



# **Bass Coast Ratepayers and Residents Association Inc.**

## **BUDGET SUBMISSION 2020-21**

Incorporated Association Number A0096592H

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## INTRODUCTION

This budget submission is presented by Bass Coast Ratepayers and Residents Association in response to the Bass Coast Shire Council Draft Budget 2020/21.

The Association requests the opportunity to speak to this submission during Council's open public session.

This submission has been prepared by the BCRRA committee after having taken into consideration the draft budget, input and feedback from the Association's members, and information provided by other community members.

BCRRA conducted an online survey between 21<sup>st</sup> May and 21<sup>st</sup> June 2020 to gauge the community's current feelings about Council. The Association received responses from 176 community members. Some results from the survey are mentioned within this submission. A full copy of the survey and the responses will be presented to Council separately from this submission.

As all Councillors are aware, the aims of Bass Coast Ratepayers and Residents Association are to improve transparency, engagement, and fiscal discipline at Bass Coast Shire Council.

With these aims in mind the Association offers the following comments and questions in regard to this budget.

Bass Coast Shire Council Budget 20-21 is the final budget to be delivered by the current Councillors.

In this budget Council is seeking to increase total rates and charges by 4.5%.  
BCRRA notes that currently the Reserve Bank of Australia reports that inflation is at a level of 2.2%.

Your budget acknowledges that the average resident household wage in Bass Coast is around half that of the average Victorian household, and that a large proportion of residents are relatively cash poor.

Yet despite Councillors acknowledging relatively low household incomes, the draft budget seeks nonetheless to deliver a whopping increase in rates and charges at more than double the rate of inflation.

BCRRA questions if perhaps some Councillors, when seeking to impose the massive increases, have not given genuine and due and proper consideration to the impacts that these costs will have on households.

BCRRA also asks if it is Council's intention to continue pursuing similar massive budget increases, which are well in excess of the prevailing inflation rate, into the future?

In response to the question of Council delivering value for the monies paid by ratepayers, nearly 60% of respondents to the recent survey indicated that they believed that Council does not provide good value for money, whereas only 20% felt that they did receive value for money.

Having considered the draft final budget, for the reasons outlined throughout this submission, the Association's committee finds that whilst there are aspects of the budget which are laudable, overall the final budget of this Council is seen to lack sufficient discipline in consideration of ratepayers, and it is therefore deemed by BCRRA to be a disappointing budget for ratepayers.

## THE GLOBAL PANDEMIC

Like all governments worldwide, the COVID-19 global pandemic has required your Council to change its framing of the current budget in effort to maintain the safety of the community whilst at the same time attempting to protect the local economy from the economic shock caused by the pandemic.

The Association notes and welcomes the economic stimulus and community assistance measures adopted by Council in response to the COVID-19 pandemic.

The Association also notes that the pandemic forced the introduction of live-streaming onto Council, and that the demonstrated uptake of this service by the community should lay to rest any concerns that Councillors previously held in opposition to live-streaming.

## ROADS AND FOOTPATHS (STRATEGIC OBJECTIVE 6: LIVEABILITY)

BCRRA considers your Council to have performed very poorly with regards to this key area of Council operations.

We note comments at the June Council meeting where one Councillor expressed that his greatest frustration and disappointment in his whole time in Council is the failure of this Council in the provision of street schemes and the development of shires estates.

BCRRA shares that frustration and disappointment at this fundamental failing of this Council.

And the draft budget shows that this failure is set to continue, with the roads budget reduced by 64%, down to just \$4.5M when compared to the forecast actual of \$12.6M for 2019-20.

The draft budget also shows that you will reduce the footpaths budget by 60%, down to just \$1M when compared to the forecast actual of \$2.5M for 2019-20.

And the Association notes that, in addition to the budget cuts for roads and footpaths, the draft budget shows that there are no major initiatives indicated for the 20/21 year.

Yet Councils own plan for 2017-21, which was revised as recently as June last year, recognises that the community wants safer roads and pedestrian access.

For the many aged and/or disabled community members across Bass Coast Shire the need for proper and safe footpaths is basic and fundamental for their physical and mental safety and well-being.

BCRRA commends the motion that was put forward by a Bunurong Ward Councillor at the October 2019 meeting where he sought to have funding for new footpaths increased to \$300K per annum, and it notes that this budget reflects that amount for new footpaths.

However the Association believes that this amount is entirely inadequate given the needs of the Bass Coast community.

BCRRA requests that Council revise the allocation for new footpaths to an amount of \$900k for 2020-21, and to budget for increased funding for new footpaths to an amount equivalent to 2% of the annual budget by no later than 2025.

