



House of Representatives Standing Committee
on Regional Development, Infrastructure and Transport
PO Box 6021
Parliament House
CANBERRA ACT 2600

30 May 2024

RE: Parliamentary Inquiry into local government sustainability

The Victorian Local Governance Association (VLGA) wishes to provide a submission to the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport that outlines the VLGA's expert insight into the key issues facing local government.

Focusing on key points outlined in the terms of reference, this submission provides an overview of the VLGA views, insights, and experiences as an expert in good governance. As an independent organisation with a commitment to supporting councils and councillors, the VLGA is well placed to represent its member Councils in highlighting the key issues to be considered in any future decision-making regarding local government sustainability.

The financial sustainability and funding of local government

We have seen a Local Government sector burdened with a continual increase in reliance to do more for the community, with less financial resources. As demonstrated in the SGS Economics and Planning Local Government productivity reportⁱ, over the past decade the total expenditure per capita by local government has flatlined. This is despite a period of rapid population growth and escalating demand for volume, quality and reliability in public services.

Local Government is best placed to deliver essential services to the community in the absence of coordinated policy by state or commonwealth government, which it achieves through being most closely placed to listen and respond to community needs. When looking at the financial sustainability of the sector, coupled with limitations due to rate-capping, it is important not to view a 'back to basics' approach as a pathway forward. Local Government is the most trusted tier of government and can successfully deliver high quality urban infrastructure whilst applying provisions around place making, climate mitigation and strategic business planning if given the scope and capacity to do so.

The changing infrastructure and service delivery obligations of local government

Local Government has evolved beyond the delivery of services that fit into 'roads, rates and rubbish'. The community are reliant on the increasing levels of support that has fallen to Local Government to deliver. These changing obligations are now an important part of a healthy and productive local government sector for local communities as 'consumers' of municipal services. These services have expanded to a range of areas that are vital for a healthy and thriving community, and include supporting local community connection through sport, arts and culture.

There is also a continued requirement by community for local government to advocate on their behalf for better health outcomes in gender equity, housing, climate change, alcohol use, gambling, and reconciliation among other issues. Community consultation and success project outcomes illustrate these are wanted



services and required to help build a socially connected community. Any decision to scale back service delivery would be short sighted and would occur with repercussions that have similar cost pressures.

Trends in the attraction and retention of a skilled workforce in the local government sector, including impacts of labour hire practices

For Local Government to work as effectively as possible, it is paramount that the elected representatives at this level of government feel empowered and educated to be the best extension of their municipality. The VLGA works closely with Victorian Councillors to deliver wide-ranging training and support, so they then become better placed to succeed.

The sustainability of a successful council entails the ability to attract high quality Councillor representatives that are aware of what this role entails, and then are supported to deliver to the expectations and objectives of the role. With wide ranging and long-lasting decisions being made with a high level of community impact, it is the VLGA's experience that to provide the most meaningful and positive change Councillors require an investment in their capacity building and growth throughout a 4-year term.

There is also an important component around increasing voter participation and engagement, with further education around what services Councils are and aren't in charge of, a reduction in the apathy from community to engage in the democratic process will result in an elected Councillor group that are a more accurate representation of the views and opinions that make up the municipality. These are key pillars of the sustainability of Local Government and require financial support where able.

The financial sustainability is directly related to these challenges, as Councils under financial pressure do not have the necessary resources to invest in local leadership programs, undertake comprehensive Councillor induction or commit to ongoing professional development programs for Councillors. In Victoria, this problem has been recognized and mandatory training and development programs for Councillors are being expanded in a change to the Local Government Act 2020. Making the most of these changes will require Victoria's 79 councils to invest in professional development programs like that offered by the VLGA.

Thank you again for the opportunity to make this contribution to the Parliamentary Enquiry, and we look forward to the Standing Committee's findings.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K Arndt', written in a cursive style.

Kathryn Arndt
Chief Executive Officer