TRANSCRIPT

STANDING COMMITTEE ON THE ENVIRONMENT AND PLANNING

Inquiry into rate capping policy

Melbourne — 18.10.2016

Members
Mr David Davis — Chair  Ms Samantha Dunn
Ms Harriet Shing — Deputy Chair  Mr Khalil Eideh
Ms Melina Bath  Mr Cesar Melhem
Mr Richard Dalla-Riva  Mr Daniel Young

Participating Members
Mr Greg Barber  Mr James Purcell
Mr Jeff Bourman  Mr Simon Ramsay
Ms Colleen Hartland

Staff
Secretary: Mr Michael Baker

 Witnesses
Cr Eric Lording (sworn), and
Cr Chris Healy (sworn), Murrindindi Shire Council.
The CHAIR — I welcome Cr Lording and Cr Healy. Are you ongoing councillors? Cr Lording is ongoing and — —

Cr LORDING — I never stood again.

Mr DALLA-RIVA — He has not been re-elected yet.

The CHAIR — No, but some have applied and some have not.

Cr HEALY — Eric has been elected unopposed. Some wards run opposed.

The CHAIR — I was about to say that, because there were very few outings.

Ms DUNN — We have got an unopposed and not re-standing.

The CHAIR — So one is back for sure, and one is not back for sure.

Cr HEALY — I am back, but Cr Healy has pulled the button.

The CHAIR — I am going to ask after you have been sworn in to be brief. We have actually got your submissions. As you heard in the recent period, we have actually asked questions on the basis of them.

Cr LORDING — That is all I have.

The CHAIR — Lovely.

Cr LORDING — In the preface that I read about this committee, it said ‘assume you have read everything from us’. I would like to go through those very short points so that it will just strengthen them in your mind. The first thing I need to say is that with the ESC we have got it on pretty good information that it was given the feeling that we were a couple of dumb clucks and the ESC should not listen, and unfortunately they listened to that from the council. I need to tell you that I am ex-defence scientist. I am an ex-CSIRO scientist. I was on the team that developed the plastic bank notes. I was on the team that developed all the latest safe insecticides. I have been an executive of Hewlett Packard and IBM, and I have worked at the council to help them through the fires, as an engineer. And this gentleman here is an ex-member of the constabulary, so we are not dropkicks, thank you.

What I want to say first up is on the 9.9 per cent rise in 2016 to outsmart the rate cap, and we have that from previous councillors. That is the reason it was done. I do not want to mention names, but we can if you really need to. The council then received the 4.3 per cent from the ESC, which actually when you calculated it out with all the additions the council added worked out to between 5.1 and 5.6 per cent. The SRP written earlier was asking for a 6 per cent rate cap each year. If you add up the 9.9 per cent and the 5.1 per cent, they finished up getting far above that. So their ruse worked.

The thing that hurt people a lot is the between 25 and 29 per cent rate rises for businesses at the time of business failures locally. That was because of the fires, less people around and the economics. The ESC removed the submissions from the website, which were supposed to be there, when our submission with damning information was presented. The reserves in 2016 are three times that required by the SRP. The shire is actually overfunded, and the rate rise was not needed in our view. And by the way, both Cr Healy and myself stood independently, did not even know the other one was standing, on exactly the same grounds, because I had seen what the council was doing — he had as well — and we found — —

Cr HEALY — Can I just add in there, that was only 12 months ago at a by-election. They had two by-elections for two separate wards of council, and Eric and myself won each of those wards.

Cr LORDING — When the CEO presented to the ESC, she used the line of loss of residential properties, and a number of residential properties had been lost and people had been lost and people had moved out, which inferred that the rates had decreased, which is actually untrue. We have some graphs here, which if someone could distribute, you can have a quick look at.

Cr LORDING — They are already provided in the notes that they are in.
The CHAIR — Yes, but colour ones will be better rather than the black and white ones.

Mr LORDING — I am very pleased you have got those — thank you. If you read that graph on rates, the rates only dropped 1.5 per cent in the post-fire year and they climbed above that, and that 1 per cent was actually funded by the Victorian government as a rate relief. There was an error on answering the ESC when they were asked how it was broken down — the percentage asked for — and there was actually an error of 1 per cent, so they did not quite need that much. We can show you that if you like.

