Figure 2O shows our assessment of councils' public participation plans. Only Maroondah had a comprehensive community engagement plan for its nominated project. Murrindindi's project plan had most elements but was missing the crucial evaluation element.

Figure 2O
Elements of better practice public participation plans and their implementation

	Ballarat	Cardinia	Maribyrnong	Maroondah	Mitchell	Murrindindi
Description of the planned objectives and scope of public participation	×	✓	✓	✓	×	✓
Identification of those likely to be affected	×	✓	✓	✓	×	✓
Identification of resources, skills and time required	×	O	×	✓	O	✓
A plan that is customised to the participation activity	×	×	×	✓	×	✓
Implementation of the public participation activity as described in plan	×	×	×	✓	×	✓
Evaluation of the public participation activity	×	×	×	✓	×	×

Note: Results are for a single project nominated by each council as an example of public participation.
Note: ✓ = element is present, × = element is not present, O = part of this element is present.
Source: VAGO.

Mitchell and Ballarat had some of the required elements in their project documentation, but they did not include crucial public participation information as part of an overall community engagement plan. As a result, we could not determine whether their public participation activity had been implemented as planned, or evaluate the success of the activity, and their documentation could not be considered better practice.

Councils could improve their public participation activities by developing a comprehensive public participation engagement plan based on better practice principles, including a step-by-step guide for council staff to conduct effective public participation activities.

3 Local Government Victoria

Local Government Victoria (LGV) is part of the Department of Environment, Land, Water and Planning, and works cooperatively with Victoria's 79 local councils to ensure Victorians benefit from responsive and accountable local government. In partnership with the local government sector, LGV works to improve business and governance practices to maximise community value and accountability, and oversees the administration of the relevant legislation.

This part of the report considers LGV's role in promoting public participation to local councils and supporting them to engage with their communities.

3.1 Conclusion

LGV is responsible for directly promoting better practice in public participation to the local government sector, as well as reflecting better practice in its own activities. Although LGV has demonstrated better practice in a range of its own activities, it has not sought to address the low levels of community satisfaction with community consultation and engagement initiated by local councils. LGV should take a more active role in promoting processes and resources for better practice public participation.

3.2 Reviewing the *Local Government Act 1989*

LGV has been engaged in an extensive consultation and engagement process to inform the development of revisions of the *Local Government Act 1989* (the Act). LGV has consulted adequately with the community for the scale and significance of the project.

Phase one of the consultation process aimed to identify issues with the current Act and explore reform ideas. LGV released a discussion paper and commissioned 10 background papers by experts in different fields of local government. LGV established technical working groups comprising experts from the sector to work with its staff on policy and legislative questions. It also held a series of community forums around Victoria.

Phase two involved developing the directions for reform for the revised Act, outlined in LGV's discussion paper *Act for the Future: Directions for a new Local Government Act,* published in June 2016. LGV then conducted a second phase of intensive consultation, which continued to mid-September 2016.

Act for the Future proposes a much stronger role for public participation in local government. It proposes ways to build stronger citizen engagement in shaping councils' directions and developing council plans. It also outlines ways for councils to ensure that they are transparent and accountable, and have a rigorous approach for responding to community complaints.

3.3 Local Government Performance Reporting Framework

The Local Government Performance Reporting Framework (LGPRF) is a mandatory system of performance reporting for councils to ensure that they are measuring and reporting on their performance in a consistent way. The framework is made up of 66 measures, and a governance and management checklist of 24 items. Together these elements build a comprehensive picture of council performance.

LGV's participation in the development and implementation of the framework has been effective, and the associated public participation activities were at the Involve and Collaborate end of the International Association for Public Participation (IAP2) spectrum of public participation.

During the development of the framework, LGV convened a series of regional workshops and sector engagement activities to obtain feedback on the draft LGPRF indicators, and to build councils' awareness of the framework and how it would affect them. Over 2 000 people representing all 79 councils contributed to one or more of the engagement activities.

