

FAIR GO RATES SYSTEM

Assessment of Application
for Higher Rate Cap

Community Engagement
Hindmarsh Shire Council

June 2017



Limitations of Use

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The sole purpose of this report is to provide an assessment of the community engagement undertaken by the Hindmarsh Shire Council for their application for a higher rate cap.

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1 SUMMARY - CONTENTS AND COMPLETENESS

1.1 INTRODUCTION

Hindmarsh Shire Council (the Council) is applying for a rate cap variation to raise additional income of approximately \$144,000 that will enable the Council to continue to deliver day to day community services and maintain and renew infrastructure.

MosaicLab have used the information provided by Council to assess the level of engagement undertaken and the alignment with the key engagement principles and best value principles as outlined in the *Fair Go Rates System - Reference Material Community Engagement*.

1.2 CONTENTS

Council provided its Community Engagement Framework that describes the current opportunities for engagement through four town committees and community planning workshops (for the same four townships) held every two years as well as engagement on specific issues/strategies as required. The framework sets out a process to be undertaken when Council is engaging the community - however there is no requirement for a community engagement plan to be developed for each engagement and it is not known if Council is consistent in the application of this process.

In relation to the 2017 budget and rate cap variation, Council has undertaken significant community engagement (eight community conversations) and it has provided the findings from this engagement process. However, it has not provided an engagement plan.

Council has also provided information about other engagement it has undertaken in recent years in relation to a variety of community plans and Council strategies. Information is provided about the scale of these engagements (list of engagement activities and attendance) and some of the outcomes (desired community priorities). Though the engagement plans for these activities have not been provided nor any information on whether the service/budget trade-offs were presented or explored during these activities.

The Community Satisfaction Survey results are also included as evidence though no connection is made between this information and the budget and rate cap issues.

2. DOES THE ENGAGEMENT PROGRAM CONTAIN CLEAR, ACCESSIBLE AND COMPREHENSIVE INFORMATION AND FOLLOW A TIMELY PROCESS TO ENGENDER FEEDBACK FROM THE COMMUNITY?

2.1 ENGAGEMENT ACTIVITIES UNDERTAKEN

2.1.1 ANNUAL BUDGET AND RATE CAP VARIATION

Council held eight Community Conversations in towns/communities across the shire that were attended by a total of 97 residents. The format for these conversations appears to be a strong focus on providing information (draft Council Plan, achievements of the last four years, budget challenges, capital works budget and the impact of the rate cap).

At the end of the formal presentation, community members were invited to provide feedback on the services they value and what aspects of Council's service delivery and infrastructure could be reduced or eliminated.

Feedback forms provided the opportunity to comment either at the meeting or later on the Council Plan, the H&WB Plan and the proposed 2% variation on the rate cap.

The results of the engagement were that twenty-seven (27) forms were returned. 66.7% voted in favour of a rate cap variation, 3.7% voted against and 29.6% did not express a preference.

The application provides evidence of:

- Good provision of information
- Geographic spread of the Community Conversations – held in eight towns/communities
- Relatively high turn up of people for small communities (average of 12 per session)
- Inviting discussion on the trade-off between services they value and services that could be reduced or eliminated)

No evidence is provided of:

- Providing an opportunity to be involved other than attending a community conversation.
- Any results from the discussion on the trade-off between services they value and services that could be reduced or eliminated

2.1.2 PRIOR ENGAGEMENT ON A RANGE OF COMMUNITY PLANS AND STRATEGIES

Council lists four community (or community precinct) plans, a Youth Strategy, Sports and Recreation Strategy, Economic Development Strategy and farmer consultations for which they have undertaken community consultation over the last couple of years.

Council provides information on the engagement activities undertaken for each of these eight projects. For seven of these projects (all bar the farmer consultations), the common methods were a survey and two community workshops for each project. In two projects 1:1 meetings and community listening posts were added to the mix. The youth strategy was different with information collected through a survey of 279 young people and a youth council (no community meetings). The economic development strategy added 1:1 meetings, telephone interviews and an Advisory Committee.

The farmer consultation for the road management plan commenced in 2015 with 11 community forums held across the shire and over 200 farmers have attended (an average of 18 people per session). This is clearly the most comprehensive engagement undertaken by Council.

Information was provided at these sessions on financial challenges, how council determines what works will be undertaken in any financial year. Council sought feedback about what roads were of importance in their local areas so limited resources could be put towards projects that would have the biggest impact.

The results from the seven engagement activities - Council has collected the views of ratepayers and residents on (1) what services and infrastructure are important and (2) assisted in priorities in relation to capacity to deliver. Council also states that the engagement in relation to the strategic plans has established consensus on priority projects, services and infrastructure and that resources were shifted towards the roads and works identified at the Farmer Consultations

2.1.3 CONCLUSION

These engagement activities can be assessed positively in relation to providing a mix of engagement activities 'responsive' to the needs of stakeholders (location and methods), there being good attendance at most workshops and the community being involved in coming to consensus on priority projects. However, no evidence is provided that information and options relating to the budget situation and the trade-off between services and rate income were considered as part of these engagement activities. Hence, it is concluded that these engagement activities are not material evidence in relation to the rate cap variation application, other than in section 3.5 (communities becoming more informed about council decision making). The remainder of this assessment report relates to the eight community conversations held specifically in relation to the 2017 budget and rate cap variation.