Public consultation was not done at all. It was based on the previous consultation done in the previous year. So as far as going for a variation in the rate cap, there was absolutely no consultation. We have that in writing from the mayor.

Another thing that is happening is that there is a sizeable unused infrastructure. Sizeable — large — infrastructure rate funds are diverted to reserves each year rather than being used the following year. This has bloated the reserves but lowered the service levels and needed infrastructures for ratepayers who have actually paid for them.

The last one is: the shire keeps quoting the increasing infrastructure fund gap, but in reality current reserves and projected reserves can pay for that 10 times over. It is just a way of justifying increased rate rises. Thank you.

Mr HEALY — Listening to the speakers here from the ESC, I feel that what should have been a simple process of assessing applications for a variation to the rate cap has turned into some sort of bureaucratic feast. It should have been simple, but it has now become a nightmare. All of the high-level information that was provided really sounds good, but on the ground it was not so good in Murrindindi’s case. The ESC totally ignored the jump in the strategic resource plan in 2015–16 from a 6 per cent rise in the general rate to 9.9 per cent. And as Eric mentioned, that was to outsmart the upcoming rate cap.

Just an aside, when you were talking about my FOI claim on the ESC, the information that I got from the ESC was that two of the documents that they are not releasing are legal opinions. It is hard to imagine that legal opinions should have been part of a process of calculating a rate cap application.

The CHAIR — Unless they relate to the ability to recover rates, for example.

Mr HEALY — Well, we do not know because we have not got — —

The CHAIR — No we do not; that is correct.

Mr HEALY — That was just from listening to the fellow from the ESC. From my perspective — I have written down a few points here — from the information Cr Lording and I provided to the ESC, it was impossible for the ESC to come to the decision they reached unless there was some external motivation to do so. Eric and I put that information to the ESC, and we provided documentation that backed that statement up. I just cannot believe that they could look at the information and come up with the decision that they came up with without some sort of external influence.

With the 9.9 per cent increase, in a response to the ESC from council they said — and this is also in a response by email from the ESC to ourselves — that the reason it was 9.9 was that there was an increase in the differential rate in that time frame and it included supplementary rates. I have explained to the ESC and the ESC have sent me correspondence to say that they understand that the general rate includes all the different types of differential rates. So you cannot base the general rate just on the residential rate. It is on the total of rates collected over — —

The CHAIR — In the different categories.
Mr HEALY — In different categories, so you have got residential, commercial, farm 1, farm 2, vacant land. But the ESC has taken the view — and there are emails here, and I guess we might provide them to you — that the residential rate was the general rate. It is just plain and simple not true. I went through this with the MAV, and they have given me information to say that the general rate is over the whole lot.

The 1 per cent that the ESC was happy to go along with was included in that 9.9. Council documents definitely show that that 9.9 did not include supplementary rates. The ESC in another email to me have said that they have had experts working on this. Now, if they have had experts working on this, then they should have picked it up. If they had experts working on it, they should have seen that the council’s financial reserves have increased from 3.5 million in 2008–09, which is the year that we had the bushfires, up to 2016–17, which is 23 million. I mean it is just a huge increase. The rate revenue — —

The CHAIR — Is there a purpose in mind for that according to their strategic plan? Is there a purpose?

Mr HEALY — The strategic plan that they did in 2013 predicted reserves of $9 million for 2016–17, but in the 2016–17 budget the reserves are actually $23.4 million, I think it was, so we have got that $14 million jump.

Ms DUNN — But is there a reasoning for that? I think that is where the Chair is going to. What was the reason given to support that level of return?

The CHAIR — Are they worried about a call on defined benefit? Is it because they have got a capital project?

Ms DUNN — Yes, some looming asset.

Cr LORDING — Building a new shire hall or something? No, there is nothing like that.

Cr HEALY — The only reason that they have given is the extra money for maintenance of the assets received during the bushfire reconstruction, but the amount that they put into reserves would, as Eric said, cover that 10 times over. They were talking about $1.76 million a year being necessary for the extra maintenance and renewal of those gifted assets, but as you can see it has just gone exponentially above that.

