

FinPro Professional Development Day

26 May 2016

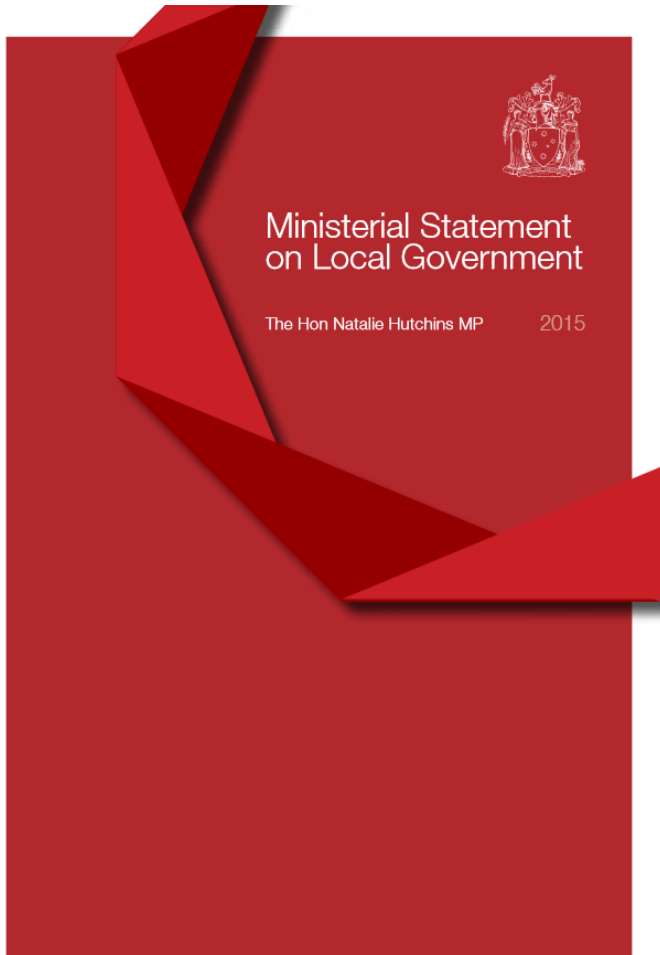
Dr Graeme Emonson
Executive Director, Local Government Victoria



Challenges and Opportunities

- An outdated Local Government Act
- Disengaging community
- Conduct and governance
- Financial sustainability of rural councils
- Disproportionate population change
- Growing expectations

Government's Local Government Reform Agenda



The Government will implement its Local Government Reform Directions focusing on three strategic areas for action:

1. INTEGRITY AND GOOD GOVERNANCE

2. CAPACITY AND PERFORMANCE

3. DELIVERING FOR COMMUNITIES

Local Government Act Review

2015

- **Identification of Issues**

- Release of Discussion Paper, commissioning of background papers, technical working groups

2016

- **Reform Directions**

- Release of Directions paper outlining key reforms, with further opportunity for submissions

2017

- **Legislation**

- Release of an Exposure Draft Bill with opportunity for further input

Local Government Act Review

- Clearer and stronger leadership roles
- Simpler and clearer electoral arrangements
- Simpler and clearer rating arrangements
- Encouragement of collaboration and innovation
- Longer term planning
- Principles based versus prescription
- Autonomy versus Ministerial oversight

Review of Electoral Regulations

Proposals for change:

- Distribution of How to Vote Cards
- Receival of Postal Votes
- Candidate Information

Fair Go Rates System – Current Status

- 9 out of 79 councils have applied for variations
- 18 of the 79 Councils developed the 2015/16 SRP forecast on rate increases of 2.5%
- ESC assessments to be completed by 31 May 2016

Fair Go Rates System

Guidance and information requirements



Local Government rates capping & variation framework review

Local Government rates capping & framework review



Local Government Performance Monitoring Framework

Development of a local government performance assessment and benchmarking regime



[Read more about this project »](#)

Know Your Council Website



Know Your Council provides an opportunity for you to access consistent information in regard to the performance of local councils across Victoria

Know Your Council - Usage Statistics

Total page views is 349,264

Total users to the website is 52,530

Top 5 most popular councils (in terms of page views):

