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MANAGEMENT PLANS AND STATE OF ENVIRONMENT REPORTS
PREPARED AND IMPLEMENTED BY LOCAL COUNCILS IN NSW:
PROBLEMS AND POTENTIAL FOR BIODIVERSITY CONSERVATION

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Abstract
The *Local Government Act 1993* (NSW) demands every local council in NSW to prepare, inter alia, a ‘management plan’ and a ‘state of the environment report’. This paper critically examines both mechanisms and the relationship between them. Discussion is underpinned by the context of biodiversity conservation at the local level. Whilst good intentions lie behind the legislative requirements, their environmental benefits are questionable. They are often recognised as little more than bothersome bureaucratic hurdles. Although overdue legislative and policy change is forthcoming, concern is raised about loss of focus on the conserving biodiversity.

**Keywords**: local government, environmental law, management plans, state of environment reports, biodiversity conservation, policy change.

1 Introduction
There are almost 700 local councils across Australia, including 252 'general councils' in the most highly populated state, New South Wales (NSW). They differ widely on various scales. But one common feature is that the Federal Constitution fails to recognise local government, which is therefore a creature of State Parliaments. An issue of greater concern is local government's lack of financial resources in meeting functional expansion and community expectations. Dealing with the natural environment provides a ready example. This article considers two legislative requirements of councils in NSW. The first is preparation of the 'management plan', which extends far beyond the traditional 'corporate plan'. The second is the local 'state of the environment report' (SoER), which is exclusive to NSW [1]. The commentary illustrates the nature, benefits and problems of both mechanisms, including their statutory linkages. It then briefly moves on to current State Government policy change. The broader notion underpinning the paper is that statutory mechanisms designed for environmental monitoring do not always play the conservation tune.
2 The Management Plan

Councils in NSW that embark on major new projects, including conservation works, must engage in the management plan process. As described by the NSW Department of Local Government (DLG), this is the ‘central mechanism … by which councils allocate their resources and prioritise their activities’ [2]. The legislation – namely the Local Government Act 1993 (NSW) (LGA 1993) - requires every council to endorse a management plan every year. Similar plans under different names are required in all six Australian States. In theory, the plan is the vehicle through which a council determines how it will exercise its broad service powers. Mandatory consultation provisions illustrate how the management plan is a potential instrument for community participation and accountability [3].

The legislation directs that the management plan contain details about a council’s proposed ‘principal activities’ for, at least, the following three years. It must identify such actions that the council intends to carry out, as well as ‘statements’ on (at LGA 1993, s 403):

- the objectives and performance targets for each such activity;
- the means by which a council proposes to achieve those targets;
- the manner in which a council proposes to assess its performance in respect of each specified activity; and
- any matters prescribed by regulation (i.e. the Local Government (General) Regulation 2005 (NSW) (LGGR)).

The extent to which the above matters are addressed is variable. Of the 25 plans studied by Marshall and Sproats in 1997/98, six included ‘no performance indicators at all’ [4].

‘Principal activity’ is not defined. Instead, the legislation lays down a non-exhaustive list of matters that, if carried out, the management plan must address. It refers to traditional municipal functions in wide terms such as ‘capital works projects’ and ‘services’. Whilst some conservation projects, such as street tree planting, may fall into one or more of these categories, the list also makes specific reference to ‘activities to properly manage, develop, protect, restore, enhance and conserve the environment in a manner that is consistent with and promotes the principles’ of Ecologically Sustainable Development (ESD). In accordance with the LGGR, these are known as ‘environmental protection activities’ (EPAs) (cl 199(2)). It would appear that the formula is broad enough to extend well beyond physical conservation works, such as providing financial and technical assistance to voluntary conservation groups. But it is clear that the legislation does not compel councils to undertake EPAs. It only requires councils to detail such activities in the
prescribed manner should any be undertaken. Whilst it may be argued that the focus is on procedure rather than outcome, the statutory openness nevertheless reflects the subsidiarity principle. The State Government plays no role in approving the management plan.

In addition to the general consultation requirements as discussed later, a council must, under the LGGR, ‘consult’ and ‘involve’ the community, including ‘environmental groups’, in developing ‘environmental management strategies’ for EPAs (cl 199). The legislation is silent on how a council should meet these obligations. Even the term ‘environmental strategy’ is undefined. Of course, the extent to which councils engage their local communities will vary. In its guidelines on preparing management plans, the DLG provides a brief list of possible approaches, such as ‘community workshops’ and ‘issue based research & reporting’. Yet it presents scant detail [5]. Furthermore, the LGGR requires a council, when preparing that part of the draft management plan relating to EPAs, to ‘apply’ the principles of ESD. An explanatory statutory note simply states that councils are to ‘take into consideration’ the principles of ESD. This is scarcely onerous. In the case of resource-poor or uninterested councils, ESD is likely to receive nothing more than lip service. Such councils are unlikely to engage in any EPAs in the first place.

