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| Local Government Act 2020 – Principles Strategic Planning |

The *Local Government Act 2020* is a principles-based Act, removing unnecessary regulatory and legislative prescription.

## Strategic planning

The new *Local Government Act 2020* is designed to support council autonomy. The detailed, prescriptive processes in the previous Act have been replaced with principles-based provisions setting outcomes that councils must deliver. To support this, the Act requires councils develop an integrated, longer-term and transparent approach to planning organised around a ten-year community vision.

One of the overarching principles of the new Act is that “the community is to be engaged in in strategic planning and strategic decision making” (s 9(2)(d)).

**Council strategic planning framework:**

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| Time horizon | Planning | | Reporting |
| Long term (10 years) | Community Vision   * needs | Financial Plan   * assumptions * resources * financial statements |  |
| Asset Plan   * maintenance * renewal |
| Medium term (4 years) | Council Plan   * direction * objectives * strategies * indicators * initiatives | Workforce Plan   * structure * staffing |  |
| Rating Plan   * principles * structure |
| Short term (1 year) |  | Budget   * services * infrastructure * initiatives * rates * financial statements | Quarterly Budget Report   * financial statements |
| Annual report   * report of operations * performance statement * financial statements |

Strategic planning is the process of defining an organisation’s direction and priorities and deciding how to allocate resources to pursue these. A strong, transparent and inclusive planning process can ensure energy and resources are focused, operations are strengthened, and employees and citizens are agreed on common goals, outcomes and results.

Under the new Act the four-year Council Plan is the key planning document of a newly elected council. It will contain the council’s key strategic directions, informed by the Community Vision, and other strategic commitments to deliver services and infrastructure. The plan must include strategies for achieving a council’s objectives and indicators for monitoring the achievement of those objectives.

The Plan must be developed and reviewed in accordance with a council’s community engagement policy.

Importantly, these provisions within the Act are intended to clarify the role of councillors in leading strategically rather than focusing on operational issues. Councillor’s ability to shape their council’s strategic directions is crucial to addressing future challenges.

## What it means

The Act says that a council must prepare its Council Plan and other strategic plans in accordance with the strategic planning principles listed at section 89 of the Act:

* an integrated approach to planning, monitoring and performance reporting is to be adopted;
* strategic planning must address the Community Vision;
* strategic planning must take into account the resources needed for effective implementation;
* strategic planning must identify and address the risks to effective implementation;
* strategic planning must provide for ongoing monitoring of progress and regular reviews to identify and address changing circumstances.

## Expectation

Councils must apply the strategic planning principles to the development of the following documents:

* Community Vision (ten years)
* Council Plan (four years)
* Financial Plan (ten years)
* Asset Plan (ten years)
* Revenue and Rating Plan (four years)

When applying the strategic planning principles, councils should also have regard to the other principles within the Act. For example, strategic planning documents should be developed with community engagement, and with regard to financial management, public transparency and service delivery.

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