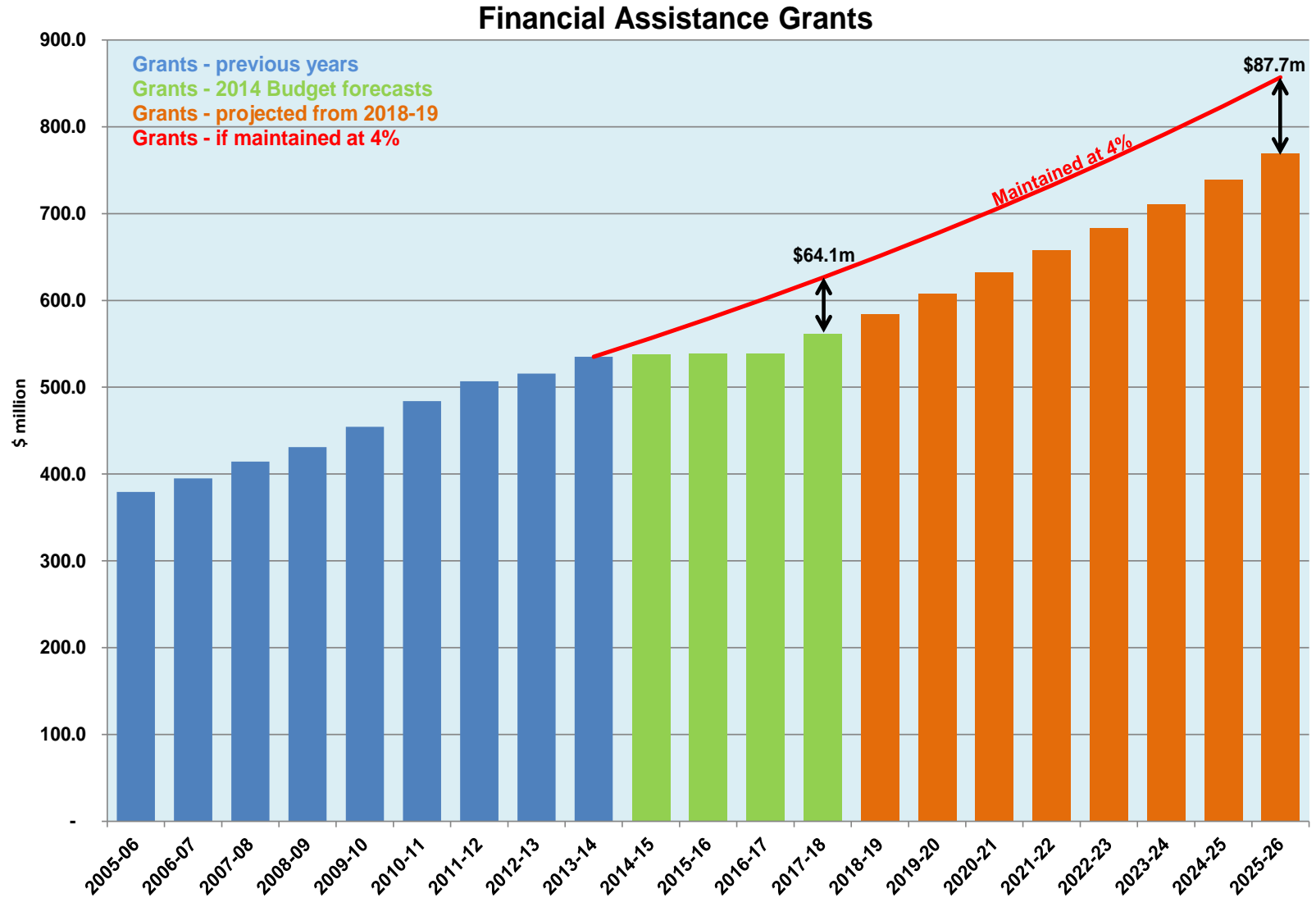
1. Melbourne (4,497)
2. Casey (2,955)
3. Wyndham (2,917)
4. Boroondara (2,877)
5. Monash (2,820)

Know Your Council

- 40% of the visitors to the website were returning users
- 46% of the visitors to the website were male and 54% were female
- 33% of visitors to the website were between 25-34 years old (the largest age demographic), whereas 65+ years made up less than 5% of visitors (the smallest age demographic)

FinPro's participation on the Performance Reporting Steering Committee.

