

Submission in opposition to Campbelltown Council's Special Rate Variation

By Mayor Clinton Mead

I am Clinton Mead, mayor of the City of Campbelltown, and I am writing this submission in opposition to Campbelltown Council's special rate variation application. As mayor, I've seen the consultation process play out. I believe that it has been one-sided and biased to the extent that the people of Campbelltown have had no real choice in this process. Instead, the consultation process has been a ratepayer funded lobbying exercise promoting a partisan point of view, namely support of the rate rise.

In this submission I will detail two serious failings of the community consultation process. I will argue that there is a lack of real community support. I will also show that there are alternatives to this rate rise that should have at least been explored.

As a result, IPART should enforce it's own guidelines by rejecting Campbelltown Council's special rate variation application.

No alternatives presented to the community

The DLG guidelines, which IPART refers to, state:

“The IP&R documentation should canvas alternatives to a rate rise”

Campbelltown Council has not presented any serious alternative to a rate rise. The status quo, a growing infrastructure maintenance gap of \$7 million a year with no end in sight, is not a serious alternative. To suggest it is a serious alternative is like suggesting that ignoring the credit card bills indefinitely is a serious alternative to changing the household budget.

There are alternatives to this rate rise, which can be seen by looking at the operational plan.

Unlike many councils, Campbelltown staffs its childcare facilities using internal staff. As a result, it spends around \$1.5 million a year on providing a childcare service for only 260 places. Yet despite this significant subsidy, many Council run centres have unfilled places and the price of council run childcare in Campbelltown, at \$75 a day, are often only \$5 cheaper than rates at private operators. Significant savings could be made by privatising, rationalising or outsourcing the management of these services.

Similarly, Campbelltown runs a tourism information centre at a cost of \$350,000 a year, to which there are only 7,000 visitors a year. This equates to approximately \$50 a visitor.

There is another \$2.26 million spent each year on operating the Campbelltown Arts Centre.

This is not to mention other savings that could undoubtedly be found in Council’s \$130 million budget, such as the \$40 million spent yearly on business, asset and financial management, human resources and IT.

The intent of the above is not to advocate particular savings; the intent is to show that Campbelltown could have devised an option that saves the \$7 million required to fund the infrastructure gap and presented that to the community.

No matter whether an alternative to reduce spending would have been wholly supported, partly supported (e.g. a smaller rate rise) or completely rejected, the community deserves to have been offered meaningful information and a choice.

Indeed, a proposal to present a choice to the community was raised to Council. However, Campbelltown Council's submission to IPART has not shown this.

Page 84 of document 7, *“IPR comm engagt exhibit adoption”*, only quotes the proceedings of the Corporate Governance committee meeting, of which any resolutions have no formal standing as a council resolutions until passed at a full meeting of Council.

At that committee meeting, I moved an amendment, which was not seconded. However, at the full council meeting the following week, I moved the same amendment, which was seconded and debated, and is included in the minutes of the meeting, page 57 (<http://www.campbelltown.nsw.gov.au/Assets/7487/3/CGAgenda131008.pdf>).

“5. That as part of the consultation process, Council provide an alternative option to the community that limits any additional borrowing to the subsidised Local Infrastructure Renewal Scheme. In addition a review of Council services be undertaken to determine the most feasible and appropriate model in delivering services or alternatively phasing out services therefore not requiring a special rate variation while still addressing the asset and infrastructure maintenance deficit.”

This amendment was defeated. The Council did have the opportunity to present an alternative to the people of Campbelltown. It deliberately chose not to.

In addition, by quoting only the Corporate Governance meeting, not the full council meeting, this proposed amendment was not included in the IPART submission.

This one-sided approach continued into the consultation process. The flyer sent to all residents, included in the submission on page 32 of document 12 *“Summary of Comm Consultation”*, shows how one-sided the “consultation” was. In that flyer, before and after photos of footpaths and playground equipment comparing Campbelltown's worst of infrastructure to its best, would better belong in a weight loss advertisement. Even the lighting was better after the rate rise, from overcast to full sunshine, as if the rate rise could somehow affect the weather. Quotes in the flyer include:

“The special rate variation proposal is aimed at bringing our current infrastructure up to a standard that the community deserves and expects.”

“The reality is that this minimum 3% to 3.5% increase will not address our existing infrastructure gap and will only fund the day to day operations of Council’s services, which is why we need to make a change now.”

