

My name is Leigh Barrett, my wife and I moved to Colac 4 years ago to retire from work in Melbourne, the reason I took an interest in local government was the appalling way our shire corporation and some councillors treated ratepayers. I have been the president of the Colac Otway Ratepayers and Residents Association for 2 years and am now secretary. This is a personal submission.

Inquiry into the Sustainability and Operational Challenges of Victoria's Rural and Regional Councils

Local government funding and budgetary pressures

Our shire corporation CEO and senior officers are under absolutely no pressure or stress regardless of any variation in state or federal funding and the guaranteed rising supply of ratepayers supplied funding. For our shire corporation to be under stress or pressure would mean there would have to be threat of loss of employment or position, there is none because there is no cause to be. Our shire corporation takes no risks, therefore makes no mistakes, therefore doesn't have to ever apologise, if it has to make a decision it engages independent consultants (\$1.6m/yr over \$30k a week) who also don't want to take risks or make mistakes, so when a project is undertaken it takes a long time and is expensive compared with the private sector and there is no guarantee of a job well done. There are approximately 100 graduate degrees in our shire corporation, why the need for so many consultants?

The shire corporation will defend its performance because the Auditor General has accepted its financial report but what the AG hasn't looked at is what ratepayers have got for the funding they supply, have they got value for money, the answer is simply no. The productivity of our shire is so poor and incompetent it makes honest hardworking people blush with shame and embarrassment. Ross Gitten a well known journalist and commentator on business and economics commented that local government productivity is not included in national economic figures because there is no way of measuring it. And that is a big part of the problem of our shire corporation, the lack of accountability to the community, they keep their jobs regardless of the outcome of the work they do.

One of the legitimate frustrations that most councils suffer is the irregularity of state funding, dollar for dollar schemes that start well then the state government stops funding and councils are expected to continue and make up the shortfall. I suggest that one of the general managers should be dedicated to the oversight of all projects and services funded by state and federal governments and that any council staff involvement including administration be paid for by same, these projects should stand or fall alone on the provision of funding. There should be 2 budgets, one, ratepayers monies separately, fully and specifically accounted for, and two, state and federal monies the same.

Fairness, equity and adequacy of rating systems

In the Colac Otway Shire the lack of fairness in rating would be for farming enterprises, I know 2 farmers who pay over \$20k, and they get little for that. A business in town that has a similar turnover and probably more profitable will only pay a fraction perhaps a quarter or a fifth. This serious inequity needs to be addressed (see roading and bridges).

Impact of rate capping policies.

After all the wailing and cries of unfair and not enough time to prepare their submissions to the state government etc had died down our shire corporation's greatest concern was the need for a **\$4.5m "cash floor" to maintain their always rising (EBA's) level of salaries and benefits**". Any business in the real world would have a comprehensive review of its income and expenses with employee numbers always being a major consideration. The Defence Department shed a thousand jobs a couple of years ago and then declared it was going to do a better job. Our shire corporation responded in the budget prior to rate capping coming in by employing an additional 8 employees, a 4% increase while our shire population has been virtually static for the last 10 years. In my mind this represents a 4% reduction in productivity, 4% more people to do the same amount of work. In the Colac Otway Shire 81% of ratepayers funds are spent on salaries.

My own rates this year	increase in property valuation	28%
	increase in residential charge	24.28%
	increase council subtotal	17.65%

Maintenance of local road and bridge networks

There are roads in our shire that I consider too dangerous to drive on e.g. Irrewillipe/Simpson, so you can imagine what it is like for trucks, milk tankers, livestock carriers, fertiliser, fuel tankers all servicing farmers, if a truck damages its suspension it will cost the transport company thousands of dollars to repair and more in time out of service. Our shire only upgrades one or two bridges a year which is putting pressure on farmers with reduced loads meaning reduced productivity. One way of partly addressing this problem could be to use 80% of farmers rates to upgrade and maintain rural roads and bridges. while it may not be a perfect solution at least farmers (and service industries) would receive a direct benefit as well as the general public. There are 2 roads that are seriously affected by significant subsidence that affect road safety, Gellibrand to Ferguson (Lavers Hill), a major tourist route used by logging trucks and the road fro Swan Marsh to Bungador, these will be expensive upgrades.

