

ITEM 7.3 Fees and Charges 2020/21

AUTHOR Planning

PURPOSE AND BACKGROUND

In late June 2021, CB City became part of a select group of Councils to take part in a new State Government initiative administered by the Department of Planning, Industry and Environment. The Program is aimed at reducing assessment times on a state-wide basis for large scale development applications identified as *regionally significant*.

The Program has triggered an internal process review of how Council manages regionally significant developments. To ensure these applications are determined within the required timeframe under the Program, the process review has identified the need for Council to assign significantly more time and resources with proponents in the pre-lodgement phase including formalising advice from numerous disciplines across Council.

Given the concentrated level of resources required to compress timeframes under the Program, it is proposed to impose a fee for pre-lodgement services for regionally significant development applications to be imposed for this service. Council's pre-lodgement service for all other forms of development will remain unchanged.

As the Program was not formally entered into until after the adoption of the 2021/22 Operational Plan and Council's Fees and Charges, this report proposes to introduce a new fee for the service and that Council exhibit the new fee in accordance with relevant provisions of the *Local Government Act 1993*.

All regionally significant development applications are determined by the Sydney South Planning Panel.

ISSUE

The NSW Government has allocated funding to the NSW Department of Planning, Industry and Environment (the Department) to focus on faster assessment timeframes, supported by reforms to the planning system.

To support faster assessment timeframes, the government has set State-wide performance targets for timeliness of Regionally Significant Development Applications (RSDAs). This performance target was established from a baseline average assessment timeframe for RSDAs of 366 days taken from FY 2018-19. These targets are:

- A 5% reduction in average assessment timeframes by 30 June 2021 – down to 348 days;
- A 12.5% reduction in average assessment timeframes by 30 June 2022 – down to 320 days; and
- A 25% reduction in average assessment timeframes by 30 June 2023 – down to 275

days.

In late June 2021, Council entered into a deed with the Department to take part in the pilot program. Process mapping has commenced to identify efficiencies which can be found in Council's assessment systems in order to deliver projects within this time frame. A crucial element which has been identified is a strengthened pre-lodgement service in order to improve the quality of applications on lodgement, thereby allowing them to be "fast tracked" once received as a development application.

Significant Council resources will be required in order to deliver this enhanced pre-lodgement service and it is proposed that a fee be imposed to partially recover Council costs for this category of development. This is in line with processes already established in other local government areas.

RECOMMENDATION That -

1. In principle, Council endorse the introduction of a new fee of \$2,500 (plus GST) for a pre-lodgement service for regionally significant development applications
2. In accordance with Section 610F of the Local Government Act 1993, Council exhibit the proposed fee/charge, as required.
3. A further report be presented to Council following the public exhibition period.

ATTACHMENTS

- A. Proposed change to fees and charges for RSDA projects

POLICY IMPACT

This report will not result in any change to Policy however adoption of the recommendations will require amendment to the fees and charges that were adopted at the June 2021 Ordinary meeting.

In accordance with the Local Government Act – Section 610F - Council will exhibit the fee/charge for consultation and again consider the matter following this period.

FINANCIAL IMPACT

Council has an existing fee for informal pre-lodgement services which is generally reserved to town planning input.

This fee (\$391.20) is rarely charged because of the preliminary nature of the advice provided in most instances and the small scale nature of most development types. This approach is taken to also encourage applicants to liaise with Council early in the planning stage and avoid more costly amendments or information requests during the formal assessment process once an application is lodged.

Participation in the pilot program will see an increase in demand for pre-lodgement services for regionally significant development applications where detailed advice will be required across multiple areas of Council. The existing pre-lodgement fee is inadequate, and a new fee is required to be introduced for this specific group of applications. Whilst the proposed fee will not represent full cost recovery for the entire pre-lodgement assessment service, it will cover staff time associated with the preparation of, and participation in a pre-lodgement meeting with a proponent and the preparation of written advice.

The number of applications of this nature received over a financial year is typically in the order of 10 – 20 and so it is anticipated that a similar number of requests will be made for detailed pre-lodgement advice.

COMMUNITY IMPACT

Additional time expended by Council at the pre-lodgement phase will provide clear guidance to proponents on key issues associated with their proposal. The outcome for proponents who adopt Council's advice will be a higher quality application, which in turn should lead to a more efficient assessment process and improved development outcomes.

DETAILED INFORMATION

Currently, Council offers a pre-lodgement service where proponents are encouraged to discuss their proposal with Council staff and to seek guidance on key issues that they have encountered in the preparation of design documentation. Council provides advice on these and other issues in an informal setting.

The RSDA process is a fast track assessment process which is targeted at large sale development proposals, and which will require Council to deliver assessment reports to the Sydney South Planning Panel in compressed time frames.

The categories of development applications that will be subject to this process are typically:

- General development over \$30 million;
- Council related development over \$5 million;
- Crown development over \$5 million;
- Development carried out by or on behalf of the Crown (within the meaning of Division 4.6 of the Act) that has a capital investment value of more than \$5 million; and
- Private infrastructure and community facilities over \$5 million.

Given the scale of these developments and the fast tracked assessment process, it is anticipated that many proponents will seek far more detailed advice from Council staff prior to committing to lodgement of the application, so that there is greater certainty around what the likely planning, design, environmental, infrastructure and servicing issues may be. This has been evidenced already since the commencement of the pilot program on 1 July 2021.

Coordination of advice will be led by Council's Development Unit, but participation will be required across multiple areas of Council in order to provide comprehensive advice to the proponent.

It is proposed that the applicable fee be set at \$2,500 (plus GST) per request for advice. This fee would include all staff time associated with accepting the "application" for advice, assessment of the proposal across all relevant areas of Council, town planning assessment, a meeting with the proponent to deliver and discuss Council's advice, and preparation of written advice to the proponent. The proposed charge is unlikely to be construed as a burden to proponents, given the capital expenditure associated with these proposals and the likely time savings that result from a fast tracked assessment based on comprehensive pre-lodgement advice.

Further, it is noted that many Councils already have a fee for the provision of such a service with the following fees being imposed by neighbouring Councils.

| Council | Fee for Pre- DA advice |
|----------------|-------------------------------|
| Burwood | \$2,145 |
| Cumberland | \$2,340 to \$3,605 |
| Fairfield | \$1,100 for 30 minute meeting |
| Georges River | \$3,000 to \$5,000 |
| Inner West | \$2,077.40 to \$3,687.80 |
| Liverpool | \$1,648 |
| Sutherland | \$2,750 to \$5,000 |

Having regard to the above, it is evident that the proposed fee is commensurate with the pre-lodgement fees charged by other Councils for the service.

The implication of not introducing the pre-lodgement fee for RSDA projects would be that Council would have to decide between:

- a) offering a free service, which would see the community effectively subsidise the provision of pre- lodgement advice on large scale private and Government projects; or
- b) offering no service at all.

Neither of these outcomes are considered appropriate particularly with the underlying objective of this service being to improve the quality of built form and environmental outcomes. On this basis, the introduction of this a new fee for pre-lodgement planning advice for RSDA proposals is recommended.