



RoPP Submission on Council’s 2025-26 Budget

Listening to Residents’ Concerns.

Submitted by Campbell Spence on behalf of the residents of Port Phillip, Inc.

Residents of Port Phillip - ROPP

RoPP is a grassroots community association that advocates on behalf of residents and business owners for sensible decisions, quality services, responsible spending and lower rates and charges. RoPP believes Port Phillip is better served by independent Councillors who represent residents, ratepayers, and businesses.

Community Doing it Tough

Our community is experiencing financial hardship due to the ongoing cost of living crisis that is hurting all families and single people. The message from the community is the economic crisis is hurting from higher energy prices, food costs and rental accommodation and escalated bank interest costs.

As a cost center created to deliver services to the community, every dollar spent by the City of Port Phillip is a dollar taken from the community. Many in the community ponder is the money spent on increases in rates and charges better spent by the City of Port Phillip or better spent by our families and community members on the increasing costs of food, electricity, gas, petrol, interest rates, insurance, medical bills, and health?

Revenue is the goal it seems

While the budgeted household rate increase meets the 3% cap as mandated by the State Government, this is only part of the revenue story.

	Rate Increase	CPI
2024-2025	2.75%	2.40%
2025-2026	3.0%	3.0%

Council rates represent approximately 55% of total council revenue. Other revenue like parking fines and waste charges are budgeted to be well in excess of inflation. Parking fines are budgeted to increase by 7.7% and waste charges by 13.0%. See Table below.

It is pertinent to understand that Port Phillip rates and charges remain excessive compared to Stonington, Bayside and Glen Eira for a property of the same value. Source: <https://ropp.org.au/property-rates-calculator/>

Revenue	24/25 (\$000)	25/26 (\$000)	%
Rates & Charges	151,351	158,625	4.8%
Parking Fees	20,878	20,920	0.2%
Other Fees	4,185	4,326	3.4%
Parking Fines	21,740	23,422	7.7%
Other User Fees	22,312	24,387	9.3%
Waste Charge	14,917	16,860	13.0%
Other	36,001	38,103	5.8%
Total Revenue	271,384	286,643	5.6%

In 2024-2025 waste charges were separated from household rates and brought in as a separate service charge. The waste charge is not constrained by the maximum 3% state government cap. The City of Yarra Mayor Stephen Jolly in seeking a cap on waste charges recently stated “*The public will never be tricked again by a waste charge that is a sneaky way of getting around the rates cap*” – Don’t be surprised that same “sneakiness” is now occurring within the CoPP irrespective of flow on increases from State government charges in regard to waste charges.

In all, budget revenue has well exceeded the anticipated inflation rate of 3% at an increase of 5.6%.

Responsible position on revenue

- The council should be mindful of the revenue collections of neighboring councils with the aim of moving revenue projections on a per capita basis to reasonable comparability. Hence benchmark revenue outcomes with nearest like councils.
- The community at large rejects the proposed increase in revenue charges at 5.6% for 2025-2026 and calls for revenue to be no more than the anticipated inflation rate of 3% of total revenue. This is already a strain on households.
- The community would also welcome that any increase in waste charges going forward be subject to the same cap as currently on general rates.

Expenses should align with community expectations

The proposed expenditure for the coming year is budgeted to climb (5.2%) is excessive when compared with the anticipated inflation level (3.0%).

Expenses	24/25 \$000)	25/26 \$000)	%
Employee Costs	110,130	117,316	6.5%
Material & Services	92,254	100,709	9.2%
Other	55,990	53,884	-3.8%
Total Expenses	258,374	271,909	5.2%

It is completely misaligned with the community that the Council discloses that it would take an additional \$137 million from ratepayers and businesses if it was not constrained by the introduction of rate capping in 2016/17. Does the community have a fox guarding the hen house?

Concerning is the continued rise in employee costs through salary increases and number of staff employed. Employee costs represent 55% of total budget expenses. A further 22 staff are earmarked in this budget bringing total staff numbers to 842. A headcount freeze would save an estimated \$2.5 million and fund a rates and charges freeze based on an average cost of \$110,000 per employee.

In comparison to neighbouring councils, the CoPP has both a higher average total salary cost per staff (suggesting a top-heavy staffing regime, including well paid officers compared with other councils) and on a per resident basis, a higher staffing ratio.

