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26 June 2017

Municipal Association Act Review  
c/- Local Government Victoria

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Dear Sir/ Madam

### **Response to the Municipal Association Act Review Consultation Paper**

Golden Plains Shire is pleased to have the opportunity to respond to the consultation paper. Council values the existence of the Municipal Association of Victoria (MAV) as an independent body represented by elected local government councillors who advocate at all levels in the interests of the sector.

Council acknowledges the need for the Municipal Association Act 1907 (MA Act) which has served the sector well over many years in providing not only protection, but scope for the MAV to respond to changing needs within the sector. Equally, Council accepts that a review of the MA Act is timely and in line with other reviews within the sector including the Local Government Act review.

Council supports the responses made by the MAV to the consultation paper and in particular that:

- The MAV remains a strong and independent advocate for the sector and not unreasonably constrained by State oversight or regulation. Council's view is that Local Government Victoria provides the mechanism for State oversights and regulations and the MAV should be independent of unreasonable State constraint to allow it to adequately represent the needs of the sector which at times will be at odds with the State.
- The reforms do not restrict the MAV's ability to act as a self-insurer for WorkCover purposes, or to facilitate a sector wide insurance program, including the mutual liability scheme, that meets the needs of local government. Without these insurance opportunities, small councils would be subject to the fluctuations within the market place and would have insufficient bargaining power on an individual basis.
- There is no change to the MAV's ability to establish and operate programs which benefit the sector including the Local Government Funding Vehicle, sector software development, emergency management resource sharing or similar.
- The MAV is able to continue to receive grant funds to administer in relation to sector wide programs in a collaborative or shared services model.
- The joint procurement model previously established is able to continue and deliver further savings to the sector. The ability of the MAV to act as a procurement agency and obtain exemption under section 186 of the Local Government Act 1989 is particularly important to small rural councils who do not have the resources or the purchasing power to obtain a cost saving advantage from the market.

Council is concerned with proposed reforms 28-33 relating to the MAV's insurance activities.

As indicated above, small rural shires could not negotiate sustainable insurance cover of the various types required which would be cost effective under a rate capping regime. Given that the MAV is independently controlled by elected Councillors and the mutual liability scheme is controlled by participating Councils, Golden Plains Council sees no reason why the various activities of the MAV related to insurance should be subject to Ministerial approval. Council considers that the self-regulation of the structures and the requirements of other legislation are sufficient to ensure compliance and prudent management and may disadvantage the insurance activities relative to commercial insurers. The consequences of that would have a direct impact on Councils, and therefore, ratepayers.

Yours faithfully



**Rod Nicholls**  
**Chief Executive Officer**

cc Rob Spence, Municipal Association of Victoria (rspence@mav.asn.au)