LGV conducted a post-implementation survey to gauge the views of council staff on the LGPRF implementation process. The survey asked questions about satisfaction with the project team, the effectiveness of communication channels, the usefulness of processes for providing feedback on the LGPRF, and satisfaction with the consultation and engagement process.

LGV created the LGPRF website in collaboration with the local government sector and the community through a dedicated user group and a range of focus groups. LGV has also established a post-implementation steering committee, made up of members from a broad range of councils, peak bodies and ratepayer groups.

3.4 Data collection

Local Government Community Satisfaction Survey

Each year LGV coordinates the statewide Local Government Community Satisfaction Survey (community satisfaction survey). This coordinated approach allows for far more cost-effective surveying than would be possible if councils commissioned surveys individually.

Participation in the survey is optional. Participating councils have various choices about the content of the survey and the sample size, depending on their individual strategic, financial and other considerations.

The main objectives of the survey are to assess councils' performance on a range of measures and to gain insight into ways they could provide improved or more effective service delivery. The survey also provides councils with a means to fulfil some of their statutory reporting requirements, and acts as a feedback mechanism for LGV.

In 2016, 69 of 79 councils participated in the survey. One of the core measures rates respondents' satisfaction with their councils' community consultation and engagement.

As part of the LGPRF, all 79 councils must report back to LGV on community consultation and engagement. If councils do not take part in the community satisfaction survey, they must complete their own survey on community consultation and engagement.

Councils must provide a rating out of 100 of their community's satisfaction with their consultation and engagement efforts. This includes consulting and engaging directly with the community on key local issues requiring decisions by council. The average overall score for all councils in 2015–16 was 55 out 100.

From 2017, a community satisfaction survey score in any category of between 50 and 60 is rated as 'performing satisfactorily in this service area but needs to improve'. A score between 60 and 75 is rated as 'performing well in this service area, but there is room for improvement', and a score between 75 and 100 is rated as 'performing very well in this service area'.

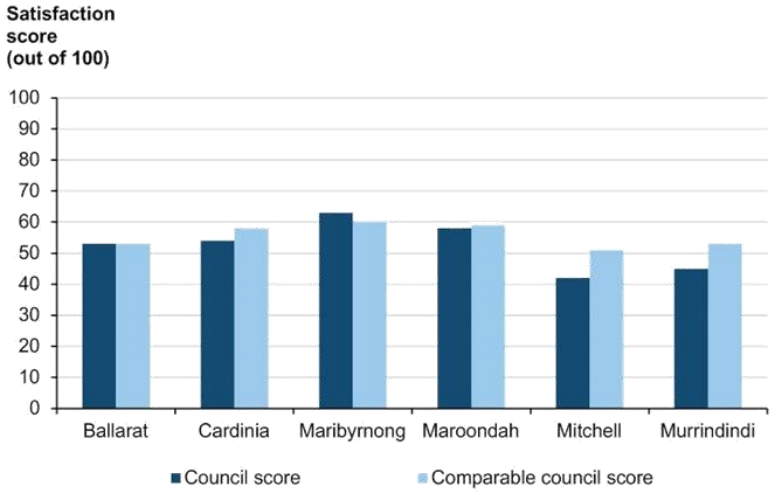
Know Your Council website

The Know Your Council website provides an opportunity for the public and councils to access consistent information on the performance of local councils across Victoria. Users can view community satisfaction with councils' community consultation and engagement. They can also compare similar councils and view detailed profiles of councils. Other areas included on the Know Your Council website are governance, statutory planning, financial performance and sustainable capacity.

Figure 3A shows the level of community satisfaction with community consultation and engagement for the audited councils compared to similar councils.

Local Government Victoria

Figure 3A
Community satisfaction with audited councils' community consultation and engagement, 2015–16



Source: VAGO, based on data from Know Your Council website, knowyourcouncil.vic.gov.au.