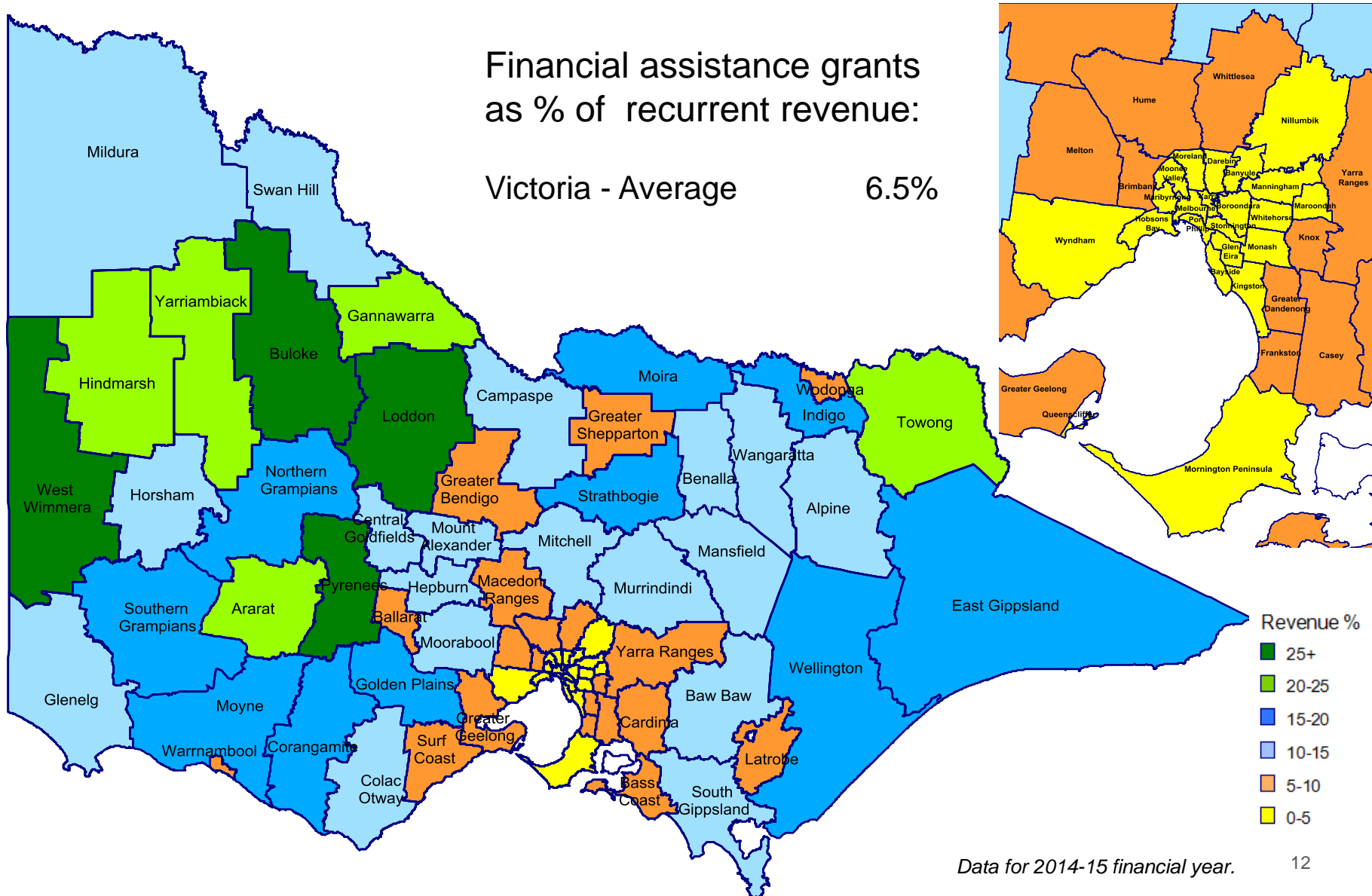
Financial Assistance Grants- Indexation Freeze



Financial Assistance Grants

Financial assistance grants
as % of recurrent revenue:

