

Part One



introduction to strategic indicators



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Many local and regional authorities invest considerable resources and effort in identifying what is important to the community and reflecting those values and aspirations for the future into a strategic plan.

In the context of this guide, strategic plans (whether called strategic directions statements, community plans, Local Agenda 21 plans or something else) are about communities setting the agenda to address the long term economic, environmental and social needs of an area. They provide a reference point for councils and other stakeholders in the community in terms of defining the roles, strategies and actions to achieve desired outcomes.

Strategic planning is not just about defining what outcomes are to be achieved. It also involves keeping abreast of what is being achieved and what requires attention. How well placed are local and regional authorities to track this progress?

Over the last ten years the concept of community-based indicators has evolved in the USA, Canada, Europe and more recently in Australia. While approaches are varied, essentially indicators measure progress towards the quality of life and future that a local community aspires to achieve.

Strategic indicators are about monitoring key trends and conditions within a local government area or region leading to an understanding of 'where we are' and 'where we need to take action' to achieve community-wide goals.

Strategic indicators reflect a move away from traditional indicators which tend to focus on economic measures, to ones that better reflect a triple bottom line—social cohesion, environmental quality and economic integrity.

New indicators are needed to properly reflect progress towards the integration of the economic, social and environmental aims of a community.

1. Why monitor strategic directions?

Without goal setting, a council may find itself reacting to concerns and sectional interests rather than leading the community towards a desired future (Salsburg, 1997). Strategic directions are about addressing issues, shaping conditions and defining what outcomes the community wants (for example, local employment opportunities, improved amenity and heritage protection).

Strategic directions:

- define the future desired by the community
- identify negative aspects of the area that the community wants to eliminate
- reflect the views of the community.

In determining whether a community is moving towards a desired future, three questions should be considered by council (and other stakeholders):

- is the community (which council is elected to represent) moving towards a desired future?
- how do we know?
- how can the information be converted into action?

2. What is wrong with the way we measure progress?

It is a basic truth that what cultures measure, they will also value (Theobald, 1999).

Traditionally economic measures such as employment, retail sales, real estate trends and interest rates were used as a barometer of community well being and quality of life, particularly by the media and politicians. By simply relying on economic indicators to measure progress, we ignore two other aspects that are fundamental to the make up of a community—social cohesion and environmental condition (Hamilton, 1998).

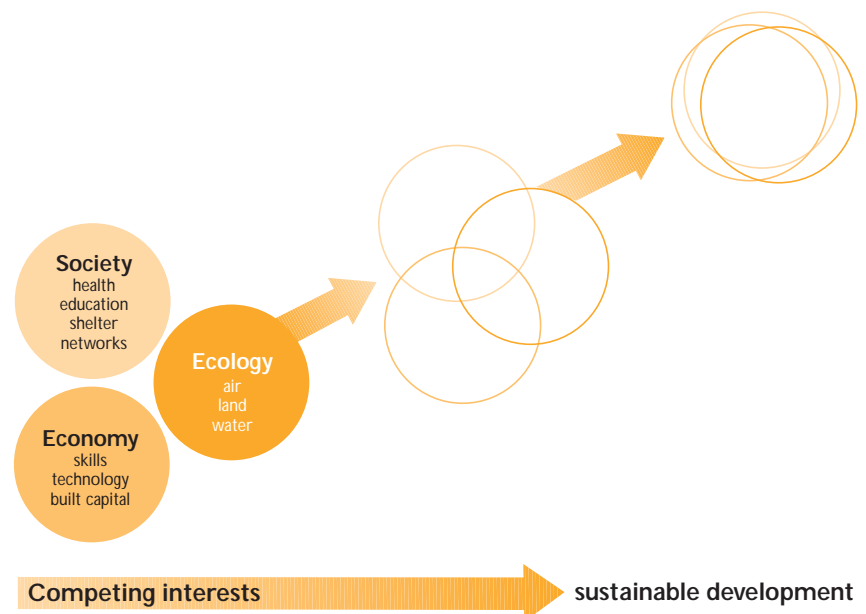
A more balanced approach is needed to properly reflect progress towards the integration of economic, social and environmental aims of a community.

