

**Submission
No 76**

OPTIONS FOR ESSENTIAL WORKER HOUSING IN NEW SOUTH WALES

Organisation: Riverina and Murray Joint Organisation
Date Received: 13 September 2024

Partially
Confidential

13 September 2024

Mr. Alex Greenwich
Chairperson
NSW Select Committee on Essential Worker Housing
Submission sent via email to: essentialworkerhousing@parliament.nsw.gov.au

Dear Mr. Greenwich

Submission from the Riverina and Murray Joint Organisation to the NSW Select Committee on Essential Worker Housing

The Riverina and Murray Joint Organisation appreciates the opportunity to share its knowledge and provide commentary to this Select committee. Joint Organisations (**JOs**) were proclaimed in May 2018 under the NSW *Local Government Act 1993*. The Riverina and Murray Joint Organisation (**RAMJO**) represents over 152,000 people covering an area of more than 80,000sq kms, comprising the eleven Local Government Areas of *Albury, Berrigan, Carrathool, Edward River, Federation, Griffith, Hay, Leeton, Murray River, Murrumbidgee and Narrandera*.

Tasked with intergovernmental cooperation, leadership and regional prioritisation, JOs have consulted with their stakeholders to identify key strategic regional priorities. The RAMJO Statement of Strategic Regional Priorities can be found here: [2022-RAMJO-STATEMENT-OF-STRATEGIC-REGIONAL-PRIORITIES-WEB.pdf \(nsw.gov.au\)](#)

It is understood that the Terms of Reference for this committee are as follows:

1. That the Committee inquire into and report on options for essential worker housing in New South Wales, specifically:
 - a. Establishing an appropriate definition for essential worker housing for the NSW Government to adopt including criteria for prioritising worker cohorts and geographical areas;
 - b. Identify options to increase housing supply for essential workers, including but not limited to:
 - i. planning tools and reforms;
 - ii. incentives for developments on privately owned land;
 - iii. opportunities within developments on government owned land;
 - iv. investigate reforms that promote fiscal sustainability, innovation and essential worker housing in-perpetuity; and
 - v. other related matters.

Key identified issues for the RAMJO region

Housing Affordability and Availability

Housing affordability and availability pose significant challenges within the Riverina and Murray region. An influx of workers in essential services such as healthcare, education, agriculture and emergency services, has put pressure on the local housing market. This has resulted in rising rental prices and a shortage of affordable housing options for essential workers, particularly in rural and remote areas.

Impact on Service Delivery

The shortage of affordable housing for essential workers directly impacts service delivery in our Region. Essential workers are often required to commute long distances, which can lead to burnout and reduced job satisfaction. In numerous instances, the lack of affordable, longer-term housing has made it difficult to attract and retain qualified professionals, leading to staffing shortages in critical areas such as healthcare and education in the long term.

Renewable Energy Transition

The RAMJO region is starting to experience the impact of the renewable energy transition, firstly with the installation of transmission line(s) and then the large-scale wind and solar farms. These developments will place inordinate pressure on housing stock, both during construction and the operational phase.

Councils are working with entities such as Transgrid and Elecnor, as well as renewable energy proponents to be best placed to ensure any impacts are minimised, and to take the opportunity to have legacy housing in communities directly impact by the transition. With \$25B of projects in the pipeline for the region and a current 0.1% unemployment rate, there is bound to be significant strain on essential workers and housing.

RAMJO seeks assistance and support from the Government to help address these impacts via the recommendations outlined in this submission, as well as ensure any SSD project approval fully considers and conditions the developer to assist with housing and legacy opportunities.

Infrastructure Challenges

Existing infrastructure in parts of the Riverina and Murray region is inadequate to support the housing needs of essential workers. Limited access to public transport, utilities, healthcare facilities, and educational institutions exacerbates the challenges faced by essential workers in these areas. Timely investment in infrastructure is critical to ensure that essential workers have access to the amenities they need to live and work effectively.

Please note that any funding pools available for access by rural and regional councils are typically highly competitive, with rural and regional councils competing for funding against larger, well-resourced urban councils. Significant co-contributions are often part of the criteria to be considered, thus rendering many rural and regional councils ineligible to apply. Furthermore, these funding pools are sometimes invite only, as is the case with the *Accelerated Infrastructure Fund* for Regional NSW.

Economic Impact

The housing challenges faced by essential workers have broader economic implications for the region. The inability to attract and retain essential workers can hinder economic development and growth, particularly in sectors that rely on a stable and skilled workforce. Additionally, the lack of affordable housing options may discourage new businesses from establishing themselves in the region, further limiting economic opportunities and our Regions ability to diversify its industries in the face of climate change and its myriad of associated impacts.

Recommendations

To address the challenges outlined above, RAMJO proposes the following recommendations:

Finalisation of the NSW Temporary and Seasonal Workers Housing Policy

This important policy has been categorised as 'under consideration' following the draft policy's public exhibition, which took place between August and September 2023. RAMJO urges the NSW State Government to finalise this policy with consideration to the feedback received, which the NSW Department of Planning states it is still in the process of reviewing.

Increased Investment in Affordable Housing

RAMJO urges the NSW Government to increase investment in the development of affordable housing options in the Riverina and Murray region. This could include the construction of new housing developments, the expansion of social housing programs to accommodate essential workers and the revitalisation of state-owned Social Housing Estates for use by essential workers.

Crown Land use vested in Local Government

We recommend that the NSW Government consider supporting the use of unused Crown Land by vesting it in local governments for the purpose of developing affordable housing. Building upon completed Crown Land assessments and useful data currently held by the State, this approach would allow councils to repurpose underutilised or unused crown land to create housing specifically for essential workers, thereby increasing the availability of affordable housing in areas where it is most needed. This approach would have the added benefit of facilitating quicker development processes, ensuring that the land is used effectively to meet community needs.

Support for Regional Housing Initiatives

RAMJO encourages the NSW Government to support regional housing initiatives that focus on the specific needs of rural and remote communities. This could involve partnerships with local councils, non-profit organisations and the private sector to deliver targeted housing solutions for essential workers.

Native Title and Aboriginal Land Councils

RAMJO recommends that the NSW Government take a proactive and solutions based leadership role in addressing Native Title matters and constraints experienced by some councils, and support the engagement of Local Government with local Aboriginal Land Councils (**ALCs**) to ensure councils can fulfil their role in helping to deliver necessary housing whilst ensuring that the rights and interests of Aboriginal communities are respected and appropriately integrated into the planning and development processes, particularly in regional areas.

Incentives for Essential Workers

RAMJO suggests that the NSW Government consider offering incentives for essential workers to live and work in regional areas. This could include housing grants, relocation assistance, and tax incentives to encourage essential workers to settle in the Riverina and Murray region.

Long-term Strategic Planning

Finally, RAMJO advocates for a long-term strategic approach to essential worker housing in regional areas. This should involve collaboration between all levels of government, local communities and industry stakeholders to develop a comprehensive housing strategy that facilitates a whole of government approach to the housing crisis, and one that addresses the needs of essential workers and supports the sustainable growth of our region.

Utilisation of the Joint Organisation Model

JO's were established in May 2018 under the NSW *Local Government Act 1993* and are classified as Local Government entities. However, JO's are currently underutilised, despite their ability to enhance engagement, consultation and contribute to specialised problem-solving due to their extensive networks and strong relationships with member councils. A notable missed opportunity involves their recent application to the Federal Government's *Housing Support Program – Round One* (see Attachment A), which was not considered due to a lack of understanding of the JO model, rendering them ineligible. Greater recognition and utilization of the JO model by State Government as a valuable mechanism for collaboration, investment, and strategy development would prevent such instances and ultimately benefit all levels of government.

In summary

The housing challenges faced by essential workers in the Riverina and Murray region are complex and multifaceted. However, with targeted investment, strategic planning, a whole of government approach and collaborative efforts, RAMJO believes that these challenges can be effectively addressed.

RAMJO is committed to working with the NSW Government and other stakeholders to ensure that essential workers have access to affordable, safe, and sustainable housing options in our region.

Thank you for considering our submission. We look forward to further discussions and collaboration on this critical issue.

Sincerely



Yvonne J. Lingua
Executive Officer
Riverina and Murray Joint Organisation

Included with **Submission 76 - Riverina and Murray Joint Organisation**

Attachment A - HSP1 - Lean Business Case - Accelerate Development Assessment
across Councils in NSW

Housing Support Program Submission

Accelerate Development Assessment across Councils in NSW

Lean Business Case

April 2024

A Joint application by

Illawarra Shoalhaven Joint Organisation

Central NSW Joint Organisation

Hunter Joint Organisation

Mid North Coast Joint Organisation

Riverina and Murray Joint Organisation



Contents

- Executive Summary 2**
- 1. Introduction 4**
 - 1.1 Background 4
 - 1.2 NSW Joint Organisations 5
- 2. Case for change..... 7**
 - 2.1 Rationale for investment 7
 - 2.2 Proposed projects 12
 - 2.3 Strategic alignment 19
 - 2.4 Expected outcomes 27
 - 2.5 Key stakeholders and support..... 29
- 3. Strategic response 30**
 - 3.1 Analysis of the proposal 30
 - 3.2 Projected costs 32
 - 3.3 Economic impact and financial analysis 33
 - 3.4 Proposed funding arrangements 36
- 4. Implementation case 37**
 - 4.1 Project milestones and timelines 37
 - 4.2 Governance 39
 - 4.3 Project risks 42
 - 4.4 Management activities 44
- Appendices 45**

Executive Summary

40 NSW Councils will leverage existing collaborative governance to target high-impact improvements in the development assessment process, delivering time and cost savings to the public and private sectors.

Achieved by better use of data, tools and knowledge sharing, councils will assess more applications faster to support the National Housing Accord.

Background and objectives

The National Housing Accord (NHA) aims to build 1.2 million new, well-located homes over five years from 1 July 2024. In response to this target, Illawarra Shoalhaven Joint Organisation (JO), Central NSW JO, Hunter JO, Mid North Coast JO, and Riverina and Murray JO have formed a consortium to address planning capability in NSW.

This business case seeks to leverage the Housing Support Program (HSP) and improve the efficiency of Development Application (DA) assessment processes. The objectives are:

- Improve applicant knowledge related to developing DA and improve wayfinding for data required for DAs
- Improve data sharing and access across local government and state agencies
- Improve availability of training and guidelines to improve assessment skills and processes
- Increase knowledge sharing between councils

Rationale for investment

Inefficiencies in development assessment are creating a bottleneck in the housing pipeline. These inefficiencies are caused by increased complexity of DAs, applicant knowledge limitations and shortage of skilled planners.

The planning system is not adequately equipped to facilitate the level of housing delivery outlined in the National Housing Accord. NSW will need to deliver 62,800 new homes each year over the 5 year period to meet its target. However, based on current projections, the state needs to increase forecasted annual housing supply by 75% over the next five years to meet expected demand.

The NSW Minister for Planning and Public Spaces identified in 2023 that:

- Planner shortages have led to a 28% increase in council DA assessment delays in NSW
- Incomplete DAs is a significant issue for the housing pipeline.

Data from the NSW Department of Planning, Housing and Infrastructure (DPHI) shows that the number of DAs determined across NSW decreased by 7% between FY21/22 and FY22/23. At the same time, DA processing times have grown from 76 to 104 days (37%).

DPHI data also shows that between July 2021 and October 2023, approximately 9,000 DAs were withdrawn due to insufficient or incorrect information. Combined with an ongoing planner shortage, there is a need to improve council capacity to process DAs.

Proposed projects

The project has three focus areas:

Focus Area 1: Quality and completeness of development applications (DAs)

Enhancing applicant knowledge and wayfinding to information related to land use planning, to reduce the need for DAs to be amended prior to being approved.

