

PROPOSAL FOR THE CITY OF DAREBIN

**PARTICIPATORY BUDGETING**

PROCESS DESIGN OVERVIEW:  
IDENTIFYING THE VIEW OF AN INFORMED PUBLIC

Overview

In 2013/14 Darebin City Council increased rates by 3.9% plus an additional 2% for the creation of an infrastructure fund and made the commitment to consult with the community to determine how this fund will be utilised in future years. For the 2014/15 budget approximately \$2m will be available.

The City's focus is to ensure that a representative voice of the everyday community is heard when deciding which projects this will be allocated to, rather than simply the best organised. For the decision to be credible, it also needs to be the result of detailed comparison of alternatives rather than a survey style exercise which can be numerically attractive with thousands of citizens involved – but which are best described as being “a mile wide and an inch deep”.

For newDemocracy, the project will deliver a public proof of concept demonstrating the capacity of everyday citizens working together in a facilitated Citizens Jury to deliberate and come to an informed consensus decision. It will also set a new highpoint in the steps taken by a Council to empower their community and share decision making with them.

For Council, it is expected that the provision of a non-partisan, deliberated and informed consensus view from everyday citizens will free them from some of the constraints which exist in all adversarial democratic structures.

Background and Context

The Foundation understands that the key context for this project is the explicit linkage that was made to citizens that a previous increase in rates would deliver priority public infrastructure and the project needs to squarely address this promise.

Project Objective

The objective of this deliberative process is to deliver to Council a recommendation that reflects the wishes of everyday members of the community. It needs to spend the money well.

A related question to be researched is whether there is greater public trust in the recommendations and any subsequent decision taken by elected representatives, and whether there is media acknowledgement of the community's capacity to solve their own challenges.

The process serves to empower elected representatives who are otherwise subject to the non-deliberative response of 'vox pop democracy'. However, the trade-off is an "uncontrolled" result – the community selects experts of their own choosing and the Foundation will fiercely protect the neutrality of information provision. Expert groups, interest groups, community groups and lobbyists will be invited to make their case, but the extent of the role is in the hands of the randomly selected citizens, not organisers, facilitators or Council.

The panel process depoliticises the decision. This process can deliver a policy improvement in its own right, as well as setting a template for widespread adoption across all levels of government.

The values to focus a deliberative process upon are fairness, long term viability and public trust.

#### About The newDemocracy Foundation

The newDemocracy Foundation (nDF) is a not-for-profit research group, with a particular focus on best practice citizen engagement and innovations in democratic structures. nDF's experience with many consultation processes is that they consist of feedback forum events largely attended by interest groups and hyper-interested individuals.

Such processes do not result in communities feeling they have had a say. In contrast, nDF's proposal is to provide a jury-style process which enables a more representative section of the community to deliberate and find a consensus response. By combining the three elements of random selection, the provision of time and access to all information, and independently facilitated forums for dialogue, a much more robust and publicly trusted outcome can be obtained which can assist governments in achieving public acceptance of hard trade-offs.

The newDemocracy Foundation (nDF) provides design frameworks for public deliberation and overall innovation in democratic models. Our research and advocacy is focussed on identifying less adversarial and more inclusive public decision making processes. Our services are provided on a cost recovery basis only - consistent with our structure as a not-for-profit research Foundation, with services provided pro bono on occasion. We are not a think-tank and hold no policy views. We also commission independent third party research which occurs in parallel to the process in order to ensure robustness and to capture the potential for improvements to existing democratic processes.

#### Rationale: Growing Trust through Public Accountability and Transparency

This proposal contends that if the public was told that 43 of their fellow citizens would work to reach consensus for change after studying detailed information and hearing from subject-matter experts of their own choosing, then the community is more likely to trust this process than the announcement of the *exact same recommendations* delivered by the Mayor, council staff or an individual expert.

In a murder trial, public trust is placed in a jury's verdict, without looking at each piece of evidence, because a trusted group of citizens was given sufficient time and access to information – and was free from outside influences (or even the perception of such influences). There is ample research evidence that supports that this same model can be applied to public decisions in general. More than 1100 case studies have shown that, by giving a representative panel time and information upon

which to deliberate, stronger public engagement is achieved – as well as higher quality decisions (Diversity Theorem).

It should be noted that traditional models of community engagement do not contribute substantially to *acceptance* of the final decision: those with a specific interest and the loudest voices tend to dominate. nDF will encourage all these interest groups to make their cases to the policy jury so that these panels are heard without having a disproportionate influence.

#### Legacy: Embedding the Approach

The project as proposed would be iconic in terms of fully devolved decision making being accorded to the community – and a transformational change to ‘how we do government’ and how the community can be part of decisions. This is a central aim of newDemocracy.