Cr LORDING — Just in answering, some of that would be required for long service leave and any other costs like that and maybe — —

The CHAIR — That would be the 9.9 estimate, would it? Is that what would be required or is some of that required for the additional wedge?

Cr LORDING — No, it has got nothing to do with that.

Cr HEALY — No, nothing to do with that. That 9.9 was a figure that they just pulled out of the air because they had the 6 per cent that they were planning on under the strategic resource plan, and to outsmart the rate cap that was coming in the year after, they jacked up the rates by 9.9. Now what that does — —

Ms DUNN — You mean really they were relying on the cumulative effect of having a higher rate rise at that point in time because that embeds that rise in perpetuity into the future.

Cr LORDING — Anticipating, exactly. It raises the base on which to calculate all future rate rises.

The CHAIR — Your argument is that it was gaming in effect. It is gaming the system in that sense.

Cr LORDING — Yes, they were playing the system.

Mr MELHEM — Have they given different figures to the ESC in relation to the SRP, for example, of 6 per cent? Did they put different figures? Are they budget figures?

Cr LORDING — No. All these figures that I have got are directly out of council records.

Mr MELHEM — Yes, but when they put their application to the Essential Services Commission, what figures did they use? Did they use these figures or did they use different figures?
Cr LORDING — I think they got away with it by putting as little information as far as figures go as possible —

Cr HEALY — Lots of padding.

Cr LORDING — and hoping that the ESC would not do their homework.

The CHAIR — Do you think they only use the general rating category and used that as their base for application? Is that what I detect you are arguing in part?

Cr LORDING — One of the things that the ESC was told was basically that the residential rate was the general rate, and the ESC actually regurgitated that theory in some of their information, but it is just plain wrong, and the ESC — their experts — would have known it was plain wrong.

The CHAIR — I am going to cut you off now, and I want to ask some questions. I am conscious of the time. This is quite a serious matter. The first thing I am going to ask you to do is to provide the name of the person who told you it was gaming and so forth to the committee secretariat — separately, not on transcript.

Cr HEALY — Previous councillors?

The CHAIR — Yes, to Michael Baker but not on transcript.

Cr HEALY — Yes, that is good. No drama.

The CHAIR — That is the first thing. I want to verify that in some way without exposing a person. The second thing I want to go to is the process here. Now these FOI documents fall in three tranches. You have been given documents 1 to 49.

Cr LORDING — That is right.

The CHAIR — Would you provide those to the committee — not now. You do not have to do now.

Cr LORDING — Yes. I have got them there, but they will have to be copied, so that is not a problem.

The CHAIR — That will be fine. Give them to the secretariat. The second thing is the other documents fall into two tranches, and according to these FOI documents, Mr Chow has indicated that some of these will not be provided. The documents I referred to before, documents 50 to 69, relate to a series of reports that are marked confidential in the submission. Now we have asked Mr Chow to provide those, and I will indicate on transcript that I will seek to pursue those. They say, under the FOI, that in broad terms disclosure would involve disclosure of the processes of deliberation that led to making a decision by the commission. Now I accept that they may well be a ground for not providing documents under FOI. It is not grounds for not providing documents to this committee, and I want to put on record that precisely the reason I want to see them is I want to understand and scrutinise the deliberations and the considerations of the ESC in its decision-making process. That is precisely what this committee’s purpose is in this respect.

I want to also indicate that you say there were experts working on this — that is, the reserves. You had communication with the ESC, and they had some experts look at — —

Cr LORDING — Not strictly on the reserves. They said they had experts working on the whole Murrindindi process.

The CHAIR — Right.

Cr LORDING — From what I read in that email, it was, ‘Well, we’ve had experts working on it, and, you know, who are you?’.

The CHAIR — Okay. We will also seek any assessments that the ESC itself has undertaken. Mr Chow goes on: documents 70 to 105 have been created by officers of the commission. He mentions section 30 and other points relating to these. Again these relate to deliberations, and we will seek those from the ESC themselves. You obviously do not have them.
I want to just return to the calculations. How have you formed the view that they used this general rate rather than the rate of all categories for their average? How have you formed that view?

