

9. Integrated Planning and Reporting legislation and guidelines

The Minister for Local Government and the Department of Local Government have recently released draft legislation and guidelines on Integrated Planning and Reporting (IPR). Submissions on the legislation close 12 June 2009 and the guidelines 12 July 2009.

Group Manager, Community and Relationships

BACKGROUND

The State Government has now released the Exposure Draft Local Government Amendment (Planning and Reporting) Bill 2009 and the Local Government (General) Amendment (Planning and Reporting) Regulation 2009 for public consultation.

The draft legislation provides for the proposed new framework that has been developed in consultation with local government. It aims to:

- Improve integration of various statutory planning and reporting processes undertaken by councils as required by the Local Government Act 1991 and the Environmental Planning and Assessment Act 1979.
- Strengthen Council's strategic focus.
- Streamline reporting processes.
- Ensure that the Local Government Act 1993 and the Department of Local Government's guidelines support a strategic and integrated approach to planning and reporting by local council's.

The draft legislation is supported by draft Planning and Reporting Guidelines (mandatory) and a draft Planning and Reporting Manual.

Attached is a schematic from the Department of Local Government illustrating the new approach.

Submissions on the Draft Bill and Regulation close Friday 12 June 2009 and for the Draft Guidelines and Manual, Friday 3 July 2009.

Information sessions have been held for Mayors and General Managers and relevant Council staff. Bega Valley Council has been represented at several of these sessions.

Key components of the changes are summarised below:

- Additions to the council's charter to include the role as trustee of public assets and to engage in long term strategic and asset planning on behalf of the community.

- Enhanced roles for Councillors and General Managers are outlined. The role of councillors includes the provision of civic leadership in guiding the preparation to the council's Community Strategic Plan and to be responsible for monitoring the implementation of the council's Delivery Program. The role of the General Manager to include assisting the council develop and implement the community strategic plan, resourcing strategy, delivery program and operational plan, preparation of its annual report and state of the environment report.
- 40 • Accountability for the planning process.
- Strategic planning incorporating the community strategic plan, the resourcing strategy, delivery program, operational plan, annual reports and state of the environment reports.
- Some alterations are also made to specific sections of the Act to remove "Management Plan" and replace with Community Strategic Plan.

ISSUES

Policy

The legislation when passed by Parliament will require appropriate alteration to policies currently in place to ensure compliance with the new direction.

50 Environmental

One area of concern with the draft legislation and associated regulation is the enshrined duplication relating to the requirement to continue to produce a State of the Environment report. Whilst the approach of the new process aims at reducing duplication and integrating planning and reporting along a quadruple bottom line approach (environmental, social, economic and civic leadership), a separate and stand alone State of the Environment report is still required. This has resource implications and seems at odds with the intent of the integrated planning and reporting (IPR) approach.

60 Bega Valley Shire Council currently prepares its SoER on a regional basis with the ACT government. It is suggested that the SoER themes and indicators be reviewed to align and integrate with the ACT and Federal SoER framework.

The SoER should be crafted into the condition-pressure-response framework. The key issues and responses emerging from the 4 yearly SoER can be embedded in the Community Strategic Plan, with the pathway and actions/indicators held in the Delivery Program and Operational Plan respectively. The outcomes against those actions could be reported in the 'Environment' theme of the Annual Report only, not as a separate annual SoER.

Asset

70 There is a requirement in the new process for the development of an Asset Management Plan. This is applauded as an integral and critical component of integrated planning and reporting. Council has scheduled the preparation of an Asset Register and asset management plans.

Social / Cultural

80 Currently it is mandatory for Council to prepare and develop a Social Plan each four years and to report annually against its implementation. Best practice also suggests that Cultural Plans should be in place. Bega Valley has adopted Social and Cultural Plans. The new approach will see these plans integrated into the Community Strategic Plan as cornerstones of the required framework. This is seen as a very positive step in developing a “whole of community” approach to planning and reflects the work currently done by Bega Valley in its 20 Year Plan.

Economic

There is a requirement in the IPR that the Community Strategic Plan must include strategic objectives for the community that address economic issues and strategies for achieving each objective. Whilst previously councils have been required to undertake considerable work in planning in the environment and social areas, there has not been the same requirement in the economic area. Bega Valley has, since 2004, included this important area in its Management Plan, annual operational plan and 20 Year Plan. An Economic Development Strategy and range of Cluster Plans are scheduled for preparation in coming years, subject to funding.

90 Strategic

The IPR legislation and guidelines provide a much better framework for the Council's strategic organisational strategic planning. It requires planning and reporting on the key Themes of Environment, Economic, Social and Governance.

Attached for information is a suggested schematic from Bega Valley Council outlining the hierarchy, role and relationship of the key condition reports (SoER, CoPW and Social Plan) to inform the Community Strategic Plan, and the mix of strategies and plans to inform the Delivery Program and Operational Plan respectively.

