

Essential Services Commission 2015, *A Blueprint for Change, Local Government Rates Capping & Variation Framework Review — Draft Report Volume I*, July 2015.

Submission #2 by: Joe Lenzo

13 August 2015

I guess I should apologize for the consultation firestorm I initiated at the review with ratepayers meeting on 12 August 2015. The result was certainly an “unintended consequence” (yuk, I hate this phrase) as a result of a lack of risk management, on my part, relative to ratepayers frustration with the word consultation.

A significant point made on several occasions was that Essential Services Commission mentions consultation as a key note item in granting a variance. My opinion is that if Essential Services Commission is the monitoring agent the quality of the consultation will be taken into account. However if another agency is the responsible agency there could be problems.

Let me explain the “consultation” process as it exists in most councils. I will use the budget process as the example but it is pretty much indicative.

The process starts behind closed doors and in top secrecy with officers and councillors.

The public is banned from any briefings or discussions and councillors are not even allowed to discuss the issues with ratepayers as the process is declared confidential.

Then after councillors and officers have invested hundreds, if not thousands, of man hours constructing the draft budget it is presented to the community.

The community then, by law, is permitted to present S223 submissions on the budget to council for consideration.

A council committee reviews the submissions and makes recommendations for budget changes.

Almost never do the S223 submissions get included in the final budget.

Add to that the fact that the draft budget is presented in such a format that it makes it almost impossible for the average person to understand it and make legitimate constructive submissions.

So most S223 submissions are that we need a new foot path, our road needs fixed, we want a new park, etc.

Those that address systemic issues are ignored out of hand.

And why would we expect anything else? The councillors and officers have so much invested in the draft budget there is great resistance to any suggestion that it could be improved.

After many years of agonizing “campaigning” to Mornington Peninsula Shire, ratepayers convinced TheShire to solicit submissions prior to the draft budget being developed so these items could be considered at the start of the process. And, guess what, nothing has changed, we just added another layer of “consultation” that could be ignored. We still do the required by law S223 submissions but not much of either submission gets in the budget.

Unfortunately this is what councils generally consider public consultation and you can now see why ratepayers need something besides nice intentions, words, and laws on the issue. We are looking for something with some bite to it. Hopefully you will consider this and find a way to address this issue in order to give ratepayers some confidence that proper public consultation will be done.

***Debt:* In my initial submission of risk factors I forgot debt. This is certainly another place for councils to launder \$\$\$ to avoid improving efficiencies due to the rate capping. Many councils will borrow, borrow, borrow to avoid rate capping and then have huge fixed costs in interest payments to use to apply for variances to the rate cap. So yet another area to consider.**

Having said that, You guys have done a great job. Goon on ‘ya!