government Funding Review as part of the development of amending legislation.

## Councillor Allowance Proposal

### **State's Proposal**

The State's *Local Government Bill – a reform proposal* provides as an example of the Reform Theme 'A New Relationship' (p4) that the Minister will no longer set mayor and councillor allowances.

At the briefing on Monday 17 June reference was made to the setting of the allowances by an Independent Remuneration Tribunal.

### **MAV's Proposed Position**

The MAV's response to the proposal for the Minister to set allowances by publication of a notice in the Government Gazette, contained in the Directions Paper and the exposure draft of the *Local Government Bill 2018* was:

*In relation to the setting of the amounts for the allowances, it is considered that these should be set based on the advice of the Victorian Independent Remuneration Tribunal in the same way that Parliamentary salaries and allowances are set.*

The MAV also advocated for an annual review of allowances by the Tribunal. Accordingly, the State's proposal is supported, subject to the inclusion of an annual review.

## **FURTHER INFORMATION**

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**Enquiries:** Cr Karen Egan  
**Telephone:** 9433 3104

12 July 2019

The Hon. Adem Somyurek MLC  
Minister for Local Government  
Level 16, 121 Exhibition Street  
MELBOURNE VIC 3000

Dear Minister Somyurek

**Re: Local Government Bill 2019 Reform Proposals**

I write to you as Mayor of Nillumbik Shire Council (Council) to express my concerns, and those of my fellow Councillors regarding the Local Government Bill 2019 Reform Proposals (Reform Proposals).

The greatest concern for this Council is not limited to the Reform Proposals themselves, but the lack of process to this point. The Reform Proposals are significant for all Council's and their communities. The consideration of, and subsequent submission to the reforms should reflect the importance of the Reform Proposals should they be introduced to Parliament. In addition the requirement for Council's to conduct their business in a transparent manner, is critical to good governance and should not be overlooked.

The timeframes set for the Reform Proposals and Council's meeting schedule, has not afforded Council the opportunity to resolve a formal submission to the reforms.

Nillumbik's Councillors have unanimously agreed to advocate for an extension to the deadline for consultation on the Local Government Bill 2019, or having the Local Government Bill 2018 introduced to Parliament and 2019 reforms introduced as an amendment. I therefore write to you urgently seeking a minimum one month extension to the feedback process while you consider the deferral of the Reform Proposals.

This request is not based on opposition to the Reform Proposals, rather a desire to gain a better understanding of the reforms and the consequences to our community and local government in general. Subsequently, Council would welcome the opportunity to submit a well-considered formal submission that has been resolved through Council.

I look forward to your response.

Yours sincerely

A handwritten signature in black ink, appearing to read "Karen Egan".

**Cr Karen Egan**  
**Mayor, Nillumbik Shire Council**