

Local Government Victoria update



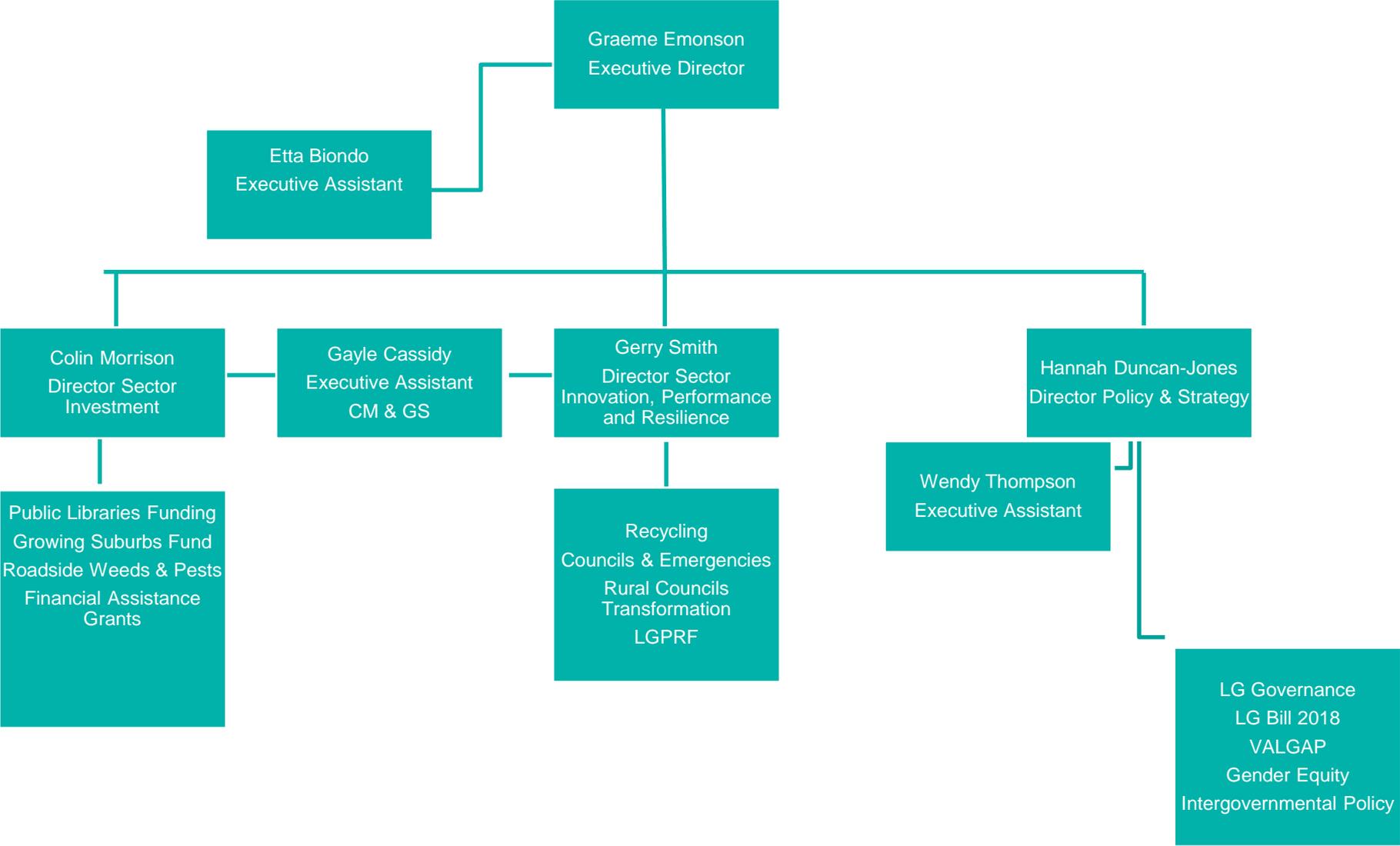
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Environment,
Land, Water
and Planning

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LGV Overview



- The Bill was Second Read by the Minister in May.
- It passed the Legislative Assembly in June.
- The Bill was in the Legislative Council when the Parliament was effectively prorogued in September.
- Parliament is unlikely to be recalled before the election.
- As a consequence the Bill has lapsed.

Cladding Rectification Agreements

- In the final sitting week the Parliament passed a Bill to allow for Cladding Rectification Agreements (CRAs).
- CRAs provide a low-cost loan vehicle for owners to access funds to rectify buildings with combustible cladding.
- The CRAs are based on Environmental Upgrade Agreements.
- CRAs will **enable** owners of buildings with flammable cladding to borrow to **rectify** cladding through a commercial lender and make repayments over long periods (10+ years) through their rates.
- CRAs will be voluntary for individuals and councils.
- A CRA requires agreement from at least 75% of owners.

