Dear Sir/Madam,

RE: Integrated Planning and Reporting by NSW Councils

This submission has been prepared by the NSW Division of the Planning Institute of Australia (PIA) NSW Division in response to the Department’s Discussion Paper “Fitting the Pieces Together: Integrated Planning and Reporting by NSW Local Councils”.

PIA is the peak professional body representing professions involved in planning Australia’s cities, towns, regions and places. PIA is a not-for-profit association delivering benefits to over 4,500 members nationally. Our members are drawn from a range of planning professions – urban and regional planning, social planning, urban design, environmental planning, economic development planning, transport planning and planning law. A large proportion of our membership is employed in local government.

1 General

Overall, the intent of the project as detailed in the introduction is the sound, and is strongly supported by PIA NSW. Integrated strategic planning by councils has long been discouraged by the fragmented nature of the current system and the lack of embedded strategic planning requirements, particularly in the Environmental Planning and Assessment Act 1979.

PIA has long supported integrated local area planning since the original Commonwealth government initiative in this area. We note that integration not only requires an integrated approach at the local government level, but needs to ensure that coherence exists across State agencies as well. We recognise this is becoming a significantly greater challenge with the increasing range of legislation surrounding the local government environment.

We also commend the “health check” approach to working with the local government sector. We see this as significantly more productive than the Department having to take drastic action in the situation of a failure of a council financially, or in some parts of its operation.

The range of current planning processes being undertaken by Government agencies and departments is noted, particularly in terms of the focus on regional development. We note again the importance of an overall coordinated approach by State Departments and Agencies and also the need for Departments and Agencies to be actively involved in the Planning Reform Fund regional planning projects currently under way. Strong encouragement should be given to the relevant departments to participate fully in these plan-making processes. At the present time, obtaining State government Department input into these plans has not always been easy.
2 Planning and reporting framework

Diagram 2 in the Discussion Paper outlines the statutory planning and reporting framework. We feel that this framework would benefit from some further development work to further clarify what might be considered to the planning cycle and the operational cycle. In particular, each of the key strategic planning elements outlined should be linked with an associated monitoring element. At the present time the monitoring and reporting elements do not have a clear and precise correspondence with the strategic planning documents that are required.

Some of these documents also straddle several areas. For example, State of the Environment reporting is both a strategic tool and a monitoring and feedback device. This similarly applies to Council Management Plans. In many respects, an appropriate suite of strategic plans should, together, guide the management plan and budgeting process in a way in which appropriately balances strategic priorities across of the various areas and also identifies timelines tasks and budget allocations towards their implementation. Similarly, the Council annual report could be considered as a single integrated vehicle to provide the feedback loop between the management plan and budget and the various strategic plans.

We note the planned reviewing process proposed to be conducted by the Department following on previous review exercises. We believe this reviewing process is important, in particular as we anticipate that it will reveal that many of the strategic initiatives desirable for local communities are not able to be accommodated within current budgetary constraints. In this respect, the monitoring proposed potentially includes an important tool to understand the current fiscal position of the Local Government. We note that this extends beyond merely complying with reporting guidelines.

In terms of current planning framework we draw attention to the following comments about plans other than the Council management plan, which has already been discussed.

In terms of social/community plans, it needs to be recognised that whilst it is vital that local government participate in social/community planning, this is an area of Council involvement which has recently come under pressure. Councils are often seen as duplicating services of other spheres of government or unnecessarily engaging in "voluntary" activities when the core focus should be "roads and rubbish". PIA NSW rejects the notion that Councils should be seen as basic service providers only. Instead we strongly support the notion of locally driven social and community planning working within broader regional frameworks. We support the use of interagency models to assist in the social and community planning process so that all stakeholders are part of that process and their key strategic aims and implementation activities can take into account local needs and circumstance.

State of the Environment reporting is another area where local government has a relatively minor influence compared to a number of key state agencies. Nevertheless, again, it is useful to reflect on environmental matters at the local and regional level. Also important is the way in which environmental monitoring and reporting "feedback" to the various levels of stakeholder. On one level, the feedback to the Local Environmental Plan should be clearer, whilst on a second, there appears to be no real integration between State of the Environment reporting and, for example, a number of landholder-driven initiatives and activities. How will this relate to the work of Catchment Management Authorities?

