

INQUIRY INTO LOCAL GOVERNMENT SUSTAINABILITY - SUBMISSION

Report Author: Executive Strategic Advisor
Responsible Officer: Chief Executive Officer
Ward(s) affected: (All Wards);

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public.

SUMMARY

The Victorian State Government is inviting submissions to its Inquiry into Local Government Sustainability. Council's state peak bodies – the Municipal Association of Victoria (MAV) and Local Government Finance Professionals (FinPro) – are both preparing submissions on behalf of the sector. To complement submissions being made by MAV and FinPro, a submission on behalf of Yarra Ranges Council has been prepared to highlight the unique issues and challenges faced by our organisation and community.

RECOMMENDATION

That Councillors endorse the submission (Attachment 1) to The Parliament of Victoria Legislative Council Economy and Infrastructure Committee Inquiry to Investigate Local Government funding service delivery in Victoria.

RELATED COUNCIL DECISIONS

The submission highlights issues and challenges that have previously been highlighted in Council's endorsed budget documents, including 2023-2024 Council Budget – adopted at Council meeting 27 June 2023.

DISCUSSION

Purpose and Background

The Parliament of Victoria Legislative Council Economy and Infrastructure Committee has launched an Inquiry to investigate local government funding service delivery in Victoria. The terms of reference invite commentary on:

- cost shifting from state and federal governments to local council.
- ability of local governments to meet core service delivery objectives.
- local government's revenue structure, as well as whether these structures are sustainable and appropriate.
- whether there are alternative models of funding to consider.

Submissions are due by 28 June 2024.

The state peak bodies MAV and Local Government Financial Professionals (FinPro) are both preparing submissions into the Inquiry representing issues shared across the local government sector. This submission provides some specificity of material to Yarra Ranges Council and consolidates and echoes some of the previously submitted MAV State Council motions. The Committee that launched the Inquiry is specifically seeking to quantify cost shifting, understand downstream consequences to services and understand financial and policy levers that they could recommend improving Council funding sustainability and address funding shortfalls. This submission is crafted to address the specific remit of the Committee.

FINANCIAL ANALYSIS

There is no financial cost associated with Council making a submission to the Inquiry. The submission itself speaks to a range of financial challenges faced by Council, including Financial Assistance Grants, the Victorian Local Government Grants Commission funding model, and access to federal regional funding programs, among other matters.

The submission emphasises the current impacts to financial sustainability and foreshadows an opportunity for rectification of systemic challenges to Council's financial sustainability and makes the case for a future that aligns state and local government effort to achieve best outcomes for community.

APPLICABLE PLANS AND POLICIES

By making a submission to the Inquiry, Council is seeking to improve the sustainability of all local government services and operations, therefore supporting all five of Council's Key Strategic Objectives. Specifically, this submission supports the following action in the Council Plan 2021- 2025:

- Consolidate and strengthen advocacy through evidence and stronger relationships to ensure other levels of government are effectively and efficiently engaged to support local services and programs.

SUSTAINABILITY IMPLICATIONS

Council continues to experience significant challenges to deliver services and infrastructure to our community in a way that is financially sustainable, and continuance or increase of this financial austerity this will likely impact all services, including direct community services, land management and climate adaptation activities, asset investment and maintenance.

COMMUNITY ENGAGEMENT

Not Applicable.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

Yarra Ranges Council is pleased to make a submission to the Legislative Council Economy and Infrastructure Committee Inquiry into Local Government Funding and Services and respects the opportunity to share our unique perspective with State Government. Council works closely with partners across the local government sector to advocate for reforms that provide for a more sustainable sector that can support communities into the future.

Several partners, including federal and state peak bodies, the Australian Local Government Association, FinPro and the Municipal Association of Victoria, are preparing submissions to the Inquiry, which will focus on sector-wide issues.

Council's submission seeks to complement those made by local government peak bodies, and to highlight Yarra Ranges Council's unique insights and challenges. We look forward to a future where State and Local Government work in strong partnership for the best outcomes of all Victorians.

RISK ASSESSMENT

The financial pressures facing Council pose a strategic risk to the organisation and the community we serve. Making a submission to this Inquiry allows Council to constructively address these challenges with the Commonwealth Government. Conversely, by not making an individual submission to this process, Council would weaken its voice in advocating for the funding and conditions required for Council to serve its community effectively and sustainably into the future.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

1. Inquiry into Local Government Funding and Services - Yarra Ranges Council Submission