



Frequently Asked Questions

What is *Better Councils, Better Communities*?

The *Better Councils, Better Communities* project is a state-wide benchmarking exercise to enable individual councils to assess their performance in relation to their peers and to pursue productivity improvements to benefit their financial sustainability.

Why do we need a benchmarking project?

Queensland councils are under an increasing financial burden as a result of downward pressure on revenue raising at the same time as the state and federal governments reduce funding to councils while handing them more responsibility.

The combined effect of abolishing the capital subsidy program, capping development infrastructure charges and limiting income from the water businesses of south-east Queensland councils have cost the local government sector approximately \$800 million a year.

This annual shortfall cannot be funded through more debt, rate rises or grants from external governments.

It will need to be managed through better productivity and financial performance.

Local reforms, combined with new partnerships and regional solutions, will be necessary.

Councils provide a significant proportion of the essential services and infrastructure that underpin local and regional communities, but a council is financially sustainable only if its infrastructure and financial capital can be delivered and maintained over the long term.

Councils must be able to manage future financial risk without having to significantly adjust their revenue or expenditure policies.

Aren't there other ways to meet the financial shortfall?

Queensland councils' aggregate operating and capital budget is \$9 billion. A performance improvement in the order of 1% could deliver an estimated \$80 - \$100 million in savings per annum.

Councils own \$85.7 billion in physical assets and \$12.5 billion in financial assets. Coordinated asset management could bring more savings.

While significant, none of these measures is enough to address the \$800 million annual shortfall for councils.

The LGAQ makes more than 100 individual initiatives available to its members to address financial sustainability.

Over many years, the sustained advocacy work of the LGAQ has given Queensland councils access to a legislative environment to influence their own financial sustainability - including significant local decision-making powers.

However, many councils are yet to adopt the productivity aligned business strategies allowed for within legislation and, by extension, their financial sustainability pressures are amplified by existing operating models.

While some councils have achieved operational savings through council-initiated regional aggregations or partnerships, their frequency is rare and the success is variable.

What are the aims of the *Better Councils, Better Communities* project?

The LGAQ recognises there is a need for more targeted support to individual councils to identify how they are performing relative to peer group councils and in terms of best practice.

Councils realise that to get better they need to measure their performance and compare it with others. The *Better Councils, Better Communities* project is about benefitting local councils by delivering an honest assessment.

The *Better Councils, Better Communities* project will be designed to focus council attention on the need to maintain local reforms. It will encourage positive behaviour and continuous improvement within councils, based on improved awareness and knowledge by councillors and staff.

The *Better Councils, Better Communities* project is a state-wide performance and productivity improvement campaign to realise significant savings over the next few years – to help meet the annual \$800 million shortfall.

Savings of the magnitude required will only result if councils develop new business models, challenge traditional assumptions and find innovative ways to improve service delivery.

What are the project's benefits for local councils?

The *Better Councils, Better Communities* project will provide local government employees with better information and tools to support their professional duties and to undertake their jobs more efficiently.

The project will support councils to deliver services competitively, to foster innovation and continuous improvement, and to demonstrate value for money.

What are the project's benefits for local communities?

A recent LGAQ survey found that a majority of Queenslanders want better value for money from their councils and to see how their council's financial management compares to other councils.

The *Better Councils, Better Communities* project will enable Queensland ratepayers to enjoy improved value for money from their councils through a state-wide productivity and efficiency strategy, without the need for more debt or rate rises.

Who will run the *Better Councils, Better Communities* project?

This project will be a council-driven initiative.

The LGAQ will engage external agencies to help deliver the project on behalf of members.

Who will do the benchmarking?

Benchmarking will be undertaken by a specialist consultancy contracted by the LGAQ and will be on a “like for like” basis between comparable councils.

What will be benchmarked?

To start, the LGAQ will collate and report on data already available. There will be no impost on councils.

Benchmarking is likely to measure core council functions and activities in areas of financial performance and operations. The indices will grow over time, if and when councils agree that new benchmarks would add value.

What information will the project provide to the public?

The *Better Councils, Better Communities* project will establish benchmarks by council type/segment, comprising a suite of high level (non-council specific) performance indicators which will be released publicly.

Any public reporting will be at a high level with segmented data, not on detailed council performance, and the first benchmarking results will not be publicly published until further engagement with members.

The benchmarking data will also be used to produce an annual “State of Local Government” report that will display summary data of groups of councils.

