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Local Government
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AUSTRALIA WA

**Local Government Act 1995 Review
Phase 2 Consultation Submission
Integrated Planners Network WA – Local Government Professional Australia WA**

Introduction

The Local Government Professionals WA, Integrated Planners Network (IPN) welcomes the opportunity from the Department of Local Government, Sport and Cultural Industries (DLGSCI) to submit feedback on integrated planning and reporting (IPR) matters as part of the *Local Government Act 1995 Review* process.

Following its extensive involvement in the review of the IPR Guidelines from 2014-2016, the IPN's feedback focuses on the regulatory aspects of IPR only; that is, the requirements of IPR as listed in the *Local Government Act 1995*, *Local Government (Administration) Regulations 1996* and corresponding *Advisory Standard* from which compliance with IPR is assessed. It is not the intention of this submission to reconsider the content of the supporting IPR Guidelines that were recently revised in 2016.

It should also be noted that the IPN is an advocate of IPR and supports the betterment of practices, knowledge and understanding in this field. As such, the basis of this submission assumes a general position of support for IPR within the WA local government sector, with commentary provided regarding the extent of regulatory/compliance requirements.

1. Adequacy of the current legislative requirements for IPR.

It is the view of the IPN that current high-level requirements to “plan for the future” under ss. 5.56 and 6.2 of the Act allows for sufficient flexibility across different sized local governments to deliver integrated planning activities, whilst still ensuring that IPR is mandated and entrenched within the current legislative framework.

With regard to Regulations 19C and 19DA, the current simplicity of the Regulations and minimum standards they identify are considered appropriate in that they:

- Ensure strategic planning has a long-term view of at least 10 years, without limiting a longer timeframe if desired.
- Require frequent reviews for the *Strategic Community Plan* of at least 4 years, enabling flexibility for individual local governments to decide if these reviews should align with election cycles or not, or to delay or bring forward a review process for any reason within a 4-year period. (i.e. appointment of a new CEO, response to a significant political issue within the community, etc.).
- Ensures priorities are deliverable within the capacity of the local government's resources.

- Consider asset management, workforce planning and long-term financial planning, without specifying the means in which this is to be undertaken. (i.e. combining these documents could be pursued by smaller/rural local governments, whilst still achieving the intent of the Regulations, which is to consider long-term resourcing requirements).
- Ensure the *Corporate Business Plan* is reviewed annually in alignment with the budget.
- Mandate the consideration of resources, performance indicators and demographic trends.
- Ensure the community is engaged as part of the development of long-term plans and modifications, without specifying the means in which this should be undertaken.
- Require a higher level of Council adoption (absolute majority) to approve the plans, which acknowledges the importance of the priority-setting process and role of Elected Members in IPR.

These general objectives and standards are considered sufficiently broad to ensure a minimum standard of IPR for any sized local government that is appropriate and flexible.

However, confusion arises for local governments when the Regulations are compared to the *Advisory Standard*, which is a non-statutory document from which compliance is currently assessed. For example, the “Achieving Standard” for the *Strategic Community Plan* and *Corporate Business Plan* references requirements that are over and above the current Regulatory requirements. This implies that the Regulations do not represent a minimum level of compliance, as they are usurped by a non-statutory and more prescriptive document.

There are also circumstances where the wording within the “Regulatory Requirements” column of the *Advisory Standard* do not reflect the current wording contained within the Regulations. This adds to the confusion for practitioners who are tasked with interpreting their IPR compliance requirements across different pieces of legislation, standards and guidelines.

It is the opinion of the IPN that either the *Advisory Standard* and Regulations are more effectively aligned, or the *Advisory Standard* is abandoned and the *IPR Guidelines*, *Peer Support Program* and other independent assessment tools are used to support continuous improvements practices alongside the minimum level of compliance prescribed within the Regulations.

2. Value of applying standards to IPR.

With regard to the application of standards, the IPR is strongly supportive of minimum standards to ensure basic compliance with IPR (of which the current Regulations achieve). For practices over and above the basic standard, the *IPR Guidelines* and *Peer Support Program* are more effective mechanisms for assisting local governments in improving their IPR capability and maturity.

The current *Advisory Standard* tries to prescribe standards in the following categories:

1. The Standard is “not” met (i.e. the Regulatory requirements are not met).
2. “Achieving Standard” (i.e. basic Regulatory requirements, plus other prescribed actions over and above these requirements – which implies that to achieve the basic standard, a local government must exceed the current Regulatory requirements).
3. “Intermediate Standard”
4. “Advanced Standard”

Depending on the document in question, some of the standards are assessed on the basis of achieving esoteric outcomes such as “*demonstrates effectiveness in achieving community objectives*”, whilst others require the achievement of highly prescriptive ratios that are standardised across all local governments, (e.g. asset management ratios).

There are also challenges for local governments assessing their level of compliance against the *Advisory Standard* when the standards in one discipline are linked to achievements in other areas. For example, to be assessed as having met the “Achieving Standard” for the *Corporate Business Plan*, a local government has to ensure its Asset Management ratios also meet the current standards. However, Asset Management ratios only represent a snapshot in time and are not representative of the long-term improvements plans that may be in place, or the age of assets in a particular local government which may not warrant high levels of investment in capital expenditure over the short-medium term. This does not mean that a local government is not undertaking IPR effectively. They may in fact have very robust Asset Management Plans in place to support and justify good decision-making processes, but still fail to meet the basic standard.

As such, it is the opinion of the IPN that the DLGSCI would not have the capacity to effectively assess compliance with the *Advisory Standard* as it currently stands and should therefore utilise the Regulations as the tool from which to assess basic compliance. Local governments wishing to extend beyond basic compliance levels can access the *Peer Support Program*, leverage the *IPR Guidelines* or other independent assessment tools such as the *International Infrastructure Management Manual*, NAMS, etc. for current best practice standards to improve their IPR maturity across different disciplines.

It should not be the role of the DLGSCI to assess IPR requirements beyond an appropriate minimum standard, but rather, ensure the basic aims and outcomes of IPR are mandated. (For example, planning over the long-term, involving the community, having consideration for resourcing and capacity, aligning service delivery with strategic objectives, etc.)

3. Standardising performance measures for local governments.

The IPN generally supports the standardisation of performance measures across local governments, providing the measures are broadly relevant to the sector and different sized local governments, and ensures a consistent methodology in their collation. Furthermore, any standardised performance measures should be striving to positively inform decision-making and be a true reflection of performance/organisational health.

The introduction of meaningful performance measures will also allow for benchmarking across local governments that will facilitate a natural progression towards improvement through peer comparison. The IPN is also advocate of the Local Government Professional/PwC Australasian *Performance Excellence Program* for this reason.

As such, the IPN supports the consideration of developing high level standardised IPR performance measures for WA local governments, providing they are relevant, allow for scalability to different sized local governments, support improvement practices and are consistently measured and collated.

4. Role of the community in IPR.

With regard to the role of the community in IPR, the IPN is a strong advocate for community engagement being at the centre of IPR practices, in particular, the development and review of the *Strategic Community Plan* in order to identify and set community priorities.

This should also extend to frequent conversations with the community to measure the successful delivery of services, projects and programs. The IPN fully supports mandating community engagement requirements but does not support prescribing the mechanisms in which this is undertaken, given the significant diversity that exists across local government communities.

Conclusion

The IPN thanks the DLGSCI for the opportunity to submit feedback as part of the *Local Government Act 1995* review process and continues its commitment to the encouragement of information sharing, peer-learning and the betterment of IPR practices across the sector.