Weed and pest control

There is a very low level of satisfaction as to where things are at regarding weed control. Broadly speaking it appears only rare weeds that the government doesn't want to spread are specifically mentioned whereas prolific weeds like blackberry and ragwort don't have to be controlled but are a real and active menace that need to be consistently under control. There is disappointment at the lack of responsibility and activity from both the state and local government regarding weed control, especially if it is a farm next to a state forest. It needs a combination of the skills and goodwill of bureaucrats, scientists and farmers to enable effective weed control on both public and private land. At present it seems to be driven by bureaucrats and it is not working. There have been successful weed control programs in the past, why not reinstate the programs that worked?

General comments

As a general comment on the sustainability and operational challenges in the corporate world of our shire corporations, I do not think the present structure and operation of our local council(s) can last. For example with Geelong council salaries having an increase of 3.5% EBA means the CEO will receive an increase of around \$14k. Local government is getting the worst of corporate culture that consolidates its power and minimises its responsibility with the CEO being the only employee of the elected council, which is far too much power in the hands of one person, I call this the chokehold on local government democracy. I believe that the three senior general managers

should also be employed by the elected council to give a broader form of accountability and to prevent the CEO employing people to comply with their own agenda rather than serving the best interest of ratepayers and the community as it is set out in the legislation.

What I find so offensive is that our local government corporations take the privilege and power of their position but they don't earn their money for the corporation to use, they are given it by ratepayers in the expectation the public interest will be served and in many cases it hasn't been. Our local government corporations should be as transparent as publicly listed companies, so their performance can be publicly reported on without fear or favour like Masters or Dick Smith and their position measured by their performance. The MAV represents 76 CEOs most of whom earn between \$300k-\$400k, along with senior council officers this is a very powerful lobby group (the local government industry) which has a monopoly on power and influence in local government. While theoretically elected councillors are meant to be the decision makers they are really just well meaning part timers depending on the advice of council officers and often feel under pressure to comply. Elected councillors today cannot compete with the resources of intelligent and well educated council officers who have staff to assist them with their reasoning and arguments.

Local government democracy is mostly theoretical, both state and federal governments are sensitive to public opinion, local government corporations are immune to it. Many public institutions have been publicly examined over the years, unions, police, hospitals, universities, and the Church but to my knowledge not the institution of local government since amalgamation by the Kennett government. What the Kennett government did was create a third tier of government that is for all intents and purposes privatised and supports a monied, privileged bureaucratic (not democratic) royalty. What needs close examination is the culture within local government corporations throughout the state compared to what is laid out in government legislation. The big lie promoted is that local government corporations are benign public spirited organisations, they are no different from any organisation with human beings in it, there are flawed individuals in it and it needs good leadership and open accountability.

Leigh Barrett



Letters to the Colac Herald as part of my submission.

Letter to Colac Herald

There is a battle going on regarding the role of local government in our state. The state government is promoting the role of local government with the review of the Local Government Act (1989), I believe the this is well meaning and if you looked at the website "yourcouncilyourcommunity.com.au" you would think "What a Wonderful World". What isn't mentioned or clearly identified is the role of the faceless but very large monster lurking in the background, that of (privatised) local government, or called collectively "The Local Government Industry" with massive lobbying power to the state government. The rise and rise of the power of the local government corporation and the reduction of the influence of our elected councillors is reducing ratepayers democratic rights and is the greatest threat to our civil liberties since the threat of Japanese invasion nearly 75 years ago.

Don't allow the upcoming federal election to distract from maintaining and developing interest in the lead up to our local government elections in October. Talk to your neighbours, friends and service clubs, this shire needs the best and brightest as councillors to create opportunities for good and long term development. The outcome of the next local government elections in October will have a greater direct impact on our lives than the outcome of the federal election.

Letter to Colac Herald

Anne Egan's letter (29/07) commenting on how refreshing it was to have an intelligently written letter to thank the Shire for a job well done is noteworthy because it is so rare, both to have a letter thanking the council and to have a job well done. Why should the CEO and senior management be praised for doing what should be the norm, in other words it would be praiseworthy if it was the norm for the public to be consistently satisfied with the shire corporation's performance.

