



Planning,  
Industry &  
Environment

# Priority Projects Criteria

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Title: Priority Projects Criteria

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## Introduction

To support the recovery of the NSW economy during and after the COVID-19 pandemic key criteria have been developed to prioritise the assessment of planning projects. The criteria inform the prioritisation of projects to ensure that resources are fairly and transparently allocated as efficiently, fairly and transparently as possible.

The proposed criteria and measures have been informed by the six principles agreed by the Australian Government, State and Territory Planning Ministers and Australian Local Government Association. The proposed criteria have also been formulated in consultation with other government agencies, local government and peak stakeholders including the Planning Institute of Australia (NSW Division), the Property Council, the HIA, the UDIA, the Urban Taskforce, the Australian Institute of Architects and LGNSW. A summary of that input is at Appendix A.

All projects nominated by industry groups to be 'shovel ready' continue to be considered in accordance with the *Environmental Planning and Assessment Act 1979*, and projects that do not satisfy the criteria will continue to progress through the planning system. The criteria will be used to determine the best approach for the department to prioritise its resources to assess 'job ready' projects through the planning system, including development applications (both state and local), planning proposals and site compatibility certificates.

## Priority project criteria

The government has stressed that projects prioritised through this process not only deliver jobs but have strong public benefits dividends that deliver a positive legacy for communities and businesses.

The three essential criteria that will be used to identify priority projects for prioritisation through the assessment process of the planning system are:

- **jobs**—do projects create jobs?
- **timing**—can the assessment and determination of the project be completed quickly and can the project commence (for DAs) or proceed to DA (for planning proposals) within 6 months?
- **public benefits**—can the project deliver, or be a stimulus for the delivery of, public benefit?

## Number of jobs created

The government has set a target of creating opportunities for more than 30,000 construction jobs by September 2020. This criteria will involve an assessment of the capacity of projects to create jobs. For development applications, the focus will be on the creation of jobs over the next six months. For planning proposals and Site Compatibility Certificates (SCCs), the focus will be on the creation of jobs in the pipeline over the medium term once the associated development application (DA) is determined, as well as the creation of jobs in the short term during the design and assessment phase of a project.

The assessment of jobs will be undertaken by the department using a model developed to consider construction jobs (based on an average of construction jobs per dollar of investment) and post-construction operational jobs.

The exception to the Department preparing its own jobs estimates will be State Significant Development and State Significant Infrastructure, where the assessment will continue to be undertaken by proponents. Under the SSD/SSI pathway the requirement for a quantity surveyor reviewed assessment of costs and a declaration of the accuracy of the information contained within the EIS, ensures a high standard of accuracy and consistency in job number declarations.

In evaluating projects under this criteria, consideration can also be given to:

- the total direct and induced number of jobs created
- the period for which jobs are created (short or longer term)
- the industries in which those jobs are created and the nature of those jobs.

To ensure a consistent approach to the assessment of the jobs criteria, the department will apply a simple model to estimate both construction jobs and post-construction operational jobs:

- Construction jobs will be calculated by applying criteria for the translation of construction capital spend into construction jobs (originally developed by Landcom)
- Post construction operational jobs will be calculated by applying the nature of the end of the use of the proposal to its intended size and using agreed ratios of floor space to job estimates.

While finalisation of rezoning proposals or SCCs may not result immediately in construction-ready projects, they will enable projects to progress to a development assessment phase and consideration will be given to the potential jobs that could be created if a project was to proceed following DA assessment. This detailed design phase also creates other forms of job opportunities such as those for architects, planners, quantity surveyors and specialist consultants and those opportunities will be considered when prioritising projects if information is available.

## Timeframe for delivery

Conversion of a project to 'on the ground' construction or operational activity is critical to enabling economic activity. Prioritisation will consider whether the planning process can be finalised quickly and whether the project is ready to progress to construction or progress to a further assessment / determination (at DA stage) within the six months to September 2020 under existing planning processes.

