

# E. Summary of previous sustainability recommendations

This report is the fourth in our series of performance audits of local government sustainability. Figure E1 summarises the recommendations made in our 3 previous performance audits.

We also occasionally make recommendations to improve local government sustainability in our annual local government reports on the results of our financial audits. Figure E2 lists the recommendations we made to councils about their assets in our most recent reports.

**Figure E1**  
**Summary of previous recommendations**

Report name	Recommendations to councils	Recommendations to the Department of State Development, Infrastructure, Local Government and Planning
Report 2: 2016–17 <i>Forecasting long-term sustainability of local government</i>	<ul style="list-style-type: none"> <li>maintain complete and accurate asset condition data and asset management plans</li> <li>implement a scalable project decision-making framework for all infrastructure asset investments</li> <li>engage directly with their communities on future service levels</li> <li>develop financial plans to explain their financial forecasts and how they intend to financially manage the council and its long-life assets</li> </ul>	<ul style="list-style-type: none"> <li>support councils to strengthen their strategic planning by building their capability and capacity to produce 10-year financial forecasts and asset management plans that can be relied on and are integrated with their annual budgetary processes. They should be renewed and updated at least every 4 years</li> <li>broaden the number of ratios required to be calculated over 10 years to include the asset renewal funding ratio, once councils have improved their asset condition data</li> </ul>
Report 17: 2017–18 <i>Managing local government rates and charges</i>	<ul style="list-style-type: none"> <li>document the actions they are taking to support their financial forecast that are required to achieve or maintain sustainability</li> <li>implement an appropriate costing model to gain a clear understanding of the full cost of delivering utilities, and use this information to annually review pricing</li> </ul>	<ul style="list-style-type: none"> <li>amend the Local Government Regulation 2012 to: <ul style="list-style-type: none"> <li>require councils to include in their revenue policies a long-term rates strategy</li> <li>require councils to include in their revenue statements how annual decisions on rates and charges support financial sustainability</li> <li>require a council's chief executive officer to certify to the mayor (in a prescribed form) that their council's final adopted budget complies with all legislative requirements</li> </ul> </li> <li>continue to develop best practice tools and templates for councils on the budget and rates provisions of the <i>Local Government Act 2009</i> and the Local Government Regulation 2012</li> </ul>

Report name	Recommendations to councils	Recommendations to the Department of State Development, Infrastructure, Local Government and Planning
<p>Report 2: 2019–20 <i>Managing the sustainability of local government services</i></p>	<ul style="list-style-type: none"> <li>• include sufficient details about their services within their existing planning documents or consider developing individual service plans</li> <li>• ensure all existing services meet their community's current and future service needs and they deliver them at affordable levels by developing and undertaking regular reviews of existing services</li> <li>• budget owners develop consistent individual business unit and service budgets by providing documented budget guidelines, templates, and training</li> <li>• benchmark their corporate overheads and allocate a reasonable proportion to services by developing and approving a corporate overhead methodology appropriate to the size and complexity of council</li> <li>• make decisions to deliver new services or amend existing services (associated with new major capital projects) with an understanding of the whole-of-life costs and any impact on corporate overheads</li> </ul>	<ul style="list-style-type: none"> <li>• develop resources and tools for councils on:                             <ul style="list-style-type: none"> <li>– best practice community engagement approaches to strengthen community understanding of, and input into, the rates decisions required to ensure continuation of services</li> <li>– the budget documents and overdue rates and charges provisions of the <i>Local Government Act 2009</i> and Chapter 4 part 12 of the Local Government Regulation 2012</li> </ul> </li> <li>• develop models, benchmarks, and tools that are scalable for differently sized councils to allocate their corporate overheads to their services</li> <li>• develop a set of measures of effectiveness and efficiency to help councils monitor the performance of their services</li> </ul>

Source: Queensland Audit Office reports.



**Figure E2**  
**Asset-management-related recommendations from our local government reports**

Report name	Recommendations to the department
(Report 15: 2022–23) <i>Local government 2022</i>	<ul style="list-style-type: none"> <li>publish a framework to assess the financial sustainability risk of councils. This framework should be made available to the sector from 1 July 2023 to align with the effective date of the department’s new financial sustainability guideline.</li> </ul>
(Report 15: 2021–22) <i>Local government 2021</i>	<ul style="list-style-type: none"> <li>asset management plans to include councils’ planned spending on capital projects</li> <li>review the asset consumption ratio in preparation for the new sustainability framework. Assess whether the actual usage of assets is in line with the asset management plan</li> </ul>
(Report 17: 2020–21) <i>Local government 2020</i>	<ul style="list-style-type: none"> <li>improve valuation and asset management practices</li> </ul>

Source: Queensland Audit Office reports.