In 2015–16, four of the six audited councils scored lower than similar councils. Scores ranged from 42 to 63 out of 100. Mitchell and Murrindindi scored lowest and were well below similar councils, while Maribyrnong scored highest and was above similar councils.

Considering the relatively low scores, it would be beneficial for LGV to analyse the data and develop resources and initiatives that support councils to improve their practices.

3.5 Sector leadership

One of LGV's responsibilities is to demonstrate sector leadership by conducting better practice participation in its own activities. The following case studies show that LGV undertakes better practice public participation across all levels of the IAP2 spectrum, depending on the nature and needs of particular projects.

Victorian Aboriginal Local Government Action Plan

LGV developed the Victorian Aboriginal Local Government Action Plan during 2016. During the process, LGV conducted widespread consultation and incorporated feedback into the plan. The action plan recognises that local governments play a central role in closing the gap between Aboriginal and non-Aboriginal Victorians in key areas such as health, education and economic outcomes. The action plan is a resource for councils, and brings together some positive initiatives already happening around the state.

LGV prepared a consultation draft of the action plan and workshopped ideas with specific community groups to gain feedback from the public. LGV also requested case studies of better practice engagement and partnerships between councils and Aboriginal communities. LGV sent a copy of the consultation draft to key stakeholders and held a number of targeted workshops and meetings. LGV modified the action plan in response to concerns and queries raised by stakeholders and the community, by incorporating more specific information and actions.

This is an example of the Involve level of public participation—the objective was to work with stakeholders to ensure LGV understood and considered their concerns.

Local Government Model Financial Report

LGV is responsible for the annual review and update of the Local Government Model Financial Report (LGMFR) and associated better practice guide. LGV involved the community meaningfully in the process.

In preparing to update the documents for the 2015–16 reporting year, LGV consulted and engaged with the sector through three key channels—an online survey, a circular to all council CEOs and a workshop at the FinPro annual conference, an event for financial professionals in local government roles. Stakeholders provided 46 survey responses, six formal written submissions in response to the circular, and 26 comments and suggestions at the workshop.

LGV collated this feedback and formed a working group to consider, discuss and then approve any amendments for 2015–16. The working group included representatives from FinPro, CPA Australia, VAGO and LGV. It launched the updated LGMFR and better practice guide in February 2016 and held a series of five workshops throughout the state in May and June 2016.

Like the Victorian Aboriginal Local Government Action Plan, this case study represents the Involve level on the IAP2 spectrum.

Citizens' jury

Following an Independent Commission of Inquiry, the Victorian Parliament dismissed the Greater Geelong City Council in mid-2016.

The Parliament agreed that the people of Geelong should be given a say in the composition and representative structure of their new council. The Minister for Local Government (the minister) conducted a citizens' jury process to inform the development of the new representative structure. This is an example of empowering the local community—the fifth level on the IAP2 spectrum.

LGV commissioned an independent research organisation, the newDemocracy Foundation, to design and oversee the process on behalf of the minister. LGV prepared a background paper to help the jury in its deliberations. The newDemocracy Foundation sought submissions on alternative models of representation from academics and others to produce aspirational options for the jury to consider.

Local Government Victoria

The 100 members of the citizens' jury were randomly selected and were representative of the gender, age and geographical diversity of Greater Geelong. The wider community contributed to the jury process through surveys, workshops and submissions. More than 1 000 people responded to the surveys, 29 submissions were received, and there were five public workshops and further targeted workshops involving 107 participants. The citizens' jury finalised its report in January 2017 and the government responded in March 2017.

LGV will commission an independent evaluation of the engagement activities in the citizens' jury project. The evaluation aims to capture and share the lessons learnt from the citizens' jury process as an example of a deliberative engagement process. This is particularly important as the proposed reforms to the *Local Government Act 1989* will require councils to undertake deliberative engagement with their communities when they are developing their four-year council plans.

Appendix A.

