



# NSW Government's response to the recommendations from the planning reviews

September 2004

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## Preface

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In 2003, the Minister for Infrastructure and Planning and Minister for Natural Resources, and the Minister for Infrastructure and Planning (Planning Administration) established a number of Taskforces to guide reform to specific aspects of the NSW planning system. The reviews examined:

- statutory and strategic plan making
- local development assessment
- major development and infrastructure projects
- Section 94 developer contributions
- master planning
- State environmental planning policies (including SEPP 5)
- the Minister's consent role.

This information paper contains a summary of all the recommendations arising out of the Taskforce reviews (except the major assessments and infrastructure review), and the Government's response. The final report of the Major Development and Infrastructure Projects Taskforce is still to be finalised.

The planning reforms have been developed to bring together a comprehensive set of improvement measures to respond to the major issues identified in the various Taskforce reviews, and to target other issues within the planning system that have been identified outside of the Taskforce reviews.

The terms of reference for each Taskforce are set out below:

### **1. Plan Making Taskforce Review**

- Investigate and report on whether the Government should continue to pursue the PlanFirst reforms, either in total or in part.
- Advise on any changes to the PlanFirst approach which may be necessary following the reorganisation of planning and natural resources management in the State.
- Advise on how the strategic planning fee currently being collected on certain development applications should be used to progress reform of the planning system.
- Consult with stakeholders as necessary to ascertain views.

### **2. Local Development Assessment Taskforce Review**

- Investigate and report on the development assessment and decision making process for local development under the Environmental Planning and Assessment Act and whether it is achieving an effective, quick, simple process that delivers quality outcomes.
- Investigate the operation of the system of exempt and complying development and assess whether there are common elements that provide opportunities for wider application.

- Examine how the Building Sustainability Index (BASIX) developed by the Department of Infrastructure, Planning and Natural Resources will interact with the approval system.
- Provide advice on the impact of agencies concurrence and approval roles.
- Consult with stakeholders as necessary to ascertain views.

### 3. Section 94 Taskforce Review

- Examine the previous report by the Department of Urban Affairs and Planning titled 'Review of the Developer Contributions System 2000' and advise on those aspects of the report that merit further investigation and whether some changes could be implemented immediately as part of an interim reform package.
- Examine and report on the original policy basis and rationale for the introduction of Section 94 contributions and whether it remains a legitimate basis for levying development at a local level.
  - gather and analyse data on the existing Section 94 system including:
    - the total value of adopted contributions plans in NSW
    - the total value of contributions collected and works-in-kind undertaken for local councils during the previous 5 years
    - the use of developer agreements in lieu of monetary contributions
    - the total estimated value of approved development in NSW during the previous 5 years
    - the total shortfall between collected contributions and the cost of works undertaken.
- Review the range of levies, taxes and charges (including the PlanFirst fee) currently paid at land development stage and assess their impact on the affordability of housing and their success (or otherwise) in funding the provision of local infrastructure.
- Examine alternatives to levying under Section 94 of the *Environmental Planning and Assessment Act 1979* (such as flat rate levies and developer agreements), identify their strengths and weaknesses, report on the feasibility of using different systems for Metropolitan Development Program and other areas and examine the appropriateness of the nexus and whether other arrangements are more appropriate.
- Advise on implementation mechanisms for any alternative models (and whether a range of models are appropriate) including transitional arrangements and the management of associated risks.
- Examine existing accountability arrangements and identify ways in which the system could become more transparent and the community more confident about Section 94 expenditure.
- Advise on the role of Section 94 in funding local infrastructure, having particular regard to the impacts of local government rate pegging and debt servicing.
- Consult with stakeholders as necessary to ascertain views.

#### **4. Ministerial Consent Role Taskforce Review**

- Review the Minister's consent role under major metropolitan and non-metro planning instruments, including SEPP 47 – Fox Studios, SEPP 56 – Sydney Harbour Foreshore & Tributaries, SREP 16 – Walsh Bay, SREP 24 – Homebush Bay, SREP 26 – City West and SEPP 73 – Kosciuszko Ski Resorts.
- Recommend amendments and timeframe needed to ensure the consent role is only focussed on matters of State significance.
- Review what constitutes State Significant Development across the Department and advise on any changes necessary to ensure the role is properly and strategically targeted.

#### **5. Masterplan Taskforce Review**

- Review the growing reliance on masterplans by consent authorities and advise circumstances when such plans are appropriate.
- Advise on any procedural or legislative changes needed to guide their use, including examining the relationship between masterplans and development control plans.

#### **6. State Environmental Planning Policies (SEPP) Taskforce Review**

- Review and rationalise existing State policies into a clear, strategic framework which will guide regional and local planning.
- Develop indicators against which to measure the success of policies.
- Consult with other State agencies as relevant.

