

Local Government Performance Reporting Framework

FINPRO Professional
Development Seminar

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Local Government Victoria

Local Government Performance Reporting Framework

Overview

- Implementation process
- Indicator development
- Pilot program
- Financial performance results
- Enabling legislation
- Questions

Implementation process

Stage 1
Indicator
Development

Oct – Jun 13

Stage 2
Pilot Program

Jul – Jun 13

Stage 3
Enabling
Legislation

Aug – Apr 14

Stage 4
Data
Collection

Jul – Jun 15

Stage 5
Reporting

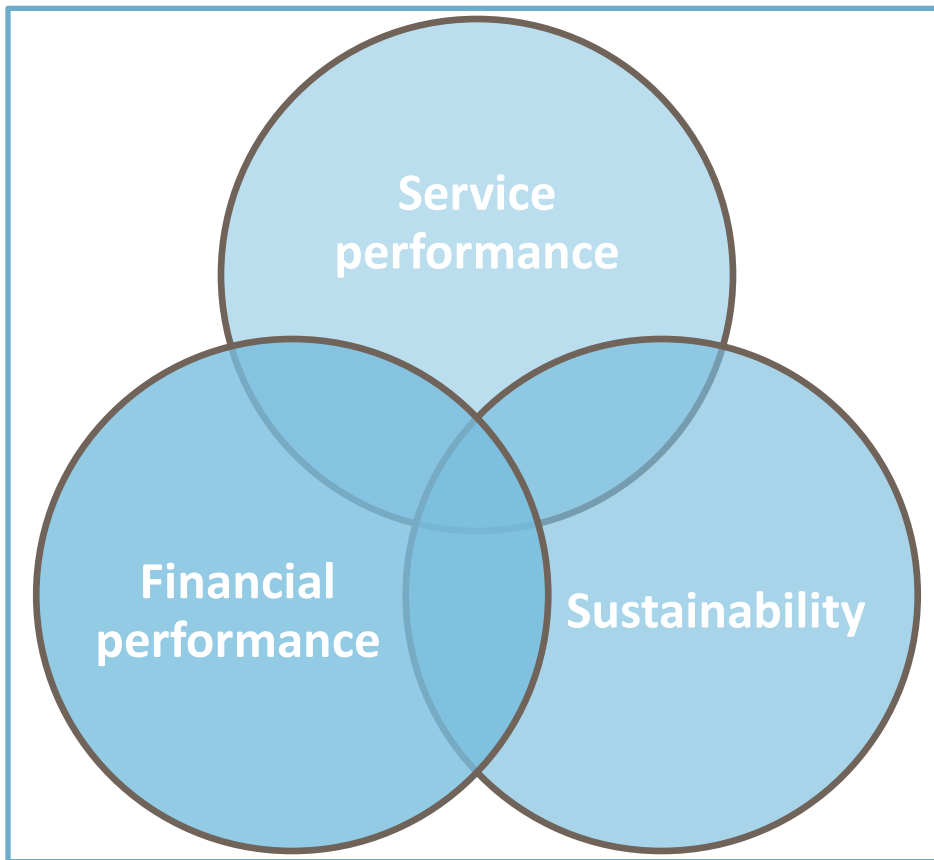
Jul – Sep 15

Stage 1: Indicator development

Sector engagement

- Establishment of a project governance and advisory structure involving local government CEOs, Mayors, practitioners, subject matter experts, peak associations, VAGO and other State Departments
- Released a Directions Paper, Working Paper and Indicator Workbook accompanied by submissions/engagement opportunities to seek feedback
- Regional workshops, community workshops, CEO and Mayor forums
- Intensive site visits with 11 councils and participation of 43 councils in a pilot program.

Performance reporting framework



Service performance indicators

Financial performance indicators

Sustainable capacity indicators

Governance & management checklist

Implementation process

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Oct – Jun 13

Stage 2
Pilot Program

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Stage 5
Reporting

Jul – Sep 15

Stage 2: Pilot program

Process

- 43 councils participating (11 intensive)
- Pilot milestones:
 1. Issue workbook/site visits (Jul 13)
 2. Report trial 1 (Oct 13)
 3. Report trial 2 (Feb 14)
 4. Finalise guidance material (Apr 14)
 5. Provide comparative data (Jun 14)

Trial 1 data collection

Process

- **Collection**

- Service performance: online survey
- Financial performance: spreadsheet
- Sustainable capacity: spreadsheet
- Governance & management: online survey

- **Analysis**

- Cleanse data
- Validate measures
- Verify data collection sources

- **Finalise legislation and issue guidance**

- Bill introduced to Parliament
- Regulatory Impact Statement prepared
- Update workbook

