

COMMUNICATION AND CONSULTATION **GUIDELINES**
ON STATE-LOCAL GOVERNMENT ENGAGEMENT



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1. INTRODUCTION

The guidelines provide high-level principles to guide consultation between state and local government under the Victorian State–Local Government Agreement (VSLGA) and the national Inter-Governmental Agreement Establishing Principles Guiding Inter-Governmental Relations on Local Government Matters (IGA).

Effective communication between Victorian Government departments and local government is critical to the success of collaborative government. The different functions of departments lead to different approaches to working with local government across portfolio areas. Recognising these differences, and the existing working relationships between state and local government, these guidelines do not prescribe any particular approach to consultation. Nevertheless, the VSLGA and IGA create a more formal environment for state–local government relations, which these guidelines are intended to support.

2. VICTORIAN STATE–LOCAL GOVERNMENT AGREEMENT

The VSLGA is both a stand-alone agreement, and an agreement that gives effect to IGA. The objective of the VSLGA is to progress social, economic and environmental outcomes for Victoria's communities. It aims to strengthen state–local government relations, improve coordination of government services, strengthen the capacity of local government, improve consultation and promote greater transparency and accountability between the two spheres of government.

The VSLGA does not limit the Victorian Government acting on its own accord in relation to local government. The state government is not obliged to see local government as the only provider for services on behalf of, or jointly with, the state government. The state government retains the right to amend or introduce legislation that affects local government. However, subject to exceptional circumstances, it should consult with the MAV and/or relevant local government bodies and ensure impacts (including financial impacts) are taken into account.

The VSLGA is available on the Local Government Victoria website:
www.localgovernment.vic.gov.au

3. NATIONAL AGREEMENT

The national *Inter-Governmental Agreement Establishing Principles Guiding Inter-Governmental Relations on Local Government Matters* (IGA) was signed by the federal Minister for Local Government, state and territory ministers for local government and the President of the Australian Local Government Association on behalf of all state and territory local government associations in April 2006.

The IGA establishes a framework under which future agreements can be struck between the three spheres of government. It lays the foundations and spirit in which state, territory and federal governments will work with local government, promoting respect, encouraging dialogue and transparency.

The purpose of the IGA is to:

- encourage the conduct of positive and productive relations between the Commonwealth, state and local governments in a spirit of respect and with an emphasis on partnership and cooperation; and
- provide an overarching framework from which further agreements covering specific services and functions should be developed.

The IGA is available on the Local Government Victoria website:

www.localgovernment.vic.gov.au

4. GENERAL PRINCIPLES FOR CONSULTATION AND COMMUNICATION

Consultation and communication are complementary processes that apply at different stages of interaction between two or more parties. Consultation is implied in all three categories of engagement in Section 5. There are, however, instances where direct communication is appropriate. These are outlined in Table 1.

The general principle of early engagement should apply to any consultation with local government. Particular attention should be paid to government decisions that may affect a program area where state departments see a role for local government, whether regulatory or non-regulatory.

Table 1: When to communicate and consult with local government

COMMUNICATION	CONSULTATION
State government's forward legislative program	When developing or reviewing state government policy or legislation that may affect local government
State Budget	When implementing services or programs that may affect local government
Decisions made following formal consultation with local government	When negotiating state–local government partnership agreements
Final draft of Bills of Parliament where local government has participated in the consultation process	When developing or reviewing Commonwealth or intergovernmental policy that is relevant to local government
Urgent decision making where time frames limit consultation	When making submissions to the Commonwealth Government on matters affecting local government
	When participating in intergovernmental councils or committees (including ministerial councils) that have significance for local government
	Where there are matters affecting the budget process of local government, such as the ability of local government to raise revenue

Table 2: When to communicate and consult with state government

COMMUNICATION	CONSULTATION
Issues relating to the VSLGA and IGA	When developing or reviewing local government policy that may affect state government
Local government's by-law development program	When proposing new legislation or amendments to current legislation for state government consideration
Follow-up commitments given to state government	When making significant policy decisions such as introducing new, or amending existing, local laws and changes to planning schemes
Other matters of interest affecting state government but not requiring formal feedback	When listing agenda items for meetings or considering motions that will affect state government
Urgent decision making where time frames limit consultation	Issues relating to the relationship with or the decisions of the Commonwealth Government that may affect state government

5. CATEGORIES FOR ENGAGEMENT

The VSLGA recognises the three areas of state–local government engagement outlined in the IGA, two of which are non-regulatory. They are:

1. *Non-regulatory services and functions: local government delivery of a service/function on behalf of state government*

Where the Commonwealth or a state or a territory seeks through non-regulatory means, the provision by local government of a service or function they shall:

- respect the right of local governing bodies to decide whether they will accept the responsibility for the delivery of a service or function on behalf of another sphere of government;
- negotiate on service delivery standards, financial arrangements and implementation with the relevant local governing bodies, or the relevant peak local government representative body;
- be responsible for developing their own programs, where appropriate, including responsibility for program design, determination of policy objectives, service delivery standards and funding; and
- where possible reach agreement with the relevant local governing bodies or peak local government representative body on the terms and conditions.

2. *Non-regulatory services and functions: joint services and functions*

Where the Commonwealth or a state or a territory and local government propose that a service or function should be jointly provided, they shall:

- agree to the objectives, design, standards, and shared funding arrangements prior to the implementation of the service or function; and
- where applicable, negotiate with the relevant local governing bodies, including the relevant peak local government representative body.

