

City of Port Phillip

Rating and Waste Deliberative Panel

SUMMARY REPORT

March 2022

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1. Overview

The City of Port Phillip (CoPP) convened a Community Panel (Panel) to help it to make decisions regarding potential changes to the rating system and a potential flat waste charge to fund existing and new waste services. From 1 February to 1 March, the Panel met five times to learn about the proposal, ask questions, discuss it and decide on their response to the Proposal, which was in two parts:

- ❑ Change how rates charges are worked out, from the rent value of a property to its sale value.
- ❑ Separate out in your rates bill a new flat waste charge to fund existing and new waste services.

The Panel did not reach consensus (80%) on the Proposal. However, 71% of the Panel strongly agreed or agreed to the proposed change to how rates are worked out. 53% strongly disagreed or disagreed with the proposed flat waste charge. The details of the Panel's final vote are on page 21.

28 members were recruited for the Panel. 26 attended the induction session and 17 members were present at the final session to vote on their response to the Proposal.

To help them complete their task, Panellists were provided with:

- Access to Zoom training to support their participation.
- An induction session to meet each other, Council experts and learn about the Panel process.
- An information pack, compiled by CoPP.
- Short videos from the facilitator to help them prepare for each session.
- Facilitated Q&As with Subject Matter Experts at workshops.
- Two dedicated Q&A webinars hosted by Council in between two workshops.
- A private Panel Hub in CoPP's Have Your Say portal to ask questions, post comments and discuss aspects of the Proposal, and review additional information from Council and the results of their work at each session, and any polls taken.

This summary report details who participated in the Panel, what they did and their response.

2. Purpose

Panel Purpose	To help the City of Port Phillip to make decisions regarding potential changes to the rating system and a potential flat waste charge to fund existing and new waste services.
The Proposal	<ul style="list-style-type: none"> • Change how rates charges are worked out, from the rent value of a property to its sale value. • Separate out in your rates bill a new flat waste charge to fund existing and new waste services.
Panel Remit	<p>Respond to the Proposal by considering its impact on the community, every different type of household and business.</p> <ul style="list-style-type: none"> • To what extent are the proposed changes fair, simple to understand and efficient? • Is there anything else Council should consider in their decision making on this proposal?
Promise to Panel	<p>Council will:</p> <ul style="list-style-type: none"> • Consider your response to the proposal, your level of support for them and any impacts you suggest they take into account in their decision on the rating/rates strategy and fixed waste charge. • Give you feedback on how your work influenced their decision and where the Council has not agreed, they will explain their reasoning. <p>It is the intention of Council to consider all of the Panel’s response, however, the final decision rests with the elected Mayor and Councillors. Captures who participated, what they did and what they said.</p>
This summary report	Captures who participated in the Panel, what they did and their response.

3. Who participated: the Panel

The Panel included residents from different types of housing and households, both owners and tenants, business owners and members of different community, advocacy and sporting groups. Deliberately Engaging partnered with Jacinta Cubis to provide recruitment advice and support for the Panel process. The Panel was recruited to an extremely tight timeline over the Christmas holidays in January, as follows:

CoPP:

1. Invited volunteers through a generic 'Help Shape Our City' Expression of Interest in late 2021 which resulted in a pool of 180 to recruit potential Panellists. People were asked to indicate if they were a member of a group. They were not asked to indicate if they had relationships with Councillors, Council staff or had worked for Council.
2. Sent an email to everyone who had registered for the Help Shape Our City conversations advising them of the topic and meeting dates for the Waste and Rates Deliberative Panel. Forty-six people indicated they were available and interested.

Deliberately Engaging:

3. Advised Council on filling the demographic gaps in the EOI pool. For example, there was only one person in the 18-24 age group. CoPP promoted the Panel registration on social media and through its networks.
4. Produced a stratified selection of people who said 'yes' to the opportunity to participate in the Panel, based on demographic and geographic goals agreed with CoPP.
5. Undertook four rounds of selection to achieve a panel of 29 people who indicated they were available to participate on the Panel.
6. Briefed the Panellists ahead of the Induction session on 1 February.
7. Distributed pre-meeting materials and sent out reminder texts to participants before each meeting.

28 Panellists volunteered, with 26 attending the induction session. 17 attended the final session and participated in the vote on the Proposal.

Two members advised that they had to withdraw before it started due to family reasons. Others withdrew due to a mix of personal and family reasons. Some attended inconsistently and could not catch up on the information or work they had missed. One Panellist withdrew after attending two sessions.

The demographic breakdown of the original Panel is at Attachment 1.

4. What they did: building their response

Process

1 x induction session, 3 x deliberative workshops and 1 x workshop to pull together their response. All were conducted online due to the government restrictions in place in response to the omicron variant of the Covid-19 virus.

