VICTORIAN STATE-LOCAL GOVERNMENT **AGREEMENT**







































AN AGREEMENT ESTABLISHING PRINCIPLES

TO GUIDE STATE–LOCAL GOVERNMENT RELATIONS

ON LOCAL GOVERNMENT MATTERS

Signed by:

Hon Richard Wynne MP

Minister for Local Government

on behalf of the State Government of Victoria

on the Fourteenth day of May 2008

Cr Dick Gross

President of the Municipal Association of Victoria

on behalf of local government in Victoria

on the Fourteenth day of May 2008







PREAMBLE

1.

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3.

The Minister for Local Government on behalf of the Victorian Government and the President

of the Municipal Association of Victoria on behalf of Victorian Councils (the Parties) enter

into this agreement (the VSLGA) to strengthen state–local government relations by building

a collaborative working relationship between state and local government and improving

communication and consultation.

The Victorian Government recognises in Part 2A of the Victorian *Constitution Act 1975*, that

local government is ‘a distinct and essential tier of government consisting of democratically

elected Councils having the functions and powers that the Parliament considers are

necessary to ensure the peace, order and good government of each municipal district’.

The Parties agree:

i)

to give effect to the *Inter-Governmental Agreement Establishing Principles Guiding*

*Inter-Governmental Relations on Local Government Matters* (IGA) by entering into the

*Victorian State–Local Government Agreement* (VSLGA); and

ii) the VSLGA will serve as the basis for continuing relations between state and local

government in Victoria, and does not depend on the continued operation of the IGA.

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PART 1 – OBJECTIVE

4.

The objective of the VSLGA is to progress social, economic and environmental outcomes for

Victoria’s communities by:

i)

improving communication and consultation between state and local government;

ii) improving coordination and strategic planning of government services and functions at

the local level;

iii) strengthening the capacity of local government to provide services and functions at the

local level;

iv) promoting greater transparency and accountability between state and local government;

and

v) fostering a culture of continuous improvement to enhance the performance of local

government.

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PART 2 – AGREED PRINCIPLES

5.

For the benefit of Victorian communities, the Parties agree that the following principles,

which are consistent with the principles outlined in the IGA, should guide state-local

government relations:

i)

Relations between state and local government should be conducted in a spirit of mutual

respect with an emphasis on improving communication and cooperation.

ii) Local government is accountable to its local communities and its operational autonomy is

recognised and supported.

iii) The Victorian Government is accountable to the people of Victoria and its state-wide

obligations are recognised.

iv) The diversity of local government’s financial capacity and the Victorian Government’s

fiscal position should be mutually recognised.

v) The transparency of the financial relations between state and local government should be

improved to enhance decision making. The Victorian Government commits to reporting

its financial relationships with local government in its annual Budget.

vi) The use of intergovernmental agreements should be promoted to ensure that roles and

responsibilities are clearly articulated and full financial considerations are made.

vii) State and local government recognise the value in seeking the support of the other when

making representations to the Commonwealth Government that have implications for

another level of government.

viii) Local government recognises that it is responsible for significant community assets and

commits to sound public governance through good financial and asset management

reporting.

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PART 3 – APPLICATION OF THE VSLGA

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The VSLGA applies to state and local government in Victoria.

The VSLGA applies to arrangements where local government is delivering a program with

funding from the Victorian Government, where state and local government partner to deliver

programs and where local government acts as an agent and delivers services on behalf of

state government, or where the relationship between the Commonwealth Government and

local government may affect state government.

In accordance with Part II of the IGA, the VSLGA does not override, or detract from, or add

to any legislation or commitments entered into as part of existing arrangements between

local government and other spheres of government.

The VSLGA is not a legally binding agreement.

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PART 4 – ENABLING MECHANISMS FOR

VICTORIAN GOVERNMENT DEPARTMENTS AND

LOCAL GOVERNMENT

10. In acting to meet the objectives and principles of the VSLGA, and in giving effect to Parts III

and IV of the IGA, state and local government agree to:

i)

consult the *Negotiating Guidelines for State–Local Government Funding Agreements*

when establishing service agreements between state government departments and local

government;

ii) consult the *Communication and Consultation Guidelines for State–Local Government*

*Engagement*; and

iii) local government demonstrating continuous improvement in service delivery and

productivity gains in agreement with the Victorian State–Local Government Group.

11. In the interests of strategic planning and effective resource allocation, local government

will consult the Victorian Government before entering into any agreement with the

Commonwealth Government that may affect state government.

12. Where the Victorian Government intends for local government to administer or enforce new

primary legislation, or new or revised regulation, the relevant lead department shall, subject to

exceptional circumstances, consult with local government in accordance with Section 4.6 of

the *Victorian Guide to Regulation* (‘Consultation with local government’).

PART 5 – EVALUATION AND REVIEW

13. To review the progress of the implementation of the VSLGA, the Parties agree to establish the

Victorian State–Local Government Group, comprising the Minister for Local Government, the

President of the Municipal Association of Victoria and other parties as agreed.

14. The Victorian State–Local Government Group is a mechanism through which state and local

government can together, in a spirit of mutual respect, tackle some of the significant, complex

and challenging issues.

15. The Victorian State–Local Government Group will monitor the implementation of the VSLGA

and evaluate its performance on an annual basis.

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