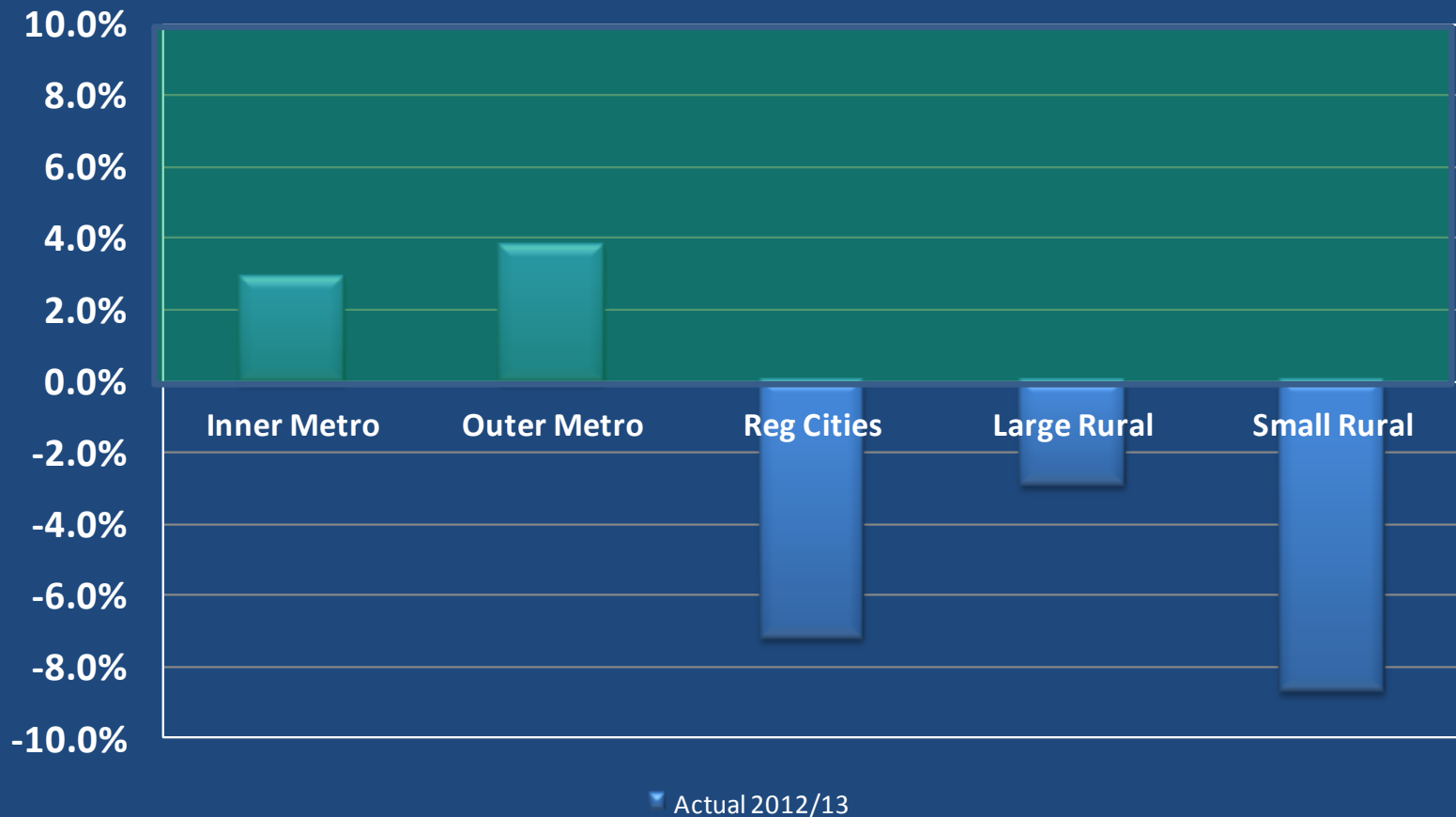
Financial performance indicators

Results

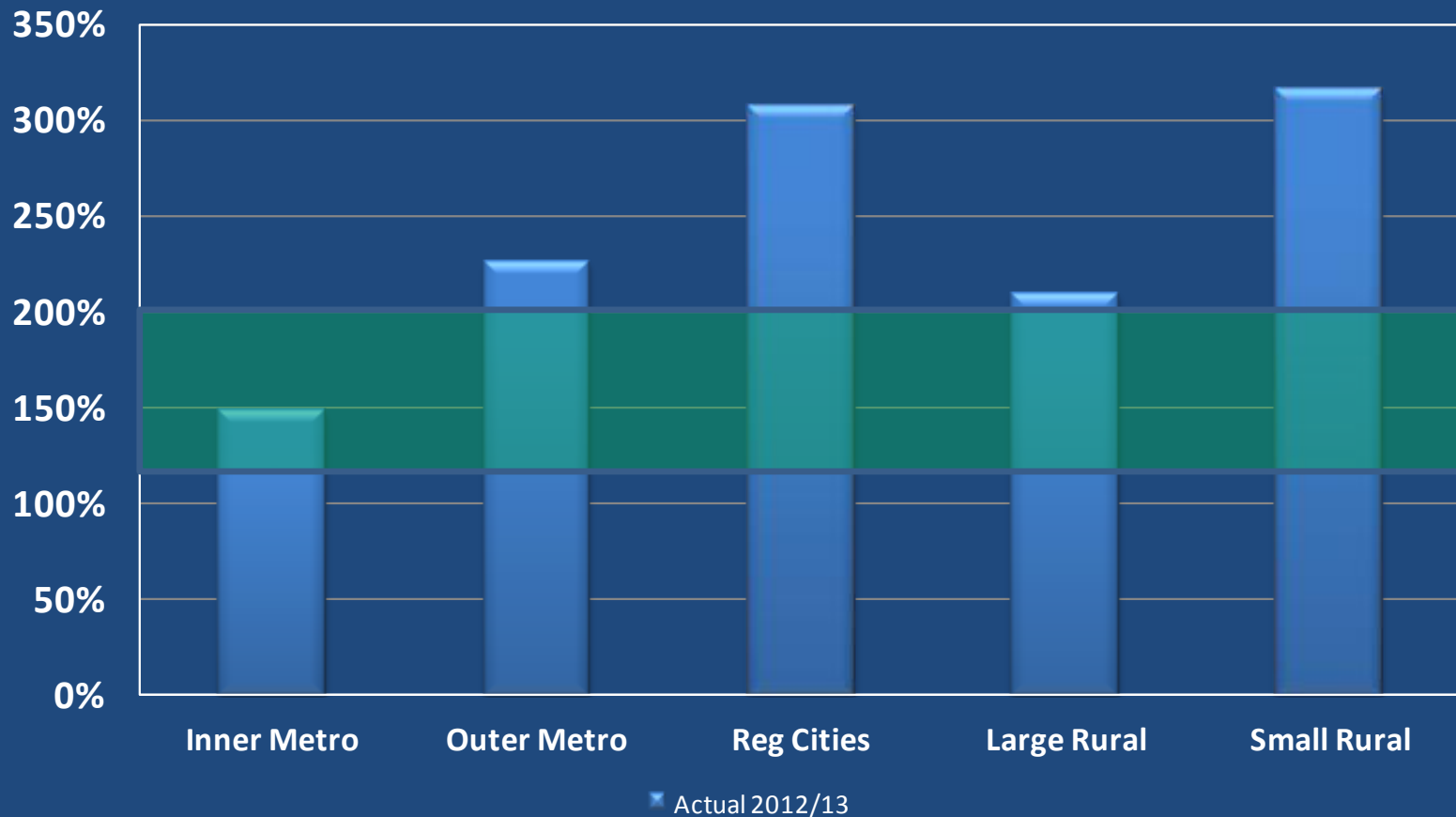
- Approximately 25 councils participated
- Actual 2012/13 and budget 2013/14

