

Overview of changes to LGPRF for 2023-24

Practice Note 18

This practice note provides an overview of changes to the Local Government Performance Reporting Framework (LGPRF) resulting from *the Local Government (Planning and Reporting) Amendment Regulations 2022*. These changes were made after sector consultation during the Technical Working groups in 2021.

Full guidance will be issued in February 2023 as part of the FinPro Development Day.

The changes are grouped into two sections, changes that take effect from 1 January 2023 and changes taking effect from 1 July 2023.

Changes to the framework from 1 January 2023

The following items will have immediate impact from 1 January 2023 when Council is working on the budget for 2023-24.

1. Introduction of target setting

For the 2023-24 financial year, councils will be required to set targets for eight of the measures as part of the Council's budget. These measures are:

Service measures	Financial measures
<p><u>G2 - Governance – Consultation and engagement</u> Satisfaction with community consultation and engagement (community satisfaction rating out of 100 with the consultation and engagement efforts of Council)</p>	<p><u>E2 - Financial efficiency – Expenditure</u> Expenses per property assessment (total expenses per property assessment)</p>
<p><u>SP2 - Statutory Planning – Service standard</u> Planning applications decided within the relevant required time (percentage of planning application decisions made within the relevant required time)</p>	<p><u>S1 - Financial stability – Rates concentration</u> Rates compared to adjusted underlying revenue (rate revenue as a percentage of adjusted underlying revenue)</p>
<p><u>R2 - Roads - Condition</u> Sealed local roads below the intervention level (percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)</p>	<p><u>L1 - Financial liquidity – Working capital</u> Current assets compared to current liabilities (current assets as a percentage of current liabilities)</p>
<p><u>WC5 - Waste management – Waste diversion</u> Kerbside collection waste diverted from landfill (percentage of recyclables and green organics collected from kerbside bins that is diverted from landfill)</p>	<p><u>O5 - Financial obligations – Asset renewal</u> Asset renewal compared to depreciation (asset renewal and upgrade expense as a percentage of depreciation)</p>

Councils will be required to set a target for the current budgeted year and the next three future years.

This requirement will be integrated into the 2023-24 Model Budget due for release as part of the FinPro Development Day in February 2023.

At this time, Local Government Victoria will also release a LGPRF Target calculator to assist in the setting of targets.

2. Amendments to the Performance Statement

The Performance statement for 2023-24 has been updated with the following replacements:

Current	Replacement
<p><u>G5 - Governance - Satisfaction</u></p> <p>Satisfaction with Council decisions (community satisfaction rating out of 100 with how Council has performed in making decisions in the best interests of the community)</p>	<p><u>G2 - Governance – Consultation and engagement</u></p> <p>Satisfaction with community consultation and engagement (community satisfaction rating out of 100 with the consultation and engagement efforts of Council)</p>
<p><u>SP4 - Statutory Planning – Decision making</u></p> <p>Council planning decisions upheld at VCAT (percentage of planning application decisions subject to review by VCAT and that were not set aside)</p>	<p><u>SP2 - Statutory Planning – Service standard</u></p> <p>Planning applications decided within the relevant required time (percentage of planning application decisions made within the relevant required time)</p>
<p><u>R5 - Roads – Satisfaction</u></p> <p>Satisfaction with sealed local roads (community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)</p>	<p><u>R2 - Roads - Condition</u></p> <p>Sealed local roads below the intervention level (percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)</p>

These measures will be updated in the 2023-24 Model Budget. These replacement measures for 2023-24 will be audited as part of the performance statement. Audit guidance will be provided in the LGPRF Performance Indicator Guide 2023-24. The current measures will still be reported against in Council's Report of Operations.

Changes to the framework from 1 July 2023

The following items will have immediate impact from 1 July 2023 when Council is working on the annual reporting for the 2023-24 year.

1. New and replacement indicators

There are eleven changes across the service and financial indicators and the Governance and Management Checklist. A list can be found in **Appendix A**.

The full guidance and supporting templates will be released in February 2023.

These changes will take effect from 1 July 2023 and apply to the 2023-24 financial reporting year.

2. Reporting on targets

Following the setting of targets in the 2023-24 Council Budget, councils will be required to report their actuals against these targets in their 2023-24 Annual Report.

Guidance for The LGPRF Performance Targets 2023-24 Guide will be released in February 2023.

3. Name change for the Reporting Template

Moving forward, the Performance Reporting Template will be refreshed and renamed as the **Local Government Model Sector Performance Report** in alignment with similar templates offered by Local Government Victoria.

The Local Government Model Sector Performance Report will be released in February 2023.

