



STRATEGIC PLANNING IN AUSTRALIAN LOCAL GOVERNMENT

A comparative analysis of state
frameworks

August 2013



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Su Fei Tan and Sarah Artist

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Preface

One of the most important objectives of the Australian Centre of Excellence for Local Government (ACELG) is to inform debate on key policy issues. We recognise that many councils and other local government organisations are not always able to undertake sufficient background research to underpin and develop sound, evidence-based policy.

ACELG's research papers address this deficit. In addition to in-depth research papers which involve primary data collection and identify possible policy options, ACELG supports legislative and literature reviews which outline existing policy, legislation and research on a topic to determine whether further work by ACELG or other organisations is warranted.

This paper compares the various approaches in each Australian jurisdiction, with reference to the New Zealand experience, in implementing local government reforms with a particular emphasis on requirements for strategic and corporate planning and reporting. Strategic planning is concerned with influencing trends and issues in the locality, irrespective of a council's corporate responsibilities. This is distinct from corporate planning which addresses the administration of the council's own activities. By comparing the rationale and the realities strategic planning provisions, considerations for future policy reforms are also explored.

ACELG welcomes feedback on this paper. Please contact Su Fei Tan sufei.tan@uts.edu.au.

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Executive Summary

State or territory legislation in Australia governs local government. These laws outline a council's purpose, processes, activities and operations. All states and the Northern Territory require councils to prepare one or a series of plans which describe and forecast future activities. This paper compares these various approaches and sets out recent experience in implementing local government reforms. By comparing the rationale and the realities of these planning provisions, considerations for future policy reforms are explored.

Definitions of strategic planning in the local government context vary widely. This paper focuses on provisions for strategic and corporate planning. Strategic planning is concerned with influencing trends and issues in the locality, irrespective of a council's corporate responsibilities. It involves substantial community engagement to determine residents' aspirations and needs. Corporate planning is defined as planning for the administration of the council's own activities.

The paper begins with a brief overview of the history of local government strategic and corporate planning. During the 1980s and 1990s local governments were required to develop corporate plans followed by obligations to establish longer term resourcing (typically asset and financial) strategies. While the drive towards efficient government resulted in what can be described as a more corporate approach to organisational planning, there was recognition of the importance of community involvement in the identification public sector priorities. As a result Australian councils were mandated through local government acts to conduct community consultation in designing their strategic and corporate plans.

Following a brief description of the policy context, the paper then moves to an examination of the various legislative reforms and provisions mandated by the different Australian jurisdictions which set out requirements for local government strategic planning. For each state the essential elements of the strategic and corporate planning frameworks are identified, as are linkages with state strategic and land use plans. Unique attributes of strategic and corporate planning are also identified. The table on the following page summarises the features of these provisions in each state:

Summary of strategic and corporate planning frameworks

	Strategic Plans	Corporate Plans	Annual Plans	Financial Plans	Asset Management Plans	Workforce Plans	Unique features
NSW	Yes	Yes	Yes	Yes	Yes	Yes	End-of-term reports presented to an outgoing council.
NT	No	Yes	Yes	Yes	No	No	Each municipal or shire plan must contain a service delivery plan linked to the regional management plan.
QLD	No	Yes	Yes	Yes	Yes	No	Regional as well as local issues had to be considered in long-term community plans.
SA	No	Yes	Yes	Yes	Yes	No	Councils have to align their activities with those of other levels of government in their strategic management plans.
TAS	Yes	Yes	Yes	No	No	No	The planning legislations explicitly states that local land use plans must pay regard to community strategic plans
VIC	Yes	Yes	Yes	Yes	Yes	Yes	Best value principles for service delivery are reported against annually.
WA	Yes	Yes	Yes	Yes	Yes	Yes	Advisory standards describe basic, intermediate and advanced approach to meeting legislative requirements.

The last section of the paper outlines some initial observations on the challenges of implementing strategic and corporate planning across the jurisdictions. Some of these are as follows:

- **Resourcing implementation**

In practice the implementation of these frameworks presents a challenge to many councils. Difficulties include the design of the key steps and timing, agreeing on a structure, ensuring a good approach to community engagement, and developing clear roles and responsibilities for senior staff and councillors.

- **Roles and responsibilities**

Mayors and CEOs clearly have a key role in determining the directions of a council, however with more complex requirements for strategic planning and reporting,

CEOs are commonly employing or nominating consultants, individual staff positions or even units to undertake the development of these plans and reports. The consequences of this delegation require further examination.

- **Community input into resourcing**

The community identification of priorities is difficult to integrate with resourcing strategies - financial, asset and workforce. The challenge for councils is to ensure informed debate within communities in which resourcing priorities and the politics which surround those decisions are made explicit.

- **Intergovernmental integration**

State and local government integration poses its own set of challenges, and the creation of local level plans offers an untapped resource to inform state level strategic planning. To date no jurisdiction has fully seized the opportunity to incorporate the outcomes of community level planning into state level planning systems. Similarly community plans developed under the various Local Government Acts are often higher in the council planning hierarchies than the land use plans, but state legislation generally does not recognise the precedence of these plans. There are weak legislative links between local government and planning Acts. Future reforms could examine the ideal integration arrangements between strategic, corporate and land-use planning provisions to resolve any conflict, duplication or lack of integration.

- **Measuring progress**

A realistic and pragmatic approach to expectations regarding performance measurement is needed, in the selection of indicators which are both practical for the council to measure as well as meaningful to the community and the government in overseeing the council's performance.

In practice there are a number of practical, conceptual and resourcing challenges for councils in undertaking an effective strategic planning and reporting process. This paper demonstrates that more work can be done to understand whether the legislative provisions are indeed leading to better strategic management within the councils and localities.

1. Introduction

Local government in Australia is governed by state legislation which outlines a council’s purpose, processes, activities and operations. All state jurisdictions require councils, through their local government acts, to prepare one or a series of plans which describe and forecast future activities. For example, in explaining to its community the purpose of these plans the City of Swan in Western Australia states:

The aim ... is to ensure sustainability of local government. The underlying principles include understanding the external environment and what our community aspires to; setting direction within our resource capability; and optimising success by understanding the interdependencies between the components (City of Swan Corporate Business Plan, 2012-2013, p.12).

This paper compares the various approaches in each Australian jurisdiction, as well as setting out recent experience in implementing these reforms. Comparing the rationale and the realities of these planning provisions, considerations for future policy reforms are also explored.

Definitions of strategic planning in the local government context vary widely. This paper focuses on provisions for strategic and corporate planning. Strategic planning is concerned with influencing trends and issues in the locality, irrespective of a council’s corporate responsibilities. It involves substantial community engagement to determine residents’ aspirations and needs. Corporate planning is defined as planning for the administration of the council’s own activities. This report touches only briefly on land-use planning provisions where they directly interact with strategic planning. These plans are the statutory mechanisms used by a council to regulate land use in their local areas.

In the interest of clarity and to establish a consistent terminology for use in this paper, the comparison of requirements in various states is prefaced by a brief examination of the various terms used to describe the different planning levels.

Table 1: A glossary of terms

Plan	Description	Terms
Strategic plan	Plans which articulate a long term (typically 4-10 years) vision for the community and set the context and priorities for corporate and resource plans. The strategic plan is generally developed through extensive consultation with the community	NSW: community strategic plan QLD: community plan WA: strategic community plan or community plan NZ: long term council community plan/long term plan
Corporate plan	Planning for the administration of the council’s own activities (typically 4-5 years).	NSW: delivery program and operational plan WA: corporate business plan SA: strategic management plan TAS: strategic plan VIC: council plan
Resourcing plan	Planning of the resources required to deliver the corporate plan typically financial, asset and workforce.	WA: informing strategies VIC: strategic resource plans
Land use plan or strategies	Statutory mechanisms to regulate land use in a local government area.	NSW: Local Environmental Plans QLD: Planning Scheme VIC: Municipal Strategic Statement SA: Development Land Use Plans

The nature of the statutory provisions governing strategic planning in local government has changed over time, and in recent years has become a focus of reform to varying degrees. Strategic and corporate planning frameworks differ in the states and territories, with varying emphasis on prescription versus flexibility and the capacity to tailor approaches to the local context.

This paper was developed on the basis of a review of the relevant legislation (generally local government acts) from each of the states and the northern territory. Policy documents, planning and reporting guidelines were also reviewed to complement the desktop analysis of the legislation. Selected stakeholder interviews and documented experience informed the observations and discussions presented in section 4 below.

The paper begins with a brief overview of the history of local government strategic and corporate planning. This is followed by an examination of the various legislative reforms and provisions mandated by the different Australian jurisdictions which set out requirements for local government strategic planning. The last section of the paper highlights issues for consideration based on this initial analysis and considers the implications of the different strategic planning and reporting frameworks.

2. Shifts over time

Strategic and corporate planning and reporting requirements within local government legislation have undergone several shifts in approach over the last few decades. Councils across Australia have needed to adapt to these legislative and policy changes which have tended to follow historical trends.

During the 1980s and 1990s public policy reform was characterised by the introduction of ideas from the private sector in order to improve the efficiency of what was perceived to be an overly bureaucratic public sector. For local governments this meant new requirements for the development of corporate plans followed by obligations for councils to establish longer term resourcing (typically asset and financial) strategies. More recently requirements for corporate plans and resources strategies have been accompanied by a push for further community involvement in the identification of priorities. Consequently, community engagement has been put forward as a requirement in the development of strategic community plans.

A comprehensive timeline of the various changes to state and territory local government legislation in respect of strategic and corporate planning is provided in Appendix 1.

This section briefly describes the establishment of corporate planning in local government, accompanied by the introduction of requirements for resource plans, as well as stronger imperatives for councils to consult with communities in the development of strategic plans.

2.1 The introduction of corporate planning

Corporate planning is one of a menu of tools that governments have adopted to improve responsiveness to ensure scarce resources are employed efficiently and effectively.

The first policy that required public sector organisations in New South Wales (NSW) to undertake formal corporate planning was introduced in 1974 (Johnston 1992), and it has been implemented in a variety of forms since that date. This shift took its inspiration from the private sector in a bid to deliver cost effective services. According to Hood (1995) and Dixon et al 1998 (in Koot and Martin 2002, p.3), there are seven dimensions of change which appear consistently in writings about public sector management reform. These are:

- Disaggregation of public organisations into corporatised, self-managed units organised by function (e.g. library services, waste management etc.)
- More contract-based competitive provision with internal markets
- Stress on *private-sector styles of management* (emphasis added)
- More stress on discipline and frugality in resource use
- More emphasis on visible hands-on top management
- Explicit formal measurable standards of performance and success
- Greater emphasis on output controls. .

This transformation which began in the 1990s was the first step in changing the way the public sector, including local government, organised itself.

2.2 Mandates for resourcing strategies

As part of the corporate planning approach, state governments began to adopt resource strategy provisions into their local government legislation. This was partially in response to several reports commissioned by local government associations, state and federal governments which revealed a concerning gap in council's approach to resource planning (for a more detailed overview of these reports and inquiries ACELG 2011). The objective of these legislative changes were to address the resourcing challenges being experienced by councils which were seen as having limited options for raising revenue.

Looking at a specific state jurisdiction, in 2005 the Local Government Association of South Australia released an independent report called *Rising to the Challenge: Towards Financially Sustainable Local Government in South Australia* (Financial Sustainability Review Board 2005). The report showed that, in general terms, councils had put community needs and demands for services ahead of their own financial sustainability. It demonstrated that councils had low net debt levels but required extensive upgrading of community infrastructure, much of which has been constructed between 1960 and 1980. The recommendations contained in the report led to the introduction of the *Local Government (Financial Management and Rating) Amendment Act 2005*, which required councils to prepare a long-term financial plan for a period of at least 10 years; and an infrastructure and asset management plan for a period of at least 10 years.