#### **7. SEPP 5 Taskforce Review**

- Review the housing strategy to be pursued for Older People and People with a Disability including any changes to be made to SEPP 5 based on:
  - the market demand projections for housing for older people
  - the opportunities for large-scale retirement villages
  - how we can best provide for independent living and supported accommodation (from villa to nursing home)
  - the capacity to expand the product and service range of housing for older people and people with a disability and specialised housing
  - the need for affordable housing.
- Advise on whether the apparent inconsistency in bush-fire prone areas between the opportunities for conventional housing (eg subdivision and dual occupancy) and housing for older people is unreasonable

#### **8. Major Development and Infrastructure Taskforce Review**

- Identify current issues and emerging trends in the assessment and approval of major developments and infrastructure projects (by both the private and public sector).
- Develop options for an integrated, single and strategic system which addresses infrastructure, environmental planning and natural resources. The system should address administrative and/or regulatory reforms; and strategic considerations.
- Recommend the elements of an integrated regime including administrative arrangements, policy and practices, to deliver sustainable outcomes and strengthen stakeholder participation.

## Contents

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1	Plan Making Taskforce Review	5
2	Local Development Assessment Taskforce Review	8
3	Section 94 Contributions Taskforce Review	14
4	Ministerial Consent Role Taskforce Review	19
5	Masterplan Taskforce Review	21
6	SEPP Taskforce Review	24
7	SEPP 5 Taskforce Review	25

# 1 Plan Making Taskforce Review

Recommendations - Summary	Government Response
<p>The most significant issue for Sydney at this time is the need to develop a new metropolitan strategy.</p>	<p>Supported.</p> <p>Metropolitan Strategy underway.</p>
<p>The Department of Infrastructure, Planning and Natural Resources (DIPNR) should prepare non-statutory regional strategies to guide and direct the sustainable development, growth and change of regions and these strategies should address environmental, social and economic outcomes along with infrastructure and programs required to support those outcomes.</p> <p>Regional planning must be developed to meet the needs of metropolitan, coastal and inland NSW.</p> <p>DIPNR must immediately target high priority areas for the commencement of regional planning initiatives.</p>	<p>Supported.</p> <p>Regional strategies will be developed in priority growth regions:</p> <ul style="list-style-type: none"> <li>• NSW Coast including Far North Coast, Lower Hunter and South Coast</li> <li>• Sydney – Canberra corridor</li> <li>• key centres in Western NSW.</li> </ul>
<p>In lieu of regional forums, DIPNR should employ appropriate methods of consultation and involvement (including where necessary Section 22 committees) based on the particular regional planning activities that is being undertaken and the priority for completion of that activity.</p>	<p>Supported.</p>
<p>Regional strategies should be monitored by DIPNR and their performance reviewed regularly.</p>	<p>Supported.</p>
<p>Regional strategies should be delivered in an electronic format.</p>	<p>Supported.</p>
<p>The format of a local plan be regulated by the State government and be specified to contain content that is fixed by the State and mandatory for every integrated local plan.</p>	<p>Supported.</p> <p>Working draft <i>Standard Provisions for LEPs in NSW</i> released for comment.</p>
<p>DIPNR be required to further develop the Taskforce's proposed integrated plan template for inclusion in the EP&amp;A Regulation as a standard template before 31 December 2003.</p>	<p>Supported. A proposed template for LEPs is included in the working draft <i>Standard Provisions for LEPs in NSW</i> released for public comment.</p>

Recommendations - Summary	Government Response
DIPNR develop a set of best practice guidelines for integrated plan preparation for local councils, before 31 December 2003 to provide clarity and detail on the new template and ensure the efficient preparation of new integrated plans.	Supported. Guidelines will be prepared to support the new template and standard provisions for local environmental plans.
The Parliamentary Counsel's Office be requested to approve the final integrated plan template, including the standard set of zones, definitions and model provisions, upon completion of same by DIPNR.	Supported.
Establish a dedicated team of staff (who will liaise with local government officers) to ensure that above recommendations are implemented before 31 December 2003.	Supported. A later timeframe is appropriate in order to consider recommendations arising from all Taskforce reviews.
The Minister for Local Government be requested to encourage councils to prepare a long term strategic plan for every local government area (LGA) in NSW.	Supported. The Minister for Infrastructure and Planning will request the Minister for Local Government to update the <i>Management Planning Guidelines 2000</i> to encourage councils to undertake local strategic planning.
The Minister for Local Government develop a set of best practice guidelines before 31 March 2004 (following consultation with local government) for the preparation of local government management plans and strategic plans.	Supported in principle. It is proposed that the existing Management Planning Guidelines be revised.
It be mandatory for councils to consolidate their planning instruments into a maximum of one integrated plan for every LGA and that DIPNR tailor a suitably staged timetable for this to occur, with metropolitan, coastal and amalgamated councils to be targeted as a priority.	Supported. Local councils in priority areas will be required to develop a new local environmental plan within three years.
Consultation to occur with local government to assist the Department of Local Government and DIPNR in the efficient development of best practice guidelines and to ensure the implementation of these recommendations by local government within an agreed timeframe.	Supported.