Audit Act 1994 section 16— submissions and comments

We have professionally engaged with Local Government Victoria (within the Department of Environment, Land, Water and Planning), the City of Ballarat, Cardinia Shire Council, Maribyrnong City Council, Maroondah City Council, Mitchell Shire Council and Murrindindi Shire Council throughout the course of the audit. In accordance with section 16(3) of the *Audit Act 1994* we provided a copy of this report or relevant extracts to those agencies, and requested their submissions and comments.

Responsibility for the accuracy, fairness and balance of those comments rests solely with the agency head.

Responses were received as follows:

Department of Environment, Land, Water and Planning 30
City of Ballarat 32
Cardinia Shire Council 33
Maribyrnong City Council 34
Mitchell Shire Council 36
Murrindindi Shire Council 38

Appendix A. Audit Act 1994 section 16—submissions and comments

RESPONSE provided by the Secretary, Department of Environment, Land, Water and Planning

Department of Environment,
Land, Water & Planning

8 Nicholson Street
East Melbourne, Victoria 3002
PO Box 500
East Melbourne, Victoria 8002
www.delwp.vic.gov.au

Ref: SEC012799

RECEIVED
02 MAY 2017
VICTORIAN AUDITOR-GENERAL'S OFFICE

Mr Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
Level 24, 35 Collins Street
MELBOURNE VIC 3000

Dear Mr Greaves Andrew,

PERFORMANCE AUDIT - PUBLIC PARTICIPATION AND COMMUNITY ENGAGEMENT: LOCAL GOVERNMENT SECTOR

Thank you for the opportunity to comment on the provisional draft report for the performance audit *Public Participation and Community Engagement: Local Government Sector*.

The Department of Environment, Land, Water and Planning (DELWP) welcomes the report's findings, accepts all the recommendations, and provides the enclosed action plan to implement your recommendations.

Should you require further information in relation to the department's response, please contact Mark Grant, Director Sector Performance and Development on 9948 8517 or mark.grant@delwp.vic.gov.au.

I would like to take this opportunity to recognise the collaborative nature of the engagement between the audit team and Local Government Victoria. This positive engagement has allowed for effective discussions of the issues and the opportunity for different perspectives to be better understood.

Yours sincerely

Adam Fennessy
Secretary

Encl.

- 1 MAY 2017

Any personal information about you or a third party in your correspondence will be protected under the provisions of the *Privacy and Data Protection Act 2014*. It will only be used or disclosed to appropriate Ministerial, Statutory Authority, or departmental staff in regard to the purpose for which it was provided, unless required or authorized by law. Enquiries about access to information about you held by the Department should be directed to the Privacy Coordinator, Department of Environment, Land, Water and Planning, PO Box 500, East Melbourne, Victoria 8002.

VICTORIA State Government

RESPONSE provided by the Secretary, Department of Environment, Land, Water and Planning – continued

DELWP ACTION PLAN

Performance Audit - Public Participation and Community Engagement: Local Government Sector

	DELWP Action	Completion Date
Recommendation 4		
That Local Government Victoria analyse public participation data and promulgate better practice public participation case studies, guidance and training.	Local Government Victoria (LGV) will develop best practice guidance and a web based repository of best practice examples after the completion of the review of the *Local Government Act 1989*.	June 2018
	LGV will analyse available public participation data on an annual basis.	June 2018
	LGV will present a paper to a Local Government Performance Reporting Steering Committee meeting on the inclusion of public participation performance indicator(s) as a requirement of the Local Government Performance Reporting Framework.	March 2018

Appendix A. Audit Act 1994 section 16—submissions and comments

RESPONSE provided by the Chief Executive Officer, City of Ballarat

CITY OF BALLARAT

City of Ballarat

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AUSDOC DX 35030
Ballarat Victoria

Date: 28 April 2017
Our Ref:
Your Ref:
Enquiries:
Writer's Direct Fax:

RECEIVED
28 APR 2017
VICTORIAN AUDITOR-GENERAL'S OFFICE

Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
Level 24, 35 Collins Street
Melbourne VIC 3000

Dear Mr Greaves,

Thank you for the opportunity for the City of Ballarat to participate in the *Public Participation and Community Engagement: Local Government Sector* audit.

