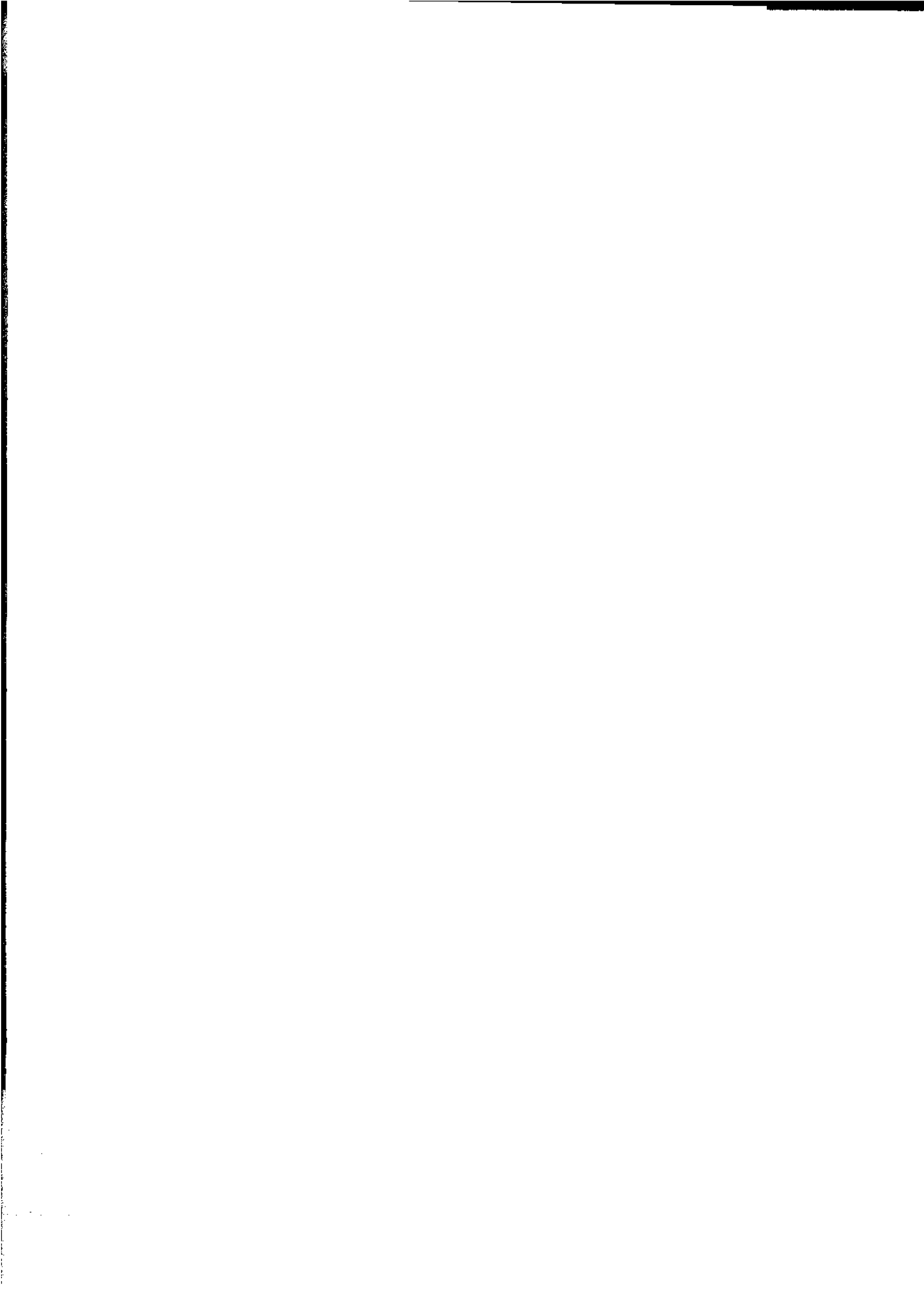


**A REVIEW OF LOCAL GOVERNMENT
IN VICTORIA**



A Review of Local Government in Victoria

*This article has been supplied by the Local Government Board,
Victoria*

Snapshot of local government - August 1993

In October 1992 there were 210 local councils in Victoria. Many councils were formed in the mid-nineteenth century when transport and communications were limited and community expectations of councils were not much greater than the provision of roads, collection of rubbish and the catching of rats.

