



Engagement case studies

This resource contains three hypothetical case studies of how a council might engage with its community to review rate levels and consider applying to the Essential Services Commission for a higher cap. They are based on our experiences assessing higher cap applications, and were developed in consultation with our engagement technical working group. The case studies have been developed to reflect the diversity of councils in Victoria.

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Council X – Medium engagement capacity and capability

Context

Council X is a medium-sized municipality with a blend of urban and rural communities and is beginning to experience significant population growth which is expected to continue over the next 15 years.

The council is seeking approval from the Essential Services Commission for a higher cap of 3 per cent a year over four years to help transition through this period of growth and to continue to provide services and facilities for a growing community into the future.

Over the last two years, the council has substantially reduced costs by \$1 million a year and will continue to progressively conduct asset and service reviews across all council operations.

A 3 per cent rate increase over four years will provide an additional \$6 million to maintain and improve ageing infrastructure and help provide new infrastructure and expand services for a growing community. A rate cap variation will help council X continue the substantial improvements that are being made to its long term financial sustainability including returning to an underlying surplus within 15 years, and reducing the asset renewal gap across a large and ageing asset base. Without this, the council will be unsustainable from 2031 unless significant reductions are made to services or infrastructure.

Engagement approach

Engagement plan

An engagement plan was prepared in accordance with the council's engagement framework which was based on the Victoria Auditor-General's Office (VAGO) *Public participation in government decision-making: A better practice guide*¹ and the International Association of Public Participation (IAP2) engagement principles.

The engagement program was conducted over two key stages – a general consultation presenting the challenges and exploring possible options. This was followed by a more specific consultation about whether to apply for a rate cap variation.

Community input was sought on:

- the directions in the long term financial sustainability plan – in particular, borrowings, returning to an underlying surplus in 15 years and closing the asset renewal gap
- service and infrastructure investment priorities

¹ Available at www.audit.vic.gov.au/public-participation-government-decision-making-better-practice-guide

- asset management plans, associated intervention levels and potential asset rationalisation
- service level agreements including direct cost, satisfaction, condition, timeliness and use
- general rates affordability and the potential use of differential rates and the municipal charge
- other possible income sources including external grants, private funding partnerships, special charge schemes, and developer contributions and fees and charges
- interest in community or private partnerships for service delivery and asset maintenance.

Participants were also asked to provide input on the engagement process and to assess their understanding of financial performance and the council's operating environment before and after the consultation.

Engagement methodology

The council discussed a range of potential engagement approaches and barriers to engagement, particularly amongst the most disadvantaged community members who are least able to afford higher rates and are most likely to access council services and facilities.

While an empowering participatory deliberative approach was desired, the cost of this method and the ability to access hard to reach communities were prohibitive. A household survey was also considered (door knocking, telephone and hard copy surveys) but again, the cost and the ability to target hard to reach communities meant this was not pursued.

The council instead went with a collaborative engagement approach that included specific targeted engagement for hard to reach sectors of the community.

To ensure a diverse cross-section of the community had an opportunity to be involved, the council used a range of existing community engagement channels throughout the year with input sought from service users, service providers, advisory committees, committees of management, business leaders, community leaders, community organisations, developers, residents in new developments, volunteers and the wider community.

Input was also sought through a series of facilitated workshops; focus groups; vox pops at council services, shopping centres and events; attendance at other community meetings; and a number of online engagement tools. Interested community members could also complete a hard copy survey or provide a formal written submission.

Councillors were also involved by encouraging community members to take part and observing the facilitated discussions at the workshops.

Opportunities to be involved were promoted widely through all available communication channels including paid advertising in local press, local radio and online. Targeted invitations were also sent to key targets and representatives of harder to reach demographics.

Evaluation of the engagement program

There was widespread participation in the engagement activities from a diverse cross-section of the community. Nearly 3,000 people took part in some way in the initial engagement including more than 100 workshop participants across three sessions.