Similarly, the Northern Territory's *Local Government Act 2008* included a requirement for each council to have a long-term financial plan, together with annual budgets and annual financial statements. In NSW the *Local Government Amendment (Planning and Reporting)*

Act 2009 No 67 introduced new requirements for local governments in NSW to prepare ten year financial plans, ten year asset management plans and four year workforce plans. In 2011, the Minister for Local Government in Western Australia also introduced requirements for similar resourcing strategies to inform corporate plans, and is requiring councils to have these in place by June 2013.

At a national level, a report by PricewaterhouseCoopers (2006), found that the unsustainability of local government was seen to be a consequence of poor resource planning. According to the report:

... state based sustainability studies have confirmed widespread concerns from a number of commentators that a sizable proportion of councils face long-term financial sustainability problems. Where councils report operating deficits or, more specifically, operating cashflow deficits, there is a strong tendency to defer or scale back renewals expenditure to upgrade existing infrastructure. This deferral of renewals, particularly in community infrastructure (e.g. community centres, swimming pools, libraries), has been a key factor in creating a backlog of renewals work (PriceWaterhouseCoopers 2006, p.6).

In May 2006 the Local Government and Planning Ministers Council (LGPMC) met to discuss issues concerning the financial sustainability of local government. The meeting determined that a series of nationally consistent frameworks on financial sustainability measures would be developed. The Sustainability Frameworks provided nationally consistent elements for all local government authorities to manage their community infrastructure more sustainably through effective asset management and financial planning. State and territory governments agreed to facilitate implementation of these National Sustainability Frameworks across their local governments. In addition, concerns for the financial sustainability of local government led to the introduction of new provisions across the states requiring councils to undertake long term planning in financial and asset management.

Currently, all Australian states except for Tasmania have adopted a requirement for councils to prepare long term financial and asset management plans. NSW and WA have also included an obligation for local governments to prepare workforce development plans. These requirements compel councils to think more strategically about their resourcing demands into the future.

2.3 Strengthening community engagement

While the drive towards efficient government resulted in what can be described as a more corporate approach to organisational planning, there was at the same time recognition of the importance of community involvement in the identification public sector priorities. This is because the delivery of public services is not completely analogous to private sector provision, and requires a degree of citizen engagement.

As a result, Australian councils were mandated through local government acts to conduct community consultation in designing their strategic and corporate plans. Typically these provisions required that councils place their draft plans on public exhibition for a specified period of time - for example 21 or 28 days. Many councils began to use these plans as a way to engage their communities in discussions about the future of their localities, and according to Mike Reid (forthcoming), these community strategic plans were one of the mechanisms councils used to help elected members and officials think about the 'big picture' and provide a long-term context for annual plans.

In some Australian states (NSW and WA in particular) and in New Zealand this practice influenced a shift towards more substantial requirements within governing legislation for engaging communities. In New Zealand the issue of historically weak community engagement was addressed with the passage of the new *Local Government Act 2002*. The critical mechanism for delivering on this new purpose was the Long Term Council Community Plan (LTCCP). One purpose, among others of the LTCCP was to set out the community outcomes, the local authority's intended contribution to those outcomes and to provide an opportunity (potentially the primary opportunity) for the public to participate in local decision-making (LGNZ 2003, p. 32). Subsequently, an amendment to the Act in 2010, altered the structure of the LTCCP and replaced it with the Long Term Plan.

In NSW the *Local Government Act 1993* required councils to exhibit their draft management plans for 28 days for community comment, and obliged councils to consider any submissions received in adopting their final plans. With the introduction of the new integrated planning and reporting framework in 2009, this requirement was extended and councils were required to:

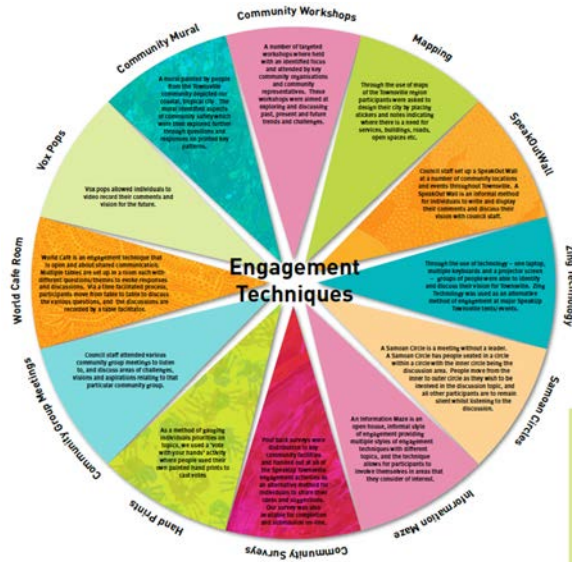
... establish and implement a strategy (its "community engagement strategy"), based on social justice principles, for engagement with the local community when developing the community strategic plan (*Local Government Act 1993* (NSW), section 402(4)).

A framework similar to that in NSW has also been adopted in Western Australia (WA), with both states now requiring a plan which is developed by and for the community with a longer term ten year focus, to inform the development of the council's corporate plans, resourcing strategies and annual budgets.

The requirement to prepare a strategic plan which extends beyond the council term and which requires extensive community consultation is a novel development in Australian local governance. New South Wales legislation includes obligations for a separate strategy or policy on community engagement, whereas in Victoria and the Northern Territory the councils are required as a minimum to consider submissions on the draft plans. Even in states where this is not mandated, many councils are choosing to develop and adopt this approach.

For example, the following diagram explains the comprehensive approach to community engagement which was adopted by Townsville Council in Queensland (QLD) in preparing their *Community Plan 2021*:

Figure 1: Townsville’s community engagement strategy



Source: Townsville Community Plan 2021, p.11.

Legislative requirements for community consultation are becoming more rigorous, although to differing degrees. Strategic community plans often and inevitably raise issues which are important to communities but which do not traditionally fall in councils’ spheres of influence. Instead it may be state or commonwealth organisations which have jurisdiction over community identified priorities. These agencies, however, are not obliged and do not have the mechanisms to support the implementation of community plans at the local level. It therefore falls to the councils to seek the collaboration and support of other government departments to achieve the community vision. As described by the City of Whittlesea, Victoria (VIC) in their 2025 Strategic Community Plan (2012):

Everyone can play a role in helping reach our vision. Council can be a **provider** and do what is needed or an **advocate** that works on behalf of its communities or a **facilitator** that supports the actions of others. All of Council’s roles are listed but those in bold will be the key roles. Council however, is only one player in the community and cannot do everything. There are many individuals, groups and organisations that can work together to achieve our future plan (p.5).

The requirement within strategic planning frameworks to advocate on issues outside the direct control of local government has the potential to increase its influence vis-à-vis other levels of government by articulating community desires and aspirations. It also needs to be supported in order to ensure that unrealistic expectations do not cause an eventual disenchantment and cynicism of the process.

Community strategic plans set the context and priorities for corporate and resourcing strategies, ensuring that local governments are better able to meet community needs, expectations and priorities. Having provided an overview of policy and legislative shifts, this paper now turns to a detailed examination of state level requirements and frameworks for strategic and corporate planning.

3. Comparing approaches

The state and Northern Territory strategic, corporate and resource planning requirements are set out in this section order to facilitate comparison of the various approaches taken and enable a discussion of lessons learned. There is variation in the prescription to councils on how they must prepare their plans. A consideration of these differences is presented in part 4 of this paper on the challenges of implementing strategic and corporate planning. Sections of relevant local government acts in each jurisdiction are included in appendix 2 for ease of reference.

The national picture is one of a complex web of legislation with differing approaches, requirements and strength of hierarchies in terms of links between strategic, corporate and resource planning. The following table contains a summary of the legislative and regulatory requirements for strategic and corporate planning in each state:

Table 2: Overview of local government strategic and corporate planning frameworks

	Strategic Plans	Corporate Plans	Annual Plans	Financial Plans	Asset Management Plans	Workforce Plans
NSW	Community Strategic Plan 10 years*	Delivery Program 4 years, coincides with council term	Annual Operational Plan	Financial Plan 10 years	Asset Management Plan 10 years	Workforce Development Plan 4 years
NT	No legislative requirement	Municipal or Shire Plan	Annual Municipal or Shire Plan (linked to state regional management plans)	Long Term Financial Plan	No legislative requirement	No legislative requirement
QLD	Community Plan 10 years (no longer compulsory)	Corporate Plan 5 years	Annual Operational Plan	Financial Plan 10 years	Asset Management Plan 10 years	No legislative requirement
SA	No legislative requirement	Strategic Management Plans 4 years, plans reviewed within 2 years after a general election.	Annual Business Plan	Financial Plan 10 years	Asset Management Plan 10 years	No legislative requirement
TAS	Strategic Plan 5 years*	Included in annual plan	Annual Plan	No legal requirement (a state policy is in place for long term financial planning)	No legislative requirement (a state policy is in place for asset management)	No legislative requirement
VIC	Council Plan 4 years*, coincides with council term	Included in the council plan	Annual Budget	Strategic Resource Plan (Financial resources) 4 years	Strategic Resource Plan (non-financial resources) 4 years	Strategic Resource Plan (human resources) 4 years
WA	Strategic Community Plan 10 years*	Corporate Business Plan 4 years, coincides with council term	Annual Budget	Financial Plan 10 years	Asset Management Plan 10 years	Workforce Plan 4 years

* legislative requirement for community consultation in the development of the strategic plan

3.1 New South Wales

In 2003 the NSW government announced its *Local Government Reform Program* to ensure healthy and sustainable local councils that are accountable and responsive to their communities (DLG 2005, p.2). This was followed in 2009 by the introduction of amendments to the *Local Government Act (1993)* to specify the way in which councils should undertake their strategic planning and reporting functions. The *Local Government Amendment (Planning and Reporting) Act (2009)* mandates strategic community planning and requires councils to adopt robust financial planning and reporting practices. The goal is to enable councils to strengthen their strategic focus, streamline the planning and reporting processes, and encourage integration between various plans. The approach is a continuous improvement, rather than a static planning model and allows councils more autonomy than was provided for in previous legislation in responding to their communities' various needs. *The Integrated Planning and Reporting Framework (IPR)*, described in Figure 2, requires elected representatives to play a leading role in developing the strategic community plans.

Figure 2: NSW Integrated Planning and Reporting Framework



Source: Planning and Reporting Guidelines for Local Government in NSW, DLG 2010

Essential elements

The *Integrated Planning and Reporting Framework*, which in the *Local Government Act 1993* previously involved separate social plans as well as three year management plans, now consists of the following elements:

A ten year community strategic plan is the highest level plan that the council prepares. It identifies the community's main priorities and aspirations for the future and plans

strategies for achieving these goals. The development of this plan requires extensive community consultation which must be guided by a community engagement strategy.

A resourcing strategy identifies who is responsible for what in terms of the issues identified in the *Community Strategic Plan*. Some will be the responsibility of the council while others will be the responsibility of other levels of government or will require input from the community. The resourcing strategy focuses in detail on matters that are the responsibility of the council and comprises:

- a ten year financial plan;
- a ten year asset management strategy; and
- a four year workforce development plan.

The four year delivery program translates the community's strategic goals into actions. They are the principle activities to be undertaken by the council to implement the strategies established by the *Community Strategic Plan* within the resources available under the Resourcing Strategy. The Delivery Program must cover a four-year period commencing on 1 July following each ordinary council election.

The Annual Operational Plan supports the delivery program. It spells out the details of the program e.g. individual projects and activities that will be undertaken to achieve the commitments made in the delivery program.

