

Strengthening local government planning and reporting

Effective reporting by councils, on the spending of public money to deliver services and infrastructure, is essential for ensuring transparency and accountability to the community and other levels of government.

The Victorian Government is making a number of changes to the planning and reporting requirements for local government to strengthen transparency, remove duplication and modernise existing practices for the sector.



What will change for councils?

- **Strengthened accountability:** a consistent set of indicators will be introduced to enable benchmarking of council performance.
- **Transparency:** the requirement for councils to identify and report 'key strategic activities' will be replaced by reporting achievement of 'major initiatives'.
- **Improved resource planning:** a consistent process will be introduced for future capital works planning.
- **Streamlined financial reporting:** councils will be required to prepare financial statements instead of standard statements.
- **Better accessibility:** councils will be required to publish key accountability documents on their websites.

These changes will take effect for the 2014-15 planning and reporting cycle. Public submissions are welcome as part of the assessment of the regulatory impact of these changes.

For more information visit www.localgovernment.vic.gov.au

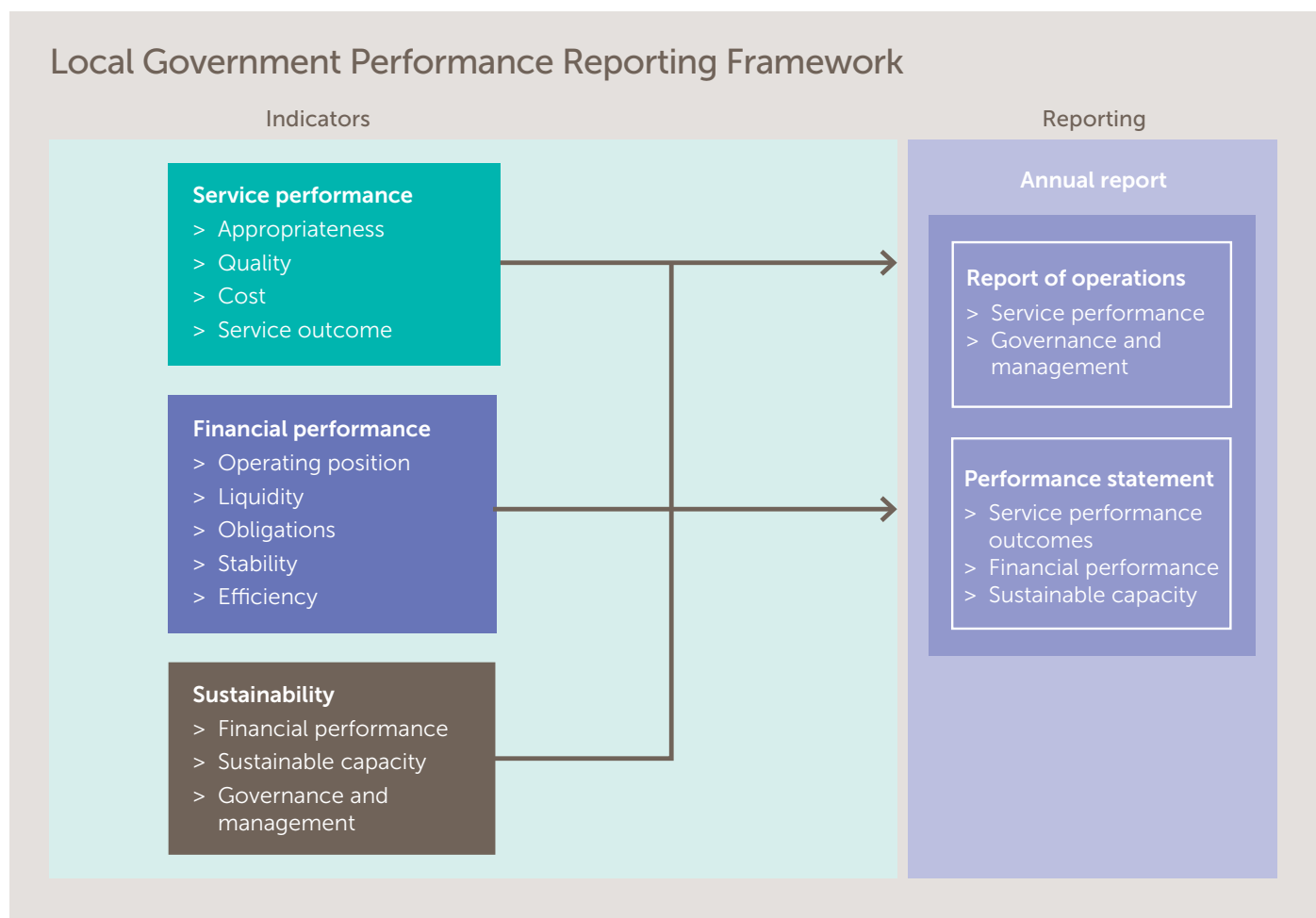
A new performance reporting framework

The new Local Government Performance Reporting Framework is a key part of the local government planning and accountability reform.

The Victorian Government has undertaken wide-ranging consultation to inform the design of the new performance reporting framework. In 2013, over a thousand participants,

including mayors, councillors, senior staff and other relevant stakeholders, attended 35 information sessions to provide feedback on the draft framework.

The Local Government Performance Reporting Framework will become mandatory for councils in the 2014-15 planning and reporting cycle.



Features of the new framework

- **Comprehensive picture of performance:** a combination of financial and non-financial output and outcome indicators will be used to measure effectiveness and efficiency.
- **Meaningful comparisons and benchmarking:** a standardised set of indicators will be used.
- **Proven conceptual framework:** performance indicators and measures are underpinned by a robust model, which also has the capacity for progressive refinements.
- **Independent audit:** the Victorian Auditor-General will issue an audit opinion on the performance statement.
- **Identified performance trends:** historical, actual and forecast results can be monitored.
- **Tailored reporting:** each council will be required to include a narrative about the municipal characteristics and explanation of results.