Firstly, a visible public *pilot* project is an essential first step in this transformation: the goal is to demonstrate in a non-partisan fashion that there is civic capability which can surface through a change in structural approach as to how the community is brought into the decision – showing how a community can actually *own* the decision. This topic is sufficiently substantive and high profile to achieve this goal and provide council with a ‘success trigger’ to devolve other areas of business.

#### Methodology

It is proposed that a **Citizens’ Jury** (CJ) of approximately 43 participants will be convened for approximately two months for 4 to 5 face-to-face meetings. The participant count is fluid to allow for the statistical profile match to Census to be maintained even if there is a shortfall in a single category. There is negligible statistical impact (in confidence level and confidence interval) on representation within that range.

The participant number is based on relying on a 95% confidence level and a 15% confidence interval. These statistical labels simply mean that, firstly, we can be 95% sure that the ‘descriptive match’ to the community would be repeated on any random sample. The latter figure is large as we work on consensus, generally unanimous but occasionally with a noted minority report made: with a simple majority an interval of +-2% would change a 51-49 decision. With a consensus process with 95% of people agreeing to recommendations, +-15% still represents a compelling supermajority. (Statistical tools and definitions are available here: <http://www.surveysystem.com/sscalc.htm> )

The jury will be complemented by an exponentially scalable online process. This encourages self-selected groups to discuss and share with a view to making a submission to be considered by the jury of their peers. The online platform thus serves a dual role as a gathering place for finished ideas, or as the forum space for disparate groups to work within.

Random selection is a key tool used to identify participants as a means of securing a descriptively representative sample of the community. Stratification will be used to ensure a mix (matched to Census data) by age, gender and location (either postcode based, suburb based or clustered by Ward). Representation by income and ethnic identity is achieved naturally by the randomisation element – and ratepayer status (owner or tenant) is used as a surrogate indicator which drives diversity in selection.

ABS data (Report 3235.0, August 2012) will be used to identify the population distribution for citizens designated in 15-24, 25-34, 35-44, 45-54, 55-64 and 65+ brackets within the LGA.

Invitations to participate in the CJ will be extended to a randomly selected sample of 3,000 citizens ideally taken from the Council's land titles system (i.e. the rateable database). They will be invited to register electronically with nDF to indicate that they are available for the final selection. Based on those available, a further stratified random draw is conducted.

Just as in juries per diems and/or reimbursement of transport costs is strongly advised so as to avoid excluding participants who may find this a hardship – provision of transport tickets to each participant is an effective way of delivering this in part.

#### Selection of Participants

Invitations for the Citizens' Policy Jury would be issued to 3,000 citizens randomly drawn from across the City.

Invitations should be non-partisan: they will come from the Mayor of the City of Darebin and note the committed authority of the entire Council. They will explain the process and ask the citizen to decide to confirm eligibility for selection in the Citizens jury. *(5% response rate required, around 10% expected)*

From the positive responses, a sample is drawn electronically based on the pre-agreed stratification goals referred to above. The aim is to achieve a group descriptively representative of the community even if one subset of the community responds disproportionately to the initial invitation.

The sample (which incorporates a number of reserves) will be sent a comprehensive schedule and explanatory kit of pre-reading (generally an online private forum with a library of documents and submissions), with a request of the citizen to provide a final acceptance allowing nDF to finalise the panels.

The group is convened solely for this process: any future Jury would recommence a fresh selection process.

#### Preparation and Information Process

Information and judgement are required in equal parts to reach decisions. newDemocracy advocates these processes because the judgement of random samples (or mini-publics) has been shown to achieve very high levels of public trust because they are non-partisan. It is thus imperative that the method of provision of information to the policy jury does not erode that trust.

Information selection can be a very time consuming process. A portion of this work comes from the self-interested willingness of advocacy groups and interested parties to engage via submissions of their own independent work. A public call for submissions is thus factored into the design, and the operation of the jury allows it to ask to hear more from the author of any submission. The support of the City of Darebin in notifying known advocacy groups is valued.

Council (and indeed individual councillors) will be accorded the opportunity to present their views as to worthwhile uses for the funding. It is important to note that nDF will emphasise to the Jury that

each of these are starting points for them to consider and that they are starting from a “blank sheet of paper” rather than simply endorsing Council’s preferred use for the funding.

Beyond this starting point, the jury will work independently to identify subject matter experts whom they wish to learn from and question – and allowing this independence in expert selection underpins the transparency of the exercise and counters a widely-held community view that you can “find an expert to say anything”.

Prior to the Jury’s first meetings, a set of background documents based on the above will be circulated to the jurors. This is the baseline content for deliberation.

It is recommended that an online discussion forum (for the use of the Panel) be operated as part of the process. NDF currently works with BangTheTable, who are a donor of in-kind services to nDF. A separate public forum can also be operated.

