

Rates Increase Justification Review: Service Performance Analysis of Monash Council

Introduction:

"Each year the Department for Planning and Community Development (DPCD) coordinates a Community Satisfaction Survey for Local Governments to measure how Victorian residents' rate the performance of their Local Governments. DPCD engages an independent Research Company on behalf of participating Councils to conduct the survey"¹.

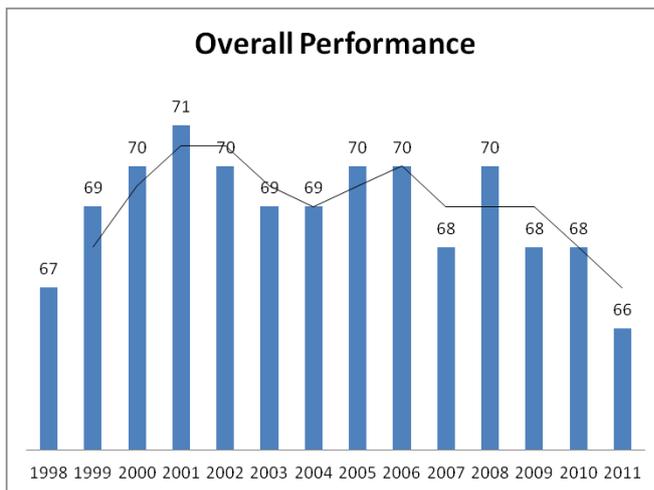
The customer satisfaction results are tabled in appendix 1.

Inquiry Question

Has on-going annual operating budget increases (hence consequent rates increases) actually been supported by improvements in service performance?

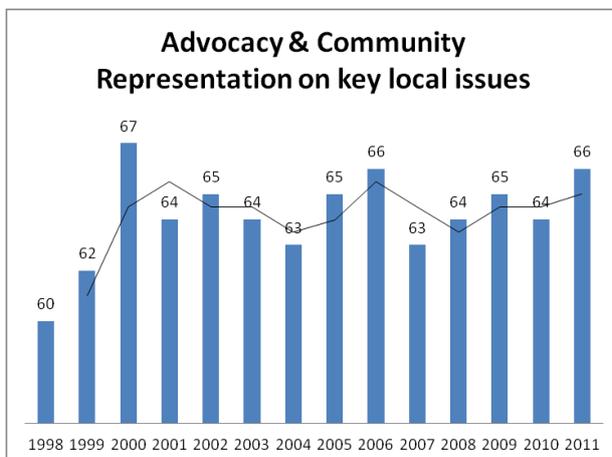
Analysis

FACT 1 - Overall Customer Satisfaction



Council overall performance has dropped and significantly to a level below that of 1998.

FACT 2 - There is effort and marginal improvements in advocating for community

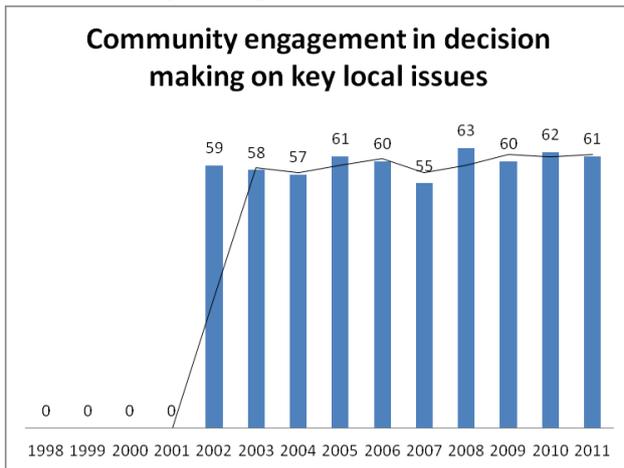


Council's community engagement programs, often aligned to State funded initiatives and key local problems, are key advocacy areas.

However, poor customer satisfactions in other service levels are over shadowing this good effort.

¹ <http://www.monash.vic.gov.au/council/com-survey.htm>

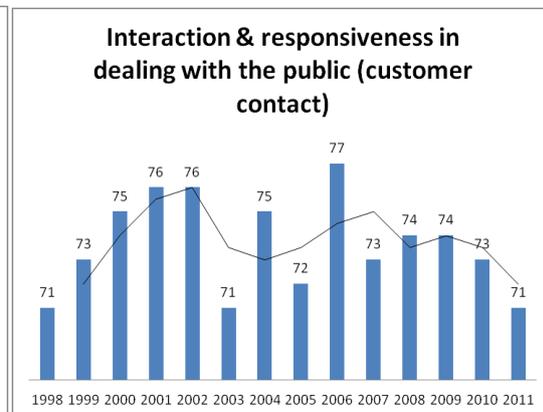
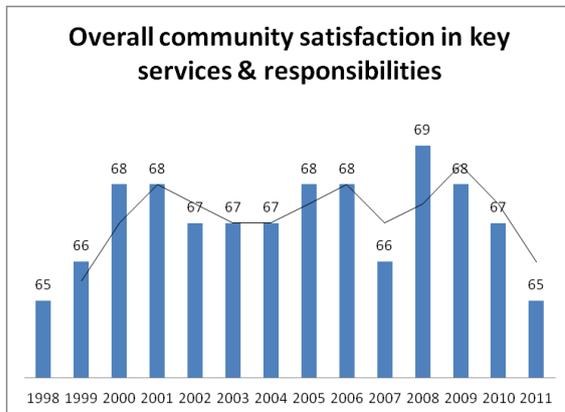
Fact 3 – Developing Community Engagement Competency Not Meeting Community’s Expectations