The weakness of the regime becomes even more apparent in the case of principal activities falling outside the EPA umbrella. Apart from the provisions relating to EPAs, the LGA 1993 does not expressly demand the factoring of any environmental concerns into the decision-making equation. For instance, a council might decide to construct a new road through native woodland. As the activity comprises a ‘capital works project’, various statements must be provided in the plan. The concern, however, is that the information may relate to engineering issues alone. There is no express requirement that environmental issues be confronted. The situation is not helped by the LGGR in which the provisions relating to ESD apply to EPAs alone. This is ludicrous. It suggests that ESD has been saved only for those activities already intended to conserve or improve the environment. It is also inconsistent with the DLG’s own guidelines, which state that ‘ESD principles apply to all of the activities of the council’ [6]. This aspect of the LGGR is likely to be invalid in view of the statutory object relating to ESD in the primary Act at section 7(e) which, on its face, is not restricted to a particular subset of a council’s activities. Whilst the courts may rely on this and other introductory provisions to ensure that ESD is at least considered by councils in relation to all their activities, it is still unfortunate that section 7(e) suffers from lack of supportive, substantive provisions throughout the remainder of the Act. This provides an example of the weakness of the legislature to provide clean and workable frameworks for achieving ESD [7].
There is one qualification to the apparent limitations of the management plan provisions. Local citizens may use the public consultation process to demand that appropriate environmental objectives are injected into the management plan [8]. Public involvement in local conservation policy depends on community awareness of the process, neighbourhood dedication to indigenous biodiversity and the extent to which a council seeks feedback beyond formal public procedures. The DLG urges councils to pursue a more ‘proactive and targeted approach’ beyond the bare requirements, noting that mere exhibition at the end of the plan-making process ‘does not, in itself, provide for adequate community and stakeholder input’ [9]. Whilst Brown et al assert that whilst council/citizenry partnerships is obligatory, they lament that ‘the baseline of real partnership’ identified by their empirical research is ‘low’ [10].

If there is sufficient commitment to biodiversity conservation, the management plan has enormous potential. It provides opportunity for councils to integrate conservation principles across the entire spectrum of their actions by incorporating them into their adopted ‘objectives’ and ‘performance targets’ for every principal activity. In terms of biodiversity conservation, this will be more effective than the occasional one-off project to help protect a special place. It should also help minimise inconsistent actions between different departments of a council. A commitment to desired environmental objectives must permeate council activities in order to achieve an integrated approach [11]. The problem is that many celebrated local environmental projects tended to work in isolation away from other spheres of council activity [12].

Whilst the management plan process may promote strategic co-ordination within a council, co-ordination between councils is another matter altogether. A particular council might actively pursue biodiversity conservation through its management plan whilst its neighbour may follow different priorities. The regional dimensions of environmental management mean that without effective cross-boundary cooperation, the good work of one council can be undermined by another. The system provides little encouragement for councils to work towards common regional goals through their individual management plans. A small exception is found in the required ‘particulars’ for matters prescribed by the LGGR to be addressed in management plans. The scheme demands that management plans include certain information on ‘any proposed council activity relating to the management’ of ‘stormwater’, ‘coasts and estuaries’, ‘sewage’ and ‘waste’ (cl 198(1)). Details are also required on ‘the relevant characteristics of the area, catchment or region’ as well as council membership on relevant bodies and ‘any action to be taken jointly with other councils or bodies’ (cl 198(2)(d)). These provisions may encourage councils to turn their
minds to opportunities for cooperative action, not only with their neighbours but also with other authorities, especially at the State level. It is a rare statutory example of pushing councils, as described by Smith, into ‘creat[ing] networks … with other agencies’ and attempting to ‘persuad[e] other agencies to achieve prescribed ends’ [13].

The reference to ‘coasts and estuaries’ in particular may prompt councils to develop biodiversity policy for these aspects of the environment, preferably at a regional scale. Such places are special to the community and are creating pressure for growing populations. But the statutory nudge relates only to a discrete component of the environment. It does not extend to non-coastal environments unless affected by stormwater discharge and the like. Even within their narrow ambit, these clauses hardly enjoy a high profile, tucked away in subordinate legislation.