Financial performance

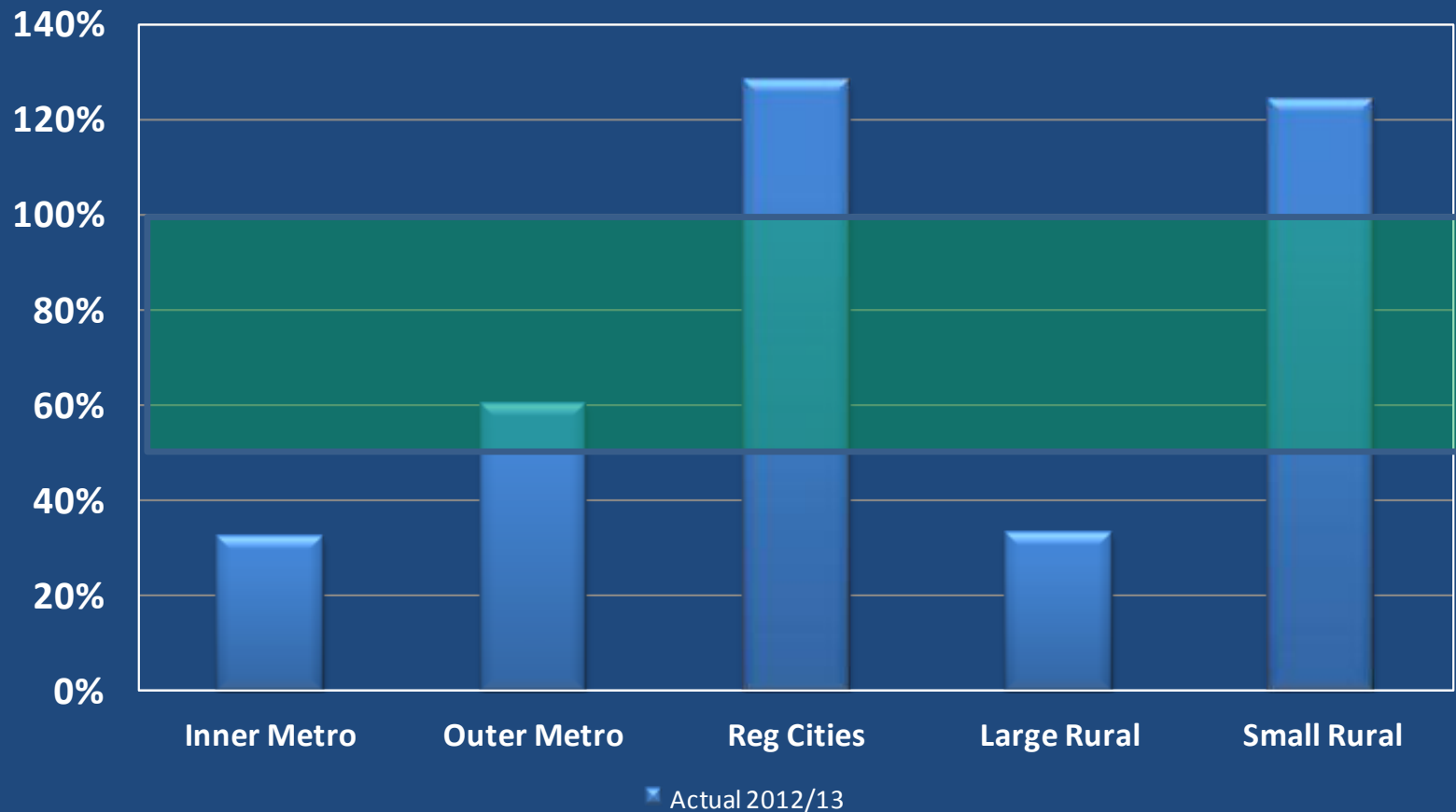
1. Underlying result



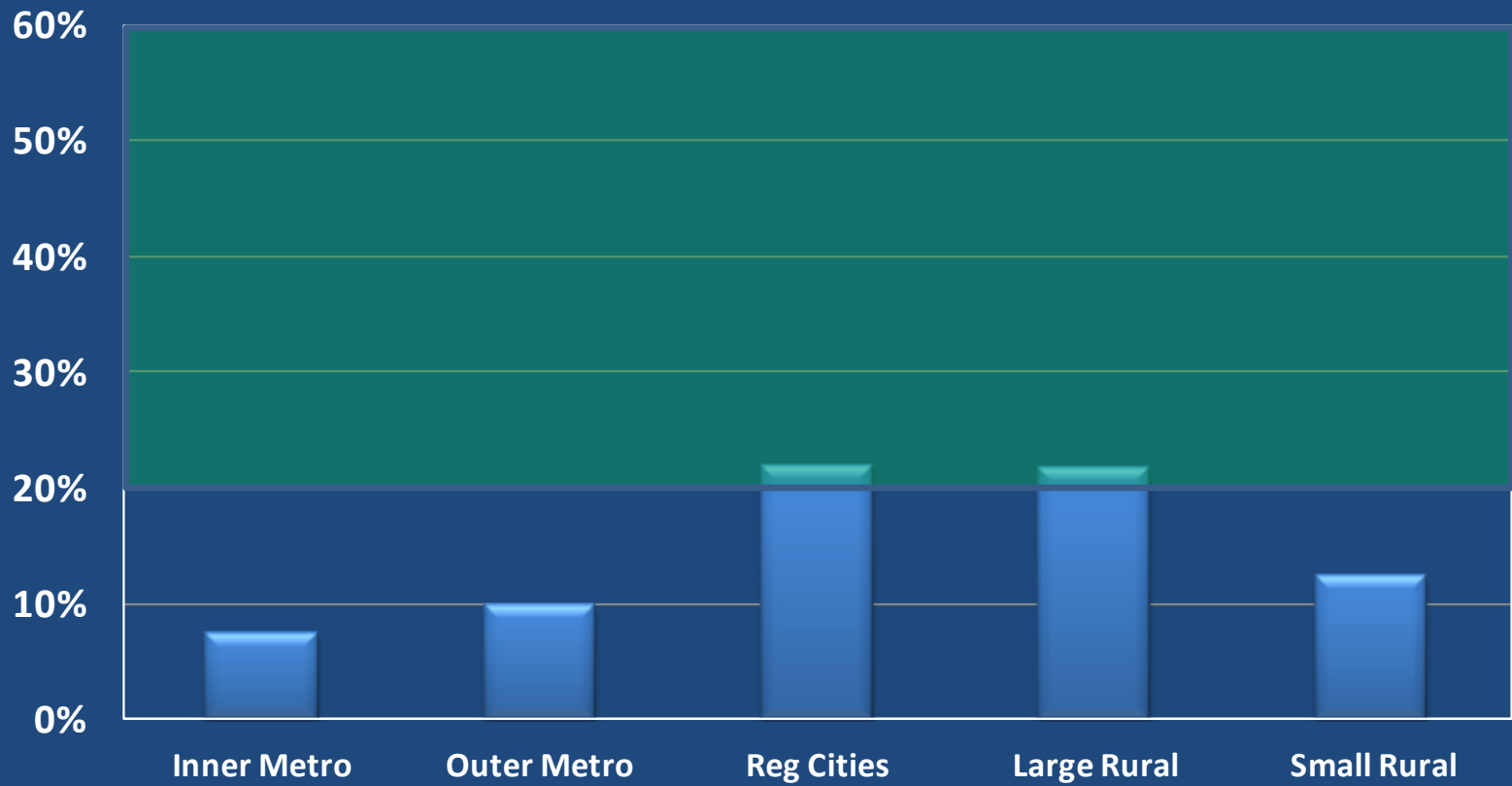
2. Working capital



3. Unrestricted cash

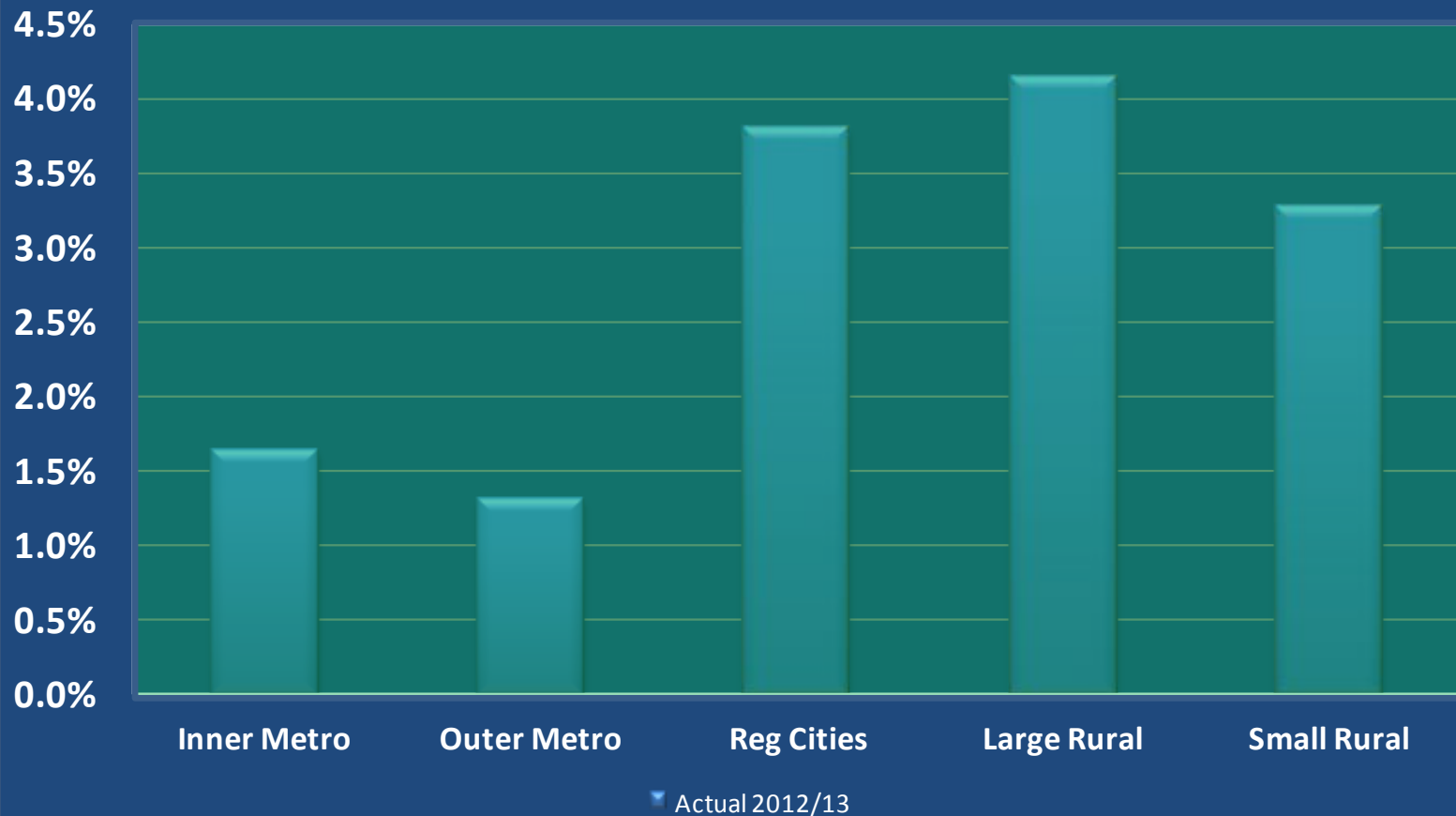


4. Indebtedness - Total Debt

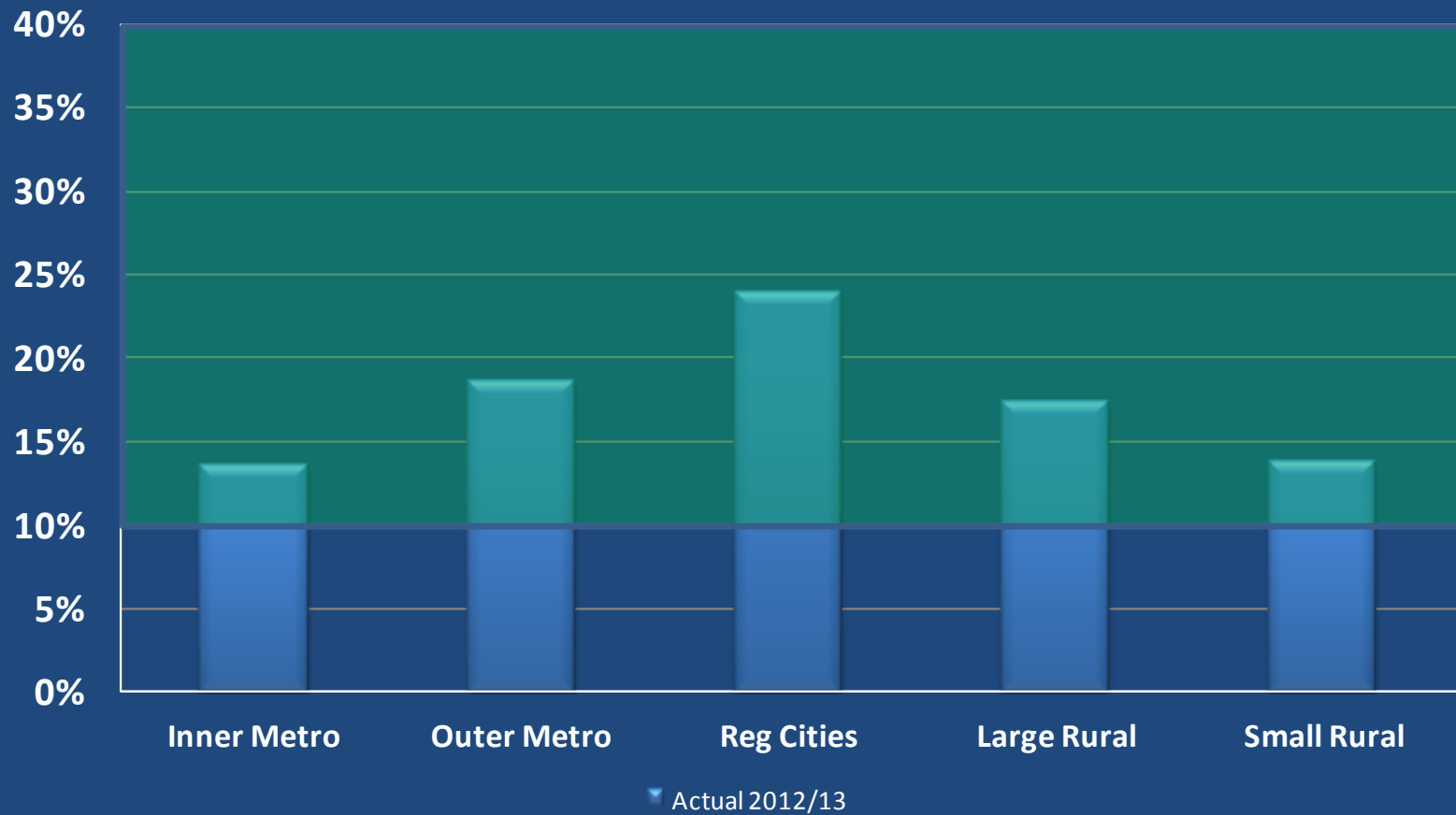


Actual 2012/13

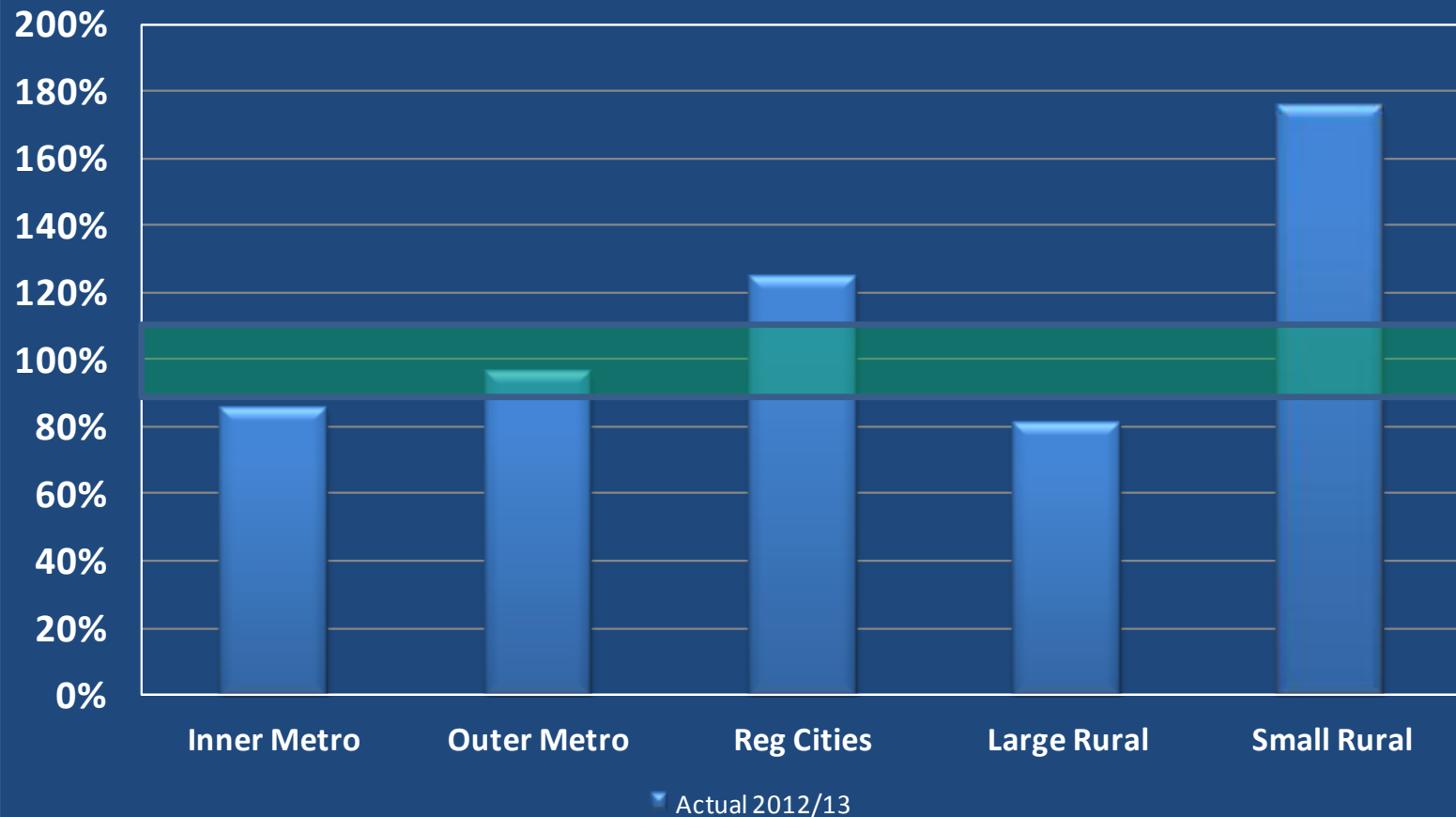
5. Indebtedness - Debt Repayments



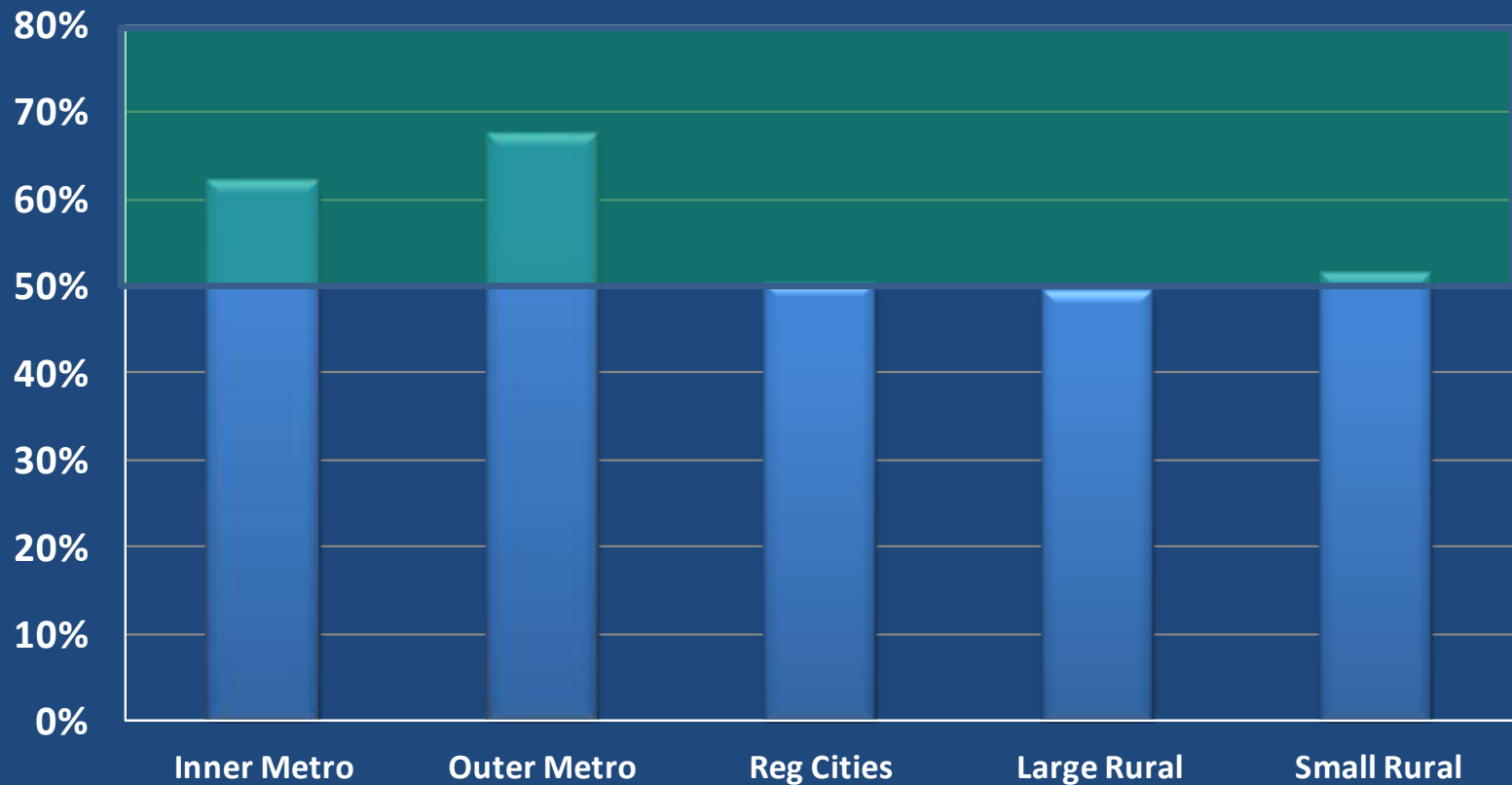
6. Long Term Obligations



7. Asset Renewal

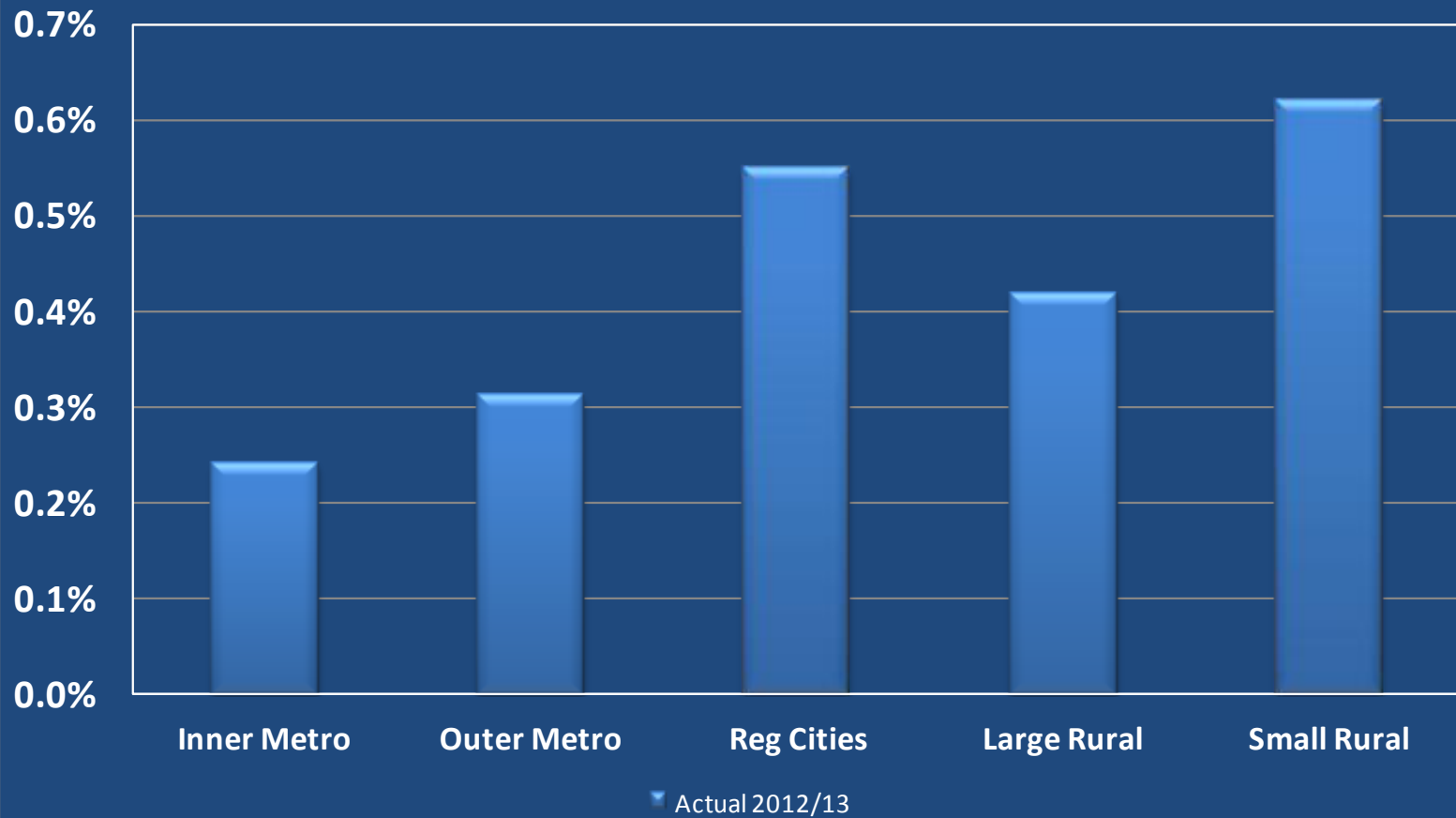


8. Rates Concentration

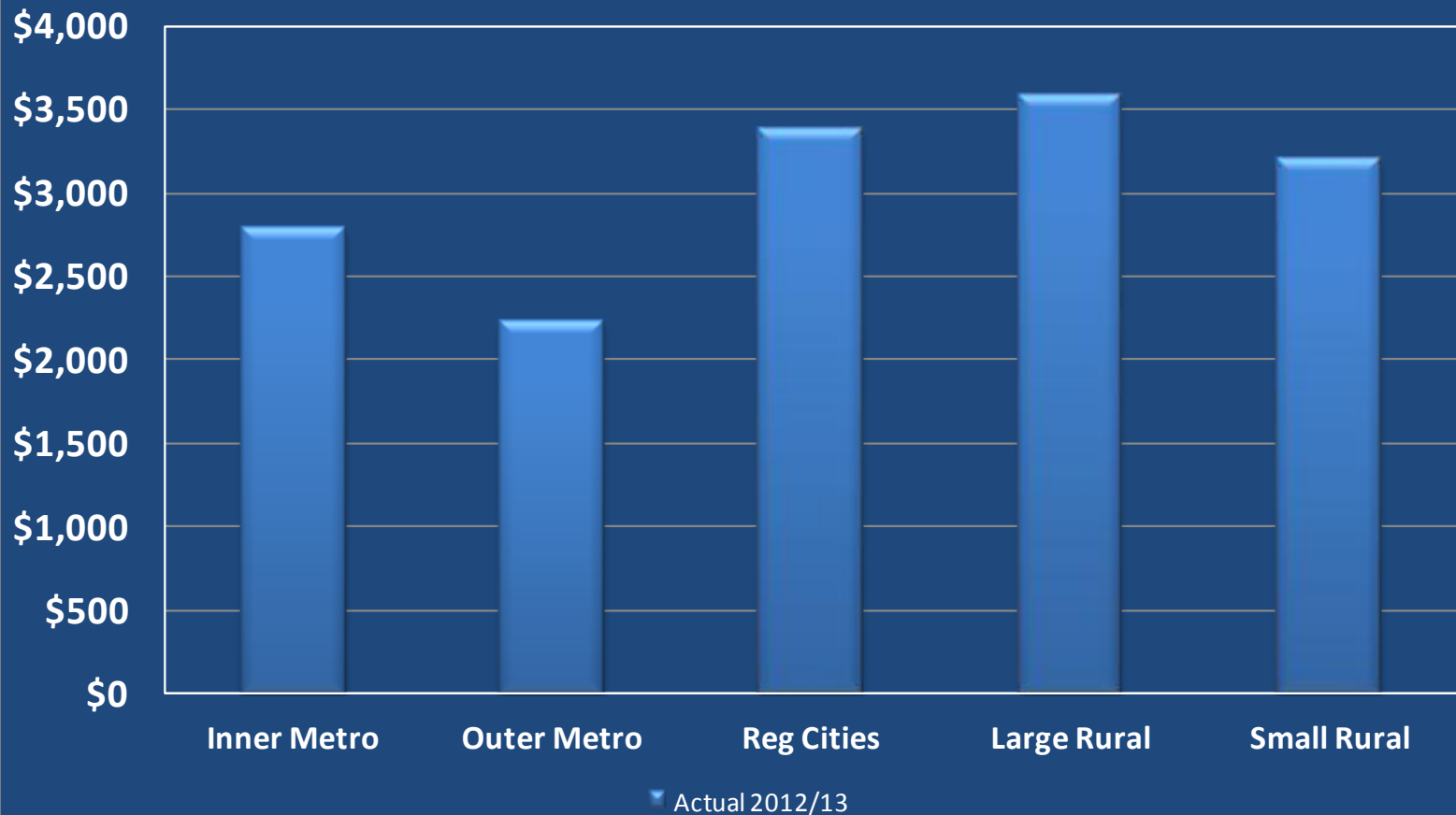