**Cr LORDING** — If you would just bear with me for a couple of minutes.

**Cr HEALY** — There is a table that is really easy to see. It is on page 75.

**The CHAIR** — I think we would appreciate that document to understand how these calculations have in fact been arrived at. We might further be in contact over the next period to follow this through because it is a key point.

**Cr HEALY** — That will be fine.

**The CHAIR** — If the assessment process is in any way flawed, we need to understand that.

**Mr MELHEM** — Gentlemen, thank you very much for coming in today. I commend you for coming forward and voicing your opinion on this matter. Cr Lording, I think maybe that is one of the reasons you got elected unopposed in your ward. Obviously the community is basically on side with you in relation to your view on rate capping.

**Cr LORDING** — Very much.

**Mr MELHEM** — So now you have been elected unopposed, what would be your view when the council convenes in relation to the next round of rate notices going out? Would your view be advocacy for not putting in an application for variation?

**Cr LORDING** — Very, very much.

**Mr MELHEM** — What is the view of the other councillors, do you reckon, on council?

**Cr LORDING** — Well, the current councillors seem to go along with the CEO on everything, and the mayor, but myself and my constituents and just about every writing that is coming to myself and Chris is expressing that there should be nothing above the 2.5 per cent rate cap for sure. The other thing people are saying is that with these reserves and the amount they have raised it and the costs of the current rates compared to other similar councils in the area, there should be no rate rises for the next three years. They are the things I am hearing.

**Mr MELHEM** — What sort of consultation do you reckon councillors should undertake in relation to gathering community support for a rate increase or status quo? What sort of processes would you suggest that the government should adopt or the ESC should adopt?

**Cr LORDING** — What I wanted with this one, before it went to the ESC, is what I put up: there should be five public consultations in the major cities — worst case four — and we finished up with none. So they were my thoughts on that. The guy that was going to stand against me pulled out and said, ‘You’re doing a good job’, so I take that as a bit of a thing to go ahead and try and do something. I am of half a mind to try to become the mayor to see if I can actually use the trust that people have in me to try and rebuild the trust with the council, because at the moment there are two silos. If you look at what happened in Yea, it was a rainy day and there were 200 or 300 people there objecting to the council — in fact wanting all the councillors, including myself, fired. But they did say, ‘We don’t want to lose you’. Things are pretty strong, and it needs to be addressed immediately.

**Mr MELHEM** — There is the perception that Murrindindi council, since Black Saturday, has obviously gone through a fair bit of hardship et cetera.

**Cr LORDING** — I was there too. I was working there.

**Mr MELHEM** — I was there too. Now we are looking at a $24 million reserve, which is really double what the general rate per year is. So basically are you suggesting that perhaps the minister or the government should look into what happened with the application to the ESC in relation to people blowing up the figures and the
CEO giving herself a 9 per cent wage increase while crying poor about not providing proper services? What is your view on this matter?

**Cr Lording** — Definitely. I really think we need to look into it — definitely — anything that we can do to make sure the rates do not continue to rise at the rate they are rising, because it is hurting the shire, and the fact that money that should have gone into infrastructure has been thrown into the reserves as well. The grant money is being spent on infrastructure, but then what is left over or running short of time or whatever — any of that money does not go into the next year. It goes into the reserves. So rate money is just going in there. It is unnecessary to have any rises at all. But I would shoot for, ‘Stick to the rate cap over the next three years’, because we could not get any sense out of the shire officers for about a month. It cost more than $25 000 to put in that ESC exemption.

**Mr Melhem** — My understanding is that there is no such thing that exists about having to pay a fee for — —

**Cr Healy** — No, Eric is just saying council officer time.

**Cr Lording** — No, this is what it must have cost us because we have got external experts, we have got two GMs and a CEO and we have got all the troops under them.

**Mr Melhem** — Right, I am with you.

**Cr Healy** — It was about a 200-page application, and most of that was superfluous information. But it was just put there on the basis that if you make it big enough, you will get the rate rise.

