

# Key tasks for developing a local government performance monitoring framework

Essential Services Commission  
presentation to LG Pro

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# Topics

- the ESC and its approach to developing a performance monitoring framework for local government
- some of the key tasks such as:
  - Classifying councils into groups for comparison
  - deciding on the range of services covered
  - understanding the objectives relevant to performance measurement
  - selection of indicators

# The Essential Service Commission

- Who are we?
  - Functions and powers defined by ESC Act 2001
  - Is the regulator of essential services in Vic
  - Is independent from Gov and industry
    - Advisory role to government
- What are we doing? Why?
  - Been tasked to develop and implement a performance monitoring regime
  - Experience in establishing and monitoring performance measurement in other industries
    - Water, electricity and gas, ports

# Aim of ESC's review

- To establish a performance regime that:
  - Provides objective information
  - Is useful for informing local government, residents and businesses
  - Assists councils and communities in forming their own policy
    - But does not itself consider policy issues
  - Minimises additional information burdens
- To be a consultative process
  - Consultative Committee and Working Groups
  - Visiting councils

# Terms of reference

- the framework required to establish ongoing performance benchmarking of local government service delivery by the ESC
- 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 (how to best give effect to the performance reporting framework)

# What is a performance monitoring framework?

- The selection of meaningful indicators
  - Measures effectiveness, efficiency, quality of services
  - That support the evaluation of progress in meeting council's objectives
- Requires clear definition of services and objectives
- Involves selecting specific indicators:
  - That are relevant and measurable
  - With unambiguous definitions and consistent measurement

# Performance measurement

- Allows comparisons:
  - Compared to best practice amongst like councils
  - For an individual council over time
  - Compared to standards set by the community or experts
  - Compared to targets set by councils

# Benefits of performance measurement

- Meets the needs of senior local government officials and of councillors, and the needs of communities
- Tells a powerful story about what is great about local government in Victoria, but one that also highlights what might be done better
- Assists councils and their communities to enter into an informed and constructive dialogue about what your local priorities ought to be

# Overview of the key tasks

- The key tasks in developing a performance monitoring framework will involve:
  - The classification of councils to aid comparison
  - Deciding on the range of services covered
  - Understanding the objectives relevant to performance measurement
  - Selection of indicators
  - Measurement and implementation

# Proposed classification of councils

- Dealing with diversity of councils
  - A ‘core’ set of common KPIs covering major services
  - Comparisons and commentary around like councils
- Proposed classification of councils
  - Inner Melbourne
  - Developed suburbs
  - Interface
  - Regional centers
  - Large shires
  - Small shires

# Proposed definition of service areas

Classification	Sub-Classification
Planning	<ul style="list-style-type: none"> <li>▪ Planning Approvals               <ul style="list-style-type: none"> <li>- Building permits , Zoning development and rules</li> </ul> </li> </ul>
Environment	<ul style="list-style-type: none"> <li>▪ Environmental Management               <ul style="list-style-type: none"> <li>- Waste management, water and air quality,</li> </ul> </li> <li>▪ Parks and Reserves</li> </ul>
Infrastructure and Assets	<ul style="list-style-type: none"> <li>▪ Roads Management               <ul style="list-style-type: none"> <li>- Traffic management, Road &amp; Footpath Maintenance, Cleaning</li> </ul> </li> <li>▪ Asset Management and Development</li> <li>▪ Parking               <ul style="list-style-type: none"> <li>- Provision of Parking, Enforcement</li> </ul> </li> </ul>

# Proposed service areas (cont.)

Classification	Sub-Classification
General Public Service	<ul style="list-style-type: none"> <li>▪ Commerce and Industry               <ul style="list-style-type: none"> <li>- Tourism</li> </ul> </li> <li>▪ Regulatory Services               <ul style="list-style-type: none"> <li>- Animal control, Local law enforcement</li> </ul> </li> <li>▪ Communication and Consultation               <ul style="list-style-type: none"> <li>Communication by council, Public consultation, Council accessibility</li> </ul> </li> </ul>
Health, Welfare and Community Services	<ul style="list-style-type: none"> <li>▪ Health Programs               <ul style="list-style-type: none"> <li>- Child health &amp; immunisations , Aged &amp; disability care, Public health</li> </ul> </li> <li>▪ Cultural Programs               <ul style="list-style-type: none"> <li>- Youth support, Family and children's services</li> </ul> </li> <li>▪ Leisure and Recreational Services               <ul style="list-style-type: none"> <li>- Sporting facilities, Public events</li> </ul> </li> <li>▪ Arts &amp; Cultural Facilities               <ul style="list-style-type: none"> <li>- Libraries</li> </ul> </li> </ul>

