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## Background & Purpose

***The COVID-19 pandemic has induced an economic downturn that is having widespread impacts on the construction and development industries, as well as professional services such as planning, architecture and design. These industries drive a significant amount of economic activity in the State of NSW but without support, many jobs could be lost from these sectors as a result of the pandemic.***

The Department of Planning, Industry and Environment (the Department) can support the construction and development industries, help attract investment into NSW and unlock capital by reducing timeframes and increasing certainty in the development assessment process.

The Department is therefore accelerating its development assessment processes during the COVID-19 pandemic, under its Planning System Acceleration Program. The aim of the program is to help maintain a pipeline of economy-growing projects; assisting with the preservation of existing companies and jobs in the short term and helping repair the economy and grow jobs in the medium to long term.

The Department's focus on place will also ensure its assessment processes will continue to support projects that create a lasting social, environmental and public realm benefit for the community.

The Planning System Acceleration Program will focus on two key phases of the COVID-19 pandemic:

- Rescue phase (0 - 6 months)
- Response phase (6 – 24 months)

The Planning System Acceleration Program operates alongside a broader series of longer-term 'Recovery Phase' initiatives that will support the recovery from COVID-19, including the roll-out of ePlanning, the rationalisation of the State Environmental Planning Policies, the redesign of the contributions system, establishment of the Planning Delivery Unit and the allocation of additional resources to enable the reform of the planning system.

Not all projects will be appropriate for the Planning System Acceleration Program and there is a range of other mechanisms available to manage projects through the planning system, including through improved 'business as usual' processes or the Planning Delivery Unit noted above.

The purpose of this document is to outline the medium term Response Phase of the Planning System Acceleration Program; the Priority Assessment Program

## 1. Planning System Acceleration Program

Since April 2020, the Department has implemented a series of measures to support the broader Government response to the COVID-19 induced economic downturn. A key part of this response has been the Planning System Acceleration Program. The Planning System Acceleration Program comprises two approaches.

### A. Rescue Phase – Fast Tracked Assessment Program

On 28 April 2020, the Minister for Planning and Public Spaces announced that the Department would undertake a Fast-Tracked Assessment Program and called for advice from the community on which projects in the planning system could provide jobs, economic activity and broader public benefits in the immediate term. Drawing on the responses and other advice, the Department allocated resources to fast-track a series of projects through the final, post-notification stages of assessment in a series of four-week tranches.

The six tranches of the Fast-Tracked Assessments have resulted in 101 State Significant Development Applications and Planning Proposals being determined. This has created the opportunity for more than 52,000 jobs, \$25.7 billion of economic investment, 26,000 new homes and more than 400 hectares of public or open space and environmental land.

Projects have been selected for acceleration on the basis of a determination being achievable within the four-week timeframe, compliance with program objectives (represented in the criteria) and the likelihood of the proponent progressing the approval to the next stage of development activity within 6 months.

The Minister for Planning and Public Spaces is also encouraging councils to implement their own fast-tracked process for local and regionally significant DAs based on the State Government's accelerated assessment approach. This 'Accelerated Assessment Program' is supported by the NSW Public Spaces Legacy Fund, which provides up to \$250m of incentives to councils implementing their own local assessment acceleration program.

### B. Response Phase - Priority Assessment Program

The full benefits of the Recovery Phase reforms will begin to be felt over coming months but won't be fully realised until 2022. Therefore, a medium-term response will be needed to maintain an interim pipeline of accelerated assessments, providing economic stimulus and jobs generation in the construction industry, balanced with the creation of public benefit, during the two years between the Rescue and Recovery Phases. This medium-term response is called the Priority Assessment Program.

The Priority Assessment Program will accelerate projects that are either early in the assessment process or that may have been 'stuck' in the planning system for some time. The projects will be case managed through to determination under a 'Service Charter' between the Department and the proponent. This will speed up assessment by providing pathways for issues resolution including executive oversight, schedule management and risk mitigation.

