

TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the Victorian Government's Response to the COVID-19 Pandemic

Melbourne—Tuesday, 19 May 2020

Members

Ms Lizzie Blandthorn—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr David Limbrick

Mr Gary Maas

Mr Danny O'Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Ingrid Stitt

Ms Bridget Vallenge

WITNESSES

Ms Kerry Thompson, Chief Executive Officer, and

Cr Coral Ross, President, Municipal Association of Victoria (*both via videoconference*).

The CHAIR: We welcome the Municipal Association of Victoria to the public hearings of the Public Accounts and Estimates Committee Inquiry into the Victorian Government's Response to the COVID-19 Pandemic. The Committee will be reviewing and reporting to the Parliament on the responses taken by the Victorian Government, including as part of the national cabinet, to manage the COVID-19 pandemic and any other matter related to the COVID-19 pandemic. All mobile telephones should now be turned to silent.

All evidence taken by this Committee is protected by parliamentary privilege; therefore you are protected against any action for what you say here today, but if you repeat the same things outside this forum, including on social media, those comments may not be protected by this privilege. You will be provided with a proof version of the transcript for you to check. Verified transcripts, presentations and handouts will be placed on the Committee's website as soon as possible. The hearings may be rebroadcast in compliance with standing order 234. I would ask photographers and camerapersons to follow the established media guidelines and the instructions of the secretariat.

We welcome you to make a brief opening statement of 5 minutes. We ask that you state your name, position and the organisation you represent for broadcasting purposes. This will be followed by questions from the Committee.

Cr ROSS: Thank you. My name is Coral Ross, and I am the President of the Municipal Association of Victoria. I thank you very much for the opportunity to speak to you today. I probably would like to know that people are joining this meeting from various parts of Victoria, so I would like to begin by respectfully acknowledging the traditional owners from across the state and paying respects to their elders past, present and emerging.

The MAV is the statutory peak body for local government in Victoria. Established in 1879, we are the voice of Victoria's 79 councils. We advocate on their behalf, represent their interests, build their capacity and deliver important services, including insurance, workers compensation, collaborative procurement, training and professional development. The MAV has a legislative role in emergency management. This role is based on the changes made to Victoria's emergency management arrangements following the royal commission into the 2009 bushfires. In recognition of local government's critical role in emergency relief and recovery, we are members of several committees, including the state emergency management committee and the state relief and recovery committee. We use these channels to share a local government perspective and to raise and resolve issues of concern to councils. The small MAV team has been working around the clock to support councils through the coronavirus pandemic. We are actively engaging with our members, advocating on their behalf and operating as the key information and intelligence conduit between councils and the State.

When confirmed COVID-19 cases started to climb in Victoria, councils were quick to activate their municipal emergency management and pandemic plans. This saw councils working with state agencies and local services to coordinate activities, including providing relief services to those members of our community most in need. Councils are continuing to provide critical services focused on community health and safety, including maternal and child health, childhood immunisations, community care, waste and recycling, and public health inspections. A range of council facilities, including libraries, recreation centres and playgrounds are closed in accordance with the Chief Health Officer's directions. Councils have adapted and innovated service delivery models in response to this direction. Councils are committed to helping communities stay connected and supported. From the delivery of online library, community and family support services to the development of campaigns and platforms to share stories of positivity, resilience, community spirit and kindness, councils remain committed to working with and looking after our communities.

Recognising the likely economic impacts of the pandemic on businesses and households, councils have led the way in offering fee waivers, refunds and reductions, relaxing enforcements of infringements, reducing or waiving rent for council facility tenants and promoting financial hardship policies. Across Victoria, councils have announced multimillion-dollar support packages for local businesses. Councils also continue

implementing a range of practical support measures, including facilitation of online training and network opportunities and the development of a shop/support local campaign. Where possible, councils have also fast-tracked permit approvals. As is the case with many industry sectors, local government has and will continue to experience significant negative financial impacts as result of the coronavirus pandemic. All Victorian councils have suffered sizeable loss of revenue through mandated closure of facilities, and all councils anticipate financial challenges ahead as their local residents and businesses seek to recover from the pandemic.

