

# **PORT PHILLIP CITY COUNCIL**

## **SUBMISSION TO THE MUNICIPAL ASSOCIATION ACT REVIEW CONSULTATION PAPER**

**JUNE 2017**

## **INTRODUCTION**

Port Phillip City Council appreciates the opportunity to provide input into the State Government's review of the Municipal Association Act 1907 (the MA Act). In our submission Council has provided responses to each of the questions contained in the consultation paper.

**Responses to questions posed in the consultation paper**

### **ROLE AND POWERS**

**Do you support the proposed reforms to the role of MAV?**

Council supports the proposed reforms and replacement preamble as detailed in the consultation paper. The role of the MAV needs to be simplified and the number of issues that the MAV currently deals with should be reduced. The MAV needs to ensure that it provides advice, support and advocacy for the entire local government sector (metropolitan, regional and rural). A new MA Act should increase transparency of the MAV to its members and the community. The MAV needs to be independent from the State Government.

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

Council supports the MAV retaining status as a body corporate under the MA Act and the proposed powers as listed in the paper.

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

Council supports the current method of each Council appointing a representative and then that representative voting on behalf of the Council at the MAV State Council. However the representation should not 'constitute the MAV'. It should be made clear that Council as entities not individual appointed council representatives constitute the MAV.

The right to appoint a councillor representative should be contingent on Council voluntarily electing to be a member of the MAV and for the Council to be up to date in its membership subscription.

An opportunity to improve governance would be to require each Council by resolution to agree to MAV State Council motions prior to them being submitted. Some motions are currently being placed before the MAV State Council without Council endorsement.

### **RESPONSIBILITIES**

**Do you support the inclusion of responsibilities for the appointed representatives?**

Yes. Council believes that roles should be clear to ensure that there is no ambiguity between the role of the "MAV State Council" and the roles of the MAV Board and the MAV management.

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

Council supports the State Council being able to reform and change the MAV rules if needed as outlined in the consultation paper.

**Do you support setting out the functions and responsibilities of the board of management in the MA Act?**

Council supports the proposed MAV board functions and responsibilities as outlined in the consultation paper.

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

Council supports conduct principles of the MAV board being enshrined in the MA Act.

**Do you support the requirement for a remuneration policy?**

In the interests of improved transparency Council supports that the MA Act requires that the MAV must have in place a CEO remuneration policy.

## **REPORTING AND ACCOUNTABILITY**

**Do you support the principles of sound financial management?**

Yes

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

Council supports the proposed reforms to achieve greater accountability. The strategic plan needs to be more strategic in nature and less operational. Options should be investigated with a view to improving the method of engagement with the member councils in developing the strategic plan as at times engagement sessions are poorly attended by Councils.

Council supports improved annual reporting that focuses directly on the strategic plan including dashboard updates monthly.

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

Yes

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

Council supports the requirement to establish and strengthen the audit and risk committee including ensuring there are independent skilled members on the committee.

## **INSURANCE**

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

Council supports the concept of the MAV providing a mutual liability Insurance scheme through a discretionary mutual trust fund and for it to be discretionary for Councils to participate. It also supports regular reviews of this mechanism as a minimum every five years but noting that the insurance environment is fast moving and reviews of the insurance product may be required earlier.

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

Council supports the inclusion of a prudential supervision framework for MAV's insurance activities that includes legislation, policy and guidelines to ensure appropriate financial and risk management practices and consistent financial reporting. This would include but not limited to full disclosure, at

all relevant times, of any insurance commissions, rebates and payments made to the MAV by the insurance company contracted/appointed by the MAV on behalf of participating Councils.