In terms of reporting, all councils must produce annual reports. In addition, councils must prepare a report on their four year Delivery Program every six months, and budget review statements every quarter. A report on the progress of implementation of the *Community Strategic Plan* must be presented to each outgoing council. The *Local Government Amendment (Planning and Reporting) Act 2009* also retains a requirement for all councils in NSW to prepare a *State of the Environment Report* as part of each *Annual Report*.

In comparison with other states, the Integrated Planning and Reporting framework provides a very detailed structure for local government, although the NSW Division of Local Government states that only the essential elements for strategic planning and reporting are outlined in legislation to give councils flexibility in implementing the requirements (DLG 2013). In addition, the Integrated Planning and Reporting guidelines (DLG 2013), manual (DLG 2013a) and website (www.dlg.nsw.gov.au) provide information and detailed resources in order to help councils to use this framework effectively.

Links to land use and state level strategic planning

Local environmental plans (LEPs)¹ guide land use planning decisions for local government areas. Through zoning and development controls, they allow councils to manage the ways in which land is used. LEPs are submitted to the NSW Department of Planning and Infrastructure, which maintains a great deal of control over the implementation of these land use plans.

¹ Overseen by the Department of Planning, and governed by the Environmental Planning and Assessment Act 1979, currently under review.

In terms of linkages with local strategic plans, the *Planning and Reporting Manual for Local Government* in NSW published by the Division for Local Government (2013a) explains that the *Community Strategic Plan* sets high level objectives that relate to land use planning, but that each council is also required to prepare a Local Environmental Plan (LEP) in accordance with the *Environmental Planning and Assessment Act 1979* (EP&A Act) and associated regulations.

In the preparation of LEPs, councils must demonstrate consistency with relevant State Environmental Planning Policies (SEPPs), local planning directions (section 117 directions under the EP&A Act), relevant regional and sub-regional strategies, the Standard Instrument Order (state-wide template for LEPs), as well as the objects and provisions of the EP&A Act.

At the time of writing, a review of the NSW *Environmental Planning and Assessment Act 1979* is underway which provides an opportunity to embed stronger linkages between community strategic and land use planning systems at local government level.

In terms of state strategic planning, the *Local Government Act 1993* stipulates that “The Community Strategic Plan must give due regard to the State Plan and other relevant state and regional plans” (section 402). A state plan has recently been developed called *NSW 2021*. The plan recognises that local communities have their own priorities and as a result, the state government worked to ‘localise’ *NSW 2021*. State Regional Ministers and Members of Parliament consulted with local government and communities to develop local and regional action plans aligned to *NSW 2021*. These plans focus on the most important action the NSW Government can take to improve outcomes in each region, and are informed by local government *Community Strategic Plans*.

Unique to NSW: End of Term Reports

The NSW *Local Government Act 1993* is the only legislation in Australia which requires that councils prepare an end-of-term report. This report is presented to an outgoing council in the meeting prior to council elections. It contains an account of the degree to which the council implemented its community strategic plan through the four year delivery program. For example, at Waverley Council the report:

- displays the progress made by the Waverley community towards achievement of their vision for quality of life during the term of office of the 2008-2012 elected council;
- takes measures of the performance and effectiveness of the strategies of *Waverley Together 2* in progress towards the targets and sustainability; and
- sets out advice for achieving the Waverley community’s desired future, sustainably (Waverley Council 2012, p. 5).

3.2 Northern Territory

In 2008 the NT government initiated an ongoing process to improve and expand the services delivered by local government through establishing eight new shire boundaries and shire offices in major centres, appointing shire chief executive officers, and installing unified systems for consistent business reporting. Council planning requirements were also detailed as part of this reform process.

Essential Elements

The NT's *Local Government Act 2008* requires the preparation of a four-year regional plan (involving councils in the region) and municipal/shire council plans which are reviewed annually. The role of elected members in the development of these plans is not specified in the *Local Government Act 2008*. Each municipal/shire council is also required to have an annual plan containing:

- A service delivery plan and council budget. The service delivery plan is to be prepared in accordance with the planning requirements specified in the relevant regional management plan.
- Any long-term community or strategic plan the council has adopted.
- The council's long-term financial plan, together with annual budgets and annual financial statements.
- A recent assessment of the adequacy of constitutional arrangements in force; opportunities and challenges in service delivery; possible changes to administrative and regulatory framework; and any possibilities that exist to improve services by cooperating with other councils (updated at least once in the term).
- Performance measures of all of the above.

Figure 3: The NT Planning Framework



Source: Annual Planning for Local Government: Information Paper, Department of Local Government, Northern Territory, no date

Links to land-use and state level strategic planning

The Department of Lands and Planning is responsible for shaping the Northern Territory's built environment. The Department develops and provides the strategic land use planning and growth frameworks, strategies and infrastructure plans required to sustainably develop the Northern Territory. The link between *Regional Management Plans* and the land-use planning systems is not clear in the respective legislations.

In terms of state level strategic planning, the Northern Territory is divided into three regions. *Regional Management Plans* (RMPs) are developed by the Department of Housing, Local Government and Regional Services in consultation with the councils in each of these areas. These plans address key issues relating to local government in the region in addition to resource sharing and regional development. Section 20(1) of the *Local Government Act 2008* states that: “The Agency (i.e. the state department responsible for local government) must report annually to the Minister on the performance of councils when measured against the relevant regional management plan.” Section 17(1) clarifies that the Regional Management Plan must address:

- (i) the opportunities and challenges for local government service delivery in the region;
- (ii) the administrative and regulatory framework for local government service delivery throughout the region; and
- (iii) ways of improving service delivery by cooperation between councils, or between councils and government agencies or other organisations (*Local Government Act* (NT), s17(1)).

In addition the plans must define, for shire councils within the region, the core local government services, and where they are to be delivered, in the region. Given that municipal or shire council plans are sub-sets of Regional Management Plans, the linkages between state and community level strategic planning are relatively strong.

Unique to the NT: service delivery and regional planning

As explained above, each municipal or shire plan must contain a service delivery plan which is prepared in accordance with requirements as specified in the relevant regional management plan. This provision is unique in the sense that service delivery planning is not required in any other planning framework and that a direct connection to regional planning is provided. For example Alice Springs Town Council publicises a profile of opportunities and challenges for service delivery as part of its municipal planning and budget process:

Opportunities exist to better utilise technology and achieve greater efficiencies, particularly in the administrative areas as well as reinforcing relationships that Council has with government, business and the community to improve the delivery of all Council services.

Many challenges exist to meet increasing community service expectations in the face of rising costs, environmental, economic and community issues and cost shifting from other spheres of government. The constantly increasing maintenance costs for Council’s infrastructure assets and changes in the regulatory framework which increase compliance requirements also impact on service delivery. 90% of the land within the Municipality is non-rateable, 74% of that being Crown Land, presenting Council with little opportunity for growth. With approximately 50% of

income coming from rates this fact presents a challenge for Council due to the large impact it has on Council's income (no date, p. 44-45).

3.3 Queensland

In 2005 the Local Government Association of Queensland and the Queensland Government jointly developed a local government reform framework. 118 councils investigated their long-term future through the *Size, Shape and Sustainability* (SSS) initiative, to investigate challenges such as shared services, regional cooperation and voluntary boundary changes, with a view to improving financial sustainability (Martin 2009). In 2007, the Minister for Local Government wrote to all mayors asking them to assess progress of the *Size, Shape and Sustainability* program. Responses from councils clearly showed that substantial local government reform was not going to be achieved through the SSS process before the 2008 local government elections. The Queensland Treasury Corporation prepared financial sustainability reviews for 105 councils, 40% of which were found to be 'financially weak', 'financially very weak' or 'financially distressed' (Martin 2009). That same year the Local Government Reform Commission was established to make recommendations on the most appropriate structure and boundaries for local government in Queensland.

In 2010 new laws governing the operation of local governments came into effect with the *Local Government Act 2009* replacing the *Local Government Act 1993*, and the *City of Brisbane Act 2010* replacing the *City of Brisbane Act 1924*. The new legislation provided local governments with:

- a simpler, principles-based approach to legislation
- emphasis on sustainable, accountable government that incorporates input from the community
- greater flexibility and easier customisation with less legislative burden
- clearer roles and responsibilities for councillors.

Essential elements

The Queensland *Local Government Act 2009* has recently been amended by the *Local Government and Other Legislation Amendment Bill 2012* including changes to the strategic and corporate planning framework. There is no specific mention of the role of elected members in relation to the development of financial planning documents as set out in Part 3 of the *Local Government Act 2009*. Current requirements include:

- A 5-year corporate plan that incorporates community engagement
- A long-term asset management plan
- A long-term financial forecast
- An annual budget including revenue statement
- An annual operational plan

Previous versions of the Act included a requirement for a ten year community plan which described the community's expressed needs, expectations and priorities for the future. The 2012 amendment repealed this requirement "to cut unnecessary red tape and streamline provisions about the financial sustainability and accountability of local

government” (Local Government and Other Legislation Amendment Bill 2012, Explanatory Notes). Under the previous legislation, each council’s plan outlined the goals, strategies and policies required for achieving what the community future vision (10, 20 or more years). The responsibility for realising the aspirations contained in the community plan rested with all levels of government, the broader community and individuals living in the area. In addition, the community plan was to be developed according to a community engagement policy adopted by the council.

Links to land-use and state level strategic planning

There is clear reference in Queensland’s *Sustainable Planning Act 2009* to local government. Subdivision 3, section 29 outlines provisions for the amendment of planning schemes (i.e. local government land-use plans) to reflect regional state land-use plans. There is no specific mention of local government corporate or strategic planning systems in the *Sustainable Planning Act 2009*, however, the Act does specify the core matters for a planning scheme as, land use and development, infrastructure and valuable features (Section 89 1). Given these provisions, the land use planning scheme is clearly an important tool for councils to achieve the goals set out in their corporate plan.

Unique in QLD: Consideration of Regional and Spatial Issues

Long-term community plans in Queensland needed to consider regional as well as local issues which affect the local government area. The plan may also have included provisions that apply only to specific localities within the local government area. Some examples of these kinds of goals and objectives can be found throughout the *Redlands 2030 Community Plan* (see Box 1).

Box 1: Redlands 2030 Community Plan

- Planning and decision-making about coastal and resource management protects the integrity and the international and regional significance of Moreton Bay’s dunes, wetlands, foreshores, estuaries, seagrass and mangrove habitats;
- Island communities thrive, and strategic plans and visions, developed with the community, guide successful regeneration, healing and wellbeing of North Stradbroke Island, Coochiemudlo Island and the Southern Moreton Bay Islands.
- The community acknowledges Quandamooka’s neighbouring Turrbal and Jagera peoples, whose traditional country includes small portions of the Redlands;
- Council will proactively recruit businesses, education and service providers as well as encourage a range of housing options to position the Cleveland and Capalaba Hearts as thriving regional centres; and
- The urban footprint as defined by the South-East Queensland Regional Plan is not extended into rural or agricultural areas.

Source: Redlands City Council 2012

The requirement to consider regional plans is a potential mechanism for strengthening linkages between local and state level community planning. But as stated above recent

amendments to the *Local Government Act 2009* have removed the requirement for councils to develop long term community plans.

3.4 South Australia

In 2005, the Local Government Association of South Australia released an independent report, *Rising to the Challenge: Towards Financially Sustainable Local Government in South Australia* (Financial Sustainability Review Board 2005). The recommendations contained in this report led to the introduction of the *Local Government (Financial Management and Rating) Amendment Act 2005*, which required councils to prepare a long-term financial plan for a period of at least 10 years; and an infrastructure and asset management plan for a period of at least 10 years.

Essential Elements

The South Australian *Local Government Act 1999* outlines a pattern of management accountability that links strategic management plans with annual business plans, financial statements and annual reports. The Act does not specify a particular role for elected members in the development of the strategic management plan. *The Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011* provide for the following:

- A four year strategic management plan;
- Ten year financial and asset management plans; and
- An annual business plan.