Local government employs more than 50 000 Victorians, including around 8000 casuals. As a result of mandatory facility closures, around 5000 casuals are now without work and around 700 full-time and part-time staff have been stood down. It is frustrating that councils have been deemed ineligible for assistance through the Commonwealth's JobKeeper program and that they have not been provided other equivalent financial assistance to help them retain staff. It makes no sense to us that frontline workers such as sports and recreation officers employed by a private or not-for-profit organisation can access JobKeeper payments, whereas those performing identical roles for councils are ineligible.

The CHAIR: I am sorry. I will have to stop you there. The 5 minutes for the presentation has expired.

Mr RICHARDSON: Thank you, Coral Ross and Kerry Thompson, for joining us today, and thank you for the work of the Municipal Association of Victoria in supporting our 79 municipalities during the COVID-19 pandemic. I am wondering if you could start off by detailing some of the ways councils have adapted in recent times. We have heard some wonderful examples of municipalities across rural, regional and metropolitan areas—Ballarat council's Be Kind campaign, the Mildura Rural City Council providing free music through their library services and Mornington Peninsula council establishing a network of 800 volunteers to support communities. But what are some of the best practices and things that you have seen councils do to try to adapt and support their communities during these difficult times?

Cr ROSS: I just want to check whether or not Kerry is online here.

Ms THOMPSON: I am online. You should be able to hear me. Can you?

Cr ROSS: I can see you as well, yes. Thank you. I am happy to answer, but I just wanted to check just to make sure.

There is a whole range of different things which councils are doing, from Making it in Moreland—a free online professional development—to local community and business resilience and recovery packages to in-home services increasing and free child care for health workers, obviously. There are youth mental health online counselling services, which is at Hobsons Bay, and financial assistance for eligible sporting club utility fees. Wyndham have got the Check in & Chat one-to-one phone service. Melton has got a free virtual supportive playgroup run by qualified facilitators, and Melton has also got a private seniors Facebook.

If we go to Melbourne, they have got face-to-face services being offered at the Melbourne hall once a week for women experiencing risk of family violence. If I go out to some of the rural areas, Corangamite has established a Kinderloop communication platform to enable families with children to stay connected, and they have also got Live in Lockdown, which is presented by their youth crew. Over at Surf Coast they provided more than \$2 million waiving of fees and charges, and Colac Otway have got 'Adapting', a webinar to bring the business community together.

The list goes on—I could give you a huge, great big, long list. I mean, these are just a snapshot; I am trying to move around. Frankston has got the Frankston move campaign to encourage local residents to pledge to order at least one meal a fortnight from one of the city's hospitality venues. Material aid, which is Greater Dandenong, have distributed 2 tonnes of fresh fruit and vegetables and non-perishable food and 1000 prepared meals to local agencies to be distributed to those in need. Does that give a bit of a snapshot?

Mr RICHARDSON: I think that is a wonderful snapshot there, Coral, and I think it gives an example of how nimble and how grassroots our municipalities across Victoria are and how responsive they have been. The work of council continues, and the work in supporting communities must go on. I am wondering if you could take the Committee through how councils have adapted to that virtual meeting or what some of the practices are

that have been put in place and the initial feedback of how that is working so far and any experiences or learnings that have taken place to this point in time.

Cr ROSS: Are you meaning with regard to the council's meetings now being held—

Mr RICHARDSON: Council chamber business, yes.

Cr ROSS: Yes, that came into place on 1 May, and we are very grateful for Government and for Parliament putting that through as part of the omnibus measures to allow councils to have virtual meetings. The first meeting was actually held on 1 May. Macedon Ranges held their meeting in the afternoon on that Friday, and the following week is when most of the other councils started having their meetings. They seem to have gone very smoothly. We are not hearing of many issues. Kerry, I do not know if you would like to come in there and say whether or not you are hearing anything.

