

Second Reading

The Hon. PENNY SHARPE (Parliamentary Secretary) [5.20 p.m.], on behalf of the Hon. Tony Kelly: I move:
That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

It is very satisfying to be introducing the Local Government Amendment (Planning and Reporting) Bill 2009. This bill is the culmination of significant consultation in developing these amendments to the Local Government Act 1993. The object of this bill is to improve long-term strategic planning and resource management by local councils. The bill will mandate an improved system of planning for local government so that councils can focus on their top priority-providing better services to their communities.

The bill has been developed by the Department of Local Government in close consultation and in partnership with the local government sector. I acknowledge the contributions made by the Local Government and Shires Associations, Local Government Managers Australia, the Institute of Public Works and Engineers Australia and the Planning Institute Australia. I also thank the many mayors, councillors, council staff and community groups that have contributed to these reforms. We all know that local councils are at the heart of communities. While each council is unique, many administrative processes are not. In developing the local government integrated planning and reporting reforms, the challenge has been to retain local council uniqueness while delivering services in the best way possible.

We all know that resources are limited and the demands of our growing communities are increasing. It is critical that local governments find new ways to plan and deliver services so that local communities are sustainable and flourish. Communities are never static, so it makes sense that local government, as a key provider of community services, should constantly evolve to meet changing needs. This bill provides the framework for this to be achieved.

The bill will be supported by the Local Government (General) Amendment (Planning and Reporting) Regulation 2009, together with mandatory guidelines and a supporting manual. The Department of Local Government also is developing a support program for councils. An exposure draft bill and supporting package recently was subject to public consultation. This included the department running a series of nine information sessions across New South Wales to provide mayors, councillors and council officers with the opportunity to be informed about what is in the reform package as well as to clarify any questions on the framework.

The level of interest in these reforms has been very pleasing. The aims are supported by the local government sector and should lead to improved outcomes for communities. All the submissions made to the exhibition of the exposure draft bill were supportive. A recent media release from the Presidents of the Local Government and Shires Associations, Councillors Genia McCaffery and Bruce Miller respectively, stated:

"Local Government has come a long way in terms of strategic planning, but there is still room for improvement and this offers us the opportunity to take the next step.

Many of our councils in New South Wales already have comprehensive plans for their communities and some are already acting on some of the recommendations in anticipation of the guidelines being released.

Councils with limited resources will also be able to use them to guide and ease their transition into the process of developing comprehensive and integrated strategic plans."

With the local government sector as partners, the Rees Government has introduced this bill, which refines and improves the system of local government so that councils can focus on their top priority-providing services to their communities with confidence. The bill represents what the local government sector has been asking for. We have listened and are acting. It is great that many councils are already heading in this direction.

I will now address the details of the bill. The proposed changes replace the current management planning process with an integrated long-term framework. The bill requires each council to develop a long-term community strategic plan for their local government area. That plan must address social, economic, environment and civic leadership issues in the community in an integrated manner and be for a period of at least 10 years. It must identify the long-term aspirations and priorities for the community as a whole. As a statement of the community, the community strategic plan will be prepared in consultation with residents, community groups, State Government agencies and non-government organisations.

Councils are in the business of providing many services that aim to improve social outcomes in their community. Social planning by councils will continue to be a critical part of their business, but will now be integrated into a more strategic and streamlined approach to planning. Identified actions in existing social and community plans, that in many councils did not directly influence their annual management planning and tended to sit on the shelf, will now be embedded into the strategic planning framework. This will elevate the importance of social planning by councils.

There is also a requirement for councils to give due regard to State Government plans when developing their community strategic plan. This is to ensure that councils consider issues and priorities that have been identified in their region to enable these to be included in the plan. For example, while Australia's population continues to grow, our cities and towns will continue to grow. All State Governments have a responsibility to plan for this. Some council areas have

been identified in the State Government's Sydney Metropolitan Strategy as growth areas. This fact will need to be considered when a council is developing its community strategic plan.