Whilst there was a general acknowledgement of the need to improve the council's long term financial sustainability, there was low support for pursuing further loans, asset rationalisation, service cuts, differential rates or special charge schemes. There was some in-principle support for increasing fees and charges and some support for increasing rates beyond the cap for key infrastructure projects.

The vast majority (98 per cent) of community members supported the need for infrastructure investment, 82 per cent said they did not want any services cut to help meet this gap. 87 per cent said they did not support higher loans to fund infrastructure investment and 68 per cent said they would be prepared to pay slightly higher rates to meet this gap.

Nearly 100 per cent of participants said they learnt more about the council's financial planning, financial management and the range of services provided by the council by being involved and would recommend participation in future forums to their friends and neighbours.

It is envisaged that the relationships established through this engagement approach will help the council to progress community capacity building activities through an asset-based community development model in coming years.

Documentation of the engagement program

In its application for a higher cap, the council provided a narrative describing:

- how it engaged with its ratepayers and community, and why it adopted this approach
- what it learnt about the views of its ratepayers and community
- how these views informed its application for a higher cap.

The application included the following documents to support the narrative:

- the engagement plan
- samples of the information provided at the workshops, focus groups, vox pops, etc
- a short summary report on the findings of the engagement, which included both quantitative data and a simple qualitative assessment of the key themes that emerged from the engagement.

Council Y – High engagement capacity and capability

Context

Unprecedented population growth, climate change, economic uncertainty and technological disruptions are amongst the challenges facing council Y now, and in the decades to come. Research and analysis indicate that the impact of these challenges places increased demand on the council's services, assets, revenue and spending priorities. Council Y recognised that spending could not keep pace with growth in its current form.

In response to this, council Y was prepared to embark on a large and ambitious community engagement program to problem solve with the community solutions to the financial challenges. One key aspect of this was to seek community support to request a rate variation for the next four years in order to deliver services at the level desired, (without compromising infrastructure delivery and asset renewal, as requested by the community). A research project was conducted in conjunction with this to track community understanding and perceptions.

The council sought to inform the community about the predicted challenges and facilitated the active participation of a diverse range of community members in finding solutions through a variety of engagement techniques. The community engagement plan and techniques were guided by the values and principles of good practice engagement (VAGO and IAP2) which enabled the community to participate in ways which best suited them and their needs.

Mayor and councillors, the chief executive officer, directors and the chief financial officer were involved at all stages of the process, from design through to delivery, including attendance at a variety of community events and deliberative forums. The purpose of their presence was two-fold:

- to inform the community about the council, current spending and revenue and predicted changes into the future
- to listen, and demonstrate the council's commitment to the engagement approach and how it will influence their decision-making.

Engagement approach

The engagement plan

The issues confronting the council were complicated. At face value it is difficult to build support for any increase in rates as the contextual information is often not part of the conversation or well understood by the community. The council decided upon a two stage approach.

Stage 1 – A broad engagement program that would:

- build wide community understanding of the issues
- provide opportunities for diverse community voices and opinions to be aired and debated

- facilitate a conversation about trade-offs.

Stage 2 – A deliberative engagement program that would do all of the above, and:

- bring together a randomly selected representative community
- share the community findings from stage 1
- provide opportunities for this community to call forward independent experts to critique community and council information
- support deliberation and consensus decision making
- produce a set of recommendations for the council's consideration.

The engagement methodology

During the first phase council Y undertook a broad engagement over a two month period. A wide variety of techniques, both face to face and online, were applied and tailored to a diverse community. Participants included culturally and linguistically diverse (CALD) communities (i.e. Vietnamese, Chinese, Somalian), Aboriginal and Torres Strait Islander peoples, seniors, residents, workers, businesses, children and young people and students. Recognising that the finances will affect all citizens into the future (from children to the elderly), this project facilitated their involvement. The activities had to be interesting, engaging and relevant as typically only small numbers get involved in the council's finances. The methodology needed to reverse this trend.