Victorian councils were diverse and varied in size from the Shire of Pyalong with approximately 800 residents, to the City of Waverley with over 120,000 residents.

Successive Victorian Governments had sponsored, over the past thirty years, investigations which recognised the need for more regional and systematic local government structures. Without exception these enquiries drew attention to the economies of scale that could be achieved by creating fewer and bigger local government units.

The Government's Micro Economic reform program included local government. The reforms to local government were intended to make it more relevant, accountable, efficient and effective, to meet the demands of the twenty-first century.

Local Government Board

The Local Government Board was established in August 1993, following amendments to the *Local Government Act 1989*. The Board is an advisory body to the Minister for Local Government, with the aim of improving the efficiency and effectiveness of local government. This included reviewing municipal boundaries.

The Board's foundation full-time Chairman, Mrs Leonie Burke, and six part-time members were appointed in August 1993. Between August 1993 and December 1994, the Board completed eleven reviews of municipal boundaries, recommending 75 new municipalities from the 202 reviewed.

The *City of Greater Geelong Act 1993* created a new council from the 6 municipalities that previously governed the area. The boundaries of the Borough of Queenscliff remained unchanged.

The *City of Melbourne Act 1993* changed the boundaries of the City to include major capital assets, and to sharpen and strengthen its role as the capital city.

Municipal boundary reviews

The municipal boundary review process undertaken by the Board was the most extensive and far reaching reform of the structure of local government to occur in the past 140 years. The Board consulted extensively with local government, business, community and agricultural organisations, and individuals, and received over 60,000 submissions.

The Board's initial reviews focused on councils that were affected by the creation of the City of Greater Geelong. The Board recommended the formation of the Surf Coast Council which emphasised economic development based on tourism, surfing industries, agriculture and the need for greater co-ordination of planning and coastal protection.

The Board reviewed the major regional centres of Ballarat and Bendigo. Each area had inherited from the gold rush era a congested local government structure, with many councils impacting on a contiguous urban area and its rural hinterland, resulting in duplication and inefficiency in the handling of issues that affected the whole region. The Board considered that it was essential to strengthen these regional centres for the next century.

In Bendigo the Board recommended that 1 council be constituted from the 5 councils in the area.

Three new municipalities were recommended for the Ballarat area; an urban municipality with some rural hinterland to the north-west, a rural municipality based on the Moorabool catchment to the east, and a rural municipality to the south combining small towns and broadacre farming areas in the crescent between Ballarat and Geelong.

Over 800,000 people live in the 20 councils within a 10 to 15 kilometre radius of the GPO. This was the Board's Inner Melbourne review area. Population, industrial/commercial and residential mix, and socio-economic characteristics varied greatly across the area. Because of the demands placed on councils due to ageing infrastructure, declining population levels, and changes to the industrial/commercial mix of Inner Melbourne, many considered that it was essential to reform local government and to increase its efficiency and capacity. The Board recommended 8 new councils for Inner Melbourne, with the future of 3 existing councils deferred for the consideration of the municipal framework of Middle and Outer Melbourne.

South-West Victoria was the first review undertaken by the Board that covered a large geographic area. The 23 councils were bounded by Geelong, Ballarat and the South Australian border. This region has a number of significant rural service towns (Ararat, Hamilton, Colac and Portland) all of which have a close relationship with their rural hinterlands. Warrnambool plays the role of a *de facto* regional capital, through the provision of tertiary order services, in addition to those provided by service towns. The Board recognised this when recommending the eight new municipalities in the region. The new municipalities, with the exception of a slightly enlarged Warrnambool, linked rural service centres and their hinterlands.

The Board's review in North-East Victoria included 37 councils north of the Great Dividing Range and metropolitan Melbourne, south of the Murray River and east of the Campaspe River. Major provincial centres such as Shepparton, Wangaratta and Wodonga, resort areas along the Murray River and the alpine resort areas of Bright and Mansfield were included. Eleven new municipalities were recommended by the Board. Submissions stressed the significance of environmental issues such as salinity and drainage and their link with future economic development, and the importance of ensuring that the new councils had a financial and geographic capacity to tackle these issues.

