

21 September 2018

Mr Peter Achterstraat AM
Productivity Commissioner
NSW Productivity Commission
GPO Box 5469
SYDNEY NSW 2001

Dear Mr Achterstraat,

Key Reforms for the Planning System

UDIA NSW is the leading industry group representing the property development industry. We support the mandate to make it easier to do business, lower the cost of living, and making housing more affordable.

At our meeting you suggested we provide key initiatives for reform that can be implemented quickly in NSW to accelerate change in the NSW Planning System.

UDIA members are reporting substantial delays in Councils processing development applications and planning proposals such that in some cases it can take months before a Council officer provides feedback on the application. It is apparent that the longest delays are being seen in broad-acre subdivisions in new residential areas and are often caused by resourcing issues - being the inability of the planning officer at Council to obtain internal referral comments from engineers such as traffic, waste and stormwater engineers.

External Assessment

We consider the NSW Government can resolve the bottleneck by using its budget or entering into implementation agreements with key developers in specific precincts to fund external engineers or assessors to undertake work for Council. The external engineers or assessors could be from a panel created by and vetted by the Department.

We see the key advantage being it is a user pays system with administrative system set up by the Department. It mitigates probity or competency issues with the Department ensuring successful external engineers or assessors, such as the Risk Smart scheme that is successfully operating in Queensland.

It is similar to schemes adopted by the Victorian Planning Authority which has invested \$1million in grants and staff assistance towards 17 innovative projects to improve timelines for approvals for new homes in new subdivisions such as the PSP Approvals Streamlining Program.

The assessment task relates to engineering issues which would be assessed against Council's existing policies and standards and require less subjective assessment. If it was expanded to planning officers it could be limited to assessment against numerical or measurable controls. Council retains overall merit and context assessment. That is,

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Council remains the planning assessment authority and the consent authority where it is the consent authority. The Pre-DA meeting can determine whether a project is suitable for the process.

Further similar projects can be dealt with as a cluster, for example multiple stages of a subdivision, ensuring consistency of approach. It can be piloted in a growth area within select Councils using a memorandum of understanding similar to that adopted in Wyndham City Council in Victoria and funded by the developers for that growth area.

KPI

UDIA NSW recommends the implementation of KPI's for referral agencies. The EP&A Act and Regulations already provide for provision that enable consent authorities to proceed when referrals have not been made within a timely period.

The Department of Planning could issue a circular directing consent authorities to proceed unless that consent authority provides sufficient reasons as to why they are unable to provide timely comment. We do not consider a lack of resourcing to be a sufficient reason for delays, particularly as these delays cost industry substantial amounts of money. Work completed by the UDIA shows that for small projects these delays cost in excess of \$4,000 per day.

E- Planning

Over the longer-term we suspect E-Planning would allow greater efficiencies and transparency. It has been in development for a number of years and we suspect the initial trialling will help support its success and initiate productivity improvements.

Proponents and the Community would be able to track the progress of the DA and which referral agencies have completed reports and which ones are laggards. This would provide transparency and promote information sharing for best practice. An additional level of transparency would enable industry and councils to identify pain points and collaborate to resolve these pain points to accelerate housing supply and reduce bureaucratic delays.

We would be pleased to meet to discuss these issues further and provide an outline of our research, please contact Mr Sam Stone, Manager, Policy and Research, UDIA NSW on telephone (02) 9262 1214 or via email sstone@udiansw.com.au to arrange.

Yours sincerely



Steve Mann
Chief Executive