Community members were asked to comment on the rate variation which was framed in a way that asked them to think about what they valued in terms of council expenditure, given the constraints and complexities of growth and infrastructure requirements, etc. Council staff and consultants facilitated these conversations through workshops, discussion groups and pop-up events. The pop-up events were strategically placed to capture the voices of young people, students, visitors, workers and residents and were held at local markets, recreation centres and housing estates.

The discussion groups varied in size, but some were intentionally kept small (up to 12) to suit the audiences, including Aboriginal and Torres Strait Islander elders and multicultural communities. Auslan interpreters were utilised at some of the larger workshops and language interpreters were employed for the Chinese and Vietnamese elders at discussion groups. Workshops were promoted to a wide audience through council networks and channels to promote the message that all opinions are valued and taken seriously. Over 600 responses were received during this time.

The data from these conversations was independently collated into a themed report that identified what the community strongly valued, and wanted to retain, and what was more expendable from their point of view. The synthesis of the data also identified the extent to which the community was willing to pay for the programs and services they highly valued – and what they were prepared to trade off.

A deliberative engagement phase followed this initial broad engagement program. Council Y commissioned a series of deliberative forums to be undertaken with a representative sample of the

city. Up to forty-five people were randomly selected, and stratified, to represent a broad cross-section of the community. This 'mini public' met over several weekends to consider the community's report, the information presented from the council as well as the opinion of independent experts that they themselves could call forward. The forum members' job was to discuss, deliberate and form a set of recommendations to the council on its future financial direction, including the extent of the rate variation. The forum members worked to an 80 per cent majority to pass a recommendation. This group were compensated for their time and commitment.

Council Y had committed to give 'full and fair and thorough' consideration to all of the deliberative forum member recommendations, and to report back to the wider community the extent to which it had adopted the recommendations as well of the outcomes from the rate variation process.

Evaluation of the engagement program

Principle 1

The engagement program was supported by transparent, unbiased and comprehensive information about the problem, the impacts and the opportunities facing the city and was open about the council's desire to seek a rate variation to help ease the problem. This information was provided in a variety of formats. The engagement program was promoted widely and staggered over several months to encourage broad community input. The phasing of the engagement allowed for the conversation layers to build and become more informed and constructive.

Principle 2

The engagement program took into account the community's needs by designing the program in a way that was easy to understand and easy to access. Tools and techniques were developed that resonated with the community. The questions were values based, the formats for responding were exciting and the events were delivered where the people are, including children and harder to reach groups. Outcomes of the rate variation process decisions, as well as opportunities for future and ongoing engagement were transparently promoted on the council's website, social media and through a variety of other publically available channels.

Principle 3

The engagement program was well planned and documented. The plan clearly articulated the problem, the engagement aims and objectives, the background context and history, a thorough stakeholder analysis and the negotiables and non-negotiables. The two stage approach meant that broad number of people could participate and help to identify and prioritise matters of significance and impact that formed the basis of the conversation in the deliberative phase.

Principle 4

Polling was undertaken at the beginning and end of the engagement program to track community perception of, and understanding of the financial issues and the potential need for a rate variation. All engagement activities were evaluated. The council commissioned an independent assessment

of the overall engagement program and reported the findings to the community through its website, social media and newsletters.

Documentation of the engagement program

In its application for a higher cap, the council provided a narrative describing:

- how it engaged with its ratepayers and community, and why it adopted this approach
- what it learnt about the views of its ratepayers and community
- how these views informed its application for a higher cap.

The application included the following documents to support the narrative:

- the engagement plan
- samples of the information provided to the community at stage 1
- a copy of the deliberative forum's recommendations
- the council's report back to the community.