The continued poor community satisfaction surveys on council performance over the last eight years suggest an inverse relationship between the increasing number of staff employed and the declining satisfaction on overall performance. It could be well argued that increasing staff and staff costs is not the underlying panacea for the Councils current poor performance woes.

Other Budget expenditure items to note include:

- \$15K to Timor Leste (foreign aid is a federal responsibility).
- \$9K to a song writing therapy program.
- \$1.2 million affordable housing (which is not a Council responsibility).
- \$10M arts and festivals funding compared with \$1-2M spent by neighbouring councils.
- \$8M of unnecessary consultant costs.
- \$500K paid to the Eco-Centre that houses activists and politically active groups.

- \$300K plus headcount for Memberships and advisory groups that require staff to manage and provide no value to residents except the recipients of the funding.

While two of the three examples above are small in value, this nevertheless can only be construed as either virtue signalling or pandering to the whims of some of the councillors' supporter base. What ever the reality, these items should not be provided for in the budget. We are sure a more detailed examination would uncover many more of these examples.

How does Council's spending compare with neighbouring municipalities?

Port Phillip spends significantly more than its neighbouring local government areas while providing similar services. Port Phillip has forecasted in 2024-25 to spend approximately:

- \$100M more than Bayside.
- \$50M more than Glen Eira
- \$40M more than Stonnington

Port Phillip does not need to spend more than nearby Councils because:

- We have a similar population and number of properties. We are smaller in area and in total our roads are shorter in length.
- We don't have more assets than the other Councils.
 - i. Bayside has beaches as does Port Phillip
 - ii. Stonnington has the Prahran Market as we have the South Melbourne Market
 - iii. Stonnington and Glen Eira have swimming pools and golf courses and Port Phillip does not.
 - iv. Stonnington has two town halls, and we have three and the Australian National Academy of Music has agreed to pay rent for the South Melbourne Town Hall.

A responsible position on Expenditure

- The community rejects the proposed increase in expenditure of 5.2% and calls for rates and charges to be increased by no more than 2.0% which represents the CPI increase of 3.0% less an efficiency dividend of 1% of total expenditure.
- The Council should benchmark key expenditure outlays against neighboring councils with the aim of moving expenditure projections on a per capita basis to reasonable alignment and comparability.
- The Council should stop duplicating federal and state government responsibilities such as affordable housing and homelessness which are a State and Federal responsibility.

- The Council should instigate a staffing freeze and through natural attrition re-engineer departments to reflect real efficiency gain.
- The community rejects the proposed increases rates and charges when the Council Plan does nothing to address the decline in community satisfaction over the past 10 years. Residents and ratepayers are not getting value for their money.

Community Expectations Not Being Realised.

Looking behind the 350 glossy page draft plan & budget masks the reality of a budget that relies on increasing revenue and expenditure beyond inflation, when the community is already facing a very difficult cost of living crisis.

In a difficult cost of living environment, a well-run administration would be looking for efficiencies, cost reductions and limiting the cost burden on its constituents. The CoPP seems detached from this reality and community expectation.

The council has had a mandated efficiency dividend of a very small 1% of expenditure. Even that has been jettisoned in the 2025/2026 budget to an even lesser incredulous 0.7%. Let's revisit this last sentence. Out of a budget of \$172 million, they could not even find \$200K in efficiencies!