For more information, please contact the LGV Performance and Reporting Team on performance@ecodev.vic.gov.au

APPENDIX A: Amendments to LGPRF measures

Current indicator, measure or formula	Amendment	Summary of change
<p><u>Animal management – Service standard</u></p> <p>AM5 - Animals rehomed formula:</p> $\frac{\text{Number of animals rehomed}}{\text{Number of animals collected}} \times 100$	<p><u>Animal management – Service standard</u></p> <p>AM5 - Animals rehomed formula:</p> $\frac{\text{Number of unclaimed collected animals rehomed}}{\text{Number of unclaimed collected animals}} \times 100$	<p>The denominator has been updated to remove animals that have been reclaimed from the calculation.</p>
<p><u>Food safety – Service standard</u></p> <p>N/A</p>	<p><u>Food safety – Service standard</u></p> <p>FS5 - Food safety samples (percentage of food samples obtained per required number of food samples)</p> <p>Formula:</p> $\frac{\text{Number of food samples obtained}}{\text{Required number of food samples}} \times 100$	<p>New measure for food safety samples based on the number of food samples that must be obtained and submitted for analysis by a Council, as specified in a declaration made under section 32A of the <i>Food Act 1984</i> and published in the Government Gazette.</p>
<p><u>Libraries – Utilisation</u></p> <p>LB1 – Physical library collection usage (number of physical library collection item loans per physical library collection item)</p>	<p><u>Libraries – Utilisation</u></p> <p>LB6 - Loans per head of population (number of library collection item loans per head of population)</p> $\frac{\text{Number of library collection item loans}}{\text{Population}}$	<p>“LB1 Physical library collection usage” measure is retired and replaced with “LB6 Loans per head of population”.</p> <p>Council will not be required to report on LB1 for the 2023-24 reporting year.</p>
<p><u>Libraries – Participation</u></p> <p>LB4 – Active library borrowers in municipality (percentage of the population that are active library borrowers)</p>	<p><u>Libraries – Participation</u></p> <p>LB7 – Library membership (percentage of the population that are registered library members)</p> $\frac{\text{Number of registered library members}}{\text{Population}} \times 100$	<p>“LB4 Active library borrowers in municipality” measure is retired and replaced with “LB7 Library membership”.</p> <p>LB7 will be an audited measure as part of the Performance Statement.</p> <p>Council will not be required to report on LB4 for the 2023-24 reporting year.</p>

Current indicator, measure or formula	Amendment	Summary of change
<p><u>Libraries – Participation</u></p> <p>N/A</p>	<p><u>Libraries – Participation</u></p> <p>LB8 – Library visits per head of population (number of library visits per head of population)</p> $\frac{\text{Number of library visits}}{\text{Population}}$	<p>New measure for library participation.</p>
<p><u>Waste collection</u></p>	<p><u>Waste management</u></p>	<p>The Waste collection indicator set will be renamed Waste management.</p>
<p><u>Waste collection – Satisfaction</u></p> <p>WC1 - Kerbside bin collection requests (number of kerbside bin collection requests per 1000 kerbside bin collection households)</p>	<p><u>Waste management – Satisfaction</u></p> <p>N/A</p>	<p>Measure WC1 is retired, council will not be required to report on this for the 2023-24 reporting year.</p>
<p><u>Efficiency – Revenue level</u></p> <p>E4 – Average rate per property assessment formula:</p> $\frac{\text{Total rate revenue}}{\text{Number of property assessments}} \times 100$	<p><u>Efficiency – Revenue level</u></p> <p>E4 – Average rate per property assessment formula:</p> $\frac{\text{Sum of all general rates and municipal charges}}{\text{Number of property assessments}} \times 100$	<p>The numerator description has been updated to better clarify the requirement.</p>
<p>Governance and management checklist Item 9 Municipal Emergency Management Plan</p> <p>(Plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery.)</p>	<p>Governance and management checklist Item 9 Municipal emergency management planning</p> <p>(Participation in meetings of the Municipal Emergency Management Planning Committee.)</p>	<p>Item 9 updated to reflect changes as per the Municipal Emergency Management Planning Committee (MEMPC).</p>

Current indicator, measure or formula	Amendment	Summary of change
<p>Governance and management checklist N/A</p>	<p>Governance and management checklist Item – Complaint policy (Policy under section 107 of the Act outlining Council's commitment and approach to managing complaints.)</p>	<p>New item in relation to complaint policy requirement under the <i>Local Government Act 2020</i>.</p>
<p>Governance and management checklist N/A</p>	<p>Governance and management checklist Item – Workforce plan (Plan under section 46 of the Act outlining Council's commitment and approach to planning for current and future workforce requirements.)</p>	<p>New item in relation to workforce plan requirement under the <i>Local Government Act 2020</i>.</p>
<p>Governance and management checklist N/A</p>	<p>Governance and management checklist Item – Payment of rates and charges hardship policy (Policy outlining Council's commitment and approach to assisting ratepayers who are experiencing financial hardship or difficulty paying their rates.)</p>	<p>New item in relation to better practice payment of rates and charges hardship policy.</p>