7th March 2016

The Hon. David Davis
Chairman
Environment & Planning Committee
Victorian Parliament
Spring St
Melbourne 3000.

Dear Sir,

Submission to Inquiry on Council Rate Capping - March 2016

That piece of Legislation on Rate capping is excellent and well overdue. Governments at every level and political persuasion have been wasting the financial contribution of all Taxpayers and Rate Payers for nearly a decade. The rot must stop now, starting with Local Government.

The Ratepayers of Bass Coast Shire submitted a petition to the Essential Services Commissioner in February 2016, strongly expressing their support for the Rate cap imposed on the Council, by the State Government, for the fiscal period 2016/2017. The Petition was also a demonstration of the serious opposition of the people of Bass Coast Shire to the Council attempting to secure, from the Commission, any exemption from the Rate Cap. The petitions were signed by 2093 Ratepayers going about their normal business across the Shire, over the period 19th January to 18th February 2016. Such was the strength of the sentiment. This was further supported by the overwhelming number of participants at Council Workshops (Community engagement) on the subject.

Most Councils:
- Waste money.
- Have unnecessarily high overheads, quite out of balance with Revenue intake.
- Employ far too many people.
- Deliver average to poor quality of service (except those delivered with Volunteers) with no real accountability.
- Fail to prioritise their Capital Expenditure (capex).
- Fail to build sufficient reserves to qualify for important grants to support capex.
- Pay far too much to Consultants and Contractors without challenge.
- Do not use their own staff productively.
- Have no innovation coming from the top tier of Management. Consequently no real value is gained from the huge sum spent on their continuing engagement.
- Have set KPI’s far too low for their Senior and Middle Management Staff so performance and efficiency is below the standard constituents expect. This shire was second worst in a Victorian Government Survey last year and has struggled to get even a 50% approval rating from Ratepayers.
- Bury Financial Transparency in spin. Internal Auditors are not given a public voice.
- Are poor in Governance because the term is not well understood by most Councillors, who sadly lack the skill sets to act like a good Board of Directors and largely contribute to the distractions and mismanagement of the Council.
- Have allowed headcounts to grow unfettered and are now struggling with EBA’s, wage demands and low productivity rates that are not sustainable even in the short term.
- Were lost without proper Equitable representation, which has just become a reality for this Shire, thanks to the wisdom of the Electoral Services Commissioner. So hopefully that will redress the inequity in Spending vs Revenue Collection that has been a sore point for many ratepayers in this shire in the past 8 years at least.
- Lack innovation and Policy frameworks to minimise costs and generate revenue outside simply charging into the space of “Rates”.
- Fail to see that Management Skills and Leadership delivered do not match basic expectations of the community.

So Councils and Councillors need to go back to basics. Delivering to the Community what they are expected to deliver, ie consistent good quality Service, Asset Maintenance, Renewal & Management, Operating within Budget and well within operating income, without reaching out to the Ratepayers to fill the gaps formed by bad Management.

The Rate cap will force them to do just that. Therefore no leniency should be afforded to any council, especially those who have lost the trust and support of their Community.

In essence, the items in bold are seen as the 6 Pillars of concern to many citizens of the Bass Coast Shire and it could well be said that Ratepayers in all Councils could easily be like minded. The Rate Cap is a critical trigger for urgent reform to take place in Local Government.

Yours faithfully

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