

10.4. Development Application Determination Times

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ATTACHMENTS	Nil
CSP LINK	2. Our Built Infrastructure 2.2 Vibrant public domains and villages 3. Our Innovative City 3.3 Distinctive sense of place and design excellence 4. Our Social Vitality 4.3 North Sydney's history is preserved and recognised 5. Our Civic Leadership 5.2 Strong civic leadership and customer focussed services 5.4 Council services are efficient and easy to access

PURPOSE:

The purpose of this report is to outline measures required and actions undertaken to improve Council's Development Application processing times in order to meet targets set by the NSW Government.

EXECUTIVE SUMMARY:

- Development Application processing is of clear community and Council interest and is increasingly the subject of State Government review and direction.
- In the context of accelerating and facilitating the supply of new housing as well as general increases in efficiency in process, the Minister for Planning and Public Spaces issued a Statement of Expectations for Local Government in July 2024, setting out various requirements. One of these was the expected average development application (DA) determination target of 115 days for the current financial year, with this decreasing to 85 days by 2027.
- North Sydney Council's average determination time for DAs (as at September 2024), was 152 days. There are various factors which contribute to North Sydney Council's current performance. This report outlines the various initiatives and changes that are currently being pursued in order to bring these times down.

RECOMMENDATION:

- 1. THAT** Council note the limitations of Council's existing systems for Development Application Processing.
- 2. THAT** Council endorse changes to service levels contained within this report.
- 3. THAT** Council note the initiatives and ongoing process changes to improve development application determination times as identified in this report.

Background

The current push to accelerate the delivery of new housing has resulted in a range of initiatives by both the Federal and NSW Governments. These include increasing housing delivery targets for most NSW Councils, new policies which increase the density of housing and their approval pathways, as well as additional funding opportunities for housing supply-related projects. An important component of this drive is the NSW Planning Minister's "Statement of Expectations" Order which establishes various targets for both development application (DA) processing, as well as planning proposals.

The NSW Government has set a target of 115 days for the determination of DAs for 2024/25, with this decreasing to 85 days by 2027. North Sydney Council's performance (as at September 2024) was 152 days.

The Minister's Statement of Expectations includes an explanatory note that enables consideration as to whether Councils have been meeting these targets in determining if others should be appointed to exercise Council's planning powers.

Notwithstanding the threat of State intervention in the development assessment process, it is acknowledged that Council's processing times should be improved and greater levels of service delivered. This will assist in playing Council's role in delivering new housing and development aspirations generally, as well as providing a more responsive service to our community and stakeholders.

Report

As part of the Minister's Order, the Department of Planning, Housing and Infrastructure, has, since July 2024, commenced publishing the NSW League Table. This data identifies the development assessment related performance of all NSW Councils, including average determination times as well as lodgement times.

The League Table (Figure 1) on the next page illustrates North Sydney Council's historic performance. The red dotted line indicates the 115-day target introduced in July 2024. The table shows that Council has generally oscillated between approximately 180-200 gross days determination time between July 2022 and July 2024. The significant improvement achieved in these statistics between 2023/24 and 2024/25 is clear, although improvement is still required. It should be noted that we expect a level of deterioration in the coming months as concerted efforts continue to clear older applications from the system.