This focus area will:

- Develop guidance and resources for applicants
- Provide support and guidance for applicant-facing communications

Focus Area 2: Decision making efficiency at councils

Sector-led development of assessment tools to effectively target the most common and urgent challenges faced by councils. Resources developed in consultation with state agencies can address skill gaps in emerging disciplines, such as disaster planning.

This focus area will:

- Create an integrated digital wayfinding data tool for council planners
- Develop consistent guidelines for consistent data and information use
- Create standardised adaptable development assessment templates

Focus Area 3: Training and implementation of tools

To maximise the value and impact of the tools and resources created through this project, structured communication, training and events will be delivered.

This focus area will:

- Create bespoke capacity building training materials
- Develop knowledge sharing processes between councils

All resources developed as part of this project will be made available to all councils NSW.

Expected outcomes

A more efficient development assessment process, enabled by reducing:

- Amount of time spent by council staff addressing incomplete or incorrect development applications
- Ad-hoc information requests made by council staff during the development assessment process
- Assessment time caused by a backlog of complex development applications
- Number of development applications needing referrals to other departments or agencies

Increased staff capacity to assess development, due to:

- Standardised assessment tools removing uncertainty for planners and council staff
- Ease of access to a variety of planning data through integrated digital infrastructure
- Improved training, capability and confidence of planners in decision making
- Enhanced knowledge in more complex and emergent disciplines

1. Introduction

1.1 Background

The National Housing Accord (NHA) aims to build 1.2 million new, well-located homes over five years from 1 July 2024¹.

To achieve this target, the Australian Government has established the Housing Support Program (HSP), which will support the delivery of increased housing supply by funding projects that deliver enabling infrastructure, provide amenities to support new housing development or improve building planning capability².

NSW alone needs to increase forecasted annual housing supply by 75% over the next five years to meet expected demand³. The

While a multi-faceted approach is required for more housing to be built between 2024 and 2029, a key requirement is that councils must process more development applications (DAs) than currently. To do so, councils need to increase their planning capability, which is causing delays in assessment and approvals, therefore, delaying housing construction.

Illawarra Shoalhaven Joint Organisation (JO), Central NSW JO, Hunter JO, Mid North Coast JO, and Riverina and Murray JO have formed a consortium and developed this proposal to leverage the HSP to improve planning capability.

The objectives of the proposal are to:

- Improve applicant knowledge related to developing DAs, and improve wayfinding for data required for DAs
- Improve data sharing and access across local government and state agencies
- Improve availability of training and guidelines to improve assessment skills and processes
- Increase knowledge sharing between councils

¹ <https://treasury.gov.au/housing-policy/accord>

² <https://www.infrastructure.gov.au/territories-regions-cities/cities/housing-support-program>

³ <https://www.smh.com.au/politics/nsw/worse-than-we-thought-nsw-s-massive-housing-shortfall-revealed-20230419-p5d1md.html>

1.2 NSW Joint Organisations

NSW Joint Organisations

Joint Organisations are statutory bodies proclaimed in 2018 under the Local Government Act 1993 (the Act). JO are local government entities with legal powers to support councils.

The purpose of JO is to strengthen collaboration and engagement between State and local governments and improve infrastructure and service delivery to regional communities. JOs have transformed the way the NSW Government and local councils collaborate, plan, set priorities and deliver important projects on a regional scale.

The applicants

- Illawarra Shoalhaven Joint Organisation
- Central NSW Joint Organisation
- Hunter Joint Organisation
- Mid North Coast Joint Organisation
- Riverina and Murray Joint Organisation

Structured collaboration to deliver targets

As a collective, our five JOs represent 27% of NSW Councils, 21% of the state population, and 32% of the new housing developments in the current financial year.

Based on Transport for NSW Travel Zone projections, we will need to supply 27.11% of the State's housing by 2041 to meet demand⁴.

Our regions need to drastically increase our planning capacity and utilise the most up-to-date, accurate and comprehensive data to inform strategic planning. This will help us plan for critical enabling infrastructure, knowing where to build and how it needs to be built.

Our expertise and influence

We have a strong track record of successfully delivering complex projects within timeframe and budget. We have robust project management systems and expertise to maintain high standards of effective project delivery.

With our comprehensive stakeholder networks, we are acknowledged by leadership at State, regional and local levels. They are assembled unprecedented systems and knowledge and provide a network for stakeholders to continue partnering and create value.

Leverage the current program of works and partnerships

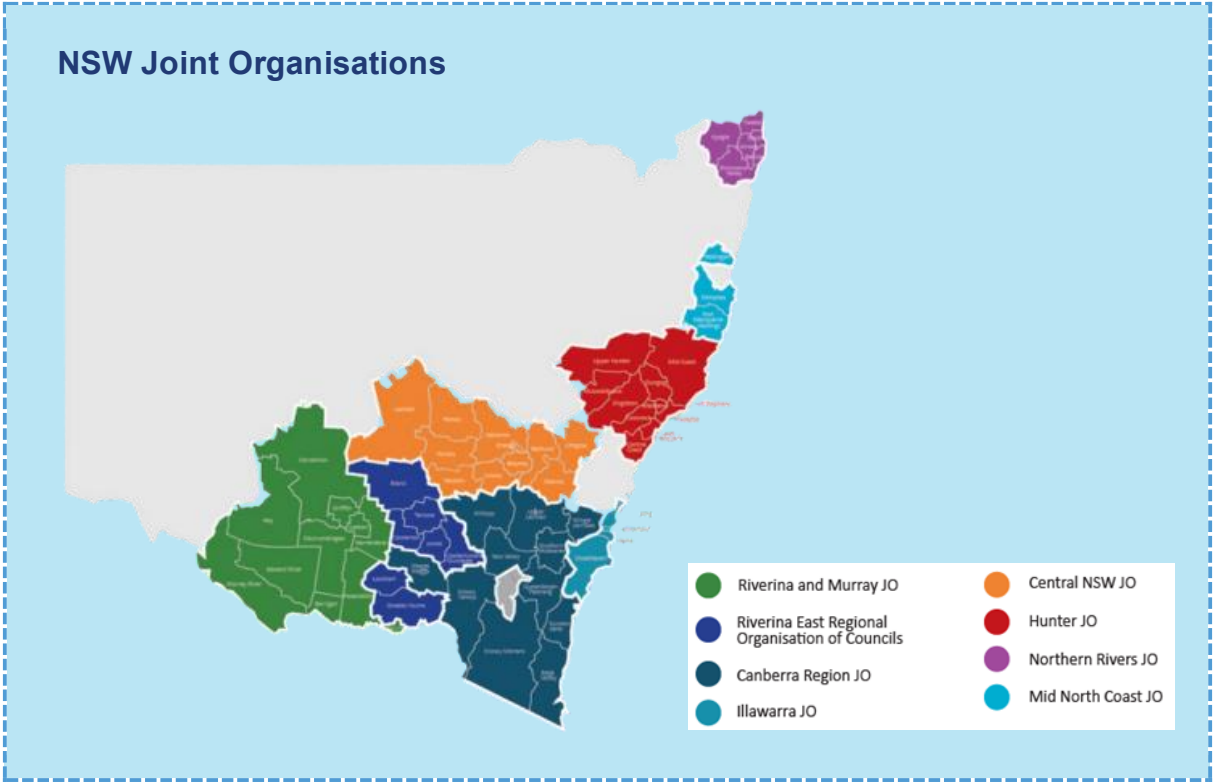
Our focus has been designing interventions that meet the needs of councils across NSW, pursuing reform to improve planning outcomes and providing tools and support to deliver targets.

Current projects under the Disaster Risk Reduction Fund (DRRF) program are underway, and it makes considerable sense to seek funding to continue and expand our work on resilience and meet housing supply at a regional and local level.

⁴ <https://www.transport.nsw.gov.au/data-and-research/reference-information/travel-zone-projections-2022-tzp22>

Through existing programs, JOs have developed strong partnerships with other JOs, councils, and, importantly, state agencies. State partners include Transport for NSW, Department of Planning, Housing and Infrastructure, Reconstruction Authority, NSW Public Works and Department of Communities and Justice.

DRRF has also strengthened the relationships JOs and Regional Organisations of Councils. In continuing to build alignment in this critical area, the project delivered through Housing Support Program will have a wider impact across NSW through the JO's extended network.



Applicant Joint Organisations and Member Councils

Illawarra Shoalhaven	Central NSW	Hunter	Mid North Coast	Riverina and Murray
Kiama Shellharbour Shoalhaven Wollongong	Bathurst Blayney Shire Cabonne Cowra Shire Forbes Shire Lachlan Shire Lithgow City Oberon Orange City Parkes Shire Weddin Shire	Central Coast* Cessnock City of Newcastle Dungong Lake Macquarie Maitland MidCoast Muswellbrook Port Stephens Singleton Upper Hunter Shire	Bellingen Shire Kempsey Port Macquarie-Hastings	Albury Berrigan Carrathool Edward River Federation Griffith Hay Shire Leeton Murray Murrumbidgee Narrandera

*While not a member of our JO, Central Coast Council participates in our DRRF programs.

2. Case for change

2.1 Rationale for investment

Problem and Reason for Action

Inefficiencies in development assessment are creating a bottleneck in the housing pipeline. These inefficiencies are caused by increased complexity of development applications (DAs), applicant knowledge limitations and skill limitation and shortages of planners.

Increased frequency and intensity of natural disasters have put additional pressure on planners to assess the suitability of land for residential buildings, resulting in an increased need for expertise on building in disaster-prone areas. This added **complexity of residential development assessment** is more likely to result in referrals to internal council departments and external state agencies for further advice and approvals. Since July 2022, at least a quarter of these concurrence and referrals have not been completed within their statutory timeframe⁵. Due to a variety of reasons, some state agencies have slower response times than others. As a result, concurrence and referrals are contributing to delays in the assessment and approvals.

Additionally, limitations to the **knowledge and experience of applicants** have resulted in DAs missing crucial information necessary for assessment.⁶ This ranges from owner developers who may be novices in this context to commercial developers who deal with more complex projects. Regardless of applicant type, when incomplete applications are identified mid-way through assessment, the timeline is extended to allow applicants to gather additional information or result in withdrawals. The latter removes urgently required housing from the pipeline.

Finally, there is a **shortage of qualified planners** across NSW⁷. While the NSW Department of Planning, Housing and Infrastructure (DPHI) and Planning Institute of Australia (PIA) are actively working on addressing this through workforce development initiatives, in the interim, the skills and experience of planners varies. These limitations impact their confidence and ability to undertake complex assessment and work with applicants to achieve desired outcomes.

Other factors exacerbating the problems above include accessing up-to-date data that informs land use planning, inconsistent assessment guidelines and engineering specifications between LGAs, and navigating changing legislation.