Some reasons for some ratepayers dis-satisfaction -

Pirron Yallock Recreational Reserve club rooms - 3 years to supply and refurbish 2 second hand relocatables - \$350,000

Blue Water Stadium - \$700,000 plus for another go at the floor, why no sackings or resignations.

Green waste bins replaced at their half life (15 years) of their 30 year life at a cost of \$386,000, compound interest on that amount at 5% for 15 years is \$401,000, an unnecessary cost of \$787,000 to ratepayers.

Employee numbers increased by 10% in the last 3 years while the shire population is static.

80% of ratepayers funds is spent on salaries and that doesn't include the \$1.5m plus per year on consultants.

There is one untapped resource in our shire corporation that the newly elected council in October would do well to focus on - productivity.

Leigh Barrett

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Opinion - Colac Herald

27 July 2016

At last Wednesday's ordinary council meeting, former councillor and mayor Alan Billing asked the following questions regarding Bluewater, answered by General Manager for building and Infrastructure Ms Ingrid Bishop, Q1) does council accept any responsibility for the failure of the stadium floor? A) Absolutely not, council was not in any way at fault? Q2) Was council responsible for the supervision of the job laying the floor. A) Yes it was.

By omission Ms Bishop is saying that the contractor laying the floor is 100% to blame but council selected the company submitting the tender.

What we do know is that the council selected the type of timber for the floor, maple, and the floor has expanded and buckled and we can presume the only thing that would do that is moisture which we can assume comes from the ground under the floor. We also know that remedial work has been done around the outside of the stadium in an attempt to reduce the moisture level around and under the building and air vents have been put in to increase air flow under the floor of the stadium.

The flooring contractor cannot be expected to be responsible for condition of the site, he supplies the material and labour, moisture coming from under the ground is a variable (until fixed) and is not his responsibility. This is a monumental failure by the CEO and the general manager, they have lost the confidence of residents and ratepayers who pay their salary and are going to pay another

by the same State government. How well do the words of the Federal Treasurer Joe Hockey sit with our local council – “Freeloaders with a Sense of Entitlement” with the ratepayers being the “Heavy Lifters”. In the debate on the budget one of the councillors said that a person who said we should have a zero rate increase was living in La La land. I said that in public question time and I live in the real world. I started a small business after the recession of the 1990’s, created employment for our two sons in a time of 25% youth unemployment, they have taken over the business and it is still operating successfully after 19 years.

Two words that need to be embedded in the minds of financial managers are DISCRETIONARY SPENDING and CASH FLOW. Discretionary spending is that which is not core to the function of the business. This is how a zero increase in our council rate could have been obtained.

\$200k saving by not replacing the carpet in COPACC, a frivolous waste;
\$720k savings on rubbish bins with a Real Life of 20 – 30 years not a bureaucratic life of 10 – 15 years, replace 10% a year for \$80k (this would bring the rate rise down to CPI), \$800k saving by not employing 8 new full time employees. (This 4% increase in employee numbers in a shire with a static population represents a 4% reduction in productivity and a 4% reduction in the value of ratepayers investment in the running of the shire). A total saving of \$1.72m making a zero % rate increase.

This is a council whose fiscal management is like a wanton teenager spending its parents money, it is living in a delusional bubble never having its soft pink hands sullied by the real world of business and commerce. The council and the five councillors who have passed the budget have assumed that the small number of submissions for this years draft budget means approval. No – it means that after the more than 120 submissions last year that were ignored, ratepayers are not prepared to waste their valuable time, wisdom and intellect. Council in its refusal to listen and respect the people who fund its salaries and works, who don’t understand “public service” and the “public good” has started to become irrelevant.

Council is a protected corporation not subject to market forces or having to compete for customers by seeking to offer the best value for money for services provided and regards ratepayers as its money pot. Corporations including Federal and State governments respond to market forces by shedding sometimes thousands of jobs to protect their liquidity or CASH FLOW see last Friday’s Colac Herald/

Ratepayers would like to see a reduction of between 5-10% in council employee numbers through natural attrition along with an increase in productivity, 9 months to get a building permit for a relocatable building is not good enough. If council needs some advice you could enquire of local successful businesses such as Bulla, ALC or AKD.

As council loses its leadership role in the community by its own hand it is time for the private sector in the shire to show leadership in putting forward a vision for the future development and direction for the Colac Otway Shire.

Leigh Barrett, [REDACTED]