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Updated assessment fees for major projects and State significant sites

INTRODUCTION:

The NSW Department of Planning is committed to providing efficient, transparent and rigorous assessment of the State's most significant development projects.

A key change to the NSW planning system in 2005 was the introduction of the new major projects law to improve and streamline the assessment of proposals deemed to be of State or regional significance. This reform to the system consisted of:

- A new part of the Environmental Planning and Assessment Act 1979 (EP&A Act). Known as Part 3A, this new part sets out the assessment process for major projects.
- A new environmental planning instrument – State Environmental Planning Policy (Major Projects) 2005 – known as the Major Projects SEPP.

In 2005-06, 289 projects were lodged with the Department under the Part 3A system.

FEE STRUCTURE OVERVIEW:

The interim fee structure established at the time that the Part 3A system came into place has been reviewed and a new fee structure has now been developed. The fees are outlined in the Environmental Planning and Assessment Amendment (Fees) Regulation 2007, which was gazetted on January 12, 2007.

The new fees more appropriately reflect the complexity of issues raised in the assessment of major development proposals and will ensure environmental and amenity issues will continue to be thoroughly addressed. The fees will allow the Department to employ additional resources and technical specialists as required.

They will also enable the Department to deliver on its assessment target, first introduced in 2006-07, to assess 95 per cent of proposals within six months of their exhibition period.

The new structure will also allow the Department to more easily create independent panels, comprising highly-regarded experts, to conduct public hearings and assess complex proposals.

It should be noted that the fees only impact on major development proposals, which are typically large infrastructure or employment-generating proposals, and do not cover households or small business. In fact, the average value of major projects determined in 2005-06 was \$92 million.

The brochure is a community guide which generally explains the fee structure and why it has been introduced. Proponents would also be advised to read the regulation, which is the statutory instrument which formally implements the fee structure.

ASSESSMENT PROCESS FOR MAJOR PROJECTS AND STATE SIGNIFICANT SITES:

MAJOR PROJECTS:

Major projects which must be submitted to the Department, rather than the local council, for approval are outlined in the Major Projects SEPP. Some proposals are considered major projects because they exceed capital value and employment-generation criteria in categories such as agriculture, mining, manufacturing, transport, health and tourism. The NSW Government also has discretion to 'call in' some major projects.

Major projects can be submitted as concept plans, which provide the broad parameters of a proposed development, or more detailed project applications.

The Part 3A system strengthens the Department's environmental planning and assessment process for major projects, including publicly identifying the key issues earlier in the process. It also improves community consultation and transparency, including making an increased number of documents relating to the proposal publicly available on the Department's website.

The fees will recover part of the cost of the steps undertaken by the Department in the assessment process for major projects, including:

- Holding preliminary discussions with proponents, including site visits and planning focus meetings;
- Following consultation with agencies, councils and other relevant stakeholders, preparing and publicly releasing Director General's requirements identifying issues to be assessed in the proponent's environmental assessment;
- Checking that the environmental assessment addresses the issues identified by the Director General;
- Placing the environmental assessment on public exhibition for a minimum of 30 days, and then collating and reviewing submissions;
- If relevant, asking the proponent to submit a response to submissions and a publicly available preferred project outlining proposed changes to minimise environmental impacts;
- If relevant, resourcing the creation of an independent expert panel, which may holding public hearings;
- Undertaking an assessment of the proposal, including additional consultation if relevant;
- Preparing an assessment report for the Minister for Planning along with recommendations for determination.

STATE SIGNIFICANT SITES:

State significant sites (SSS) are those sites which may have a wider significance for the community, for example the development or redevelopment of universities, hospitals, employment hubs or major heritage sites. The creation of a State significant site will typically involve the creation of a new planning regime for the site, possibly including zoning changes and development performance criteria.

The fees will recover part of the cost of the steps undertaken by the Department in the development of the planning provisions for a SSS, including:

- Undertaking preliminary discussions with landowners and/or proponents and making a recommendation to the Minister as to whether the site should be listed as a SSS;
- Determining if a concept plan or project applications are to be considered concurrently with the development of the planning regime for the site;
- Publishing an order in the NSW Government Gazette listing the site as a SSS;
- Making a site visit and convening meetings with relevant agencies and stakeholders;
- Preparing specifications for State Significant site studies, which typically are lodged by the proponent and examine land-use planning constraints or opportunities and explore zoning and development controls for the site. Agencies, councils and other relevant stakeholders are often consulted in the development of these specifications;
- Placing the study and associated documents on public exhibition for a minimum of 30 days;
- Collating and reviewing public submissions and requesting the proponent to response to issues raised in submissions;
- If relevant, the Minister may appoint an expert panel, which may hold public hearings;
- Undertaking an assessment of the proposal, taking into account submissions;
- Preparing a report for the Minister for Planning;
- If the proposal is supported, amending the Major Project SEPP to create a planning regime for the SSS.

DETAILED OUTLINE

Category	Description	Fee	Comment
MAJOR PROJECTS			
Project and concept plans applications	Application for a project and/or concept plan approval (excluding extractive industries and marina categories below)	Maximum fee based on capital investment value outlined in Section 245D of the regulation	The fee better relates to the costs of assessing major projects, compared to the previous fee regime
	Extractive industries and marinas	Base fee of \$5,000 plus further fee based on operation factors	While these types of projects involve low capital investment, they potentially have significant environmental impact and require extensive assessment. Therefore, they are subject to a separate fee schedule. Extractive industries (not mining) - \$5,000 plus \$0.05 per tonne of material extracted per annum Marinas - \$5,000 plus \$500 per vessel
Subdivision	Subdivisions (other than minor or strata subdivision)	\$5,000 base fee plus \$300 per hectare, maximum \$30,000	Subdivision proposals typically have a low capital value but often need careful analysis into environmental impact and, at times, agricultural issues. The fee reflects this workload.
	Minor subdivision and strata subdivision	\$750	A definition of minor subdivision is included in the regulation
Modifications	Modifications to the Minister's approval	50% of the major project application fee for the approved project or \$2,000, whichever is the greater Minor modifications have a maximum fee of \$750	Relates to the cost of assessing modifications.
Critical Infrastructure		Maximum fee is double fee structure outlined in Clause 245D-G	These projects, which are seen to be essential for the State for economic, environmental or social reasons, require a high level of scrutiny

Category	Description	Fee	Comment
STATE SIGNIFICANT SITES			
State Significant Site investigation request	State Significant Site proposal	\$20,000 plus \$1,000 for each hectare (or part of hectare)	There is a need to create a State Significant site fee schedule, as none has been in place to date The additional fee is not payable if the investigation is carried out in conjunction with the assessment of an application for approval of a concept plan
MISCELLANEOUS			
Expert panels		Minimum fee of \$50,000 Maximum fee of \$100,000, fee between \$50,000 and \$100,000 determined on cost recovery basis	Expert panels will on occasion be formed to assess highly complex proposals. These independent panels will typically contain experts in the key issues raised the proposal, who work outside the Department. Public hearings may be held. The fees recover the significant cost of hiring experts and establishing these panels.
Advertising Fee		Maximum fee of \$2,500	This fee is to offset the cost of advertising of applications for all environmental assessments required under Part 3A
Planning Reform Fee		Existing formula which has been in place across NSW for several years for projects valued above \$50,000	This new fee structure continues the existing arrangement where the planning reform fee is charged in addition to assessment fees for Part 3A projects. The fee contributes to planning reform work across NSW, including providing grants to local government.

* A maximum fee of \$750 is payable for a Part 3A application for which no other fee is provided.

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