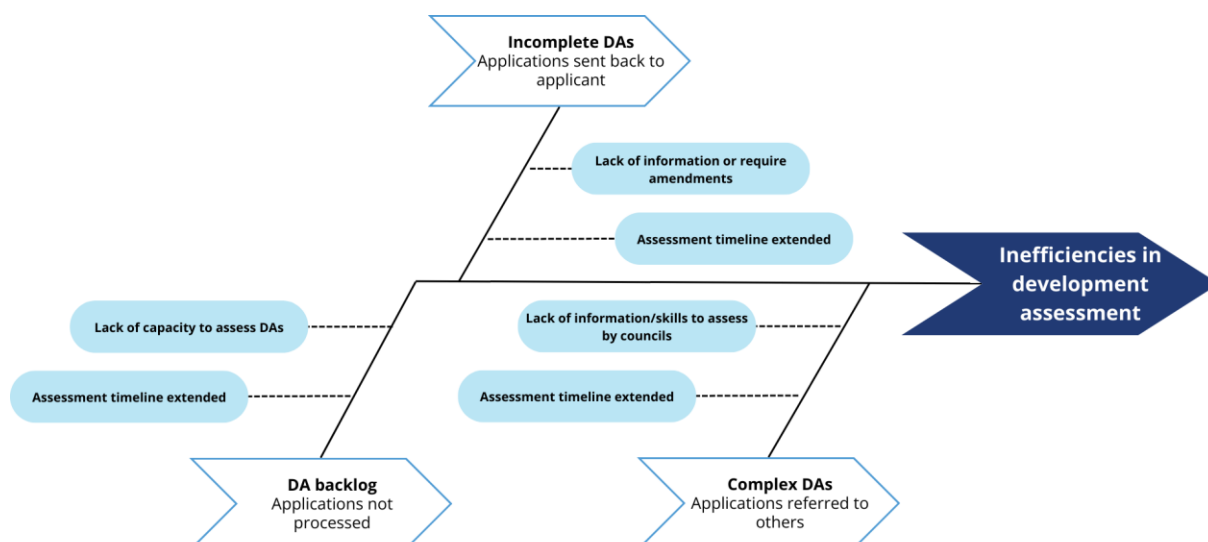
Uncertainty and delays in assessment add to development holding costs and require higher investment from developers. This adds cost to the process, potentially requiring higher market prices and making housing more unaffordable and requiring.

The following diagram illustrates the problems and consequence.

⁵ <https://www.smh.com.au/politics/nsw/worse-than-we-thought-nsw-s-massive-housing-shortfall-revealed-20230419-p5d1md.html>

⁶ <https://www.smh.com.au/politics/nsw/worse-than-we-thought-nsw-s-massive-housing-shortfall-revealed-20230419-p5d1md.html>

⁷ <https://www.planning.org.au/news-archive/2021-2024-media-releases/new-data-shows-growing-shortage-of-urban-planners---bad-news-for-housing-regional-communities-transition-to-net-zero>



Magnitude of Problem

Trends in assessment and approvals

Data from the Planning Portal shows that while the number of DAs lodged per year has dropped since FY21/22, the processing time has increased⁸.

The number of DAs submitted has dropped from 81,160 to 64,980 between FY21/22 and FY22/23, and the number determined also decreased from 53,480 to 50,000. Comparing these same years, the processing time for DAs has grown from 76 days to 104 days. These trends are systemic, as they are seen across the board in rural, regional and metropolitan councils.

Fewer Development Assessments are being lodged in NSW, but the processing time has increased since FY21/22

- Data from NSW Planning Performance Dashboard, NSW DPHI

Complexity of residential development assessment

There are several scenarios where DAs must be referred to various state government agencies because the development requires some form of approval under additional legislation. These concurrences and referrals cause significant delays for local government in assessing development applications. As of July 2022, at least a quarter of the concurrences and referrals had not been completed within their legislated timeframes⁹.

⁸ <https://www.planningportal.nsw.gov.au/eplanningreport>

⁹ <https://www.smh.com.au/politics/nsw/worse-than-we-thought-nsw-s-massive-housing-shortfall-revealed-20230419-p5d1md.html>

Concurrences and referrals have long impacted DA processing timeline. In 2008, analysis revealed that this process added at least 48 days to DA processing time, and in 2019 at least 15% of all DAs needed to be referred to various state government agencies¹⁰. The most recent target, identified in the former NSW Planning Reform Action Plan, was to have 90% of concurrences and referrals completed within agreed timeframes by mid-2023¹¹.

A review by Astrolabe Group in 2022 found that there was an unequal distribution of referrals to agencies, influenced by legislation, geography and constraints. This work also found that agencies considered many referrals unnecessary as they could have been addressed by council planners, but weren't due to inexperience.

Other challenges reported by agencies that contribute to their processing times include staff experience, quality of information provided, unrealistic timeframes, competing priorities, and extensive research required for a response.

Incomplete applications due to insufficient applicant knowledge

It was reported that since July 2021, more than 9,000 DAs were withdrawn from assessment before final determination because of missing information¹². Some councils had almost 200 withdrawals in one year.

Many councils attribute the delays in processing to the Planning Portal itself^{13 14}, as it has created an additional administrative workload for both developers and councils and doesn't identify incomplete applications at lodgement as effectively as in person.

There is an additional concern that withdrawals can become a systemic issue. As council face the predicament of having to divide their capacity between complete cases and working with applicants to resolve incomplete cases, withdrawals may become a quick fix¹⁵. While it temporarily provides a solution, this practice removes new housing from the pipeline.

Planner shortage and confidence

There is a shortage of planners within local councils in every state and territory in Australia except the ACT, with PIA reporting that there are at least 232 LGAs across Australia without any planners employed¹⁶. The shortage is attributed to declining university enrolments and the closure of planning degrees in recent years. Regional councils feel the shortage more, with many qualified planners opting for higher salaried roles in metropolitan councils, state government, and the private sector. The NSW Minister for Planning and Public Spaces, Paul Scully, said planner shortages have led to a 28% increase in DA assessment delays¹⁷.

As a result of these skills shortages, the 2023 Planners in Australia State of the Profession report states that local governments "resorted to recruiting less skilled applicants for urban and town planning roles"¹⁸. These lesser-experienced planners haven't yet built their skills and confidence in

¹⁰ <https://www.holdingredlich.com/concurrence-and-referrals-new-step-in-powers-for>

¹¹ <https://www.planning.nsw.gov.au/policy-and-legislation/planning-reforms/planning-reform-action-plan#:~:text=The%20Planning%20Reform%20Action%20Plan%20focuses%20on%20initiatives%20that%20improve,more%20transparency%20to%20the%20community.>

¹² <https://www.holdingredlich.com/not-so-fast-new-guidelines-for-the-withdrawal-of-development-applications-in-nsw>

¹³ <https://www.federationcouncil.nsw.gov.au/News-Media/Planning-Portal-is-making-it-hard-to-do-business>

¹⁴ <https://www.abc.net.au/news/2022-06-07/nsw-planning-portal-creating-development-application-delays/101132540>

¹⁵ <https://www.holdingredlich.com/not-so-fast-new-guidelines-for-the-withdrawal-of-development-applications-in-nsw>

¹⁶ <https://www.planning.org.au/documents/item/12628>

¹⁷ <https://www.nsw.gov.au/media-releases/25000-bonus-for-new-planners>

¹⁸ <https://www.planning.org.au/documents/item/12628>

navigating complex legislation and proposals, contributing to increases in requests for additional information, concurrence, and referrals.

Data from the Planning Portal's Local Development Performance Monitor shows that the number of DAs determined by per council staff (EFT) per year has declined significantly from 71 in 2007 to 48 in 2021¹⁹. This could be attributed to a combination of increased number of complex DAs, administrative delays created by the planning portal, and inexperienced planners issuing more referrals.

It is increasingly critical that vulnerability to natural disasters (such as flooding and bushfire) is measured as part of the assessment process. When DAs are lodged in locations that have recently been impacted by natural disaster, there is a new natural disaster clause that allows for the rebuild or repair of a historically lawful dwelling, that might not otherwise be deemed suitable for residential development under the current LEP²⁰. This adds another layer of complexity for both the applicant and the planner. They might not know where to find information to support the assessment, and this often results in either an incomplete application or a referral to a state agency with specific expertise, such as the RFS.

In 2023, DPHI released 'Guidelines for the Withdrawal of Development Applications'²¹, with several principles including:

"councils must not engage in practices that delay assessing applications, including unnecessarily asking applicants to provide information not necessary for the assessment or seeking the applicant to withdraw the proposal"

While this principle identifies the occurrence of unnecessary requests for additional information, it does not offer a mechanism for planners to have certainty that they do have sufficient information to make a determination.

Planner shortages have led to a 28% increase in council DA assessment delays in NSW

- NSW Minister for Planning and Public Spaces Paul Scully

Consequences of business as usual

Planner shortages has resulted in longer processing times for DAs. Under business as usual, the National Housing Accord has projected a shortfall of 134,000 homes over the next five years. NSW alone needs 314,000 new homes over this period, equivalent to about 62,800 a year. It is currently forecast to deliver 36,000 homes yearly²².

¹⁹ <https://www.planningportal.nsw.gov.au/local-development-performance-monitoring-ldpm>

²⁰ <https://www.planning.nsw.gov.au/sites/default/files/2023-03/natural-disaster-recovery-faq.pdf>

²¹ <https://www.olg.nsw.gov.au/wp-content/uploads/2023/10/Guidelines-on-the-withdrawal-of-development-applications.pdf>

²² <https://www.smh.com.au/politics/nsw/worse-than-we-thought-nsw-s-massive-housing-shortfall-revealed-20230419-p5d1md.html>

NSW DPHI data shows that the five JOs have accounted for 32% of approved DAs in the current financial year. Following this logic, the regions will endure a shortfall of 43,000 over the next five years²³. With a population growth of 23% expected by 2041, business as usual will have a particularly detrimental effect on the 40 LGAs across the five JOs.

Delays of new supply is also exacerbated by higher interest rates, difficulties in raising finance for developers, and building supply chain issues.

The lack of available housing will contribute to other social issues including housing affordability, and the transition to Net Zero²⁴.

Why efficiency in DA assessment matters

NSW needs 75% more homes than forecasted over the next five years to keep up with demand.

The Department of Planning, Housing and Infrastructure has been tasked with finding ways to speed up the planning system and reduce DA processing times. Out of the box thinking is required, as the Department explored innovative solutions such as whether artificial intelligence could be used to assess DAs.

- Sydney Morning Herald, 2023

²³ <https://www.planningportal.nsw.gov.au/eplanningreport>

²⁴ <https://www.planning.org.au/news-archive/2021-2024-media-releases/new-data-shows-growing-shortage-of-urban-planners---bad-news-for-housing-regional-communities-transition-to-net-zero>

2.2 Proposed projects

Deliver housing better and faster across councils in NSW

Improving development application assessment processes to build local government planning capabilities and deliver more housing in less time across New South Wales.

The primary objective of this proposal is to accelerate the assessment speed and increase the proportion of approvals of housing development applications by councils across NSW. Improving DA processes will address systemic barriers inhibiting the capability local governments to facilitate faster and greater housing delivery.

Related sub-objectives work towards improved development application process outcomes for the benefit of increasing housing supply in line with the National Housing Accord. This is achieved through developing tools and resources to improve efficient decision making, and knowledge and resource sharing between councils.

Development Assessment and well-located housing

Housing Support Program - Definition

Well-located housing

Well-located housing is a home is close to work, schools, transport and other amenities as relevant to the community, supports improved productivity and liveability, and located in an appropriate and safe area.

Strategic planning

An essential part of this project is promoting complying development and enhancing capability around strategic planning and climate resilience. This is expected to have significant impact on the location of these additional dwellings, ensuring they are highly liveable and safe.

Geographical impact

59% of the 40 councils represented by the five Joint Organisations in this proposal are located in regional cities. Regional cities are thriving hubs with an abundance of amenities and jobs, making housing here well-located and productive.

Approximately 26% of the councils are located in urban areas with comparatively better transport systems and access to economic opportunities, education, and other services.

A local government-led imitative piloting innovative solutions

This proposal is part of the local government sector's response to the Federal government's housing target. In light of this target and an increased emphasis on disaster planning, five local government Joint Organisations across NSW have come together to design a solution devised by and for the local government sector.