## CAPITAL PROJECTS

The draft budget advises that new funding has been provided in the proposed operating budget for the following strategic plans, minor projects, and major precincts:

- Bass Coast Dinosaur Trail Masterplan - \$250,000
- Public Realm Improvement plans, Cowes \$250,000
- GAP Road feasibility assessment and plan - \$100,000
- Strategic Positioning of Wonthaggi to support its growth - \$40,000
- Wonthaggi Secondary College Senior Campus Structure Plan - \$100,000
- Wonthaggi North East Precinct structure plan - \$150,000
- Rhyll Jetty Activity Area precinct plan - \$30,000
- Land purchases and various building works \$10.93 million
- The replacement of plant, fleet, and equipment \$2.34 million
- Infrastructure works such as pathways, roads, drainage, open space, and recreation facilities \$6.4 million
- Aquatics planning and design - \$3.08 million
- Cowes Cultural and Community Centre Redevelopment (Phase one)- \$4.0 million
- Wonthaggi Guide Park - \$1.15 million
- Phillip Island Transfer Station- \$0.25 million
- Climate Change Actions - \$0.5 million
- Anderson Road Boat Ramp East Carpark Upgrade, Cowes - \$0.38 million
- Dalyston Netball Court and Toilet Pavilion Upgrade - \$0.5 million

BCRRA presumes that Council officers will have available to them various project plans and forecast details such as scope of works, Gantt charts, project plans, and various other information that may be of interest to community members.

BCRRA requests that all details available to Council Officers or Councillors be made publicly available in suitable formats (e.g. PDF, Word, Excel, etc) via Councils website.

BCRRA requests advice from Council as to whether it is prepared to make such reports publicly available. If Council is unwilling to make such reports available, then BCRRA requests Council to explain its reasons for refusing to make such information publicly available.

## KPI REPORTING FOR PROJECTS

In the digital world, and under good management practices, it should be relatively simple for Council to provide better visibility to the community with regard to projects managed by Council Officers or managed by contractors on behalf of Council.

With regard to such projects BCRRRA requests that Council introduce and publish monthly reports showing the following project status information:

1. The total number of projects currently underway in the current financial year
2. The name and project number (or identifier) for each project.
3. The number of projects less than 50% complete.
4. The number of projects greater than 51% complete and less than 80% complete.
5. The number of projects 100% complete.
6. An accompanying graphical representation of the reported results including the status as at the previous month report.

With regard to the financial aspects of such projects BCRRRA requests that Council introduce and publish monthly reports showing the following project finance information:

1. Total YTD forecast project expenditure
2. Total YTD actual project expenditure.
3. Total YTD project expenditure variance

BCRRRA envisages that in accordance with good management practices this information is already available and in use by Council Officers, and therefore it should not be difficult to produce such reports for the community to see.

BCRRRA requests advice from Council as to whether it is prepared to make such reports publicly available. If Council is unwilling to make such reports available, then BCRRRA requests Council to explain its reasons for refusing to make such information publicly available.

## FINANCIAL SUSTAINABILITY

A review of Councils financial sustainability leads BCRRRA to hold concerns about the reliability of Councils budget forecasting ability.

The current draft budget shows that in 2018-19 Council budgeted for \$808K underlying surplus. However, in last years (2019-20) budget this surplus was revised to be reversed into a deficit of \$3.2M. But astonishingly the latest draft budget shows that Council actually delivered a deficit of \$9.55M for 2018-19.

That is a whopping \$10M turnaround for the worst to the budget delivered to ratepayers in 2018-19. And this astonishing decline in Councils fortune is explained away in the current draft budget with just ten words, to wit "is due to one off operational projects and landfill provisions."

BCRRRA requests a full public explanation from Council as to reasons and causes that led to this massive and detrimental turnaround.

Similarly, concerns are held about Councils forecasts for last year's budget, which initially budgeted for an \$800K surplus.

However, the draft budget now forecasts a surplus of \$1.7M. Ratepayers and BCRRRA must wait for the annual report to see the actual result.

## CORE SYSTEM IMPLEMENTATION

BCRRA has concerns around the massive increase in costs required to complete this project.

This project was commenced in September 2016 at a budgeted cost of \$900K. This current draft budget includes a new allocation of \$1.65 million to complete Council's core system implementation, bringing the total cost of the project to almost \$2.6M.

During Council meetings Councillors have commented that this amount is due to not having the right resources in place at the beginning of the project, and that the right resources are now in place.

Given that this project has now cost almost 3 times the original budget figure BCRRA requests that Council provide the community with a full explanation as to what went wrong with this project and why the community should have any confidence that earlier issues have now been corrected and that such issues will not reoccur in future.

## LIVE STREAMING

The provision of the live-streaming and archive service has added a level of transparency and openness not previously experienced at Bass Coast Shire Council.

And as anyone can see, the community uptake of this highly valuable and inexpensive service has been highly impressive. The figures speak for themselves.

At the time of writing there has been more than 280 views of the May live-stream and more than 300 views of the June live-stream.

In the light of this evidence, surely no Councillor can reasonably continue their opposition to this valuable community service.