<b>Recommendations - Summary</b>	<b>Government Response</b>
DIPNR investigate opportunities to delegate aspects of the Minister's local environmental plan (LEP) approval role to local councils where integrated plan provisions are consistent with State and regional objectives.	Supported in principle.
The Section 94 Review Taskforce be requested to examine the retention (or otherwise) of the strategic planning fee as part of the terms of reference of that Taskforce.	Included as part of terms of reference.
DIPNR review the retention (or otherwise) of the strategic planning fee after all the current planning system reviews are completed.	Supported in principle. It is expected that collection of the fee will cease when the planning reforms have been implemented.
DIPNR provide clarity in regard to the imposition of the strategic planning fee.	Supported.
Revenue collected to date should be shared equally between State and local government.	Sharing of revenue with local government is supported. \$8.3 million has already been allocated to local councils from the Planning Reform fund. The 2004–05 round will be targeted to local councils for implementing priority planning reforms.
DIPNR urgently develop a comprehensive strategy for spending the fee revenue that targets local government.	Supported.
Consider developing integrated land use and natural resources legislation.	Supported as a long-term reform objective.
DIPNR develop a suitable communications strategy, with particular focus on managing the expectation of key regional stakeholders.	Supported.

## 2 Local Development Assessment Taskforce Review

Recommendations - Summary	Government Response
<p><b>Common Housing Standards</b></p> <p>Prepare a common set of housing standards; testing and consultation with local government and industry; incorporation into integrated plan template.</p> <p>Investigate preparation of exempt and complying development controls for commercial and industrial development for inclusion in integrated plan template.</p> <p>Review exempt provisions of State environmental planning policy (SEPP) 60 for inclusion in integrated plan template.</p> <p>(Recommendations 1 - 5)</p>	<p>Supported partially.</p> <p>Exempt and complying development provisions for internal renovations of houses, and small-scale commercial/industrial development to be prepared.</p>
<p><b>Complying Development</b></p> <p>Allow for conditions to be imposed on complying development certificates where a breach of a single standard occurs.</p> <p>Investigate opportunities to increase the use of complying development in environmentally sensitive areas.</p> <p>Request the Department of Local Government (DLG) to monitor the granting of complying development certificates on an annual basis.</p> <p>(Recommendations 6, 7, 10)</p>	<p>Not supported.</p>
<p><b>Monitoring and Review</b></p> <p>Investigate opportunities for a combined approvals system for single dwelling houses (in situations where a separate development application (DA) and construction certificate is still required).</p> <p>Implement a monitoring program to ensure a review of the housing standards and model notification policy after 2 years of operation.</p> <p>(Recommendations 8, 9, 23)</p>	<p>Not supported.</p>
<p><b>Clearer Standards</b></p> <p>Prepare best practice guidelines for writing clear standards and developing policy in consultation with local government and State agencies.</p> <p>Prepare communications and education strategy on the writing of clear standards and policy.</p> <p>(Recommendations 11 - 13)</p>	<p>Supported.</p> <p>Guidance material for local councils will be prepared to support the LEP template and the preparation of new local environmental plans.</p>

<b>Recommendations - Summary</b>	<b>Government Response</b>
<p><b><i>Format and Content of Local Plans</i></b></p> <p>Regulate the format of local plans (integrated plan template) and incorporate standard definitions and model provisions.</p> <p>(Recommendations 14 - 17)</p>	<p>Supported.</p>
<p><b><i>Notification</i></b></p> <p>Limit notification of DAs and complying development certificates that comply with the common housing standards, to notification that an approval has been granted.</p> <p>Notification of single dwelling houses to occur only when there is a variation to the common housing standards.</p> <p>Preparation of a model notification policy for local development in consultation with the Independent Commission Against Corruption (ICAC) and local government.</p> <p>Review EP&amp;A Act advertising and notification provisions to ensure they remain contemporary and provide flexibility.</p> <p>(Recommendations 18 - 21)</p>	<p>Not supported.</p> <p>Model notification policy being developed.</p>
<p>Request the Ministerial Consents Role Taskforce to provide that the model notification policy be implemented when assessing DAs where the Minister is the consent authority.</p> <p>(Recommendation 22)</p>	<p>Ministerial Consents Role Taskforce had already completed its report.</p>
<p><b><i>BASIX</i></b></p> <p>BASIX must dovetail with the provisions of existing sustainability guidelines to ensure consistency and avoid duplication.</p> <p>Prepare communications and education strategy.</p> <p>Develop a SEPP or regulation amendment to introduce mandatory water and energy use provisions of BASIX.</p> <p>(Recommendations 24, 26, 28)</p>	<p>Supported. BASIX is progressively being implemented.</p>

