

C. Prioritising service delivery

We have developed a cost value tool for councils to use. The tool helps councils identify the key priorities for funding allocation. The tool focuses on the services that are in some way optional. It excludes roads, waste collection, water, and wastewater.

The cost value tool helps councils to identify a priority order for service reviews. Service reviews identify the level of service required, including quantity and quality. Service reviews also support the allocation of limited funding and resources to services of most community value.

The five concepts of value included in the tool:

1. Community amenity—45 per cent

This is value obtained from local community use. It considers how the service is used, why it is in place, and the historical value of the service and associated assets. The more links to the local community, the greater the score.

2. Link to strategy—15 per cent

This represents the link between the service delivery and the strategic intent of council. This should include new strategies and business-as-usual activities. The stronger the link, the greater the score.

3. Alternative services—15 per cent

This assesses whether there are similar or partial services delivered elsewhere—from other council services, other government activities, or the private sector. The higher the availability of alternative services, the lower the score.

4. Functionality—15 per cent

This assesses the requirements to operate the service. The assessment includes the required employee skills, the required technology, and the sharing of assets. The more functionality of the operational requirements, the greater the score.

5. Risk—10 per cent

Risks associated with the delivery of the service are assessed to identify those that are desired by council and those that cannot be managed efficiently. The greater the unmanageable risk, the lower the score.

For each identified service, the value rating and cost are included in one of four quadrants. The action to be taken depends on the quadrant.



The four quadrants are outlined below.

Figure C1
The cost—value quadrants

Quadrant	Action
1. High value, low cost	This is the preferred service model for sustainability
2. Low value, high cost	These services are the number one priority for a review of service levels or the service as a whole
3. High value, high cost	These services are the number two priority for a review of service levels or the service as a whole
4. Low value, low cost	These services are the number three priority for a review of service levels or the service as a whole

Source: Queensland Audit Office.

This tool aligns with the long-term financial sustainability of council. The 10-year forecast, and strategic asset-management plans, can be aligned to the priority of the services identified in this model. The assets (maintenance and capital spend) and operations linked to high-value services can be prioritised in the long-term forecasting model.

The tool is available on our website at www.qao.qld.gov.au/reports-resources/better-practice.