As highlighted by the Australia Institute and City of Newcastle (May 2000):

Traditional indicators are not adequately balanced in terms of economic, social and environmental attributes and can give the wrong signals. If a city measures its success by housing starts, new roads, tourism numbers, it might end up with urban sprawl, traffic pollution, a degraded environment and loss of neighbours.

Traditional measures tend to be one dimensional and to reflect past practices where the economy, environment and the community were considered in isolation and as competing interests. Strategic indicators, on the other hand, aim to promote sustainable communities by having regard to all aspects—economic, environmental and social—of the community.

The evolution of decision making



Source: adapted from City of Toronto (1997)

3. What are the drivers?

Good governance

One of main drivers for monitoring progress is that it is simply good governance. Councils have many and varied roles, both direct and indirect—as service provider, regulator, leader by example, community informer, advocate, advisor, partner, mobiliser of community resources, initiator of dialogue and debate (Eurocities Helsinki Seminar, 18 June 1997, <http://www.citiesnet.uwe.ac.uk/finrep.htm>).

This notion of good governance is echoed in the new *Local Government Act 1999* under the principal role (Section 6), functions (Section 7) and objectives of a council (Section 8). Council has an important role in mobilising strategies to promote sustainable communities. It is democratically elected to represent the local community and its aspirations in terms of quality of life. It is responsible and accountable for the management of the area. It must have regard to economic, social and environmental considerations. A better understanding of the aspects and impacts of the area enables more effective feedback into policy development and decision-making processes.

Local Government Act 1999

The *Local Government Act 1999* requires each council to prepare strategic management plans for the area by July 2002 and undertake a comprehensive review at least once every three years. The plans are intended to cover a three to five year period although long term vision statements may be incorporated. The Act does not prescribe how council should approach strategic management plans in terms of outcomes, scope of services, consultation approach or how the outcomes should be monitored.

Local Agenda 21

Councils may have an interest in measuring progress as part of the Local Agenda 21 Program. There are 34 councils involved in

the South Australian Partnership for Local Agenda 21 which is a response to Australia's commitment to Agenda 21 (often referred to as the 'blueprint for sustainability' and endorsed in 1992 at the United Nations Conference on Environment and Development). Local Agenda 21 offers a planning framework that assists in defining sustainability in the local context and enables economic, social and environmental considerations to be addressed in all decision making.

Indicators are distinguishable from raw data or a statistic by the fact that they are linked to policy concerns or outcomes.

4. What are indicators?

Indicators are a measurement tool that enables selected issues or conditions to be monitored over time for the purposes of evaluating progress towards or away from a desired direction (Hart, 1999). A more technical definition offered by Eckersley (1997) is that it refers to 'a statistic or parameter that is monitored over time to determine a trend which may be either positive, negative or unchanged'.

Indicators are distinguishable from raw data or a statistic by the fact that they are linked to policy concerns or outcomes. Indicators are intended to simplify information so that it becomes an understandable and reliable sign of what is occurring.

5. What are the benefits of using indicators?

The information derived from indicators enables a council to:

- systematically monitor progress towards the strategic directions for the area
- provide sound, credible information that informs policy and decision makers about progress
- draw attention to negative trends
- provide a trigger to modify efforts where they are not adequate
- show linkages (cause and effect)
- improve awareness of conflicts between goals
- promote adaptive management or continuous learning.

Strategic indicators measure progress towards goals; cover economic, social and environmental parameters; and place emphasis on sustainability.

6. What is a strategic indicator?

Strategic indicators measure progress against strategic direction statements. These statements are (or should be) underpinned by a sustainability agenda that is about integrating the economic, social and environmental aims of a community. The characteristics which define strategic indicators are detailed in Part Two, but essentially they:

- measure progress against a strategic direction or goal
- cover economic, social and environmental parameters
- place emphasis on sustainability.