Consultation

100 There has been little opportunity for extensive consultation about the draft legislation and guidelines however staff have attended information sessions and discussed the process internally.

Financial

The draft amendments to the Act require councils, as part of a Resourcing Strategy, to provide for long term financial planning. The draft guidelines require councils to develop long-term financial plans – minimum 10 years for general funds and 20 years

for water and sewer authorities. The basic structure of the long term financial plans is outlined in the draft (mandatory) guidelines. Bega Valley currently has in place a 10 year plan and 20 years for water and sewer. Modifications will be required to meet the guidelines but the significant work has been completed.

110 At the moment whilst there is a requirement for the development of long term financial plans there appears to have been no work done on the better integration of the Local Government Accounting Standard and the IPR. While it is understood local government accounts are codified by function to enable transfer upwards into the national accounts, the classifications do not enable the casual reader of the accounts to see how council has raised, invested and spent funds in accord with community wishes demonstrated in the Community Strategic Plan.

To that end, it is suggested the Code of Accounting Practice be modified to a quadruple bottom line (QBL – environment, economic, social, governance) approach and the asset special schedule upgraded to provide all the financial and codified
120 condition information contained in the Condition of Public Works (CoPW) report. Sample copies are available for discussion from our office.

Resources (including staff)

The draft amendments to the Act require a council to have a long-term resourcing strategy which includes long term financial planning, workforce management planning, and asset management planning. The key aspects of these plans are covered in the draft (mandatory) guidelines. Work on a number of these plans is already in place as they are seen as necessary for good management of the organisation.

Operational Plan

130 The draft legislation and guidelines when passed by Parliament will require a change in the current planning and reporting process. Staff have already implemented a process to achieve compliance with the new direction, incorporating a review of the adopted 20 Year Plan. Following the passing of the legislation, which is expected to happen in the Spring session this year, Council will be required to formally nominate the timeframe in which Bega Valley will move to the new framework. The available groups are:

- Group 1 adoption by 31 March 2010 and Delivery Program adopted by 30 June 2101.
- Group 2 adoption by 31 March 2011 and Delivery Program adopted by 30 June 2011.
- Group 3 adoption by 31 March 2012 and Delivery Program adopted by 30 June
140 2012.

It is recommended that Council nominate for Group 2. Whilst all the processes and consultation (including the 2009 Community Survey) currently in place will see the first iteration prepared by June 2010 the additional timeframe allows the community and

Council the option to refine the associated delivery plan over the period July 2010 and June 2011.

CONCLUSION

The Minister for Local Government has released the draft integrated planning and reporting legislation amendments and associated guidelines.

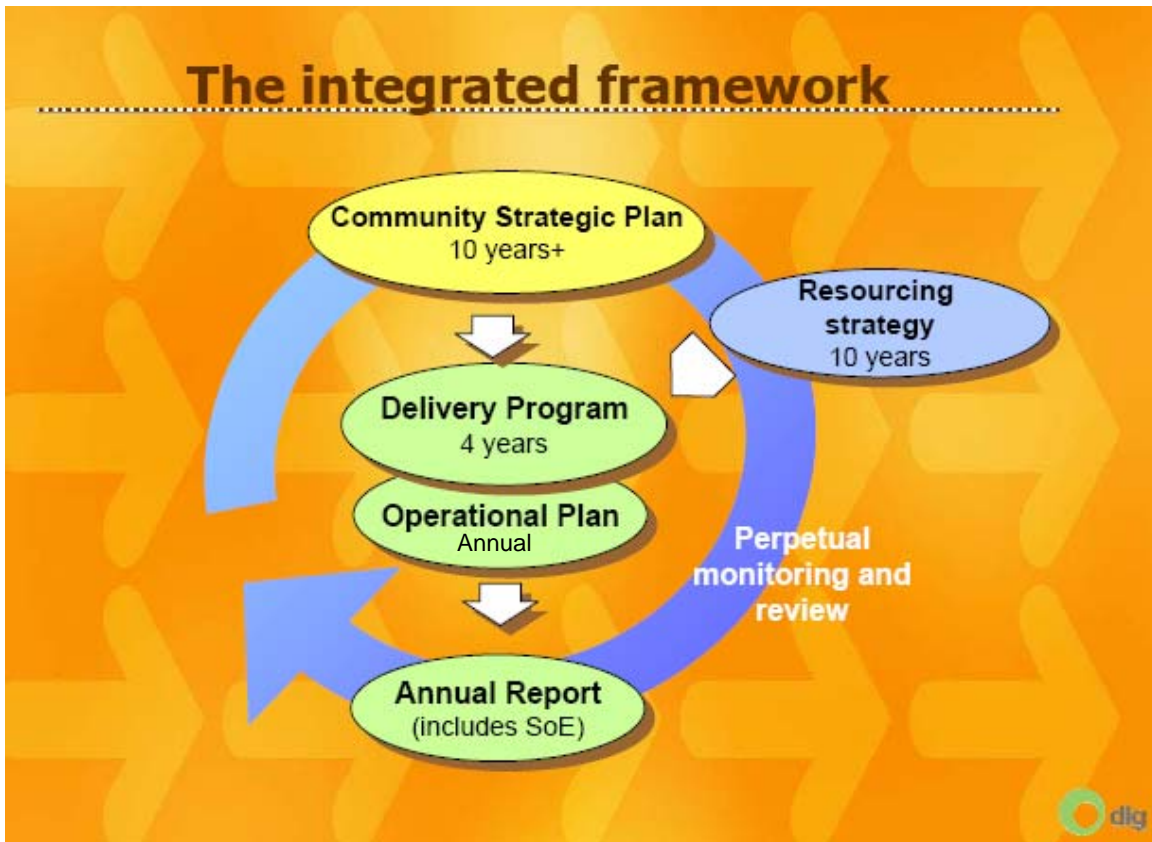
150 A submission will be forwarded to the Department of Local Government on Friday 12 June noting that the draft amendments to the legislation should remove the requirement for separate State of the Environment reporting which currently enshrines duplication in the Act.