Ms THOMPSON: As I have just experienced, sometimes your Zoom does not work so there have been little teething issues, but there have been no other issues and they have been able to stream those meetings to the public and get them up on their website the next day. They are working very well, and the sector has worked very well to help the smaller shires with their technology, where other staff have hopped in to support them if they have not had the staff capacity in house.

Cr ROSS: And the MAV did give out I think it was five or seven pages of advice to councils on how to work in these circumstances with virtual meetings. So if a councillor goes offline, then the meeting stops until they come back online.

Mr RICHARDSON: We have seen the impact on the Federal and State budgets from the impact of the coronavirus pandemic, and we know that council budgets face an uncertain time as well. Many councils are currently releasing their draft budgets, but can you provide an overview of what action they are taking to support communities, residents, businesses and the broader sector through this pandemic?

Cr ROSS: Well, from a conservative point of view we would probably say about \$150 million was committed for relief, and that would be about \$70 million to \$100 million in immediate relief. We are aware, as you rightly say, about draft budgets being formulated as we speak, and we think there is approximately another \$200 million in the draft budgets. So there is going to be quite a substantial amount of money that councils will be committing towards the recovery and to helping their communities through this phase. Kerry, are you able to add anything?

Ms THOMPSON: I was going to say that the majority of councils have put in hardship policies. They are waiving various fees and charges on businesses. So it is where they support, and what they are looking at in the future is also looking at how they can support their businesses and their communities in what we are calling the economic recovery.

Mr RICHARDSON: Obviously many organisations and levels of government have transitioned to working from home. My partner works at one of the 79 municipalities, and I have seen the work that has been done up close to transition to home. What has been the MAV's experience looking across the sector at how councils have adapted their operations to enable staff to work from home and with those physical distancing requirements, and how are these flexible arrangements looked at from a sector standpoint potentially carrying on into the future?

Cr ROSS: That is a very good question. The MAV is also completely working from home. From our understanding most of the council officers are working from home and it is those that need to be physically present that are, and they are then making sure that they have all the correct measures in place. Kerry, from an operational point of view is there anything that—

Ms THOMPSON: Yes. I think they have also managed to innovate to get services to work remotely or from home. You know, you have seen the storytelling in libraries. They have managed that. They have managed to do customer service from home. So they have managed all those processes, and I think we have seen, like across a lot of industries and State Government, a lot of innovation in moving to home. Of course essential services are still being operated by staff in place, and they are managing the social distancing and looking after

their safety needs. There were some issues with accessing PPE in the early part, but they have been able to work through those issues.

Mr RICHARDSON: Do you think going forward that there are efficiencies or workplace arrangements that might carry on beyond the pandemic as restrictions ease? Are there some learnings that MAV takes away across the sector?

Cr ROSS: The answer is yes, and I think most councils are, again, like business, industry, the State and the MAV itself in saying, ‘What is it that we absolutely want to hold onto that’s working really well, and how do you build those efficiencies?’. They are absolutely around some of the technology around changing from paper-based. I think some direct services like libraries of course want to reopen, but they are also thinking about what their online services might be, especially in remote and regional councils where travel is a key issue for them.

Mr RICHARDSON: Fantastic. Just transitioning to the Working for Victoria scheme, 28 councils have partnered with the State Government through this fund, placing more than 2300 workers within council, which is significant when we have seen the job impact and the losses we have seen so far in Victoria that were reported earlier this week. Council staff have been stood down and can be redeployed as well with this fund. Can you give us a little bit of insight into the mechanisms for this program and its community-based model and any feedback you have got for this Committee?

Cr ROSS: My understanding is that whilst those are the numbers that have so far been allocated, I believe—and Kerry can probably add to this—70 of the councils have actually applied to take on workers under this scheme.

Mr RICHARDSON: Great. Fantastic.

Cr ROSS: And it is in a variety of different roles. Just talking to one council, because councils provide up to 150 different services, it is in a complete range of different areas where they would be looking to employ people.

Ms THOMPSON: If I can add to that, yes, they have taken it up, and the Department has been terrific in working with the councils. A lot of those councils are keen, waiting for their applications to be processed. So you have got councils like Moreland that are taking up to 300 staff in what they are aiming to do.