#### What Does the Citizens’ Jury Decide?

It is of central importance that the limit of the group’s decision-making authority is pre-agreed and clearly conveyed. This must be expressed simply, broadly and openly so as not to be interpreted as directing a particular decision.

It is proposed that the remit of the panel is to reach agreement on:

**How should we best spend \$2m to improve our community?**

**The jury is asked for a specific and actionable set of recommendations.**

In terms of authority, it is proposed that:

**The Council will accept the Jury’s recommendations on an “all or nothing” basis.**

#### What Constitutes a Decision?

In order to shift the public mindset from adversarial, two-party, either/or contests and convey a message of broad-based support for the recommendations, nDF recommends an 80% supermajority be required for a final decision from the jury. In practice, citizens’ panels tend to reach consensus (or group consent) positions with minority voices included in any report; they rarely need to go to a vote. Decisions are frequently unanimous.

#### Operations

A skilled facilitator will be required for the process and should ideally be recognised by the International Association of Public Participation (IAP2). nDF can provide the names and contact details for a number of potential facilitators for consideration by Council.

nDF generally operates the jury selection process to ensure there is the highest public confidence in the rigour and independence of the randomisation of invitations (and by extension as to why a given individual was not selected). As we have experienced in other processes, the public will accept our ‘rejection’ far more easily than if this is required to come from government, as principal.

Meetings would ideally take place within Council facilities available at negligible cost. Official buildings are preferred and convey the right message (regarding authority) to participants. Ideally these are spread around the Council area so participants visit all corners of the LGA.

NDF utilises an integrated print and distribution service capable of very fast turnaround production for invitations.

### Media Role

The role of the media in supplying information about the exercise is critical. We have noted in other processes that the community should have the chance to see and identify with the people involved: an evoked response of *“people like me made the decision”* will see the recommendation earn widespread trust.

For this to be achieved in a communications environment where the community believe much of what they see in the news is “staged”, it is imperative we introduce the jury who will be deliberating as early as possible in the deliberative process (ideally just after the first meeting) and well before any direction (of their recommendations) is known. If the community trust the participants, they will trust the recommendations. For this to occur you cannot be seeing the participants for the first time when you read of their recommendations or the benefit is largely lost.

Council’s assistance with local media is therefore essential. nDF will provide advice to Council in regard to approaches to the media that have worked in other similar situations.

### Costing Outline

Key cost areas are outlined below. This is based on discussions with Council and includes an explicit role for the nDF.

#### Step 1 – Basic Invitation and Recruitment

- a. Dataset, printing and postage (3,000 invitations to print plus \$0.55 per piece to post) estimated at **\$5,000**. [Hard cost recovery only – original invoice supplied]. Note: Council will arrange appropriate translations for invitations.
- b. Participant per diems of **\$8,600** (suggested \$200 x 43)
- c. Suggested donation to Foundation for time to produce invitations, draw final Jury, and contact jurors individually by phone **\$1000**

#### Step 2 – Operational Assistance (Remote via phone)

- d. Catering of **\$6,000** (4 days x 50pax @ \$30pp). [Hard cost only]
- e. Recruitment of independent facilitators - estimated cost of **\$20,000**. [Hard cost only]

#### Step 3 – newDemocracy assume Project Responsibility

- f. Provision should be made within the budget for a reasonable level of expenses for nDF representatives to be on site for the first meeting of the Citizens Jury and to attend the

initial planning meeting and lead briefing of facilitators: estimated at **\$1,000** [only actual costs billed to this cap].

- g. newDemocracy will participate in all other planning meetings by teleconference
- h. a research contribution of **\$4,000** is made to the newDemocracy Fund which contributes to the operation of the Research Committee and to the future of improving democracy in Australia.

Items a-k amount to **\$45,600.**

Process design and selection administration will be provided by the Foundation on the cost recovery basis in any scenario.

As a research institute, in the event we assume project responsibility the Foundation requests funding support of \$4,000 for an independent research project to capture what is learned through the innovation process (see k above). As part of our ATO compliance, the topic of research will be set by the Research Committee of The newDemocracy Foundation.

Key Issues to be managed:

- City of Darebin's agreement as to remit and authority.
- Interface with subject matter experts and contributors to ensure accessibility and availability for participation.
- Interest group buy-in and focus on breadth of submissions, and communication of the opportunity to make a submission.
- Allocation of responsibilities for communications task (this is also an education campaign for the broader community for a new concept, and needs to be approached as such).

