

Request for Costing an Election Commitment

Name of proposal:	Neighbourhood Democracy
Person requesting costing:	Shane Rattenbury MLA
Date of request:	28 September 2020
Summary of proposal:	<p>Introducing a Neighbourhood Democracy program to allow the members of every suburb to come together to determine how to spend an average annual budget of \$100,000.</p> <p>Community projects could include park upgrades, new playground equipment, tree planting, employing people to work on a particular project, or community-building activities and events.</p> <p>Further information: https://greens.org.au/act/neighbourhood-democracy</p>
Issue the proposal will address:	Lack of community participation in local decision making.

What are the key assumptions that have been made in the proposal?

Note: The costing will be developed on the basis of information and assumptions provided in the costing request. The professional judgment of the Under Treasurer will determine whether these assumptions are adopted in the costing of the proposal.

- Working with up to 120 suburbs (likely 110-115 but have calculated based on maximum of 120).
- Pilot with 10 suburbs in the first year, 40 in the second year, 80 in the third year and 120 in the fourth year.
- Each suburb will participate annually once included.
- 1 FTE at SOG B level to lead the project and 1 FTE at ASO6 level for administration support, both for the 4 years (0.6 in first year to account for delays in starting the project).
- 1 FTE at SOGC level and 1 FTE at ASO6 level for every 20 suburbs for facilitation and project management (0.6 in year one to account for delays in starting the project).
- A \$5,000 project budget per suburb each year (for meeting costs, promotion, etc).
- Average \$100,000 per participating suburb per year (available budget may deviate in some cases where population is low/high relative to other suburbs, but average will not exceed \$100,000/year).
- Some costs, as decided by community members, may be for capital works, while others will be for community-building events or activities. All funds have been

listed as recurrent due to the limited knowledge of the capital component of this spend.

	2020-21 ('000)	2021-22 ('000)	2022-23 ('000)	2023-24 ('000)	Total ('000)
Fund	1,000	4,000	8,000	12,000	
Admin	272	870	1,460	2,074	
Project costs	50	200	400	600	
Total	1,322	5,070	9,860	14,674	30,925

What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this proposal and estimated costs each year (if available)?

	2020-21	2021-22	2022-23	2023-24	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue^(a)					
Expenses^(a)	-1,322	-5,070	-9,860	-14,674	-30,925
Capital					
Depreciation					

(a) A negative number indicates a decrease in revenue or an increase in expenses. The expenses row does not include depreciation costs.

Has any specific information or data been utilised in generating the proposal?

Salary costings

Learnings from participatory budgeting processes adopted in Victoria and NSW.

Where relevant, is funding for the proposal to be demand driven or a capped amount?

Capped amount of average \$100,000 per suburb/year.

Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the proposal? Does the proposal provide additional funding to, or redirect, any existing Commonwealth/State or Territory funding arrangements?

No.

Will funding/the cost require indexation?

Salary costs are indexed. The \$100,000 per year is capped and could be reviewed after 5 years.

Who will administer the proposal?

City Services, with CMTEDD Communications Team support in running the community democracy processes.

How will the proposal be administered?
One SOGB position will be established to oversee the project and 1 ASO6 position will be established to provide administration support. Additional SOGC and ASO6 positions will be recruited to facilitate the project.
Is the proposal part of a broader package?
No
Has an allowance been made for expenses necessary to support the implementation of this proposal?
<ul style="list-style-type: none"> – If no, will the government agency be expected to absorb expenses associated with this proposal? – If yes, please specify the key assumptions.
Yes, staffing and project expenses are included in this costing.
Will the proposal generate savings or offsets?
This expenditure could be partially offset by avoided spending on some planned upgrades (aside from routine maintenance). As an indication, expenditure on open space improvements was \$0.8 million in 2018-19 (excluding capital expenditure), capital works expenditure on place management was \$5.7 million, and sport and recreation capital works were \$1.85 million according to the 2018-19 TCCS Annual Report .
Has the proposal been previously costed by an external (third) party? Will a copy of this material, including any assumptions, be made available to Treasury?
No.
What are the community impacts associated with the proposal? Who and how many people will be affected?
Community members will have the opportunity to decide how to spend a neighbourhood budget. Participation will be voluntary and community members will be supported throughout the process by trained facilitators.
Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?
The pilot in the first year will inform the roll out of the program. Planned infrastructure upgrades will not be delayed until the process is underway and proposed upgrades can be evaluated against community priorities.
What is the intended implementation date of the proposal?
Starting as early as possible in 2021. Funding for FTE in the first year has been included at 0.6 to allow for delays in initiating the project.
When is the proposal expected to be fully operational? Please provide details such as the start and end dates, the level of commitment during each period etc.
Pilot with 10 suburbs in the first year, 40 in the second year, 80 in the third year and 120 in the fourth year.
Will the proposal cease, and if so, when?
The proposal is intended to be ongoing, with every suburb participating annually.

Is there any additional information relevant to this proposal?