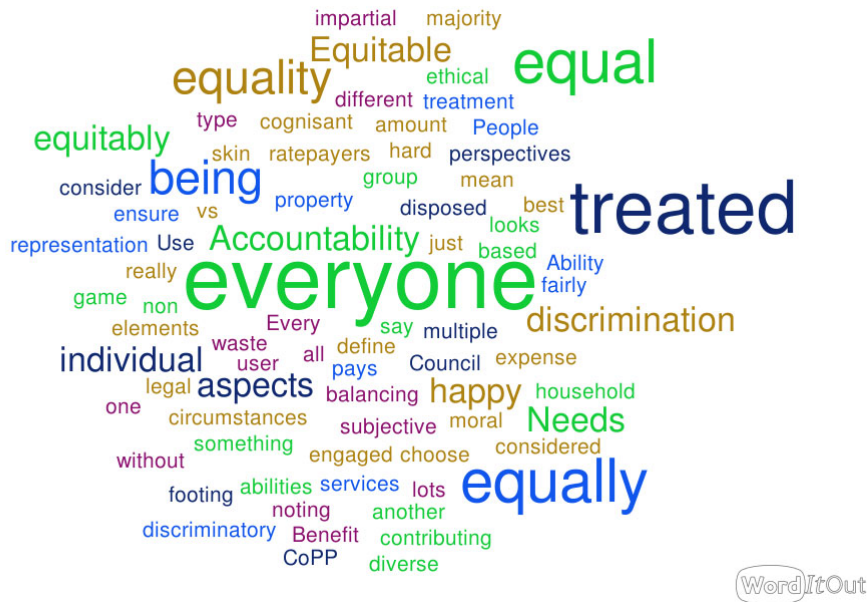
Session	Purpose Topic	Date
1	Connect, induct, what we mean by 'fair'	Tuesday 1 February, 6.30 – 8.30pm
2	Session 2 - What does this 'more even distribution of rates' mean for you? For other households?	Tuesday 8 February, 5.30 – 8.30pm
3	Session 3 - The flat waste charge will reduce the rateable amount of everyone's property, but the level of waste service they access will vary.	Tuesday 15 February, 5.30 – 8.30pm
4	Session 4 - What might need more discussion tonight to help you (Panel) do your job, pull together your response?	Tuesday 22 February, 5.30 – 8.30pm
5	Session 5 – Pull together their response and vote on the Proposal, using an agreement scale.	Tuesday 1 March, 5,30 – 7.30pm

1. Induction

Purpose	Process / Who
Welcome & acknowledge Country	Facilitator invited Panel member Mayor
Frame session	Purpose, what we'll do
Connect to each other	Personal ID - three numbers about Port Phillip
Panel purpose, proposal and task	Facilitator 'Why this, why now' Peter Liu
Connect to each other and their task	What do you hope to contribute by being on this Panel?
Quick Q&A in response to initial questions	Peter Liu, Lachlan Johnson
What next: Panel Information Pack, Have Your Say hub	Carol Tu
Connect to each other and their task	What does 'fair' look like to you?
Check out	<i>I wonder.....</i>

What they said

What does 'fair' look like to you?



Panellists' responses to check out question:

"I wonder....

- if we can reduce waste.
- if we can make the producers pay for waste.
- if we can get consensus in the fifth workshop.
- if we shouldn't change anything at all.
- if my CFO at work going to explain to me how the rates are broken down, because I'm really concerned, I'm not going to get it.
- how the rates are going to be broken down.
- whether we're going to be able to agree on anything.
- if the council will actually listen to what we're saying.
- if the council will really listen to us.
- how the dynamics of the group is going to play out.
- if some Councillors have already made up their mind.
- why the rates strategy is tied to a waste strategy.
- what great opportunities we might be able to bring forward to the Council from this group.

- if my neighbours will speak to me if we get a rate rise.
- if we can only have one bin if we only need one bin.
- if we can improve the existing waste management system we have.
- whether Council will actually charge ratepayers based on the actual cost of delivering the waste services at a level that is not greater than if it was contracted out.
- if we can reduce waste and not be left out of pocket as ratepayers.
- whether Council are going to listen to us.
- what the true intentions are of what's being proposed.
- am hoping that the Council listens to us.”

2. Session Two

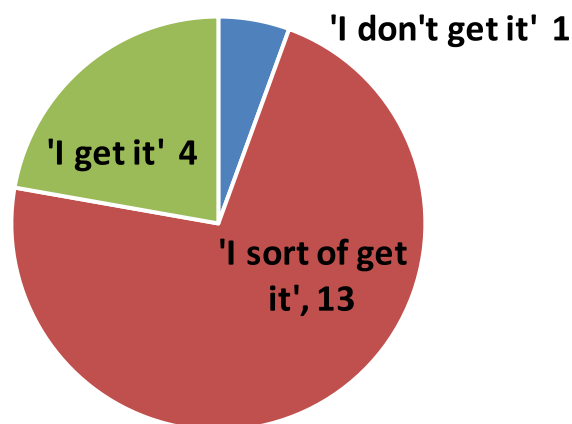
Key question: What does the proposed 'more even distribution of rates' mean for you? For other households?

Purpose	Process / Who
Welcome & acknowledge Country	Facilitator, invited Panel member
Frame session	Purpose, what we'll do
Connect to each other and content	Quiz
Learn, digest, clarify, interrogate	Content check: 'simple to understand?' <i>1 I don't get it 2 I sort of get it 3 I get it</i>
Sense check	Q&A - Peter Liu
	How big does this proposed change feel to you? BIG ~ MEDIUM ~ SMALL
Explore impact of this proposed change	What does 'more even distribution of rates' mean for me? For other Panellists?
Identify impacts & considerations for other households	What does 'more even distribution of rates' mean for others? Persona activity
Share considerations	Plenary and google document
First read of their confidence in their ability to do their task	Confidence poll
Check out	One thing I learned tonight

What they said

How 'simple to understand' was the information in the Panel Information Pack under Impact A: *The amount of rates that different properties pay would be more evenly distributed.*

How simple to understand is Impact A?