<b>Recommendations - Summary</b>	<b>Government Response</b>
<p>Develop BASIX to ensure that it becomes a relevant tool for non-residential development and other activities (eg: land subdivision, demolition).</p> <p>Accreditation schemes be provided to enable building industry practitioners to be accredited to certify compliance with BASIX.</p> <p>Incorporate mandatory water and energy indices into the integrated plan template.</p> <p>(Recommendations 25, 27, 29)</p>	<p>Support in principle.</p>
<p><b>Consultation and Concurrence</b></p> <p>Current review of SEPPs and preparation of regional strategies by DIPNR to remove as far as possible, existing consultation and concurrence provisions.</p> <p>(Recommendation 30)</p>	<p>Supported.</p>
<p><b>State Agency Roles</b></p> <p>Review integrated development approvals process.</p> <p>(Recommendation 31)</p>	<p>Supported.</p>
<p><b>Certification</b></p> <p>Confirm the appropriate authority responsible for the auditing of accredited certifiers, managing the complaints handling process and undertaking enforcement actions.</p> <p>Facilitate the transfer of responsibility for the establishment of the Building Professionals Board and the auditing of certifiers from DIPNR to the Department of Commerce.</p> <p>The Government's response to the Campbell Inquiry reforms to the certification process be introduced as soon as possible.</p> <p>(Recommendations 32, 33, 35)</p>	<p>Supported.</p> <p>Relevant accreditation bodies are responsible for the auditing complaints and accreditation. Councils can take action against non-compliance with consent and construction certificate.</p> <p>Following actions underway:</p> <ul style="list-style-type: none"> <li>• Stage 1 of Building Professionals Board (BPB) now established within DIPNR.</li> <li>• Building Legislation Act and EP&amp;A Amendment (Quality of Construction) Act 2003 all now commenced.</li> <li>• Mandatory inspections and on-site signage for low rise buildings commenced on 1 July 2004.</li> </ul>

<b>Recommendations - Summary</b>	<b>Government Response</b>
<p>Annual reporting of accreditation, investigation, auditing and education processes by Home Building Service.</p> <p>Amend the <i>Guiding Development: Better Outcomes</i> publication to introduce advice relating to certification practices.</p> <p>Prepare a 'ready reckoner' which summaries the responsibilities of certifiers.</p> <p>Clarify the meaning of 'not inconsistent' in the assessment of an application for a construction certificate (for the purposes of Section 96 EP&amp;A Act modifications)</p> <p>(Recommendations 34, 36, 37, 56)</p>	<p>Supported.</p> <p>Quality of Construction Act package has a practice note and fact sheets about key roles and responsibilities.</p>
<p><b>Role of Councillors</b></p> <p>Provide greater clarity regarding the role of councillors in the environmental planning process.</p> <p>Require all newly elected councillors and re-elected councillors to attend mandatory training courses.</p> <p>(Recommendations 38 - 41)</p>	<p>Voluntary training is supported in principle.</p> <p>DIPNR to encourage training courses to be developed by universities, Local Government &amp; Shires Associations (LGSA) and other professional associations.</p>
<p><b>Independent Assessment Panels</b></p> <p>Provide for the establishment of independent development assessment and hearing panels.</p> <p>Establish regional panels where requested. Amend SEPP 65 in relation to design review panels.</p> <p>(Recommendations 42 - 45)</p>	<p>The ongoing establishment of independent assessment panels by local councils, on a voluntary basis, is supported.</p>
<p><b>Council Performance</b></p> <p>Require all councils to report within 12 months of commencement of legislation and annually thereafter, on how they have achieved specific performance benchmarks, to ascertain their effectiveness (or otherwise) in reducing determination times and achieving quality outcomes.</p> <p>(Recommendation 46)</p>	<p>Supported.</p> <p>Monitoring package to be put in place to ensure all councils report after 18 months from commencement of legislative changes and annually thereafter, on how they have achieved specific performance benchmarks in approving DA processing times.</p>

Recommendations - Summary	Government Response
<p><b>Planning Education</b></p> <p>The Planning Institute of Australia (PIA) develop a professional planning practice course (as part of its National Inquiry into Planning Education and Employment.</p> <p>PIA be encouraged to develop a mentoring program for junior assessment staff.</p> <p>(Recommendations 47, 48)</p>	<p>Supported. DIPNR will request PIA to action recommendation.</p>
<p>Preparation of communications strategies by councils to help clarify development assessment processes for community and development groups.</p> <p>Develop an ongoing education action plan to provide for a comprehensive system of planning education in NSW.</p> <p>Establish a planning education council to assist in the development and implementation of the education action plan.</p> <p>(Recommendations 49 - 51)</p>	<p>Not supported.</p> <p>Planning education is best delivered by professional associations, LGSA and universities. DIPNR will continue to encourage these bodies to enhance training programs.</p>
<p>Allocate resources towards planning education and practice to ensure improvement of development assessment practices.</p> <p>(Recommendation 52)</p>	<p>Not supported.</p>
<p><b>Process Management</b></p> <p>Review the appropriateness of applying Sections 102-104 EP&amp;A Act (process challenges) to local development approvals issued by councils.</p> <p>(Recommendation 53)</p>	<p>Supported in principle.</p>
<p><b>Practice Manuals</b></p> <p>Update <i>Guiding Development: Better Outcomes</i> to include advice on managing the development assessment process by State agencies and councils.</p> <p>Introduce a service providing on-call planning guidance and assistance to councils.</p> <p>(Recommendations 54, 55)</p>	<p>Supported in principle. Necessary explanatory material and practice notes will be developed to support the reforms.</p> <p>On-call planning guidance not supported.</p>