Drawing the material together, despite wide opportunity presented by the management plan mechanism, there is a danger that for some councils, a combination of limited outlooks, conflicting priorities, resource shortcomings, pre-occupation with procedural management and perhaps uninterested neighbours will ensure that effective biodiversity conservation remains in the realm of empty talk, if addressed at all in the management plan. SoERs, however, may assist to drive innovative environmental directions.

3 SoERs and Linkages to Management Plans

The LGA 1993 requires each council to prepare an annual report. In terms of general bureaucratic culture, this is no surprise. The legislation is very specific as to what it must address. For instance, it must contain information ‘as to [a council’s] achievements with respect to the objectives and performance targets set out in its management plan’. It thereby provides a layer of environmental accountability with respect to a council’s ‘principal activities’ depending on the extent to which environmental concerns have been infused into the ‘objectives and performance targets’ in the management plan. By enabling the outcomes of all proposals to be evaluated and reported upon, the management plan goes beyond being a merely descriptive document. Moreover, the annual report must include the SoER.

The SoER concept is scarcely restricted to local government. Measures were adopted on a global basis in the mid-1990s by the Organisation for Economic Co-operation and Development (OECD) to address environmental concerns on a ‘pressure-state-response’ model [14]. A series of national SoERs for Australia commenced in 1996, now demanded by Commonwealth legislation.
Adoption of SoER obligations by individual State/Territorial jurisdictions has also arisen, pushed by four out of six states in addition to the Australian Capital Territory. As noted earlier, NSW is the only state where every council must prepare its own SoER. This places any council that is struggling financially in an invidious position.

Introduction of the SoER requirement created a bombshell. It was inserted in the Local Government Bill 1993 by the then Opposition, with the support of independent members, but opposed by the then Government. Mr J Turner, who had chaired a special Parliamentary committee to oversee development of the bill, warned that the costs would be ‘crippling’ [15]. The NSW Local Government Association, interestingly, despite initial chagrin, later decided to support the SoER concept subject to State Government assistance. But no monetary help has ever arisen [16]. In other words, the SoER requirement was simply dumped upon a largely unprepared local government. The only substantial support councils have received is written guidelines. The resource-intensive nature of SoER preparation has been softened slightly, however, by provisions introduced in 1997 allowing for four-yearly ‘comprehensive’ SoERs updated by annual ‘supplementary’ SoERs.

The original 1993 list of themes to be addressed in council SoERs included, *inter alia*, ‘areas of environmental sensitivity’, ‘important wildlife and habitat corridors’ and ‘any unique landscape and vegetation’. Such vague descriptions must have promoted subjectivity, inconsistency and potentially unsympathetic environmental management. For instance, when might a corridor have been sufficiently ‘important’ or a landscape ‘unique’ to warrant attention in the SoER? Following a Ministerial discussion paper [17], in 1997 the NSW Parliament rewrote section 428(2)(c) LGA 1993 by adopting the following ‘sectors’ that a SoER must address (including ‘biodiversity’) [18]:

(i) land,
(ii) air,
(iii) water,
(iv) biodiversity,
(v) waste,
(vi) noise,
(vii) Aboriginal heritage
(viii) non-Aboriginal heritage,

with particular reference, with regard to each such environmental sector, to:
(ix) management plans relating to the environment,
(x) special council projects relating to the environment,
(xi) the environmental impact of council activities.
In 1997, the then Minister for Local Government noted unsurprisingly that the quality of reports varied widely [19]. There is still evidence of resistance to SoERs. Whilst councils at least recognise the statutory obligation to prepare SoERs, this does not necessarily translate into utilising them as effective environmental management tools. An invaluable contribution SoERs may provide is to alert councils to the need for appropriate responses to existing or foreseeable environmental problems. For example, a SoER might reveal a particular area to be more ecologically significant than previously believed. The council might then, for instance, choose to use the information to support an amendment to an instrument under the land use planning legislation to protect it. Or it might decide to negotiate with landholders to encourage on-ground environmental management. Alternatively, it may choose to carry out environmental protection works itself. Clearly, SoERs can do far more than present interesting data and gather dust.

The legislation provides strong linkages between SoERs and the management plan. First, one of the items listed under s 403(2) LGA 1993 (in relation to the required ‘particulars’ for proposed ‘principal activities’ to be addressed in management plans) refers to ‘activities in response to, and to address priorities identified in, the council’s current comprehensive report as to the state of the environment and any other relevant reports’. This is crucial. Second, the LGA 1993 requires each council, when compiling its SoER, to address each of the eight specified ‘environmental sectors’ in the context of ‘management plans relating to the environment’ (see s 428(2)(c)(ix) above). This widens the net for all identified principal activities to be assessed against a variety of environmental criteria, including biodiversity. It makes good sense [20], and was recognised in some quarters well before 1997 [21]. The notion is championed by the DLG which recommends an optional ‘environmental management plan’ (EMP) as a ‘sub-plan linked to the management plan’ [22]. By bringing local environmental problems to the attention of elected representatives, a SoER may therefore influence the types of ‘principal activities’ that a council may decide to engage in. In turn, a later SoER may be utilised to evaluate the environmental outcomes of such actions. In other words, the SoER may be seen as an extension to the management plan process by addressing essential follow-up action. The DLG commends a ‘management planning/annual reporting cycle’ [23]. The concept is attractive but empirical research is needed to help check the extent to which such potential falls into the realm of rhetoric.