To determine a project's timeliness and job readiness will include consideration of:

- **Shovel-readiness:** for DAs, can the project be determined quickly and is the project ready to commence within the next six months?
- **For rezonings or site compatibility certificates:** will the project provide investment certainty to enable projects to progress to the assessment of DAs within 6 months and enable unlocking of significant construction investment?
- **Investment certainty:** to what extent is funding for the project secured? This will include an understanding of capitalisation and financial capacity.
- **Key constraints to timeliness:**
  - Are there key site constraints that mean it's unlikely that a determination can be made within three months—are there flooding, bushfire, contamination, ecology concerns, can these be resolved or suitability managed?
  - Are there complex issues with council(s), department and/or agencies that are unlikely to be able to be resolved within a timeframe that would allow determination within three months.

While these key constraints may be reasons that projects have not progressed through the planning process, the department will continue to work to resolve these matters through collaboration and negotiation, using the powers available under the existing legislation.

## Public benefit

Projects will also be assessed by their capacity to create public benefit. Public benefit considerations will include whether the project responds to one or more of the following and the degree to which it does so:

- Will it deliver a moderate to high level number of additional dwellings?

- Will it deliver a significant proportion of build to rent, social or affordable or key worker housing?
- Is the project directly linked to, delivers, benefits from and/or will be catalyst to deliver state or regional level infrastructure?
- Does the project provide significant public spaces, green infrastructure, environmental benefits and quality design? and /or
- Does the project have strategic merit in that it will give effect to directions and priorities set by relevant commonwealth, state, regional and/or district plans?

## Application of priority project criteria

These criteria will be applied by the Department through a triage process to allocate resources to projects that best deliver short, medium and longer-term outcomes and to match the nature of the project assessment to the appropriate assessment path in the department. For example, projects at DA stage with agency referral issues will be allocated to the department's 'one-stop-shop' for assessment – a central point of escalation and 'concierge' for industry and councils on priority applications stuck in the system that have critical issues to resolve, and ones that are causing delay.

## Jobs

A project's capacity to create jobs is the key overarching priority project criteria. The expectation is that priority projects will deliver moderate to high job numbers in one or more of the following ways:

- contributes to high levels or proportions of jobs in identified strategic and key centres as identified in relevant regional plans and district plans
- creates local jobs in places/regions of high unemployment
- creates local jobs in places recently impacted by bushfires and/or drought
- generates a significant pipeline of jobs over the long term (e.g. 10-20 years)
- is a synergistic or catalyst project that will act as keystone to attract and generate other forms of employment generating development
- enables existing projects, with an established workforce, to continue through to new stages of the project
- will enable retention of jobs in the industries most affected by the COVID pandemic, including tourism, hospitality and/or creative industries
- is an employment generating development that seeks to achieve innovative and sustainable design outcomes
- provides jobs in a location with a displaced workforce with relevant or readily adaptable skills; and/or
- provides job opportunities for Aboriginal people.

## Public benefits

A fundamental aspect of planning assessment is the public benefit that a project may deliver and how this may result in a positive legacy for the community. Projects that have these outcomes are generally more supported by communities.

Public benefits include the delivery of housing and/or jobs; the delivery of various forms of infrastructure, including green infrastructure, public space and social infrastructure; and other environmental, economic and social benefits.

## Infrastructure

For the purposes of identifying priority projects relevant types of infrastructure include:

- **Transport infrastructure**—rail, roads, corridor preservation, intermodals, public transport
- **Green infrastructure, public spaces and social infrastructure**—green infrastructure (parks, waterways, green corridors), education (schools and tertiary facilities), health services/facilities
- **Services infrastructure**—sewer, water, electricity, gas, telecommunications.

Infrastructure benefits may arise where the project directly seeks to deliver key infrastructure or reserve land for future major infrastructure, but in other cases they may arise where the project:

- fully integrates with or is the catalyst for the delivery of significant infrastructure (for example Sydney Metro over station development)
- unlocks the potential for transport corridor protection and/or future integrated delivery of that infrastructure
- delivers key infrastructure ahead of schedule that has net benefits for the broader community and/or future communities
- is tied to a well progressed or approved unsolicited proposal that includes infrastructure
- generates at scale sustainable and highly integrated forms of infrastructure such as blackwater or recycled water treatment, establishment of urban forests, rain garden/bioretention facilities and/or cycle/pedestrian networks
- substantially supports the Premier's priorities relating to infrastructure delivery.