All the above plans and documents must be publicly available. Council's responsibilities include planning for the current and future requirements of its area, across a wide range of activities. Strategic management plans under section 122 of the Act are not required to take any defined form and may vary from council to council, but collectively the plans should include:

- Council objectives for at least four years including how those objectives align with those of other councils and other spheres of government, and how any overlapping services can be coordinated.
- Assessments of the council's financial sustainability; the extent or levels of services the council intends to provide to achieve its objectives; the extent to which any infrastructure will need to be maintained, replaced or developed; anticipated changes in real estate development and demographic trends; the council's proposals with respect to debt levels; and any other anticipated or predicted changes that might affect the costs of the council's activities or operations.
- The principal activities to achieve the council's objectives.
- Estimated income and expenditure.
- The measures council will use to assess its performance.

Strategic management plans are also required to describe arrangements for participation with other councils and with state and national governments to set public policy objectives, and the extent to which council's objectives are related to regional, state and national

objectives. Council plans are required to be consistent with the State Planning Strategy and the Development Plan or Plans for the council area, and with other relevant statutory policies and plans.

Links to land use and state strategic planning

In a Great State: South Australia's Strategic Plan (Government of South Australia 2011) sets out a broad range of objectives and targets for the state. It maps out how it will achieve them and in what timeframe. The Plan is updated every four years, and in 2010 the Community Engagement Board undertook another round of consultation to refresh the existing Plan.

With regard to local government, the Community Engagement Board recommended that the Board continue to liaise with the Local Government Association (LGA) on a plan of engagement with local councils and to support the LGA in advocating for local councils to reference the Plan as part of their strategic planning process. There is no mention of the need for state plans to take account of locally generated community plans.

Development Land Use Plans are the key development assessment documents in South Australia. The *Development Act of 1993* specifies that amendments to land use plans by council (Subdivision 2 (25)) must be submitted to the Minister and he or she must consult with the Advisory Committee if he or she feels the amendment would be seriously at variance with the land use Planning Strategy (the state level land use strategy). In addition, the development of the amendment must include an assessment of the extent to which it accords with the land use *Planning Strategy* and complements the policies in the *Development Land Use Plans* for adjoining areas. There does not seem to be a strict hierarchy of land use planning but the *State Plan* does need to be taken into account in when amendments to local government *Development Land Use Plans* are proposed.

Unique to SA: Collaboration Arrangements

The South Australian legislation requires that councils include in their strategic management plans a description of the alignment of their activities with other government bodies. They are required to indicate:

- the extent of their participation with other councils, state and national governments on setting public policy objectives;
- the extent to which their own objectives are aligned with regional, state and national objectives;
- the extent to which the council has considered regional, state and national objectives and strategies which are relevant to their area; and
- the extent to which the council intends to collaborate with state and national governments in the planning and delivery of services in which there is a common interest.

In addressing this requirement Marion Council (2012) includes a section in their *Strategic Plan 2010-2020* called 'Who do we work with?':

In 2007 the state government released the updated *South Australian Strategic Plan*. This plan sets high level targets that aim to improve the wellbeing of all South Australians. The *State Plan* seeks to achieve alignment with all Local Government strategic Plans so as to focus efforts and resources in a consistent manner. Council has reviewed the *South Australian Strategic Plan* and identified a number of state goals where council has opportunities to build stronger partnerships with the state for delivering community outcomes... (there are also) other relevant state-wide and regional plans and strategies:

- Local Government Association Strategic Plan 2007-2010
- The 30 Year Plan for Greater Adelaide (2010)
- Strategic Infrastructure Plan for South Australia (2005)
- State Natural Resources Management Plan (2006) etc. (p. 48)

3.5 Tasmania

In 2007 the Local Government Association of Tasmania commissioned Access Economics to prepare a *Review of the Financial Sustainability of Local Government in Tasmania* (Access Economics 2007). This study found that one in five councils might be financially unsustainable due to operating deficits or annual renewals gaps (Access Economics 2007, p. iii). It recommended that each council develop a rolling ten-year financial plan to rehabilitate and expand infrastructure, develop services in line with population growth, generate additional resources from revenue increases and cost savings, and comply with financial key performance areas to address the infrastructure renewals gap.

Essential Elements

The essential elements of the Tasmanian framework are:

- A five year strategic management plan; and
- An annual plan.

The *Local Government Act 1993* in Tasmania specifies that councils must develop a five year strategic plan for their municipal area. In preparing a strategic plan a council must consult with the community and any authorities and bodies it considers appropriate. The *Local Government Act 1993* specifies that councillors collectively are responsible for developing and monitoring the implementation of strategic plans and budgets (section 28 2(a)). In addition an Annual Plan must be prepared which is consistent with the strategic plan and includes a statement of how council will meet the goals and objectives of the strategic plan. The strategic plan must also include a summary of the major strategy to be used in relation to the council's public health goals and objectives.

The *Tasmanian Public Health Act 1997* states that a council must (amongst others):

- develop and implement strategies to promote and improve public health and
- ensure that it complies with the provisions of the Public Health Act.

Councils are also asked to participate in an annual key performance area framework, which is run between local government departments, associations and manager groups.

Links to land use and state strategic planning

The Premier's Local Government Council (PLGC), a high-level forum, enables discussion between the state and local government on issues of statewide significance. It was established in 2000 and meets three times a year to discuss topical and continuing issues. The PLGC membership comprises the Premier, who chairs the Council, the Minister for Local Government, the President of the Local Government Association of Tasmania (LGAT) and seven elected local government representatives from various Tasmanian councils (www.dpac.tas.gov.au/divisions/lgd/plgc).

Tasmania Together is a vision for the state. It currently includes 12 goals and 151 benchmarks that reflect the concerns people expressed during two of the largest community consultation processes ever undertaken in Tasmania (in 2000 and 2005). State government agencies have incorporated *Tasmania Together* into their corporate planning processes and linked the plan to programs and policies outlined in annual reports and budget papers. Each benchmark has a lead agency. To promote a whole-of-government approach, agencies have been working together on issues such as health and well-being. The budget process has also been amended to ensure budget priorities are linked to *Tasmania Together*. Finally, a number of local councils have incorporated *Tasmania Together* goals and benchmarks into their five year strategic plans. There is no legislative requirement for local governments to reference the state plan in the development of their strategic plans.

Unique to Tasmania: A strong linkage to state planning

As described above the linkage between state level and local level community strategic planning and land use planning is relatively strong when compared with the other states (although arguably perhaps not the Northern Territory). The Tasmanian planning legislation explicitly states that local land use plans must acknowledge community strategic plans.

3.6 Victoria

In the early 1990s the Kennett government in Victoria introduced sweeping reforms which reduced the number of councils from 210 to 78 (now 79). In addition, the *Local Government (Democratic Reform) Act 2003* was passed to reform the *Local Government Act 1989*.

The change process for local government in Victoria has typically focused on efficiency and accountability. *Best Value Victoria* principles were introduced in to the *Local Government Act 1989* in 2000 to improve the delivery of local government services by making them affordable and more responsive to local needs and to encourage councils to engage with their communities in shaping councils' services and activities (Victorian Corporate Planners Network 2006). The *Local Government Act 1989* states that council is responsible "to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community" (s 3c). The Best Value Principles are also required to be addressed in council's Annual Report, as the Act states that "at least once every year a Council must report to its

community on what it has done to ensure that it has given effect to the Best Value Principles” (s 208g).

More recently, the Councils Reforming Business process which started in 2007 extended the thinking behind Best Value across councils more broadly. The Councils Reforming Business (CRB) program assists councils to work with each other, state government and other stakeholders to develop and implement new programs to boost efficiency, reduce costs and provide better services to communities (Department of Planning and Community Development Victoria 2010).

Essential Elements

The essential elements of the Victorian framework are:

- A four year council plan;
- A four year strategic resource plan, to include financial and non-financial resources;
- Best value principles which must be reported in the annual report; and
- An annual budget.

The changes to the *Local Government Act 1989* stipulate that a Council Plan must include:

- the strategic objectives of the council;
- strategies for achieving the objectives for at least the next 4 years together with indicators for monitoring the achievement of the objectives; and
- a strategic resource plan.

The *Local Government Act 1989* also specifies includes undertaking strategic and land use planning as a function of council (s 3E, d). In addition to the 4 year Council Plan, it has become common practice for local governments to develop “community plans” alongside their council plans although this is not legislated. Community plans are inspirational, longer term, generally involve more extensive community consultation and deal with matters often outside local governments’ domain and direct control (West and Raysmith 2007). The following table, prepared by Dureau (2012) lists several councils in Victoria which have prepared a Community Plan and the duration of these plans.

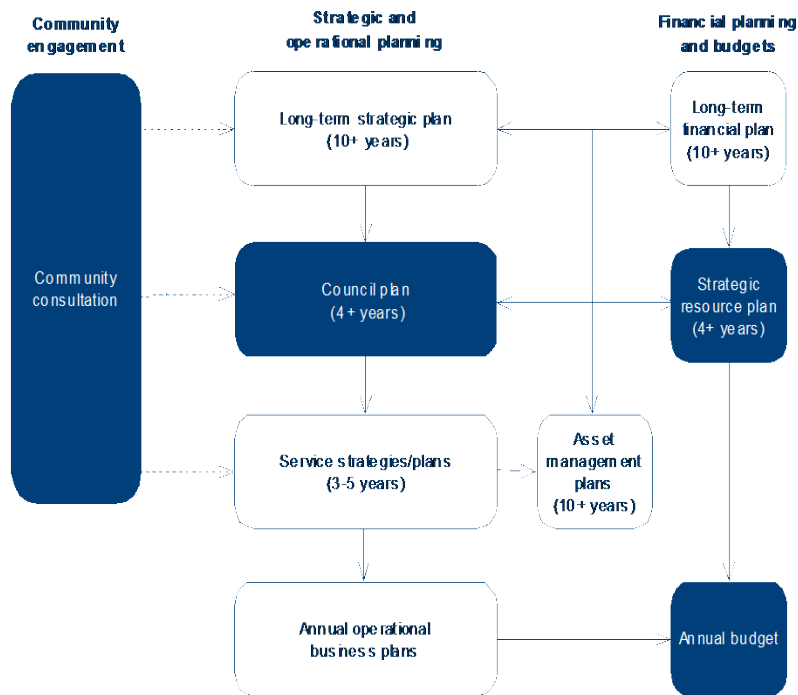
Table 3: Victorian local governments with council plans

Name	Council Plan	Community Plan
Banyule City Council	2009-2013	2010-2012
Brimbank City Council	2009-2013	2009-2030
Glen Eira City Council	2008-2013	2011-2012
Greater Dandenong City Council	2009-2013	2009-2030
Hume City Council	2009-2013	2030
Kingston City Council	2009-2013	2006-2010
Knox City Council	2009-2013	2009-2025
Maroondah City Council	2009-2013	2025
Melbourne City Council	2009-2013	2020
Monash City Council	2009-2013	2002-2021
Moonee Valley City Council	2009-2013	2004-2020
Mornington Peninsula Shire Council	2009-2013	2009-2013
Port Phillip City Council	2009-2013	2007-2017
Whitehorse City Council	2011-2015	2006-2016
Whittlesea City Council	2009-2013	2009-2025
Wyndham City Council	2009-2013	2011-2015

Source: adapted from Dureau 2012

The following diagram from the Victoria Auditor General’s Office (VAGO) report, *Performance Reporting by Local Government 2011* indicates the compulsory (blue) and non-essential (white) elements of the Victorian planning framework:

Figure 4: Victorian Local Government Strategic Planning Framework



Source: Business Planning for Major Capital Works and Recurrent Services in Local Government, VAGO 2011b p. 4

Links to land use and state level strategic plans

In Victoria, every local government has its own Municipal Strategic Statement (MSS) which must be consistent with the current council plan. Section 12A(1) of the *Planning and Environment Act 1987* requires every municipal council which is a planning authority to prepare an MSS. The MSS must further the objectives of planning in Victoria and contain: the strategic planning objectives of the planning authority and the strategies for achieving the objectives. This strategic statement sets the context for councils’ land use Planning Schemes. At the state level the Victoria Planning Provisions are the state-wide reference document or template from which land use planning schemes are sourced and constructed (Department of Planning and Community Development Victoria 2010a). In addition, section 12A(4) explains that “a municipal strategic statement must be consistent with the current Council Plan for the municipal council approved under section 125 of the *Local Government Act 1989*,” thereby making an explicit legislative link between land-use and strategic planning.