<b>Recommendations - Summary</b>	<b>Government Response</b>
<p><b>DA Fees</b></p> <p>Develop an action plan to progress the implementation of the Independent Pricing and Regulatory Tribunal (IPART) recommendations relating to development assessment fees.</p> <p>(Recommendation 57)</p>	<p>Supported.</p>
<p><b>Fast Track DA Fees</b></p> <p>Review the use of 'fast track' DA fees to allow councils to apply to DIPNR for approval to charge fast track fees.</p> <p>(Recommendation 58)</p>	<p>Supported.</p>
<p><b>Performance Monitoring</b></p> <p>Commence the collection of annual statistics in relation to complying development certificates and construction certificates on an annual basis.</p> <p>(Recommendation 59)</p>	<p>Supported in principle. Monitoring package to be put in place to ensure all councils report after 18 months from commencement of legislative changes and annually thereafter, on how they have achieved specific performance benchmarks in approving DA processing times.</p>
<p><b>Benchmarking</b></p> <p>Develop appropriate benchmarks and monitoring of the development assessment process.</p> <p>(Recommendation 60)</p>	<p>Supported.</p>
<p><b>Delegations</b></p> <p>Amend <i>Guiding Development: Better Outcomes</i> to include a model delegation policy for local government.</p> <p>(Recommendation 61)</p>	<p>Not supported.</p> <p>Delegations to planning staff are a matter for individual local councils.</p>

### 3 Section 94 Contributions Taskforce Review

Recommendations - Summary	Government Response
<p>The original policy basis for Section 94 generally remains a sound and legitimate basis for levying development at the local level, on the basis that the other Taskforce recommendations are implemented.</p>	<p>Supported.</p>
<p>The Taskforce supports those recommendations from the previous report <i>Review of the Developer Contributions System 2000</i> as set out in Table 1 (on page 20 of the report).</p>	<p>Supported.</p>
<p>The Department of Local Government be requested to collect and publish from each council in NSW on an annual basis, Section 94 data relating to the:</p> <ul style="list-style-type: none"> <li>• value of adopted contributions plans.</li> <li>• value of contributions collected.</li> <li>• value of infrastructure constructed.</li> <li>• value of works-in-kind agreements entered into.</li> <li>• value of developer agreements entered into.</li> <li>• projected value of contributions to be collected over the next 5 years.</li> <li>• projected infrastructure expenditure over the next 5 years.</li> </ul>	<p>Supported.</p>
<p>All contributions plans include an estimate of the likely revenue from Section 94 along with a schedule for infrastructure delivery on a time series basis. This time series should be for at least a 5 year interval.</p>	<p>Supported.</p>
<p>Collection of the 'PlanFirst' fee should cease at the end of the 2003/04 financial year and any remaining monies should be disbursed according to the criteria and principles set out in the PlanFirst Review Taskforce Report.</p>	<p>Not supported.</p> <p>The planning reform fee will be retained until planing reforms have been implemented.</p>
<p>Section 94 contributions plans are an appropriate model for funding local infrastructure in greenfield growth or urban redevelopment areas with multiple owners.</p>	<p>Supported.</p>

Recommendations - Summary	Government Response
<p>Developer agreements and works-in-kind agreements are an appropriate model for funding local infrastructure where the negotiation effort is efficient and effective, typically in high growth areas with one or few owners.</p>	<p>Supported.</p>
<p>Flat rate percentage levies are an appropriate alternative model for funding local infrastructure in all other areas. The application of a flat percentage levy should be optional and be applied as an alternative to a Section 94 contributions plan (ie: only one mechanism can be in operation for a particular area). A framework for limiting the quantum of flat percentage levies needs to be established to ensure that it is an appropriate level for the appropriate circumstance.</p>	<p>Supported.</p>
<p>DIPNR be requested to develop clear principles applying to the developer agreements and flat percentage levy models that are reflected in a revised <i>Section 94 Contributions Plans Manual</i>.</p>	<p>Supported.</p>
<p>DIPNR prepare guidelines (as part of a revised <i>Section 94 Contributions Plans Manual</i>) to assist best practice land development, including the most efficient use of land assets with regard to the orderly and economic release of land on development fronts within the Metropolitan Development Program.</p> <p>In this regard, the Taskforce recommends that councils be required to undertake detailed precinct planning as part of any rezoning exercise in Metropolitan Development Program areas. This precinct planning should occur at a level such that Section 94 contributions plans and/or developer agreements accurately relate to the nature of infrastructure to be provided and the staging of development fronts. This planning should occur prior to the gazettal of any rezonings in Metropolitan Development Program areas.</p>	<p>Supported.</p>
<p>DIPNR formulate measures to encourage development collaboration for land dedication costs to be internalised by the developer.</p>	<p>Supported.</p>