What information will the project provide to a council?

The *Better Councils, Better Communities* project will display key performance indicators in easy to understand format to allow individual councils to compare their performance to similar councils and to map changes over time.

An on-line, council members-only site will include more detailed indicators to enable individual councils to compare performance relative to groups of similar councils. Individual councils will determine how they might respond based on the internal benchmarking reports.

Any public release of this type of analysis will be at the discretion of individual councils.

Will there be a public awareness campaign associated with the project?

This *Better Councils, Better Communities* project will be an extension of the Local Government Image Campaign - underpinned and promoted by a state-wide public relations program - to continue to demonstrate the value of council services to ratepayers.

Fact Sheets, case studies and media releases will be distributed to councils and their communities to help explain the project.

As part of the public awareness campaign, the LGAQ will produce a television advertisement to tell the community about the project – building on the Local Government Image Campaign TV ads.

What are the benefits for Indigenous Councils/Small Councils?

If Indigenous and smaller councils are able to provide and validate the necessary data, the LGAQ will analyse it to better understand their situation, better advocate for them, and have a stronger base to seek further funding.

This project presents an opportunity for Indigenous councils to continue to mainstream their operations.

What does the community say?

As part of its initiative to support Local Government productivity and performance improvements, in July 2014 the LGAQ commissioned a Council Perceptions market research project with the Queensland community, elected members and council staff.

Results from the market research provide an insight into community, elected official and council staff views on the role and importance of councils and will guide the development of the *Better Councils, Better Communities* productivity and performance project.

The most significant finding from the survey was that a majority of Queenslanders say they want better value for money from their councils and to see how their council's financial management compares to other councils.

These findings provide a strong foundation to support a benchmarking project.

The surveys also showed local government is not well understood, and that the good work of councils often goes amiss. The *Better Councils, Better Communities* project is about ensuring the community understands and appreciates the collective progress of councils towards better outcomes.

Importance of Local Government

63% of community respondents state-wide identify council as an essential layer of government.

- A proportionally higher 75% of community respondents in coastal councils identify council as an essential layer of government.
- A proportionally higher 71% of community respondents in rural and remote councils identify council as an essential layer of government.

56% of community respondents overall say their local council is a provider of vital services every day of the year.

Trust in Local Government

Only 42% of community respondents trust their council to do the best for the community.

- A proportionally lower 33% of community respondents in resources councils trust their council to do the best for their community.
- A proportionally lower 35% of community respondents in rural and remote councils trust their council to do the best for their community.

Regional identity and the role of government

About two thirds of community respondents overall believe their local region has a strong identity and 60% agree the local council plays an important role in their region's identity. Six times as many community respondents believe council plays an important role in their regions' identity compared to those who disagreed.

- A proportionally higher 71% of community respondents in coastal councils believe the council plays an important role in their region's identity.

Engagement, visibility and vision

Only 37% of community respondents overall believe their council has a clear vision for the community.

- A proportionally lower 16% of community respondents from resources councils believe their council has a clear vision for the community.
- A proportionally lower 29% of community respondents from rural and remote councils believe their council has a clear vision for the community.

In the area of council engagement and visibility, only 40% of community respondents overall agree council engages them on important matters, and only 44% say that council's work is visible.

When asked if their council's visibility was better than two to three years ago, overall only 25% of community respondents said yes. 75% said no, did not know or were neutral.

- A proportionally lower 19% of community respondents in resources councils agree their council is more visible than two to three years ago.

These results are reinforced by 73% of community respondents overall saying they either had not seen nor heard, or did not know if they had seen nor heard, about recent council activities/initiatives.

Value for money, productivity, efficiency and benchmarking

Only 28% of community respondents overall agree their council provides value for money. A very significant 72% do not agree or hold no opinion.

Only 35% of elected officials and local government staff think the community agrees their council provides value for money.

While a relatively small 22% of community respondents overall think their council is inefficient or unprofessional, only 29% of community respondents overall believe their council looks for ways to improve productivity and efficiency.

- A proportionally higher 30% of community respondents in coastal councils agree their council is inefficient and unprofessional.

A significant 66% of community respondents overall say they would like to see their council's financial management compared to other similar councils.

- A proportionally higher 73% of community respondents in coastal councils say they would like to see their council's financial management compared to other similar councils.

73% of council staff and elected members say they want to see how their council's financial management compares to similar councils.