Community engagement is an information sharing and controlled model (also called community consultation).

It is not progressing to the capability level that the community expects. The community wants to explicitly see their influence in Council’s key decision-making criteria and outcomes that can be demonstrated, without a doubt, that decision-making has been made with an open mind of all relevant factors contributed by all stakeholders.

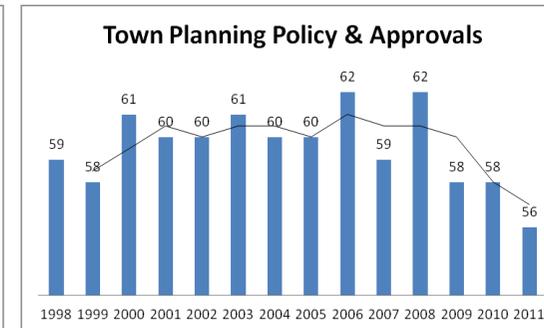
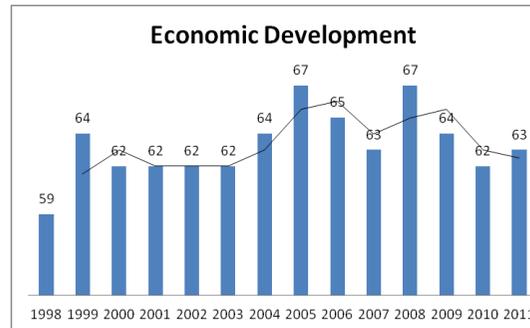
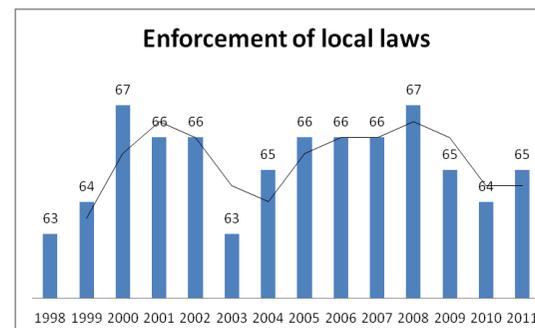
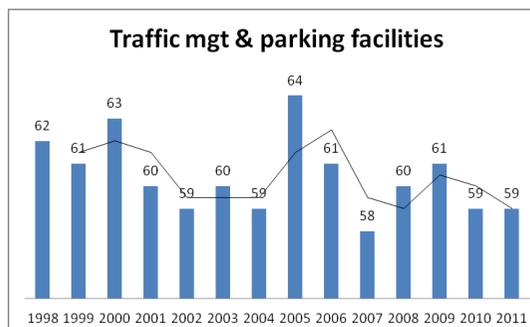
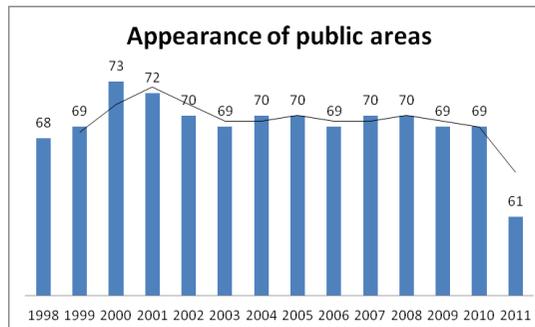
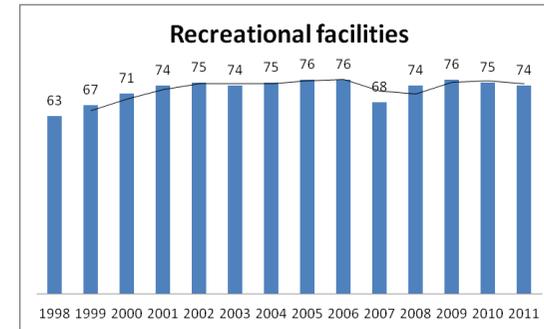
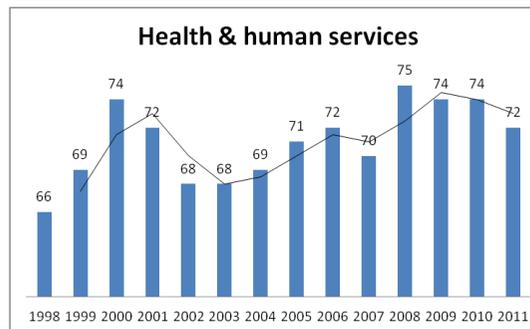
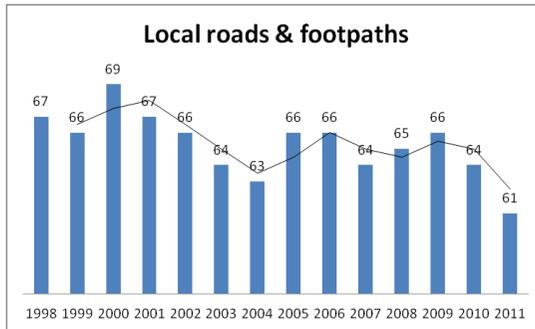
Fact 4 – Overall Service Performance has not improved since 1998