Actual 2012/13

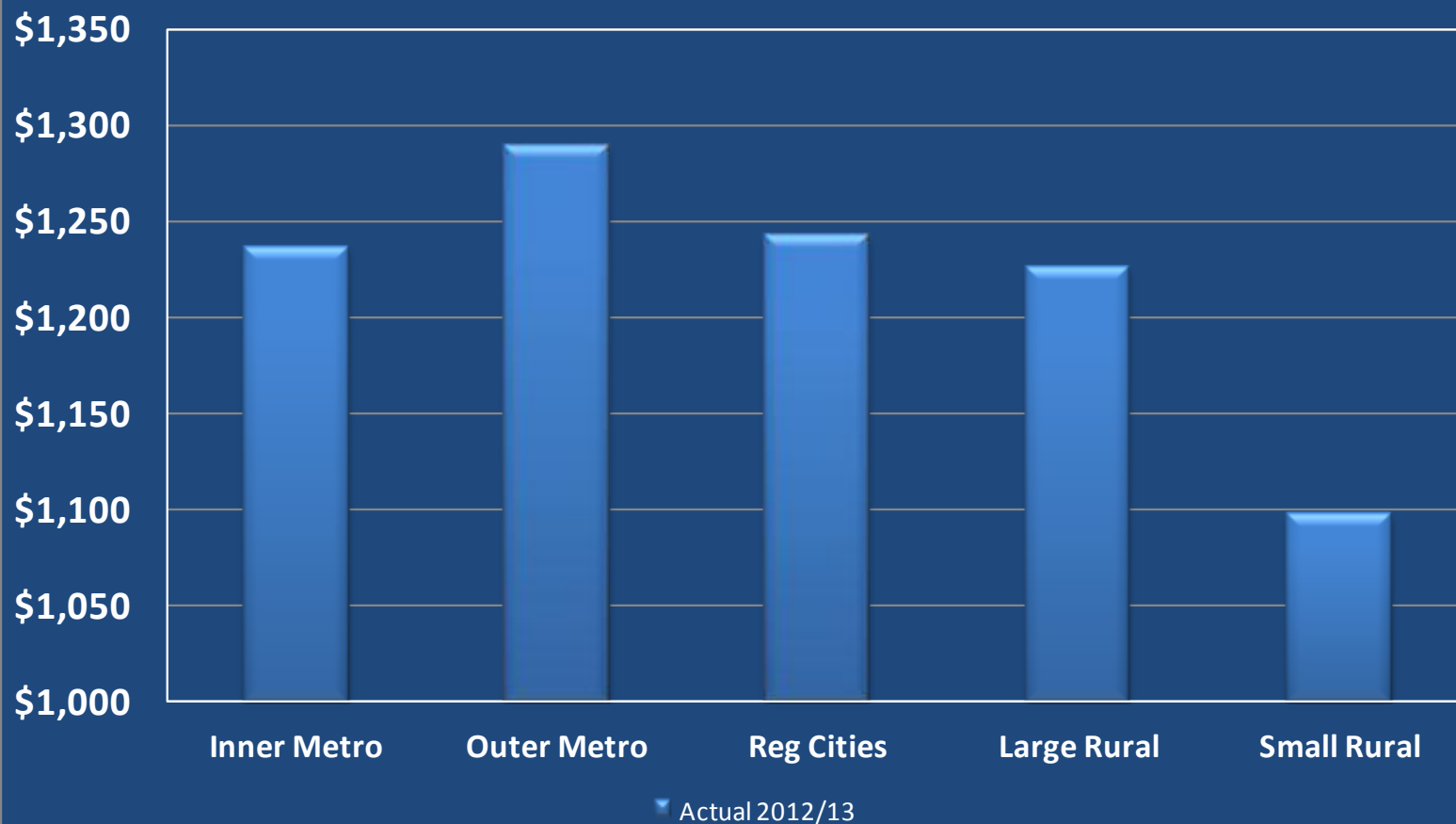
9. Rates Effort



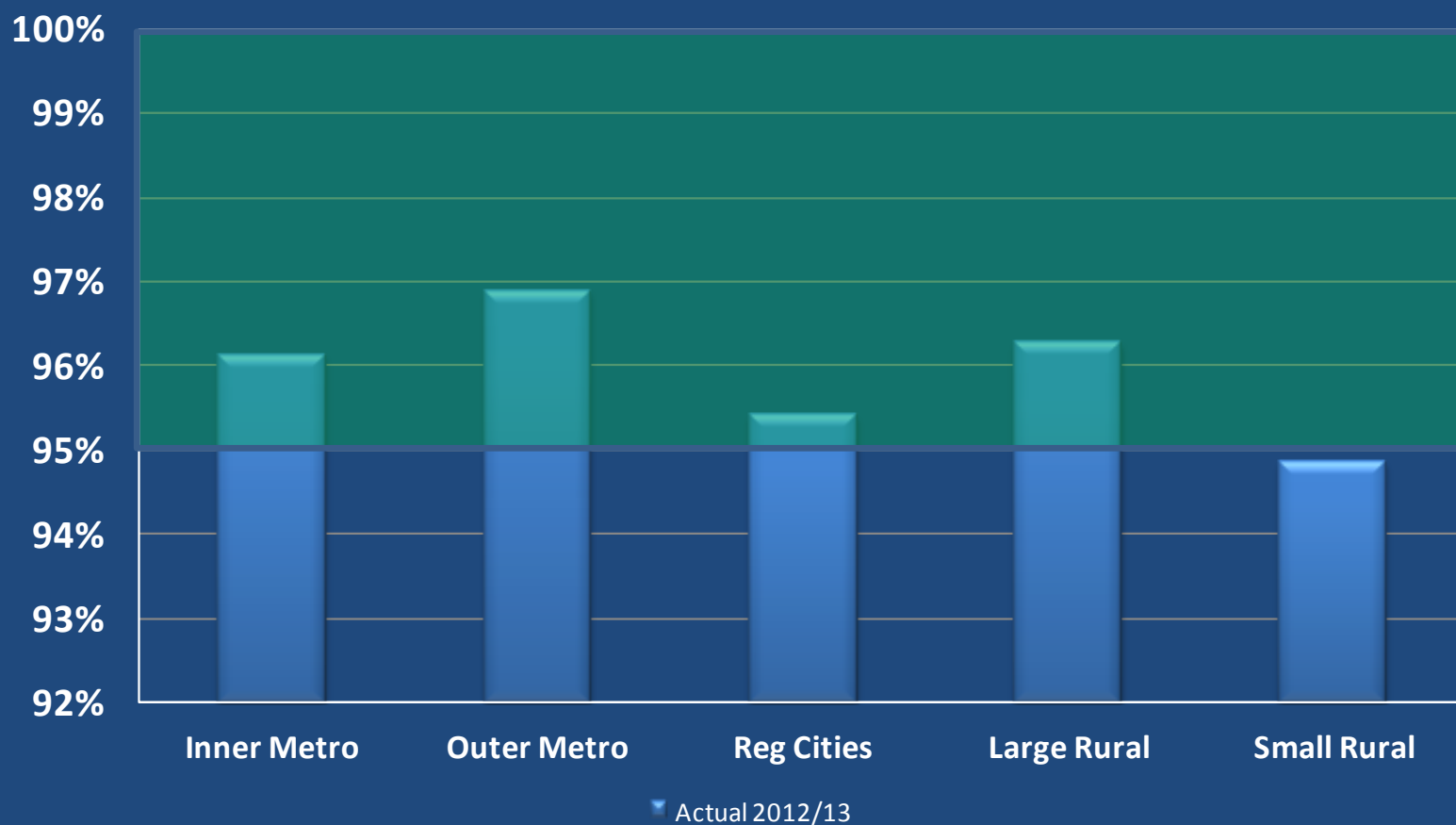
10. Expenditure Level



11. Rates Level

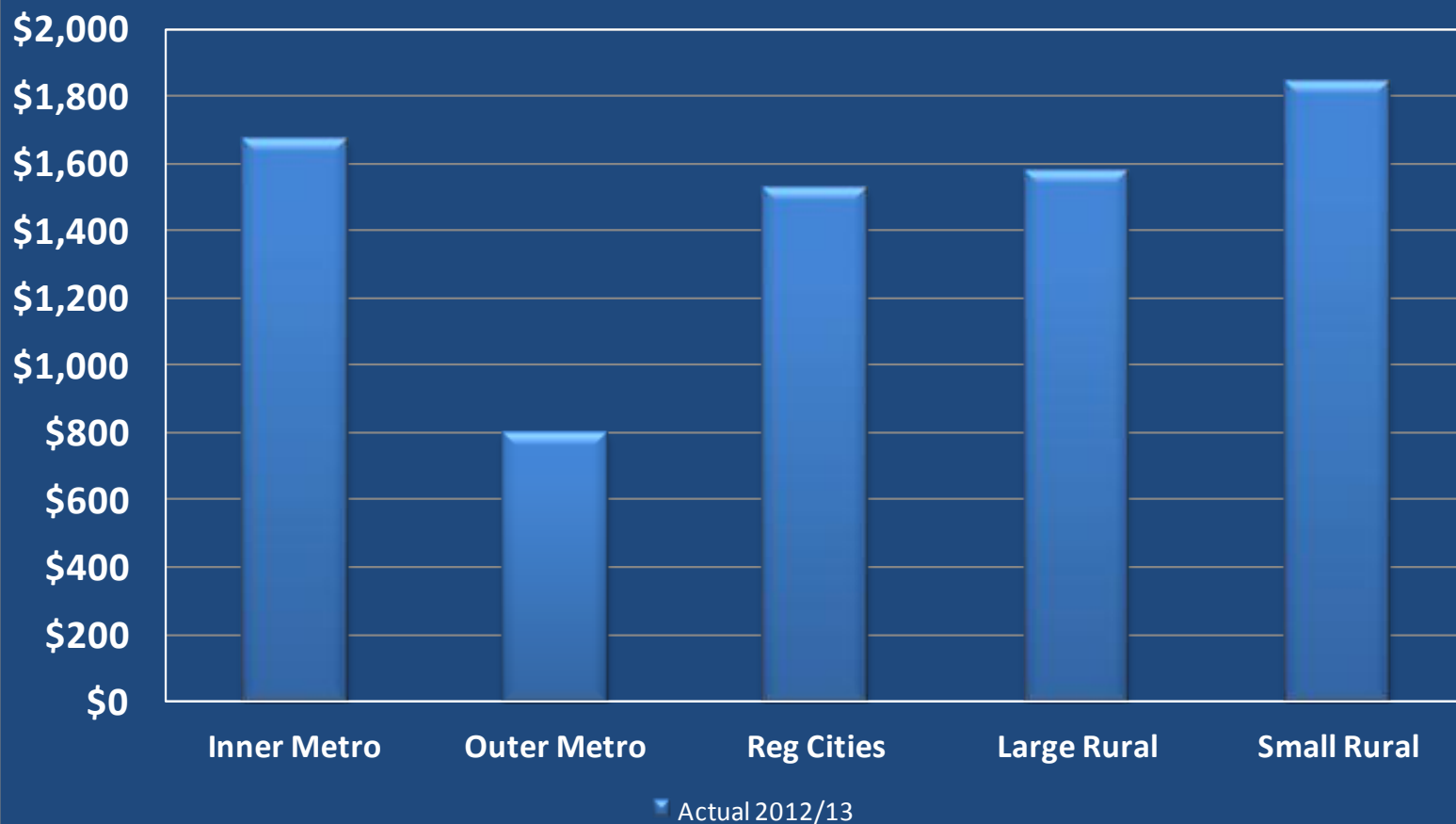


12. Rates Collection

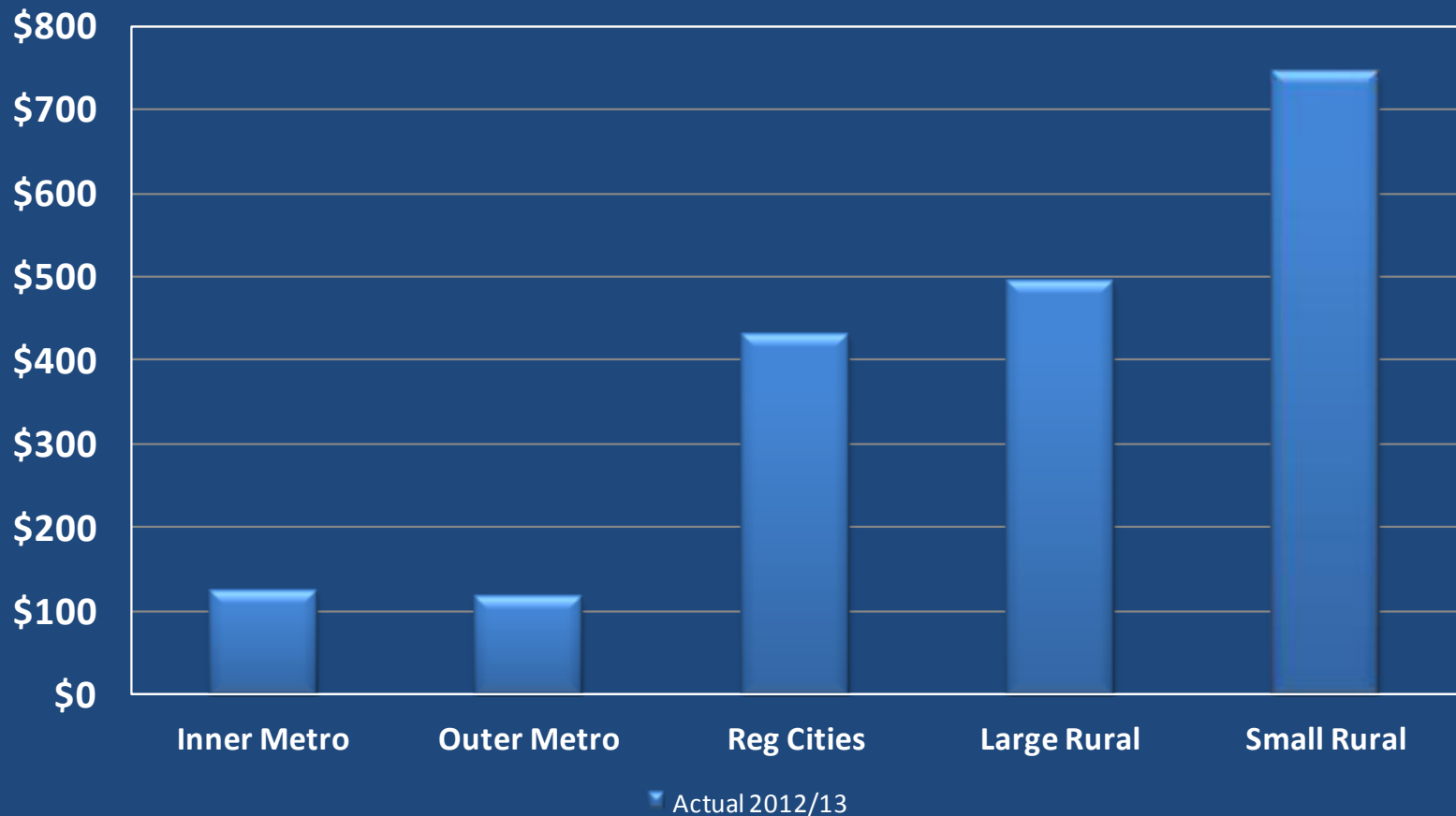


Sustainable capacity

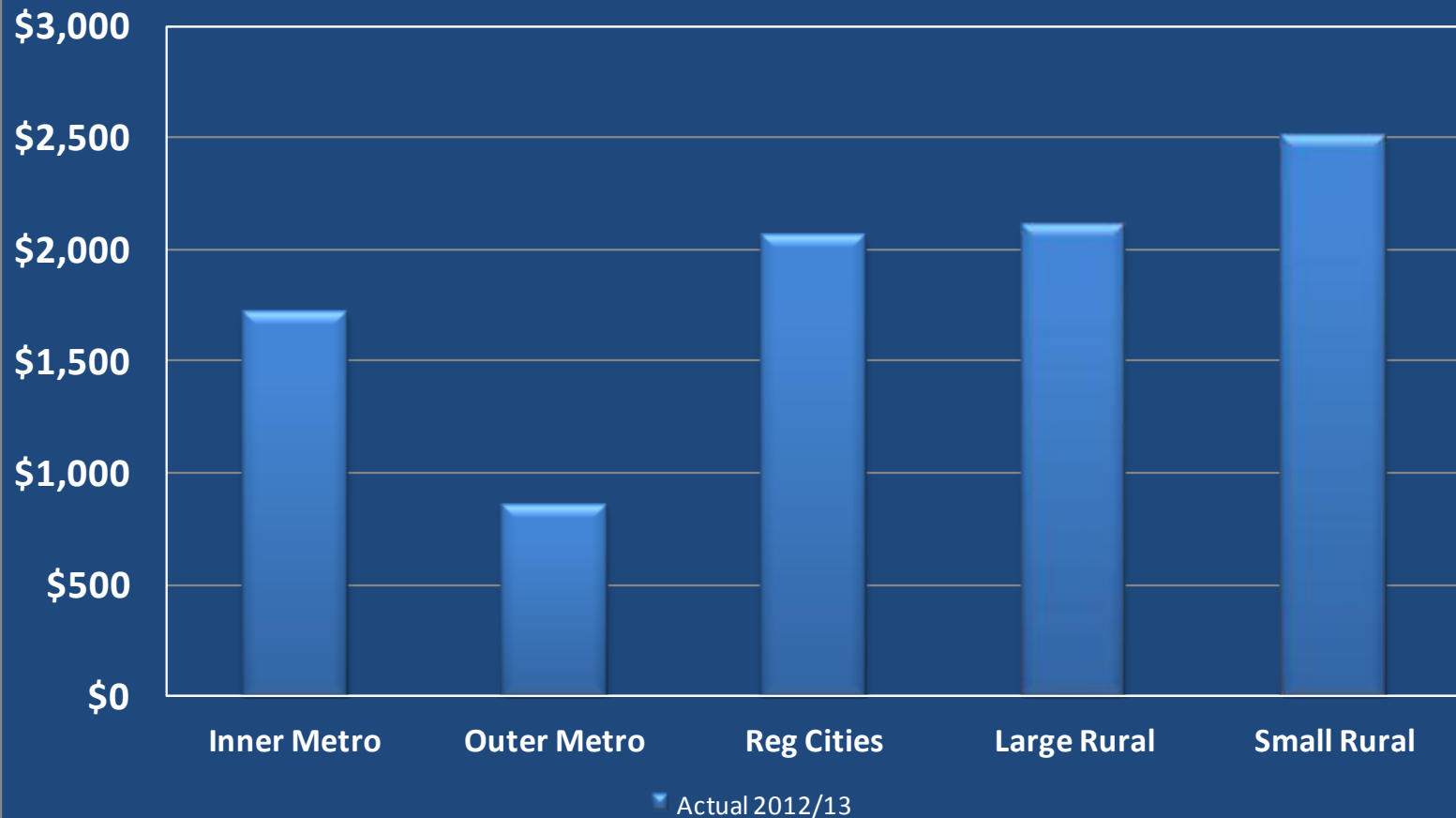
1. Own Source Revenue



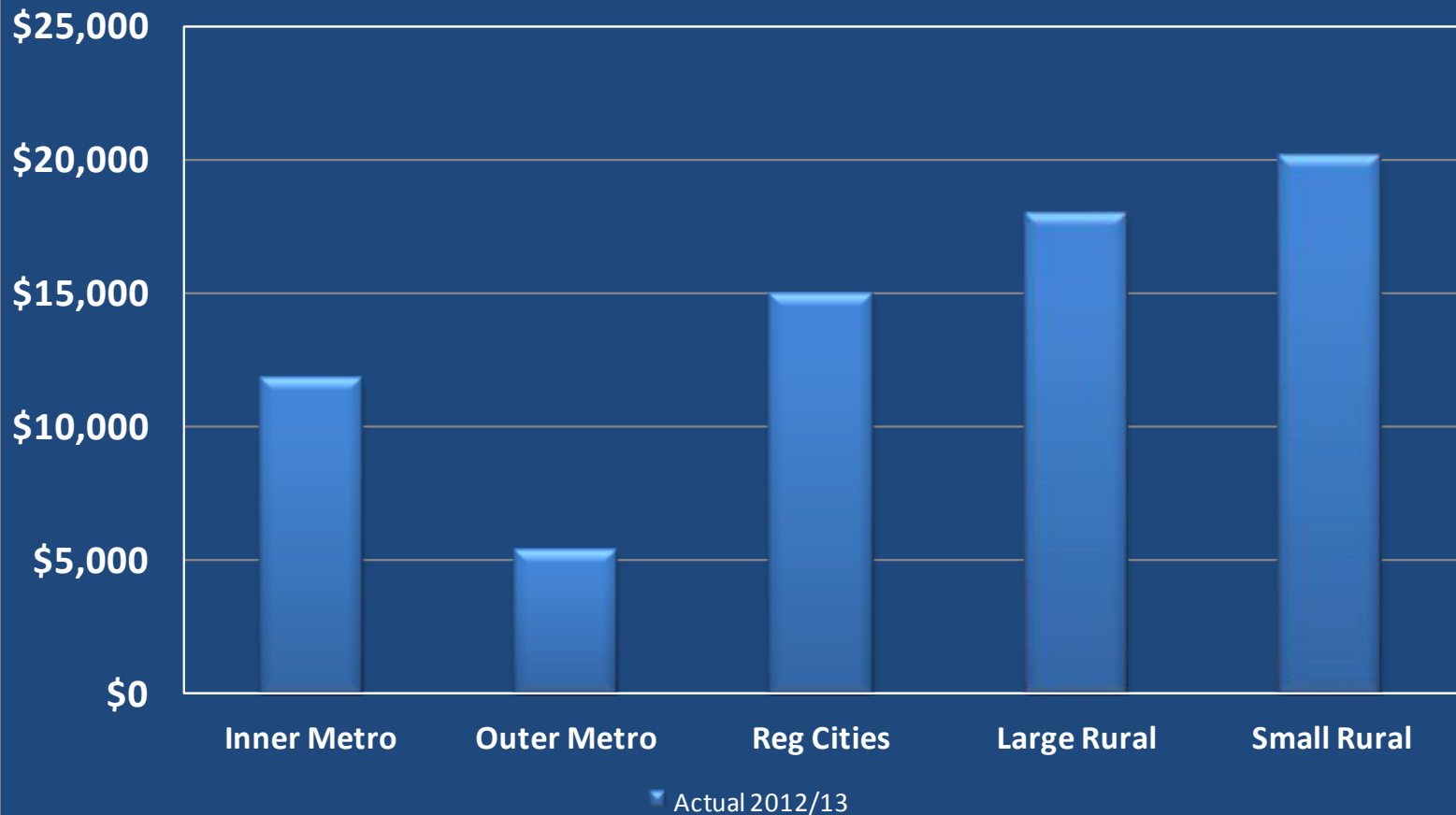
2. Recurrent Grants



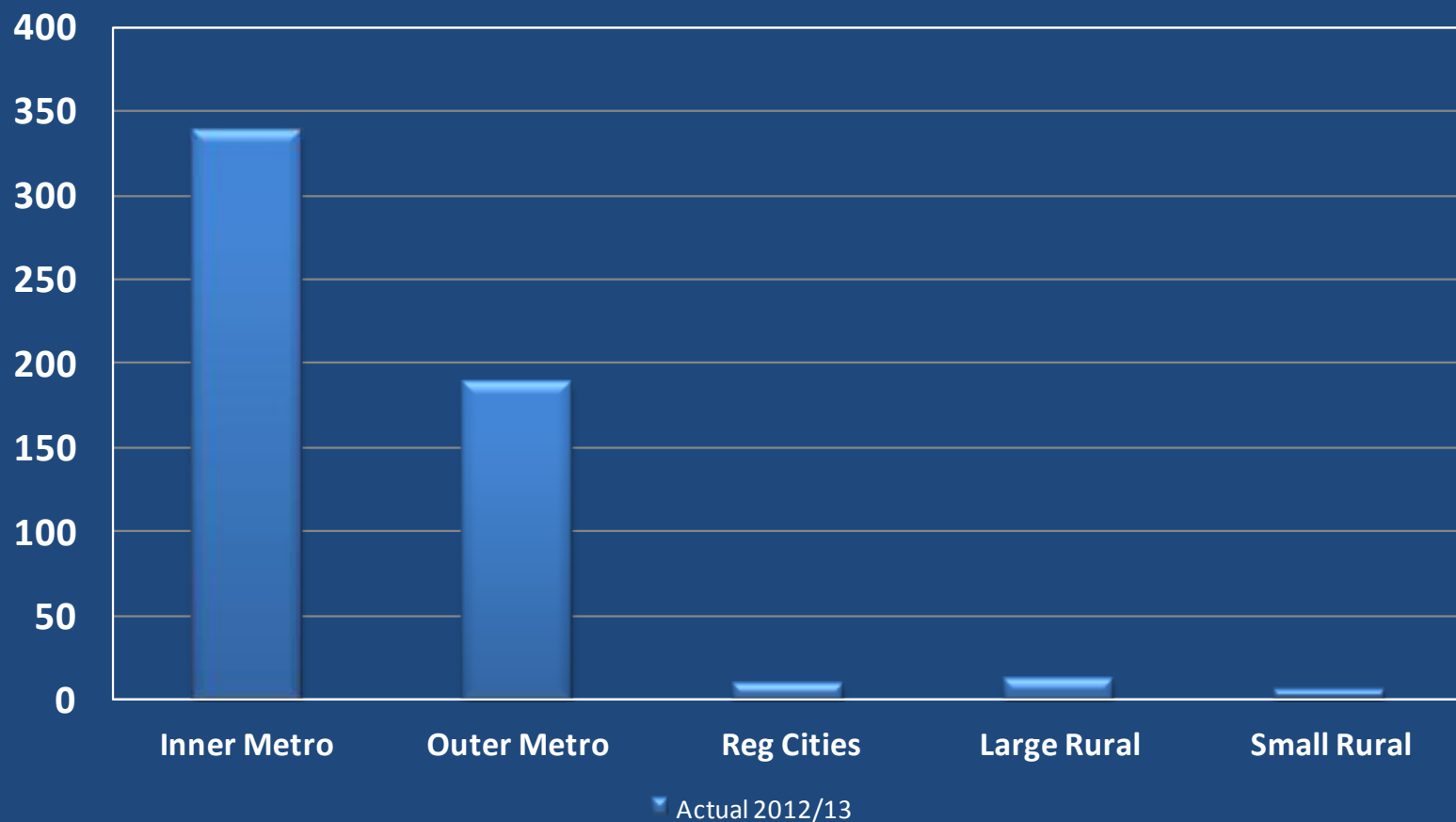
3. Population - Underlying Expenditure



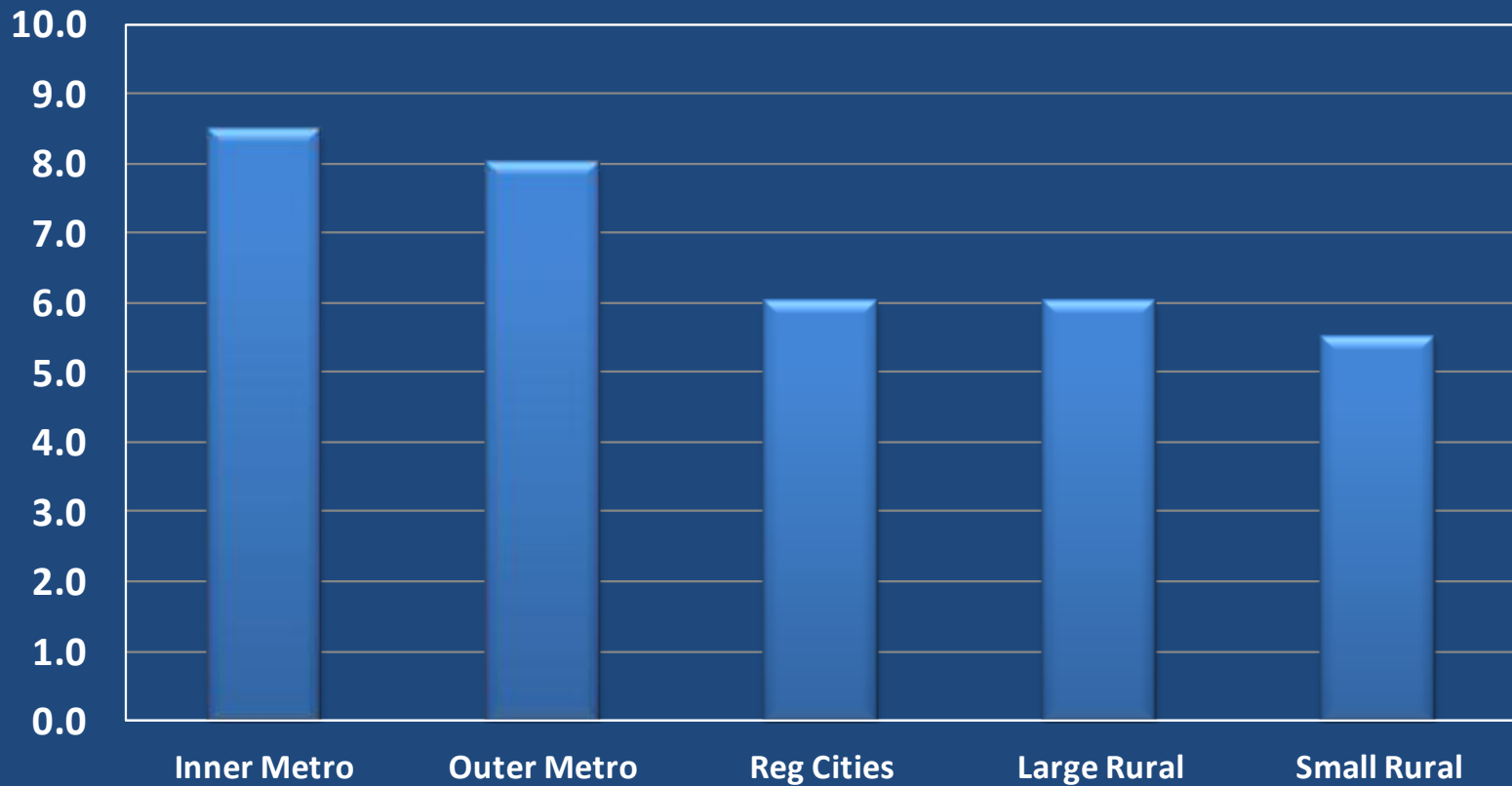
4. Population - Infrastructure



