

Item No: C0217 Item 12
Subject: REVIEW OF PLANNING PROPOSAL FEES AND CHARGES
File Ref: 17/6032/11681.17

Prepared By: Gunika Singh - Student Strategic Planner, Leichhardt

Authorised By: Gill Dawson - Acting Group Manager Strategic Planning

SUMMARY

This report proposes to amend the planning proposal fees charged by the three former Councils and introduce an integrated fee as part of the Inner West Council Schedule of Fees and Charges 2016/2017 to ensure that the costs Council incurs in assessing and processing planning proposals are adequately covered.

RECOMMENDATION

THAT:

1. Under the provisions of the *Local Government Act*, Council amend the current Ashfield, Marrickville and Leichhardt fees for planning proposals and introduce an integrated Inner West Council planning proposal fee structure; and
 2. Council exhibit the proposed fees and charges and receive a report on submissions received.
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BACKGROUND

Council's Strategic Planning team has recently undertaken a review of the planning proposal fees charged by the three former Councils - Leichhardt, Marrickville and Ashfield as set out in Inner West Council Fees and Charges 2016/17. The intent of the review is to charge consistent fees across the entire local government area and to ensure that the costs to Council of assessing and processing planning proposals are adequately covered by the fees it charges.

The current planning proposal fees in the Inner West Council Fees and Charges 2016/17 reflect separate fees charged by the former Councils. Consequently, there is a significant difference between the fees charged by the three Inner West Council service centres. In addition it is clear that the planning fees charged do not recover the true cost to Council of processing planning proposals. This factor is likely to be exaggerated when the anticipated influx of Parramatta Road Urban Transformation Strategy planning proposals accelerates as these will require expensive Council precinct traffic studies. At the same time, a comparison of the fees and charges with other councils reveals that the current fees are lower than those charged by other large councils dealing with complex planning proposals.

Discussion

Subsequent to the adoption of 2016/17 budget, Council has received several planning proposals and been informed of many prospective planning proposals seeking minor and major amendments to Local Environmental Plans and Development Control Plans. There is a need to increase these fees in order to meet the Council's pricing policy of recovering the costs of providing services.

Council is experiencing significant development pressures and likely to be subject to a further ratcheting up of these pressures through recently released strategies such as the Parramatta Road Urban Transformation Strategy and draft Central District Plan. Council currently has

approximately 35 planning proposals in the pipeline (discussion with potential proponents) which involve amendments to land use zoning and built form controls prescribed in the Local Environmental Plans. This is likely to result in a need for increasing resources including engagement of extra staff in order to be able to keep pace with the growing number of complex planning proposals and the needs of the community.

The discrepancy between existing planning proposal fees and the costs of processing proposals is well illustrated by the Lords Road, Leichhardt Planning Proposal where the former Leichhardt Council received a Stage -1 fee of \$11,000. The Council spent \$42,790 on consultancy fees in 2014 required to assess the proposal thoroughly. In addition, the lead council Strategic Planning Officer on Lords Road costs on this proposal from pre-lodgement discussions in April 2013 to January 2017 have been \$20,000. There are also additional substantial Council staff resource costs for planning proposals including development assessment, stormwater, traffic, transport, environmental health and community plus administration.

In undertaking the review, it has also become apparent that there are a number of strategic planning services currently provided which should be charged for including Pre Planning Proposal meetings and Development Control Plan amendments, as they are primarily of private benefit, but for which there is currently no set fee. The attached proposed fees schedule (Attachment-1) will charge a fee for these services.

The proposed integrated Inner West Council fees for planning proposals have been updated to reflect the true costs of processing these proposals. In proposing the extent and level of fees increase, consideration has also been given to fees charged by other councils. It is considered that the proposed fee increase can be absorbed by the proponent given the significant uplift in land value and better reflects the actual cost to Council of assessing planning proposals.

FINANCIAL IMPLICATIONS

The report seeks to amend current planning proposal fees as set in the Inner West Council Schedule of Fees and Charges 2016/17. Any financial implications on budgets will be reported through the March 2017 Quarterly Budget Review Statement.

OTHER STAFF COMMENTS

Nil.

PUBLIC CONSULTATION

The proposed fees and charges will be placed on public exhibition in accordance with the community engagement framework.

CONCLUSION

There is a need to introduce consistent fees for urban planning functions across the Inner West Council to reflect the cost of providing these services.

