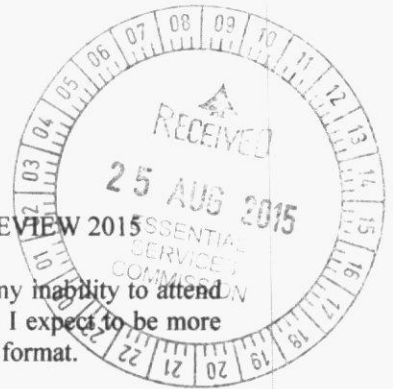


SUBMISSION to ESSENTIAL SERVICES COMMISSION VICTORIA

A BLUEPRINT FOR CHANGE

LOCAL GOVERNMENT RATES CAPPING & VARIATION FRAMEWORK REVIEW 2015



I do not have email facilities but with submissions due by August 28, 2015 and my inability to attend the local public meeting (Bendigo Region – a 200km trip) until August 26, when I expect to be more enlightened, I trust that my response to the Draft Report Volume 1 is in the correct format.

I am a Campaspe Shire, Echuca ward, ratepayer and while my observations and comments are based primarily on that shire I am aware that many rural ratepayers in particular have raised similar concerns relating to the efficient, effective, transparent use of public money in their shires also.

I note that the Minister for Finance, Robin Scott, states in his Terms of Reference dated 19 January, 2015 that an objective is 'to contain the cost of living in Victoria while supporting council autonomy and ensuring greater accountability and transparency in local government budget and service delivery'. You may have your work cut out to ensure greater accountability and transparency etc.

As a person who attends most council meetings, budget meetings and public information meetings pertaining to the municipality, from my observations of staff and councillors (the council) I have little confidence that many councillors understand the basic premise of 'cost of living'.

And that in itself is a major problem. The majority of ratepayers who volunteer to stand for council could not in all honesty say that they will represent 'all sorts of people' and not just those involved in tourism and business. The rationale is that if Echuca-Moama (the NSW border town marketed with Echuca) prospers, smaller communities will gain an advantage through the trickle down effect. Hasn't worked yet and in the meanwhile Campaspe ratepayers have to subsidise council owned tourism businesses. We can't be told what nor why etc. because of commercial-in-confidence but we are financially supporting businesses that are in direct competition with privately owned businesses.

Few ratepayers take advantage of the chance to gain information from council 'consultations. I have tried to encourage others to attend these functions but I'm told that it is a waste of time. I must admit that I feel that I merely participate in participation.

Despite several submissions to draft budget documents, rates have galloped ahead ever since the amalgamation and formation of Campaspe Shire, with little to show for it in outer areas. Some rural areas used to have their roads graded every four to five years but not since Campaspe was formed. Ratepayers have petitioned council because their roads have become dust bowls in summer with documented medical problems caused by neglect of the roads. They wasted their time.

The current budget document identifies 'savings' that has allowed council to reduce the 6% rate increase, set out in the long term strategy, to a mere 5% - the lowest for nine years.

It also warned us that council was 'mindful of the introduction of rate capping ...in 2016/17' and because of that factor alone we can expect 'general service delivery' to be curtailed.

At a Budget forum information evening I couldn't get a full list of the more than '120 services' that council has the 'burden' of having to deliver let alone know which ones they consider are 'general' or first in line to get the financial axe. Nor have I read anything to suggest that council will engage with the community to prioritise services. There are many other areas that could be considered.

An example; at a cost of \$140,000, council is to replace a fountain but a community request for a DDA compliant toilet brought the response from one councillor that 'council has better things to spend their money on than toilets'. I am aware that there is no statutory requirement for any council to provide public toilets but it is a priority for townships whose ratepayers are aged and infirm.

We hope that the new CEO, Mr. Jason Russell, can shake this 'dysfunctional' council into shape. He at least has been quoted as saying that council must get back to communicating with the community (Rate money to the tune of \$30,000 was expended on an external investigation into council operations. The council was found to be dysfunctional – something that is quite obvious to most ratepayers – but where will such 'accountability' be appearing in any report?)

Chairman, Dr. Ron Ben-David's message states that the commission has 'no interest in injecting ourselves into those matters best decided by councils and their communities'.

There are quite a few Campaspe ratepayers who are so disenchanted with the 'progress' of Campaspe (that is, in most areas other than Echuca) that they have had discussions about reinstatement of administrators, making a breakaway council or in some cases considering applying to be included in another shire. Communities are not convinced that they gain \$400,000 of value from having councillors telling us what we 'deserve', particularly if we 'don't pay much in rates'. (Councillor expenses 2013-2014 Annual Report)

1.1 in the draft document states that 'the rates capping and variation framework largely relies on the transparent, deliberative and consultative processes that councils advised us they already adopt when setting their budgets and their rates'.

Councils may say that they are transparent etc. but there are too many ratepayers who don't have confidence that that is so. We can't all be wrong. I can forward reams of newspaper clippings relating to Campaspe shire's lack of transparency etc. to validate this claim if needed.

I will be most interested to understand how the 'Variation process' will work from a community perspective. I note that a working group will develop the specific information that will be collected from councils annually to support the proposed rates capping framework but will any community based group (not appointed by council) be involved and will the information be freely available (without having to go through FOI only to receive mainly blacked out areas rather than information)?

I note Principle 5 – Rate increases should be considered only after all other viable options have been explored. Excuse my cynicism but I have read too many documents that state all the 'right' things but nothing actually changes, gets done, becomes more equitable or raises standards.

And then we come to 'cost blow outs'. In this municipality with old paddlesteamers, commercial businesses etc 'cost blow outs' are generally half to one million dollars. We got a garbled excuse from Keith Baillie, the previous CEO, as to where an extra million dollars came from that was added to the \$14 million already spent on the Port of Echuca centre. We also never did a satisfactory answer as to how much was wasted on the aborted Echuca Library project proposal at the old IGA store that sold for well below the purchase price. There are plenty of other examples.

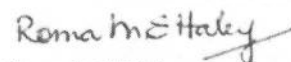
Why do all councils appear to fritter large sums of money with abandon ease? Could it be that they are trying to make an impression as to how capable they are, how seriously they consider 'our' 'needs' that they, as we are told, are in charge, yet actually they are floundering?

With Campaspe self-delusion is the official mindset. The boasting spin of a 'great year', with another to follow, (but no apology for being dysfunctional) is not facing reality.

With an explosion of staff numbers, consultants, contractors, volunteers (even though the overall municipality population has decreased), council should be galloping ahead instead of getting bogged down in petty arguments, errors of judgment, inability to really understand and be interested in the complexity of the electorate, so pardon my cynicism that anything can really change unless on-site audit and meeting with ratepayers (not selected by council) takes place. Despite consideration for independent scrutiny it may be the only way to gain community confidence in Local Government.

I am looking forward to 'the single most important benefit' in providing assurance to ratepayers and communities of the 'value-for-money- delivered by their councils'.

Thank you for the opportunity to express my opinion on the draft report. I realise that I have strayed outside the area of the Terms of Reference but there are so many areas which has resulted in a crisis in confidence as to the effectiveness of Local Government. I look forward to reading the final document.

  
Roma M E Haley

August 21, 2015