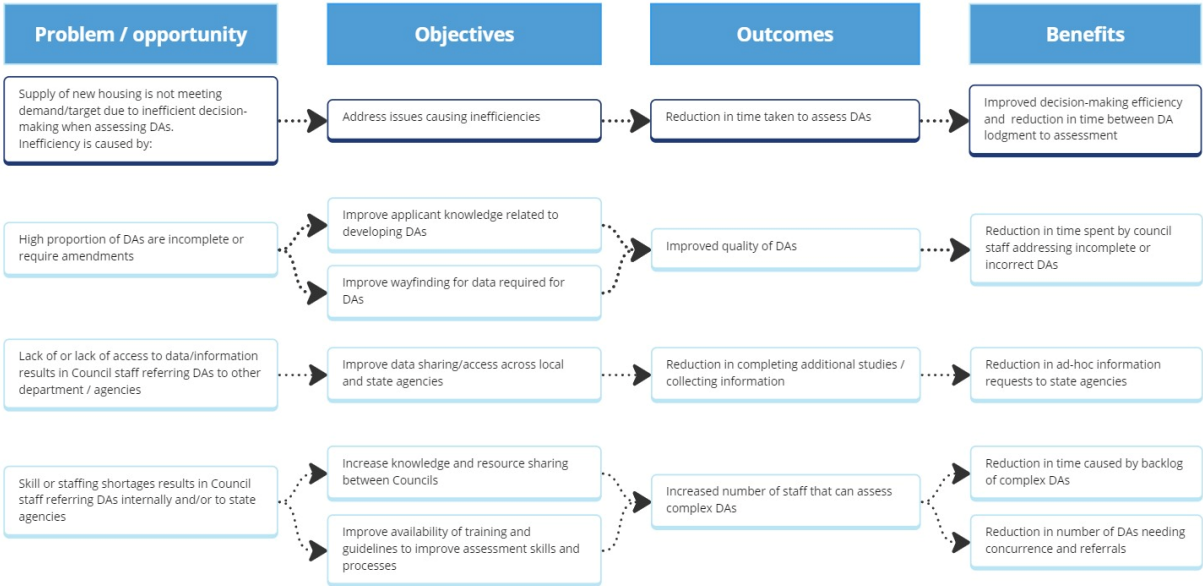
This proposal recognises the significant enabling role of councils in easing the housing shortage and meeting housing targets. However, the current trajectory of housing approvals will not meet the National Housing Accord target of 1.2 million new homes over 5 years. Thus, the local government

sector must foster cross-jurisdictional partnerships and create innovative solutions that will increase housing supply.

The Housing Support Program presents an opportunity for councils to pilot inventive solutions grounded in best practice research. Successes and insights from this project will be provided to Federal and State governments to inform future housing delivery mechanisms at different scales.

The logic map below outlines the thought process, intended scope and outcomes of the project, which are underpinned by three focus areas:

1. Applicant knowledge and information wayfinding
2. Decision making efficiency at councils
3. Building capacity and output implementation.



Focus Area 1: Applicant knowledge and information wayfinding

Improve knowledge and wayfinding to information related to land use planning for applicants

<p>Objectives</p>	<ul style="list-style-type: none"> • Improve applicant knowledge related to developing development applications • Improve applicant wayfinding for data required for development applications.
<p>Problems addressed</p>	<p>A limited understanding of statutory and other requirements results in the submission of incomplete or incorrect DAs, which often leads to withdrawal or rejection. This is partly caused by the availability of common data and information, and a reduction in pre-lodgement communication between applicants and planners which has been a consequence of the online lodgement system.</p> <p>This creates a significant administrative and time burden on both applicants and council planners. Ultimately, this reduces the amount of potential housing in the pipeline and slows down the approval of other applications. Addressing issues causing incomplete or incorrect DAs by the application will improve their experience, increase the number of viable applications, and reduce administrative burden.</p>
<p>Solutions</p>	<p>1. Develop guidance and resources for applicants</p> <p>The guidance will provide applicants with easily digestible information regarding strategic plans, statutory application requirements and other relevant content. The guidance will target different types of applicants, including developers, owner builders and built environment professionals that are involved in the DA process. A focus will be raising the awareness of complying development, which enables code complying dwellings to be approved by a certifier, allowing them to bypass the DA pathway.</p> <p>Guidance will also include links to available resources to ensure applicants are able to relocate important considerations and datasets that may otherwise be easily overlooked or difficult to find. Guidance will be in the form of standardised online documents, social media tiles and videos, and online crash course training modules for new applicants.</p> <p>2. Develop local government capacity building programs</p> <p>These programs will be developed for frontline council staff working with applicants, and will include training materials and communication resources to increase their capability. The aim is to allow for councils to provide applicants with additional localised support with ease prior to lodgement.</p> <p>This support entails helping applicants identify key information required to complete DAs and where to access key council documents, as well as any additional strategies councils may be able to offer. This will work towards reducing the instances of incomplete or inaccurate applications in the system.</p>

Focus Area 2: Decision making efficiency at councils

Enable councils and planners to make sound decisions easier

<p>Objectives</p>	<ul style="list-style-type: none"> • Improve wayfinding and access to information related to strategic and statutory planning for councils • Build planning sector capacity to respond to emerging disciplines • Create consistent guidelines across councils where possible • Improve data sharing and access across local and state government agencies.
<p>Problems addressed</p>	<p>Development applications are complex and the requirements for assessment are continuously evolving. In many cases, councils may refer development applications to internal teams or state agencies for concurrence or other technical advice prior to approval. This is especially time consuming for councils that do not have internal capacity to assess complex aspects of applications, particularly in smaller regional councils.</p> <p>There are various additional factors which exacerbate these issues. The nature of land use planning means that there are always emerging disciplines and new data that must be considered. This results in the creation of skill gaps within staff cohorts, as well as inconsistent and obsolete guidelines and specifications across the sector. Councils require additional capabilities and assessment mechanisms to reduce external reliance and create time savings in the system.</p>
<p>Solutions</p>	<p>1. Create an integrated digital wayfinding tool for council planners</p> <p>Councils require improved digital infrastructure and governance to catalogue, access and update relevant data to inform planning decisions. This involves the development of a central data catalogue, data dictionary and user manual to deliver ease in integrating various sources of planning data and producing gap analysis.</p> <p>The digital platform will be an off-the-shelf product with the ability for data integration and customisation. This will be supported by adequate data architecture, which will contain provisions for a data governance framework and open data sharing across jurisdictions.</p> <p>There are several other use cases for this platform beyond DA approvals, such as informing strategic and infrastructure planning activities, which support housing delivery at scale. Scenario modelling and data visualisation capabilities are critical functions as they will enable more considered disaster and hazard planning.</p>

2. Develop consistent planner guidelines for consistent data and information use

There is a need to consolidate and update planning guidelines across the board as there are conflicting or obsolete guidelines which slow down assessment processes.

Co-creating guidelines between JOs and other relevant authorities will ensure that they are tested for rigour and usefulness to avoid becoming onerous as time progresses. Standard centralised guidelines will allow for a more streamlined assessment process and consistent data requirements for improved decision making.

The new and improved guidelines support the digital wayfinding tool above work in tandem.

3. Standardise adaptable assessment templates and tools

Developing standardised assessment templates based on State plans and policies will create certainty for assessors and planners, both in regard to data requirements and assessment methodologies. Key examples include assessments of flood and bushfire risks, which determines the Strategic Fire Advantage Zones and Asset Protections Zones required.

Engagement with state agencies will enable high quality outputs that is otherwise difficult to produce without cross government collaboration. For example, the JOs have identified the need to develop an RFQ template for flood and disaster modelling with the Department of Environment, which will include data sets to be made available to councils.

Any template or tool for assessing applications will be designed to be adaptable to allow for councils to create alterations based on vernacular conditions. Assessment tools could also include LGA-specific checklists to assess applications against, which are linked to relevant strategic plans and statutory requirements.

Templates will reduce the resource requirements of councils to create bespoke documents and tools. Templates also have the potential to remove the need for referrals in some instances, which will reduce assessment time, particularly for local governments with assessment capabilities.

Focus Area 3: Building capacity and output implementation

Build sector capacity and encourage collaboration

<p>Objectives</p>	<ul style="list-style-type: none"> • Improve availability of training and resources to improve development assessment skills • Build upon existing knowledge and assets within councils • Maximise use of project outputs through effective change management and implementation
<p>Problems addressed</p>	<p>Skills shortages in councils across NSW lead to a backlog of development applications. This is driven by a high number of job vacancies, particularly in regional councils, and exacerbated by task complexity, leaving a proportion of applications to be referred to experienced staff for assessment.</p> <p>Creating opportunities for current council staff and emerging planners to gain development assessment experience can increase council’s capacity in processing, and thus result in housing being approved faster. Collaboration and knowledge sharing across councils, as well as standardised processes and guidelines, will make it easier to fill the current gap in skills and data knowledge.</p>
<p>Solutions</p>	<p>1. Create a suite of bespoke capacity building training materials</p> <p>Current and aspiring assessment planners do not have widespread or equitable access to training materials. Developing training content and making it open to councils across NSW can address this gap.</p> <p>These materials will be created in the form of webinars, e-learning modules and online learning events. Efforts will also be made to ensure they can be easily stored and accessed by as many planners as possible, for example hosted within councils existing learning management systems and peak body resource library such as Local Government NSW.</p> <p>Increasing the number of planners that are able to assess complex development applications will reduce the current application backlog and expedite housing approvals, which will ultimately increase housing supply.</p> <p>2. Develop knowledge and resource sharing processes</p> <p>Siloed government activity reduces collaboration and knowledge sharing between jurisdictions. This results in a spectrum of development assessment capabilities across councils, creating inconsistencies in assessment timeframes and data requirements.</p> <p>Leveraging the JO network and building on their existing partnerships with state agencies for advocacy and action. Knowledge sharing will include communities of practice and mentorship opportunities within a wider local government ecosystem. These activities will proliferate best practice assessment processes. This particularly benefits councils that are understaffed</p>

and ensures that junior planning cadets have access to mentorship and progression, securing the supply of future planners.

Through process standardisation (Focus Area 2) and increased interactions within the JO network, opportunities will emerge for councils to share staff resources. This enables councils to fill specialised roles where there is severe local skill shortage, particularly regional areas.

3. Implementation and change management

An implementation and change management framework will be developed to ensure the project outputs realise the intended benefits.

A communications plan will be developed to increase awareness of training programs and other relevant resources for council planners. Assistance with implementing new guidelines and processes will increase the ease of change, reinforcing the outcomes and benefits of this project.

Case study

Western Sydney Planning Partnership²⁵

Council-led collaborative planning initiatives have delivered successful outcomes in Western Sydney. Through a collaborating with state agencies such as the DPPI, nine councils have created a series of manuals and guidelines outlining the best practice principles for engineering standards, street design and infrastructure planning.

This creates consistency for design and planning across the region, and enables faster development as developers can follow the same guidelines across different LGAs within the area.

²⁵ <https://theparks.nsw.gov.au/wspp/>

2.3 Strategic alignment

This section identifies alignment between the proposal’s objectives and various federal, state and local strategies and policies.