## Housing

Similarly, moderate to high housing growth as a public benefit will be calculated or considered to be achieved in the following ways when a project:

- seeks to resolve local/district imbalances in housing supply
- delivers large greenfield development that has integrated infrastructure outcomes to provide immediate benefits to future resident
- delivers large scale delivery of diverse housing typologies with good building design outcomes that directly relate to immediate and short-term housing needs of that community
- includes a significant proportion of build to rent, affordable, student, social and/or key worker housing
- seeks to additionally support redevelopment of land claimed by Aboriginal Land Councils;
- reduces the risk to future dwellings from natural hazards
- provides immediate housing to support recovery efforts for replacement housing in places recently impacted by bushfires
- is for residential development and seeks to implement design excellence through a detailed design competition or state review panel process.

## Socially responsible projects, green and public spaces and environmental benefits

The recent drought, bushfires and the current Covid-19 pandemic have demonstrated the important role that quality green and public space plays in supporting resilient and liveable communities. Additionally, socially responsible projects can bring about social community changes and improvements that have broad reaching benefits to local and larger communities.

Development that happens now has a significant impact on the lives, health and connectivity of people and their environment in the future. The challenge is to ensure that fast-tracked

development is undertaken in a way that delivers positive green and public space and social benefit outcomes over the longer term.

Forms of green infrastructure and public space outcomes that may indicate a public benefit include

- green infrastructure such as regional park and open space
- key flora/fauna/riparian corridor protection and enhancement
- dedication of substantial area of land for open space, green/biodiversity offsets, or riparian/flora/fauna corridor areas
- the provision of or enhancement of significant public domain areas
- creates the opportunity for and/or delivers significant public domain/place making outcomes
- restoration of existing open spaces and public domain in areas affected by the recent bushfires.

Whereas forms of socially responsible benefits that may qualify a project as a priority project may include:

- provision of new local infrastructure such as community facilities, libraries, galleries, pools and other anchor institutions for liveable communities
- assisting Aboriginal Land Councils in various projects such as housing and/or employment generated development
- social housing and/or forms of crisis accommodation
- assisting in supporting sustaining and expanding creative industries.

## Strategic merit

As part of the assessment of public benefit, projects should ensure consistency with government policy. Consistency with government policy is achieved through strategic merit assessment, where the outcomes or aims of a project align with expected directions and/or priorities outlined in relevant state, regional and/or district plans.

NSW Government directions and commitments to planning and infrastructure delivery are clearly outlined in:

- [State Infrastructure Strategy 2018-2038: Building Momentum](#)
- [Regional Development Framework](#)
- [Future Transport Strategy 2056](#)
- [NSW Budget](#)

In Sydney strategic planning priorities and directions are included in the Greater Sydney Commission's *Greater Sydney Region Plan – A Metropolis of Three Cities* and the corresponding Western, Central, North, South and Eastern District Plans <https://www.greater.sydney>. These plans set a clear framework for identifying where this growth should be located in strategic centres, precincts, health and/or education precincts and the economic growth corridor, but also sets job targets until 2036 for these nominated areas.

Similar directions are set under the [Regional Plans](#) that apply to rural regional areas of NSW.

District and regional plans are further supported at a local government level by the directions set in the councils' [Local Strategic Planning Statements](#) (LSPSs).

The [Premier's Priorities](#) have been set with the purpose of delivering on the government's key policy priorities. Relevant to planning projects the priorities seek to:

- increase the proportion of homes in urban areas within 10 minutes' walk of quality green, open and public space by 10 per cent by 2023

- increase the tree canopy and green cover across Greater Sydney by planting one million trees by 2022.