List of considerations from Persona activity

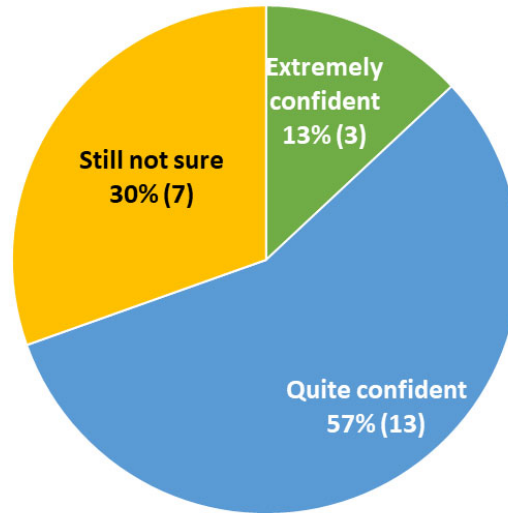
Below are 28 considerations developed by the Panel when looking at the different personas. Any text in brackets (x) has been added by the facilitators for clarity. The full personas and Panel's notes were posted as a PDF on the Panel Hub.

1	Aging population who have lived in the area for years would welcome this change
2	Olivia has a friend who lives in neighboring Stonnington in a larger property house who pays less rates. Olivia is still concerned her council spends too much
3	Only two people living at property access less services than a family
4	Long-term ownership of property should be considered
5	Number of occupants
6	Class of property
7	Scale/Ratio of lowest to highest brackets is acceptable up to a point but should have a ceiling (need to know distribution of property values)
8	Turnover of property ownership
9	Very little change, only a slight increase in rates
10	The amount of waste that 3 people generate compared to a single person household

11	For this persona, how are Luke and his friends engaged and incentivized by the council to recycle waste and separate into the correct bins?
12	Equal access to the service
13	How is Council considering whether an increase in cost is a large outlay or a small outlay?
14	The increase that Ruth sees per week may seem a lot for the service she is receiving
15	Is this the most equitable solution for a rate payer such as Ruth? There may be other services she could do without
16	Carla has her own private waste service - not currently getting value for money for her current rates
17	Risk of Carla using Council services that she doesn't currently use
18	More even distribution - what Council will charge every year after 12 months?
19	Benchmarking of Carla's rates against other Council (municipality)- baseline
20	Is there a shift from residential to commercial to make this more palatable for the community?
21	Risk to an established well known business
22	Rate increase by \$150 - how is this business doing in the current environment - is this a sustainable increase for a small business
23	How does the revenue received from recyclables influence this charge/ increase?
24	What benefit would Ahmed get from this change?
25	Net tax offsets aren't modelled in this scenario. Tax offsets will influence what the bottom-line impact of these changes are to Ahmed.
26	Council should consider the tax benefit Ray will obtain (as an industrial business) when setting the percentage rate for the industrial sector
27	Council should consider the impact on Ray of paying two charges for waste (the private and council charge)
28	Has CoPP's administration considered improving the cost-efficiency of the services delivered by council.

First read of Panellists' confidence in their ability to do their job.

How confident do you feel about your task as a member of this Panel? Poll: 8 February



Panellists' responses to check out question:

"One thing I learned tonight....."

- Everyone is concerned about waste and wants the best for the city of Port Phillip
- There's quite a lot of comfort in the group here – we understand where we're going with all this – so that's really positive
- That there's good people on the panel who are passionate about Port Phillip and want to get the right result here. I've really enjoyed tonight
- Enlightened myself with differential rates systems – I live in a bit of a bubble – so it's really refreshing to listen to the other end – your Port Melbournes, your others...
- That Council has confused this issue by bringing CIV and NAV into the waste. They are completely separate issues and should be treated as such in the discussion
- That everyone's not only concerned about the services they get, but the services of people that are not like them – it's quite good that people are trying to think of everyone else...
- Interesting to see the personas and everyone's take on it
- That the Council under the NAV system can have a separate waste charge
- The statistics regarding industrial and commercial compared to residential

- A lot! So much information was given, lots of information to digest...expands my horizons
- About a \$900,000 or \$1m property is the 'break even' point. There's an assumption that (everyone) has the capacity to pay the existing rate – more consideration to waivers and discounts...
- The proposed flat waste charge – the intent this is to drive behavioural change – that's awesome in principle – but really interested to understand how that might work in practice
- Really enjoyed the groups I was in and I think everybody works well as a group, in challenging circumstances
- That rates are tax deductible to certain rate payers
- The Council's going to have to be really nimble about communication – that's absolutely key in all of this
- There appears to be concern about what happens after the 12 months – having an uncapped (flat waste) charge
- I'm probably one of those people that is confused – mixing up the waste with the rates – I went off on a bit of a tangent
- The personas have really helped me today, but I think the information could have been better – that the waste charge was included in the example. “

3. Session Three

Key focus: The flat waste charge will reduce the rateable amount of everyone’s property, but the level of waste service they access will vary.

Purpose	Process / Who
Connect to each other	One thing you love about Port Phillip (as they arrive)
Welcome & acknowledge Country	Facilitator, invited Panel member
Frame session	Purpose, what we’ll do
Learn, digest, clarify, interrogate	Content check: ‘simple to understand?’ <i>1 I don’t get it 2 I sort of get it 3 I get it</i>
	Q&A – Marleen Mathias, Lachlan Johnson
<ul style="list-style-type: none"> – Ease of communicating FWC (‘simple to understand’ criterion) – Panel start to write together 	<p>How would you explain it to someone else in Port Phillip? Solo</p> <p>Small groups to write explanation 2 x rounds</p>
Have a go moving from ‘many’ to ‘one’ response	Vote for best explanation
First read of FCW: ‘fair’ and ‘efficient’	Polls
Panel’s reaction to poll results	Small groups and plenary

What they said

How would you explain FWC to someone else in Port Phillip?