As part of the Planning System Acceleration Program, Catalyst Projects should have high value to the economy and have significant public benefit. They should also have a high alignment to Government strategy and a high confidence of delivery in the medium term.

## 2. Priority Assessment Program – Overview

The Planning System Acceleration Program aims to support jobs, economic activity and broader public benefits during the Rescue and Response phases of the COVID-19 induced economic downturn. All projects assessed under the Acceleration Program must contribute to this objective.

A key requirement of the original Fast Track Assessments program is timing; the Department seeks to identify projects that have a high likelihood of commencing within 6 months (for DAs) or of proceeding to DA (for planning proposals) within 6 months.

Moving from the Rescue phase to the Response phase requires a shift of focus from fast-tracking 'shovel ready' projects in the final stages of their assessment to accelerating projects from the time they enter the planning system through to their on-the-ground delivery over the medium term.

This change in focus will allow the economic and public benefits of the Planning System Acceleration Program to be expanded to projects that are very early in their assessment and will be progressed to construction over the coming 6 to 24 months.

Similar to the Fast-Tracked Assessments Program, the Priority Assessment Program should create the opportunity for significant numbers of jobs and economic activity and should provide substantial public benefits. However, they should also align to the strategic priorities of the Government and there should be a high degree of confidence in delivering on the program objectives in the medium term.

The Priority Assessment Program will provide a tailored, case managed service for projects that have been in the planning system for some time or that are highly complex (e.g. with a high number of stakeholders or with highly technical issues to resolve). The service will encourage proponents to work hand-in-hand with the Department and other agencies to reach decisions during the assessment of a project, as swiftly as possible.

## 3. Priority Assessment Program – Pathways

The Department will identify projects that would benefit from being designated a Catalyst Project. However, councils, proponents and other stakeholders can also correspond with the Department and identify projects that might qualify for the Program.

Generally, proponents should be willing to commit to a schedule, regular progress reporting and other obligations including information quality, timeliness and a willingness to respond to

community requirements in good faith. The case management approach will reflect the complexity of the project and the issues to be resolved prior to an assessment decision.

Inclusion in this Program doesn't predetermine the assessment outcome. All projects will be assessed in accordance with the *Environmental Planning and Assessment Act 1979*.

Projects can include:

- State significant development / State significant infrastructure;
- Key planning proposals (State or Council led) or key precincts; or
- An integrated planning proposal and State significant development projects.

Projects should be already recognised as a planning matter for consideration by the Department, to be included in the Priority Assessment Program. Projects being assessed by councils or other entities, with a high degree of alignment with the program criteria and objectives may be considered for inclusion.

Method 1	Method 2	Method 3
SSD or SSI	Planning Proposals	Integrated Planning Proposal & Development Application
Milestones relate to: <ul style="list-style-type: none"> <li>• Issuing of SEARS</li> <li>• Exhibition</li> <li>• Response to Submissions</li> <li>• Assessment</li> <li>• Final determination</li> <li>• Any other key milestone on a project.</li> </ul>	Milestones relate to: <ul style="list-style-type: none"> <li>• Gateway determination</li> <li>• Studies required</li> <li>• Exhibition</li> <li>• Response to submissions</li> <li>• Assessment</li> <li>• Recommendation on rezoning</li> </ul>	<ul style="list-style-type: none"> <li>• Combined State-led rezoning and State significant development application</li> <li>• Milestones as per method 1 and 2 combined/overlapping</li> <li>• Planning proposal or precinct could be expanded to include adjoining land or to create better connections.</li> </ul>

### Case Management of State Significant Development & State Significant Infrastructure

Assessment of State Significant Development (SSD) & State Significant Infrastructure (SSI) projects requires a high level of project management, negotiation and coordination across multiple expert agencies. A determination cannot be made until a range of complex issues are resolved and appropriate community consultation has been undertaken.

Case management has been used successfully to halve the assessment timeframes since 2014 and continues to have the potential to further accelerate the assessment of SSD and SSI projects, by committing all stakeholders to collaborating on the achievement of shared goals. A case management approach for SSD & SSI projects will have standard features:

- Clear expectations regarding the indicative assessment schedule.
- Commitments from the proponent on the quality of the proposal, and of the information submitted in support of the assessment.
- Opportunities for closer collaboration between the Department and councils.
- Pathways for issue resolution within DPIE and stakeholder agencies.

