

Managing the sustainability of local government services

(Report 2: 2019–20).
Tabled 25 September 2019.

Welcome

Welcome to our presentation on the performance audit report on managing the sustainability of local government services.

Please note that this is a summary and the full report can be read on our website.

Councils deliver services that affect our daily lives. They are often a provider of last resort for services to regional communities and maintain legacy assets. Some do so with limited recurrent financial resources, as they may be dependent on government grants. Understanding and managing the costs for each of their services supports the long-term sustainability of councils.

What we did

In this audit, we assessed whether five councils plan and deliver their services to support long-term financial sustainability.

We assessed whether councils:

- develop robust approaches to planning and managing the costs of their services
- monitor and report on the costs and effectiveness of their services.

We included the Department of Local Government, Racing and Multicultural Affairs in our audit, as it provides support and advice to councils.

Our conclusions

There are opportunities for all councils to work together with the department to share ways to effectively plan services, allocate costs, and measure performance.

Each of the five councils we audited has some of the elements needed to effectively plan and monitor their collective services to support long-term sustainability. But none had all the components working together.

All five councils had some level of service planning and managing, either in their annual operational plans, business unit plans, service plans, or asset plans. None of the councils had effective approaches in place to regularly review their services. They do not know whether their services meet the current or future needs of their communities.

All five councils effectively monitored and reported on aspects of the effectiveness of some of their services. None of the councils effectively monitored or reported on the effectiveness and efficiency of all their services.

What we recommend—councils

We think all councils should consider the recommendations we have made for their services. This includes whether:

- their plans contain enough detail on their services
- their existing services (and service levels) meet the communities' current and future needs
- their business units are developing service budgets consistently
- they include an assessment of the whole-of-life costs and impacts on corporate overheads when deciding to build new or upgrade assets
- they allocate a reasonable portion of corporate overheads to services
- they monitor and report on the effectiveness and efficiency of their services.

What we recommend—Department of Local Government, Racing and Multicultural Affairs

We recommend the Department of Local Government, Racing and Multicultural Affairs supports groups of similar councils to develop:

- scalable models, benchmarks, and tools for councils to allocate their corporate overheads to their services
- a set of effectiveness and efficiency measures to help councils monitor how their services are performing.

For more information

We have prepared fact sheets on performance measurement, cost allocation methodologies and assessing value of services.

The report is accompanied by a data visualisation of the financial results and position for each of the Queensland councils.

Both the fact sheets and data visualisation are available on our website.

For more information on the issues, opportunities and recommendations highlighted in this summary presentation, please see the full report on our website.

Thank you.