It is positive to see the City of Ballarat featured in a number of the cases studies as part of the process. It is particularly pleasing to see the Ballarat Imagine process and the 2015-16 City of Ballarat Council budget process acknowledged as being positive examples of a Council demonstrating meaningful participation and consideration of feedback. The final audit assessment of the Engaging Communities Program case study is disappointing particularly given the known community benefit, popularity and success of the program in empowering our local communities.

We look forward to receiving a final copy of the report and exploring opportunities for City of Ballarat to strengthen and refresh our Community Engagement Policy based on the recommendations from the report.

Yours truly,

Justine Linley
Chief Executive Officer
City of Ballarat

Appendix A. Audit Act 1994 section 16—submissions and comments

RESPONSE provided by the Chief Executive Officer, Cardinia Shire Council

Cardinia

Our ref: 15-110-12
Your ref: 32572

20 April 2017

Mr Andrew Greaves
Auditor-General
Level 24, 35 Collins Street
MELBOURNE VIC 3000

Dear Mr Greaves,

Re: Performance Audit Report.

Thank you for letter dated 13 April 2017 inviting a response to the proposed report regarding Public Participation and Community Engagement in the Local government sector.

Based upon the draft report received in March it was decided to review all of our engagement documentation (policy, procedures, handbook etc.) to address some of the areas identified within the audit before the recommendations were publicised. Council welcomes the findings of the audit as they can now serve as a template for best practice across all local government agencies.

We acknowledge that within the engagement process there are specific criteria where we do well and others where we can improve. Once our internal engagement desktop audit is complete we will be better placed to enhance the service we provide to the benefit of all our staff, community and external stakeholders.

Once again thank you for the opportunity to respond.

Yours sincerely

Garry McQuillan
Chief Executive officer

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Appendix A. Audit Act 1994 section 16—submissions and comments

RESPONSE provided by the Chief Executive Officer, Maribyrnong City Council

1 May 2017

Ms Karen Ellingford
Senior Manager
Performance Audit
Victorian Auditor General's Office

By email Karen.Ellingford@audit.vic.gov.au

Dear Karen,

Re: Response to the Auditor General's report: Public Participation and Community Engagement: Local Government Sector

Thank you for providing Council with the Auditor General's final report, we note where our responses to previous drafts have been considered. As per your invitation we would like to see the following comments included in the report tabled to Parliament.

Response to general recommendations relevant to local government:

1. Since the adoption of Maribyrnong City Council's public participation policy in 2014 the IAP2 model of engagement has been increasingly recognised as best practice and as such has been steadily adopted and integrated into Council's engagement processes, despite it not having been directly referenced in the 2014 policy.

   Maribyrnong City Council is relatively unique in its model of a centralised business unit dedicated to community engagement. Rather than relying on individual units to take up planning for engagement based on a framework and staff handbook, staff in the centralised unit are trained in the IAP2 model and stay up to date with best practice. This unit works with other business units to identify best methods for engagement, ensure stakeholder identification is carried out and consultation is promoted through communication channels.

2. Whilst not explicitly referenced in the 2014, the subsequent introduction of an online platform and integration with the communications team allows for close monitoring of consultation reach and engagement. Since its adoption in 2015, Council's online engagement platform has achieved more than 20, 000 site visits. Consultation outcomes are routinely reported through the online portal and social media as well as through all council reports.

Since the adoption of this policy an organisational restructure and implementation of new approaches to community engagement have reshaped Council's approach. In 2015, new staffing arrangements have seen an increase in staff and higher qualifications and experience in community engagement. The scope and timeframe of this audit therefore does not reflect the actual current practice of Council.

