

Factsheet for Stream 2: 2024 Governance and Accountability measures review Technical Working Group

This document outlines the scope of the technical working group tasked with reviewing the LGPRF governance and accountability measures.

Background

Established in 2014, the primary objective of the LGPRF is to provide comprehensive performance information that meets the needs of several audiences. In meeting this objective:

- councils will have information to support strategic decision-making and continuous improvement
- communities will have information about council performance and productivity
- regulators will have information to monitor compliance with relevant reporting requirements
- state and federal governments will be better informed to make decisions that ensure an effective, efficient and sustainable system of local government.

In creating measures for the indicators, guiding principles (see **Attachment A**) were adopted to ensure the suitability and relevancy of the measures.

In November 2023, the LGPR Steering Committee endorsed a review of the governance and accountability measures (including the Governance and Management Checklist) within the framework with the focus on seeking improvements and enhancements.

Any recommended changes to the framework will take effect no sooner than July 1, 2026.

Scope

Focus

Currently within the framework, there are five governance measures designed to capture the performance of a council's governance function.

Two of these measures focus on the community's assessment of the council governance, two focus on the councillor performance in relation to council meetings, with one measure on the relative cost of the function.

In addition, councils are required to complete a checklist of compliance against 24 legislative, regulatory, or best practice items.

The measures are designed to present a council's performance in relation to public accountability, transparency, effective decision-making, and community engagement.

Following reports and recommendations by the Victorian Auditor-General's Office and the Independent Broad-based Anti-Corruption Commission, this work will also determine performance measures to identify emerging governance issues, rather than relying solely on measures that reveal results after the problem has already occurred.

Key tasks and discussion

The LGPR Steering Committee is seeking advice and recommendations from councils and peak bodies on the following key points:

- How can we best measure governance?
- Does the current indicator set adequately measure a council's performance?
- Is there a way to increase the value of the Governance and Management Checklist?
- What are the areas that would indicate emerging problems in governance?

Any new measures will be required to comply with the guidelines as per Appendix A.

Other service and financial measures will be excluded from this discussion, with a separate dedicated working group tasked with reviewing the service and financial measures (see Stream 1).

Finalisation

Upon completing the exercise, the technical working group is required to reach a consensus on any suggested changes, which will subsequently be presented to the Steering Committee for deliberation and decision. The Steering Committee will then approve any amendments to the regulations and forward these endorsements to

the Minister for Local Government, who holds the ultimate authority to decide on any regulatory modifications.

Participation

Eligibility Requirements

For councils

To qualify for participation, you must be an employee of council and hold a senior manager to executive-level position within the organisation. As the council representative, you will be tasked with speaking on behalf of the organisation within the working group and managing internal discussions as necessary. A thorough understanding of the current reporting requirements is crucial.

Additionally, you will be required to leverage your existing internal network, particularly across the governance area in your council. Your responsibilities include coordinating with subject matter experts within your organisation and articulating their perspectives to the working group.

Council may only nominate one participant per council.

For peak bodies

To be eligible to participate, you must have the support of your Local Government Performance Reporting Steering Committee representative. The peak body may only nominate one participant per peak body.

Commitment

Workshops

Workshops will be scheduled to occur between April to June 2024. Participants should be available for a maximum total of 6 – 8 hours for workshops during this period. Workshops will be conducted online.

Additional work

In addition to attendance at workshops, you may be asked to review discussion papers and conduct internal discussions with subject matter experts to gain a broader understanding of the impacts of any proposed changes.

Registration

To register for Stream 2, please complete the LGPRF 2024 [Technical Working Group Registration form](#) and select Stream 2.

Submission

Within the scope as mentioned, the Technical Working Group are accepted submissions for changes to existing governance and accountability measures or the creation of new measures. These submissions will be assessed by the Technical Working Group during the workshops.

To lodge a submission, please complete the [submission form](#).

APPENDIX A – Guiding principles for LGPRF measures

The criteria for measures is:

1. Measures should be 'SMART'

The construction of specific measures should seek to adhere to the SMART principles, that is, measures should be:

- **specific** to the service, activity and/or dimension of performance being measured;
- based on **measurable** factors that can be observed, documented and verified (either by audits or other mechanisms);
- **aligned** with objectives of the sector and council;
- **relevant** to the service, activity and/or dimension of performance being measured; and
- **time-bound** with an appropriate and clear timeframe specified for measuring performance.

2. Measures should build a balanced picture of performance

Measures should complement each other to provide a balanced picture of performance. A range of performance measures should be developed to encompass various facets of performance. Relying on a solitary indicator usually fails to offer a comprehensive view of performance; therefore a suite of measures, presenting different aspects of performance should be pursued.

3. Measures should be understandable to a broad audience

Performance measures must be understandable to a broad audience. They should be clear and unambiguous so that stakeholders can draw meaningful conclusions about the performance of councils. There should be a harmonious balance, making these measures comprehensible to the community, valuable for councils to drive continuous improvement, and informative for other levels of government. It is imperative that performance measures accurately gauge what they purport to measure, with the identification of proxy measures clearly outlined when applicable.

4. Measures should align with other reporting requirements

Preference should be given to performance measures that are already in use in other reporting arrangements where possible. Adopting existing measures can ensure consistency with other reporting frameworks, lowers the cost of data collection and avoids delays in reporting. Performance measures should also be developed with national standards and reporting regimes in mind to allow for inter-jurisdictional analysis.

5. Measures should be comparable across councils and consistent over time

Each measure must be clearly defined with formulas, key terms and measurement standards established to facilitate a valid measure of performance and aid reasonable comparisons. Measures should also allow for consistent comparisons of performance over time. This requires that performance Measures be well designed and robust from

the outset and remain broadly stable over time. Measures should be relevant to all councils and not geographically biased.

6. *The benefit of collecting information should outweigh the collection costs*

The costs associated with collecting information needs to be balanced against the benefits of collecting that information.