Unique in VIC: A focus on service delivery

Outlined in the Victorian *Local Government Act 1989*, the Best Value Principles are not required to be included in plans; however the requirement to report on them annually means that many Victorian plans include them into their council plans. These principles relate to service delivery as they require councils to take into account:

- the need to review services against the best on offer in both the public and private sectors;
- an assessment of value for money in service delivery;
- community expectations and values;
- the balance of affordability and accessibility of services to the community;
- opportunities for local employment growth or retention;
- the value of potential partnerships with other Councils and State and the Commonwealth governments;
- potential environmental advantages for the Council's municipal district (s.208b).

3.7 Western Australia

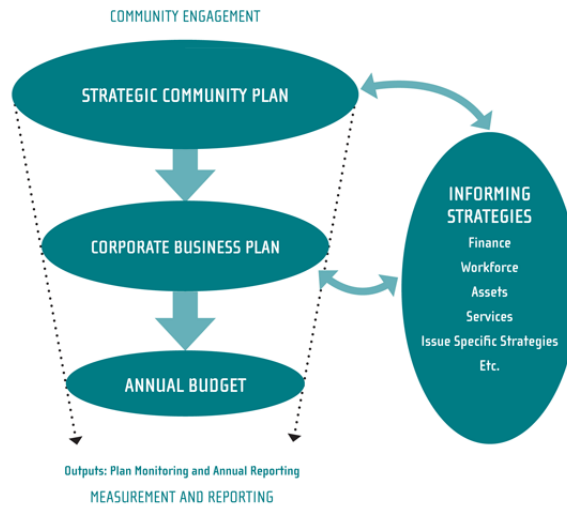
In February 2009, the Western Australian government announced wide-ranging local government reform strategies aimed at achieving better planning, management, and delivery of services to communities, specifically in relation to economic sustainability. Each council in Western Australia was asked to undergo a voluntary amalgamation process, reduce councillor numbers, and form regional groupings to achieve efficiencies. Councils were also asked to adopt a longer-term strategic planning framework, including asset and financial management and workforce planning, and review and amend current local government legislation to facilitate sustainability.

Essential elements

In addition to structural change, the reform process in Western Australia seeks to improve the way local governments plan for the future. Through this reform initiative, local governments have been provided with frameworks, guidelines and funding to help them develop strategic plans and implement asset management systems. The essential elements of the Western Australian framework as set out in the *Local Government (Administration) Regulations 1996* are:

- A ten year strategic community plan;
- A four year corporate business plan;
- A ten year financial management plan;
- A ten year asset management plan;
- A four year workforce plan; and
- An annual operating plan and budget.

Figure 5: Western Australia's Integrated Planning Framework



Source: Integrated Planning and Reporting Advisory Standard
Department of Local Government WA 2012 p. 2

A strategic community plan is described in the Integrated Planning and Reporting Guidelines (Department of Local Government WA 2010) for Western Australia as:

a principal 10+ year strategy and planning document that outlines community vision and objectives, strategies to address social, economic, environmental and civic leadership issues, and incorporates changing internal and external factors that impact on the plan, and the means for assessing progress against the objective. This may also be known as a Community Plan (p. 25).

The strategic community plan sets the overall framework and objectives for the development of the corporate business plan, the annual plan and the informing strategies.

In terms of the role of elected members in the development of the strategic community plan the section 19C (7) of the WA Local Government (Administration) Regulations specify that a council is to consider a strategic community plan, or modifications of such a plan, submitted to it and is to determine (by absolute majority) whether or not to adopt the plan or the modifications.

Unique in WA: Advisory Standards

A feature of the Western Australian approach is that instead of specifying the contents of the plans in the Act or Regulations, 'Advisory Standards' are put forward which describe a basic, intermediate and advanced approach to meeting legislative requirements. These standards would be used by the state department to measure compliance within the sector. The standards document reads as follows:

The legislation requires only that basic standards be met. The intermediate and advanced standards demonstrate the higher levels to which local governments should aspire as they strive towards achieving

best practice. Meeting the basic standard is a pre-requisite for progression to both the intermediate and advanced standards. This Advisory Standard should be read with this in mind (Department of Local Government WA 2012, p. 1).

The Advisory Standard describes a basic, intermediate and advanced approach to each of the plans within the framework. Basic standards for the key plans are as follows:

Table 4: Strategic Community Plan and Corporate Business Plan Advisory Standard

Strategic Community Plan	<ul style="list-style-type: none"> • A council has, by 30 June 2013 or earlier, adopted a Strategic Community Plan that meets all of the regulatory requirements. • The local government has a community engagement policy/strategy. • Community engagement involves at least 500 or 10% of residents, whichever is fewer, and is conducted by at least 2 documented mechanisms.
Corporate Business Plan	<ul style="list-style-type: none"> • A council has, by 30 June 2013 or earlier, adopted a Corporate Business Plan that meets all of the listed regulatory requirements. • The current year of the Corporate Business Plan establishes the current Annual Budget. • The local government also has in place: <ul style="list-style-type: none"> ○ workforce plan that meets the basic standard; ○ asset management key performance indicators that meet the basic standard; and ○ a long term financial plan.

Compliance with the new framework will not be required nor enforced until 30 June 2013. The Department of Local Government has put resources into promoting the changes across the state, and WA has drawn from experience and lessons learned from the approach taken in NSW.

4. Observations

Setting out the frameworks across the Australian jurisdictions is a first step to understanding the policy and legislative landscape within which local governments carry out strategic and corporate planning. Having established this context we now turn to some of the challenges councils face in trying to meet these requirements, drawing out a variety of lessons from the experience of implementing strategic planning frameworks in the various Australian jurisdictions.

4.1 Strengthening capacity for strategic and corporate planning

Small local governments

Building their capacity to undertake long term strategic and corporate planning is one of the challenges which local governments (particularly smaller organisations) face in adopting these approaches. Martin Bass' paper *Integrated Planning and Reporting: Reflections on three years of implementation by NSW councils*, documents his experience of implementing the UTS Centre for Local Government's *Integrated Planning Capacity Building Program*, established in 2009. Through this program the Centre works with local government staff through a program of consultancy, training and facilitation to implement the new *Integrated Planning and Reporting* framework (IP&R).

Bass (2012) states that in practice, the transition to a new framework has been difficult for many councils. As testimony to the challenges faced by some councils, at the 2011 NSW Local Government and Shires Association Annual Conference, around one third of all rural local governments reported that they would be unable to complete implementation of IP&R by the final deadline of 30 June 2012. Severe resource limitations were cited as the primary reason. For many country councils the burdens of IP&R were compounded by a lack of organisational experience and insight into how each of the key tasks might be managed. Some of the more difficult tasks for many councils included:

- Determination of the key steps and timing required for implementation of the framework;
- Development of a structure for the community strategic plan;
- Development of a sound and appropriate approach to community engagement;
- Determination of clear roles and responsibilities for staff and councillors;
- Development of sound formats and templates for Resourcing Strategy components; and
- Development of a new format for the Delivery Program that moved away from the old Management Plan format to enable a comprehensive four-year organisational planning outlook.

Communication and alignment of different levels of plans

Another issue limiting the effectiveness of the implementation of these new reforms is the quality of communication in designing and delivering these plans. There is very little prescription to ensure that plans and reports are accessible to a wide cross section of the community, such as the specification that documents must be easy to read, or made available in different formats, although this is presented as best practice in some of the guidelines.

Several Australian states, including New South Wales and South Australia, require that council strategic and corporate plans must be informed by and have due regard to the state plans. In the Northern Territory there are Regional Management Plans which facilitate this localising of the state agenda, and in Tasmania the Premier's Local Government Council facilitates discussions between the state and local government on issues of statewide significance.

Managing community expectations

With the introduction of requirements for plans which invite the community to think broadly about the future of their local areas, residents may come to expect more from their local governments than they are able to deliver. The reality is that many local issues require a state or commonwealth response, and councils might facilitate this planning process but are not solely responsible for realising the objectives set by communities. The approach in Tasmania in which high level strategy discussions are undertaken on a routine basis, or the approach in the Northern Territory in which the state develops *Regional Management Plans*, both seem to address this need. Councils can facilitate *Community Plans*, but they will be far more effective if there is a co-ordinated response particularly at the state government level in at least receiving and discussing local issues and agendas.

Sharing experience

There are almost 600 councils in Australia and New Zealand who are undertaking this kind of planning and reporting, and many are designing their own ways of developing and writing these documents. While this leads to innovation and locally appropriate approaches, it also suggests a significant amount of rework and 're-inventing the wheel' which is demanding significant resources across the sector. Ways to share good practice do not necessarily require a great deal of funding. Jurisdictions and associations might provide case studies, libraries of plans and reports, overview of good practice ideas, resources and references to assist councils. The Australian Centre of Excellence for Local Government is building a library of resources for local government which is available on its website (www.acelg.org.au).

The United Kingdom's Local Government Association is funded by central government to offer councils such a scheme, called a *Planning Peer Challenge*, which enables councils to work in a non-statutory way with their own peers to assess their approach and identify opportunities for improvement (LGA UK 2012). The process addresses the following five themes:

- How well is your planning service supporting local priority outcomes?
- Is there a clear and locally-distinctive planning vision for the area together with a strategy that sets out how the council will address planning needs for sustainable communities, housing and the local economy?
- How will the council enable citizens and communities to shape their localities in a way that meets their needs and aspirations?
- Does the council provide a good service to users?
- How will the council work with other councils, agencies and communities to coordinate where necessary and work productively? (LGA UK 2012)

4.2 The role of the CEO, mayor and councillors

Locally elected members, particularly the mayor, and Chief Executive Officer (CEO) have an important role in leading strategic and corporate planning processes. Many of the local government Acts do not specify particular roles and responsibilities² for the preparation of plans and reports. Where they do provide guidance, the most commonly specified role is that of the CEO in respect of presenting reports to the elected council on the implementation of plans.

More innovative practices around roles, responsibilities and development processes of plans and reports were not found in the analysis of the legislation. More thought good be given to introducing alternative models such as mayors who present budget speeches, CEOs who involve management teams in preparing performance measures, or staff engagement on organisation mission and values. These practices, while common within the councils and potentially successful in strategic management, are not addressed within strategic planning legislation or guidelines.

The accompanying guidelines to the *NSW Local Government Act 1993* (s335) specify that the general manager is to assist the council with the development and implementation of the plans, and makes clear statements about the roles of the senior members of the council:

Box 2: Role and responsibilities for strategic community planning

The success of the planning process relies on the commitment of the Mayor and the General Manager as well as all Councillors. Without strong support and commitment, Council will find it difficult to develop and implement a meaningful plan.

The Mayor is responsible for explaining the purpose of the Community Strategic Plan to the community and for encouraging public support for the planning process.

The General Manager will also be responsible for guiding the preparation of the Community Strategic Plan and council's response to it via the Delivery Program (DLG 2010, page 11).