Literature suggests that the potential of SoERs is not being reached. Senior municipal personnel interviewed by Brown et al in 1998 cited the SoER as ineffective and merely something to complete under the legislation [24]. Whittaker similarly refers to managers complaining of
difficulties in interpreting SoERs, with some asserting that they ‘have not seen, let alone read [the SoER] for their council’ [25]. Brown et al’s findings are especially disturbing as they involve councils at Sydney’s periphery with relatively large budgets and, presumably, far more environmental expertise than remote resource-poor authoritaries. Such comments reflect, arguably, managerialist trends that emphasise cost-cutting rather than long-term environmental improvement. But the SoER is a very different mechanism to the traditional budgetary reports with which council executives are familiar. As Brown et al note, the SoER ‘has as its central reference point the whole environment … rather than council’s activities in that area’ [26]. It deals with broad issues such as biodiversity decline, which are difficult to reduce to financial statements. A narrow perception of SoERs means a minor role in shaping municipal agendas.

The LGGR demands that comprehensive SoERs apply the ‘pressure-state-response’ model in analysing data, identifying appropriate indicators for each sector and presenting results. It therefore corresponds with the OECD model. The ‘response’ component is especially noteworthy by identifying ‘the response of councils, government agencies, industry and communities to the pressures on, and state of the environment’ (LGGR cl 14-15). Not only do the provisions require a council to canvas its own approaches, if any, but those of other bodies. They arguably encourage a council to adopt the role of environmental steward by considering a full range of issues affecting its area, including matters beyond its conventional jurisdiction. A SoER may, for example, address the impact of other authorities’ policies on biodiversity. For instance, it might contain information on reserves, such as national parks managed by State government located within one or more local government areas. In theory, consideration of such matters may lead to lobbying by councils and/or development of inter-agency partnerships.

The architecture of the legislation illustrates that councils are expected to respond to issues raised in their SoERs. In addition, the LGGR requires a council, when preparing that part of its management plan dealing with EPAs, if any, to ‘consider’ its most recent comprehensive SoER (cl 219). This further encourages the management plan/SoER ‘cycle’, providing a third link between the two mandatory mechanisms. The National Local Government Biodiversity Survey reports that a ‘high proportion’ – more specifically, 45% – of surveyed councils in NSW had ‘incorporate[d] biodiversity objectives into their corporate/operational plan [27]. In view of the statutory linkages with their specific references to the environment, the figure is disappointing, suggesting that more than half of the councils had paid minimal, if any, attention to the
requirements relating to biodiversity accountability and ongoing management. More recent survey analysis would reveal if the problems have declined further.

Public involvement may influence the direction of SoERs. In preparing their SoERs, councils must consult with their communities, including ‘environmental groups’, and also involve people in ‘monitoring changes to the environment’ (LGGR cl 220). But again, there are no details on how this is to occur. Terms such as ‘environmental group’ are undefined. Brown et al found the desired council/community partnership to be ‘almost non-existent’ amongst the authorities surveyed, with three managers viewing the community as ‘irrelevant and/or disinterested’ [28]. Such analysis is troubling, especially in view of increasing pressure on local communities in view of limited municipal finances. A Commonwealth Parliamentary report issued in 2003 has warned councils against entering costly functional territory [29].

No public comprehensive review of SoERs has been undertaken to test the extent to which they influence council on-ground policy. Whilst there is widespread recognition of the fragile and limited extent of vegetation remnants, the emphasis appears to be on the need to gather more information rather than setting down concrete responses. Yet many SoERs do not reflect the opportunities, let alone obligations, imposed by the LGA 1993 and LGGR. In many cases, the detailed statutory rules appear to have been disregarded. Of course, there is scope for SoERs to evolve. But biodiversity will continue to diminish whilst we wait. Importantly, such comment is not intended to overlook those councils that are head and shoulders above others. Sutherland Shire and Randwick City provide immediate examples. Both are located in the Sydney metropolitan area rather than remote NSW.