It is expected that any project should be able to demonstrate that it can contribute to achieving the aims, objectives and outcomes sought under one or more of the above plans and priorities.

## Governance and probity

Suitable probity arrangements will be put in place to ensure an equitable and a transparent approach is also taken to selecting and progressing priority projects. This will include the appointment of a probity advisor and a copy of these guidelines has been provided to the Independent Commission Against Corruption. An Assessment and Probity Plan will be developed to govern the identification, selection, triage and ongoing assessment of projects to ensure a transparent and accountable process is documented and is capable of audit. It is important that probity considerations are not a once off assessment and will be applied across the lifetime of the program.

The probity advisor shall have access to all project documentation and shall attend and observe meetings where decisions and/or recommendations in relation to projects are made.

The probity advisor will provide a probity audit report at appropriate stages, as determined by the Department.



## Appendix A – Criteria Recommendations

The following provides a summary of

- the agreed principles between the Commonwealth, State and Territory Planning Ministers and the President of the Australia Local Government Association that should inform planning decisions that seek to support economic recovery
- input from external stakeholders on what criteria the department should use to prioritise its focus to support economic stimulus through planning.

Comments/recommendations	Source
Decision making in the public interest is a paramount theme in all planning systems and this must continue as a guiding consideration	COAG agreement
Transparency for stakeholders about changes to systems and particular decisions	COAG agreement
Decisions made within jurisdictions are consistent, where possible	COAG agreement
Consideration of the level of public interest in a particular planning change or development proposal	COAG agreement
Balancing administrative and legal review rights with the need to address the pandemic emergency and to assist community and economic recovery	COAG agreement
All reasonable effort is made to maintain the usual pace of planning approvals recognising, as far as practical, community consultation will continue through new forms of communication recognising social distancing requirements	COAG agreement
Return business as usual once the current crisis has eased and the community and economy has recovered	COAG agreement

### Proposed Criteria from External Stakeholders

Number of jobs created (both in construction and end use). Note capital investment value (with associated multiplier effects). Construction is considered to offer a multiplier of between 2 and 2.5 and this emphasises the importance of the development sector to economic recovery.

Size of population (i.e. employment and housing demand) within catchment. Also, the socio-economic status of population (i.e. contains households who have been most vulnerable to the Covid – 19 induced economic crisis) within catchment.

The Public benefit Test (i.e. projects that provide wider social and community benefits in addition to economic benefits. This may include pieces of catalytic infrastructure and housing supply (particularly affordable housing).

Prioritise health, social, aged care, education, male or female refuge facilities or projects that are co-located to transport corridors

Department to support prioritisation of projects that incorporate social/key worker/affordable housing – specifically seeking 30% affordable and 30% social housing for projects

## Proposed Criteria from External Stakeholders

Create a fast track 'place-based' taskforce to help identify projects with potential public space, greenspace and parks adjacent to metro/roads/rail nodes. This team to comprise architects, landscape architects, planners and urban designers

Department should target their support for approval for projects that deliver regenerative economy, and/or Greenstar or NABERS commitments

Invest in catalytic infrastructure projects that enables other development

Good planning must continue to deliver value and positive outcomes for communities and continues to involve active participation of all stakeholders.

Selecting and rapidly resourcing projects of long-term benefit for social and affordable housing delivery, open space and sustainable built environment

The Department triage projects into categories in order to determine what type of intervention is needed

Proposals with strategic merit should be prioritised where the proposal involves a housing or employment related land use and is consistent with District Plan, LSPS or LEP provisions

The project is, or can be supported with infrastructure based on existing services, or agency budgets are in place to provide the servicing

Projects need to be considered on their merit, which should be based on principles including planning merits outweigh local concerns, community benefits should outweigh community concerns and conditions should be applied to address and respond to community concerns.

Projects should offer economic value and be able to secure project finance on the basis of project feasibility and viability

Public benefits should be available through the project, including physical benefits (public domain, open space, flood mitigation and community facilities), or intangible benefits (design excellence, innovation, support for affordable, social, or build to rent housing).