The case management approach to SSD & SSI provides decision makers with the confidence that technical matters have been adequately resolved.

### Case Management of Planning Proposals

The assessment of Planning Proposal process involves multiple agents and authorities. Case-management can accelerate this process by shortening timeframes in the various assessment stages relevant to the proposal under assessment.

The case management framework for planning proposals will be designed to suit a range of situations but will generally aim to recognise councils as the primary proponent for re-zoning. The Gateway approval process and its associated conditions will form the basis of this approach; advising expectations and informing decision-making.

The case management framework will also accommodate circumstances where a Regional Panel and the Department progress the planning proposal. The diagram at **Attachment A** represents a model for an accelerated planning proposal process achieved through case management. The framework has several key components:

- Councils will be consulted in the consideration of whether a project should be case managed.
- A clear schedule informed by the statutory process. Where relevant this will be done through Gateway conditions imposed on the planning proposal at the start of the statutory rezoning process.
- Commitments from the proponent(s) regarding the quality of information to support the assessment of the planning proposal and rezoning.
- Oversight of the project schedule to senior executives within stakeholder organisations – including milestone reporting and monitoring/mitigation of project schedule risk.
- Options for the call-in of the assessment process from the council by the Minister for Planning and Public Spaces or the Department of Planning, Industry & Environment, should the timeframe commitments in the gateway not be met.

Under the proposed process there would be an initial assessment to determine the suitability of the project for inclusion in the case management process. If a project is considered suitable, the relevant council, the Department and the proponent would identify and agree the various timing and information commitments. Once the commitments have been agreed and incorporated into the Gateway, the standard planning proposal process would be used to manage the assessment of the rezoning proposal.

### An Integrated Approach to Acceleration

A combination of the planning proposal and SSD process will allow for the integrated acceleration of projects that meet SSD criteria. This could be achieved with coordinated schedules for assessment processes, public exhibition and determination of the project.

Like planning proposals and individual development applications, a coordinated schedule and assessment process will be developed and coordinated across the different assessment authorities and proponents.

## 4. Priority Assessment Program – Project Selection

Each project within the Priority Assessment Program will require a high level of executive sponsorship and resource-intensive intervention. It is therefore not possible to include all projects in the program and it is envisaged that (as a guide) up to 30 projects could be accommodated under the program.

It will be critical to select projects that are likely to accelerate as a result of the case management approach. These projects should also achieve the program objectives, as represented through the program criteria.

Projects will be selected for the Priority Assessment Program through a three-step process and their qualification status will be reviewed through until completion of the assessment and beyond. There will be an initial review against the criteria to short list projects; a second phase where projects are assessed and verified against the criteria on the basis of more detailed information; and a third phase for ongoing compliance with program objectives.

Figure 1 outlines the selection and monitoring process. Note that the Department may consider new projects for inclusion in the Priority Assessment Program at regular intervals, subject to available resources, benefit and need.

As the information to confirm compliance with the above criteria is detailed and – in some cases – sensitive, the selection process will be undertaken through two stages of shortlisting. The Department will seek to include projects with high overall alignment to the program objectives.

**Stage 1** – Proponents provide information in the prescribed form, demonstrating alignment with the criteria below to facilitate initial shortlisting. All information provided for Stage 1 must be able to be disclosed publicly.

**Stage 2** – Detailed assessment of the information provided. The Department works with the proponent to verify the assumptions and test its confidence in delivery. At this stage proponents will be required to provide confirmation of the assumptions relating to the qualification criteria.

**Stage 3** – Parties commit to process and case-management commences. Projects are monitored throughout for benefits realisation; including after determination.

The key criteria for qualification are outlined in Section 6.

**Figure 1 – Catalyst Projects Selection Process**



Selected projects will be monitored to ensure they continue to align to program objectives.