In response to the BCRRA's recent community survey 66% of respondents indicated that they felt that the introduction of live streaming will improve transparency and community engagement from Bass Coast Shire Council, whereas only 15% felt that it would not.

Given this clear indication from the community, BCRRA requests that each Councillor who is considering re-contesting for a position as councillor, now publicly declare whether or not they will support the continuation of live-streaming beyond the current trial period, and if opposed that they then give a full public explanation to the community as to their reasons for being opposed to live-streaming.

## RECONCILIATION WITH BUDGETED OPERATING RESULT

The table shown at item 6.10 (page 29) lacks sufficient explanation to make sense to the average reader. Further explanation as to how these figures are derived, and what they are intended to be reconciling to, is necessary so as to make this information meaningful to the average reader.

## GARBAGE CHARGES

BCRRA remains concerned at the large and ever-increasing garbage charge, and also with the unwillingness of some Councillors to apply more scrutiny and to advocate more forcefully on behalf of ratepayers.

These are large and ever-increasing charges that are being imposed by some of the largest waste companies in Australia.

The recent Council decision to allow, with what appears to be little more than a shrug of the shoulders, the imposition of massive contract variations onto ratepayers is testament to the failure of this Council to strongly advocate on behalf of ratepayers.

Why does the budget show the garbage charge increasing by 10.85% at 8.2 (Current year rates and charges), when in financial note 18.7 the increase in waste management expenses is shown as 8.86%?

Why does the budget show the garbage charge increasing at more than double the inflation rate over the 3 years from 2021 – 2024?

What are the component items that make up the overall garbage charge, and why are these components not shown individually in the budget document?

BCRRA requests that Council amend the way the garbage charge is reported so as to detail each and all component items individually.

## BORROWINGS

During recent meetings some Councillors have proclaimed to the community that money is now cheap and that therefore this is the time to borrow.

Thus, in your final budget you are seeking to increase net borrowings by almost \$20M at a cost of \$3.2M, or 16%.

And your budget is forecasting to leave ratepayers with a Council residual debt of \$37M still to be paid out.

How does Council justify the 16% interest costs shown in this budget?

What timeframe is envisaged for these borrowings to be repaid in full?

## GRANT FUNDING

BCRRA is alarmed to see that your budget shows grant funding steadily decreasing over the 3 years from 2021 – 2024

The Association seeks explanation as to why you are forecasting the decrease in grant funding.

The Association also asks what defined steps this Council is undertaking to arrest and reverse the decline in grant funds.



## CEO EXPENDITURE DELEGATION

BCRRA notes with concern the recent decision of your Council to reinstate the \$1M expenditure authorisation to CEO.

Your decision is retrograde, and contrary to the position you took at the beginning of your term as elected community representatives.

BCRRA believes that your decision risks revisiting the high levels of community dissatisfaction with Bass Coast Shire Council, and which you inherited from the previous administration.

The Association further believes your decision to reinstate the \$1M CEO expenditure delegation will prove detrimental to the Bass Coast community in that it will lead to reduced financial discipline and reduced transparency at Bass Coast Shire Council into the future.

## MEDIA POLICIES

Council recently introduced new media policies. These policies are highly subjective and can severely restrict and prevent Councillors from offering their reasonable personal opinions regarding Council decisions or policies.

In response to the BCRRA's recent community survey 71% of respondents indicated that Councillors should be allowed to freely express their reasonable personal opinions about Council decisions and policies, whereas only 17% felt that they should not be allowed to do so.

And in response to the changing the policies, 70% of respondents indicated that Council's Media Engagement and Social Media policies should be rescinded or at least be changed to allow Councillors to express reasonable criticism of Council decisions and policies, whereas only 13% felt that they should not be changed.

Given this clear indication from the community, BCRRA requests that Bass Coast Shire Council rescinded the policies, or at least change them to clearly allow Councillors to express reasonable criticism of Council decisions and policies.

## CONCLUSION

As mentioned earlier, this submission has been prepared by the BCRRA committee after having taken into consideration the draft budget, input and feedback from the Association's members, and information provided by other community members.

Bass Coast Ratepayers and Residents Association considers that the final budget delivered by the current Councillors has largely failed to meet the expectation of the wider Bass Coast community, and the future needs of the Bass Coast community.

Therefore, it is a very disappointing budget.

The Council Plan acknowledges that Bass Coast is one of the fastest growing municipalities in regional Victoria. Yet in many parts of this shire proper and well-constructed roads and footpaths are either inadequate, in poor repair, or entirely non-existent.

In many respects this budget belies Council's claimed vision that "Bass Coast will be known as a region that supports a sustainable and healthy community."

As its mission statement this Council declared that "We will engage with and advocate for our community to ensure equity and balance between liveability and environmental protection and be accountable for our financial management in realising the community's vision."

BCRRA will be observing on behalf of its members to see how openly and honestly Council responds to the Associations budget submission and will consider the response as a measure of the sincerity of Council's publicly declared mission.