

To Be Read Out
Monash Budget review - Clarifying the Way Forward

Key Concerns

The key issues underpinning the 93 questions we submitted to Council are of serious concerns to many Monash ratepayers – these being:

1. Ongoing excessive rates,
2. Transparency of rate increases and cost drivers
3. Clarity of decision criteria used by Monash Councillors to decide the values of the annum rate increases that influence the budget forecasts
4. Lacking social responsibility considerations in the budget process which has little to no pragmatic regard for the impacts of the budgets on Monash pensioners & ratepayers during growing economic hardships
5. Why increase the current debt of \$15M and sustain it over the next 4 years.

Post submission dialogues with Council Officers clarified that

- The key cost driver of the SRP annual 6% rate hikes is linked to employees' enterprise bargaining agreements.
- Monash has decided to absorb (at least in the first year) the forecasted carbon tax, state fire and EPA levies via line items in waste management and contracts & service accounts.
- The \$15M debt is to finance a JV project with state agencies to fund a car park for Monash link and loan repayments are interest only, based on market rates; and no one has question the long-term sustainable risks of this debt instrument.
- The budget methodology is not a zero based budgeting – hence operating budgets always incrementally increase over time and they are adjusted to support Councillors' decisions on rates directions.
- Monash Councillors decide/control rates direction for supporting implementation of the Council Plan
- Council officers can implement the decision, adjusting the associated budgets if needed, to support the chosen rates direction.

When the Local Government Act (LGA) requires each council to be accountable to its community, ratepayers can also hold Councillors to account for the impacts of their rates/budget decision. After the election, some Councillors will move on. A significant risk for the community is that nobody is held to account for the community impacts of the rates/budget decision. This lack of community accountability reflects poor compliance to this LGA requirement.

The budget review has lead ratepayers to perceive that Councillors have agreed a budget that:

1. Looks after the job security of Council staff and sustain prevailing work lifestyles first
2. Is lacking in considering the social and economic impacts on the local community, especially pensioners and the socially disadvantaged.
3. Carries latent social risks associated with demographic changes that have yet to emerge explicitly in Monash, especially in its CBD area.

Ratepayers would prefer CPI capped future rate increases and considerations for improving operating efficiency and productivity (eg rescheduling or cancelling unnecessary expenditures like Council renovations).

We ask Monash Councillors, the gatekeepers to future affordable rates in Monash, to be more socially accountable and reconsider their tentative decision and instead move to support CPI capped rate increases over the next 4 years. The social and economic risks are lesser, and with a better risk management framework in place, we can expect Monash to sustain its essential service levels in times of escalating costs of living and maintain cultural diversity in the most positive direction and value adding outcomes for its local community.