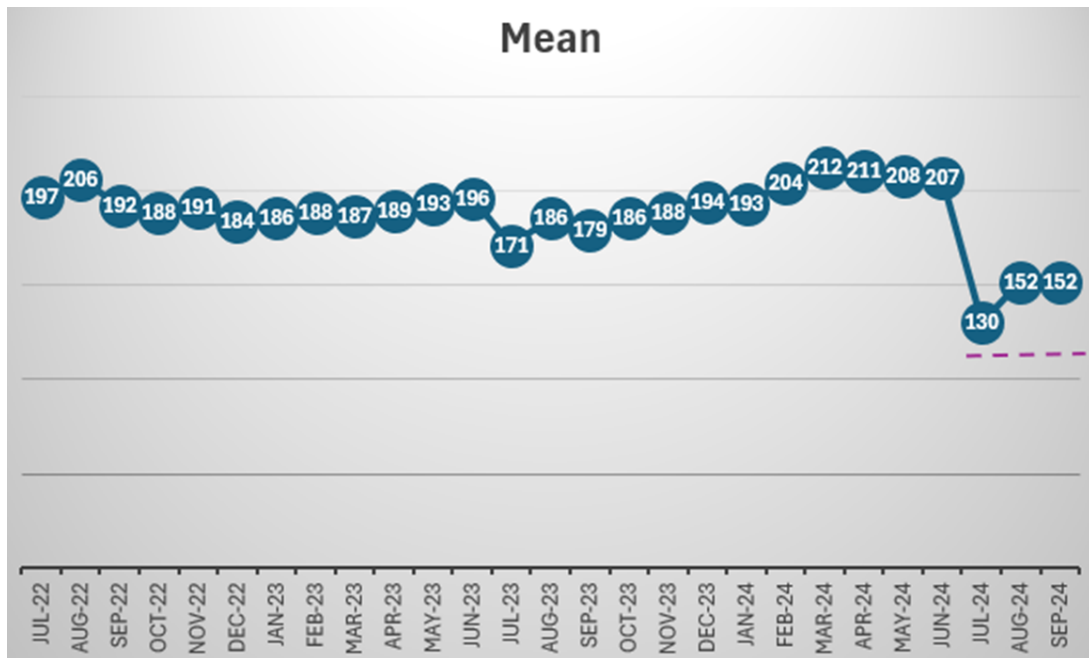


Figure 1 – Historic Determination Times 2022-2024 (NSW Planning Data – League Table)

A review of current service levels and processes has been undertaken in response to the Ministerial Order. This report outlines opportunities, along with changes both made and proposed, to assist in meeting the Ministerial expectations.

Systems and Processes

1. Investment in Systems Required

North Sydney Council uses three unintegrated systems to provide Development Application services which is not efficient.

All three systems must integrate to achieve efficient processing of our DA functions. Council has historically not invested sufficiently in our IT supporting systems and we are now experiencing the results of this long-term under-investment.

Investment in integrated systems broadly throughout the organisation, would have a considerable impact on DA assessment times and support improvement more generally throughout Council’s operations.

2. Improved Integration with the NSW Planning Portal

Improvements have been made to integration with the Portal, including the automatic uploading of documents to the portal, both for Council and the applicant.

All applications are now required to be lodged through the Portal. Requests for further information and release of determinations is also conducted through the Portal.

It is recognised that the Planning Portal will remain an important component of the State Government’s centralised planning functions and will remain a permanent fixture in the

development assessment process requirements of Council. This will therefore continue to remain a focus for Council.

Council staff are currently exploring new technology specific to the NSW planning system and, more particularly, development assessment, to achieve greater levels of integration between our internal systems and the NSW Planning Portal, to reduce assessment times.

Successful integration will have significant benefits as only one dashboard will need to be updated with information that otherwise would need to flow to three.

If successfully rolled out, it is anticipated that this initiative will provide for significant time-savings in assessing and determining DAs. It is expected to provide for real-time DA processing information, monitoring/performance capacity, automation of many administration and repetitive tasks, and a wealth of Artificial Intelligence (AI)-type functions which could lead to more consistent decision-making and monitoring. This current investment of staff time is anticipated to yield significant benefits by the end of the 2024/25 year.

3. Development Control Plan (DCP) Review

Council is currently undertaking a review of North Sydney DCP 2013 to “streamline” its contents.

The objective of this review is to simplify and update the existing DCP by reducing inconsistencies, redundancies, and duplication. The current DCP is heavily based on the 2001 DCP and has been the subject of many amendments since that time. It is also over 700 pages long. The review will assist in both assessment and defence of planning appeals and will deliver better planning outcomes by more clearly and unambiguously communicating its requirements. A side benefit of this project will be that the adopted DCP will be formatted to assist in the inclusion of AI in the assessment process and can be more readily included in the reforms outlined above.