Recommendations - Summary	Government Response
<p>DIPNR revise the <i>Section 94 Contributions Plans Manual</i> to incorporate a consistent format for contributions plans.</p> <p>In this regard, the Taskforce recommends that in addition to the items already listed in the sample contributions plan in the current Section 94 Manual, contributions plans should also contain:</p> <ul style="list-style-type: none"> <li>• a table showing how indexation of contributions is calculated and where to obtain indexation details.</li> <li>• the works schedule containing cost estimates and proposed timing of infrastructure provision (either date or threshold based). It should also indicate which of the items have been provided.</li> <li>• easy to read maps showing location of Section 94 items.</li> <li>• a schedule showing the extent of development that has occurred (eg: number of lots developed, percentage of contributions paid).</li> </ul> <p>The EP&amp;A Regulation be amended to require that all contributions plans include a summary schedule of rates.</p>	Supported.
<p>The review period of contributions plan should not exceed 5 years, plans not reviewed within 5 years should cease to operate. Regular review (preferably annually - with land values reviewed quarterly) of a contributions plan needs to include an examination of the variables affecting the contribution rate.</p> <p>A standard checklist of variables be included in a revised <i>Section 94 Contributions Plans Manual</i>.</p>	Supported in principle.
<p>The <i>Section 94 Contributions Plans Manual</i> be revised to:</p> <ul style="list-style-type: none"> <li>• include a standard report template (for reporting Section 94 contributions plans and their reviews to council).</li> <li>• encourage the establishment of a stakeholder register to improve the notification process of draft contributions plans.</li> <li>• include an example of the type and format of information to be exhibited when reviewing a contributions plan.</li> </ul>	Supported.
<p>A template for cash flow analysis be prepared and incorporated into the <i>Section 94 Contributions Plans Manual</i>.</p>	Supported.

<b>Recommendations - Summary</b>	<b>Government Response</b>
The <i>Section 94 Contributions Plans Manual</i> be revised to include an updated example of a standard Section 94 condition of consent.	Supported.
Advice be included in the <i>Section 94 Contributions Plans Manual</i> clarifying and confirming the Crown's Section 94 responsibilities.	Supported.
The Taskforce endorses the current situation concerning timing of Section 94 contributions payment at the linen release stage or construction certificate stage, with the ability for councils to defer payment in certain circumstances. In terms of integrated housing development, it is recommended that consideration be given to including provision within the revised <i>Section 94 Contributions Plans Manual</i> for contributions to be paid at the linen release stage.	Supported.
The Section 94 component of a council's annual works program should be obtainable on request in the same way as the contributions register is available.	Supported.

Recommendations - Summary	Government Response
<p>The <i>Section 94 Contributions Plans Manual</i> be revised to:</p> <ul style="list-style-type: none"> <li>• Provide more detailed advice as to the circumstances in which borrowing between accounts within a contributions plan is acceptable; examples of instances where borrowing is and is not appropriate and how borrowing should be accounted for.</li> <li>• Provide an example of a works-in-kind agreement.</li> <li>• Include advice as to the fundamental accounting requirements for works-in-kind agreements.</li> <li>• Include comments about the benefits of works-in-kind agreements to encourage this practice.</li> </ul> <p>The annual audit of Section 94 financial statements to include an examination of all borrowing undertaken between accounts within a contributions plan and the council's ability to make repayments.</p> <p>The works schedule for Section 94 items should form a (distinct) part of councils annual management plan and information concerning proposed works should be publicly available.</p> <p>The <i>Section 94 Contributions Plans Manual</i> be revised to outline a mechanism for the indexation of historical costs in instances where works-in-kind are undertaken and a cash payment is required to be made to the developer.</p>	Supported.
<p>The Department of Local Government be asked to develop a system to allow councils to borrow funds for the upfront acquisition of land identified within a contributions plan. Such a system should recognise the costs associated with borrowing funds and allow for these to be recouped via Section 94 charges.</p>	Supported.