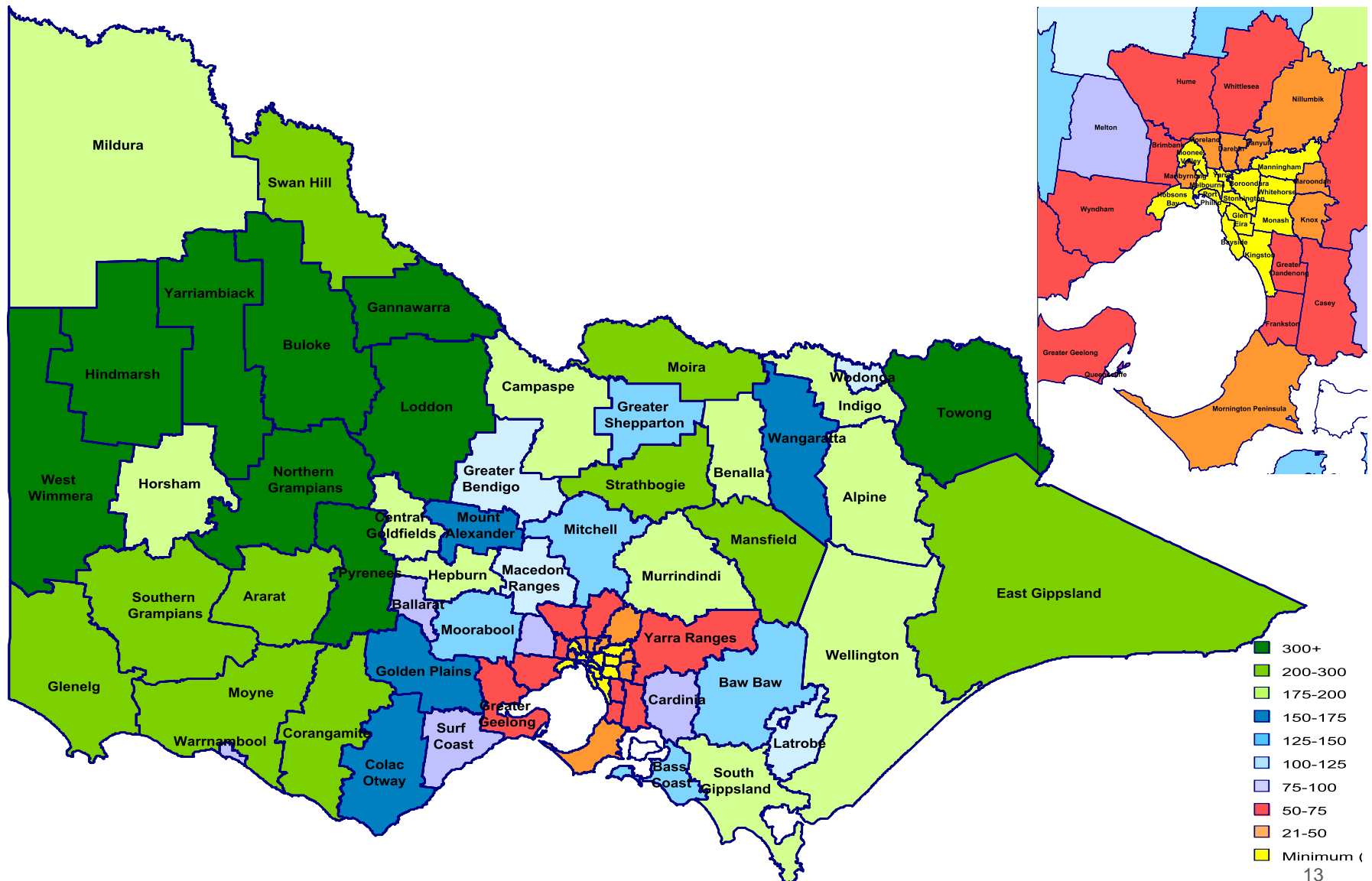
Victoria - Average 6.5%



Data for 2014-15 financial year.