The explanation below, written by Panellists in Room 3, received the highest number of votes (8).

CoPP is proposing the separation of a “waste charge” from general rates to a stand-alone charge.

The waste collection charge (including the provision of respective bins) will be a flat charge of \$161 per ratepayer (owners/landlords/businesses) in year one, however this charge is not capped with respect to increases, unlike the rates component of the charge to residents.

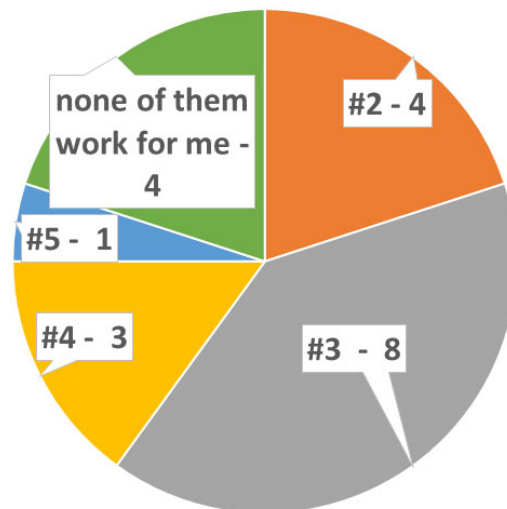
This charge includes the provision of the following waste streams:

- General waste - residential kerbside pick up
- Green waste - residential kerbside pick up
- Food waste - residential kerbside pick up
- Glass recycling - located at nominated public spaces

This charge may change (up or down) in future years as CoPP hopes to effect behavioural change and/or securing contracts to “sell” the recyclables as a product.

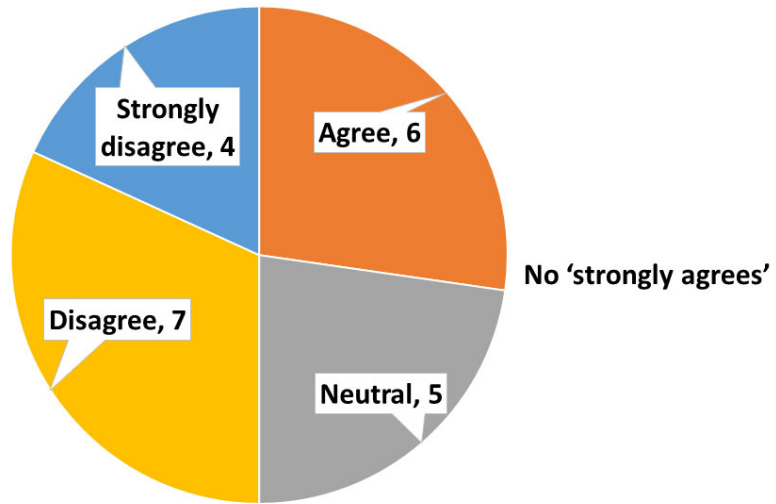
As shown by the graph below. 4 panellists could not choose an explanation, 4 chose #2, 3 chose #4 and 1 chose #5. All explanations and ‘votes’ were posted as a PDF on the Panel Hub page.

Which explanation best explains the flat waste charge to someone else?

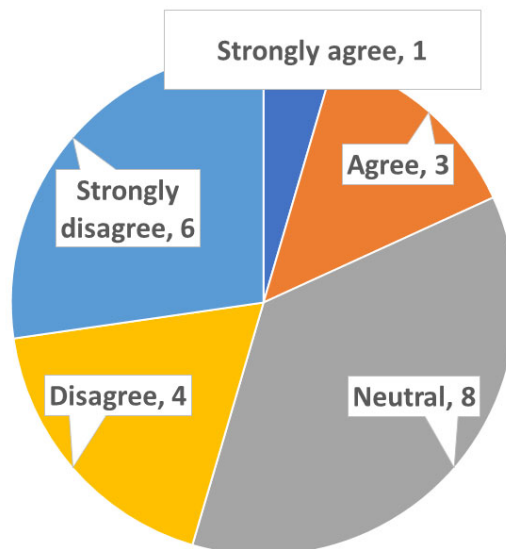


First read of Panel’s response to the fairness and efficiency of the Proposal Flat Waste Charge:

The proposal flat waste charge is fair (15 Feb)



The proposed flat waste charge is efficient (15 Feb)



4. Session Four

Key question: What might need more discussion tonight to help Panel do their job/pull together their response?

Purpose	Process / Who
Connect to each other	Arrival question: Grab an object we can all see that says something about you or means something to you – hold to camera
Welcome & acknowledge Country	Facilitator, invited Panel member
Frame session	Purpose, what we'll do
Sunday Q&A take aways	Panellists
Learn, digest, clarify, interrogate	SMEs response to questions
Panel identify the discussions they want to have to help them write their response	Themes identified Volunteer hosts to lead & capture group discussions x 2 rounds
Sense check on Panel's view on their ability to reach consensus	Poll
Panel's reaction to poll results	Small groups and plenary
Check out	One word for tonight in the chat