Strategic indicators are focussed on outcomes such as the enhanced amenity of the area, a cleaner environment, a healthy economy, better access to services, and affordable housing.

7. What is the difference between strategic indicators and:

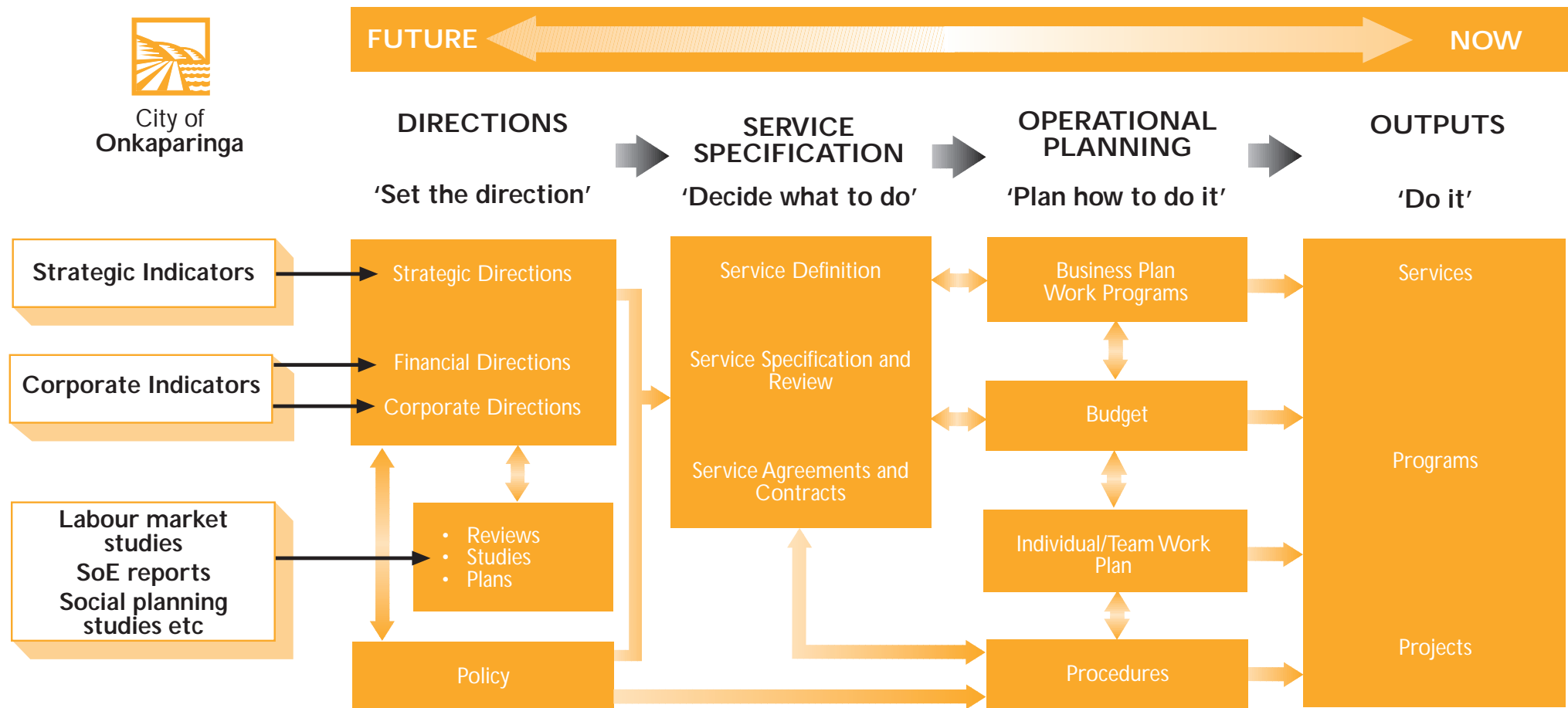
(1) corporate performance indicators?

Corporate performance indicators are internally focussed and concerned with organisational outputs (for example, frequency of waste collection or number of building approvals processed).

(2) indicators used for State of Environment reporting?

