

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2026–27 Budget Estimates

Melbourne – Friday 22 May 2026

MEMBERS

Sarah Connolly – Chair

John Pesutto – Deputy Chair

Jade Benham

Michael Galea

Mathew Hilakari

Lauren Kathage

Aiv Puglielli

Richard Riordan

Meng Heang Tak

WITNESSES

Paul Hamer MP, Minister for Local Government; and

Lisa Gandolfo, Deputy Secretary, Consumer Affairs and Local Government, and

Dan Harper, Executive Director, Sector Engagement and Program Delivery, Department of Government Services.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee, and I ask that mobile telephones please be turned to silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2026–27 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments you make outside of this hearing may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check, and verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome the Minister for Local Government, the Honourable Paul Hamer, as well as officials from the DGS.

The CHAIR: Minister, I will invite you to make an opening statement or presentation of no more than 5 minutes, after which time committee members will ask some questions. Your time starts now.

Visual presentation.

Paul HAMER: Thank you, Chair, and thank you for the opportunity to present this evening. I want to start by acknowledging the traditional owners of the land on which this hearing is being held, the Wurundjeri people of the Kulin nation, and pay my respect to their elders past and present and any traditional owners who may be in the room or watching online. I would also like to acknowledge the traditional owners of all the lands across our 79 local government areas.

I am joined today by Lisa Gandolfo, the Deputy Secretary, Local Government, from the Department of Government Services, and Dan Harper, executive director, sector engagement and programs.

Local government plays a vital role in the daily lives of Victorians. Councils deliver essential local services, maintain community infrastructure and help communities prepare for and recover from emergencies. Councils represent their community's diversity and make important and long-term decisions in their best interests. State and local governments will continue to work collaboratively to understand issues that affect council performance, statutory responsibilities and service provisions.

Our priorities in this portfolio are clear – helping councils deliver for their communities. We do that by supporting councils, emergency management and strengthening governance across the sector. The state government provides grants through a range of programs to support councils. As valued community hubs, libraries remain an important focus, with more than \$567 million invested since 2015.

Emergency management continues to be a major area of focus as well. In partnership with the government, councils have provided significant support to communities affected by emergency events. In response to natural disasters the government has provided almost \$65 million through council support funds since 2020. This includes \$12 million following the January 2020 bushfires. Councils also receive \$4.9 million annually through the municipal emergency resourcing program to support local planning and preparedness activities.

Our government is committed to improving accountability and governance, because that is a key foundation for effective local government. We are working alongside councils, peak bodies and other stakeholders to support a responsive and accountable sector. This includes delivering policy, legislation and programs; engaging with integrity agencies; and taking intervention action where required.

In 2025–26 the portfolio progressed a number of key priorities. This slide includes a number of achievements, and I might highlight a few. We delivered new hardship guidelines to better enable councils to support ratepayers experiencing financial hardship. We delivered \$1.09 billion in grant funding to support councils to support local infrastructure, service delivery and community outcomes. We work with peak bodies and councils to strengthen governance practice and improve standards and transparency for the sector, and we are delivering actions under the local government gender equality strategy to promote greater diversity, including support for newly elected women councillors and recognition programs such as the annual Mary Rogers Awards.

Looking ahead, local government is uniquely positioned to help build stronger and more resilient communities. In the 2026–27 budget we have invested \$5.4 million to support the implementation of a local government Fair Jobs Code, because local government workers deserve fair and secure jobs. This initiative will minimise insecure work in the sector, including outsourcing, labour hire and casualisation. We will also help create more supportive governance structures so councils can deliver more for their communities. Long-term financial sustainability is a continued focus, and our government will continue supporting councils to deliver services that local residents rely on. I look forward to continuing to work with the sector and stakeholders to shape a more sustainable future so that they can continue to deliver those services well into the future. The government will also table its response to the statutory review of the local government rate cap mechanism. Finally, we continue to focus on supporting more diverse and representative councils, because councils should represent their communities and the diversity of those communities.

In conclusion, my priority as the Minister for Local Government is to continue to support a strong, accountable and sustainable local government sector. Thank you, and I welcome the committee's questions.

