

## **MAV STATE COUNCIL 19 MAY 2023**

### Motion Submission Form

Motions must be submitted by one council but may be supported by other councils. The council submitting the motion will need to supply written confirmation from any council(s) listed as supporting the motion.

The Motion should be no longer than 250 words (1700 characters) and rationale no longer than 350 words (2400 characters).

#### **1. Name of Motion**

Review of the VEC Costs Associated with the Electoral Structure Review Process

#### **2. Motion (max 1700 characters)**

This motion calls for MAV to meet with the Minister for Local Government to urgently request a review of the flat \$65,000 flat fee structure for the 39 Councils required to undergo the VEC Electoral Structure Review Process.

All 39 Councils, whether metropolitan, regional or small rural, are required to pay the same fee regardless of population (and rate) base or capacity to pay. It is important to note that this unbudgeted allocation for most Councils will need to be included in the mid-year review to cover the costs of the Panel.

Whilst the Local Government Act 2020 requires councils to meet 'reasonable costs' of the review, Strathbogie Shire Council does not believe that this fee is fair or reasonable' for small regional and rural Shires given the widespread financial impacts of the October 2022 flood event. The compounding effect of a rate cap that has been consistently set below the level of cost increases and the ongoing costs shifting experienced by Councils are further key considerations that contribute to financial pressures experienced by Councils.

Strathbogie Shire Council wrote to the Minister in December 2022 highlighting the challenges and escalating cost pressures for small rural Councils in supporting and funding this process a decision to review costs is yet to be made. Furthermore, Council met with the Minister on Thursday 2 February 2023 to highlight this issue in person.

Small rural and regional Councils such as Strathbogie with a small population base do not have the capacity to fund the same amount as large regional or metropolitan city councils.

This motion calls for MAV to advocate the Minister for Local Government and to Local Government Victoria requesting the Minister reconsider or waive the costs associated with the VEC Electoral Structure Review for small rural and regional Councils, particularly in a post flood environment.

#### **3. Submitted by (Council name)**

Strathbogie Shire Council

**4. Other supporting councils (please list councils that support this motion) (optional)**

Nil

**5. Please attach written confirmation from supporting councils.**

**6. Is this motion supported by resolution of council?**

Yes

**7. If yes, please insert date of resolution**

TBD

**8. Does the subject matter of this motion have state-wide significance to local government?**

Yes

**9. Does this motion relate to the MAV Strategic Plan 2021-25?**

Yes

**10. If yes, please select the primary MAV Strategic Plan Priority to which the motion relates (choose one):**

Economically Sound Councils

**11. Is this motion identical or substantially similar to a motion submitted by your Council to State Council in October 2018, May 2019, October 2019 or May 2021.**

No

**12. Rationale for Motion**

The Minister for Local Government has appointed an Electoral Representation Advisory Panel to review 39 electoral structures. The purpose of the Panel is to provide the Minister with advice prior to the issue of an Order in Council in relation to the new representation model to be applied to these municipalities.

The 39 local councils must have their electoral structure reviewed to comply with the Local Government Act 2020. The first round of reviews will look at rural shire councils, with submissions opening from January 2023 to May 2023. The second round will look at metropolitan and large regional city councils commencing in June 2023. Under the Act councils are required to meet 'reasonable costs' of the review.

Strathbogie Shire was advised of this review via letter on 13 October 2022.

Given that at this time Council was experiencing the impact of the October 2022 flood event and our focus on funding infrastructure and building repairs, Council considered the VEC Electoral Structure Review (the review) process, timing and cost at its 13 December 2022 Council meeting. Council recommended (amongst other considerations) that it request the Minister to defer the electoral representation review

for Strathbogie Shire for a period of at least six months and also waive the requirement for Council to fund the review process. To date, Council has not received a response to this letter.

All Councils undergoing the review, whether metropolitan, regional or small rural, are required to pay the same fee regardless of population (and rate) base or capacity to pay.

Small rural and regional Councils such as Strathbogie with a small population base do not have the capacity to fund the same amount as large regional or metropolitan city councils.

Whilst the Minister is aware of this issue and costs pressures for small rural Councils primarily stemming from the compounding effect of the rate cap (set well below the actual level of cost increases), ongoing cost shifting and the financial impacts of the recent flood event, following previous correspondence in December 2022, and a recent online meeting on Thursday 2 February, a decision is yet to be made.