Dear Parliamentarians,

Thank you for the opportunity to make a contribution to the inquiry into this matter.

Below are a few recommendations that may assist the Victorian Government in achieving better value for ratepayers across the state.

1. Achieve better procurement outcomes through intra-council bundling of tenders and/or centralised purchasing

I recommend the bundling of tenders (especially for road making) among neighbouring councils. For example, council or shire A, B, and C could combine their road making needs and go to market a one project. In this scenario, a joint tender would present an opportunity to take advantage of the economies of scale and would attract more supplier interest and competition because of the higher contract value. It may also widen the supplier base and create opportunities for innovation.

2. Work towards a greater degree of equality in rate charges across Victoria

I note with concern that the Municipal Association of Victoria’s rates survey for the 2015-2016 period identified a wide variation in the average rate for properties of average value. The Strathbogie Shire, for example, levies an average rate of $2,363 whereas Whitehorse Council reports $1,483. One solution may be an ongoing re-drawing of local government boundaries on, say, a 5 yearly basis that ensures higher level of rate equality achieved through a better understanding of per unit service costs across the state. It is unfair that rate payers, through accidents of history, should be levied rates at widely differing levels. This would not be acceptable, for example, in the levying of income tax or state stamp duty.

3. Enhance the skill-sets of each council and shire through centralised training, auditing, and recording.

Councils appear to be on-their-own when it comes to identifying and developing the necessary skill sets among their staff. Areas of concern from my limited exposure to local government include town planning, procurement, public health and accounting. I recommend that the Local Government Department establish mechanisms that ensure both properly qualified staff and a common set of governance standards that would apply to all shires and councils. For example, do councils all pay the same interest rate on borrowings? Are there any common standards for the amount of cash at hand and its relationship to debt for Victorian councils?

Thank you again for the opportunity to make these recommendations.

William Buckingham