Federal

Strategy	Relevant policy intention	Aligned project objectives
National Housing Accord ²⁶	The Accord highlights the need to improve zoning, planning and land release. There is a commitment to deliver planning and land-use reforms with councils working towards the national target of delivering 1.2 million new, well-located homes over 5 years from 2024.	<ul style="list-style-type: none"> • Improve applicant knowledge related to developing development applications • Improve applicant wayfinding for data required for development applications
The Second National Action Plan ²⁷	This Action Plan aims to assist councils with capacity building to understand disaster risk through improved access to information to strengthen risk-informed land-use planning, building control systems and settlement decisions.	<ul style="list-style-type: none"> • Improve wayfinding and access to information related to strategic and statutory planning for councils • Build planning sector capacity to respond to emerging disciplines • Improve data sharing and access across local and state government agencies • Create consistent guidelines across councils where possible
National Strategy for Disaster Resilience ²⁸	The strategy focuses on the government’s responsibility to develop and implement effective, risk-based land management and land use planning arrangements to protect communities from known hazards and unprecedented disaster.	<ul style="list-style-type: none"> • Improve wayfinding and access to information related to strategic and statutory planning for councils • Build planning sector capacity to respond to emerging disciplines • Create consistent guidelines across councils where possible • Improve data sharing and access across local and state government agencies

²⁶ <https://ministers.treasury.gov.au/sites/ministers.treasury.gov.au/files/2022-10/national-housing-accord-2022.pdf>

²⁷ https://nema.gov.au/sites/default/files/inline-files/28605%20NEMA%20Second%20Action%20Plan_V10_A_1.pdf

²⁸ <https://www.homeaffairs.gov.au/emergency/files/national-strategy-disaster-resilience.pdf>

Strategy	Relevant policy intention	Aligned project objectives
National Planning Reform Blueprint ²⁹	A focus on implementing planning reforms such as increasing housing density and streamlining DA approval pathways to promote well-located medium to high-density housing and addressing barriers to affordable housing delivery.	<ul style="list-style-type: none"> • Improve applicant knowledge related to developing development applications • Improve applicant wayfinding for data required for development applications
Land Use Planning for Disaster Resilient Communities ³⁰	A guide on how land use planning for new developments can be undertaken collaboratively to effectively consider natural hazards and manage their associated risks.	<ul style="list-style-type: none"> • Improve applicant wayfinding for data required for development applications • Improve wayfinding and access to information related to strategic and statutory planning for councils • Build planning sector capacity to respond to emerging disciplines • Create consistent guidelines across councils where possible • Improve data sharing and access across local and state government agencies

State

Strategy	Relevant policy intention	Aligned project objectives
State Disaster Mitigation Plan ³¹	Population growth and climate change drive increasing disaster impacts and costs. Hence, the focus is on strategic planning controls as a key tool to consider natural hazard risk in land use planning legislation. It aims to address challenges across enabling infrastructure, housing supply and governance where natural hazard risk exists.	<ul style="list-style-type: none"> • Improve wayfinding and access to information related to strategic and statutory planning for councils • Build planning sector capacity to respond to emerging disciplines • Create consistent guidelines across councils where possible • Improve data sharing and access across local and state government agencies

²⁹ <https://www.pm.gov.au/media/meeting-national-cabinet-working-together-deliver-better-housing-outcomes#a2>

³⁰ https://knowledge.aidr.org.au/media/7729/aidr_handbookcollection_land-use-planning-for-disaster-resilient-communities_2020.pdf

³¹ https://www.nsw.gov.au/sites/default/files/noindex/2024-02/State_Disaster_Mitigation_Plan_Full_Version_0.pdf

Strategy	Relevant policy intention	Aligned project objectives
NSW Critical Infrastructure Resilience Strategy ³²	The strategy aims to support the NSW community by improving critical infrastructure resilience across NSW in the context of an increasing number of threats, hazards, shocks and stresses.	<ul style="list-style-type: none"> • Improve wayfinding and access to information related to strategic and statutory planning for councils • Build planning sector capacity to respond to emerging disciplines • Create consistent guidelines across councils where possible • Improve data sharing and access across local and state government agencies
The Six Cities Region ³³	A 20-year vision aimed at connecting communities to quality housing, services, jobs and amenities within a 15-minute walk or cycle in their local centre.	<ul style="list-style-type: none"> • Improve wayfinding and access to information related to strategic and statutory planning for councils • Create consistent guidelines across councils where possible • Improve data sharing and access across local and state government agencies
NSW Climate Change Adaptation Strategy ³⁴	NSW is committed to net zero emissions by 2050 and the State is now on track to halve emissions by 2030. Adaptation action plans will be rolled out to enhance land use planning in areas exposed to natural hazards and climate risks. There is also a focus on addressing infrastructure resilience to climate change impacts.	<ul style="list-style-type: none"> • Improve wayfinding and access to information related to strategic and statutory planning for councils • Build planning sector capacity to respond to emerging disciplines • Create consistent guidelines across councils where possible • Improve data sharing and access across local and state government agencies

³²

https://media.opengov.nsw.gov.au/pairtree_root/26/73/e2/36/40/16/49/3a/a9/83/28/fb/13/b2/e9/6b/obj/NSW_Critical_Infrastructure_Resilience_Strategy_2018.pdf

³³ <https://www.nsw.gov.au/sites/default/files/2022-12/six-cities-discussion-paper.pdf>

³⁴ https://www.climatechange.environment.nsw.gov.au/sites/default/files/2022-09/NSW%20climate%20change%20adaptation%20strategy_.pdf

Local – Illawarra Shoalhaven Joint Organisation

Strategy	Relevant policy intention	Aligned project objectives
Illawarra Shoalhaven Regional Plan 2041	A 20-year plan to inform councils' land use planning and the work of infrastructure agencies to plan for growth through increased housing supply, building resilient communities and enhancing the built environment.	<ul style="list-style-type: none"> • Improve wayfinding and access to information related to strategic and statutory planning for councils • Build planning sector capacity to respond to emerging disciplines • Create consistent guidelines across councils where possible • Improve availability of training and resources to improve development assessment skills • Build upon existing knowledge and assets within councils
Wollongong Housing Strategy 2023	Wollongong needs to house an additional 55,375 persons by 2041, in an additional 28,000 dwellings. There is a need for well-located housing that have high amenity and access to shops, jobs and transport.	<ul style="list-style-type: none"> • Improve applicant knowledge related to developing development applications • Improve applicant wayfinding for data required for development applications • Improve wayfinding and access to information related to strategic and statutory planning for councils • Improve availability of training and resources to improve development assessment skills
Shoalhaven Growth Management Strategy	Shoalhaven is expected to grow by 33,870 people by 2031. The City will need an additional 26,300 dwellings to accommodate this growth through land use planning and infrastructure planning whilst setting growth limits for certain regions.	<ul style="list-style-type: none"> • Improve applicant knowledge related to developing development applications • Improve applicant wayfinding for data required for development applications • Improve wayfinding and access to information related to strategic and statutory planning for councils • Create consistent guidelines across councils where possible • Improve data sharing and access across local and state government agencies • Improve availability of training and resources to improve development assessment skills • Build upon existing knowledge and assets within councils

Shellharbour City Council Local Housing Strategy	Shellharbour's population is expected to grow by 24,385 people over the next 25 years creating demand for approximately 10,625 dwellings in Shellharbour by 2041. The strategy focuses on facilitating additional housing densities, diversity and choice, within appropriate locations.	<ul style="list-style-type: none"> • Improve applicant knowledge related to developing development applications • Improve applicant wayfinding for data required for development applications • Improve wayfinding and access to information related to strategic and statutory planning for councils • Improve availability of training and resources to improve development assessment skills
Illawarra-Shoalhaven Regional Transport Plan	By 2041, an extra 100,000 people are projected to call the Illawarra-Shoalhaven home. There are 15 regionally significant projects to enhance transport infrastructure that will cultivate areas suitable for well-located and diverse housing in the region.	<ul style="list-style-type: none"> • Improve wayfinding and access to information related to strategic and statutory planning for councils • Create consistent guidelines across councils where possible • Improve data sharing and access across local and state government agencies • Build upon existing knowledge and assets within councils

Local – Central NSW Joint Organisation

Strategy	Relevant policy intention	Aligned project objectives
Central NSW JO Strategic Plan 2022-2025	Addresses land use planning, housing, and resilience to climate change as key actions to address growth and natural hazards in the region. Infrastructure and protection of the natural and built environment also formed key priorities.	<ul style="list-style-type: none"> • Improve wayfinding and access to information related to strategic and statutory planning for councils • Build planning sector capacity to respond to emerging disciplines • Create consistent guidelines across councils where possible • Improve data sharing and access across local and state government agencies • Build upon existing knowledge and assets within councils

Strategy	Relevant policy intention	Aligned project objectives
Regional Prosperity Advocacy Plan	An advocacy positioning that explores an integrated and strategic approach to shortages of planners within regional councils and land use planning being too narrowly defined in the region to address housing shortages.	<ul style="list-style-type: none"> • Improve wayfinding and access to information related to strategic and statutory planning for councils • Create consistent guidelines across councils where possible • Improve availability of training and resources to improve development assessment skills • Build upon existing knowledge and assets within councils

Local – Hunter Joint Organisation

Strategy	Relevant policy intention	Aligned project objectives
Hunter JO Strategic Plan 2032	A focus on building communities in areas that are connected, resilient and liveable through robust governance and leadership from local government. This includes addressing land use constraints and climate change impacts.	<ul style="list-style-type: none"> • Improve wayfinding and access to information related to strategic and statutory planning for councils • Build planning sector capacity to respond to emerging disciplines • Create consistent guidelines across councils where possible • Build upon existing knowledge and assets within councils
Hunter JO: Partnering for growth	Advocacy positioning focused on clearing the development backlog, better integrating planning and infrastructure in the region to deliver more well-located housing.	<ul style="list-style-type: none"> • Improve applicant knowledge related to developing development applications • Improve applicant wayfinding for data required for development applications • Improve wayfinding and access to information related to strategic and statutory planning for councils • Create consistent guidelines across councils where possible • Improve data sharing and access across local and state government agencies • Improve availability of training and resources to improve development assessment skills

Local – Mid North Coast Joint Organisation

Strategy	Relevant policy intention	Aligned project objectives
North Coast Regional Plan 2041	20-year strategic land use planning framework for the region, aiming to provide well located and affordable homes to meet demand and manage resilience against natural hazards.	<ul style="list-style-type: none"> • Improve wayfinding and access to information related to strategic and statutory planning for councils • Build planning sector capacity to respond to emerging disciplines • Create consistent guidelines across councils where possible • Improve data sharing and access across local and state government agencies
MNC Strategic Regional Plan 2023-2033	The strategic plan prioritises infrastructure and housing delivery in the region due to extensive damage in recent years from natural disaster. There is a focus on better funding councils due to implementation fatigue with new Infrastructure projects and shortage in staff and resourcing.	<ul style="list-style-type: none"> • Improve wayfinding and access to information related to strategic and statutory planning for councils • Build planning sector capacity to respond to emerging disciplines • Create consistent guidelines across councils where possible • Improve data sharing and access across local and state government agencies • Improve availability of training and resources to improve development assessment skills
Mid North Coast Regional Strategy 2006 - 2031	The region has a potential population increase of 94,000 between 2006 and 2031 due to migration and change in population lifestyle. There is a demand for more housing supply and type of dwellings.	<ul style="list-style-type: none"> • Improve applicant knowledge related to developing development applications • Improve applicant wayfinding for data required for development applications • Create consistent guidelines across councils where possible • Improve availability of training and resources to improve development assessment skills
Port Macquarie Regional City Action Plan 2036	A strong focus on delivering a compact city through providing housing diversity, increased opportunities for affordable housing and strengthening resilience to natural hazards and climate change.	<ul style="list-style-type: none"> • Improve applicant knowledge related to developing development applications • Build planning sector capacity to respond to emerging disciplines

Local - Riverina & Murray Joint Organisation

Strategy	Relevant policy intention	Aligned project objectives
Statement of Strategic Regional Priorities 2022 – 2026	RAMJO estimates the region will grow by 43,300 people by 2041. The shortage of housing supply and affordability in the region alongside strengthening Councils' capacities and capabilities are key priorities.	<ul style="list-style-type: none"> • Improve applicant knowledge related to developing development applications • Create consistent guidelines across councils where possible • Improve availability of training and resources to improve development assessment skills
Albury Local Housing Strategy 2023	Albury's population as at the 2021 Census was 56,093 and is to reach 76,341 people by 2041. There is a growing need for well-located and diverse housing supply to cater for a changing population demographic.	<ul style="list-style-type: none"> • Improve applicant knowledge related to developing development applications • Improve applicant wayfinding for data required for development applications. • Improve wayfinding and access to information related to strategic and statutory planning for councils • Build planning sector capacity to respond to emerging disciplines
Griffith Housing Strategy 2019	Griffith had a resident population of 27,000 people in 2019 and it is projected that the total population by 2036 will be 30,507 with a demand for an additional 1,744 dwellings. There is a focus on increasing supply for well-located and affordable housing to cater for a growing population.	<ul style="list-style-type: none"> • Improve applicant knowledge related to developing development applications • Improve wayfinding and access to information related to strategic and statutory planning for councils • Build planning sector capacity to respond to emerging disciplines

2.4 Expected outcomes

The expected outcome of implementing the solutions outlined is that it will take planners less time to assess DAs, and less DAs will be withdrawn or refused.