There was no semblance of a neutral point of view one would expect when performing a consultation where one is genuinely interested in the community point of view. The first quote implies that rejecting the rate rise is akin to not providing what the community deserves and expects. The second is simply factually inaccurate. There is plenty of money in the budget to fund infrastructure maintenance. It just that Campbelltown Council has neglected infrastructure maintenance year after year instead of phasing out council run services, many of which are increasingly being provided by private sector operators at a lower overall cost.

Indeed, all of the consultation material was one-sided in support of the rate rise. Whilst that may be acceptable for a political campaign, it should not be acceptable in a consultation process at ratepayers’ expense.

Leading questions in the survey and lack of community support

In what can only be described as satire becoming reality, Campbelltown Council in its phone survey on the rate rise has taken a leaf out of Sir Humphrey Appleby's book. I refer to season one, episode two of "*Yes, Prime Minister*" when Sir Humphrey demonstrates the effect of leading questions to Bernard (*Youtube link here: <https://www.youtube.com/watch?v=G0ZZJXw4MTA>*). Sir Humphrey then conducts two different surveys which elicit different responses to the same question from the now confused Bernard.

Whilst the illustration above is fiction, the effect is real. Questions and statements presented to a respondent can affect subsequent answers.

The phone survey presented to the people of Campbelltown bears remarkable similarity to that presented by Sir Humphrey. Document 12 of the submission, "*Summary of Comm Consultation*", starting on page 34, describes the phone survey, which after asking the respondent's suburb, proceeded in the following fashion:

Q2. *How satisfied are you with the quality of infrastructure, such as buildings, roads, footpaths and parks, currently provided by Council in the local area?*

Q3. *How satisfied are you with the level of services currently provided by Council in the local area?*

Q4. *How important do you believe it is for Council to implement programs to provide better infrastructure?*

This clearly puts in the respondent's mind the importance of infrastructure and services. Indeed, question four is almost impossible to reject. This is exactly how leading questions are used. That is, to present a sequence of questions with positive responses before asking the key question. Questions like "*how concerned are you about the burden of increased rates on families, pensioners and businesses in Campbelltown?*" would have naturally elicited opposing responses to the rate rise.

Of course, if one really wants to get true community opinion on a matter in a survey, one asks the question on the matter first, then asks other questions to find out the reasons. Not the other way around. However, judging by the other material and the rejection of presenting alternatives to the community, this was not the Council's intent.

However, it then gets worse. Before asking whether the respondent is in favour of the rate rise, the surveyor then reads the respondent a long statement in favour of the rate rise, included in full on pages 46 and 47 of the document (page 13 of the Micromex research report). It includes the interviewer telling the phone respondent:

"In order to make Campbelltown an even better place to live, Council is proposing a Special Rate Variation of 11% in July 2014"

It is only after this statement that the community member is asked how supportive they are of the special rate variation. To object to this, the respondent has been told they are effectively objecting to making Campbelltown “*an even better place to live*”.

Despite the above biased approach, community support is at best mixed. Mean response at 3.19 is only just above the expected average at 3.

Considering that the most common reason given for the “*somewhat supportive*” is that the increase is too high, combining them with the non-supportive category gives a 55% majority of ratepayers against the extent of this rate rise. This is notwithstanding poor methodology and leading questions in the survey.

Note that only 37% of respondents were even aware of the proposed rate rise before being contacted. 63% of respondents would have only heard a one-sided statement from the surveyor to base their decision on, and yet still a significant minority, if not a majority of residents, do not support this rate rise.

Without the biased survey, and the one-sided material put out at ratepayers’ expense, it is likely there would have been even more opposition to the special rate variation. Perhaps this is most reflected in the submissions made to the Council inquiry. Of the 53 submissions made, 42 were against the rate rise, over 80% (*page 26/pdf page 28 of document 12*).

Conclusion

In assessing Campbelltown Council's application, IPART needs to consider its role. It needs to consider whether IPART is a rubber stamp on Council proposed rate rises, or whether it will actually enforce its own guidelines for community consultation. The Campbelltown Council proposal does not have strong community support, and has significant defects in its process. In addition there are alternatives to a rate rise that have not been properly explored.

If IPART supports Campbelltown Council's special rate variation it is sending a clear message and precedent that the special rate variation process does not require any proper consultation. Councils across NSW will now know that special rate variation consultations are just an opportunity for them to use ratepayer funds to push a particular point of view all under the false flag of “consultation”.

Indeed, if IPART is not going to enforce community consultation requirements, it is unclear why NSW taxpayers should be paying for IPART to be involved in this process at all, particularly as TCorp already assesses the financial position of councils.

On these grounds, I urge IPART to reject Campbelltown Council's special rate variation application.