The other part of your questions related to staff being stood down. Of course there have been casual staff that have been employed in leisure centres, whether that is your swimming coach or your personal trainer. They have not been given shifts, so that has had an impact on casual employment in those areas, particularly where they have had to close those services.

Mr RICHARDSON: As we move to some of the dates outlined in the last week by the Premier around the easing of restrictions, many council facilities that were temporarily closed—and had to be closed quite quickly to stop the spread of coronavirus—will see some changes, whether it is council libraries, community hubs or playgrounds and open spaces. Do councils have a plan in place to reopen those facilities safely, and what has been the interaction with the Government and the Chief Health Officer’s department and people?

Cr ROSS: This would be an area where it would be good to work very closely with the State Government so that, say, with sporting facilities—obviously people are very keen to be able to use those facilities—we can work together regarding the guidelines that are needed to safely open them. I mean, obviously the tennis courts opened in this last week, and I know people were champing at the bit—I cannot think of an analogy with tennis, I am afraid, at the moment. So that would be an area we certainly would look to work on closely with the Government to work out the guidelines. I do not know, Kerry, if you would like to add further to that?

Ms THOMPSON: Yes. The MAV has worked very closely with DHHS, and we will be taking the advice from the Chief Medical Officer. What we have requested from Government is plenty of notice as they wind back restrictions—and also a joint approach. So even when cafes and hospitality start opening it would be terrific to have local government understanding what the regulation rules are so that their regulatory staff, their environmental health officers, are where they can support them and they also understand what they are.

We want to work very closely as we start working through. Of course as playgrounds and water fountains open, cleansing will be absolutely vital. We are seeing the cleansing blitz at the moment. We thank the Government for that, but we need to make sure we absolutely start working with making sure we are putting all the hygienic needs in place and we understand what the requirements are—because once we start opening large facilities, as Coral said, around sporting, we will need to have a really clear understanding about numbers and how we manage them for the safety of the public but also very much for the staff as well.

Mr RICHARDSON: That is just about my time up, but thank you for joining us today and for the work that all council officers, their councillors and MAV are doing at this difficult time in supporting their local communities. Thank you very much.

Mr HIBBINS: Thank you both for appearing today. I might get you, Cr Ross, just to maybe pick up where you did not have time in your opening remarks in regard to the experiences of casual workers who have not been able to be redeployed. Obviously there is no support from the Federal Government JobKeeper program or support from the State Government like has been provided in New South Wales. Can you talk to the experiences of council workers who now find themselves unemployed?

Cr ROSS: Well, it is frustrating that councils are not eligible for JobKeeper and councils also are not eligible for the child care. So as much as possible councils have been redeploying their staff. It has been the casual employees who have mainly been stood down. It might be that if you are a swimming coach and the swimming pool is closed, it is difficult for you to be given a shift. Equally it is difficult to redeploy that member of staff. From the figures that I think I gave you before it is about 700 of the full-time, part-time staff across the 50 000 which are employed by councils who have been redeployed.

If I, say, talk about the child care that councils are not eligible for, the free child care. We are not eligible for the Commonwealth scheme. If I can give one example, Knox council runs two long day care facilities. Councils across the state have over 50 providing long day care and family day care—actually I think the figure might even be higher than that. But if I take the example of Knox, Knox has got two facilities, and the cost for providing the free child care from 1 April to the end of June is \$887 000. If they were eligible for JobKeeper, they would have received \$558 000. Still it is a loss for them of \$329 000, but that is obviously a lot less than the \$887 000 that that one municipality is losing.

Mr HIBBINS: Thank you. I might move on now. Some of the conversations I have had with my local councils are that they are, I guess, putting in some work to get ready some shovel-ready projects or some small-scale projects that would assist with economic recovery. Is that something that councils are doing across the state?

Cr ROSS: We are hearing that there are a number of councils having capital projects. There are also a number of councils who are having to delay some capital projects when they are having to try to balance their books because of the losses that they have had and for the large amounts of money that councils are having to—not having to—but councils are making packages available to businesses and residents. So there is a mixture. Councils would like to be able to have the capital projects. Kerry, what are you hearing as well?