# Services to be benchmarked

- Services covered should be broad enough to cover all major services but not too broad
- Key factors to consider:
  - Resource intensity
  - Importance to users and communities
  - Relevance to council objectives
  - Commonality across councils

# Observed objectives of councils

- Annual Reports of councils show broadly similar objectives across councils. Examples:
  - community interaction – promote unity, inclusiveness, well-being, diversity
  - economic prosperity
  - excellence in service delivery and resources management
  - environmental well-being
  - sustainability – environmental and economic, and
  - community health and safety

## Examples of performance indicators currently used by councils (1)

- There is a good deal of diversity in indicators used across councils.
- A few examples reported in council reports are:

<b>Service Category</b>	<b>Examples</b>
General Public Service	<ul style="list-style-type: none"><li>▪ Community satisfaction with economic development as adequate or better</li><li>▪ Percentage of external customer contacts resolved within the target date.</li></ul>

## Examples of performance indicators currently used by councils (1)

<b>Service Category</b>	<b>Examples</b>
Environment	<ul style="list-style-type: none"><li>▪ Corporate and community Greenhouse gas emissions</li><li>▪ Community satisfaction rating for overall performance of waste management</li></ul>
Infrastructure and Assets	<ul style="list-style-type: none"><li>▪ Community satisfaction with local roads and footpaths as adequate or better</li><li>▪ Percentage of graffiti removed from Council owned assets within 48 hour timeframe</li></ul>

## Examples of performance indicators currently used by councils (3)

Service Category	Examples
Planning	<ul style="list-style-type: none"><li>▪Community satisfaction rating for overall performance of town planning policy and approvals.</li><li>▪Average Days to Process Planning Applications.</li></ul>
Health, Welfare and Community	<ul style="list-style-type: none"><li>▪Percentage of eligible infant immunisations completed for children aged 12 months</li><li>▪% of complying inspections for registered premises subject to environmental health inspections</li></ul>

## Developing performance indicators

- Will develop indicators of service delivery in terms of effectiveness, quality and efficiency
- Criteria for selecting KPIs:
  - Relevance to key issues of concern
  - Specific and measurable
  - Clearly related to objectives and targets
  - Comprehensive of services and objectives (but limited to a core set of key indicators)
  - Defined and collected on a consistent basis
  - Consistent over time
  - Not excessively onerous or costly to implement
  - Based on accurate and reliable information
  - Having regard to performance reporting in other jurisdictions

# Consultative Committee & Working Groups

- Purpose is to maximise stakeholder participation and draw on expertise
- CC currently being established
  - Will meet at least 3 times
  - Will consider:
    - Services to be benchmarked
    - Objectives against which performance will be measured
    - The role of targets
    - Criteria for KPIs
  - Will later comment on working group findings and ESC preliminary views
- Working groups to be established in December and will meet Jan/March
  - will apply selection criteria to candidate KPIs to develop preferred set of performance indicators

# Example – waste management

- Broad objective might be:
  - environmental well-being
- Service:
  - waste management
- Service objectives might be:
  - Increasing the collection and recycling of materials
  - Limiting the amount of waste generated or reducing the amount of landfill
  - Reduce the amount of litter and illegally dumped materials

# Waste management – candidate measures of effectiveness

- The number of kilograms of residual (not recycled) household waste collected per household
- % of household waste sent to landfill
- The number of kilograms of household waste recycled and composted per household
- % of waste recycled, by categories for municipal, commercial and industrial, construction and demolition
- % recycled waste for organics, dry recyclables, C&D materials, plastics and packaging
- Changes in waste generation since 2000 (kg/person) per type of waste

# Waste management – candidate measures of efficiency

- Waste collection costs per property serviced
- Average cost per rateable property of recyclable waste collection
- % of total recycling cost recovered
- No of complaints prosecuted against businesses

# Waste management – candidate measures of quality

- % of respondents who are “very satisfied” or “somewhat satisfied” with weekly paper and bottle recycling services
- % of respondents who are “very satisfied” or “somewhat satisfied” with the fortnightly green waste collection service and weekly garbage collection service
- % of all garbage and recyclables bins collected on time, first time
- Number of complaints per 1000 properties serviced

# Concluding messages

- ESC understands the complexity of local government
- ESC will be consulting and engaging actively with councils
- While no perfect set of indicators, can aim for a set of 'core' indicators that are useful
- ESC will minimise, wherever possible, to minimise information burden