State of Environment (SoE) reporting focuses on environmental protection and measures the human impact on the physical environment. SoE reporting will provide a deeper analysis of environmental conditions, pressures and responses which can be used for preparing or reviewing environmental management and implementation plans.

Strategic Framework



Note: The strategic planning framework is the City of Onkaparinga's model. Other possible approaches are outlined in the Local Government Association's *Strategic Management and Planning Manual (1999)*.

8. Who should be involved?

Community indicator projects are not just about technical competence, knowledge and methods. They will also take account of council structures, networks, local dynamics and the motivation of individuals. As a general rule:

- elected members and senior management can provide leadership and commitment
- expertise and advice can be drawn from technical officers
- existing committees or working groups (such as Local Agenda 21 Committees) should play a role in overseeing the brief
- sectional interests within the community can provide input into goal setting and the indicator selection process whether it is through a working group, reference group or consultation process
- cooperative arrangements with neighbouring councils and regional organisations should also be considered an option.

Community representation may include business and economic development organisations, community service groups, resident groups, environmental groups, research institutions and state agencies among others.

9. What does it cost?

There is no fixed cost. The input of resources can vary from small-scale projects that use data already held or used by council, to commissioned projects. As a general rule, community indicator projects can involve anywhere between six months for a small scale exercise up to two years.

Potentially, the task can involve a great deal of work. There may, however, be data collection, processes for consulting the community, or networks and structures already in place that are suitable for steering the project. The return occurs when the information is used to guide decision making, refocus efforts and target resources in a more effective way.

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10. What are the critical success factors?

Research into community indicator projects occurring in Australia and overseas suggests there are a number of factors that contribute towards successful indicator development, namely that:

- strategic directions are clearly defined for the locality or region
- indicators are linked to the strategic directions
- there is an attempt to balance economic, social and environmental considerations
- the indicators are forward looking—there is a focus on the future
- there is an attempt to address equity in the current generation (intra-generational) and also between generations (inter-generational)
- the community is engaged in the process of developing the strategic directions or the indicators themselves
- indicators are relevant and acceptable to the community.

11. Where might the process fail?

The use of indicators can be less useful where:

- the strategic indicators are not linked into the strategic planning framework so that the capacity for feedback into the policy decision making process is limited
- the strategic directions are not underscored by sustainable development principles so the process may promote conflict between goals (for example, economic goals in conflict with environmental goals)
- the limitations or weaknesses of indicators are not acknowledged so that the interpretation of data may become misguided
- there is limited capacity for ongoing monitoring to determine trends, that is, data collection, maintenance, documentation
- the indicators are used only to embellish reports so that limited learning takes place.

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12. Who else is working on community indicator projects?

Attempts to improve the measures of progress have led to the development of indicators that range in scope and reflect different schools of thought regarding what constitutes a better life. At the local (and regional) level, 'healthy city', 'sustainability' and 'quality of life' indicators have emerged over the past decade particularly in the USA, Canada and UK.

Some indicator projects have the primary objective of measuring progress towards sustainability, however defined by the community. The Sustainable Seattle Project (Washington, USA) is a model approach adopted by many other communities because of its strong focus on empowering and engaging the community in developing the indicators. The initiative is independent of any local strategic plan, although the City of Seattle recognises the value of the indicators.

Other community indicator projects such as those undertaken by the City of Santa Monica (California, USA) and the City of Toronto (Canada) are linked to measuring progress towards visions, strategies and programs with various drivers and institutional structures. The goals, in most cases, are underscored by sustainable development principles.

In Australia, many of the community indicator projects revolve around State of the Environment reporting. There is, however, a move towards broader economic, environment and social indicators, as a gauge of progress towards sustainability—similar to the Sustainable Seattle approach.

Appendix D contains information about other community indicator projects.

13. How interested are councils in using indicators?

The Strategic Indicators Project has received significant interest from metropolitan and non-metropolitan councils. Thirty-two councils in South Australia accepted an invitation to be informed and engaged in the project, in addition to 16 state agencies and non-government organisations.