**Cr Lording** — But the taking down of our submission from the ESC’s website is a damning thing. The ones prior to then — —

**The Chair** — Your personal submission or your — —

**Cr Lording** — Yes, our personal submission.

**Ms Dunn** — Did you ask the reason as to why that was taken down?

**Cr Lording** — Yes, I did. I asked twice and no answer. It was to — do you remember the girl’s name?

**Cr Healy** — Lisa Horsburgh.

**Mr Dalla-Riva** — And she was at the ESC?

**Cr Lording** — Yes.

**Cr Healy** — She was with the ESC. She was the one that we dealt with initially with any of our queries.

**Mr Dalla-Riva** — She removed the — sorry, what was her involvement?

**Cr Lording** — She was an investigator, or words to that effect were on the bottom of — senior — —

**Ms Dunn** — She was with the ESC?

**Cr Lording** — She was with the ESC.

**Cr Healy** — She was a [inaudible] investigator that basically handled Murrindindi’s case.

**The Chair** — So you will probably have some emails with her — —

**Cr Lording** — Yes, most definitely.

**The Chair** — You might make available her contact and her title.

**Ms Dunn** — Can I ask in relation to what are very serious allegations: have you made any representations either to the Ombudsman, the department or the minister in relation to what you are alleging here?
Cr LORDING — We have mainly stayed with you guys, pretty much.

Cr HEALY — We thought this was the best chance of getting a fair sort of hearing.

Ms DUNN — We certainly have powers to hear, but we do not really have powers to investigate in a way that those other bodies do. That is why I asked the question.

I am interested in understanding, in terms of Murrindindi’s finances, in relation to infrastructure do you know the budgeted amounts put towards infrastructure building, maintaining and your asset renewal gap — what those figures are?

Cr LORDING — I was involved in that when I was there. I did retire in the middle of 2014.

Ms DUNN — Just this current budget.

Cr LORDING — Honestly right now I can get you those figures.

Cr HEALY — From what I recall, capital works was about $7.9 million.

Ms DUNN — So that was for build? Just for build?

Cr HEALY — Just all capital works, which is roads, buildings, maintenance, bridges — the works.

Ms DUNN — Okay. And the gap?

Cr LORDING — The gap is about $1.6 million, $1.7 million currently. And remember, they only do that infrastructure gap according to NAMAF on spreadsheets. We supported the purchase and the hiring of a person for a year to actually buy some proper software that really integrates in and actually really shows what it is rather than all these figures we keep getting.

Ms DUNN — Yes, so that you can do it appropriately. So are you suggesting at the moment that the money that is allocated in the budget for those works is not being spent on those works?

Cr LORDING — Not all of it. If anything drops out, it is the rate-funded parts, and then it goes into the infrastructure reserves which is part of those reserves. It does not come out again the next year to be re-spent.

Ms DUNN — So essentially council sets a capital works budget for the year, but not all of those works are completed.

Cr LORDING — Correct. This year 90 per cent of it was, which is unusual. They have got a pretty good manager in that area now, and I am the infrastructure portfolio so I am right on top of it. But in previous years, some years it was 40 per cent, generally around the 75 per cent, and this year — not all because of me — because of me being right on top of it, it is being watched a bit more carefully and 90 per cent was spent.

Ms DUNN — What is your current percentage increase on your enterprise bargaining agreement?

Cr LORDING — I cannot tell you that off the top of my head

Ms DUNN — Perhaps if you could come back to us with that, that would be good. And also, are you aware of whether Murrindindi had a superannuation liability call at the last call and what that figure was?

Cr LORDING — The last call they did. Was it $2 million?

Cr HEALY — A bit under, yes. I was still on council at that time because I never stood at the last elections. Initially they were talking about $900 000, but I think they had estimated $1.8 million or thereabouts.

Ms DUNN — And in relation to the CEO’s 9 per cent increase, was that decision approved by council?

Cr LORDING — Yes it was, but — —

Ms DUNN — So it was a councillor resolution.
Cr LORDING — Yes. I objected and offered some other statements, and in fact I personally said we should go to the market. It was quashed, unfortunately.