## 5. Qualification Criteria

As with the Fast-Tracked Assessments, job creation, economic stimulus, public benefit and timeliness will be key objectives for Priority Assessment Program. However, due to the more strategic nature of the Priority Assessment Program, and the resource-intensive nature of the case management process, it will be important to also direct resources to projects that align to the strategic objectives of the NSW Government in relation to economic and social policy, environmental outcomes, spatial frameworks and infrastructure investment planning.

A high priority will be placed on the degree of confidence that the outcomes will be achieved. This will include a commitment from stakeholders and the proponent to the process.

Nominated projects will be periodically reviewed to determine eligibility, candidature and participation in the program. The process allows the Department to focus its selection resources on projects that will meet the objectives of the program; and to give certainty to proponents that – where more detailed information is required – it will be part of later stage confirmation rather than earlier stage identification.

If it becomes clear that a selected project is not meeting the requirements below, it will be removed from the program and assessed under business as usual processes.

Projects will advance the objectives of the State Government by meeting the criteria below.

### Participation Criteria

#### 1. Strategic Alignment

Proposals that align with, or act as a catalyst for existing State Policies/Strategies and Land Use Strategies.

- **State Plans and Strategies** - Makes a significant contribution to the delivery of key government plans and strategies such as the State Transport Strategy, State Infrastructure Strategy, Regional Economic Development Strategies or Premier's Priorities.
- **Alignment with Land Use Strategy** – The project would ideally be recognised in a regional or district plan as being aligned to a spatial strategy, economic strategy, is within a strategic centre, a location for employment or land release or an economic corridor or will enable the delivery of a Lighthouse Precinct

- **Synergy/Catalyst** - The project creates investment certainty that can unlock significant further development in a precinct and/or generates significant downstream economic activity.

### 2. Economic Benefit

Proposals that are going to make fast capital investment and create or protect jobs is essential to responding to the economic effects of the pandemic.

- **Economic scale** - The project provides for significant' capital investment in the medium term; and
- **Job creation or protection** - The project creates a significant number of new jobs (construction or operational) or safeguards existing jobs.

### 3. Public Benefit

Proposals that provide significant public benefit such as improving open or public space and/or identify specific social and environmental benefits.

- **Social benefits** – The project provides significant social benefits (e.g. affordable housing, community facilities, Aboriginal land, build-to-rent); and
- **Environmental benefits** – The project provides significant environmental benefits (eg. biodiversity corridors, threatened species refugia, improved surface water quality, renewable energy); and
- **Public space** – The project provides significant open or public space, better access or connections to open or public space, or provide an appreciable improvement to the quality of public space through design.

### 4. Design Excellence & Existing Infrastructure

Proposals that leverage existing infrastructure or improve designs of neighbourhoods are more likely to have better community benefits.

- **Design Excellence, Sustainability and Urban Design** – The project provides for high quality urban design or sustainability outcomes as relevant to the proposal, such as incorporating high measures of energy reduction and environmental benefit.
- **Existing or Planned Infrastructure** – The project is well-served by existing or planned infrastructure (e.g. open space, community facilities, major transport facilities).

### 5. High Likelihood of Delivery

The project delivery plan enables timely delivery of the planned benefits to the economy and community. This will maximise the likelihood of the program objectives being met.

Proponents are committed to delivering the planned benefits to the economy and community. This will maximise the likelihood of the program objectives being met and will help build trust and confidence in the planning system. In assessing this participation criteria a number of matters will be considered:

- **Proponent experience** – The proponent has capacity and experience to deliver the project as proposed; and
- **Proponent capacity** – The proponent can demonstrate the financial capacity to complete the project (independently verified); and
- **Willing to commit** – The proponent is willing to commit to delivering milestones on-time, (including timely project delivery) and to signing a Service Charter.
- **Proponent schedule.** The proponent can commit to construction commencing (for DAs) or a DA being lodged (for planning proposals) within 18 months.
- **Project delivery Risks.** There are no known significant environmental factors, construction risks, land access issues.

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