

Ratepayers Australia[★]



2017-18 Annual Report

Future proofing good governance in Australian councils

Our 2017-18 Highlights

<http://ratepayersaustralia.com/>



INCORPORATION
8 July 2017
Registration # A0100027

Budget
2017-18
Surplus Cash
Position
\$50

Team Setup

- Governance Structure
- Operating Org Structure

programs

1. Good Governance Measures
2. Digital Ratepayers Platform

advocacy

- Regular meetings with ESC
- LGPRF Steering Committee Meetings
- Rapport building with LG Minister & other integrity agencies
- Support for other Ratepayers Groups

President's Message

Associate Professor Sharif As-Saber

I am pleased to introduce our first annual report, since Ratepayers Australia's incorporation in 2017.

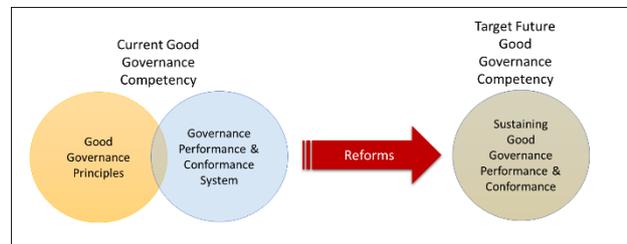
The first year's achievements reflect our start-up steps towards building a professional group of ratepayers advocating for future-proofing good governance in Australian municipal councils. The understanding of good governance is still fairly new to many stakeholders in local government, especially among ratepayers, councillors, and to a lesser extent council staff. Many of these people associate the notions of good governance with terms like transparency, accountability and law abiding, but lack understanding what good governance means in behaviour (conduct) and practice (especially in decision making and community engagement). Consequently, it is no surprise that there is lacking capability maturity of "good governance" in council leadership and functioning, which is the key root cause of:

- many ratepayers disgruntling about their council representations;
- many councillors and CEO disliking ratepayers;
- the growing negative media news about misbehaviours, fraud and corruption in councils;
- necessitating local government reforms in states and territories during the last 3 years.

Notionally, Ratepayers Australia define good governance as a set of principles directing councils':

- behaviour conduct,
- decision making,
- community engagement and
- other practice processes

to produce results that meet the needs and interests of their local communities, and in alignment to supporting the goals, policies and priorities of their respective state/territory and federal governments. Put into practice, councils' commitments to good governance principles is only possible when supported by an effective and overseeing performance and conformance management system set by state and territory governments.



On that note, our vision is the future when all local governments can demonstrate their councils' good governance through traceable performance and conformance evidence. This vision justifies the nature of our work is that of a [civil society](#) and shapes our mission to future-proof good governance in council leadership and functioning. The strategies and projects we can take to realise and sustain this vision are driven by our imaginations, networks and resolve.

Over the last 12 plus months, we have decided and designed our current operating model will focus on using Victoria as our prototyping and pilot state. This approach will provide a proven baseline-reference for formulating a national strategy model that interstate ratepayer affiliates can duplicate and customise, to connect and collaborate to contribute to their state/territory LG reforms and implementation oversee.

Our People

Directed by our first strategy which is Victoria focused, our organisation structure is consequently designed to be project based and focuses on delivering community value add to the Victorian State Government's local government reforms and implementation performance monitoring.

As an incorporated association (under [Victoria's Associations Incorporation Act 1981](#)), our governance structure is headed by myself as President (Associate Professor Sharif As-Saber), supported by Dr Chan Cheah (Vice President and Public Officer) and Marlene Bottrell (Treasurer).

We manage our activities through a separate operations organisation structure, headed by Dr Chan Cheah as CEO, supported by a team of executives and advisers (including myself), who are Dr Viberto Selochan, Keith Yeo, Major Sean Darbyshire, Joe Lenzo, Max Dumais, Dr Wahed Waheduzzaman, Marlene Bottrell, Saurabh Deshmukh and Frank Deutsch and interstate ratepayer-affiliates from Queensland (Colin Hewitt) and Western Australia. All our culturally diverse people have worked in industries, tertiary education and governments, including local government. Our operating model also allow local Victorian ratepayer groups to operate as autonomous chapters, subject to our organisation values, mission and our corporate governance framework, including our incorporated constitution rules. Monash Ratepayers group has joined us, through this chapter arrangement.