TIMELINE FOR 2014 DELIBERATIVE PROCESS:

THE CITY OF DAREBIN

**SPENDING ON THE RIGHT THINGS**

IDENTIFYING THE VIEW OF AN INFORMED PUBLIC

Topic: **How should we best spend \$2m to improve our community?**

**The jury is asked for a specific and actionable set of recommendations.**

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| <p>Kick-off meeting<br/>Early March<br/>(teleconference?)</p> | <p>NDF and Council preparatory planning session.<br/>Key topics:</p> <ul style="list-style-type: none"> <li>➤ Identify required background materials and expert/ contributor program for inclusion.</li> <li>➤ Identify communication targets for submissions and contributions (interest group involvement). Include media.</li> <li>➤ Revise/ amend/ review this program.</li> <li>➤ Agree media and communications protocols – how we work together.</li> <li>➤ Final budget approval by each party.</li> <li>➤ Finalise date specifics – check for major event clashes.</li> <li>➤ Finalise venues.</li> <li>➤ Agree Academic Oversight Representatives &amp; Research Partner.</li> </ul> |
| <p>April 2014</p>   | <p>Printed invitation sent to a random sample of 3,000 citizens (aim for mail out on 10 March).</p> <p>(Sample extract secured as .xls immediately after Council approval, provided to nDF in late February)</p> <p>Agree <i>RSVP deadline + 3 weeks.</i> (approx. wk 28 April)</p> <p>Deadline for recruitment and briefing of independent, skilled lead facilitator. NDF to work with Council’s preferred provider.</p> <p>Selection of online platform services (including moderators).</p>   |
| <p>Late April 2014</p>  | <p>First round selection to secure representatives.</p> <ul style="list-style-type: none"> <li>➤ Seeking approx. 45 citizens (43 + reserves).</li> <li>➤ Explanation of commitment required: attendance at all elements of process, including potential online discussion presence.</li> <li>➤ Stratified random sample to deliver descriptive match to community (nDF to provide technology/ expertise and contact with each selected participant).</li> </ul> <p><i>N.B. List will not be provided to Council/ Government.</i></p> <p>Call for submissions commences early April and runs till meeting 2 of process. Briefing sessions conducted for identified interest groups.</p>         |
| <p>Early May 2014</p>   | <p>Finalisation of Panels. Provision of welcome kit of materials. Potential to open up online discussion environment for participants with a focus on agreeing early expert speakers. Online environment provides document sharing and consideration of received submissions.</p>  |



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| 12 May  | Brief Council  |
| Day 1<br>31 May<br><i>(Full day required)</i> | <p><b>Opening day: The First Deliberation– The Learning Phase</b></p> <ul style="list-style-type: none"> <li>➤ Introduction of the topic upon which they will deliberate: understanding remit and authority. Explanation of influence and context: what will be done with the results the Jury produces.</li> <li>➤ Introduction of the process, and its precedents; understanding the inevitability of bias &amp; importance of constructive, critical thinking/doing.</li> <li>➤ Agreement on Jury guidelines for participation.</li> <li>➤ Panel sessions with 2-3 expert speakers driven by each group’s online discussions prior to meeting. Includes open Q&amp;A.</li> <li>➤ Group to identify speakers sought for future assemblies.</li> <li>➤ Ensure familiarity with and acceptability of online tools</li> </ul> <p>Welcome from Mayor strongly recommended if possible. (9-10am).</p> |
| 21 June<br><i>(Full day required)</i>         | <p><b>The Second Deliberation – Understanding</b></p> <p>Jury will still be exploring content from background materials and ‘learning what they don’t know’ to generate further requests for information and expertise.</p> <p>It is envisaged that a panel of expert speakers will appear in-person or via video conference link.</p> <p>Ongoing online discourse among the panellists is encouraged during the “away” period.</p>  |
| 12 July<br><i>(Full day required)</i>         | <p><b>The Third Deliberation – Focus</b></p> <p>The Jury will be asked to agree a structure for their report/ presentation to the Lord Mayor and the Premier. No templates or pre-written content is provided – it is important they start from a blank sheet of paper rather than endorsing a Draft document produced by Government.</p> <p>Two or three further speakers, and potentially a technical session, are likely at this meeting.</p>   |
| 2 August<br><i>(Full day schedule)</i>        | <p><b>The Fourth Deliberation – Reflect. Discuss. Deliberate.</b></p> <p>There is no fixed output from the session: the goal is to provide a face-to-face forum for the representatives to reconvene to discuss their views in small groups. The facilitator should encourage groups to move toward commencing the prioritisation task and end the day with a “long list” of priorities and possible funding structures. The draft report has form but may still have “rough edges”.</p>   |
| August<br><i>(2 hr session)</i>               | <p><b>The Final Deliberation – Discourse with the Mayor</b></p> <p>Delivery of a prioritised list of reform recommendations by the Jury to the Mayor and Councillors. The Mayor has a discussion with the Jury having had a chance to review the report.</p>   |
| Late August<br>– early September              | Process debrief and agreement on Action Items.   |