

Faster Local Assessment Grant Program

Guidelines

Introduction

The development assessment process is a key part of the housing supply chain and impacts how efficiently new housing is delivered. As part of the NSW Government's initiative to improve the planning system, it has allocated funding aimed at supporting councils to accelerate assessment of local DAs and planning proposals (PP) to bring forward housing supply.

Improving assessment timeframes in NSW

Several government reports have identified that providing incentives to councils to develop better administrative practices can assist in the delivery of more homes. These include:

- that the Australian Government should provide incentive payments to state and local governments to encourage the adoption of better planning and property administration policies (Recommendation 3.79: The Australian Dream: Federal Inquiry into housing affordability and supply in Australia¹)
- that the Australian Government should institute a grant scheme that pays states and localities for delivering more housing supply (and affordable housing Recommendation 3.82: The Australian Dream: Federal Inquiry into housing affordability and supply in Australia)
- develop and implement a system, of incentives to encourage all local governments to deliver on housing targets (Recommendation 7.1: NSW Productivity Commission White Paper²)

The NSW Housing Strategy Action Plan also identifies that the NSW Government needs to focus on continuing to implement reforms to the planning system to ensure transparent and faster planning assessments and to reduce rezoning timeframes (Housing 2041: 2021-22, Action Plan, NSW Housing Strategy).

It is the Department of Planning and Environment's (the department) aim to continue to improve the planning system by working with councils to shorten assessment timeframes, identifying blockages, and implementing improvements so communities can have access to more homes faster.

Program purpose

- Embed long-term changes in council processes that contribute to faster processing times
- Support councils to accelerate assessment of local DAs and PP to bring forward housing supply
- Build on the success of the Faster RSDA pilot program (2021) which achieved significant improvements to assessment timeframes
- Provide financial support to empower councils to improve capacity and outcomes for housing

¹ PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA: The Australian Dream, Inquiry into housing affordability and supply in Australia, House of Representatives Standing Committee on Tax and Revenue, March 2022, Canberra

² NSW Productivity Commission White Paper 2021: Rebooting the economy

- Develop a deeper understanding of assessment practices in councils with high volumes of residential development, to enable targeted improvements across all councils.

Objectives of the Faster Local Assessment Grant Program

The objectives of this program are to:

- Provide support for councils to implement changes that accelerate local DA and PP processing times so that housing is supplied earlier than currently forecast
- Assist councils in implementing best practice guidelines development assessment and planning proposals to incorporate and distribute learnings from previous grant programs. This will allow councils to promote and provide complete advice to proponents resulting in faster processing times for local DAs and PPs
- Measure the value of change by capturing baseline evidence data to quantify and measure cumulative benefit of change over time for housing supply and economic value.

Long-term outcomes

The long-term outcomes the Program is seeking to achieve are:

- Supporting councils to establish improved processes and practices to prevent future blockages within the DA or PP processes
- Helping councils establish the processes and systems required to provide them with the confidence to make faster decisions to determining local DAs
- Providing funding to improve standardisation of approaches and practices to achieve best practice in development assessment.

Grant payments and milestones

The Grant Program will provide a payment to eligible councils of up to \$350,000 at various milestones. Eligible councils are invited to participate by 31 May 2022.

Key Dates for Councils:

- Grant Program opens and funding deeds distributed to the eligible councils: *before 1 June 2022*
- **Milestone 1:** Payment of \$250,000 of total grant upon execution of funding deeds by Councils: *before 30 June 2022* (councils will be required to submit a Process Improvement Plan to the department within 4 weeks of the deed being signed by all parties)
- **Milestone 2:** Progress payment of \$50,000 and provision of a midpoint progress report that is submitted to the department: *no later than 31 December 2022*
- **Milestone 3:** Progress payment of \$50,000 and provision of an acquittal report and certificate that is submitted to the department: *no later than 31 May 2023*

The funds are to be expended and activities underway within 6 months of the Grants Program commencing. The following key dates are outlined to assist councils achieve the milestones.