There is also the issue that environmental sectors that SoERs must address, including biodiversity information, can clearly transcend municipal borders. They may be ill-suited to be dealt with on a piecemeal, council-by-council basis. This raises the idea of regional SoERs. In their review of early SoERs, Brown and Greene observed that ‘[m]any issues were … more appropriate for regional or catchment treatment’ [30]. In an effort to minimise costs for individual member councils, but also in recognition of the sheer common sense in adopting a regional perspective, some voluntary ‘regional organisations of councils’ (ROCs), or other strategic alliances, have promoted regional approaches. In 2000, the Western Sydney Regional Organisation of Councils (WSROC) published its Regional SoER, described by Parissi as ‘the first regional [SoER] in Australia … based on sustainability principles’ [31]. But such an example does not remove the statutory requirement that each council must prepare its own individual SoER. In the 1997
discussion paper on SoERs, Minister Page acknowledged wide support for regional SoERs but remained steadfast in his commitment to individual SoERs [32]. This was unfortunate. From an ecological management viewpoint, SoERs prepared on a bioregional basis would make far more sense than many unconnected SoERs of varying quality.

The law-makers do not dismiss regional dimensions of SoERs altogether. In introducing the 1997 amendments, Minister Page promised that regional reporting would ‘be encouraged where environmental issues are best addressed at that level’ [33]. Clause 39(1) LGGR requires a council to include in its SoER ‘information relating to the general region’ if analysis of any of the factors listed under LGA 1993 section 428(2)(c) ‘cannot be met’ solely by reference to the local municipal area. A council must then observe all the statutory requirements for SoER reporting, such as adopting the ‘pressure-state-response’ model, in the ‘regional’ part of its SoER. Information on biodiversity would be a willing contender for regional attention. Yet the LGGR fails to define ‘region’. There is no statutory requirement, nor even a suggestion in the DLG’s guidelines, for a uniform approach to regional information. As for WSROC’s regional SoER, Parissi raises many concerns raised by council staff but concludes ‘that a strengthened foundation is needed’ [34].

The picture is again one of unfulfilled opportunity. Any success of the SoER as a conservation tool relies on a combination of political commitment, sufficient resources and regional willingness. As far as politics are concerned, many councils will already have other priorities cemented by tradition. Cowra Shire Council’s 1998/99 SoER provides an example. Under the ‘biodiversity’ heading, it suggests that conservation be restricted to ‘rocky outcrops of land which can not be cultivated’ because the floor of the Lachlan Valley ‘is too valuable ... to not be cleared and put into intensive agricultural production’ [35]. This Council’s priority was clearly on boosting the local economy grounded in agriculture. It would be interesting to check if a wider commitment to biodiversity has since emerged.

**Current Policy Change and Conclusion**

At the time of writing, it is likely that the two major mechanisms discussed above will be substantially changed, if not deleted. In late 2006, the DLG issued an ‘Options Paper’ regarding the future of, inter alia, management plans and SoERs [36]. Of the three options put forward, it appears from that the third alternative is supported by the DLG. Significantly, it does not embrace continuation of either the management plan or SoER. Instead, at the top of the hierarchy is a ‘Community Strategic Plan’ (CSP), which is designed to serve the community rather than the
council itself. It will address four themes: social, environmental, economic and governance. The CSP will last for ten years, after which time scales will depend on individual council decisions. Below the CSP there is to be a ‘delivery plan’ for every four year electoral term, an annual operational plan and the annual report, which will influence the CSP. The failure to include an improved, well articulated and community-based structure for the SoER demands reconsideration. Further investigation into regional cooperation is crucial. Although SoERs will be optional, and most likely not mentioned at all in the revised scheme, those councils devoted to maintaining the concept can apply their own emphases. This would not only match the subsidiarity principle but encourage regional scales where warranted. But retention of SoERs, or structurally different devices dealing with the environment, will not be universal. Whilst the legislative and policy review by the DLG was well overdue, we do want to see the biodiversity baby being thrown out with the administrative bathwater.

References
[7] It should be noted, however, that these problems do not deny the relevance of any environmental assessment requirements imposed by other legislation.
[18] Reference should also be made to easily overlooked provisions under the Threatened Species Conservation Act 1995 (NSW) and Fisheries Management Act 1994 (NSW), which relate to providing information on implementation of ‘recovery plans’ (RPs) in the SoER. Whilst preparation of RPs for listed threatened species, populations and ecological communities was once compulsory, this is now discretionary subject to Ministerial discretion.
[23] Department of Local Government (NSW) (1999b), [6], at pp 4-5, and 25; see also Marshall and Sproats, [3], at p 503.
[34] Parissi, [31], pp 58-63.