



Leading Edge Forum
4 February 2010

Local Government Performance Monitoring Framework

Dr Ron Ben-David
Chairperson
Essential Services Commission

Setting the scene

- Minister for Finance provided the Terms of Reference on 15 October 2009
- ESC to provide advice on developing an ongoing performance monitoring framework for local government
- Service delivery focus
- Draft report to be completed by the end of March 2010
- Final report to be submitted to the Minister by 30 June 2010
- Prototype monitoring report by the end of January 2011

Who are we?

- Independent statutory authority established by the ESC Act 2001
- Victorian economic regulator
- The Commission's objective is to promote the long term interests of Victorian consumers
- Experienced in establishing and monitoring performance measurement in other industries
 - Water, electricity and gas, ports, rail freight, taxis

Terms of Reference

Terms of Reference state ESC to advise Ministers for Finance and Local Government on:

- the framework required to establish ongoing performance benchmarking of local government service delivery
- the set of key performance indicators that should be used for assessing and benchmarking service delivery performance by local governments
- the information that needs to be gathered to report against the performance indicators
- the process for collecting, maintaining and verifying the information required
- the appropriate form, regularity and content of performance benchmarking reports
- implementation of the framework

What we're not doing (1)

The performance monitoring framework that we are developing:

- Will not cut across the decision making of councils in setting:
 - Policies
 - Priorities/objectives
 - Service levels
- Will not focus on council inputs in providing services
- Will not monitor governance (e.g. breaches or non-compliance by councils)
- Will not focus on financial management practices or performance of councils

What we're not doing (2)

We are not judging which activities undertaken by councils are most important, but rather we are identifying which services are sufficiently common across councils.

Note: other criteria for services and indicators include-

- Specific, well defined and measurable
- Timely
- Based on accurate and verifiable information
- Relevant to key issues of concern to both councils and the communities
- Comparable
- Comprehensive and balanced
- Consistent over time
- Not excessively onerous or costly to implement
- Having regard to best practice

What we are doing (1)

The performance monitoring framework that we are developing will:

- Focus on services received not produced
 - Outputs and outcomes
- Minimise local government's information burden
 - Using existing information
 - Future scope to reduce existing information burden
- Lift level of confidence and consistency in reporting
 - Verification such as audits
 - Consistent, state-wide regime for meaningful comparisons

What we are doing (2)

We are building a framework that:

- Will support:
 - Best practice amongst councils
 - Individual councils over time
- Meets the needs of councillors, officials and communities
- Tells a story about what is done well and what might be done better
- Assists councils with community engagement about what local priorities ought to be
- Provides basis for setting of standards and targets by councils, communities and others where relevant
- Coincides with councils' planning activities as much as possible

Proposed structure of the Draft Report

- Draft Report: Local Government Performance Monitoring Framework
- 5 Accompanying Background Papers:
 - No. 1: What we are doing as part of our review and what's out-of-scope
 - No. 2: What makes a good, State-wide performance monitoring framework?
 - No. 3: An overview of Local Government (e.g. functions, services, constraints and context)
 - No. 4: A report on our consultation with Local Government and other parties
 - No. 5: Putting the performance monitoring system in place

Next steps

- Working groups and roadshow currently underway
- Release of Draft Report – late March 2010
 - Submissions close late April 2010, two closing dates:
 - 4 weeks for general submissions
 - 5 weeks for submissions from Councils
- After release of Draft Report
 - Councillor seminar and public forum(s)
 - Further submissions
 - Further consultations
- Final Report submitted by 30 June 2010
- For further information please email localgovernment@esc.vic.gov.au