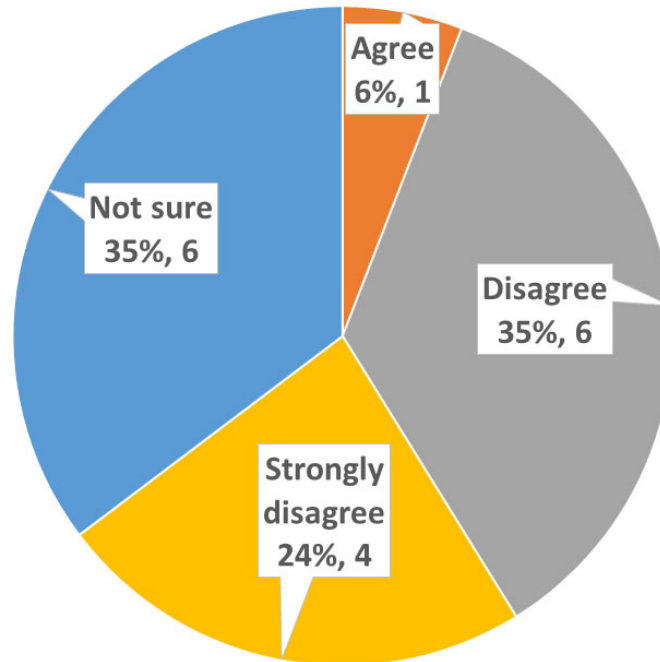
List of themes identified for discussion by the Panel:

1. Risk (no host volunteered - not discussed)
2. Complexity - Room 1
3. Containment and mitigation of ongoing cost increases - Room 3
4. Timing/5 years ahead/ Not enough financial information - Room 4
5. Human behaviour - Room 2
6. Fairness - Room 7
7. Public Housing - Room 6
8. Bench Marking - Room 5
9. Balance Between user pays and fee (no host volunteered - not discussed)

The content from each room's discussion was posted as a PDF on the Panel Hub page.

Panel's view on their ability to reach consensus

As a Panel, we will reach consensus on ONE response (22 February)



Panellists' responses to check out question:

"One word for tonight..."

- Productive
- progress
- Better
- Thought-provoking
- Unproductive
- Insightful
- Unsure
- Baby steps
- Cooperation
- Good
- Doubtful

5. Session Five

Focus: Pulling together their response.

Purpose	Process / Who
Connect to each other	What will you do next Tuesday evening?
Welcome & acknowledge Country	Facilitator, invited Panel member
Frame session	Purpose, what we'll do
Help Panel get on the same page re latest information, Q&A recording	Panellists SMEs response to questions
Recap on proposal and job Level of agreement with proposal	2 x polls
Write the 'whys' behind your response to the Proposal.....	Work through and polish content from last week Write content for new themes/topics (if any) Volunteer hosts, 2 x rounds Panel alone in Plenary – review response content for each room, tweak content together as needed Panel verbal/visual consensus to include all of their response, as drafted, in their response to CoPP.
Final poll: Level of agreement with proposal	2 x polls
Thanks to Panel	Mayor
Symbolic handover of response to Councillors	Over the screen

The panel's response is overleaf.

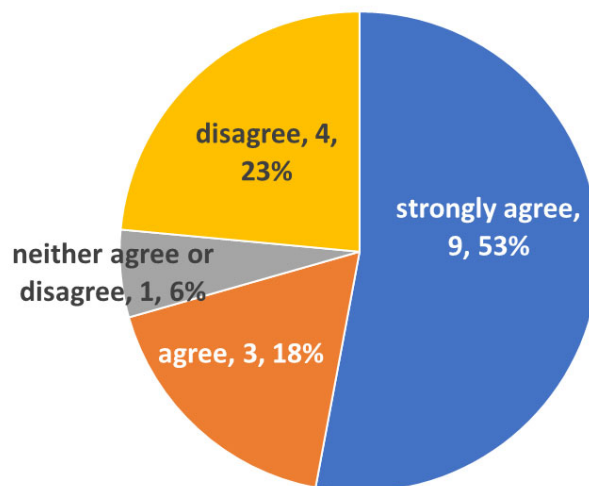
5. Panel Response

City of Port Phillip Wastes and Rates Panel Response to Proposal, 1 March 2022

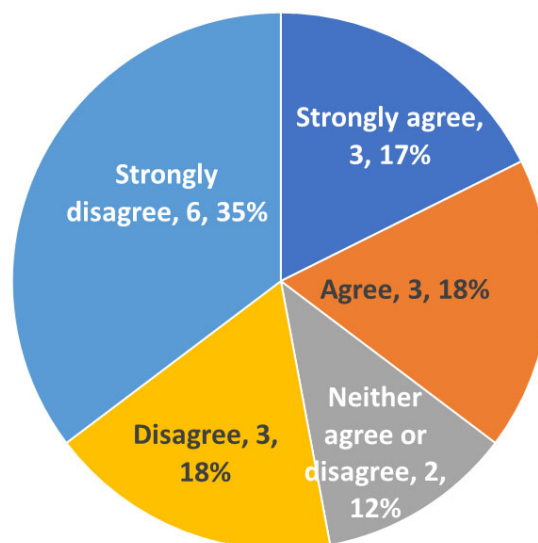
The Panel did not reach consensus (80%) on the Proposal. 71% of the Panel *strongly agreed* or *agreed* to the proposed change to how rates are worked out. 53% *strongly disagreed* or *disagreed* with the proposed flat waste charge. The final vote is shown below.

- ❑ Proposed change to how rates worked out: 71% strongly agreed or agreed, 23% disagreed.
- ❑ Proposed flat waste charge: 53% strongly disagreed or disagreed, 35% strongly agreed or agreed.

The Council should implement the change in how rates are worked out (1 March)



The Council should implement the flat waste charge (1 March)



Panellists chose the following themes to include in their response and elaborated in detail on what they would like the Council to consider when making its decision.

