

## 6.2 ENGAGING OUR COMMUNITY - PARTICIPATORY BUDGETING

Submitting Councillor: Councillor Josh Fergeus

### **MOTION**

*That Council:*

1. *Notes that participatory budgeting has been shown to significantly contribute to broader public participation in local governance, and has been associated with improvements in public health, reduced corruption, greater trust in government, higher tax compliance and stronger economic growth<sup>1</sup>.*
2. *Notes that 43% of respondents in the Monash 2021 and Beyond community survey wanted 'more openness and transparency', and particularly more detail on Council expenditure.*
3. *Notes the following Council policy positions which align with the principles of participatory budgeting:*
  - *"People can have a say in, and are at the centre of, our decisions" (Council Plan, 2017-21);*
  - *"Enhancing community consultation and involvement in our decision-making", (Council Plan, 2017-21);*
  - *"We commit to actively engaging our community in decision-making to shape our services", (Council Plan, 2017-21);*
  - *"A city which actively listens, engages and values community wisdom in shaping its own future", (A Healthy & Resilient Monash, 2017-2021);*
  - *"What we will do: support community to have an active role through participation in civic and community life", (A Healthy & Resilient Monash, 2017-2021).*
4. *Requests that Officers provide a report to Council no later than April 2020 detailing options for a limited trial of participatory budgeting to contribute to the development of the 2021-2022 Council Budget.*
5. *Refers the Participatory Budget Project to the 2020-2021 Budget process, to allow for the appropriate allocation of resources should Council choose to proceed with the Project upon receipt of the Officer report.*

### **BACKGROUND**

Participatory budgeting is a form of citizen participation in which citizens are involved in the process of deciding how public money is spent<sup>2</sup>. The first documented modern participatory budgeting process occurred in Porto Alegre in Brazil in 1989 and was credited with shifting priorities to better support the poorest parts of the city, improving services, improving infrastructure, strengthening governance, and increasing citizen participation. It has often been referred to as a real success in terms of involving people typically left outside of the political process.

<sup>1</sup> Hagelskamp, C, Leighninger, M, & Rizzolo, A (2016) *Public spending, by the people*. Yankelovich Center for Public Judgement, New York

<sup>2</sup> Local Government Association (2018) [www.local.gov.uk](http://www.local.gov.uk) United Kingdom

It is a different way to manage public money, and to engage people in government. It is a democratic process in which community members directly decide how to spend part of a public budget. It enables ratepayers to work with government to make the budget decisions that affect their lives<sup>3</sup>.

More than 1,500 municipalities are estimated to have initiated participatory budgeting, including in the United Kingdom, United States, Canada, India, Japan and Australia. Participatory budgeting operates across all local government areas in the Dominican Republic. International approaches differ significantly, and are shaped by local context<sup>4</sup>.

Participatory budgeting has been endorsed by a range of institutions, including the World Bank, the United States Conference of Mayors, the Harvard Kennedy School, and the White House.

### **DISCUSSION**

Some of the benefits of participatory budgeting have been described by the Participatory Budgeting Project:

- “Deeper Democracy: Ordinary people have a real say—and they get to make real political decisions. As a result, PB tends to engage many people who are otherwise cynical about government. Politicians build closer relationships with their constituents, and community members develop greater trust in government.
- Transparency & Accountability: Budgets are policy without the rhetoric—what a government actually does. When community members decide spending through a public process, there are fewer opportunities for corruption, waste, or backlash.
- Public Education: Participants become more active and informed citizens. Community members, staff, and officials learn democracy by doing it. They gain a deeper understanding of complex political issues and community needs.
- More informed decisions: Budget decisions are better when they draw on residents’ local knowledge and oversight. Once they are invested in the process, people make sure that money is spent wisely.
- Fairer Spending: Everyone gets equal access to decision making, which levels the playing field. When people spend months discussing project ideas, they end up prioritizing projects that address the greatest community needs.
- Community Building: Through regular meetings and assemblies, people get to know their neighbors and feel more connected to their city. Local organizations spend less time lobbying and more time deciding policies. Budget assemblies connect community groups and help them recruit members.”<sup>5</sup>

### **FINANCIAL**

Participatory budgeting does not require new money, just a change to how some existing budget funds are allocated. Some resources are necessary to carry out the

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<sup>3</sup> Participatory Budgeting Project (2018) <https://www.participatorybudgeting.org> California, USA

<sup>4</sup> Davis, J (2014) *Participatory budgeting*. Foley’s List, Melbourne

<sup>5</sup> Participatory Budgeting Project (2018) <https://www.participatorybudgeting.org> California, USA

process, but other jurisdictions have found that this investment saves money down the road, as participants discover new ways to make limited budget dollars go farther<sup>6</sup>.

### ***ALIGNMENT WITH COUNCIL PLANS AND STRATEGIES***

This report aligns with the Council Plan and key Council strategies including A Healthy & Resilient Monash, notably:

- Council's desire to harness the community's pride in our great city and their passion for protecting and enhancing its important characteristics;
- Our goal of an inclusive community: "our people and our communities are healthy, connected and engaged;
- Our goal of responsive and efficient services: "people can have a say in, and are at the centre of, our decisions";
- Our goal of "enhancing community consultation and involvement in our decision-making";
- Our commitment to actively engaging our community in decision-making to shape our services;
- Our commitment to support community to have an active role through participation in civic and community life;
- Our desire to be a city which actively listens, engages and values community wisdom in shaping its own future.

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<sup>6</sup> Ibid