Ms THOMPSON: Yes, and the councils really want to partner with the State Government on where we can do capital-led economic recovery. It has been a mixture. So for regional and rural councils of course it is focussed very much on where there has been tourism, and there might be some support there on capital projects around tourism, whether that is rail trails, of course, or road funding—small capital funding around community infrastructure is significant. The other one is that at a metropolitan level the councils are really keen to support where they can on the social housing.

So they are all thinking about this, and they have all probably got lists in their drawers of what they have already gone out and spoken to their communities about and got in there what I call their capital works programs that most of them have had now for a few years ready to go.

Mr HIBBINS: Yes, and this is something in your view—MAV's view—that the State Government should be looking to work with them to fund these projects to assist with economic recovery?

Ms THOMPSON: Yes, please.

Cr ROSS: Yes, that would be fantastic. They would have the shovel-ready capital projects which they could bring forward and could start work on.

Mr HIBBINS: And in just the short time I have got left—you might need to take this one on notice—in terms of the elections going ahead, how is MAV looking to ensure that the council elections are done in a COVID-safe way?

Cr ROSS: Well, obviously that decision was only made a few days ago; it was on Friday afternoon. I know that Local Government Victoria will be coming up with some guidelines as to how one can campaign in a COVID-safe way, and we would look to have some discussions with Local Government Victoria as to how that should go forward. Obviously it is something that MAV will be turning its mind to as well. But this is only the second working day after the decision was made.

Mr D O'BRIEN: Just continuing that theme, I understand MAV actually had a policy of council elections being delayed. Is that right? And if so, why?

Cr ROSS: The MAV surveyed the sector, which was of councillors and CEOs, asking whether or not the elections should go ahead or whether or not they should be deferred, and if deferred, for how long, and the view from the sector was that while there were pros and cons for deferring the election, the pros for deferring far outweighed the cons for holding the election and the overwhelming view was that the elections should be deferred by 12 months. So that was how the MAV came to its view.

Mr D O'BRIEN: Could you elaborate on why that was the case? I understand that was from the feedback you got, but do you have a view on a statewide postal vote?

Cr ROSS: It is not so much actually having the postal vote. A lot of it is to do with campaigning and being able to have safe and free elections, and campaigning in a COVID time is difficult to do healthily and safely. It is also the view, which came up quite loudly and clearly, that incumbents were going to be benefited by the fact that non-incumbents would have difficulty in campaigning. These types of situations tend to favour the status quo, so it would favour the incumbent. It was the view as well from CEOs that councils needed to be concentrating on helping their communities through the recovery rather than be distracted by an election and that it always is a difficult time when you would be having new councillors coming in in September whereas they wanted to be completely focused on the recovery—we know that pressures will become even greater in September when the JobKeeper is no longer in place—and the reason for the year was to keep it within the same cycle of budget and community plan. Those were the main reasons. Kerry, I do not know if there was anything else you wished to add that came through.

Ms THOMPSON: I think that covers most of them, Coral, yes.

Mr D O'BRIEN: As part of the testing blitz that the Government announced, it introduced the pop-up clinics that were held all around the place. Did the MAV get consulted on that, and did you have a view on these pop-up clinics occurring?

Ms THOMPSON: The work was done directly with councils through DHHS into the regional DHHS areas, so yes, and a lot of them actually supported them. It was their facilities, their car parks being used. It happened very fast, but the partnership was at a regional level for those, and they were supported by local government generally. Of course there were some teething issues about the setting up of them, but I think they worked pretty good in partnership.

Mr D O'BRIEN: So was MAV not consulted directly—it was only with the councils themselves?

Ms THOMPSON: At a very high level, and then they worked through the regional offices.

Mr D O'BRIEN: Does the MAV have a position on a rate freeze for the next 12 months?

Cr ROSS: It is something which would be a council decision.