1. [Complexity](#)
2. [Human Behaviour](#)
3. [Containment & Mitigation of Ongoing Cost Increases of Waste Management to Rate-Payers](#)
4. [5 Year forecasts \(rates and waste\), timing, forecasts \(e.g. 5-year period\) lack of financial information](#)
5. [Benchmarking](#)
6. [Social Housing](#)
7. [Fairness](#)

Panellists built the content of their response over the series of workshops, including considerations for different personas and attempting to explain the proposed flat waste charge to people not on the Panel. Polls at different times throughout the workshops took the Panel's 'pulse' in regards to different aspects of the Proposal and their confidence in their ability to do their job and reach consensus.

Panellists began writing their response in session four and as such, some of their content is in two parts. Yellow highlights indicate what they wanted to include in their response to Council in their first draft and Panellists decided to leave this in their final response. All content after this page is in the Panellists' words and has not been edited; however, names and other personally identifying information has been redacted.

Theme: Complexity

thinks this is actually very simple - 1) NAV and CIV together with Waste being separated from the rates is what is making it more complex. The issue is they want to take the waste collection out of the general rates and charge it on a user pays basis. This means if you say the total cost in the budget in FY 22 for council services is \$253M. Of that, \$12M relates to waste. This is around 5%. The remaining 95% of the charges under NAV or CIV are capped by the state government and therefore want to charge the waste across the community. Under the proposed system, if waste increases for example, by 100% and now if that increases to \$24M and that can now be collected under the user pays basis. Lower value properties will pay more as there are more of them and the higher value properties will pay less. If it does increase, we all pay an equal amount and both parties will pay twice as much. If it is still at the normal rates, then it is a more significant problem. If the waste doubles in cost, then they can't get this out of normal rates if we are rate capped by State Gov

If waste is not rate capped and increases exponentially in the current scheme, then other services will need to get cut. If it is outside of the rate capping, then the council can build into our waste charges the increase

The recommendation if they go from NAV of 5% of their property value and for commercial. If CIV can charge different values for residential, commercial and industrial. 80% of residential owners pay the bulk of the budget. This means industrial and commercial owners can get a tax deduction on their rates but not residents

Advantage of CIV can charge a higher rate that equates to the tax deduction for commercial and industrial properties.

If council chooses to have a higher rate for industrial and commercial properties, then residents should see a reduction for the total spend. Shifts a bit, as only 20% of rates come from industrial and commercial. What would this equate to in terms of \$\$\$? Need to see the figures in the business case.

Residential investors, is counted as a commercial property under tax law? Could council clarify how this would be treated as a lot of residents in the CoPP are renters

Council doesn't have to talk to residential investors as such as non residential properties get charged land tax but if your main residence you don't. These values are available from the State Gov.

, rates were capped to stop gouging.

, Compared to Hobsons Bay, Bayside, Glen Eira and Stonnington councils. CoPP rates are 30% more than Glen Eira and Stonnington and the CoPP costs are 100% more than Bayside and Hobsons Bay. These councils also do green bins.

No decision should be made without CoPP being in consultation with the much wider community of ratepayers.

Suggestion:

Is Council making this too difficult by combining "Change from NAV to CIV" with Change from "Total Rates" to "Rates plus Waste Levy"?

Why not do it in two stages?

Stage #1: Change from NAV to CIV then

Stage #2: Change from "Total Rates" to "Rates plus Waste Levy."

I think this would reduce the complexity of the proposal and make it more understandable to ratepayers. One at a time.

The order of introduction could be varied so that e.g. “Change from “Total Rates”to “Rates plus Waste Levy” is implemented first in time with NAV.

1 March 2022

That CoPP introduce the two proposals separately

That CoPP change the rating basis from NAV to CIV

Flat Waste Levy

We remain unconvinced that introduction of Flat Waste Levy is justified.

Our lack of conviction is based on a number of grounds.

Levy is not in Ratepayers’ interest given that is uncapped.

Theme: Human Behaviour

Show how Council will plan for human behaviour (modelling scenarios) and the underlying change management because 'people don't like change -

Questions for Council to answer in relation to behaviour change and strategy:

- Does Council have a behavioural change strategy in mind? Albert Park/Middle Park contribution and interest will differ from residents in St Kilda (transient). Port Melb has a large rental market and are they as community minded? Do we have sufficient demographic data before we deal with waste with a blanket approach across the region
- How will the community respond when they find out we are 10M in surplus? How will the community respond to not being consulted on how that 10M surplus should be spent on existing problems within our community?
- FOGO & Glass - is this the real priority in our LGA right now? Or should we focus on fixing the existing issues to gain Community confidence?
- Couldn't we use the surplus in the first year to roll out the 'test' for Fogo/Glass to avoid pushback from the Community and existing lack of confidence?
- How are the council dealing with the current 'behavioural' rubbish/cleanliness issues that plague the Bayside/City

Observations and Feedback:

- Behaviour will change between areas ie., transient St Kilda/Boarding houses/Social housing/transient and backpackers etc., the level of 'pride' clearly differs throughout the different areas
- Have we looked at what works in the UK ie., smaller boxes rather than large bins so EACH property can be provided the same
- not wanting bins anywhere near your own house (e.g. around xmas - smells, noise impact with glass)
- need to educate around sustainability and climate change - need a positive motivator to make the change
- how to make behaviour change? especially in st kilda where there's such a transient population/tourists

Other NOTES:

- where is the land for the bins, if they are 300m apart in a residential area
- is there another option other than having a communal bin?
 - perhaps a bin collected more often (e.g. glass)?
 - from value POV: take up of bin usage
 - roll out curbside glass collection, challenging accommodating bins
 - rolling out as many curbside FOGO bins as possible (for those with gardens)
- is it possible to educate as to what goes in the bin? e.g. surf coast have stickers on each bin. multiple methods of educating and communicating to community as to bin usage
- monitoring bins: atm locating bins where accessible and easily monitored and audited
- acoustically treat bins so there is minimal noise
- refer to second hand clothing bin and how they have reduced property values and

created mess

- kerbside dumping is rife (especially in St K) what is the strategy around changing human behaviour? Considering many are transient

Group 2: Overcoming resistance to change - what if models in the business case for 1) people embracing the new community bins, or 2) people rejecting the whole concept and contaminating the waste. We like the concept of the surf coast stickers.