The CHAIR: Thank you. The first 8 minutes are going to Mr Riordan.

Richard RIORDAN: Thank you, Chair. Hello, Minister. Look, the committee, I think we all love local government. They provide a really important connection to our local communities, and they provide those really close-to services. But Minister, your government is continually at war with local government. I note specifically the fire services levy, which certainly for the Member for Mildura and I in country and regional areas, is just devastating. You have the poor people at the front counter of every regional municipality having to put up with all sorts of anger and discontent. But in this budget, Minister, you have gone at it again: \$5.4 million for the local government Fair Jobs Code. Now, local mayors have been ringing all of us regional MPs about this. Is this just an attempt by the government to completely and utterly unionise and fill local government with more apparatchiks at the expense of local ratepayers? What is that \$5.4 million going to do? What is that going to do?

Paul HAMER: Mr Riordan, there was one point of your statement that was –

Richard RIORDAN: Because the local councils think you are going to make them give up their contractors and arrangements that they have in place to provide important services.

Paul HAMER: I was going to agree with you, and I still will agree with one point that you made, and that is that all of our local government areas do, by and large, an amazing job. They are a front door for many community services right across the state. And behind those councils is a very large workforce. The state's local government sector employs 57,000 workers.

Richard RIORDAN: I just want to know what the \$5.4 million is for. I do not need the history. I know there are 79 councils all around the state and that they were amalgamated in the 1990s.

Paul HAMER: No, Mr Riordan, I think it is an important point to make that the services, the very broad range of services that are delivered by local governments across the entire state, whether it is in your electorate or in my electorate, rely on a workforce. And I am sure that you agree that the workforce in your various council areas –

Richard RIORDAN: But are you going to start telling them what to do with their workforce, are you?

Paul HAMER: No. The \$5.4 million that was put in the budget, which you say was regarding the Fair Jobs Code is in relation to minimising insecure work in the local government sector.

Richard RIORDAN: Name one council that has come to you and said, ‘Dear local government minister, please give us another regulator to tell us how to do our job every day.’ Out them. Which council did it? Who came to you and said they need this. Or was it a meeting with Trades Hall that said, ‘Come on, Paul, mate, we need you to have a bit more influence over what is going on at local council.’

Paul HAMER: No, I reject that assertion. Look, the funding that is being made available is to implement a Fair Jobs Code, as is indicated.

Richard RIORDAN: But what does that mean?

Paul HAMER: If you will allow me to answer the question, that is why we will be working closely with the local government sector, including ones in your own set, I am sure, including ones in regional Victoria –

Richard RIORDAN: Well, they are pretty unhappy at the moment, Minister.

Paul HAMER: Well, they will have the opportunity –

Richard RIORDAN: Because they do not know what it is.

Paul HAMER: Yes, and I am sure that they will have the opportunity to talk and to present their case. I mean, this has been identified –

Richard RIORDAN: Yes, but why do they have to present their case? Can’t you just tell this committee: what is the goal? What is the ambition? What will the taxpayers get for \$5.4 million, and what are our 79 hardworking councils going to get when you set up another new regulator with probably inspectors and people – what are they getting with that?

Paul HAMER: The purpose of the code is to reduce casualisation and insecure work in the local government sector.

Richard RIORDAN: Right. So they have asked you to do that, have they?

Paul HAMER: This has come from various discussions.

Richard RIORDAN: From your friends –

Paul HAMER: No, it is not through my discussions with the – it is an understanding.

Richard RIORDAN: No, I want councils to decide how they are going to spend their ratepayers’ money. I do not think they need you guys down here telling them how to spend their money.

The CHAIR: Okay. Cease the interjection.

Richard RIORDAN: We elect local councillors who have the responsibility of spending their local ratepayers’ money as wisely as possible, and then you are going to come in and say, ‘Well, as long as you do it the way we want you to.’

The CHAIR: Mr Riordan! Just pause for a moment. Just wait one moment, Minister. The minister is trying to answer your question, and I am sure that the many councils that are online tonight watching would like to hear from Mr Hamer.

Richard RIORDAN: I know my councils want to hear from Mr Hamer.

The CHAIR: Mr Riordan, just pause the interjections. The minister to proceed.

