

The Local Government Bill 2019 will improve local government democracy, accountability and service delivery for all Victorians.



Better local government for all Victorians

The Local Government Bill 2019 is the most ambitious reform of local government in Victoria in 30 years.

It will deliver on the Victorian Government's commitment to modernise how local government works in our state through reforms in **five key areas**:

- Allow councils to **improve the services** they deliver for communities through better financial management and engagement with the community;
- Provide **stronger local democracy** with direct accountability to the community;
- Improve **councillor conduct** with clear standards of behaviour and stronger mechanisms to address poor conduct;
- Give the **community confidence** by making reforms to election processes and candidate requirements; and
- Provide a **new relationship** between State and local government and the community

The Bill also takes action on integrity concerns raised by various Victorian Public Sector oversight bodies in recent years.

Action on integrity

The Local Government Bill 2019 addresses concerns raised by public watchdogs in recent years about various aspects of council integrity.

Victorian Ombudsman *Investigation into the transparency of local government decision making* and IBAC report *Managing corruption risks associated with conflicts of interest in the Victorian public sector*

Gifts policies

All gifts to councillors valued at over \$500 must be recorded and publicly disclosed.

Councils must have a transparent Gifts Policy covering acceptance and disposal of gifts by councillors and staff.

Public meetings

Councils must hold their meetings in public unless under very specific circumstances.

New conflict of interest rules

New rules define two types of conflicts of interest – material and general.

Material conflicts cover situations where councillors, staff or someone they have a relationship with stand to gain or lose from a decision. Failure to disclose a material conflict and step aside from a decision is a criminal offence.

General conflicts cover situations where the private interests of a councillor or staff member could lead to them acting against their public duty. Failure to disclose a general conflict isn't a criminal offence but can be subject to disciplinary proceedings.

Chief Municipal Inspector report *Protecting Integrity: 2016 Council Elections*

Simplified election process

Only residents of the council area will be enrolled to vote automatically from 2024. Property owners remain entitled to vote - those who don't live in a council area will still be enrolled for the 2020 elections but must opt in afterwards.

Donation Reform

The Government is committed to reform of local government donation laws and will continue to develop an effective system that takes into account the recommendations of integrity agencies.

Victorian Ombudsman report into *Councils and complaints – A report on current practice and issues*

Clear processes and independent oversight

Councils must have a policy and formal process for managing complaints including independent assessment and review of complaints. There will be new guidelines as to what must be regarded as a complaint.

Victorian Auditor-General's report *Public Participation and Community Engagement: Local Government Sector*

Genuine consultation and engagement

Councils will be expected to increase their engagement with the community. As part of this, they will need to develop a comprehensive engagement plan and work with the community to develop a long-term vision and multi-year plans.

Local Government Inspectorate's *Report into managing the employment cycle of a council CEO*

Clear and transparent salaries and policies

All councils must have a CEO Employment and Remuneration Policy to guide recruitment, contracts and performance monitoring of their CEO.

Councils must obtain independent professional advice on CEO appointments.

CEO's salaries and allowances must align with existing State Government policies for public sector executives.

IBAC's *Special report on corruption risks associated with procurement in local government*

Stronger council oversight

Council audit and risk committees will take on a wider oversight role to ensure compliance with the new Act – including the integrity of the procurement process.

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