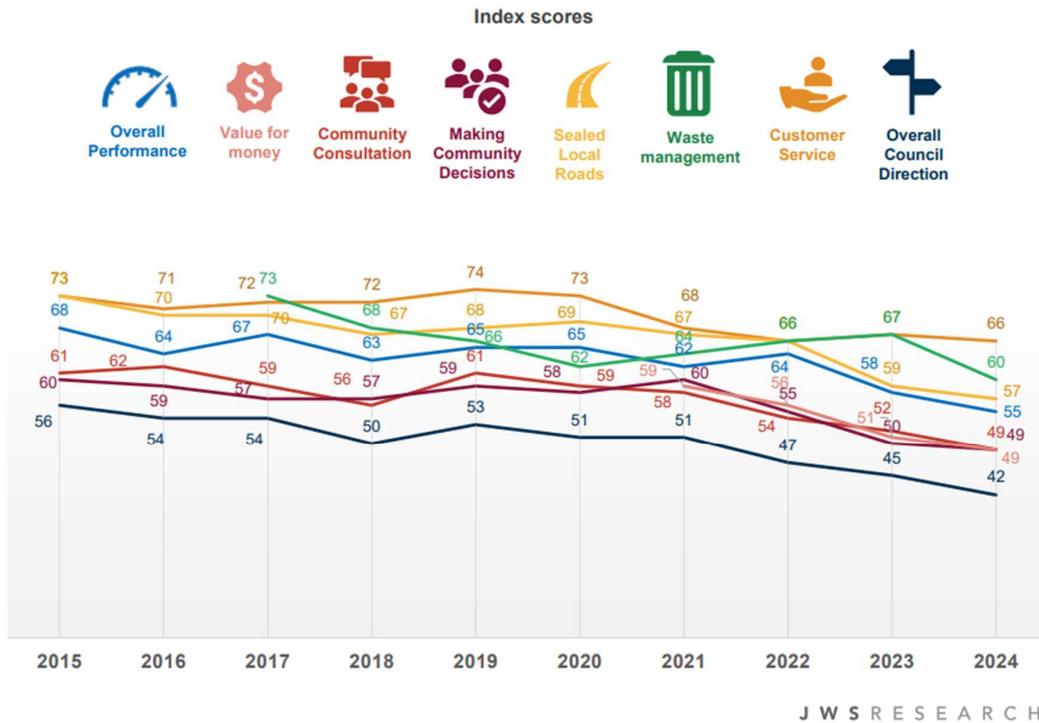
The Community Satisfaction survey results collated by JWS, all point to a council with a performance and confidence deficit. Primary community concerns centre around:

- Overall Performance
- Community consultation
- Safety
- Value for money
- Waste Management
- Council Direction and
- Customer Service.

Residents are concerned that the City of Port Phillip seems to disregard the progressive decline in their performance KPIs over the past 10 years and the Council Plan contains no measures to reverse the trend. The following image is a summary of the Councils declining metrics since 2015.



Summary of core measures



Source: <https://www.portphillip.vic.gov.au/about-the-council/governance-performance-and-advocacy/performance-reporting/community-satisfaction-survey>

Two further surveys highlighted in detail the following concerns

Biggest Issues/Perceptions - Council Watch	Biggest Issues/Perceptions- (ROPP)
Roads not being maintained - potholes and damage levels high	Lack of accountability and responsibility
Local streets are dirty/footpaths in poor condition	Poor communication and responsiveness
Traffic and congestion on council roads	Overcharging for rates
Poor community consultation	Inefficiency in service delivery
Assets not maintained properly	Frustration with bureaucracy & red tape
Social causes/activist councillors and agendas	Inefficient service delivery
CEO excessive power, overstaffed	Wasteful Spending on non essential projects
Poor service/customer satisfaction	Ineffectiveness in handling inquiries or complaints
Poor Management, standards and conduct	Political Influence in decision making
Consultant costs and usage excessive	Neglect of certain services
Revenue raising all the time	Excessive staff numbers and cost
Poor town planning	Lack of transparency
Council listen skills poor, do not admit mistakes	Non alignment with community expectations

Source:

<https://ropp.org.au/latest-news/>

https://www.councilwatch.com.au/_files/ugd/d1d8f9_aa8c3410f1a84b96ad44db3c1021cf36.pdf

Conclusion

We can only reasonably conclude that Council is not interested nor motivated to improve its declining community satisfaction. It is concerning that the Council Plan ignores the results of the Council's own survey and does not seem to prioritise improving its declining service delivery.

Is the organisation fit for purpose when more than 95 percent of the budget is essentially seen as "fixed" in cost with the remaining available expenditure to be allocated to meet what is regarded as council priorities?

A dynamic administration with even an ounce of curiosity and sense of public good, would examine very closely its declining community satisfaction and the 95% of relatively "fixed" costs within the budget.

Our Position on Council Plan and Budget

- Residents reject the proposed increase in expenditure of 5.2% and call for rates and charges to be increased by no more than 2.0% which represents the CPI increase of 3.0% less an efficiency dividend of 1% of total expenditure.
- Waste charge should be capped at 3%
- Council should as a priority aim to improve its performance and efficiency.
- Council should stop duplicating federal and state government responsibilities such as affordable housing and homelessness which are a State and Federal responsibility.
- The Council should instigate a staffing freeze and through natural attrition re-engineer departments to reflect real efficiency gain.