2.2 WHAT INFORMATION WAS PROVIDED DURING THE ENGAGEMENT PROCESS

Council states in its application that it provided the following information at the eight Community Conversations held in towns/communities across the shire:

- Draft Council Plan 2017-2021
- Achievements of the last four years
- A summary of budget and sustainability challenges including the political environment and reduction in state and federal government funding and the introduction of rate capping
- The capital works budget including projects proposed in the coming years
- The impact of a 2% variation to the average rate cap.

2.3 HOW WAS THIS INFORMATION PRESENTED

The application states that there was a formal presentation.

2.4 HOW FEEDBACK WAS GATHERED AND WHAT THIS FEEDBACK WAS

Following the formal presentation at the eight Community Conversations, community members were invited to provide feedback on the services they value and what aspects of Council's service delivery and infrastructure could be reduced or eliminated. It is not known whether participants had time to discuss and fully understand complex financial information and trade-offs as no information was provided on the length of the session and amount of discussion time in comparison to presentation time.

Feedback forms were provided to enable participants to comment either at the meeting or later on in relation to the Council Plan, the H&WB Plan and the proposed 2% variation on the rate cap.

Twenty-seven (27) forms were returned. 66.7% voted in favour of a rate cap variation, 3.7% voted against and 29.6% did not express a preference. Council provides a short list of services that are valued but has not provided the other data (presumably collected on these forms) in relation to what services could be reduced or eliminated or any other aspects of the Council and H&WB Plan.

2.5 ASSESSMENT

In setting up Community Conversations, Council provided significant engagement across eight towns/localities with a reasonable attendance of 97 people. It also provided a significant level of information to participants at these sessions.

Council raised valuable questions with the community on what services/infrastructure they value and what services/infrastructure could be reduced or eliminated and provided a survey to gauge the level of support for a rate variation.

However, no evidence is provided in the application as to whether any information was collected in relation to the question of services valued other than "feedback raised the important of road maintenance, tree trimming, Albacutya Bridge, business grants, Hindmarsh Youth Council, Community Plans, tourism, Corella control and advocacy for televisions and mobile phone reception." There is no data on whether the community discussed what services could be reduced or eliminated.

The survey had a very low response rate as compared to the number of people who attended the sessions (27 of the 97 attendees). So, 70 people left the sessions without filling in the form. While 67% voted in favour of a rate cap, the numbers are so low (27) this could not be considered representative of the whole community.

3. IS THE ENGAGEMENT ONGOING AND TAILORED TO COMMUNITY NEEDS? DOES THE PROGRAM FIT IN WITH COUNCIL'S ONGOING SRP ENGAGEMENT?

3.1 WHY COUNCIL ENGAGED IN THE WAY IT DID INCLUDING HOW COUNCIL CONSIDERED OPPORTUNITIES FOR ALL TO PARTICIPATE REGARDLESS OF LANGUAGE, GEOGRAPHIC, PHYSICAL OR TECHNOLOGICAL BARRIERS

Council provides no information in its application in relation to this question. It can be assumed from the fact that Council provided meetings in eight towns/localities for the budget conversations and with surveys and face to face meetings for the other strategies that they were concerned to consider geography and possibly technological barriers.

3.2 HOW THIS WAS TAILORED TO COMMUNITY NEEDS

Council provides no information in its application in relation to this question

3.3 HOW THE ENGAGEMENT PROGRAM WAS DESIGNED TO ACCOMMODATE THE COMPLEXITY OF TRADE-OFFS REQUIRED

Council states that at the eight Community Conversations, community members were invited to provide feedback on the services they value and what aspects of Council's service delivery and infrastructure could be reduced or eliminated. This is a fundamental trade-off question. However, council provides no data in relation to this question so it is not known if the data was collected.

3.4 HOW PREVIOUS ENGAGEMENT INFORMED FUTURE, PLANNED ENGAGEMENT

Council provides no information in its application in relation to this question.

3.5 ASSESSMENT

Council provides no evidence of how it has tailored its engagement to community needs, however, it can be assumed from the type of engagement activities it has undertaken that Council was aware of meeting the needs of geographically spread communities (meetings in eight towns). As noted in section 3.2 Council held a tradeoff discussion at the Community Conversation but has provided no data on the results of this discussion.

4. DOES THE ENGAGEMENT PROGRAM PRIORITIES MATTERS OF SIGNIFICANCE AND IMPACT?

The Council states in their application that they included:

- the impact of a 2% variation to the average cap on the budget and the ratepayers in their presentation at the Community Conversations
- In relation to the rate variation - 66.7% voted in favour of a rate cap variation, 3.7% voted against and 29.6% did not express a preference in a survey of 27 people following the community conversations on the budget.