Paul HAMER: In answer to one of Mr Riordan’s initial questions, the Fair Jobs Code and the introduction of a Fair Jobs Code comes from an existing government commitment, and that commitment, I understand, was a commitment that was made in 2022. This action, and this budget item, acquits that commitment. So it has been on the books.

Richard RIORDAN: But we do not know what the commitment is.

Paul HAMER: This is what I am trying to say. In terms of the policy, it is not a new policy for the sector, because it came out as an election commitment in 2022.

Richard RIORDAN: Yes, but now this is when you put the money in. You have had a couple of goes at it and they have knocked it back, and now you have bubbled it back up. Give us an example. I have got a council. They currently employ a contractor to do some little town mowing out in the little outer hamlets around the community. They have had a contractor doing it. Are you now going to regulate that and say, 'No, you've got to actually have a full-time employee at the council to provide that service'? Are you going to start restricting the way councils efficiently manage their local communities?

Paul HAMER: Well, as I said before, this funding will help determine what that framework is going to look like. We will be working closely with the local government sector as part of implementing the code.

Richard RIORDAN: And are ratepayers ultimately – you have only got \$5.4 million and no money after that. So if you are going to have this new regulator, this new system in place, are councils then all going to have to divert ratepayer money to this in the future? Is this going to be essentially another cost burden on local ratepayers?

Paul HAMER: I would reject the premise of that assumption, Mr Riordan.

Richard RIORDAN: Well, where is the money coming from? You have only got money this year.

Paul HAMER: The money that is allocated is to undertake the regulatory work and to set that system up.

Richard RIORDAN: And then who runs the system after that, Minister?

Paul HAMER: That is part of the work that will be determined through the funding that has been made available.

Richard RIORDAN: And if I was a guessing man, if I was a better, if I was going to go on Sportsbet, I reckon they will say the odds are pretty hot smack diddly-o that you are going to slug the ratepayers.

Paul HAMER: I would encourage you not to promote gambling, Mr Riordan – that is probably not a wise move. But as I said, the funding that is available in this year's budget acquits a 2022 election commitment.

Richard RIORDAN: Have you met with the Trades Hall about this?

Paul HAMER: Not specifically Trades Hall.

The CHAIR: Thank you. The next 11 minutes are going to Mr Tak.

Meng Heang TAK: Thank you, Chair, Minister and officials. I refer to budget paper 3, page 109. Minister, the budget paper mentions a number of local government reforms implemented since the passage of the *Local Government Amendment (Governance and Integrity) Act 2024*. Minister, would you please explain how these measures are having an impact on council performance, including council services that are embedded in them?

Paul HAMER: Thank you, Mr Tak, for the question. As outlined in my opening remarks, a strong focus of the Minister for Local Government and the Minister for Local Government's responsibilities is to help councils deliver for their communities. Councils generally have well-established structures to run their day-to-day operations, and their core business is to serve the community through a range of services and local infrastructure. I gave the example previously of libraries, which we have been supporting to the tune of \$567 million since 2015. Right across government we work closely with councils because we recognise the important role that councils play in delivering services to Victorians. I would like to think that I know this particularly firsthand, being a former employee in the local government sector, from when I came into the sector and seeing the breadth of touchpoints that local councils, local governments and the local government sector have on all parts of communities' lives. I think it is long past the days when it was just roads, rates and rubbish. There are so many other services that are provided by the local government sector that you touch on at various points in your life and when you are in a family situation. For example, even in my community of Box Hill, I have been working very closely with our Chinese immigrant community, among many other communities, and seeing how important it is for them to work with not only state government, as the local

member, but also with the local government, being able to engage in what local government can do and how they can support newer migrants and newer communities and first- and second-generation communities to deliver for those communities.

I think within that context it is really important to know that councils need to be adaptive to meet changing community demand. As part of that, it is really important that good governance is exemplified across the local government sector, and that is why this government has introduced a range of reforms to strengthen governance practice and conduct across the local government sector. The *Local Government Act 2020* introduced a principles-based approach to guide the operations of all 79 councils across Victoria, empowering councils to tailor their policies and plans to meet the needs of their local communities. We made further changes to the *Local Government Act* in 2024, as you probably remember, Mr Tak, to further enhance standards of governance and conduct across the local government sector. These reforms are designed to improve integrity, accountability and governance across Victoria's entire local government sector. It included the introduction of a model councillor code of conduct; a program of mandatory annual training for all councillors, mayors and deputy mayors; and stronger sanctions for councillor misconduct. All of these measures are in place to support strong, effective and sustainable councils.