5. Population - Density

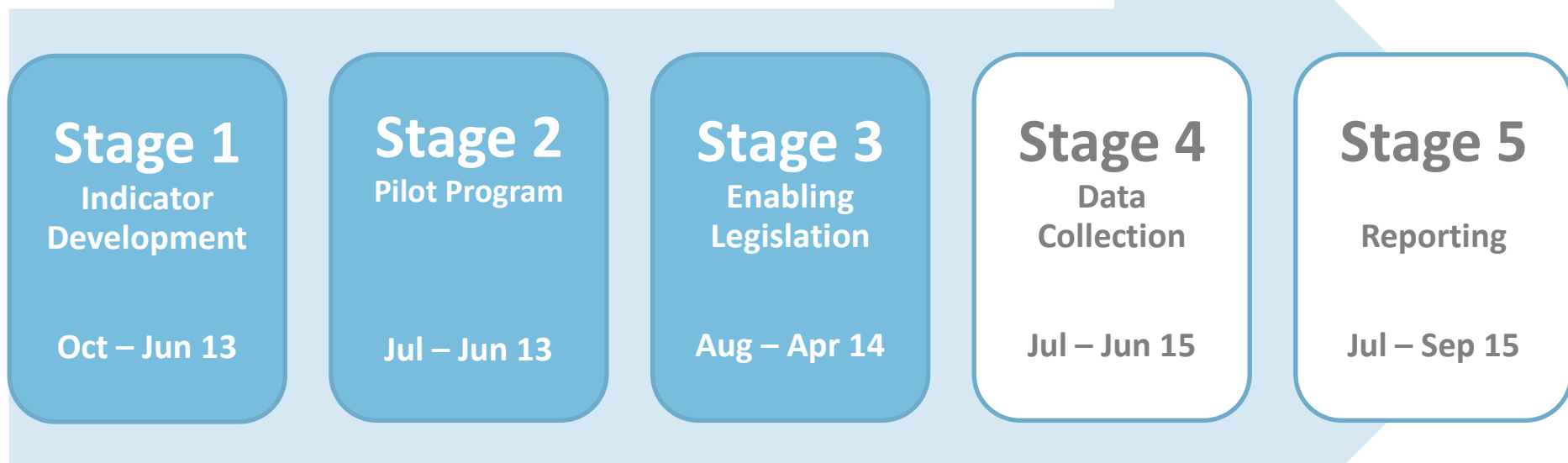


6. Disadvantage



Actual 2012/13

Implementation process



Stage 3: Enabling legislation

Key changes

- Streamline financial reporting by replacing 'standard statements' with 'financial statements' in SRP, budget and annual report
- Maintain accountability by retaining key components of the standard statements
 - capital works statement
 - actual versus budget comparison for revenue and expenses
- Improve consistency of interpretation by replacing 'activities' with 'services'