One of the General Manager's key responsibilities in implementing the plans is to ensure that council staff understand the bigger picture, including how their particular duties are helping to achieve strategic objectives and better outcomes for the community (DLG 2010, page 94).

Source: DLG NSW 2010

² For a more detailed examination and discussion of the roles of Mayors and CEOs see Sansom (2012) and Martin and Aulich (2012).

These statements provide clear guidelines regarding leadership of the strategic planning and reporting process and councillor and staff roles during implementation. However, with more complex requirements for strategic planning and reporting, CEOs are commonly employing or nominating individual staff positions or even units within councils to facilitate the preparation of these plans and reports.

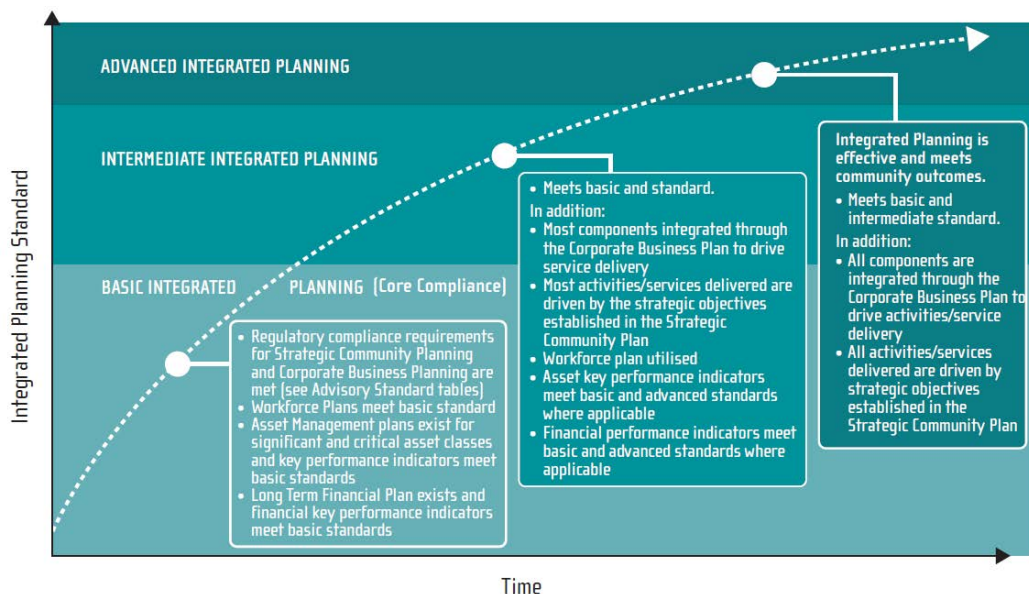
Stronger legislative requirements for strategic planning and reporting emphasise involvement of the community in developing long term strategic plans. The representative role of councillors within this more inclusive approach needs to be thought through. While some councillors may welcome more participatory forms of planning and decision making, others may feel they were elected to make decisions on behalf of their constituents.

4.3 Integration

Within local government

One of the key objectives of many of the new approaches to strategic planning, particularly in NSW and WA, is better integration and alignment among the different organisational and functional elements which make up a local government. The WA Department of Local Government sets out stages of integration in its integrated planning advisory standard (see figure 6 below).

Figure 6: Pathway to better integrated planning performance, WA



Source: Integrated Planning and Reporting Advisory Standard
Department of Local Government WA no date p.3

In the WA model illustrated above the mechanism for integration is the Corporate Business Plan and the ultimate outcome is that all activities and services delivered are driven by the objectives put forward in the strategic community plan.

In many of the strategic planning frameworks, asset and financial plans are separated from the overarching strategic plans which are developed with the community. This divorces

community identification of priorities from the implications of these decisions on available resources (financial, asset and human). The challenge is then to foster informed debate within communities in which resourcing priorities and the politics which underpin those decisions are made explicit.

A further possible complication is that there are particular technical skills which are needed in order to prepare workforce, financial and asset management plans, associated with the accounting, budgeting, human resource and engineering professions. Given the important role of the community, technical ability is not sufficient. There are additional skills required in communicating the intricacies of the issues, and then in facilitating informed decision making about resourcing priorities. For councils to prepare strategic longer term resourcing strategies, this combination of technical, communication and engagement skills is needed in order for local communities to understand and manage their resourcing constraints.

State and local government integration

While integration of planning at the local level poses its own set of challenges, integrating state and local level planning is equally complex. The advent of community strategic plans creates an untapped resource to inform state level strategic planning. To date no jurisdiction has fully seized the opportunity to incorporate the outcomes of community level planning facilitated by local governments into state level planning systems. This is comparatively uncharted territory within the Australian context and much needs to be done in order to enable state agencies to use this resource.

Land use planning

At a council level the land use plans are often lower in the planning hierarchy than the community strategic plans, however, state planning legislation generally does not recognise a hierarchy between these plans. In addition there are weak legislative links between the local government and the planning Acts. It seems that only in Tasmania does the planning legislation explicitly state that local land use plans must pay regard to community strategic plans. In NSW the re-writing of the *Environmental and Planning and Assessment Act 1979* is currently underway and reference to Integrated Planning and Reporting is expected in the new Act.

This is an important issue to resolve, as the land use plans of a local government area influence the capacity of a council to deliver on community objectives within their community plans. Similarly the asset management plans of a council need to include any infrastructure needs contained within place-based master plans or locality plans for their effective implementation. Future reforms could examine the ideal integration arrangements between strategic, corporate and land use planning and in particular to resolve any conflicts, duplication or lack of integration when planning provisions for local government are contained within different pieces of legislation and overseen by separate state government agencies.

4.4 The importance of local context

Councils are diverse in terms of the populations they serve, their local context and their size. Despite initiatives and reforms to amalgamate local governments across Australia

many councils remain small in size in terms of population and budget rather than geographical area. The implementation of new planning and reporting requirements may affect smaller and larger councils differently and in unexpected ways.

According to Bass (2012) around half of all NSW councils had developed community strategic plans, prior to the introduction of the new legislation in 2009. In general these were city-based or regional councils that had the necessary resources to manage the process internally or allocate funding for consultants, public events, community information and other associated activities. At the time of introduction of integrated planning and reporting in NSW, many of these councils had already amassed considerable organisational knowledge and experience in areas such as community engagement, strategic planning and resource planning and management. In effect they had a significant head start and were well aware of the implications of integrated planning and reporting in regard to the time and resources required and importantly of the benefits this approach could bring.

In contrast, many smaller councils had no experience in strategic or corporate planning. Their organisational structures did not have an obvious department which could take on responsibility for managing implementation. In addition, they had little or no available funds to bring in external help (Bass 2012). Despite profound differences in resources and capacities, the legislation requires that every council to observe similar standards in fulfilling the requirements of the integrated planning and reporting framework.

In principle the NSW *Integrated Planning and Reporting* framework is scalable and ideally should be achievable by all sizes of local government. However, the framework is complex and agencies in addition to the Division for Local Government such as independent Pricing and Regulatory Tribunal (IPART), Auditors General, Regional Development Australia committees (RDAs) and other funding bodies also use these documents to assess councils. These agencies may use different assessment standards to those used by the Division of Local Government in examining the Integrated Planning and Reporting documents and making their determinations with regard to, amongst others, funding applications.

Further research needs to be done to understand how new approaches to planning and reporting affect councils with differing levels of resourcing. It may be that less complex frameworks are appropriate for smaller councils.

4.5 Performance reporting

Annual Reports

One important aspect of the local government approach to strategic and corporate planning is the requirement to monitor and report on progress. Interestingly the emphasis of reform has been on the planning side of the equation while reporting has remained relatively untouched. All jurisdictions require annual reports, and NSW also requires local governments to provide an end-of-term report for outgoing councils. The end of term report is required to be incorporated in the Annual Reporting process to provide an update of progress against the objectives set in the *Community Strategic Plan*. This report adds a

political element to the reporting process, since the end of term report must be presented to the final meeting of the outgoing council.

All of the local government Acts stipulate that councils must report progress or achievements against their strategic or corporate plans, but there are very few further requirements for reporting on activities. All councils must provide financial statements and an audit report in their annual reports.

In general, in each state and in the Northern Territory only one or two items in the local government acts and corresponding regulations relate to reporting on council activities and progress against strategic, municipal or community plans. Although more information and suggestions on reporting activities is provided in some of the best practice guidelines, the weight of the legislation and regulations focuses on reporting to ensure financial and administrative transparency and accountability.

Given that more strategic and long term planning processes are being required of councils, should reporting mechanisms also reflect this? The NSW requirement to include end of term reporting on progress towards the objectives set out in their *Community Strategic Plan* as part of their annual reporting process, could be built on to develop innovative ways of reporting against strategic objectives over a longer time frame. As councils come to renew and revisit their *Community Strategic Plans*, this kind of reporting may prove useful.

Measuring progress

All of the legislative frameworks require councils to nominate performance measures in their plans and then report against them in their annual and other reports. However councils more easily nominate quite aspirational goals such as 'a better lifestyle' or very concrete strategies such as a bridge-building program. Measures against the first tend to be too difficult to collect, and against the second tend to be highly specific time and budget measures.

To find performance measures which strike a happy medium between the very general and the very specific is quite elusive for councils. Issues tend to be very complex, and genuine outcome measures often require long-term and expensive monitoring programs. How would a council measure park usage or healthy lifestyles or community energy usage? According to the Victorian Auditor General:

Most councils' non-financial performance data is of limited relevance to ratepayers and residents, the principal users of that data... The performance indicators being reported are activity-based and generally only measure one metric – time. In many cases the nexus between the indicator and the activity is indirect and of questionable relevance (VAGO 2008, p. 1).

A realistic and pragmatic approach to expectations regarding performance measurement is needed, and the sensible but somewhat elusive approach to performance measurement for local government would be to identify indicators which are both practical for the

council to measure as well as meaningful for the community and the government in overseeing the council's performance.

Better connections between the organisational measures and individual performance measures would seem to offer an anchor for the goals of the council into the activities of the organisation, however this requirement has not appeared in any of the legislative prescriptions.

4.6 Is strategic community planning necessary?

There are a number of objectives put forward by state jurisdictions for strengthening community strategic planning and reporting at local government level: the need to integrate the many functions of council, the importance of more strategic management and leadership, the need to find efficiencies, understanding and implementing the aspirations of the community, and addressing the infrastructure backlog and financial sustainability of councils.

At the same time, Queensland recently abolished the requirement for a Community Plan. In addition Bass' (2012) reports that less well-resourced NSW councils may not have the capacity and arguably the need for overly complex planning frameworks. As changes become embedded in council operations further work needs to be done to understand whether the balance of prescription laid out in the legislation does in fact facilitate more efficient and strategic planning.

5. Conclusion

Australian jurisdictions have all undergone local government reforms in the recent past which have included new requirements for strategic and corporate planning. This has led to the development of frameworks in the different jurisdictions that have many similarities but also have unique features.

This paper has set out the various provisions for strategic and corporate planning in order to facilitate comparison, discussion and mutual analysis of the different approaches taken. In addition, some initial lessons learned from implementing these reforms have been documented in order to inform this discussion.

Table 5: Summary of strategic and corporate planning frameworks

	Strategic Plans	Corporate Plans	Annual Plans	Financial Plans	Asset Management Plans	Workforce Plans	Unique features
NSW	Yes	Yes	Yes	Yes	Yes	Yes	End-of-term reports presented to an outgoing council.
NT	No	Yes	Yes	Yes	No	No	Each municipal or shire plan must contain a service delivery plan linked to the regional management plan.
QLD	No	Yes	Yes	Yes	Yes	No	Regional as well as local issues had to be considered in long-term community plans.
SA	No	Yes	Yes	Yes	Yes	No	Councils have to align their activities with those of other levels of government in their strategic management plans.
TAS	Yes	Yes	Yes	No	No	No	The planning legislations explicitly states that local land use plans must pay regard to community strategic plans
VIC	Yes	Yes	Yes	Yes	Yes	Yes	Best value principles for service delivery are reported against annually.
WA	Yes	Yes	Yes	Yes	Yes	Yes	Advisory standards describe basic, intermediate and advanced approach to meeting legislative requirements.