- **The State election will be held Saturday 24 November 2018.**
- **Caretaker commences 6:00 pm on Tuesday 30 October 2018.**
- **Councillors standing for election may wish to take leave of absence.**
- **Councillors standing for election should exercise care on:**
 - biases and conflicts;
 - confidential information;
 - councillor codes of conduct; and
 - misuse of position.
- **A councillor elected to Parliament, must immediately resign.**
- **The Minister for Local Government will continue as Minister but will avoid:**
 - making or implementing major policy decisions;
 - making significant appointments; and
 - entering into major contracts or undertakings.

- Public tender or EOI for contracts valued over \$150,000 for goods or services or \$200,000 for works.
- Councils can seek Minister's exemption.
- Minister must be satisfied that value for money is achieved.
- LGV Advises Minister on approvals.
- Applications more than doubled this year.
- LGV has developed a new application form.
- Form and best practice guidelines – see LGV website.
- We're here to help.
- Contact is **Hannah Wood**, Senior Legislation Adviser
Phone – (03) 9027 5811
Email – Hannah.wood@delwp.vic.gov.au

- **The 2018 funding rounds for four major funding programs administered by Local Government Victoria have been completed in recent weeks with announcements of 109 successful projects:**
 - Growing Suburbs Fund - 45 projects funded
 - Living Libraries Infrastructure Program - 9 projects funded
 - Aboriginal Community Infrastructure Program (administered on behalf of DPC) - 20 projects funded; and
 - Free From Violence Local Government Program (administered on behalf of DHHS) - 35 projects funded.

Overview

- \$20 million program (lapsing FY2018-19)
- Incentivise the implementation of transformative shared services across rural and regional councils
- Attract a small number of large-scale applications seeking \$2 mil to \$ 5 mil for implementation

Outcome

- Improve financial sustainability with economies of scale across service delivery & procurement.

Key Dates

- Expression of interest applications
 - open 14 August 2018
 - close 15 November 2018

See: www.localgovernment.vic.gov.au/grants/

Recycling Services Temporary Relief Funding (TRF)

- In early 2018 China's "National Sword" policy restricted the importation of many recycled materials.
- The \$12 million Recycling Services Temporary Relief Fund was announced in February 2018 to assist councils in meeting the immediate cost pressures resulting from the changed market conditions .
- All 79 Victorian councils opted to take up the funding, which will help offset the cost of recycling collected between 1 March 2018 and 30 June 2018.
- The Victorian Government has also released its Recycling Industry Strategic Plan. This is a long-term response to challenges facing the recycling industry, communities and businesses.

- Considers applications from community groups through their councils
- Over \$700,000 available
- Applications closed this week on 15 October – 12 councils submitted applications
- Evaluation this week
- We will execute funding agreements prior to caretaker.

Announced in the 2016-17 budget and delivered in three streams:

Stream One

- Specialist accounting and finance advice and support to rural councils on a project-by-project basis. A core emphasis of these projects is the internal capability development of the participating councils.

Stream Two

- Grants that allow rural and regional councils to explore opportunities for shared services and collaborative procurement that are more financially sustainable or improve services.

Stream Three

- Develop and revise policy in local government finance. The products of this stream include better practice guidance documents and practice notes tailored for the whole local government sector.

The Local Government Performance Reporting Framework (LGPRF) was launched in 2014 to foster transparency of local government performance across Victoria.

- All 79 Victorian councils annually report against 59 performance indicators, covering areas such as Governance, Food Safety, Roads, Statutory Planning and Waste Management.
- Through the Know Your Council website, Councils and the public can view three years of results and compare against other councils.
- Currently data is being captured for the 2017/18 Financial year and will be released late 2018.

New Payment in Lieu of Rates (PiLoR) arrangements

- Changes under section 94 of the *Electricity Industry Act 2000*
- Method applies to solar and wind electricity generators up to 25 MW capacity.
- Solar added so upcoming solar generators of all capacities can use the PiLoR framework to estimate payments.
- The changes follow public consultation about the PiLoR .
- No change for solar and wind over 25 MW capacity.
- No change to methodology for hydro, coal or gas.
- More information visit: [energy.vic.gov.au website](http://energy.vic.gov.au).

- FinPro have convened a working group to address the impact of the upcoming changes to the Australian Accounting Standards (AAS) on Victorian councils.
- Changes to the AAS applying to future reporting periods are expected to significantly impact how councils account for revenue, income, financial instruments and leases.
- The aims of the working group are to ensure that Victorian councils are as consistent as possible in the application of the new AAS and the development of relevant guidance and worked examples to support the sector in applying the required changes.

- **Working groups formed to review and update:**
 - 2018-19 Model Accounts
 - 2019-20 Model Budget
- **Representatives from LGV, FinPro, CPA Australia and the accounting profession**
- **Changes to Australian Accounting Standards will be a key driver of updates to both models this year**

Municipal Emergency Resourcing Program (MERP)

- Local government plays an important role in emergency management through its own legislated emergency management obligations.
- Councils are not emergency response agencies but provide support to response agencies as well as coordinating relief and recovery support for the community.
- The Municipal Emergency Resourcing Program (MERP) is a vital program to support local governments in preparing and planning for an emergency event.
- \$4.6 million is distributed through the program to the 64 CFA district councils to enable them to create better prepared and more resilient communities.



Questions?