Action	Date
Grant program open and funding deeds sent to eligible councils	No later than 1 June 2022
Signed funding deed and invoice to be returned to the Department	8 June 2022
Finalisation and execution of funding deeds	No later than 30 June 2022
Grant program commences	On execution of deeds
Provide Process Improvement Plan to the department	within 4 weeks of signing deeds
Midpoint evaluation and progress report due (Milestone 1 invoice)	No later than 31 December 2022
Final evaluation of Grant Program commences	February/March 2023
Acquittal report due	No later than 31 May 2023

Selection Process for participating councils

The non-competitive grants program is available to 14 councils selected as eligible by the department (table 1). The eligible councils were selected based on the following metrics:

Councils were selected based on the following metrics:

- Had not received funding through the previous RSDA program (2021)
- Anticipated high volume of housing to be delivered through local DAs and subdivision DAs
- Opportunities to improve assessment timeframes

The criteria used to determine this included:

- Metropolitan councils were deemed eligible based on the metrics outline above, in addition to:
 - Dwelling assessment timeframes greater than 100 days
 - Subdivision DA assessment timeframes greater than 120 days
 - Planning proposal assessment timeframes greater than 320 days
- Regional councils were deemed eligible based on the metrics outline above, in addition to:

- Dwelling assessment timeframes greater than 100 days
- Subdivision DA assessment timeframes greater than 100 days
- Planning proposal assessment timeframes greater than 500 days.

Table 1: Eligible Councils

Metropolitan councils	<ol style="list-style-type: none"> 1. City of Canada Bay 2. Inner West 3. Woollahra 4. Fairfield 5. Hawkesbury 6. Wollondilly Shire 7. Penrith
Regional councils	<ol style="list-style-type: none"> 8. Queanbeyan-Palerang 9. Shoalhaven 10. Wollongong 11. Singleton 12. Eurobodalla Shire 13. Cessnock 14. Port Stephens

Potential projects to be funded

The department anticipates grant funding will be used to gain:

- Additional professional assessment staff, including the redeployment or realignment of staff resourcing within council
- Appointment of specialist technical consultants
- Dedicated coordination point within council for housing development applications
- Process mapping and improvement plans to operationalise and implement Local Housing Strategy actions (convert to a planning proposal)
- Technology improvements.

Capability improvements may also be considered such as:

- Training for applicants and their consultants
- Professional development for council staff
- Facilitate peer to peer knowledge sharing between councils
- Reviewing and updating development guidelines or assessment policies.

Participation Criteria

Participating councils must agree to completing a Process Improvement Plan for approval by the department and participate in evaluation activities to ensure the delivery of housing supply.

To facilitate funding all eligible councils will be provided with a funding deed. Funds will be distributed by the department once the Funding Deed has been executed.

Funds can only be used to deliver activities (as per previous section) that will assist local government to meet specific outcomes outlined above.

Targets:

- **Development Assessments:** A 10 to 20 % reduction from the median assessment timeframe³ for housing DAs and subdivision DAs. This will be benchmarked against evidence of each council's assessment performance over the past 3 years.
- **Planning Proposals:** Timeframe targets as set by the new 'Local Environmental Plan Making Guideline' (released December 2021).

Executing a Funding Deed

The State Government is providing a fixed contribution to eligible councils to implement the Grant Program.

Eligible councils will enter a Funding Deed and submit a Milestone 1 invoice that must be returned to the department before 30 June 2022. Eligible councils are expected to outline a timeline for how it will meet key requirements:

- Provide a Process Improvement Plan (within the first 4 weeks of signing of the Funding Deed) that sets out how timeframe improvements towards the targets will be achieved. The Process Improvement Plan should also include a risk management plan and a schedule of planned expenditure (not to exceed \$350,000);
- Commit to participation in interviews to provide feedback at regular intervals during the Program; and
- Agree to participate in the mid-term and end of program evaluation.

Payment of funds

Program funds will be provided using a standard funding deed and will be made available as the funding deed is signed and countersigned by both parties.

³ The Department will provide each council with the data relating to their median assessment timeframes

Program Acquittal and Reporting

Councils will be required to provide a progress report to the department by 31 December 2022 providing evidence that demonstrates that at the midpoint, funds are being expended in accordance with the objectives of this Program and in accordance with their Process Improvement Plans.

An acquittal report is required to be submitted to the department by 31 May 2023. The acquittal report will require councils to:

- Declare that the funding was used for the purpose provided
- Provide an itemised list specifying how the funds have been spent
- Confirm that a complete set of accounting and financial records relevant to the project has been maintained and will be available to the department if requested.

Program evaluation

Councils will be required to participate in information gathering exercises as specified by the department. These exercises may occur throughout the program and may include completing surveys, attending interviews or updates. This will provide critical insights into the interventions proposed and developed by councils to inform future programs.

The department may also use information from your application and reports for this purpose.

An evaluation of the Faster Local Assessment Grant Program will collect information and measure how well the outcomes and objectives have been achieved to further inform future programs.