



PARTICIPATORY BUDGETING

What is Participatory Budgeting (PB)?

Community members living in an area (or within a specific community) directly decide how to spend at least some of a public budget. PB aims to increase public knowledge about how taxes (or rates and other revenue) are spent. Information must be simple to understand, relevant and easy to get hold of.

The process was first developed in Brazil in 1989, and there are now over 1,500 participatory budgets around the world. Most of these are at the city level, for the municipal budget. PB has also been used, for states, housing authorities, schools and school systems, universities, coalitions, and other public agencies.

Steps involved in Participatory Budgeting

PB generally involves several basic steps:

1. Community members identify spending priorities and select budget delegates
2. Budget delegates develop specific spending proposals, with help from experts
3. Community members vote on which proposals to fund
4. The city or institution implements the top proposals

PB is not consultation, e.g. asking people what they think after the experts / council have decided. The process needs to be:

1. **Transparent:** Did the process improve local knowledge about public budgets?
2. **Accessible:** Was it easy for people to get and stay involved?
3. **Deliberative:** Could people debate different ideas and then could they agree?
4. **Empowering:** Did participants feel they were in control of a real budget?
5. **Locally Owned:** Are local people taking on greater responsibility for their community?
6. **Involving:** Did it help build a sense of partnership and common purpose?
7. **Democratic:** Was the process fair and build greater trust in local politicians?
8. **Shared Responsibility:** Did it build a sense of common purpose?

Things to look out for

Time & Process - Requires careful consideration about appropriate process, it can be time consuming and hijacked by strong local voices. Requires a focus on providing everyone an equal voice.

Willingness for change – Watch out for the “we know best” mindset of Council employees and elected reps

Clarity about what level of budget is realistically available under PB - It is important to be realistic and transparent about what part of the budget is available for PB. Typically 10% is made available.

Australian Case Studies

- City of Canada Bay Council, metro Sydney
- City Region of Greater Geraldton, Western Australia
- Heathcote district response to the NSW State Government Community Building Partnership program

For further information on any of these case studies please contact LGATs Policy Director, Dion Lester.