Monash Ratepayers Chapter Summary Highlights: Forming a chapter under Ratepayers Australia gave Monash Ratepayers an institutionalised voice in addressing local matters. Chan Cheah was the President prior to its association dissolve to join Eastern Ratepayers, which did not provide the right culture and directions for the group, the key reason to become a chapter incorporated under Ratepayers Australia. She was nominated by Monash advocates, who were ex Committee members of Monash Ratepayers Inc, to the chapter spokesperson/president. The key advocacy highlight was raising media, public and ESC awareness of the council capacity to absorb the additional \$1 plus million in recyclable waste management with evidence from its public financial ratios and notifying the ESC of information discrepancies in their ESC Rates variation applications. Monash Ratepayers do not have any financial statements as the chapter is operated on full voluntary contributions.

Over time, our organisation structure and strategies will continue to change in synchronisation as we incrementally develop and enhance our advocacy capacity and our digital platform's capabilities.

Projects Initiation

Two game changing projects proposals are in initiation phase:

1. **Good Governance project** – The first phase aims to define and measure the current governance performance of councils, providing a first evidence baseline for planning new value resolution contributions. The second phase will define the quality measures of councils' decision making and community engagement, to assure councils perform and produce results that meet the needs and interests of their local communities and in compliance to other good governance principles.
2. **Digital Ratepayers Platform project** – which provides a prototyping and pilot testing environment for trialling a blockchain based digital platform, which all Victorian LG stakeholders can access and engage with each other, to create and share value add in future-proofing good governance performance in councils.

We will smartly engage with strategic partners, to deliver these projects.

Advocacy Milestones

Joe Lenzo continues to engage with the broader public base who are interested in local government developments in Victoria, through our Victorian portfolio's Facebook, the [Victorian Ratepayers Action Group](#).

Joe and Chan Cheah continue to meet regularly with the Essential Service Commission (ESC) to report local performance matters relating to councils' compliance to the legislated Fair Go Rates policy. We met the new Director, Marcus Crudden (Director Pricing Monitoring and Regulation), who replaced Andrew Chow. The current key loophole identified is linked to waste management expenditure accounting. Specific cases have been identified:

- Monash council, one of 7 remaining councils whose waste management costs are constrained by rate capping, finally cost-shifted their recyclable waste management cost to a new uncapped service charge.
- Because there is no clear definition of what constitutes waste management services, Mornington Shire is expanding the scope of their current waste management charge, hence increased waste service charge is inevitable.

ESC advise they will be monitoring councils' waste management accounting methods to ensure the service charge is not becoming a new tool for increasing council revenue beyond cost base.

Chan Cheah attended the Local Government Performance Reporting Framework (LGPRF) steering committee meeting in September. The LGPRF is a KPI measurement system for setting measures and Local Government Victoria (LGV) are using these measures to report Victorian councils' performance, which is also published in the [Know Your Council](#) website. The opportunity for Ratepayers Australia is to help expand the scope of governance performance metrics and develop tools for collecting measures, based on local communities' first-hand experiences in their engagement with their councils. LGV is heading towards using big data and data analytics methods in reporting councils' performance, a trend which may entice some councils to increase their technology expenditure and engage in Smart Cities technologies development. For ratepayers, this means monitoring future technology spends are cost-benefit justified and outcomes are aligned to council objectives, the [national and state/territory's open data standards](#) and good governance principles and even the national [Smart Cities plan](#).

Rapport building and communications with the Local Government Inspectorate, Independent Broad-based Anti-corruption commission (IBAC), Victorian Auditors General Office (VAGO), the Victorian Ombudsman and the Victorian Local Government Ministry office continue to develop and helping to identify new value add we can bring to these agencies to support their integrity oversee and reforms of councils.

Financial Management

We are moving away from focusing on legacy financial membership funds as the main revenue source. Presently, we operating Ratepayers Australia through in-kind volunteering effort, resources and personal donations to pay for small running expenses. As a network and project based civil society organisation, our more effective mainstream fundraising approach is to apply for research and other grants, and in the longer-term future, innovate new online methods of fundraising via blockchain capabilities and other crowd-sourcing developments that are currently emerging.

Future Outlook

We will continue to:

1. Recruit new advocates who share the same values and can provide value adding contribution to our cause;
2. Complete initiation phase of the 2 change making programs relating to good governance performance management and providing a blockchain enabling digital platform for ratepayers and then commencing the next detail project planning phase.
3. Engage with and brand our advocacy contributions to all upper LG agencies and engage buy-in from councils who share the same beliefs and resolve in futureproofing good governance in councils.

Sharif As-Saber

Associate Professor Sharif As-Saber

President

6th October 2018.