Mr D O'BRIEN: So you do not take a statewide perspective on it in any way, shape or form?

Cr ROSS: No.

Ms THOMPSON: Our advice to councils: think about in the longer term, think about it over the next two or three years and think about it in your long-term planning of your finances because, as you said, the economic recovery will take some time. So we have just made a request and support them where we can around making a strategic direction on what they decide to do.

Mr D O'BRIEN: Can I ask your view then on—

Cr ROSS: We have said to each of the councils that they need to look at their hardship policies and make sure that they are robust.

Mr D O'BRIEN: Well, on that, have you asked councils or suggested to councils that they should look at their cost base, particularly the upper executive levels in terms of the costs there?

Cr ROSS: The structure—it is for each council. We do not dictate to councils how they operate.

Mr D O'BRIEN: Is it feasible to have a rate freeze, particularly I guess for rural and regional councils?

Cr ROSS: It would be very, very difficult for a rate freeze. The rates are capped as they are. The rate increase is set by the State Government, which is 2 per cent, and in effect that is CPI. Without a rate increase then you would see services that would have to be cut or jobs could be lost.

But from evidence that I gave you before, as to the amount of money that councils have already put out in packages and will be in their draft budgets, that will be much greater than what is going to be the rate increase as it is. The budgets that are in draft form or going to be in draft form will be going out to the community for consultation. You are probably aware that local government is the only tier of government where the budgets do go out for consultation. If you were to—

Mr D O'BRIEN: So on that, I know Wellington shire in my own electorate has proposed a zero rate freeze, and I think City of Melbourne today, in recognition of the financial burden on ratepayers already. Is there a role then for State Government to support local councils through this—to implement a rate freeze, I mean?

Cr ROSS: The difficulty for councils if they were to freeze their rates, as Kerry said before, is the long-term implications: that it is not just something for this year, it has ramifications over 10 years. So for a small shire that had, say, a rate revenue of \$14 million, the compound effects of a rate freeze for them would be about \$3 million over 10 years. For some of the small rural shires one would say that if you do want to have a rate freeze, then they would need to be assisted through this time.

Mr D O'BRIEN: You gave before, I think to Mr Hibbins—I may have missed it—but did you have a number of how many local government staff have either lost their jobs or lost shifts?

Cr ROSS: Yes, I did. The Victorian councils employ 50 000 staff and around 8000 of those are casuals, and about 5000 casuals, we understand, are now without work and around 700 full-time and part-time staff have been stood down.

Mr D O'BRIEN: Do you have that by local government area per chance?

Cr ROSS: I do not personally.

Ms THOMPSON: Coral, the LGV in DELWP keep those numbers as well. So they would have that, and I am sure they could provide a breakdown of the regions for those councils.

Mr D O'BRIEN: We just had the department earlier, so we missed that opportunity, but thank you. I understand the ASU wrote to the State Government with concerns for workers. Have they written to the MAV as well?

Ms THOMPSON: They have emailed and spoken to the MAV, so yes, they have done that and spoken to them about their concern about job loss.

Mr D O'BRIEN: Just quickly on planning, does local government have the ability and the resources to keep pace with planning processes and approvals at the moment given the change in practices we have got and also issues at VCAT with respect to continuing with new cases?

Cr ROSS: I am not aware of any councils having difficulties because of dealing with things remotely. The applications are still being processed in the same way, just that they are being done from home.

Mr D O'BRIEN: Remotely.

Cr ROSS: Yes, they are being done remotely. So I am not aware of any issues. With regard to VCAT, I am not sure if you are aware of anything, Kerry. I mean, I know that VCAT has not been operating; they have now just restarted.

The CHAIR: We might stop you there because the Member's time has expired. Thank you. We appreciate you taking the time to appear before our Committee today. We will follow up on any questions which were taken on notice in writing, and responses will be required within five working days of the Committee's request. The Committee will now take a 15-minute before beginning its consideration of the next witness, but we thank the Municipal Association for their time today. Thank you.

Cr ROSS: Thank you very much.

Ms THOMPSON: Thank you.

Witnesses withdrew.