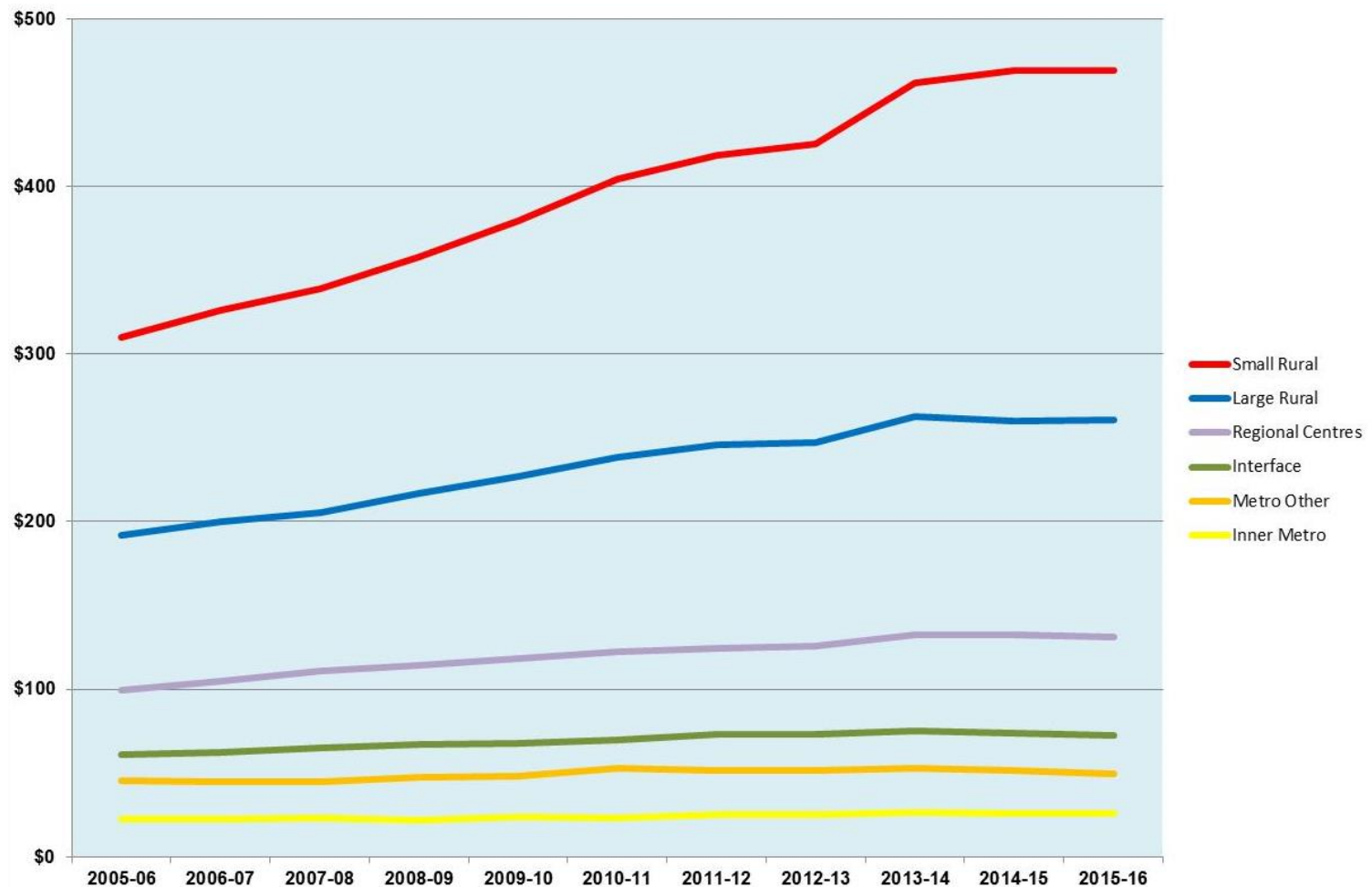
General Purpose Grants 2015-16

(\$ per capita)