## 4 Ministerial Consent Role Taskforce Review

Recommendations - Summary	Government Response
<p>The following criteria is formally adopted (and incorporated into a State environmental planning policy) as criteria for defining State significant development (SSD) for use in all instances when determining the need for the Minister's involvement as consent authority:</p> <ul style="list-style-type: none"> <li>• regional of state economic importance in terms of a particular industry threshold as outlined in the report;</li> <li>• strategic significance to the achievement of broader state or regional planning objectives as defined in thresholds based on economic, social or environmental grounds;</li> <li>• likely to affect environmental issues of regional or state significance;</li> <li>• likely to set a precedent or is an emerging industry of strategic importance to the State;</li> <li>• regional or state community interest (ie high level community concern or controversy beyond the local area);</li> <li>• needs alternative consent arrangements where it would add transparency because the council is seen to have a conflict of interest, or more than one local council is likely to be affected or are consent authorities.</li> </ul>	<p>Supported.</p> <p>The Minister for Infrastructure, Planning and Natural Resources has announced that a new Ministerial Consents State Environmental Planning Policy (SEPP) will be made to give effect to the recommendations of the Taskforce.</p>
<p>A single State environmental planning policy be developed to consolidate and rationalise existing provisions for declaring development to be State significant development that are currently in 25 environmental planning instruments and repeal 45 provisions that are no longer relevant. This would occur in two stages:</p> <ul style="list-style-type: none"> <li>• repealing existing provisions and including substitute provisions in the new SEPP and changing the generic employment and investment thresholds for SSD to industry specific triggers;</li> <li>• undertaking further consultation on a number of contentious existing SEPPs (eg minor development under Sydney Harbour Foreshores SEPP 56, Coastal Protection SEPP 71, Kosciusko Ski Resorts SEPP 73, Newcastle Port &amp; Employment Lands SEPP 74).</li> </ul>	<p>Supported.</p>

<b>Recommendations - Summary</b>	<b>Government Response</b>
<p>A State significant development protocol be applied when developing future environmental planning instruments to ensure that only matters of State environmental planning significance warrant making the Minister the consent authority, comprising:</p> <ul style="list-style-type: none"> <li>• only development that meets the criteria are made SSD by addition to the consolidated SEPP;</li> <li>• all future 'place' environmental planning instruments includes an exit strategy with performance targets, and use exempt and complying provisions to ensure minor development is excluded;</li> <li>• use strategic partnership approaches as an alternative to declaring places SSD;</li> <li>• ensure the new SEPP is reviewed and updated regularly; and</li> <li>• the Office of Sustainable Development should review all proposals for identifying SSD.</li> </ul>	Supported.
<p>DIPNR develop a protocol with representatives of local government in relation to procedures and practices by April 2004, to ensure that local council issues are appropriately considered in the assessment and determination of State significant development.</p>	Supported.
<p>The Major Development Taskforce consider recommendations to:</p> <ul style="list-style-type: none"> <li>• reduce the Minister's involvement in minor development matters, specifically the introduction of provisions to reduce the Minister's involvement in Section 96 modification applications; and</li> <li>• set out clear rules for the processing, assessment and determination of State significant development proposals.</li> </ul>	Supported.

## 5 Masterplan Taskforce Review

Recommendations - Summary	Government Response
Indicate support for the <u>process</u> of 'master planning' as fulfilling an important role for strategic assessment and structure planning of greenfield areas; defining new directions for redevelopment of brownfields sites and facilitating large site concept development.	Supported.
Ensure that master plans are not incorporated into the planning system as an additional layer, through provisions in environmental planning instruments or through amendments to the EP&A Act 1979.	Supported.
Utilise the existing components in the EP&A Act 1979 - environmental studies, LEPs, development control plans (DCPs), and Staged/Concept DAs, to deliver the master planning outcomes.	Supported. Environmental studies and LEPs will continue to be relevant to re-zoning applications.
Give priority to and encourage strategic planning at all levels by planning authorities.	Supported.
Ensure early involvement of relevant stakeholders in the planning process at all levels.	Supported.
Fine tune the EP&A Act 1979, and the EP&A Regulation 2000 to facilitate implementation of the recommended policy direction including greater clarity and efficiencies for the process.	Supported.
<p>Environmental Studies:</p> <ul style="list-style-type: none"> <li>• Enable environmental studies to be prepared under a SEPP.</li> <li>• Enable submissions to be made on environmental studies.</li> <li>• Redefine/strengthen role of environmental study to ensure strategic spatial assessment, three dimensional concepts and infrastructure provision are explored.</li> <li>• Clarify that an environmental study can be prepared by or on behalf of the council/Director General.</li> </ul>	<p>Not supported.</p> <p>These mechanisms will continue to apply where a major project requires rezoning to occur in order to lodge the development application. The exception would be where the Minister changes the zoning for projects of State and regional significance.</p>

