



WELLINGTON
SHIRE COUNCIL
The Heart of Gippsland

26 June 2017

Municipal Association Act Review
C/o Local Government Victoria
PO Box 500
MELBOURNE VIC 3002

Dear Sir

WELLINGTON SHIRE COUNCIL SUBMISSION - RESPONSE TO THE MUNICIPAL ASSOCIATION ACT REVIEW

Thank you for the opportunity to provide input into the Victorian Government's review of the *Municipal Association Act 1907*.

Our responses to the proposed reforms as detailed in the Consultation Paper are as follows:

ROLE AND POWERS

1. Do you support the proposed reforms to the role of MAV?

We support the:

- addition of a provision articulating MAV's role.
- inclusion of the five dot points which set out the role of MAV in representing member Councils' interests and being accountable to member Councils. Further, the specific details of each of these dot points needs to be clearly articulated within the document.

We would also support the inclusion of a clause which details MAV's independence as a membership association for Local Government.

2. Do you support the proposed amendments to MAV's powers as a body corporate?

Agree with the proposed reform.

3. Do you support making clear that each council has a right to appoint one of their councillors as their MAV representative?

Agree with the intent of the proposed reform however we believe that the wording of the proposal requires amendment to ensure clarity around:

- MAV being an incorporated body in its own right
- The role of the MAV Board which comprises 12 Council representatives
- The role and composition of State Council.

Sale Service Centre

18 Desailly Street (PO Box 506), Sale Victoria 3850
Telephone 1300 366 244

Yarram Service Centre

156 Grant Street, Yarram Victoria 3971
Telephone 03 5182 5100

Contact Us Online

Web www.wellington.vic.gov.au
Email enquiries@wellington.vic.gov.au



RESPONSIBILITIES

4. Do you support the inclusion of responsibilities for the appointed representatives?

We support the inclusion of specific parameters for the appointed council representatives except for “determining the strategic direction of the MAV”.

MAV’s strategic direction and ongoing review should be determined by the MAV Board in conjunction with input from the State Council representatives and the MAV management team.

5. Do you support the proposal that the State Council have the power to make or amend the MAV Rules?

Agree with the proposed reform.

6. Do you support setting out the functions and responsibility of the board of management in the MA Act?

Agree with the proposed reform and in addition it should detail that:

- MAV Board members should act honestly and in the best interests of MAV
- The MAV Board should ensure good governance throughout MAV
- There is a process in place for assessing the MAV Board's performance.

7. Do you support the addition of conduct provisions for the board of management?

Agree with the proposed reform and supported by our answer to question 6 above.

8. Do you support the requirement for a remuneration policy?

Agree with the proposed reform.

REPORTING AND ACCOUNTABILITY

9. Do you support the principles of sound financial management?

Agree with the proposed reform. We would expect that MAV operate with a high level of transparency and its accounts and financial information should be fully disclosed.

10. Do you support increased accountability to the member councils and the Minister as set out in the proposed reforms?

Agree with the proposed reform however, we believe that it may be prudent for the MAV to report to Parliament rather than the Minister as this would recognise the unique role and independence of the MAV from the Government of the day.

11. Do you support the requirement for the MAV to adopt a procurement policy?

Agree with the proposed reform.

12. Do you support the requirement to establish an audit and risk committee as detailed in the proposed reform?

Agree with the proposed reform.

INSURANCE**13. Do you support the inclusion of a regular review mechanism to assess whether the provisions relating to MAV's insurance functions remain appropriate?**

We agree with retaining the requirement for MAV to provide mutual liability insurance for the benefit of Victorian Councils and any other sector if expansion of the fund is in the interest of the participating Victorian member Councils.

We also support a regular review requirement to ensure good governance oversight. However, we disagree that the Minister for Local Government should oversee a review of the insurance provision - refer to question 14 below.

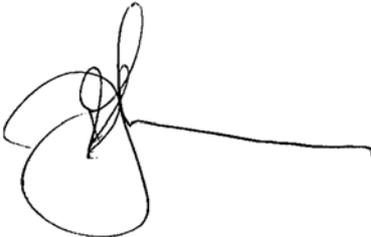
14. Do you support the inclusion of a prudential supervision framework for MAV's insurance activities?

We agree with a prudential supervision framework given the substantial nature of MAV's insurance operations.

The scope and nature of MAV's insurance operations should be detailed in a framework / policy which is available to all Councils for review and input. It should also be detailed in MAV's strategy.

It may be prudent for review to be undertaken by the Minister for Finance, rather than the Minister for Local Government, given the alignment of insurance operations with the finance portfolio.

Yours sincerely



DAVID MORCOM
Chief Executive Officer

Our ref: as:ss
ECM: 2211817