3. *Regulatory services and functions*

Where the Commonwealth or a state or territory intends to impose a legislative or regulatory requirement specifically on local government for the provision of a service or function, subject to exceptional circumstances, it shall consult with the relevant peak local government representative body and ensure the financial implications and other impacts for local government are taken into account.

6. APPLICATION OF COMMUNICATION AND CONSULTATION PRINCIPLES TO CATEGORIES OF ENGAGEMENT

Non-regulatory services and functions: local government delivery of a service/function on behalf of state government

A department considering local government as a service provider should consult with local government in the early stages of designing the delivery of services. This approach will give departments insight about the terms on which local government may accept new responsibilities, and allow time to identify options other than local government for delivering services or functions. The Victorian Government is responsible for setting and developing its own programs, including responsibility for program design, determination of policy objectives, service delivery standards and funding. Departments should factor in sufficient time to negotiate service delivery standards, financial arrangements and implementation.

Non-regulatory services and functions: joint services and functions

The negotiation of joint agreements for services and functions is similar to the approach above. However, extra time may need to be factored in so that the objectives, design, standards and shared funding arrangements can be agreed and/or negotiated with local government.

Regulatory services and functions

Departments should be especially mindful to include relevant local government peak bodies in consultations about the introduction or amendment of legislation that affects local government.

As a general rule, with both regulatory and non-regulatory matters to be considered by the Victorian Government, departments should consult with local government in accordance with the enabling mechanisms of the VSLGA. At a minimum, the requirement to consult with local government in accordance with Section 4.6 of the *Victorian Guide to Regulation* ('Consultation with local government') should be observed.

7. WAYS FOR STATE AND LOCAL GOVERNMENT TO ENGAGE IN FORMAL CONSULTATION PROCESSES

Victorian State–Local Government Group

The VSLGA establishes the Victorian State–Local Government Group (the Group), comprising the Minister for Local Government, President of the Municipal Association of Victoria and other parties as agreed. The Group is a mechanism to raise issues associated with the implementation of the VSLGA and the IGA, and other issues as members see fit. The Group's meetings are intended as a high-level overview of the VSLGA's implementation.

Any department wishing to raise an issue relevant to the Group should contact Local Government Victoria in the Department of Planning and Community Development in the first instance.

Regional Management Forums

Regional Management Forums (RMFs) provide an opportunity for local government to engage with state departments at the regional level. This level of engagement may be advantageous when services need to accommodate regional differences (e.g. population density, geography, resource capacity). Issues may be raised by either state or local government representatives in accordance with established protocols for each RMF.

Other regional groupings of local government

Local government groups, such as the Interface Councils, Regional Cities, Small Towns Victoria, meet because they face similar issues, but their boundaries do not necessarily abut. These groups meet with the Minister for Local Government and in some cases the Premier and other ministers on a regular basis, and provide opportunity for issues under the VSLGA or IGA to be discussed as part of a meeting's agenda.

Departmental/interdepartmental committees

Departmental and interdepartmental committees do not include members external to government. However, they may receive input from relevant stakeholders as required. Members of an interdepartmental committee should be mindful of the need to include local government views, where appropriate.

Reference group

Reference groups typically involves representatives from one or more Victorian Government departments and representatives external to government. Reference groups are useful mechanisms to ensure permanent representation from local government for the duration of a project. The Victorian Local Sustainability Advisory Committee is an example of a more formalised reference body to oversee the actions and issues arising from the *Victorian Local Sustainability Accord*. Information on the Accord is available on the Department of Sustainability and Environment's website: www.dse.vic.gov.au

Ministerial and departmental correspondence

Ministers, departmental secretaries and other senior officials may invite the views of local governments on issues they see as relevant to the VSLGA. As appropriate, either the Minister for Local Government, or the Executive Director of Local Government Victoria, should be copied into any correspondence.

Letters to ministers and departmental secretaries from the local government sector

Mayors and local government peak body heads may write to ministers on issues of concern under the VSLGA. The Minister for Local Government should be copied into any correspondence. Council and local government peak body CEOs should raise any concerns with the Executive Director of Local Government Victoria.

Consultation and concept papers

From time to time, the Victorian Government and its departments prepare policy papers for either invited stakeholder comment or a public consultation process.

While public consultation processes provide an opportunity for local government to submit their views without being invited to do so, departments should be mindful to inform local government peak bodies of any public consultations at the time the consultation paper is released.

Table 3: Summary of formal consultative mechanisms for state and local government

CONSULTATIVE MECHANISM	PURPOSE
Joint state–local government	
Victorian State–Local Government Group	To discuss the implementation of the VSLGA and IGA
Regional Management Forums	State–local government consultation and cooperation at regional level
State government	
Ministerial/departmental correspondence	To invite local government views, or inform local government of the outcome of consultations or government decisions
Departmental/interdepartmental committees	Primarily for cross-governmental consultation, which may invite the views of local government
Reference groups	Mechanism to include local governments as a member of an intergovernmental reference group
Local government	
Regional groups	May seek to discuss particular issues with relevant ministers
Local government correspondence and submissions to state government	May provide input into Victorian Government consultation process, or raise issues of concern

8. EVALUATION

Progress towards implementing the IGA will be monitored by the Local Government and Planning Ministers' Council. Departments will be asked to provide information to Local Government Victoria on an annual basis about the agreements and consultations that have taken place with local government over a 12-month period. A reporting template will be designed for this purpose once local government officials around Australia have agreed on reporting arrangements.

9. CONTACT INFORMATION

For further information on these guidelines, the VSLGA and IGA, contact Local Government Victoria, Department of Planning and Community Development on **03 9208 3430**.

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