Focus Area 1: Applicant knowledge and information wayfinding

New and improved wayfinding tools will improve applicant knowledge and understanding of the development application process, including statutory requirements and supporting evidence. Ultimately, undertaking this process will improve the quality of housing applications across the board.

The councils within the five Joint Organisations have processed 1,161 DAs in the first three quarters of FY23/24³⁵. This means that over a 1,600 cases a year will benefit from this output of this proposal.

Outcomes	Benefits	Beneficiaries
Improved quality of Development Applications	Reduction in time spent by council staff addressing incomplete or incorrect Development Applications	Applicants Councils

Focus Areas 2: Decision making efficiency at councils

Improved decision-making processes and capabilities will shorten development application processing times, and allow councils to process more DAs in the same timeframes. Implementing digital data solutions will ensure that council planners have access to sufficient up to date information that is used to shape local and regional planning, as well as process DAs.

Providing councils with the confidence to assess more complex applications will result in more robust council planning capabilities, reducing the reliance on other agencies for concurrences, information requests and referrals.

Outcomes	Benefits	Beneficiaries
Reduction in completing additional studies / collecting information	Reduction in ad-hoc information requests	Councils State agencies

³⁵ <https://www.planningportal.nsw.gov.au/eplanningreport>

Focus Area 3: Building capacity and output implementation

Increasing council planning capabilities will improve their ability to process DAs. Building knowledge capabilities will improve the confidence of planners to process applications more accurately and quickly. Additionally, locally developing skills will increase the number of staff members that can assess complex applications, which will have huge flow on effects to reducing the timeframe of all applications.

Outcomes	Benefits	Beneficiaries
Increased number of staff that can assess complex Development Applications	Reduction in assessment time caused by backlog of complex Development Applications Reduction in number of DAs needing concurrence and referrals	Applicants Councils State agencies

The importance of the project outcomes and benefits

The reduction in assessment timeframe can have the following positive indirect impacts on applicants:

- Ability for construction to commence sooner after an application is lodged
- Potential lower holding costs.

The reduction in assessment timeframes can have the following positive impacts on councils and community:

- Improved system efficiency and effectiveness in the NSW planning system
- Consistent assessment guidelines can enable planners to work across councils where specific areas of expertise may be lacking or where recruitment may be difficult
- Increased numbers of development applications processed across NSW
- A strengthened ability for councils to enhance quality housing supply

2.5 Key stakeholders and support

The project has secured broad support from the councils represented by the joint organisation and key NSW State agencies that were consulted during the development of this business case. See Appendix A for letters of support from the following stakeholders.

Stakeholders	Key message
Federal and State agencies	
Regional Development Australia Mid North Coast	<ul style="list-style-type: none"> Supporting MNCJO in the joint application for Housing Support Program stream 1. Project aligns with RDAMNC's Regional Strategic Plan 3.5 Support and advocate for improved housing outcomes
Regional Development Australia Murray	<ul style="list-style-type: none"> Supporting RAMJO and the and the consortium of NSW Joint Organisation's in the joint application for Housing Support Program stream 1. Project aligns with RDA Murray Strategic Regional Plan 2022-2025 to increase housing in well-located areas, or encourage development in line with the national blueprint.
NSW Department of Planning, Housing and Infrastructure	<ul style="list-style-type: none"> Supporting CNSWJO in the joint application for Housing Support Program stream 1. Project aligns with Central West & Orana Regional Plan 2041 in supporting the delivery of well-planned and affordable housing in the region.
NSW Public Works	<ul style="list-style-type: none"> Supporting the JOC Consortia in the joint application for Housing Support Program stream 1. Project aligns with providing more residences for key workers across NSW through minimising the delays in construction due to longer DA processing times.
Transport for NSW	<ul style="list-style-type: none"> Supporting the consortia of JO's in NSW in the joint application for Housing Support Program stream 1. Project aligns with increasing capacity for supply of housing, supporting efficacy of Council's development approval processes and delivering enabling infrastructure in a future climate of increasing natural hazard events.
Peak bodies	
Urban Development Institute of Australia	<ul style="list-style-type: none"> Confirming support for the application for funding under Stream 1 of the Housing Support Program by JO consortium The ability to address inefficiencies in development assessment and remove bottlenecks in the system is expected to have a significant impact, particularly in NSW where our members report that these capacity issues remain a significant impediment.

3. Strategic response

3.1 Analysis of the proposal

Objectives and indicators

Key problem/issue	Key proposal objectives	Key success indicators
High proportion of DAs are incomplete or require amendments	<ul style="list-style-type: none"> Improve applicant knowledge related to developing DA and improve wayfinding for data required for DAs 	<p>Reduction in incomplete Development Applications received</p> <ul style="list-style-type: none"> Percentage of incomplete application received <p>Increase in the number of code complying applications</p> <ul style="list-style-type: none"> Percentage of code complying applications
Lack of (or lack of access to) data/information results in council staff referring DAs to other agencies	<ul style="list-style-type: none"> Improve data sharing and access across local government and state agencies 	<p>Reduction in Development Applications assessment timeframe</p> <ul style="list-style-type: none"> Number of days saved
Lack of skills, staff or experience results in Council staff referring DAs internally and/or to state agencies	<ul style="list-style-type: none"> Improve availability of training and guidelines to improve assessment skills and processes Increase knowledge sharing between councils 	<p>Reduction in backlog of complex Development Applications</p> <ul style="list-style-type: none"> Number of backlogged cases due to complexity <p>Reduction in number of DAs being referred due to complexity</p> <ul style="list-style-type: none"> Percentage of cases referred

Other options considered

The aim of the project is to contribute towards the commitments of the National Housing Accord and create more well-located housing within the next 5 years. To deliver more housing, more Development Applications need to be processed by councils. To achieve this, the following options have also been considered:

Base case: Do nothing

Doing nothing is not a feasible option. NSW needs 75% more homes than is forecasted to be built over the next five years to keep up with projected demand. The changing land use and development assessment environment has resulted in a deterioration of performance over the past decade. This is evidenced by a drop in total DAs determined in NSW from 53,480 in the 2021-22 financial year to 50,000 in the 2022-23 financial year. In the same period, average DA processing times have increased from 76 days to 104 days. Based on the current trajectory, NSW will not fulfill its housing target under the National Housing Accord.

Option 1: Reduce the complexity of DAs

Local government does not have the ability to regulate the planning system without significant input from the state government. Undertaking changes to development assessment processes and requirements will require a considered change management process involving many stakeholders. This process would be lengthy and would need to consider significant risks and compliance concerns, which ultimately would not have practical outcomes for increased housing delivery within five years.

Strengths and opportunities	Constraints
<ul style="list-style-type: none">Streamlined planning systemsReduction in the preparation and processing time	<ul style="list-style-type: none">No legislative powerTimeframe and effort requiredRisks and compliance concerns

Option 2: Hire more planners

Hiring more planners to undertake development assessment is not feasible under current conditions. There is a planner shortage in all states and territories, apart from the ACT, with 232 LGAs across the country operating without a planning staff member. Though there are efforts to increase the number of planners with a new TAFE pathway, adequately addressing this gap to increase assessment efficiency and housing delivery within five years is not feasible.

Strengths and opportunities	Constraints
<ul style="list-style-type: none">Increased processing capabilityReduction in DA backlog	<ul style="list-style-type: none">No existing workforce supplyTime required to train new workers

With no viable alternatives, increasing the efficiency within the current systems and building the capacity within the existing workforce can provide the most immediate outcomes and benefits to accelerate DA processing and approvals.

3.2 Projected costs

The high level project costs are estimated at \$3,925,000 across three focus areas and the management activities to support the delivery for the program of works.

	Cash	In-kind	Total
Focus Area 1: Applicant knowledge and information wayfinding			
Research and engagement	\$80,000		\$80,000
A guide for applicants	\$20,000		\$20,000
Instructional videos and social media content	\$10,000		\$10,000
Complying development education for applicants	\$50,000		\$50,000
Applicant facing communications and guidance for councils	\$115,000		\$115,000
Council participation – labour, material, communication		\$375,000	\$375,000
Subtotal	\$275,000	\$375,000	\$650,000
Focus Area 2: Decision making efficiency at councils			
Digital wayfinding tool with data catalogue and integrated spatial data			
Research and engagement	\$80,000		\$80,000
Digital platforms, purchase and customisation	\$470,000		\$470,000
Data discovery, access, licensing and integration	\$670,000		\$670,000
Data governance			
Data governance framework	\$20,000		\$20,000
Data governance execution of framework (MoUs)	\$50,000		\$50,000
Guidelines and toolkit for Data and tools usage			
Guidelines for planners	\$50,000		\$50,000
Toolkit content	\$50,000		\$50,000
Council participation – labour, material, communication		\$375,000	\$375,000
Subtotal	\$1,390,000	\$375,000	\$1,765,000
Focus Area 3: Building capacity and output implementation			
Research and engagement	\$80,000		\$80,000
Training content development	\$285,000		\$285,000
Training content production	\$190,000		\$190,000
Training storage and distribution	\$40,000		\$40,000
Training events	\$40,000		\$40,000
Change management and communication	\$40,000		\$40,000
Council participation – labour, material, communication		\$375,000	\$375,000
Subtotal	\$675,000	\$375,000	\$1,050,000
Project delivery and benefits realisation			
Project management, monitoring and reporting	\$410,000		
Findings for next iteration of continuous improvement	\$50,000		
Subtotal	\$450,000	\$0	\$450,000
Total	\$2,800,000	\$1,125,000	\$3,925,000

Figures rounded up to the nearest \$1,000.

3.3 Economic impact and financial analysis

Impact forecast and sensitivity analysis are presented below. Analysis and inputs and assumptions will be discussed in the following pages.

Impact forecast across NSW

The following table presents the anticipated impact of the project. It provides a state wide projection of the additional number of DAs and well-located dwellings delivered through efficiencies created in DA assessment process over the next four financial years.

	Baseline	FY24/25	FY25/26	FY26/27	FY27/28	Total
Reduction in processing time, compared to baseline	-	1%	10%	10%	5%	26%
Average DA processing days	110	109	98	88	84	-
Average DA determined per day	132	133	144	154	158	589
Average DA determined per year	48223	48,582	52,556	56,134	57,744	215,015
Additional DAs determined, compared to baseline	-	401	4,376	7,954	9,564	22,295
Additional well-located dwellings approved, estimated	-	512	5,585	10,150	12,204	28,451
Additional well-located dwellings approved, estimated - urban	-	133	1,452	2,639	3,173	7,397
Additional well-located dwellings approved, estimated - regional	-	379	4,133	7,511	9,031	2,1054

Sensitivity analysis

This sensitivity analysis tests how change in the volume of additional DAs determined and the impact it would have on the cost of delivery per DA and dwelling. This demonstrates the range of likely cost of delivery per unit.