Mr DALLA-RIVA — Thank you, gentlemen. I am actually a former flatfoot like you, so I am just going through part of the investigative background that we are taught to undertake. I am just curious because in Deloitte’s submission that was provided to the ESC, the concluding remarks at 1.4 — that is page six of nine, which is on the website — it says here in the second paragraph, this is about Murrindindi:

Murrindindi shire could get by in 2016–17 without an increase in rates beyond the cap. But this would only delay an improvement in its circumstances.

So I am somewhat curious that the independent Deloittes has sort of indicated that they do not need a rates cap. On reviewing the back on the long-winded — you are correct, it is 197 pages, the first submission, and then there is a follow up one of 57 pages — it appears to be some communication by the CEO, Margaret Abbey, in respect of the communications that the CEO has made numerous times to lots of politicians about getting some buy-in on the assistance to all the post Black Saturday developments — —

The CHAIR — All the gifted assets.

Mr DALLA-RIVA — Sorry, the gifted assets — I am just trying to remember what I read. In the report it goes on to talk about, in the council’s submission, on page 15:

In her letter to Minister Hutchins the mayor expressed her concerns about the impact of the rate cap on council’s long-term strategic resource plan and ability to deliver promised services in the context of an ongoing communications strategy with the community about council’s funding situation. The response from the minister, dated 3 March 2016, is attached and simply outlines the application process and the review of the Local Government Act 1989 without responding to particular concerns raised by the mayor in her correspondence.

So there seems to be a lot of politicking, and if I go back there is all of this, where she has been talking to ministers and shadow ministers — which is fair enough. But I am just wondering, given that an independent Deloittes says, ‘You do not really need it’, and you are saying, ‘You do not really need it’, but the ESC, out of all the one, two, three, four, five, six, seven, eight, nine, ten — I think there were nine and then one withdrew — you were successful when you did not need it. Others were unsuccessful when they did need it.

The CHAIR — And look at Towong. They were very successful. They got 6 per cent and then did not take it.

Mr DALLA-RIVA — Yes, so I am at a bit of a loss as to how — —

Cr LORDING — You are at a loss!

Cr HEALY — You are in the same boat that we were in, because we provided information to the Essential Services Commission to say the rise in the general rate the year before was 9.9 per cent, not the 6 per cent in the strategic resource plan. Now, you have only got to look at the documents to see that that is true.

Cr LORDING — And that was taken off the website so no-one else could see it.

Cr HEALY — So all he had to do was look at the documents and say, ‘God, yeah. They had a rise of 9.9 per cent last year instead of the 6 that they were planning in the SRP. They don’t need a rate rise’.

Mr DALLA-RIVA — Do we have a full copy of the submissions?

Cr LORDING — We can get it to you. We have got copies.

Cr HEALY — But anyway, with that information, as just a normal person, I cannot understand how they could come to the decision that they came to. As well as your saying that Deloittes said that they did not need a rate rise, Deloittes also said in that report that Murrindindi Shire Council was in a good financial situation.

Mr DALLA-RIVA — I did read that about them.

Cr HEALY — In a good financial situation. It is in the same report. But I cannot get my head around — and that is why I had that FOI claim in — how they could come up with that decision without some sort of external influence. It just cannot happen. That thing I was telling you about, that extra 1 per cent for supplementary rates,
a 10-year-old kid could work out in about 5 minutes that the supplementary rates were not included in that 9.9 per cent, as was council’s response to a question from the ESC. But the ESC was happy to accept that, and it is just — —

Cr LORDING — Without question.

Cr HEALY — Yes. It is beyond belief.

The CHAIR — The supplementary rates, as I understand it, are usually rates that relate to a specific — for example, an overlay on a shopping centre.

Cr HEALY — No. Supplementary rates are — when you do your budget, during the year there might be subdivisions, there might be houses built, and that will bring in a bit of extra rates, which normally in Murrindindi’s case — —

The CHAIR — I see. As opposed to a special rates scheme?

Cr HEALY — No, it is totally separate.

Mr DALLA-RIVA — The second question I have relates to the first bit. I was going through, trying to read through the 197 pages and they have minutes and all these other things in them. Where is it in the council meeting that you have come to an agreement that you are going to put an application in for a rate rise? In other words, was there a process within the council that said, ‘We are now going to make an application’, and was it voted on?