During the last few years, service performance and customer contact satisfactions have declined and recently dropped to the levels experienced in 1998. This shows that there are underlying operating inefficiencies and management barriers in sustaining continuously improving service delivery and frontline customer contact performance levels. Front-line employees often try their best, but management barriers often hinder their capacity to better service customers and in timely manner. The community also perceives that Councillors are not responsive to their needs and often make decisions and take actions that increase operating costs and lack customer satisfaction in problem solving and advocacy representation.

Fact 5 – Service Performance Track History

There is no evidence of continuous improvement in service performance since 1998. This also reveals the growing impact of operating efficiencies and lacking management and Councillors' accountability in optimising best value for money and hence supports an organisational culture of holding no one to account for non-performing results each year as public reports and performance appraisals say otherwise.



Conclusion

The answer to the question “**Has on-going annual operating budget increases (hence consequent rates increases) actually been supported by improvements in service performance?**” is evidently no.

Therefore, putting aside the issues of the current lacking materiality and discrepancies in the approved SRP and annual budgets, there is **no** strong evidence based business case for proposing on-going rate increases of 6% (above CPI) for the next 4 years. In 2016, Council rates would have increase by 30% compounded and provided actual spends would not overrun the newly approved budgets!

There are also consequential corporate governance, management accountability and legislative compliance ramifications arising from the performance analysis findings:

Each council is accountable to its local community. “The Local Government Act 1989 (the Act) reinforces this by establishing the primary objective of each council as endeavouring to achieve the best outcomes for its local community and having regard to the long-term and cumulative effects of decisions”².

The performance analysis findings raise questions about Council’s capacity to demonstrate transparency and accountability to local ratepayers and residents that it has delivered value for money, achieve its objectives based on measurement evidence, ensure the community’s equitable access to service and affordability, that the services delivered are appropriate, of good quality and cost effective.

However, Ratepayers Victoria’s aim is to facilitate Council’s resolve in identifying and committing to effective continuous improvements. We hope to see organisational reforms that would help transform Council into becoming a transparent, efficient and effective organisation that operates and genuinely engages with its community to ensure that services are affordable and meet their local needs and intergeneration community development.

² <http://www.audit.vic.gov.au/publications/20120418-LG-Reporting/20120418-LG-Reporting.pdf>, page 1

Appendix 1 – Annual Customer Satisfaction Measures (Monash Council)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Overall Performance	67	69	70	71	70	69	69	70	70	68	70	68	68	66
Advocacy & Community Representation on key local issues	60	62	67	64	65	64	63	65	66	63	64	65	64	66
<i>Community engagement in decision making on key local issues</i>	-	-	-	-	59	58	57	61	60	55	63	60	62	61
Interaction & responsiveness in dealing with the public (customer contact)	71	73	75	76	76	71	75	72	77	73	74	74	73	71
Overall community satisfaction in key services & responsibilities	65	66	68	68	67	67	67	68	68	66	69	68	67	65
Local roads & footpaths	67	66	69	67	66	64	63	66	66	64	65	66	64	61
Health & human services	66	69	74	72	68	68	69	71	72	70	75	74	74	72
Recreational facilities	63	67	71	74	75	74	75	76	76	68	74	76	75	74
Appearance of public areas	68	69	73	72	70	69	70	70	69	70	70	69	69	61
Traffic mgt & parking facilities	62	61	63	60	59	60	59	64	61	58	60	61	59	59
Waste management	74	72	74	73	73	76	77	75	74	78	78	79	76	73
Enforcement of local laws	63	64	67	66	66	63	65	66	66	66	67	65	64	65
Economic Development	59	64	62	62	62	62	64	67	65	63	67	64	62	63
Town Planning Policy & Approvals	59	58	61	60	60	61	60	60	62	59	62	58	58	56