No information is provided on

- Whether Council included the issues of short term or long term financial needs in its engagement program or how the engagement was conducted in the context of these issues
- How options or trade-offs were presented
- How it assessed different community views

ASSESSMENT

While very little evidence is presented on whether the engagement program prioritised matters of significance and impact, Council has clearly prioritised the budget and rate cap as a matter of significant and undertaken the Community Conversations engagement program. In addition, some evidence is presented on the findings (what council learnt about community priorities).

Council does not provide any information about the format and content of the engagement activities so it is difficult to assess: whether the community was given information about the short and long term financial needs, how the tradeoffs were presented and how council assessed different community views.

5. HAS THE ENGAGEMENT PROGRAM LED TO COMMUNITIES BECOMING MORE INFORMED ABOUT COUNCIL DECISION MAKING?

Overall, Council is making a significant effort to encourage its community to become more informed about council decision making in that Council as shown by the following evidence:

- Engagement undertaken around the four community plans, the three strategies and ongoing conversations with the farming community.
- A road show in relation to its previous two council budgets – that led to one formal submission on the 2015/16 budget and four submissions on the 2016/17 budget.
- A Community Engagement Framework that sets out how council maintains ongoing communication with its community, though Council provides no information on its performance in implementing the framework. It does state the Farmer Consultations are ongoing.

However, Council provides no evidence of:

- Evaluating their community engagement programs
- How feedback was gathered (other than the survey results) and how the outcomes of the engagement processes were communicated with the community
- How the engagement influenced Council's decision to apply for a higher cap
- How council is responding to issues raised during the engagement
- How council is dealing with unmet community expectations in relation to rate increases and/or service provision

ASSESSMENT

While Council is making forward progress towards their community becoming more informed about council decision making, there is still much work to be done in terms of gathering feedback at engagement activities, evaluating engagement programs, documenting how engagement influences council's decision making and how council is responding to the community issues and expectations.

6. WHAT WERE THE VIEWS OF RATEPAYERS AND THE COMMUNITY ABOUT THE RATE INCREASE?

The only information provided about the rate increase is the survey of 27 people following the Community Conversations on the budget: 66.7% voted in favour of a rate cap variation, 3.7% voted against and 29.6% did not express a preference.

This is a very low number of respondents, especially compared to the 97 who attended these events (no data was collected from the other 70 people). Council provides no other information in relation to the views of ratepayers and the community on this matter. Given the low response rate, it is likely that the findings are not representative of the whole community.

7. HOW WERE THESE VIEWS TAKEN INTO ACCOUNT BY COUNCIL IN MAKING THEIR DECISION?

Council did not provide any information on how it took these views into account in making its decision.

8. ENGAGEMENT GAPS AND REMEDIES

The following table lists the key gaps in the engagement process in our view, based on the evidence provided. Alongside these gaps, we have listed what we believe would assist the Council in further applications.

Engagement Gaps	Remedy
No community engagement plan was provided	Write a community engagement plan for each all engagement activities. These can be simple 1-2 page documents.
Providing tailored opportunities for involvement in the budget and rate capping engagement. The only method was a community conversation.	Other options include online survey, hard copy survey and small group discussions with 'hard to reach' groups.
Providing evidence of the results/data from the Community Conversations on key issues and tradeoffs.	Collect data from the Community Conversations or similar workshops on this or any other engagement question.
Support for the variation – low level of evidence including very poor response to the survey	Increase the response rate to the survey by having people respond to the survey questions during the workshop and not at the end. A different workshop design will solve this problem.
No information on whether council adapted its budget in relation to community feedback	Council to document community feedback, whether that feedback has been incorporated into the council plan and budget and report to the community on those elements not incorporated and why.
Views may not be representative of the whole community	Different recruitment strategies can be undertaken – reaching out to new groups by going to meet people where they already meet e.g. at schools (for young families) or at sporting events (for young people) or people can be randomly selected to match the demographics of the community
Sufficient time to understand complex information	Hold longer workshops, hold multiple meetings or incorporate more discussion time in to workshops.
No evaluation	Commence a simple evaluation process after each engagement activity and compile and share the results to enable continuous improvement.

9. COMMENTS ABOUT THE IMPACT OF THESE GAPS

Given the lack of data from the engagement process (due to only one method of engagement and low response rates to the survey), Council is unlikely to have feedback that is representative of all of its community.

10. LIST ANY ITEMS IDENTIFIED FOR FURTHER INFORMATION

Information on the following matters would assist in the assessment of this application:

- More data from the community conversations
- More information on how council used the data from the engagement process to make its decision about the rate cap
- All items where not evidence was provided

11. CONCLUSION

A significant level of community engagement has been undertaken by a small rural Council to consider the budget and rate capping variation through a series of community conversations.

While there are gaps in the engagement process, Council has designed an engagement program specifically to address matters of significance (the budget and rate cap variation) and tailored this program to community needs (by holding sessions in eight communities and providing relevant information). It can be concluded that those attending would be more informed about council decision making processes.

The major gap in this process was that the results of the engagement were not documented and hence the views of the community on this issue are not fully known. The only information to support a rate variation is a survey that cannot be considered to be reflective of the views of the whole community due to the low response rate.

Given the small community and the attempt to access and understand views across the shire, in our view this application meets the basic tenor of the engagement principles as outlined in the Commission's community engagement guidance and reference materials.