We need people to understand why they need to change and how much this education will cost and what needs to be done.

Theme: Containment & Mitigation of Ongoing Cost Increases of Waste Management to Rate-Payers

Within any new proposed flat waste charge we expect there to be a plan for COUNCIL to (ON BEHALF OF RATEPAYERS):

- **BE EFFECTIVE ADVOCATES:** Be proactive advocates for CoPP ratepayers with state and federal government to implement programs with the intent of reducing the costs to rate-payers (e.g. from turning the 3 separated non-landfill waste streams into revenue-generating / “value” streams).
- **CONTAIN COSTS:** Prevent waste management charges increasing.
- **MITIGATE COSTS / REDUCE COSTS:** Proactively work on the overall waste-management system and budget to reduce ongoing costs as we convert the 3 non-landfill waste streams into the intended sustainable / circular-economy “value” streams.
- **BE TRANSPARENT:** Ensure that any costs, associated with the council developing and advocating for CONTAINING and REDUCING the ongoing waste charges to rate-payers, be covered by the flat waste charge (e.g. cost of consultants or other management costs are reflected and itemised within the flat waste charges to ratepayers — i.e. TRANSPARENCY).
- **BE TRANSPARENT:** Provide transparency to rate-payers of the costs to council and the work being done to CONTAIN and REDUCE the ongoing waste charges to rate-payers.

Theme: 5 Year forecasts (rates and waste), timing, forecasts (e.g. 5-year period) lack of financial information

We were provided insufficient information to make a determination on rates and waste. The panel members (and councillors) require this information to make an informed decision on both rates and waste.

Assumptions are very important.

Rates are already excessive in Port Phillip Council when compared with other LGAs. For example, rates for the median priced house of \$1.7 million in Port Phillip cost \$3,207 compared with \$2,061 in Stonnington, \$2,406 in Bayside and \$2,602 in Glen Eira. That's \$1,146 more than Stonnington and \$800 more than Bayside. See <https://ropp.org.au/property-rates-calculator/>

1st March 2022

Although cost modelling was **very recently (since the above was written)** provided by CoPP, this seems only to reflect a single change scenario and makes it impossible to understand the difference between introducing each of the 2 proposal items individually, or combined. There is no modelling of how different ratepayers would be charged (e.g. over a 5-year period) under different behavioural-incentivised scenarios.

A number of key assumptions (on which the proposal and modelling is based) do not appear to be substantiated yet by available evidence (to panel). They're good hypotheses, but therefore should inform experiments to inform proposed changes, rather than determine the changes as valid (assuming the assumptions are correct).

There is no evidence yet provided that council will be incentivised to contain (prevent regular and ongoing increases) to a separated flat waste charge.

Is it possible that (for an initial and unclear period of time), ratepayers may be required to separate glass from other co-mingled recycling, yet the processing capability would not yet be able to process these as separate waste streams, leading to separated waste streams being recombined?

Information was provided 3 hours prior to the start of the final panel meeting stating that:

- Every 10% increase in co-mingled recycling stream contamination (by weight, not 'by bin') roughly equates to a \$500k increase. (in cost to council)
- Notwithstanding that many properties simply could not accommodate another glass bin, the cost to roll-out a kerbside service similar to the FOGO kerbside model would be in the order of \$600k per annum with an additional \$500-600k upfront cost for bins, etc.

Given the recycling contamination rates are estimates, without actual contamination rates in a real world setting with forced placement of glass and fogo in communal bins, the presumed recycling contamination rates (20% initially falling to 15% ongoing), **it is highly probable that**

contamination rates will be **higher than anticipated**. If the contamination rate increases by 12% higher than anticipated, the ongoing cost to council would have been similar if individual property bins were used instead of communal bins (or at least offered to properties). If contamination rates are higher, which is entirely possible, council officers will be back at council requesting large increases to a waste levy in order to pay for higher contamination rates. Before a waste levy is decided upon, the communal bin set up needs to be reconsidered.

Full modelling needs to be released to the public for public scrutiny of assumptions (with commercially sensitive information retracted or obscured).

We want councillors to be aware that the assumptions in the model may be unrealistic and may result in **substantially higher rates** in particular for lower value properties. Councillors should ask themselves whether the stated rationale for a flat waste charge (to make rates more fair) is the true intention and being achieved, and whether allowing council to charge a flat waste charge which can be increased more than CPI in the future (to fix the 'rate cap challenge') is likely based on the modelling provided. The alternative to this (i.e. making existing council services more efficient) is not being undertaken but councillors should demand in depth budget reform and efficiency savings in excess to those already done, before allowing council to raise funds outside of the rate cap system.