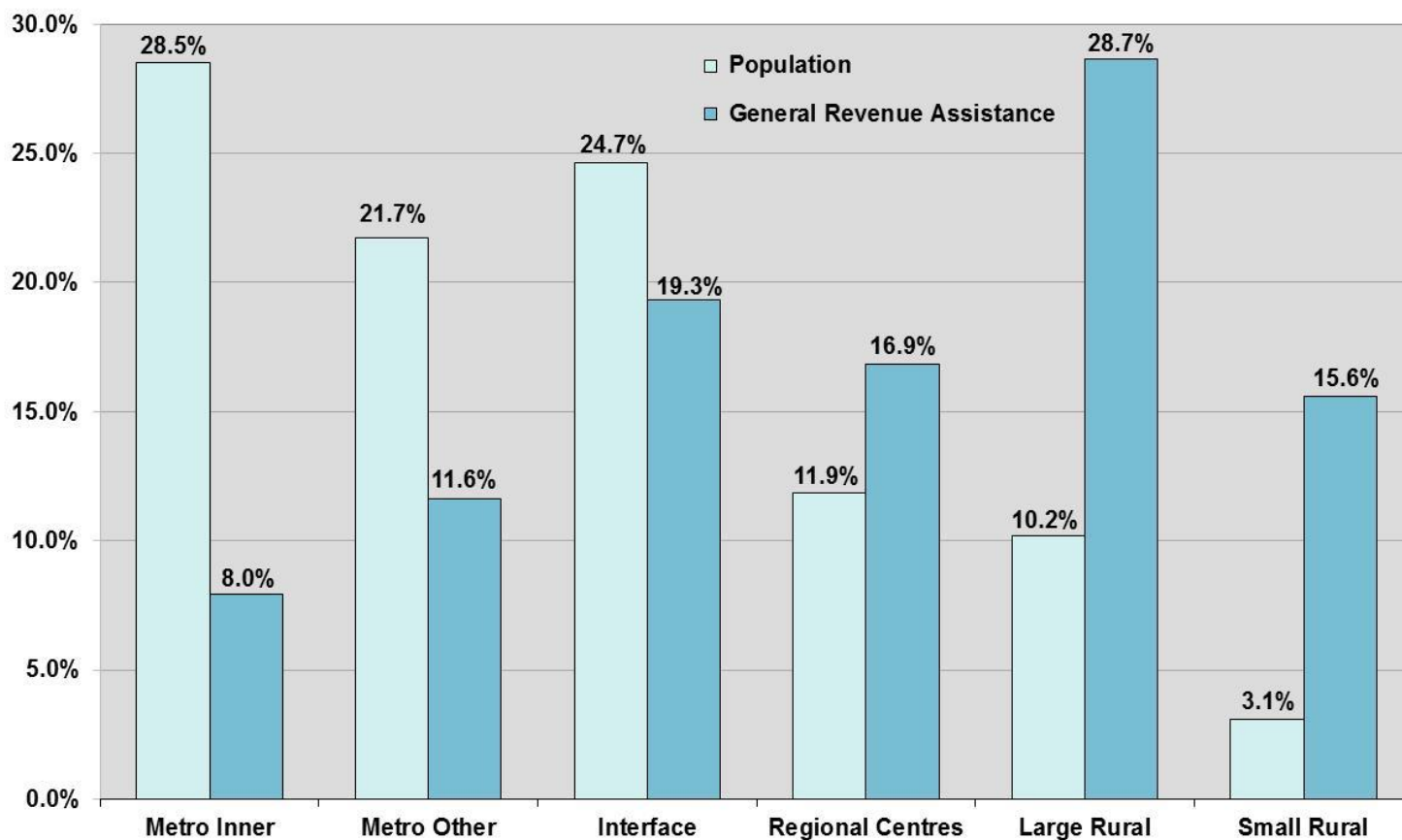


Trends – Total Grants Per Capita

Rural councils receive higher per capita grants than councils in other groups, and this trend has been accelerating over time.



Grants by Council Groupings



Rural councils comprise 13.3% of Victoria's population but receive 44.3% of the financial assistance grants pool.

State Budget Initiatives 2016-7

- \$4.4m Living Libraries Infrastructure Program
- \$41.5m Public Libraries Funding Program
- \$1.1m Premiers Reading Challenge
- \$4.56m Municipal Emergency Resourcing Program
- \$2.6m Roadside Weeds and Pest
- \$541.8m Victoria Grants Commission
- \$50m Interface Growth Fund (Growing Suburbs Fund)
- \$0.8m Local Government Finance and Accounting Support Team

Local Government (Finance and Accounting) Support Team

- \$3.2 million over 4 years
- Direct assistance to Councils
- Strengthen financial management capacity
- Opportunity for collaboration



Current Partnership Funding

Collaborative Councils and Sustainability Fund Partnership:

- \$1.8 million over 2 years for projects supporting both Sustainability Fund Priority Statements and LG reform

Stronger Rural Councils

- \$3.5 million over 4 years



On the horizon...

Currently, from a finance perspective our focus is on:

- Analysing budgets, SRPs to collate sector and sub sector analysis
- Implementing the Finance and Accounting Support Team
- Analysis of Fair Go Rates (Year 1)
- Roll out of Asset Management Training and Development

Policy Development- Financial Focus

- Councillor engagement in strategic financial planning
- Accounting for landfill rehabilitation
- Depreciation expense and impact on underlying deficits
- Accounting and budgeting for related entities
- Impact of accounting for land under roads
- Role of the Audit Committee

Questions

Questions?