- Maintain transparency for achievement of 'major initiatives', which will replace 'KSAs'
- Strengthen accountability by requiring reporting against performance indicators in the performance statement

Current

Proposed

Planning

Council Plan

Strategic objectives
Strategies
Strategic indicators

Strategic Resource Plan

Standard statements
Statement of non-financial resources

Budget

Standard statements
Activities and initiatives
Key strategic activities (KSAs)
KSA measures and targets

Council Plan

Strategic objectives
Strategies
Strategic indicators

Strategic Resource Plan

Financial statements
-Capital works statement
Statement of non-financial resources

Budget

Financial statements
-Capital works statement
Services and initiatives
Service performance indicators
Major initiatives

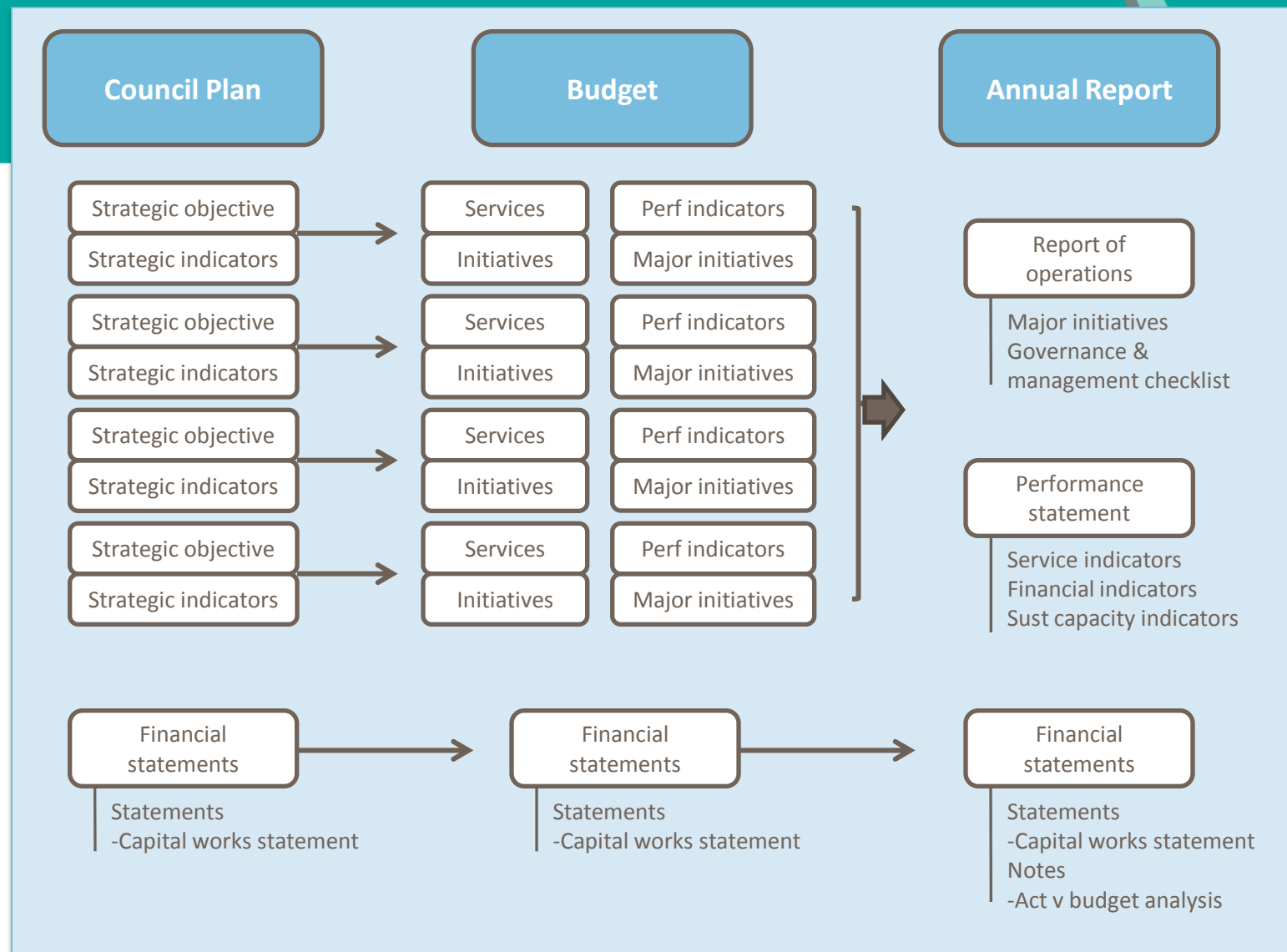
Reporting

Annual Report

Report of operations
Standard statements
Financial statements
Performance statement

Annual Report

Report of operations
-Major initiatives
Financial statements
-Capital works statement
-Act v bud analysis (note)
Performance statement



Next steps

- Public consultation and submission on draft Regulations as part of the Regulatory Impact Assessment – Jan/Feb 2014
- Second reporting trial and pilot audit – Feb 2014
- Legislative changes operational– Apr 2014
- Continue to work with sector to support implementation:
 - Model budget
 - Planning and reporting better practice guide
 - Model financial and performance statements
- Further workshops and support available.



Thank you

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www.dpcd.vic.gov.au/localgovernment/performance-reporting

Department of
Transport, Planning and
Local Infrastructure