In practice there are a number of practical, conceptual and resourcing challenges for councils in undertaking an effective strategic planning and reporting process. More work can be done to understand whether the legislative provisions are indeed leading to better strategic management within the councils and localities. Evaluation and research that focusses on what works, what does not and why will identify best practice and provide an evidence base for further legislative or regulatory reform.

The complexities of strategic planning within local governments but also between state and local level planning are as yet not adequately addressed in policy or legislation. And it is not clear yet what the benefits and costs of strategic planning are. There are many unexplored questions relating to the appropriateness of a legislative approach which applies to all councils in a jurisdiction given their diversity in terms of size (geographical as

well as organisational) the scope of their activities, their capacities, the challenges they face and ultimately the communities they represent. This paper provides a description of the strategic planning frameworks across Australia with some initial observations and analysis. A next step is to understand the impact of strategic planning to determine its benefits and its contribution to wider processes of local government reform.

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Appendix One: Changes to local government legislation

New Zealand

- 1989: The reforms of 1989 required councils to publish a draft annual plan and budget, and seek community views on the draft before its adoption. A further obligation was the publication of an annual report
- 1996: Local Government Amendment Act (No. 3), required councils to develop and publish long term financial strategies (LTFS) which included financial forecasts for the forthcoming ten years and were to be revised every three years.
- 1999: Requirement that councils identify community outcomes and show how the activities in the LTFS contribute to them.
- 2002: The Local Government Act 2002 (LGA02), reframed the purpose of local government to emphasise democratic local decision-making, by, and on behalf of, communities and councils' role in promoting the social, economic, environmental, and cultural well-being of communities, in the present and for the future. The critical mechanism for delivering on this new purpose was the Long Term Council Community Plan (LTCCP). The purpose of the LTCCP was to:
- set out the community outcomes and the local authority's intended contribution to those outcomes as well as the contribution of other agencies
 - set out the things the local authority will be doing over the life of the plan
 - co-ordinate the activities of the local authority
 - provide a long-term focus for the local authority
 - provide a means for communities to hold the local authority accountable
 - provide an opportunity (potentially the primary opportunity) for the public to participate in local decision-making (LGNZ 2003, p. 32)

New South Wales

- 1993: Local Government Act
- 2000: Management Plan Guidelines
- 2003: The State Government announced its Local Government Reform Program, which aimed to ensure healthy and sustainable local councils that are accountable and responsive to their communities.
- 2006: Percy Allan report **Are Councils Sustainable**, commissioned by the LGSA recommended, amongst others, that councils develop long-term strategic and financial plans in consultation with their communities.
- 2009: Amendments are made to the Local Government Act 1993 to specify the way in which councils should undertake their planning and reporting functions. The Integrated Planning and Reporting Act (2009) mandates strategic community planning and requires councils to adopt more robust financial planning and reporting practices. The goal is for councils to strengthen their strategic focus, streamline the planning and reporting processes, and encourage integration between various plans. It is designed as a continuous improvement framework, rather than a static planning model, and intends to allow councils more autonomy in responding to their communities' various needs. The IPR also requires elected representatives to play a leading role in developing long-term plans.

Northern Territory

- 2008: The NT government initiates a local government reform process. The reform process aimed to improve and expand the services delivered by establishing eight new shire boundaries and shire offices in major centres, appointing shire chief executive officers, and installing unified business systems for consistent business reporting. The NT Government had previously collected annual financial and performance data from councils.

- 2008: The NT's *Local Government Act 2008* requires the preparation of a four-year regional plan (between interested councils for the region) and municipal/shire council plans are reviewed annually. Each municipal/ shire council is also required to have an annual plan containing:
- A service delivery plan and council budget
 - A long-term community or strategic plan the council has adopted and the council's long-term financial plan, together with annual budgets and annual financial statements
 - A recent assessment of the adequacy of constitutional arrangements in force; opportunities and challenges in service delivery; possible changes to administrative and regulatory framework; and any possibilities that exist to improve services by cooperating with other councils (updated at least once in the term)
 - Key performance indicators (Technology One 2010)

Queensland

- 2005: The Local Government Association of Queensland and the Queensland Government jointly developed a reform framework. 118 councils investigated their long-term future through the *Size, Shape and Sustainability* initiative, to investigate challenges such as shared services, regional cooperation and voluntary boundary changes, with a view to improving financial sustainability.
- 2007: The Minister for Local Government wrote to all mayors asking them to assess progress of the *Size, Shape and Sustainability* program. Responses from councils clearly showed that substantial local government reform was not going to be achieved through the SSS process before the 2008 local government elections. The Queensland Treasury Corporation prepared financial sustainability reviews for 105 councils, 40% of which were found to be 'financially weak', 'financially very weak' or 'financially distressed'.
- 2007: Establishment of the Local Government Reform Commission to make recommendations on the most appropriate structure and boundaries for local government in Queensland. This is the same process used to determine state and federal election boundaries.
- 2010: New laws governing the operation of local governments came into effect with the *Local Government Act 2009* replacing the *Local Government Act 1993*, and the *City of Brisbane Act 2010* replacing the *City of Brisbane Act 1924*. The new legislation provides local governments with:
- a simpler, principles-based approach to legislation
 - emphasis on sustainable, accountable government that uses input from the community
 - greater flexibility and easier customisation with less legislative burden
 - clearer roles and responsibilities for councillors.

South Australia

- 2005: The Local Government Association of South Australia releases an independent report, *Rising to the Challenge: Towards Financially Sustainable Local Government in South Australia*. The report showed that, in general terms, councils have put community needs and demands for services ahead of their own financial sustainability. It demonstrated that councils had low net debt levels but required extensive upgrading of community infrastructure, much of which was constructed between 1960 and 1980. An interesting finding was that South Australian councils receive the lowest per capita Commonwealth funding (Technology One 2010).
- 2007: The recommendations contained in the Local Government Association of South Australia's report led to the introduction of the *Local Government (Financial Management and Rating) Amendment Act 2005*, which requires councils to prepare a long-term financial plan for a period of at least 10 years; and an infrastructure and asset management plan for a period of at least 10 years.

Tasmania

- 2007 Local Government Association of Tasmania commissioned Access Economics to, *Review of the*

Financial Sustainability of Local Government in Tasmania, found that one in five councils might be financially unsustainable due to operating deficits or annual renewals gaps. It recommended that each council develop a rolling ten-year financial plan to rehabilitate and expand infrastructure, develop services in line with population growth, generate additional resources from revenue increases and cost savings, and comply with financial key performance areas to address the renewals gap (Access Economics 2007).

The Tasmanian *Local Government Act 1993* requires councils to prepare a five-year strategic plan, an annual operational plan, and an annual report. Councils are also asked to participate in an annual key performance area framework, which is run between local government departments, associations and manager groups (Technology One).

Victoria

- 1992: Amalgamation of Councils and local government reform undertaken by the Kennett government.
- 2003: Local Government (Democratic Reform) Act passed to further democratic reform of the Local Government Act 1989. The changes to the Act required a 4 year strategic plan, 4 year strategic resource plan and annual budget.

Western Australia

- 2006: The Western Australian Local Government Association (WALGA) released a report, *WALGA Systemic Sustainability Study*, which made 41 recommendations to improve local government, and a task force was set up to implement these recommendations.
- 2009: In February 2009, the Western Australian government announced wide-ranging local government reform strategies aimed at achieving better planning, management, and delivery of services to communities, specifically in relation to economic sustainability. Each council in Western Australia was asked to undergo a voluntary amalgamation process, reduce councillor numbers, and form regional groupings to achieve efficiencies. Other requests involve adopting a longer-term strategic planning framework, including asset and financial management and workforce planning, and the review and amendment of current local government legislation to facilitate sustainability (Technology One 2010).
- 2011: Amendments to the Local Government Act 1995 made: Local Government (Administration) Amendment Regulations (No.2) 2011

Appendix Two: Excerpts of local government legislation

New Zealand

Provisions for strategic and corporate planning in New Zealand are set out in the NSW Local Government Act 2002 s93-96 and also in Schedule 10 Part 1:

93 Long-term plan

- (1) A local authority must, at all times, have a long-term plan under this section.
- (2) A local authority must use the special consultative procedure in adopting a long-term plan.
- (3) A long-term plan must be adopted before the commencement of the first year to which it relates, and continues in force until the close of the third consecutive year to which it relates.
- (4) A local authority may amend a long-term plan at any time.
- (5) A local authority must use the special consultative procedure in making any amendment to a long-term plan.
- (6) The purpose of a long-term plan is to—
 - (a) describe the activities of the local authority; and
 - (b) describe the community outcomes of the local authority's district or region; and
 - (c) provide integrated decision-making and co-ordination of the resources of the local authority; and
 - (d) provide a long-term focus for the decisions and activities of the local authority; and
 - (e) provide a basis for accountability of the local authority to the community; and
 - (f) provide an opportunity for participation by the public in decision-making processes on activities to be undertaken by the local authority.
- (7) A long-term plan adopted under this section must—
 - (a) cover a period of not less than 10 consecutive financial years; and
 - (b) include the information required by [Part 1](#) of Schedule 10.

95 Annual plan

- (1) A local authority must prepare and adopt an annual plan for each financial year.
- (2) A local authority must use the special consultative procedure in adopting an annual plan.
- (3) An annual plan must be adopted before the commencement of the year to which it relates.
- (4) Despite subsection (1), for the first year to which a long-term plan under [section 93](#) relates, the financial statement and funding impact statement included in that long-term plan in relation to that year must be regarded as the annual plan adopted by the local authority for that year.
- (5) The purpose of an annual plan is to—
 - (a) contain the proposed annual budget and funding impact statement for the year to which the annual plan relates; and
 - (b) identify any variation from the financial statements and funding impact statement included in the local authority's long-term plan in respect of the year; and
 - (c) support the long-term plan in providing integrated decision-making and co-ordination of the resources of the local authority; and
 - (d) contribute to the accountability of the local authority to the community; and

(e) extend opportunities for participation by the public in decision-making processes relating to the costs and funding of activities to be undertaken by the local authority.

New South Wales

Provisions for strategic and corporate planning in NSW are set out in the NSW Local Government Act 1993 s402-s406. Below are relevant excerpts from the legislation.

402 Community strategic plan

- (1) Each local government area must have a community strategic plan that has been developed and endorsed by the council. A community strategic plan is a plan that identifies the main priorities and aspirations for the future of the local government area covering a period of at least 10 years from when the plan is endorsed.
- (2) A community strategic plan is to establish strategic objectives together with strategies for achieving those objectives.
- (3) The council must ensure that the community strategic plan:
 - (a) addresses civic leadership, social, environmental and economic issues in an integrated manner, and
 - (b) is based on social justice principles of equity, access, participation and rights, and
 - (c) is adequately informed by relevant information relating to civic leadership, social, environmental and economic issues, and
 - (d) is developed having due regard to the State government's State Plan and other relevant State and regional plans of the State government.
- (4) The council must establish and implement a strategy (its "**community engagement strategy**"), based on social justice principles, for engagement with the local community when developing the community strategic plan.

403 Resourcing strategy

- (1) A council must have a long-term strategy (called its "**resourcing strategy**") for the provision of the resources required to implement the strategies established by the community strategic plan that the council is responsible for.
- (2) The resourcing strategy is to include long-term financial planning, workforce management planning and asset management planning.