Each council will have to develop a community engagement strategy that sets out how they are going to engage their community as part of the community strategic plan. The bill mandates the community strategic plan and the community engagement strategy to be based on the New South Wales Government's social justice principles of equity, access, participation and rights. This requirement will help to ensure that all people in a community have the opportunity to contribute to decisions about its future directions.

Following on from the community strategic plan, the bill also introduces a four-year delivery program. Each newly elected council will be required to develop a delivery program in the first nine months of its elected term. This program, which is similar to the current management plan, will identify the strategies and principal activities that the council will implement during its term of office to achieve the long-term objectives in the community strategic plan.

The bill also requires councils to develop an annual operational plan. The operational plan spells out the activities that the council will undertake in the next financial year to implement the strategies identified in the delivery program. The operational plan includes the annual budget, the statement of a council's revenue policy and its annual rates, fees and charges. Key to all these changes is the introduction of a council resourcing strategy. The resourcing strategy is the critical link to assist councils in making informed long-term decisions.

The strategy includes long-term planning for the assets, money and people that the council has available to implement the Delivery Program. Developing this strategy will assist councils in identifying and addressing infrastructure needs in line with the national frameworks for local government financial sustainability. Councils will be required to develop a 10-year financial plan and 10-year asset management plans. The bill also provides councils with the framework to ensure they meet future requirements that may be attached to Federal Government funding programs.

To update the community on progress, the annual report will focus on the performance of the council delivering the strategies and actions identified in the Delivery Program. The council's annual report will continue to include statutory requirements such as information on items including legal expenses, contracts awarded, councillor fees and expenses, and senior staff salaries. At the end of each council electoral term a council will now need to prepare a report detailing the implementation and effectiveness of the Community Strategic Plan. This report will identify the progress of a local government area in achieving its strategic objectives. The report must also address the performance of the council and other organisations against the civic leadership, and social, environmental and economic strategic objectives.

The requirement for councils to report on the state of the environment will continue. The bill provides flexibility for councils in how they develop this report, which will be required every four years at the end of each electoral term. This will allow councils to focus their resources on monitoring and reporting on environmental issues that are of concern to their community and where a council may influence outcomes. There are currently a number of regional approaches to state of the environment reporting, and under these reforms this approach will continue to be encouraged. State of the environment reporting at a regional or catchment scale provides opportunities for councils to work together to gain efficiencies, as well as providing opportunities to work together on environmental projects with catchment management authorities and other State Government agencies.

The bill includes amendments to the Council Charter, the role of a councillor, and the role of the general manager to support the aims of these reforms. Mayors and councillors, with the support of the general manager and council officers, will play a civic leadership role in engaging with the community and guiding the development of the Community Strategic Plan. It also ensures that mayors and councillors are increasingly focussed on the strategic direction of the council. Under these reforms mayors and councillors will oversee the performance of the council's administration in achieving the objectives set out in the Community Strategic Plan.

To assist councils with the move to the new planning and reporting framework, the bill includes transitional provisions that will allow councils to choose when to commence the new framework over the next three years. This will allow councils that are well progressed to move onto the new framework from 1 July 2010, while other councils can choose to follow the next year, in 2011, and the third group of councils will commence in 2012. All councils will be operating under the new framework from the September 2012 elections. The transitional approach allows councils in the second and third

The current legislative framework for local government focuses on the short term, which can lead to planning that fails to adequately address sustainability principles. The proposed reforms will help councils identify and respond to the unique influences and pressures affecting their community, to set key directions and priorities, and to develop strategies to achieve the outcomes their communities want and can afford. The reforms focus on sustainability, and at the same time provide a level of flexibility to allow councils to do things their own way and that suit their own circumstances. This is all about councils being accountable to their community for delivering positive outcomes.

These are the biggest reforms for local government in 16 years. They will lead us well into the future. We want to make sure that we get them right, and will support the local government sector in doing so. The Rees Government is committed to working in partnership with the local government sector in New South Wales to successfully implement these reforms. This bill provides the platform for the future sustainability of local government in New South Wales. I commend the bill to the House.