Most Victorians live in the 40 councils that made up Middle and Outer Melbourne. Environmental management, infrastructure, airports, urban growth and the metropolitan economy emerged as key issues during the review. The Board recommended 24 new councils, with additions to 3 other councils. The Board considered that fewer, larger councils would be better able to serve the diverse needs of the communities and reinforce the role of local government as an equal partner with State and Commonwealth Government in the regions public administration. Stronger councils would have a greater capacity to facilitate economic development through enhanced linkages with industry and the tertiary education sector.

Gippsland has a distinctive identity and includes councils on the edge of the south-eastern Melbourne growth corridor, through to the most easterly point of the State; to the Great Dividing Range in the north and Bass Strait to the south. Within Gippsland there are several sub-regions with their own geography, settlement patterns, and mix of agriculture and other economic activity. Unification of these areas into cohesive local government units was identified by Gippslanders as a priority, particularly the Latrobe Valley. The Board recommended six new municipalities for Gippsland. In recognition of the size and sparse population of some of the new municipalities, the Board recommended consultative mechanisms be established by councils to ensure the diverse voices of the community are heard.

Many councils in North-Central Victoria were established in the gold rush era of the 1850s and remained unchanged from that time. The 17 councils in the review were strategically located in the triangle between Ballarat, Bendigo and metropolitan Melbourne. The existing local government framework had led to duplication and difficulties in strategic economic and land use planning. The Board recommended the formation of 5 new municipalities with amendments to 2 others constituted in previous reviews.

North-West Victoria was one of the largest geographic areas reviewed by the Board, covering 27 councils bounded by the Murray River, the South Australian border, the northern slopes of the Grampians National Park and the north central review area. People in the past thirty years have moved from small towns and rural areas to major centres such as Stawell, Horsham, Swan Hill and Mildura. Municipal restructuring options were limited, due to the sparse population and the size of the area. The Board recommended 9 new councils, balancing the need to strengthen the local government system, without creating councils that were so large as to prevent the delivery of effective and efficient services to their community.

The Board undertook several reviews that focused on increasing the efficiency and effectiveness of the local government system.

The Board considered the best approach to the introduction of Compulsory Competitive Tendering (CCT) to local government. The introduction of market testing of services would improve the efficiency, quality, accountability and flexibility of these services. The Board recommended that CCT be implemented using a percentage of budget approach - where councils are required to submit an increasing percentage of their annual budget to competitive tendering. CCT was an important operational reform for local government because it required councils to define the nature of, and to understand the real cost of the services provided.

**Increasing the
efficiency and
effectiveness of
local government**

Councils in Victoria now have more residents, generally cover a larger geographic area and deal with issues of increasing complexity, such as economic development and environmental and strategic planning. In this context the Board considered the future roles and functions of councillors. The Board recommended that the primary role of councillors should be determining policy, setting objectives and establishing the strategic direction of council, while acknowledging the important continuing representative role of councillors.

Recommendations included changing the number of councillors (to within a range of 5 to 12), establishing levels of remuneration that recognise the cost of being a councillor, and support for the development of voluntary professional development programs for councillors. A charter of best practice and code of conduct for councillors was also recommended, to provide guidance to councillors on the expected standards of conduct when carrying out their duties.

Local government elections

In January 1995, there were 78 councils in Victoria.

The Government appointed Commissioners to oversee the formation of the new councils. Commissioners were responsible for the appointment of a new Chief Executive Officer, the development of a corporate structure and the preparation of foundation budgets.

Councillors were elected to the Greater Geelong City Council and the Surf Coast Shire Council in March 1995. Councillors will be returned to the City of Melbourne, Inner Melbourne, Ballarat, Bendigo and South-West Victoria councils in March 1996. The remainder of the councils will have elections in March 1997.

Source:

This article was kindly supplied by the Local Government Board, Victoria. Information on Victorian boundaries for ABS statistical purposes can be found in Appendix A. This provides details of the LGA boundary changes to ABS statistical geography. Estimated population on both the old and new boundaries can be found in Chapter 5, *Demography*.