The above discussion reinforces the view that local government has a critical and vital role as the local coordinating body, often of state agencies. As well, local government has a role beyond the "provider of last resort" to respond to community needs in a way that is difficult for state or national agencies to achieve. To assist local government in this role, a more coherent planning and reporting framework is required; one that operates in a much more collaborative manner with key departments, agencies and service providers. Community engagement, as stated, is a vital part of this process.

Also clear is that strategic planning, management and reporting goes well beyond mere compliance with statutory requirements. To achieve the type of integrated approach sought by the Department requires very significant resources (which are largely not available) and an inclusive approach. This is certainly true for land use planning and, in the view of PIA NSW, is true for the other areas of strategic planning as well.
In terms of the role of councillors, the general manager and council staff, it is important to see that the policy formulation process is more complex than the rather simplistic version currently embedded in the Act. It was useful to see the role of staff and the general manager as providing significant facilitation to the strategic policy formulation process has been recognised. In many respects the policy formulation process is a complex interplay between staff, councillors and community. Ideally this should be more explicitly recognised in the Act.

3 Issues for consideration

We strongly support proposals to embed a strategic planning as a requirement for councils, such planning to be undertaken on a holistic basis. We note, however, that this will require significant support for councils. Strategic land use planning being undertaken under the planning reform package is proving effective; however it is also clearly demonstrating that the type of strategic planning required is beyond the financial capacity of most councils, particularly smaller and regional councils.

Although the focus of the current project is on integration within councils we feel there is also significant benefit in realising that integration within councils can only be achieved once councils have a more coherent external operating environment, including external statutory reporting responsibilities. Successful integrated planning is not just an internal activity but requires, as was outlined in the ALGA Making the Connections publication, integration across spheres of government.

Community engagement needs to move well beyond mere consultation and comment on already completed plans. The term community engagement correctly describes a two-way process whereby communities have significant input into the development of understanding about issues within the community and also policy approaches to those issues. In a sense, the outcome needs to be driven by community needs rather than those simply being an "input (that) can influence the outcome".

We believe that with good and effective processes, the issues identified about community engagement processes can be overcome.

Turning to the role of councillors, as previously mentioned care needs to be taken about an excessively rigid division between strategic and operational areas. In practice, councillors need to have an adequate grasp of operational aspects. At the end of the day, the council’s operational framework is how the strategic planning policies and initiatives are actually achieved. This means that whilst council laws should not "run" operational aspects, they need to be clearly aware of them and monitoring them. This will also assist them to understand the operational restrictions on achieving strategic outcomes.

We agree that the complexity and volume of monitoring and reporting requirements is a substantial concern. As has been outlined throughout the submission, a more integrated approach with a streamlined set of documentation and reporting would assist all stakeholders.

4 Summary issues for review

This submission outlines ways in which the overall framework should be streamlined and improved to improve internal integration within councils and also to provide a more coherent external operating environment. At the moment there is a poor correlation between reporting requirements providing feedback and the strategic plans to which they relate.

We believe that there should be a statutory requirement for councils to undertake strategic planning, within a holistic and integrated framework that is well-articulated and efficient to operate. In general, longer-term strategic planning should be looking to a 10 year horizon, noting that depending upon the rates of change within communities reviews at between 3-5 years are also needed. As indicated in this submission, there needs to be a comprehensive, internally consistent and coherent strategic planning framework.
Some councils still have relics of the "purchaser/provider split" mentality which acted strongly against an integrated approach. Some "silo-isation" is also evident in some councils. The fundamental principles established in the *Making the Connections* report are still sound in terms of integrated planning.

Improved coherence is required in terms of timeframes. This being noted, there is a need to ensure that workloads regarding planning and reporting are appropriately distributed rather than coming in a massive "peak". Again this is a resource implication that needs to be carefully addressed.

In our view, the current monitoring and reporting framework is only as effective in meeting community needs as the desire of the individual council itself. These reporting and monitoring frameworks are an aid to a consistent and structured review of community needs rather than a primary vehicle for meeting those needs.

Thank you for the opportunity to comment on this Discussion Paper. Should you have any queries in relation to our submission, please do not hesitate to contact the PIA NSW office on 02 9280 2121.

Yours faithfully

[Signature]

Monique Roser  
President, NSW Division  
Planning Institute of Australia