

Attention: Local Government Act Review Advisory Committee:

Submission by Save Our Suburbs Inc To the Review of the Local Government Act

December 2015

Save Our Suburbs was formed in 1998 in response to changes to the Local Government and Planning and Environment Acts which saw deregulation of planning and the amalgamation and corporatisation of councils, with negative impacts on democracy, residential amenity, and on the ability of communities to have meaningful input to their local governing body. Since then, councillors have considerably less capacity to represent their constituents and CEOs have considerably more capacity to drive the functions of the Council unencumbered by community influence or concerns.

Statewide LG performance is inconsistent, sometimes flawed and at times undemocratic, as borne out by various LG reviews over the last two decades – in particular two reports by the VAGO outlining poor performance reporting (June 2008, April 2012) and several VAGO reports detailing serious flaws in council land use planning and enforcement (Dec. 1999, May 2008); as well as a recent critical Ombudsman's report into the handling of complaints by councils (Feb. 2015).

The most stringent criticisms came from the VAGO 2008 report into LG performance reporting:

Performance information is generally not being provided on the timeliness, cost, quantity or quality of council services, on achieved outcomes, or on achieving strategic objectives.

The performance indicators being reported are activity-based and generally only measure one metric—time. In many cases the nexus between the indicator and the activity is very indirect and of questionable relevance.

Most councils are not providing enough appropriate information to users about the performance measures they have adopted. This means that users are not able to meaningfully assess councils' performance.

The lack of clarity around measures and targets; the paucity of explanation of variances; and the failure to include trend and benchmark data can indicate that councils have adopted a 'compliance-centric' approach to reporting performance information. They rarely go beyond the legislative imperative and, where there are no specific requirements, adopt a practice of minimalist disclosure.

One inference that can be made is that councils select indicators because they can be easily measured, not because they are the right things to measure.

In contrast to financial reporting, there are no independent, authoritative standards for performance reporting. There is also no generally accepted conceptual framework that identifies essential characteristics of performance reporting. This situation is mirrored at council level.....

In most cases councillors and council staff are not equipped with the knowledge and skills required to fully understand and develop appropriate performance reports.

Four years later the situation had not improved much. The conclusions of VAGO (April 2012) are borne out by the experience of thousands of residents, including many of our members:

Performance reporting by councils remains inadequate. It is focused on inputs and operating activities, and offers little insight into the impact of services and the achievement of objectives.

While some improvements were evident at councils since 2008, the progress to date has not been sufficient to satisfy the information needs of residents and ratepayers, to drive continuous improvement, or to deliver timely performance reporting.

These shortcomings continue to impair accountability for performance and represent major obstacles to effectively addressing recurring performance deficiencies at councils.

VAGO also stated that a meta-analysis of 16 performance audits identified the following recurring themes:

- *ineffective planning and budgeting*
- *inadequate implementation of initiatives and adherence to policies and procedures*
- *weak oversight and monitoring of council activities and outcomes*
- *inadequate attention to addressing persistent performance issues.*

These recurring issues are, in part, a by-product of a lack of accountability for performance due to weaknesses in performance monitoring and related information. Feedback from councils indicates that they are also influenced by ongoing resource constraints, the administrative burden of complying with state and Commonwealth funding and reporting requirements

To be fair to most councils, as stated above, part of their problem is administrative and resource/funding constraints. While VAGO pointed out that better performance reporting would result in some likely savings that could be reflected in less pressure to raise rates, it is commonly acknowledged across the sector that LG increasingly receives insufficient grant funding from state and federal sources. Any new version of the LG Act and concomitant consideration of latitude in rate capping for individual councils should bear this in mind.

VAGO concluded that the key issues compromising the effectiveness of performance reporting at councils were:

* *poorly expressed objectives that cannot be effectively measured*

- * indicators that do not comprehensively cover all aspects of councils' objectives and key strategic activities
- * indicators that do not provide balanced information about quality, efficiency and outcomes
- * a lack of adequate policies for performance reporting
- * limited training for councillors and staff in performance measurement and management.

There has been a desperate need for years for this ad hoc situation to be reformed to simplify reporting requirements while ensuring that in future they relate to actual outcomes that are relevant to the community and allow easy comparison of council performance – proper transparency and accountability.

It is historically obvious that the current situation will only be rectified if mandatory, simplified common KPI and process requirements are imposed under the new Act to make councils more transparent and accountable.

Thus we submit that it should be mandatory that all councils must have:

- consistent meeting process requirements, including adequate Public Question Time to deal with issues raised; Notice of Motion; dissent from the chair; councilor voting results
- live broadcasts of meetings or at least provide meeting audio files on their website
- CEO positions advertised and no CEO appointed for more than 2 consecutive contracts (ie maximum of 10 years)
- Staff Code of Conduct and Community Consultation Policy be published
- Mandatory service KPIs and performance reporting, redesigned to a standard set of KPIs for comparison across the sector which relate to outcomes achieved, including the degree of satisfaction of relevant users rather than secondary parameters like time taken or the number of complaints or appeals, etc)
- KPIs of the CEO and senior staff to be made public
- A cap on salaries of senior staff and CEOs
- Community representation on all advisory committees
- Use of deliberative community consultation processes for major planning issues such as council budgets, new strategic land use planning policies, new major projects (eg sports facilities)
- Establishment of a mandatory official council committee including at least 3 publicly-elected representatives from different incorporated local community groups to deal with all

unresolved complaints about council services (currently this would be a type of Special Committee under s86(1)(d) LGA but these are rarely used to include community reps). Serious issues would be referred to external bodies such as the LG Inspectorate but the aim of the committee would be to create a culture of accountability and where flawed actions do occur, to assist council staff to modify work practices & processes to minimise repetition.

- Mandatory disclosure of the reasons for the exercise of discretion by delegated officers in all governance matters (including DA assessments)
- Councillor in-service training to be provided by a body independent of the council concerned (we are aware of cases of “fiefdoms” being established by some CEOs)
- Ideally, councillors should be required to be full-time with adequate salary and support staff to properly function as local politicians collectively in charge of a multi-million dollar corporation (including having the time and assistance to be able to independently assess staff briefing papers, produce their own initiatives, etc).

*Ian Wood
President SOS
December 2015*

Please provide acknowledgement of this submission.