ATTACHMENTS

1. Proposed Inner West Council Schedule of Fees and Charges for Planning Proposals 2016/17
2. Comparison of Existing Planning Proposal Fees and Charges for former Council Areas

Attachment - 1 Proposed Inner West Council Schedule of Fees and Charges for planning proposals 2016/17

Description	Unit measure	GST position	Inclusive amount \$	Basis of fee
Preparation of amendment to Local Environmental Plan				
Pre Planning Proposal Consultation (mandatory for all applications)				
Minor LEP Amendment	per meeting	Exempt	\$2,000	Full
Major LEP Amendment	per meeting	Exempt	\$4,000	Full
Complex LEP amendment	per meeting	Exempt	\$6,000	Full
Additional meetings	per meeting	Exempt	25% of original fee	Full
Minor LEP amendment				
Stage - 1 Preparation of a planning proposal and report to Council with recommendations in relation to a minor LEP amendment (e.g. adding or removing a heritage item, adding or removing a use that does not require complex assessment)	per application	Exempt	\$4,000	Full
Stage-2 Progress planning proposal subsequent to Gateway Determination	per application	Exempt	\$8,000	Full
Major LEP Amendment				
Stage - 1 Preparation of a planning proposal and report to Council with recommendations in relation to a major LEP amendment (e.g. FSR and height amendments)	per application	Exempt	\$20,000	Full
Stage - 2 Progress planning proposal subsequent to Gateway Determination	per application	Exempt	\$30,000	Full
Complex LEP amendment				
Stage - 1 Preparation of a planning proposal and report to Council with recommendations in relation to a	per application	Exempt	\$40,000	Full

	complex LEP amendment (as determined by the Council officers e.g. change of zoning or matters that involve significant consideration of economic, environmental and transport issues)				
	Stage - 2 Progress planning proposal subsequent to Gateway Determination	per application	Exempt	\$50,000	Full
	Additional costs and expenses				
	For all LEP/ DCP amendments (minor, major or complex) any additional costs and expenses incurred by Council in undertaking studies, peer reviews and other matters required in relation to the planning proposal are to be paid at cost	per application	Exempt	At Cost	Full
	Amendments to Development Control Plan				
	Request to amend the DCP	per application	Exempt	\$5,500	Full
	Preparation of a new site specific DCP	per application	Exempt	\$15,000	Full
	Advertisement and Notification costs				
	Advertising cost for amendments to Environmental Planning Instrument	per advertisement	Exempt	\$2,500	Full
	Notification costs regarding the amendments to Environmental Planning Instrument	per property	Exempt	\$1.50	Full
	Public Hearing				
	Public Hearing if required. Cost recovery to Council	per hearing	Exempt	At Cost	Full

Attachment - 2 Comparison of existing planning proposal fees and charges for the three former Councils

Description	Existing Fees 2016/2017		
	Former Marrickville Council	Former Leichhardt Council	Former Ashfield Council
Planning Proposals Fees and Charges			
Pre Planning Proposal Consultation			
Minor Amendment	\$1,788.70	N/A	N/A
Formal Pre-planning proposal consultation to discuss minor amendments and written advice (not involving reference to Architectural Excellence Panel)			
Major Amendment	\$3,332.00	N/A	N/A
Formal Pre-planning Proposal consultation including meeting, Architectural Excellence Panel referral and written advice			
Complex Amendment	N/A	N/A	N/A
Minor LEP Amendment			
Stage 1			\$14,932.70
Progress to Council Report and/or Gateway Determination	\$3,332.00	\$3,670.00	
Stage 2	\$6,664.00	\$6,300.00	
Progress past Gateway Determination			
Major LEP Amendment			
Stage 1			
Progress to Council Report and/or Gateway Determination	\$8,330.00	\$21,000.00	\$29,865.50
Stage 2	\$24,990.00	\$37,800.00	
Progress past Gateway Determination			
Complex LEP Amendment			
Stage 1 Progress to Council Report and/or Gateway Determination	\$16,660.00	N/A	N/A
Stage 2	\$41,412.00		
Progress past Gateway Determination			
Additional Studies/ surveys/ research for LEP/ DCP amendment			

**Item 12****Attachment 2**

Additional studies (cost borne by the applicant)		As invoiced	At Cost	\$239.70
Development Control Plan amendment				
DCP amendment		N/A	N/A	\$4,479.80