/2

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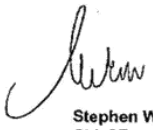
RESPONSE provided by the Chief Executive Officer, Maribyrnong City Council – continued

The Auditor General's report should acknowledge that different Councils are at different stages of implementing their policies and framework. Maribyrnong City Council's four year policy and framework adopted in 2014 is relatively dated and now due for review. The audit's focus on policies and frameworks therefore is not necessarily reflective of actual practice. The review that will be carried out in 2017 will inform a new policy and framework that will be more reflective of Council's current practice and incorporate other components recommended in this report.

Thank you for your consideration of our response. If you require further information or clarification of any of the above, please do not hesitate to contact Celia Haddock, Council's Director Corporate Services.

Yours faithfully



Stephen Wall
Chief Executive Officer

Appendix A. Audit Act 1994 section 16—submissions and comments

RESPONSE provided by the Chief Executive Officer, Mitchell Shire Council

MITCHELL SHIRE COUNCIL

Please quote our reference in your reply
Our Ref: OUT/17/3130

4 May 2017

Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
Level 24, 35 Collins Street
MELBOURNE VIC 3000

Dear Mr Greaves,

PUBLIC PARTICIPATION AND COMMUNITY ENGAGEMENT AUDIT RESPONSE

Thank you for the opportunity to provide a response to the Public Participation and Community Engagement: Local Government Sector proposed report. Thank you also for considering our feedback to the provisional draft.

Mitchell Shire Council sought community input on more than 40 projects or initiatives in the 2015/16 period covered by the audit. These ranged from basic input via public notices and Section 223 of the Local Government Act over relatively short periods of time through to extensive engagement programs conducted over several financial years.

Community Engagement Framework

We acknowledge the comments made regarding the Community Engagement Framework. We delayed a planned review of our Community Engagement Framework and further development of our internal resources and processes to await the outcome of the audit report.

The recommendations in the report will be considered as part of the review of this framework and associated enhancement of our staff resources including templated engagement plans and evaluation. This is currently planned for early 2017/18.

Council Plan and Budget

We are currently working with our community on the development of the next Council Plan and Budget. We have included a range of consultation methods and opportunities for interested community members to participate. This has been very successful so far with more than 1200 responses from a range of people and groups across the municipality. This input has been used to inform the preparation of the draft Council Plan and Budget. We are currently seeking input on the drafts.

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RESPONSE provided by the Chief Executive Officer, Mitchell Shire Council – continued

Seymour Structure Plan

We are disappointed that the Seymour Structure Plan did not receive partial compliance as it was a particularly extensive and valuable engagement program with many best practice elements incorporated.

We do, however, acknowledge that more formal documentation of our engagement plan and evaluation of the effectiveness of engagement activities by participants would have been beneficial in demonstrating best practice across all elements and moving Mitchell into full compliance across the areas assessed.

We will consider the formalisation of templated engagement plans and evaluation activities through the review of our Engagement Framework and associated resources.

We look forward to the continual evolution of engagement practices in the sector as we continue to explore ways to improve transparency and public participation to help make better decisions on behalf of our community, and our communities of the future.

Yours sincerely

DAVID TURNBULL
CHIEF EXECUTIVE OFFICER

Appendix A. Audit Act 1994 section 16—submissions and comments

RESPONSE provided by the Chief Executive Officer, Murrindindi Shire Council

In reply please quote: SF/2093 17/24516 MA:ar

Your Reference:

Telephone Enquiries: Margaret Abbey

18 April 2017

Mr Andrew Greaves
Auditor-General
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MELBOURNE VIC 3000

RECEIVED
19 APR 2017
VICTORIAN AUDITOR-GENERAL'S OFFICE

kyley.daykin@audit.vic.gov.au

Dear Mr Greaves,

Re: Proposed Performance Audit Report – Public Participation and Community Engagement

Thank you for your letter dated 13 April 2017 inviting a formal response to the draft report on Public Participation and Community Engagement

Council recognizes the importance of community engagement and looks forward to implementing the recommendations from this Audit.

Yours faithfully,

Margaret Abbey
Chief Executive Officer

Murrindindi
Shire Council

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