Theme: Benchmarking

- Why are we re-inventing the wheel? Surely other councils have worked through this
- 75 out of 79 VIC councils have a fixed rate charge and seems to be working well - many have FOGO bins - it seems reasonable for Port Phillip to adopt a fixed charge based on actual costs (as long as they are controlled)
- CoPP ratepayers pay more rates than Stonnington & Bayside & Glen Eira and these councils already have FOGO bins and they already have separation of waste charge
- COPP needs to justify rates versus other LGAs
- Require additional information about benchmarking - what are the standards Council are seeking to achieve?
- Why is customer satisfaction underperforming as per Annual report?
- Council need to recognise mistrust of Council - suspicion as to motives of introducing a new
- CoPP responds that the % of high rise/multiple dwelling vs single dwelling is 'different' to other councils - concentration of people in a building seems to create less work for council
- CoPP one of the councils sending a large amount of waste to landfill - yet are a "progressive" council, so separation is done by residents but all goes to landfill
- Creation of circular economy for plastics and composting (food and green waste) is critical for process to be successful, but meanwhile all bins (various coloured lids) seem to go to landfill
- CoPP gets a failing mark, as seem to be lagging other councils
- Would we agree to a \$161 waste charge the first year? – Concerns that many ratepayers will be unhappy, reject the need for a separate waste charge and many know residents in other councils who pay less & have those additional bins (already). Will be a hard sell. We would expect no councillor would vote for a substantial increase in subsequent years to this waste levy.
- We are disappointed with the Deliberative Consultation - we have run out of time to complete this work

Waste charge will cover the direct waste services only, not beach and street cleaning services.

- 2 elements in the proposal: the change from NAV to CIV to determine rates AND a separate waste charge.
- Would it be easier for people to comprehend if the 2 elements were separated and introduced at different times.
- On page 19, the table is a bit confusing.
- 3 principles - Fair, efficient & easy to understand
- There is a 4th principle - Managing the impact of change for the community
- Benchmarking is critical so there's transparency and accountability. Is CoPP top heavy with staff? Perhaps need for more efficiency overall.

FINAL STATEMENT

- CIV methods of calculation of rates is justified because it allows differential rating across property types eg commercial and industrial who can get a tax deduction
- The rating method and waste charge strategy was not clearly articulated to the panel

- We have not been given sufficient benchmarking it has diminished our capacity to make a response to the proposal
- It's been difficult to ascertain and understand these changes without benchmarking to other LGAs
- The flat waste charge would be more palatable to the community if it were capped in line with the rate increases - goes to the distrust of Council and proper use of rate payer funds
- Bench marking - perhaps council could benchmark other councils for the % of waste fees that they pass onto the residents in other LGAs. COPP should commit to the same percentage as the average of the others.

Theme: Social Housing

- 4200 social housing units in port phillip. 7% of housing stock. Most suburbs have 2-3%
- new vic gov announcement that social housing exempt from rates. Are private rooming houses part of exemption?
- This means other ratepayers will have to pick up the shortfall.
- Will State Gov make any contribution to cover this lost income to Port Phillip
- Port phillip unique in that we have higher number of public housing compared to other electorates
- Unfair burden on port phillip residents
- also does this mean they are exempt from waste charge? Or will separate waste charge mean that they still share the waste charge. Can council confirm??
- are councillors going to pull a compelling argument to present to Vic Government on ratepayers behalf
- could be a good outcome for social housing residents who overall would experience a reduction in overall costs
- waste charge would benefit other ratepayers as they would still contribute to this portion
- will the landlord of the social housing pass on the rate reduction to their tenants as a reduction in rent?

Theme: Fairness

It is unclear if the changes proposed will actually make things “fairer”:

- Need more information about numbers of properties at the lower-end who will be affected..
- Pensioners may be unfairly hit with high rates due to high property values.
- Rates are a hidden tax for those not liable for taxes.
- CoPP have to be more open about how they are going to be fair to ratepayers
- Commercial & Industrial stakeholders are not being heard in this panel - they have issues of equity, too.
- Get principles associated with changing from NAV to CIV sorted before dealing with the Waste Charge
- CoPP haven't really made their case for making these changes - who will actually benefit, etc.
- The way CoPP uses income seems to be at odds with other councils, e.g., staff numbers, etc.

Final Statement:

- CoPP have to be more open about how they are going to be fair to ratepayers.
- More information about numbers of properties at the lower-end who will be affected the most is necessary, and who will actually benefit or suffer from these changes.
- CoPP haven't made their case for making these changes - saying this is being done to avoid hitting the Top 20% of property owners with an unfair portion of waste costs (which is just 6% of total CoPP expenditure) sounds and feels completely wrong!
- Moreover, this goes against key principles of a progressive wealth tax: Property owners with higher valued assets generally have more choices and a greater capacity to pay; less wealthy people tend to own lower valued housing stock, have fewer choices and lesser capacity to pay.
- We are saying that CoPP haven't made their case for the proposal; we are not saying that the changes proposed cannot be redesigned and reworked to be more sensible and acceptable.

Attachment 1: Demographics of 26 Panellists

Residents = 24

Business = 2

Ratepayer = 20

Local worker = 2

Member of local community group = 7

Member of local sporting group = 3

Female = 12

Male = 14

18-24 yo = 2

25-34 yo = 0

35-49 yo = 8

50-59 yo = 6

60-69 yo = 6

70-74 yo = 3

75-79 yo = 1

Albert Park = 2

Balaclava = 1

Middle Park = 3

Port Melbourne = 7

South Melbourne = 2

St Kilda = 7

St Kilda East = 3

St Kilda West = 1

Couple with children at home = 6

Single parent with children at home = 2

Couple with no children at home = 10

Single person household = 7

Group household = 1

House = 16

Flat, unit or apartment = 7

Townhouse = 1