The delivery of this project is anticipated in the fourth quarter of the 2024/25 financial year and will be subject to community consultation following initial adoption by Council. It should be clarified that this is not a fundamental review of the DCP; it merely seeks to streamline existing provisions and make as clear and accessible as possible. Substantive changes to the actual content of the DCP will need to be treated separately.

This project is being funded by a Federal Government grant.

4. Process Mapping Accelerated Project

The last review of processes within the Development Services Unit was completed in 2017. However, this was superseded by changes required in response to the advent of the NSW Planning Portal with the need to review procedures to bring them into line with the changes mandated by the Portal.

Council has secured a Federal Government Grant to review and process-map all existing processes and identify areas of improvement in a process sense. An external firm was recently appointed to undertake this project and this work has commenced. It is expected that this work will be complete by the fourth quarter of 2024/25.

Service Levels

1. Service levels - Requests for Information (RFI)

A common cause of delays in processing applications is the applicant's response to requests for further information. These responses are often delayed beyond the time frames given or are responded to in an incomplete fashion.

Historically, DA assessment benchmarking has accounted for 'stop the clock' provisions for requests for information. Benchmarking is now focused on the League Table, which does not account for 'stop the clock' provisions and merely measures the number of days between lodgement and determination of DAs. As a result, within our historical service levels, the onus has been upon the applicant to respond in a timely fashion to progress their DA. There has not been a focus for Council to manage timeframes associated with these requests.

Such actions have contributed to the delay in the processing of applications. This has characterised the processing of DAs in North Sydney for decades, with an underlying desire to assist applicants to achieve approval.

To achieve an improvement in DA assessment times, this level of service must change. Moving forward, applicants will be held closely to time limits set by the Council according to the scale of the DA and any amendments or additional information required, typically 21 days. Any extension given will be considered on a case-by-case basis and will only be allowed if there is a likelihood of favourable determination, and then only in exceptional circumstances. Similarly, applicants will be provided with only one opportunity to submit amended plans or additional information in response to RFIs. Every time an additional opportunity is granted to lodge amended plans or information, it not only represents an additional time investment, but often requires that such amended information be re-notified and nearby residents provided with an opportunity to respond. This change of service will be made clear to all applicants.

It is recognised that such action may lead to further appeals or customer dissatisfaction but is clearly mandated by the need to improve processing times to meet NSW Government targets.

This change in practice will be communicated via Council's website and in the information provided to prospective applicants.

2. *Service Levels - Lodgement*

- Incomplete applications will not be accepted.
- Development Application fee payable within five (5) days.

One key success factor for the efficient processing of DAs, is the lodgement of complete applications of an adequate standard.

Lodgement time is the period between when an application is lodged in the portal by the applicant until the time the application is accepted by Council, with the fees being then paid by the applicant. It is at this point the application is lodged and the determination clock starts.

The target time for lodgement set by the State is currently 14 days but this has been flagged to decrease to seven days by 2027.

To facilitate the achievement of the lodgement target, applications are being rejected when incomplete in any significant way. Previously, applications which had minor shortcomings would be accepted and an RFI issued. However, the delay in the provision of requested information by the applicant had potential to impact overall determination and is not acceptable if targets are to be met.

A further initiative is considered necessary to reduce lodgement time. Once it is determined an application should be accepted, a request for the payment of the required fees is made of the applicant through the portal. Any delay by the applicant in paying these fees adds to lodgement times. To reduce the impact of late payers, a time limit of five days will apply, with any application not receipted at that point being rejected.

This approach will be included in updated information provided to prospective applicants.

3. *Website Enhancements*

Council staff have been working to enhance and improve the accuracy and accessibility of planning information on the Council's website. Particular reference to the NSW Planning Portal and Council's consequent requirements will be included in this work, including Council's current performance. It will also seek to include user-friendly Information for both applicants and other stakeholders, such as those that are notified of development proposals.

Consultation requirements

Community engagement is not required.

Financial/Resource Implications

There are no financial implications in relation to the recommendations made in this report.

Legislation

Environmental Planning and Assessment Act 1979, and associated regulations. Various directives from the Minister for Planning particularly the current Statement of Expectations Order as discussed in this report.