A submission will be submitted prior to 3 July 2009 noting the changes required to remove the requirement for separate State of the Environment reporting and improve the financial reporting integration.

RECOMMENDATION

160 That Council notes the intent of submissions submitted in response to the Exposure Draft Local Government Amendment (Planning and Reporting) Bill 2009 and the Local Government (General) Amendment (Planning and Reporting) Regulation 2009 and associated guidelines.

DEPARTMENT OF LOCAL GOVERNMENT SCHEMATIC



BEGA VALLEY COUNCIL MODEL

IPR Themes		Governance	Social	Economic	Environment	prepared by:	Content	
20 yr	STATE PLAN							
Themes	Rights, Respect and Responsibility	Delivering Better Services	Fairness and Opportunity	Growing Prosperity	Environment for Living			
20 yr	Regional Strategy 20 yr							
Aims		Cater for housing demand	Support economic growth and employment	Protect high value environments				
		Protect cultural and heritage values	Manage release of urban lands	Limit development constrained by coastal processes				
C-P-R	Why	State of Shire/City Report (SoS/SoC) 4 yr					Condition/Pressure	
		Demographic Report (Census)	Governance Report	Social Report (SR)	Condition of Public Works Report (CoPW)	State of Environment Report (SoER)		
Strategy	What	COMMUNITY STRATEGIC PLAN (CSP) 10 yr						- Vision - Aspirations - Targets - Roles - Response to SoS - Outcomes (KRI)
		Community Engagement Strategy	Financial Strategy	Ageing Strategy	Asset Strategy	LEP		
		Workforce Strategy	Youth Strategy	Economic Development Strategy (EDS)	Integrated Water Cycle Management (IWCM)			
		Risk Strategy	Affordable Housing Strategy	Structure Plans/DCPs	Water Sharing Plan (WSP)			
		Community Survey	Recreation Strategy	Climate Change Strategy	Waste Strategy			
		Key Result Indicators (KRI)	Key Result Indicators (KRI)	Key Result Indicators (KRI)	Key Result Indicators (KRI)			
Plan	How	DELIVERY PROGRAM (DP) 4 yr						- Exec Summary Strategies - Pathway - Benchmarks - Policy - Outputs (KPI) - RoI
		Risk Management Plan (RMP)	Social Plan (SP)	Asset Management Plans	Estuary Management Plan (EMP)			
		Internal Audit Plan (IAP)	Cultural Plan (CP)	Cluster Plans	Plans of Management (POM)			
		OHS Plan	Plans of Management	Tourism Plan	Waste Minimisation Plan			
		HR/Training Plan	Accessibility Plan	Contribution Plans	Water Business Plans			
		Key Performance Indicators (KPI)	Key Performance Indicators (KPI)	Key Performance Indicators (KPI)	Key Performance Indicators (KPI)			
Actions	When	OPERATIONAL PLAN (OP) 1 yr						- Actions - Timelines - Measures (PI) - Funding - Accounts by Theme
		Budget	Works Schedule	Works Schedule	Works Schedule			
		Statutory	Projects	Projects	Projects			
		Organisation Structure	Performance Indicators	Performance Indicators	Performance Indicators			
Report		ANNUAL REPORT 1 yr						
		Financial Statements	Status works	Status works	Status works			
		TBL accounts	Status Projects	Status Projects	Status Projects			
		Statutory	Performance	Performance	Performance			
		CSP Term Report 3 yr						- Outcomes by Theme - Accounts by Theme
		Outcomes	Outcomes	Outcomes	Outcomes			
		Achievements	Achievements	Achievements	Achievements			