



A686526

Mr Greg Piper MP
Chair, Legislative Assembly, Public Accounts Committee
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

Email: pac@parliament.nsw.gov.au

Dear Mr Piper

Thank you for your correspondence of 12 December 2019 regarding the Department of Planning, Industry and Environment's (the Department) response in relation to implementation of recommendations arising from the performance audit – *Council Reporting on Service Delivery* (Your ref D19/47383).

Please find attached a detailed response to the additional information the Public Accounts Committee (the Committee) has requested. I trust that this information assists the Committee in its deliberations.

If you or the Committee Secretariat have any more questions, please do not hesitate to contact [REDACTED] at the Department of Planning, Industry and Environment on [REDACTED]

Yours sincerely

**Jim Betts
Secretary**

03 FEB 2020

Encl: Response to *Council Reporting on Service Delivery* recommendations

Council Reporting on Service Delivery

Departmental response to additional information sought by the Public Accounts Committee

Recommendation 1

The delivery of revised and updated Integrated Planning and Reporting guidelines, under section 406 of the *Local Government Act 1993*, is due to occur in the first quarter of 2020. By virtue of section 406, local councils must comply with these guidelines, including complying with the existing version of the guidelines in the interim.

The release of the updated guidelines will be accompanied by support materials providing councils with information about how they can achieve best practice. The Government will also commence the remaining uncommenced provisions of the amendments made under the *Local Government Amendment (Governance and Planning) Act 2016* at this time.

The release timing and provision commencement aligns with the starting of the next four-year Integrated Planning and Reporting cycle, commencing after the September 2020 local government elections. Earlier release of the guidelines and support material would likely have caused confusion within the local government sector, as they were currently part way through a planning cycle, whereas this timing of release ensures the risk of confusion is minimised.

The Department provides continued support to the local government sector, including monitoring and supporting councils with their adoption and continued use of Integrated Planning and Reporting. Training and support materials are tailored to reflect feedback and engagement with the local government sector.

The Department has also recommenced work on the development of a common performance measurement framework, including the release of the Your Council website, for all general-purpose councils in NSW. This is further discussed under the response to "Recommendation 3" below.

Councils across NSW have utilised a range of innovative and proactive ways to monitor and report their performance to their community. The role and importance of all forms of community engagement by local councils is continuing to evolve and develop. As the needs and nature of the communities differ across all councils it is not appropriate for the Department to identify best practice in individual councils without detailed assessment, which has not occurred.

Recommendation 2

As noted within the previous response, the NSW Government is actively exploring opportunities to reduce the red tape and regulatory burdens facing NSW councils. Within the local government portfolio alone, some of these steps include:

- Raising of the tender threshold to \$250,000 for most local government contracts;
- Significant streamlining of the Code of Accounting and Financial Reporting for NSW councils, leading to a subsequent reduction in the workload for NSW councils and the NSW Auditor General;

- Continued digitisation of the process for companion animal registration, leading to a significant redirection of resources for council staff away from the previous paper-based registration system towards more front line service delivery;
- Clarification and confirmation of local government's access to State Government procurement prequalification schemes;
- Providing councils the power to delegate to General Managers the ability to accept tenders; and
- The development and rollout of the Joint Organisation network of councils across regional and rural NSW.

The Department is also looking to facilitate the further development and rollout of shared regulatory functions and mutual recognition schemes for some local council approval powers. These changes have the potential to significantly reduce the regulatory burden both on councils but also the broader community, by allowing the sharing of regulatory staff across councils and eliminating the need for community members to seek multiple approvals for the same type of activity across different local government areas.

There have been no quantified costings of the reduction in red tape burden for local councils from these changes. However, the feedback from the local government sector has been strongly supportive.

There are also a range of additional developments across other portfolios which will have significant benefit for local councils. These include:

- The continued rollout and development of the e-planning platform;
- Continued support to councils with tasks associated freight management and improved interactions with the National Heavy Vehicle Regulator; and
- Support for councils in peer-based networks, such as the Food Partnership.

The NSW Government has also recently concluded public consultation on the IPART *Review of Reporting and Compliance Burdens on Local Government*. Submissions are currently being analysed and a Government response will be issued in due course. The Department continues to work with councils and other State Government agencies to explore areas where the regulatory burden on councils can continue to be reduced.

Recommendation 3

The development of a performance measurement framework, which has previously commenced, was put on hold by the Government at the time of the rollout of Fit for the Future local government reform program. This decision was taken to ensure that all relevant resources, both from within Government and local councils, were able to be directed towards the Fit for the Future reform program and subsequent reforms.

The Department has recommenced the development of a performance measurement framework for NSW local government. This will build on the work undertaken previously. It is anticipated that there will be further information for the sector and the community in the coming months.

Although development of the performance measurement framework was paused, other related reforms have been implemented or are in development. These include legislative amendment in 2016 to allow the Minister for Local Government to prescribe a performance indicator set; the extension of the mandate of the Auditor General to cover local government; and requiring local councils to have a mandatory Audit, Risk and Improvement function from 2021.

Also, as noted, the NSW Government has in the last six months released the *Your Council* website. As the *Your Council* website was only launched in mid-2019 it is too early to assess its affect on council reporting. However, user feedback to date has indicated a high satisfaction about the transparency provided and the user experience. It is expected that as the *Your Council* website continues to develop it will enable the community to have a clearer picture of council performance.

These reforms all form part of the suite of measures to improve transparency of local council performance to the community.