

**2009 LGPRO CONFERENCE: “AT THE HEART OF THE MATTER”  
19-20 FEBRUARY 2009**

**LGPRO CORPORATE PLANNERS NETWORK SIG SESSION:  
“PERFORMANCE MANAGEMENT – ARE WE MAKING A DIFFERENCE?”**

**NOTES**

Rachel Powning of the Australian Continuous Improvement Group presented an overview of performance management and its current role within the local government sector. At the conclusion of the presentation, the question was put to participants to respond to and suggest ways forward following the recent Auditor General's report into performance reporting in local government. The notes below provide an overview of comments and feedback from the workshop session.

- We need to determine whether we should act, or wait for concern about performance management to blow over or go away
- The Auditor General doesn't understand the community as an audience, and there are currently a range of reporting requirements upon local government that demonstrate this
- The Auditor General's review took a very narrow focus on one section of the Annual Report when in fact a lot of the information the community might be interested in would be in the operating section
- The Auditor General has taken a compliance focus not a community focus. Local government uses a range of other reporting mechanisms which are much more community focussed. The Annual Report – which has a very small audience – is not the right product for this
- Auditing community messages is not really the Auditor General's role, we meet their audit requirements through the performance statement, which is in fact the audience for that section of the report
- We first need to consider what do the community want to know? What information, and about what subject? Develop customised reports, not just rely on one Annual Report
- There is benefit in developing guidelines on how to do this well. These should consider the separate reporting requirements for community planning as distinct to the Council Plan
- Organisation performance measurement should be distinct from Council Plan measurement which should be externally, results focussed
- Council Plan measures should be linked to the change Council wants to see over the four years of the Council Plan
- Any guidelines should develop greater clarity around who is measuring and for what purpose. Separate governance roles and relationships for the organisation and the Council, which should in turn mean development of quite different plans and reports
- Across local government there are lots of plans in existence, but little reporting back on achievement against those plans
- We need to know what the community is interested in hearing about
- Local government is activity focussed, guidelines to assist us to move to a greater outcome focus would be valuable

- There is a culture change issue: how to we demonstrate the value to staff and management of performance reporting? Create a more transparent culture where hearing about performance is valued. The internal focus should come first
- We need to recognise that this change takes time. It as at least a five year process to become embedded, and it's not easy
- Requires personal engagement – “I am making a difference” - and a culture in which staff take pride in demonstrating that
- An earlier review into reporting against Municipal Public Health Plans found that the focus was on reporting actions completed not outcomes achieved
- The Auditor General has taken a narrow view, and a largely accounting focus. This had created an opportunity for us as a sector to expand on this focus, that we should take
- Reporting is not an end in itself, it should ultimately lead to improvement
- Local Government Victoria is currently looking at what sort of response to the Auditor General's report would be the most appropriate for Councils.
- The first stage of this project includes looking at the different elements of the legislation and how they apply in practice, and developing examples of what that could look like and how it can work. This will also include assisting Councillors to understand how the key documents work and what they are used for. This will be stage 1, and will be completed fairly quickly.
- Stage 2 will be broader and look at what more detailed guidelines could support the sector in this area
- The timing of the election is also an issue, it is hard to generate a coherent Council Plan by mid-May when many Councillors may have only commenced their first experience with local government in November the previous year. It may not be realistic to set a detailed plan until the second year of the Council term
- The paper Peter Johnstone gave at the Future of Local Government conference in 2007 may be of interest (link provided):  
[http://www.mav.asn.au/CA256C320013CB4B/Lookup/Peter\\_Johnstone\\_Presentation/\\$file/Johnstone.pdf](http://www.mav.asn.au/CA256C320013CB4B/Lookup/Peter_Johnstone_Presentation/$file/Johnstone.pdf)
- Peter argued for resources to extend work in this area to further develop the sector, and that the state government, LGPro, the MAV and VLGA should work in partnership on this project. Peter argued that this should not take a regulatory or compliance approach, but must be driven and owned by the sector
- The Council Plan is the community's document not the Auditor General's document. One challenge is that Council's consult on our Council Plans but what is ultimately produced is usually not the community's words. It is hard for the community to measure what they don't understand
- We need improved methods for talking about and presenting data. We shouldn't just list results, but also interrogate and explain what is meaningful
- Officers need to inspire Councillors to participate by making information simple and useful. Unpack objectives and present information that is clear, relevant and responsive
- There needs to be greater skill in delivery, to make the data stand up and dance, and not just use an Excel spreadsheet

- Shared objectives make data more meaningful to a broader audience
- We need to recognise the resource implications of undertaking performance monitoring comprehensively, especially in smaller rural shires
- We need to know what information the community wants, how to present it and on what topic
- What is really “key”: what really matters to Council and the community. Improve planning upfront to get a better result in the end
- We need to be realistic about who is our audience, who really cares and what they care about
- State government leadership in this area is also not always strong, perhaps our efforts should be more collaborative and “joined up”
- There is a need to understand and value both qualitative and quantitative data and find meaningful ways to utilise both