Cr HEALY — Yes, it was. Eric and I came on board late and — —

Mr DALLA-RIVA — It is all right. You do not have to justify it. I am just trying to work out if there was a — —

Cr HEALY — No. There was definitely a resolution. Four councillors voted for it, and Eric and I voted against it.

Cr LORDING — And I think we called a division, did we not?

Cr HEALY — Yes.

Cr LORDING — So it is in the minutes.

Mr DALLA-RIVA — Right, so it is in the minutes that the majority won.

Cr HEALY — Yes.

Mr EIDEB — Just a couple of questions. Hopefully the answers are short ones. The government rate capping process required councils to demonstrate community support for their higher cap application. How did that work in your case?

Cr HEALY — Well, there was not any consultation or communication.

Cr LORDING — Not at all. We questioned why, and an answer back in an email from the mayor said, ‘We’re not going to do it. We’re going to base it on something that happened a year before’. Chris and I were just going — and that is what is happening in a lot of areas. Consultation is — —

Cr HEALY — You have got to remember that Eric and I came in late into this council, and we came in on a platform of open and accountable government. The councillors who were already there, they sort of keep Eric and I at arm’s length. We are councillors, but we are not really in the process.

The CHAIR — Well, you will not have much longer for that.

Cr HEALY — No, I will not.
Mr EIDEH — So in your view, what was the community’s view about being asked to pay a rate bill that increased on average more than the CPI?

Cr LORDING — It caused a riot, basically — 200 to 300 people in Yea turned out on a very wet day and protested, and that is hard to get out of farmers.

Cr HEALY — Put it this way: everyone I have spoken to was against any increase of the rate cap.

Cr LORDING — I got stopped in the street the other day, and they said, ‘Thank God you are there’. So that is the feeling, and that is not in my writing.

Mr EIDEH — That is lack of consultation.

The CHAIR — Just in conclusion, I just want this document here noted. This is appendix B, ‘Rates and charges’, from the budget 2015–16 adopted 27 May, pages 57 and 45. Now essentially your contention, Cr Healy, with respect to this is that on page 45 of 74 you indicate that the general rate was used for the calculation as opposed to the — I am looking on the other document here. Which one do you want to describe?

Cr HEALY — Well, the one on page 45.

The CHAIR — Yes.

Cr HEALY — The one on the later document — that is, appendix B — that is a statutory requirement, so that has to be on the money. The earlier one, page 45, is just the volume of the budget. Now what they have done on 45 is they have substituted the word ‘residential’ for ‘general’ — right?

The CHAIR — Rates. So that is page 45 in the actual budget, whereas the total amount to be raised by general rates is 9 per cent.

Cr LORDING — That is statutory, so that goes to the Auditor-General. But it is hidden on page — —

The CHAIR — So an error is made there. And in the submission to the ESC did they again use this? Which figure did they use there?

Cr HEALY — I do not know. I have read it, but I have not got a copy with me.

The CHAIR — We will look at that, and this will be copied for committee members, since I have the benefit of the only copy at this point. And if I can indicate just in conclusion, we will follow up on those things with the ESC, and we might, if committee members are happy to do a motion, subpoena them if required.

Cr HEALY — Can I just add to that? I actually advised the ESC that that substitution had taken place with the word ‘general’ for ‘residential’, and the ESC addressed that somewhere in their report, from memory.

The CHAIR — Right. So if we can perhaps have that moved —

Mr MELHEM — Done.

The CHAIR — and seconded —

Ms DUNN — Done.

The CHAIR — good — to subpoena if required, but following a request from the secretariat to do that. That is all of the documents relating to that FOI right through to the end — to the very last one — and you will provide, Crs Lording and Healy, the submissions that you made to the ESC, which are apparently not on the website.

Cr LORDING — We will do that.

The CHAIR — Thank you. There are no comments from the floor, I understand. There are no members from the community who are wanting to make comments today, in which case, thanking Hansard and thanking the secretariat, you two are free to go, and we will close the hearing. Thank you.

Committee adjourned.