<b>Recommendations - Summary</b>	<b>Government Response</b>
<p>DCPs:</p> <ul style="list-style-type: none"> <li>• Enable DCPs to be prepared under SEPPs.</li> <li>• Consider whether the role of a DCP should be strengthened.</li> </ul>	Supported.
<p>Staged/Concept DA:</p> <ul style="list-style-type: none"> <li>• Facilitate lodgement of staged (site concept) DA.</li> <li>• Define what is to be addressed in staged/concept DA in consultation with local councils and the development industry.</li> <li>• Extend timeframe for assessing staged/concept DA.</li> <li>• Consider whether integrated development, threatened species, concurrence issues are to be dealt with up front in staged/concept DA and not revisited.</li> <li>• Consider requiring only lodging of complying development application/construction certificate following consent for staged/concept DA.</li> <li>• Clarify the need for compliance with staged/concept DA where later stages propose amendments.</li> <li>• Amend fee structure for staged/concept DA.</li> </ul>	Supported.
<ul style="list-style-type: none"> <li>• Improve understanding of the capacity and use of the plan making system in NSW.</li> <li>• Seek improvements in planning and design outcomes through dissemination of advice and best practice on a regular.</li> <li>• Develop best practice guidelines on 'master planning' for greenfields, brownfields redevelopment and single site development.</li> <li>• Run workshops/short courses on best practice master planning for councils and the development industry.</li> <li>• Recommend to higher education bodies that planning courses and continuing education, place greater emphasis on strategic integrated three-dimensional spatial planning.</li> </ul>	Supported in principle. DIPNR will consider the need for information and education activities as the new arrangements are implemented.

<b>Recommendations - Summary</b>	<b>Government Response</b>
<ul style="list-style-type: none"> <li>• Advise councils to no longer include master plan provisions in new LEPs and to use the existing components of the EP&amp;A Act to deliver the desired outcomes.</li> <li>• Request councils to amend LEPs to revoke/replace master plan provisions with relevant process for the situation.</li> <li>• Consider the use of a SEPP to amend current instruments – SEPPs, regional environmental plans (REPs) and LEPs, which require master plans.               <ul style="list-style-type: none"> <li>- could use a sunset clause or</li> <li>- redefine the activity to be addressed through either: environmental study, DCP or staged/concept DA.</li> </ul> </li> <li>• Amend EP&amp;A Act 1979 and EP&amp;A Regulation 2000</li> </ul>	<p>Supported.</p>

## 6 SEPP Taskforce Review

Recommendations - Summary	Government Response
<p>A new State planning policy framework be implemented that:</p> <ul style="list-style-type: none"> <li>• provides a comprehensive statement of environmental planning policy for NSW in a single place</li> <li>• clearly articulates the State's desired planning outcomes</li> <li>• promotes integrated policy development</li> <li>• is electronically delivered</li> <li>• is easy to understand for the end user</li> <li>• introduces a monitoring and review process for State policies</li> <li>• provides a clear context for legal instruments and other implementation mechanisms</li> <li>• gives the opportunity for policies to be formulated that are not limited to development control.</li> </ul>	<p>Not supported.</p> <p>State environmental planning policies (SEPPs) will continue to be used to set mandatory planning and development controls on matters of environmental planning significance to the State. Existing SEPPs will be progressively reviewed, updated and rationalised into approximately 25 issue and sector based instruments.</p>
<p>DIPNR continue to refine the proposed policy template and SEPP template.</p>	<p>Not supported.</p>
<p>A monitoring and review framework be established, including the identification of sustainability indicators.</p>	<p>Supported in principle. Appropriate provisions for monitoring and review will be included within SEPPs as required.</p>
<p>A Policy Steering Committee be established to develop the policies.</p>	<p>Not supported.</p>
<p>DIPNR consult with stakeholders as part of the review of individual policies.</p>	<p>Supported.</p>
<p>A communication strategy for the State planning policies be developed.</p>	<p>Supported. Communications strategy to be implemented as part of the planning reforms.</p>

## 7 SEPP 5 Taskforce Review

Recommendations - Summary	Government Response
<p>A new SEPP 5 with the following new controls:</p> <ul style="list-style-type: none"> <li>• in-fill development in low density residential zones – require a higher level of design, set a minimum area of 1000m<sup>2</sup>, establish a building envelope that only allows single storey dwellings to the rear of the site to avoid overlooking of neighbour's homes and gardens</li> <li>• retirement villages and clusters of independent living, in any urban edge location (on land zoned non-urban), require the provision of a community bus and other support services, a minimum number of dwellings to underpin service levels and landscape outcomes</li> <li>• residential care facilities – encourage re-development of existing high and low care facilities (nursing homes and hostels) by allowing a floor space ratio (FSR) of 1:1 as deemed to comply, discount any floor space below ground, lower landscaping standards for established areas, reconcile any conflict with Federal accreditation standards and remove excessive parking standards for dementia units</li> <li>• in higher density zones encourage seniors' housing by providing incentives for vertical villages, (eg additional FSR of 0.5:1/1:1) relative to FSR permissible on the site) for developments that have on site support services and 10% affordable/concessional places, to apply only to higher density residential and commercial zones. In commercial zones require ground floor to be commercial retail uses</li> <li>• exclude land zoned industrial to conserve it for industrial uses</li> <li>• provide incentives for larger scale development to include affordable dwellings – if 10% of dwellings provided for 'concessional' residents (purchase and/or rent) they would be covered under the SEPP and not be replaced by local controls.</li> </ul> <p>The policy should continue to cover people with a disability.</p>	<p>Supported.</p> <p>The Seniors Living SEPP 2004 was made on 31 March 2004 giving effect to the recommendations of the Taskforce.</p>

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