Meng Heang TAK: Thank you, Minister. You also mentioned the library service, Minister. Councils are obviously at the forefront of serving communities, given their primary role in running these facilities. I know that state government has a full delivery pipeline under the existing Living Libraries infrastructure program. Minister, can you please give the committee an update on this work?

Paul HAMER: Sure. The Living Libraries program is a terrific program. It has been operating for a number of years. The Living Libraries infrastructure program: there is \$4 million in that program for 2025–26 and the same amount for 2026–27. That had been funded in an earlier budget – that is why you might not have seen it in this year's budget papers – but the funding is continuing, and applications for the fund will be opening soon, I believe. That supports infrastructure upgrades and improved accessibility of public library facilities, competitive processes for councils and regional library corporations. There is a terrific range of libraries that have been funded under the 2025–26 project. There were 11 projects in the metropolitan area and I believe 11 projects also in regional councils that have been funded. There have also been a number of projects funded in earlier years. It was terrific for me to go out to my first official library opening last week at the Bulleen Library. It had been many years since I had actually visited the Bulleen Library, having been someone who grew up there. We would often go to the Bulleen Library after attending primary school basketball at the basketball courts around the corner.

Mathew HILAKARI: The Member for Bulleen would be there all the time doing some research.

Paul HAMER: The Member for Bulleen should definitely go out and check out the new library, because there was some fantastic investment, which was a co-investment by Manningham council and the state government, to refurbish and revamp that library, including a soundproof pod. It is amazing how much sound actually was reduced, even stepping into the pod and leaving the doors open. When I need to concentrate I do like to have silence, and I do not think I have ever experienced silence quite like in that pod. We are providing that investment into libraries across Victoria, and it is a wonderful program. For councils who are looking for library upgrades in the near future, I would encourage them to look at the application process when the application process for the 2026–27 funding comes through.

Meng Heang TAK: Thank you, Minister. The emergency fund program – I refer to budget paper 3 on page 104. The budget paper mentioned that there is now an ongoing investment from the government to support council to prepare for emergencies. Minister, can you please explain further about this work and the improvement that we expect to see from this investment in bushfire-impacted regions?

Paul HAMER: Thank you, Mr Tak. It is a really good question you raise and point that you make about the work that councils do in emergency management, and that is why the council support fund is so important. The council support fund has been used after a number of emergencies, but particularly in relation to the January 2026 bushfires there was \$12 million that was allocated with the support of the Albanese Labor government to support fire-impacted councils in their recovery efforts. I do note that both the Mildura Rural City Council, the Colac Otway council and the Corangamite Shire Council, which would be no doubt of interest to Mr Riordan and Ms Benham, did receive funding through the council support fund because of the severe impact that both

bushfires and in the case of Mildura a severe storm event had in their region. The council support fund supports councils with the immediate recovery and clean-up efforts following emergency events, including reinstating council owned or managed infrastructure, removing debris from affected land and covering waste transport and traffic management costs. The government also has an ongoing commitment to the municipal emergency resourcing program, with an annual investment of \$4.9 million supporting rural, regional and outer metropolitan councils to be better prepared in emergencies. We know how much the councils do from a community point of view in preparing for emergencies and then acting in the emergencies. It is not simply about the reinstatement of land post emergency.

I did go up to some of the north-east councils last week just to understand not only what they are going through but what the councils were doing during that time and the support that they provided to their communities in the very middle of those bushfire crises. And I do want to thank them for their work.

Meng Heang TAK: Thank you, Minister. Thank you, Chair.

The CHAIR: Minister and officials, thank you very much for appearing before the committee tonight. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee will now take a break before beginning its consideration of the portfolio for carers and volunteers at 7:15 p.m. I declare this hearing adjourned.

Witnesses withdrew.