	Central	+10% volume	-10% volume
Total project costs	\$2,800,000	\$2,800,000	\$2,800,000
Number of additional DAs determined	22,295	24,525	20,066
Cost of delivery per additional DA	\$126	\$114	\$140
Number of additional dwellings	28,451	31,296	25,606
Cost of delivery per additional dwellings	\$98	\$89	\$109

This project is expected to deliver significant economic impacts and benefits in the following areas:

- High magnitude of per capita impact will be generated based on the population within the boundaries of the five JOs. These 40 LGAs represent a significant proportion of people and homes in our society.
 - They account for 32% of the total housing development in NSW
 - They are home to 6.53% of the Australian population, and 21% of NSW population
 - 59% of their housing development occur in regional cities, 29% in urban areas. These are locations where economic activities concentrate.
- Sizeable contribution towards the proportion of the growth required to address the NSW housing shortfall. By enabling faster DA assessment processes, this project is expected to deliver approximately 28,000 more dwellings in the next 5 years than currently forecasted under existing processes and timeframes. This translates to 21% of the 134,000-unit housing shortfall that was forecasted over the next 5 years³⁶.
- The project cost per additional dwelling is estimated to be \$98, a reasonable and modest investment towards solving NSW's housing crisis. A recent study has found that in Sydney alone, the housing crisis is costing the economy more than \$10 billion a year³⁷.
- The reduction in DA assessment time will translate to lower holding costs for applicants. At 8% market interest rate, a 26-day reduction would have saved NSW nearly \$2.5 billion over FY22/23.
- Increase in holding costs also impact the feasibility of development. A 110-day DA processing timeframe adds \$2.4 million to a \$100-million development loan, which reduces the internal rate of return by 2.4%. Given that it is standard practice to secure a 20% IRR before development can commence, a lengthy DA can lead halt development and remove housing from the pipeline.
- The above points demonstrate that reducing assessment time reduces the costs of development, making housing more affordable for developers. This directly benefits owner developers and can also entice commercial developers to invest and build more.
- In terms of productivity and labour, with a 26% reduction in processing time, this project is expected to improve council efficiency. While it aims to reduce the processing cost per DA, a reduction in work hours or labour spending is not expected.

Potential to reduce the NSW housing shortfall by 21%

Estimated NSW housing shortfall over next 5 years: 134,000

Estimated additional dwellings approved as a result of more efficient DA assessment: 28,451

Estimated contribution towards the proportion of the growth required: 21%

³⁶ <https://www.smh.com.au/politics/nsw/worse-than-we-thought-nsw-s-massive-housing-shortfall-revealed-20230419-p5d1md.html>

³⁷ <https://sydney.org.au/policy-library/chronically-unaffordable-housing/#:~:text=This%20new%20research%20shows%20Sydney's,than%20%2410%20billion%20per%20year.>

Key inputs and assumptions

	Assumption	Comments
Reduction in processing time, compared to baseline	26% or 26 days over 4 years	<p>It is projected that the project will have an immediate and significant impact within the 40 LGAs, which accounts for 32% of the DAs processed in NSW³⁸. In FY25/26, these councils are expected to achieve rapid reduction in processing times and the flow-on effect to other councils will also contribute to the overall estimate of 10% reduction in timeframes.</p> <p>In FY26/27, the most significant effect will be felt in other LGAs, while the 40 councils continue to improve processing speed. This supports the stable reduction state wide.</p> <p>The project impact is then expected to plateau in year 3 and 4, having maximised efficiency in a variety of areas.</p>
Average DA processing days - baseline	110	NSW DPHI data - FY23/24 to date (Feb 24) ³⁹
Average number of DA determined	48,223 per year	Average based on NSW DPHI data FY21/22 to date (Feb 24) ⁴⁰
Baseline workload unit	12,546,878 per year	Average number of DA determined multiplied by average processing days. This informs how much workload can be allocated when processing time reduces through efficiency.
Number of dwellings per DA	1.27	<p>Calculated based on number of dwellings in determined DAs (July 23 – Feb 24):⁴¹</p> <p>Dwelling house: 1 (62% of DAs)</p> <p>Medium density: 2 (21% of DAs)</p> <p>Residential flat building: 4 (2% of DAs)</p> <p>Secondary dwelling: 1 (14% of DAs)</p> <p>Shop top housing: 2 dwellings (1% of DAs).</p>
Urban and regional dwellings	26% urban 74% regional	Calculated based on the numbers of DAs determined in 40 LGAs across the JOs, using NSW DPHI data FY23/24 (to date) DA determined by location. The terms urban and regional are determined by ABS definitions.
Average dwelling pricing in NSW	\$1,184,500	ABS data March 2024 ⁴²
Holding costs	8% PA	<p>Interest rate 8% is Q2 2024 market rate.</p> <p>Reported cost of development for FY22/23 was \$30,324 million⁴³</p>

³⁸ <https://www.planningportal.nsw.gov.au/eplanningreport>

³⁹ <https://www.planningportal.nsw.gov.au/eplanningreport>

⁴⁰ <https://www.planningportal.nsw.gov.au/eplanningreport>

⁴¹ <https://www.planningportal.nsw.gov.au/eplanningreport>

⁴² <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/total-value-dwellings/latest-release>.

⁴³ <https://www.planningportal.nsw.gov.au/eplanningreport>

3.4 Proposed funding arrangements

Cash funding for the program of works will be fully funded by the Housing Support Program and in-kind contributions from joint organisations and the councils they represent. The following table outlines the funding arrangements. An in-kind estimates spreadsheet is enclosed in Appendix B to quantify the support provided in dollar value.

Funding sources	Total project costs	Contributions	Status
	\$3,925,000		
Housing Support Program		\$2,800,000	To be determined
JO in-kind contributions		\$1,125,000	In principle, pending successful HSP application

4. Implementation case

4.1 Project milestones and timelines

The program of works has a set delivery period of 10 months, commencing end of July 2024 and concluding 31 May 2025.

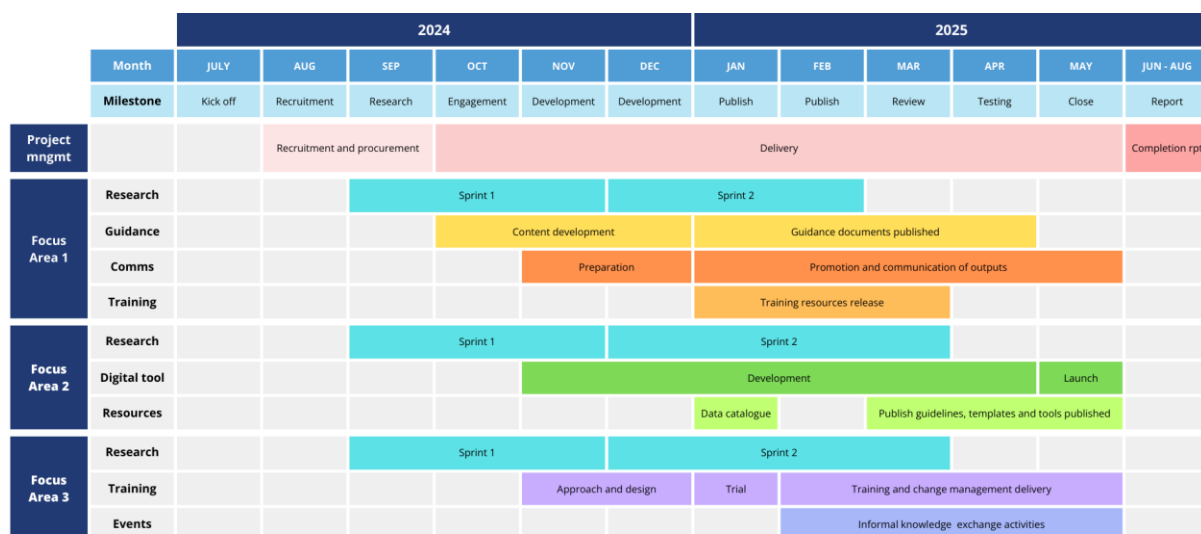
The project runs from appointment of project management personnel to facilitate the program development and delivery, through to the implementation of the guidelines and tools produced as part of the project. A post completion report will be produced within three months of the project's conclusion.

Milestones

Milestones	Details	Proposed Date
Acceptance and commencement		
Acceptance of the offer	n/a	31 July 2024
Commencement of work	The project will commence with recruitment of project management staff and procurement of contractors to develop tools and guidance documents.	August 2024
Background research and tool development		
Research and engagement Sprint 1	A discovery phase is required to understand user requirements and use cases, gathering existing resources and leverage interoperability, and identify gaps. This will also uncover the most urgent and prevalent needs to be addressed.	September 2024 – November 2024
Develop digital wayfinding tool for councils	The development and customisation of the digital wayfinding tool will commence after preliminary research.	November 2024 – April 2025
Research and engagement Sprint 2	Further deep dives as identified during Sprint 1	December 2024 – March 2025
Publication and launch		
Publish guidance for applicants	Various forms of guidance for applicants are expected to be released starting from early 2025.	January - April 2025
Publish digital catalogue for councils and planners	Iteration one of digital catalogue, data dictionary and user manual will be released review.	January 2025
Publish guidelines and toolkit for councils and planners	The publication of guidelines and tools will take place after peer review. The release will be supported by training and change management activities.	April 2025

Milestones	Details	Proposed Date
Launch digital wayfinding tool and publish supporting documents for councils	The digital tool will be launched after a period of testing and be supported by training and change management activities.	May 2025
Implementation		
Implementation, training and change management	The formal and informal training activities will respond to user needs identified during research and engagement. It will also support the publication of guides and tools.	February - May 2025
Project close		
Completion of project	All project deliverables will be completed prior to program end date of 30 May 2025. Provisions will be made to ensure resources and tools produced during the project will be made available beyond this date.	30 May 2025
Post-completion report	n/a	31 July 2025

Timeline



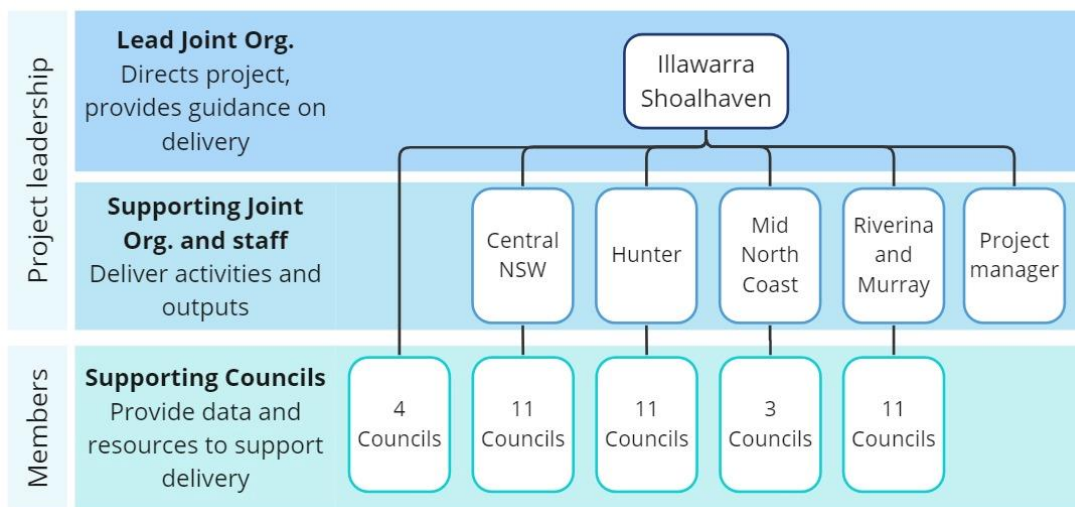
4.2 Governance

This section presents the project's overarching governance model, its operational arrangements and the governance framework for each of the JOs. A responsibility matrix has been developed to further define roles and responsibilities.