404 Delivery program

- (1) A council must have a program (its "**delivery program**") detailing the principal activities to be undertaken by the council to implement the strategies established by the community strategic plan within the resources available under the resourcing strategy.
- (2) The delivery program must include a method of assessment to determine the effectiveness of each principal activity detailed in the delivery program in implementing the strategies and achieving the strategic objectives at which the principal activity is directed.
- (3) The council must establish a new delivery program after each ordinary election of councillors to cover the principal activities of the council for the 4-year period commencing on 1 July following the election.

405 Operational plan

(1) A council must have a plan (its "**operational plan**") that is adopted before the beginning of each year and details the activities to be engaged in by the council during the year as part of the delivery program covering that year.

Northern Territory

Strategic and corporate planning provisions are set out in the Local Government Act 2008 s22-24. Excerpts of the relevant legislation are presented below.

22. Municipal or shire plan

- (1) Each council must have a plan for its area.
- (2) The plan for a municipal council is called the **municipal plan** and for a shire council, the **shire plan**.
- (3) A council's municipal or shire plan:
 - (a) must be accessible on the council's website; and
 - (b) must be available for inspection at the council's public office; and
 - (c) must be available for purchase at a fee fixed by the council from the council's public office.

23. Contents of municipal or shire plan

- (1) A municipal or shire plan:
 - (a) must contain:
 - (i) a service delivery plan for the period to which the municipal or shire plan relates prepared in accordance with planning requirements specified in a relevant regional management plan; and
 - (ii) the council's budget; and
 - (b) must contain, or incorporate by reference:
 - (i) any long-term community or strategic plans adopted by the council or a local board and relevant to the period to which the municipal or shire plan relates; and
 - (ii) the council's long-term financial plan; and
 - (c) must contain, or incorporate by reference, the council's most recent assessment of:
 - (i) the adequacy of constitutional arrangements presently in force for the council under this Act and, in particular, whether they provide the most effective possible representation for the area; and
 - (ii) the opportunities and challenges for local government service delivery in the council's area; and
 - (iii) possible changes to the administrative and regulatory framework for delivering local government services in the council's area over the period to which the plan relates; and
 - (iv) whether possibilities exist for improving local government service delivery by cooperation with other councils, or with government agencies or other organisations; and
 - (d) must define indicators for judging the standard of its performance.

Queensland

Strategic and corporate planning provisions are set out in the Local Government Act 2009 s104. Below are relevant excerpts from the legislation.

Part 3 Financial planning and accountability

104 Financial management systems

- (5) The system of financial management established by a local government must include—
- (a) the following financial planning documents prepared for the local government—
 - (i) a 5-year corporate plan that incorporates community engagement;
 - (ii) a long-term asset management plan;
 - (iii) a long-term financial forecast;
 - (iv) an annual budget including revenue statement;
 - (v) an annual operational plan; and

South Australia

Strategic and corporate planning provisions are set out in the Local Government Act 1999 s122-123. Below are excerpts from the relevant legislation.

Chapter 8—Administrative and financial accountability

122—Strategic management plans

- (1) A council must develop and adopt plans (which may take various forms) for the management of its area, to be called collectively the *strategic management plans*, which—
- (a) identify the council's objectives for the area over a period of at least 4 years (the *relevant period*), and provide a clear indication of—
 - (i) the extent to which the council has participated with other councils, and with State and national governments, in setting public policy objectives, and the extent to which the council's objectives are related to regional, State and national objectives; and
 - (ii) the extent to which the council has given consideration to regional, State and national objectives and strategies which are relevant to the economic, social, physical and environmental development and management of its area; and
 - (iii) the extent to which the council intends to co-ordinate with State and national governments in the planning and delivery of services in which there is a common interest; and
 - (b) provide assessments that relate to the following matters (with particular reference to the relevant period):
 - (i) the sustainability of the council's financial performance and position; and
 - (ii) the extent or levels of services that will be required to be provided by the council to achieve its objectives; and
 - (iii) the extent to which any infrastructure will need to be maintained, replaced or developed by the council; and
 - (iv) anticipated changes in its area with respect to—
 - (A) real property development; and
 - (B) demographic characteristics of its community to the extent that is reasonable taking into account the availability of appropriate and accurate data; and
 - (v) the council's proposals with respect to debt levels; and
 - (vi) any anticipated or predicted changes in any factors that make a significant contribution to the costs of the council's activities or operations; and
 - (b) identify the principal activities that the council intends to undertake to achieve its objectives; and
 - (d) state the measures (financial and non-financial) that are to be used to monitor and assess the performance of the council against its objectives over the relevant period; and
 - (e) identify the means by which its activities are to be carried out and its objectives achieved; and
 - (g) address issues associated with arranging its affairs so as to separate its regulatory activities from its other activities, so far as this is reasonable to do so; and
 - (h) make provision for the regular review of the charters, activities and plans of any subsidiary of the council.
- (1a) A council must, in conjunction with the plans required under subsection (1), develop and adopt—
- (a) a long-term financial plan for a period of at least 10 years; and

- (b) an infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years, (and these plans will also be taken to form part of the council's strategic management plans).
- (2) Strategic management plans—
- (a) should—
 - (i) address the strategic planning issues within the area of the council, with particular reference to (and in a manner consistent with) the Planning Strategy; and
 - (ii) set out the council's priorities for the implementation of planning policies, (although these matters may be satisfied by referring to the council's most recent *Strategic Directions Report* under section 30 of the *Development Act 1993*); and
 - (b) should (as far as practicable) be consistent with the Development Plan or Plans for the council's area, other than where the council proposes to amend the Plan or Plans in accordance with the procedures set out in the *Development Act 1993* and the council obtains an agreement with the Minister to whom the administration of the *Development Act 1993* is committed relating to the implementation of a program to undertake any relevant amendment or amendments; and
 - (c) should (as far as practicable) be consistent with any relevant statutory policy or plan (not referred to above).

Tasmania

Strategic and corporate planning provisions are set out in the Local Government Act 1993 s69-71. Excerpts of the relevant legislation are presented below:

66. Strategic plan

- (1) A council is to prepare a strategic plan for the municipal area.
- (2) A strategic plan is to be in respect of at least a 5 year period and updated as required.
- (3) In preparing a proposed strategic plan or updating an existing strategic plan, a council is to consult with the community in its municipal area and any authorities and bodies it considers appropriate.
- (4) The general manager is to make a copy of a proposed strategic plan or updated strategic plan available for public inspection at the public office during ordinary office hours.

71. Annual plan

- (1) A council is to prepare an annual plan for the municipal area for each financial year.
- (2) An annual plan is to –
 - (a) be consistent with the strategic plan; and
 - (b) include a statement of the manner in which the council is to meet the goals and objectives of the strategic plan; and
 - (c) include a summary of the estimates adopted under [section 82](#); and
 - (d) include a summary of the major strategies to be used in relation to the council's public health goals and objectives.

Victoria

Strategic and corporate planning provisions are set out in the Local Government Act 1989 s125-126. Below are relevant excerpts from the legislation

125 Council Plan

- (1) A Council must prepare and approve a Council Plan within the period of 6 months after each general election or by the next 30 June, whichever is later.
- (2) A Council Plan must include—
 - (a) the strategic objectives of the Council;
 - (b) strategies for achieving the objectives for at least the next 4 years;
 - (c) strategic indicators for monitoring the achievement of the objectives;
 - (d) a Strategic Resource Plan containing the matters specified in section 126;
 - (e) any other matters which are prescribed by the regulations.

126. Strategic Resource Plan

- (1) The Strategic Resource Plan is a resource plan of the resources required to achieve the strategic objectives.
- (2) The Strategic Resource Plan must include in respect of at least the next 4 financial years—
 - (a) the standard statements describing the required financial resources in the form and containing the information required by the regulations;
 - (b) statements describing the required non-financial resources, including human resources.

Best Value

The best value principles and the way they are to be applied are included in the Local Government Act 1989 s208B-208D. Below are excerpts from the relevant legislation.

208B. Best Value Principles

The Best Value Principles are—

- (a) all services provided by a Council must meet the quality and cost standards required by section 208D;
- (b) subject to sections 3C(2)(b) and 3C(2)(e), all services provided by a Council must be responsive to the needs of its community;
- (c) each service provided by a Council must be accessible to those members of the community for whom the service is intended;
- (d) a Council must achieve continuous improvement in the provision of services for its community;
- (e) a Council must develop a program of regular consultation with its community in relation to the services it provides;
- (f) a Council must report regularly to its community on its achievements in relation to the principles set out in paragraphs (a), (b), (c), (d) and (e).

208C. Factors that may be looked at in applying the Principles

In applying the Best Value Principles, a Council may take into account, among other factors—

- (a) the need to review services against the best on offer in both the public and private sectors; and
- (b) an assessment of value for money in service delivery; and
- (c) community expectations and values; and
- (d) the balance of affordability and accessibility of services to the community; and
- (e) opportunities for local employment growth or retention; and
- (f) the value of potential partnerships with other Councils and State and the Commonwealth governments;
- (g) potential environmental advantages for the Council's municipal district.

208D. Quality and cost standards

- (1) A Council must develop quality and cost standards for the provision of any service it provides for its community.

- (2) A quality or cost standard must set out the performance outcomes determined by the Council in relation to each service.
- (3) In developing quality and cost standards a Council must take into account the factors listed in sections 208C(a), (b), (c), (d) and (e).
- (4) A Council may develop different quality and cost standards for different classes of services.

Western Australia

Strategic and corporate planning provisions are set out in the Local Government Act 1995 under the Local Government (Administration) Regulations. Below are relevant excerpts from the legislation.

Division 3 — Planning for the future

19C. Strategic community plans, requirements for (Act s. 5.56)

- (1) A local government is to ensure that a strategic community plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.
- (2) A strategic community plan for a district is to cover the period specified in the plan, which is to be at least 10 financial years.
- (3) A strategic community plan for a district is to set out the vision, aspirations and objectives of the community in the district.
- (4) A local government is to review the current strategic community plan for its district at least once every 4 years.
- (5) In making or reviewing a strategic community plan, a local government is to have regard to —
 - (a) the capacity of its current resources and the anticipated capacity of its future resources; and Local Government (Administration) Regulations 1996
 - (b) strategic performance indicators and the ways of measuring its strategic performance by the application of those indicators; and
 - (c) demographic trends.

19DA. Corporate business plans, requirements for (Act s. 5.56)

- (1) A local government is to ensure that a corporate business plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending
- (2) A corporate business plan for a district is to cover the period specified in the plan, which is to be at least 4 financial years.
- (3) A corporate business plan for a district is to —
 - (a) set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and
 - (b) govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and
 - (c) develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.

ABOUT UTS:CLG

UTS: Centre for Local Government (UTS:CLG) promotes a cooperative approach to local government education, research and development, and maintains close ties with a large number of local government associations, professional institutes and academic bodies in Australia, the Asia-Pacific and globally.

The Centre's activities are diverse and include:

- professional development programs for local government personnel and associated professionals
- Graduate Certificate in Local Government Leadership, Graduate Certificate in Development Assessment, and Graduate Diploma in Local Government Management
- research into various aspects of local government and governance
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- international programs and projects.

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ABOUT ACELG

ACELG is a unique consortium of universities and professional bodies that have a strong commitment to the advancement of local government. The consortium is led by the University of Technology Sydney's Centre for Local Government, and includes the University of Canberra, the Australia and New Zealand School of Government, Local Government Managers Australia and the Institute of Public Works Engineering Australia. In addition, the Centre works with program partners to provide support in specialist areas and extend the Centre's national reach. These include Charles Darwin University and Edith Cowan University.

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