



Office of Local Government

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Mr J.R. O'Dea MP
Chair, Public Accounts Committee
Parliament of New South Wales
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Dear Mr O'Dea

I am writing in relation to my appearance before the Legislative Assembly Public Accounts Committee (the Committee) on Monday, 23 June 2014. In giving evidence in relation to the Auditor-General's Performance Audit Report No. 225, "Monitoring Local Government", I undertook to provide further information on the Office of Local Government's work to implement a new Performance Measurement Framework.

Delivering a performance measurement framework for councils is a key priority of the Office of Local Government (OLG). Our aim is to develop a meaningful and balanced picture of how effectively and efficiently councils are performing to help councils improve; provide greater accountability to the community and help the State better understand and support council performance.

Since the Auditor-General's report, the OLG has taken the following steps to improve performance measurement and monitoring of local government:

- Introducing a new-look *Comparative Information on NSW Local Government*, our current report comparing council performance. This included new indicators and a clearer presentation of the performance of individual councils.
- Releasing a Discussion Paper seeking views on a proposed model for, and approach to, a future performance measurement framework. This included key principles, areas that require indicators and the possibility of a State-wide community survey.
- Preparing draft performance indicators, in collaboration with councils, their representative bodies and NSW Government agencies.
- Implementing refined indicators of financial performance and infrastructure, to be reported by councils for the 2013-14 financial year.

Key next steps in the project include:

- Release of a working paper on the proposed operation of the framework and draft indicators for consultation in the coming months.
- Development of an innovative online tool for presenting and comparing council performance information by mid-2015. This will include indicators of financial performance and infrastructure along with other service and community leadership indicators subject to the outcomes of the consultation.
- Collection of community satisfaction measures through a community survey, possibly conducted on a State-wide basis.



It is anticipated that by mid-2015 the framework will be largely in place. We will continue to work collaboratively with the sector to develop the framework, building new indicators in as data becomes available and further developing tools to support public reporting and comparison.

It is essential that time is taken to get the indicators right, ensure the framework aligns with the goals of local government reform and importantly develop a culture of sector led improvement rather than State imposed monitoring. Based on the experience in other States, we believe this collaborative, incremental approach will deliver meaningful improvement in the performance of councils.

Yours sincerely



18/7/14

Ross Woodward
Chief Executive
Office of Local Government