Governance model

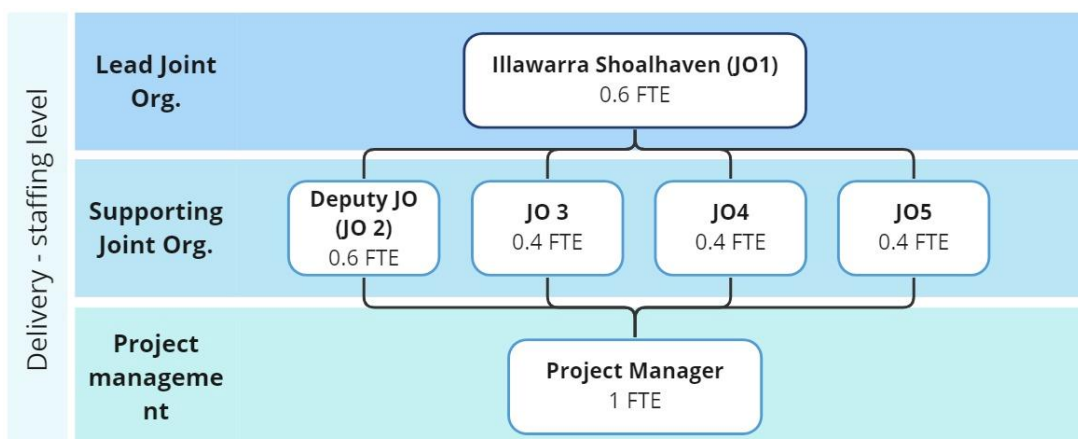
The governance model between the joint organisations is outlined below. Illawarra Shoalhaven Joint Organisation (ISJO) is the lead applicant for the Housing Support Program, and will oversee the development, delivery and compliance of the project.

The joint organisations will appoint a project manager to coordinate the activities across three focus areas. This cohort is responsible for supporting project activities and outputs, including engaging with their member councils, and ensure active participation and at all levels.



Operations and staffing

Project management responsibilities will be divided across JOs to ensure participation and accountability. In addition to the lead JO Illawarra Shoalhaven, another JO will support as the deputy lead. Remaining JOs will also have resourcing dedicated for execution. The project manager will oversee the external contractors and consultants needed to support delivery in the three focus areas, such as research and engagement, resources and tool development, and capacity building activities.



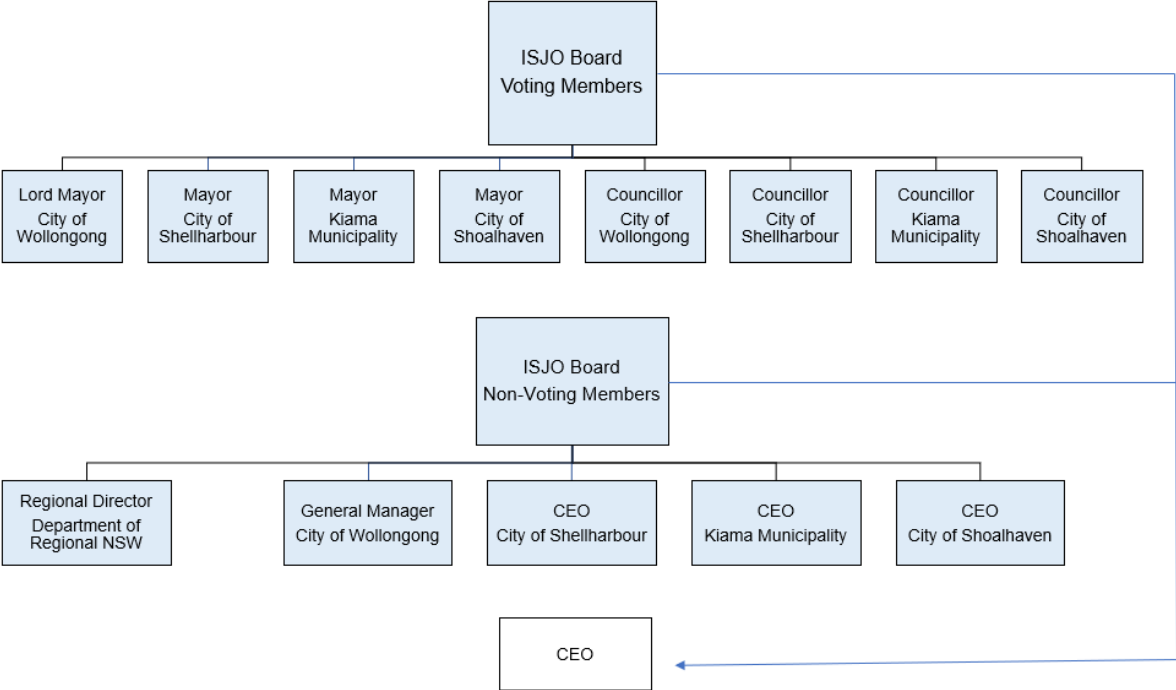
Governing the JOs

The operations and priorities of each JO are determined by a Board comprising voting and non-voting representatives.

The voting members of a JO are the Mayors of their Member Councils. Should their Charter allow it, each of the Member Councils may also nominate another Councillor representative to act as a full Voting Board Member.

A NSW government employee nominated by the State Government is also a member of each JO Board and acts as a non-voting representative. As an example, the Illawarra Shoalhaven JO Board structure is shown below. Each of the Member Council General Managers / CEOs undertake the same non-voting Board Member function and, together with our State Government representative and the JO CEO / Executive Officer, they provide a source of strategic input and a conduit for strategy and implementation both between our Member Councils and more broadly with the State Government and the Business Sector. This structure delivers accountability and strengthens the ability for JOs to executive projects at a local level.

Illawarra Shoalhaven Joint Organisation Board Structure



Responsibility matrix

The below RACI matrix identifies the proposal's key milestones and associated responsibilities.

Event	Lead JO	Supporting JOs	Project management	Supporting Councils	External contractors
Recruitment of project manager	R & A	R & A			
Contract procurement	R & A	R & A	R	C & I	
Project management	R & A	R & A	R	I	C
Research and engagement	A	A	R	C	R
Tools and resources development	A	A	R	C	R
Capacity building delivery	A	A	R	R	R
Communications and change management	R & A	R & A	R	C	R

Key – R (responsible); A (accountable); C (consulted); I (informed).

4.3 Project risks

This section outlines identified project risks and mitigation methods. Each set of risk and mitigation strategy is rated in the following page using a risk rating matrix. A risk management framework has been included in section 0 to guide project delivery.

Key risks

Risk area	ID	Risk	Mitigation
Coordination	1	Issues with communication and/or collaborations between Joint Organisations	The JOs have a strong, established working relationship and a track record of successful collaboration. The project governance framework also provide clarity around roles and responsibilities.
Project delivery	2	Personnel changes impact project continuity	The project plan has allocated resources in each JO to support delivery, allowing the project to leverage knowledge and skills in JOs to provide assistance in case of temporary resource shortages.
Project delivery	3	Lack of capacity in managing the workload and across the programs of work in three focus areas	Project budget includes allocation for project management personnel outside of JOs. This ensures that the project delivery will not be affected by workloads and other priorities within JOs.
Project delivery	4	Meeting the short overall timeline. HSP has a prescribed 10-month timeline from July 2024 to May 2025 and projects must be completed by end date.	The project plan sets out manageable phases and reporting guidelines, allowing continuous monitoring and action to keep project on track.
Project delivery	5	Competing workloads in councils prohibiting staff from participating in engagement and training activities	Councils have recognised the value of this project and committed to participation through in-kind contributions of hours and resources. Project activities will be formally incorporate into their learning and development programs.
Project delivery	6	Ability to engage with state partners and councils	JOs will build on strong working relationships with state agencies (such as TfNSW, DPHI, RA) and extend its existing program of works to include this project. Letters of support have also been received to confirm willingness to engage.
Procurement	7	Inadequate digital platform is selected or the product purchased fails to deliver desired functionality or uses	Early research activities have been planned to identify user requirements and inform functional needs. Procurement will follow JO policies and ensure sufficient understanding and value for money.
Project output	8	Project outputs fail to address user needs and create impact	The research and engagement phase assist to identify and address the needs and challenges of the DA process, considering all user groups to identify pain points.
Project output	9	Project outputs fail to gain traction and be adapted by councils	JOs will work with their respective councils to adapt the project outputs. Provisions have also been made for change management and implementation of the solutions within the project.
Compliance	10	Non-compliance with program requirements can result in project setbacks or funding withdrawal	Establishing compliance monitoring mechanisms and conduct regular audits to ensure adherence to program requirements.
Financing	11	Project budget blowouts	Incorporating contingencies within line items and consistently tracking, reviewing and reporting the project's budget to ensure accuracy and adherence.
Financing	12	HSP funding schedule – receiving the last 30% after completion requires a working capital to cover interim costs	JOs will consult with DITRDCA prior to accept project funding and identify best practice management process through contract negotiation and other methods to ensure sufficient cash flow.

Risk rating matrix

Likelihood			Consequence		
	Frequency	Probability		Financial	Scheduling
Rare	The event could occur in exceptional circumstances	Less than 1%	Low	Minimal financial impact	Minimal and inconsequential impact on timeframe
Possible	The event has a small chance to occur during the project period	More than 1% and up to 20%	Medium	Moderate financial impact that may require budget adjustments	Moderate impact on timeframe that can cause recoverable delays
Likely	The event will probably occur once during the project period	More than 20% and up to 99%	High	High financial impact but additional funding can be secured	High impact on timeframe that requires a short extension
Almost certain	The event is expected to occur	More than 99%	Very High	High financial impact beyond but additional funding cannot be secured	Extreme impact on timeframe that a short extension is not sufficient

Risk rating

	Low		Moderate		Extreme
--	-----	--	----------	--	---------

Consequence/ Likelihood	Low	Medium	High	Very High
Almost certain				
Likely				
Possible				
Rare				

Risk ID	Rating after mitigation		
	Consequence	Likelihood	Rating
1	Medium	Possible	Moderate
2	Medium	Possible	Moderate
3	Medium	Possible	Moderate
4	High	Possible	Moderate
5	High	Possible	Moderate
6	High	Possible	Moderate
7	High	Possible	Moderate
8	High	Possible	Moderate
9	Medium	Possible	Moderate
10	Medium	Possible	Moderate
11	Medium	Possible	Moderate
12	High	Possible	Moderate

4.4 Management activities

Asset management and operations

The JOs will own all assets associated with the development of the project. The JOs will provide open access to these assets and resources to the sector. Ongoing management and maintenance will be facilitated by the JOs and through partnerships with councils and state agencies.

Risk management

The JOs will establish a risk management framework to systematically identify, mitigate or manage, and monitor risks throughout all stages of the project. This process will involve key stakeholders to ensure decision making engages everyone impacted by the risk or resulting changes.

The risk management framework will identify:

- Clear risk management objectives
- Benefits of risk management and performance indicators to measure how well risk is being managed
- A plan to ensure the risk framework is implemented
- Key stakeholders to engage when managing risks
- Staff roles and responsibilities
- Processes to identify risk, including reporting mechanisms, monitoring tools and escalation hierarchies
- How risk management processes are integrated with other relevant policies
- Period reviews to ensure the framework remains current.

Reporting

Per the *Housing Support Program - Stream 1 - Information for Successful Applicants*⁴⁴ and *Federation Agreement – Funding Affordable Housing, Community Services and Other*⁴⁵, the reporting requirements are listed below.

NSW Joint Organisations must also comply with NSW Office of Local Government reporting requirements⁴⁶.

Program	Reporting category	Frequency and requirements
Housing Support Program	Regular project reporting	The frequency and format of these reports will be determined
	Milestone reporting	Post-completion report and other milestones determined
	Event-based reporting	When material changes to project occur
NSW Local Government Act 1993	Annual reporting	NSW Joint Organisations Annual Performance Statement

⁴⁴ <https://www.infrastructure.gov.au/department/media/publications/housing-support-program-stream-1-information-successful-applicants>

⁴⁵ https://federalfinancialrelations.gov.au/sites/federalfinancialrelations.gov.au/files/2021-05/FFA_housing.pdf

⁴⁶ <https://www.olg.nsw.gov.au/councils/policy-and-legislation/guidelines-and-policy-information-resources-for-councils/council-annual-reporting-requirements/>