Council Z – Low engagement capacity and capability

Context

Council Z is a small rural council with limited capacity and capability for engagement. It does not have an agreed engagement policy and framework and has limited financial and human resources for the implementation of engagement activities. Outlined below is a hypothetical case study of how council Z could address this criterion on the basis of their application for a variation to the cap over the maximum four years allowed by the Essential Services Commission. The council was coming to the end of its four year strategic plan and budget. The revenue targets of this four year plan have not been met due to unforeseen effects of bushfires and a declining population/ratepayer base. Savings had been made over that four year period in terms of operational expenditure but there was little opportunity for further savings in the next four years.

The council's executive decided to recommend a small increase above the cap set by the Minister for Local Government to cover the deficit identified in the previous four years and an additional small increase to cover future gaps.

The engagement approach

The engagement plan

Council decided its key engagement objective was to build the community's understanding of its long term plans to effectively manage its budget.

The executive team developed a short engagement plan which addressed the following headings:

1. Objectives of the engagement plan:
 - to simplify the information provided to the community on the budgeting process for the development of the four year strategic plan
 - to educate the community on the budget constraints and therefore trade-offs that the Council faces
 - to encourage feedback from the community (ratepayers and businesses) on the state of the council's budget now and over the next four years.
2. Information to be provided to the community
3. The feedback loop with the community
4. Delivery program
5. Evaluation of the engagement program

The engagement methodology

Information that was provided to the community

Where are we today:

1. What processes have we put in place to operate more efficiently over the past 4 years?
2. How is the operating environment likely to change in the next 4 years? E.g. natural disasters, declining population, asset renewal.
3. In response to this, what financial gaps will we experience over the next 4 years if rates remain capped at 2.5 per cent?
4. What is the quantum of those gaps?
5. How do rates need to respond to those gaps? (single option only was given)
6. If rates remain at the Minister's cap what services-trade-offs are likely?

The feedback loop with the community

1. Use existing feedback and information mechanisms such as the council website, local paper, to distribute the information and seek feedback.
2. Train customer service staff to respond to and track questions from ratepayers on the information distributed.
3. Survey distributed with information.
4. Ward councillors given briefings and then asked to take responsibility for talking to their ratepayers about the information package.
5. Road shows by the technical director and chief executive office to the local villages to explain the pack and seek feedback.
6. All feedback provided to the chief executive officer's executive assistant for collation into a report which is tabled at a council meeting.

Program for delivery of the engagement program

1. One month for development of information, based on the budgeting work done for the previous strategic plan and the risk analysis for the future plan.
2. One month for the identification and training/briefing of information champions.
3. One month for the distribution and feedback process. This should also involve a review process. Some money was set aside for a telephone survey if the response to other channels isn't high enough.
4. One month for the review and finalisation of the council and Essential Services Commission report.

Evaluation mechanisms implemented

1. Response from community of announcement of Essential Services Commission submission measured

2. Is the community more knowledgeable about the relationship of their rates with the council's budget? Track the answer to this question at budget time each year over the four years.
3. The success of the narrative of the above in the Essential Services Commission submission for a higher rate cap.

Evaluation of the engagement program

Using the tools outlined above, the council evaluated the findings of the plan, which led to a recommendation that only one component of the desired rate cap increase would be needed as the community had indicated they were prepared to risk the gaps to the budget caused by unforeseen circumstances.

Council Z incorporated these findings of its engagement program into the narrative that was submitted to the Essential Services Commission in its submission for the higher rate cap. In particular they provided the following appendices as evidence:

- the engagement plan
- the information package
- the collated feedback
- results of the survey.

In the concluding statement when responding to the engagement criteria, they noted:

- The engagement program was appropriate to the scale of the council and to the size of the adjustment being requested.
- The engagement program informed the budget for the next four years in terms of its structure around savings.
- The community was more knowledgeable about the correlation of budgets and rate scales than previously.

Documentation of the engagement program

In its application for a higher cap, the council provided a narrative describing:

- how it engaged with its ratepayers and community, and why it adopted this approach
- what it learnt about the views of its ratepayers and community
- how these views informed its application for a higher cap.

The application included the following documents to support the narrative:

- the short engagement plan
- samples of the information provided to the community
- the report that was tabled the council meeting.