



Development Assessment Panels

2011-16 Review

Introduction

This report follows a series of reports prepared by the WA Local Government Association (WALGA) examining the Development Assessment Panel (DAPs) system. The data presented in report has been collated from the information contained in the DAPs meeting minutes and agendas which is available on the Department of Planning's website. Information concerning DAPs determinations was gathered in early July 2016, using the latest information available at that time. As not all DAPs meeting minutes for 2015-16 were available at this time, decisions and determinations concerning a small number of applications determined in the 2015-16 financial year are not included in this report. Similarly, this survey incorporates data concerning 2014-15 DAPs decisions that was not previously available at the time of the previous report.

In addition to the findings presented in this paper, WALGA also undertook a survey of Local Government members, including officers and Elected Members to gather feedback concerning their experience of the DAPs determination system. The Association also requested development processing information from Metropolitan Local Governments in order to provide a comparative analysis of the DAPs operations. Where relevant, the findings of these two survey are also included in this report. Full details of the survey of Local Government experience of the DAPs system can be found on WALGA's Planning Improvement Program portal, <http://walgapip.ning.com/>

Emerging Trends 2016

↓ Reliability

- Decision timeframes up. In 2015/16 the average determination for development applications (DA) was 108 days, some two weeks longer than Local Government determination timeframes for similar applications.
- Increased number of SAT reconsiderations.

↓ Efficacy

- In 2015-16, 258 DAPs meetings were held, however only 238 applications determined.
- Significant number of deferred applications.

↓ Consistency

- DAPs decision alignment with RAR recommendation below 90% for first time.
- Significant rise in number of refused applications.
- Applications below \$10m significantly more likely to be refused and/or deferred.

↓ Complexity

- Continued decrease in the proportion of strategic and significant development proposals assessed.
- Deferred applications likely to be caused by a lack of information from proponents.

? Transparency

- No financial evidence provided of the cost of operating the DAPs system.
- No evidence to suggest DAPs are any more transparent.
- 64% of survey respondents reported that the DAPs system did not make the development assessment process more transparent, consistent or reliable.

SUMMARY OF FINDINGS

On the 18 November 2009, the Minister for Planning advised Parliament that Development Assessment Panels (DAPs) were being introduced ‘to improve the planning system by providing more transparency, consistency and reliability in decision making on complex development applications.’ However, in examining the performance of DAPs there is clear evidence that the DAPs system is failing to meet these aims and objectives.

Since the inception of the DAPs system in 2011, the average processing time for development applications (DAs) has increased year on year. At the close of the 2015-16 financial year, the average processing time for DAs stands at 108 days. This far exceeds the legislated timeframes for DA determination.

In support of this study, the Association undertook a survey of Local Government officers and elected members to gather their feedback and further insight on the DAPs system. Respondents to this survey noted delays within the DAPs system, with 88% of respondents claiming that DAPs were either occasionally or often subject to delays. 75% of the survey’s respondents identified the main cause for delay as a ‘lack of information from proponent’.

In addition to the survey the Association collated development processing information from a total of nine Metropolitan Local Governments in order to provide a comparative analysis of the DAPs operations. The analysis of DAPs approval times versus that of Local Government has shown that DAPs take an average of over two weeks longer to determine applications valued between \$2-10m than Local Government.

In 2015-16, the number of DAPs meetings held has again risen significantly, with the number of meetings held during the last financial year exceeding the number of DAs determined. The increase in the number of meetings appears to be driven by the growing tendency for DAPs to defer applications, together with a substantial increase in the number of SAT reconsiderations and an increasing number of applications seeking modifications to previous approvals (Form 2 applications); in particular a high number of requests for time extensions. However, despite the increase in the number of meetings held, on average each meeting deals with less than two agenda items, emphasising the inefficiency of the DAPs decision making system.

The increasing number of DAPs meetings, together with absence of DAPs income and expenditure data from the Department of Planning, raises legitimate questions about whether the DAPs system operates on a cost recovery basis, or whether the cost of its operation is subsidised by the State Government.

Recommendation

1. That a full and comprehensive cost-benefit analysis of Development Assessment Panels be conducted by an independent organisation.

The lowering of the capital works cost for DAPs application eligibility for opt in applications from \$3 million to \$2 million has provided further evidence of a number of the failings of the DAPs systems. Not only are developments with a lower development value unlikely to be of a strategic nature, such as proposals for service stations and small scale residential developments, they are considerably more likely to be refused or deferred by a DAPs. This indicates that lower development proposals are more likely to be contrary to, or contain elements that are contrary to, the provisions of a Local Planning Scheme. This could suggest that proponents view the DAPs system as more likely to exercise discretion to a greater degree than Local Governments.

The past 12 months has also seen DAPs decisions increasingly less likely to align with the technical advice and recommendation set out in the Responsible Authority Report (RAR). The consistency between DAPs decisions and RAR recommendations has dropped markedly from an overall average of 94% across the five years of operation and currently stands at 89%. However, for those DAs determined with a value of between \$2-3m the consistency between RAR recommendations and DAPs determinations remains at 94%, despite the relatively high number of refused applications. The high level of consistency at the lower end of value is expected given the relative simplicity of the applications.

Alongside the increase in this inconsistency, it is notable that DAPs are now not only more likely to refuse an application, they are increasing more likely to refuse an application that has been recommended for approval. This challenges the notion that DAPs were adopted to increase *'consistency and reliability in decision making'*.

In accordance the findings of this review, WALGA's survey of Local Government experience of DAPs found that almost half of all respondents disagreed or strongly disagreed when asked if the changes to the DAPs system introduced in 2015 had improved the performance of the DAPs. Further, approximately two-thirds of all respondents reported that the DAPs system did not achieve its objectives of making the development assessment process more transparent, consistent and reliable.

It is clear that the current DAPs assessment eligibility criteria are in effective and do not ensure that DAPs fulfils it aims and objectives by focusing on assessing significant and more complex proposals. For example, at \$10m or less, residential development is likely to be for a maximum of five storeys and be for less than 50 residential units. Meanwhile typical forms of 'commercial' development assessed by a DAPs with a value of greater than \$10m would be extensions to shopping centres as opposed to the development of service stations at the lower end of the thresholds.

Raising the application cost threshold would remove the low cost, simple applications, many of which would be determined by delegation in local government. Given that these correlate to the majority of resource intensive applications, being those that are either refused or deferred, would help to deliver greater efficiency within the planning assessment process.

Having the option to 'opt' into the system would allow applicants to choose whether or not they wanted to go to a DAPs or through a Local Government to gain an approval, and hence 'opt out' of the DAPs system. The review of all applications revealed and local government survey found that within the 'opt in' threshold of DAPs, 75% of applications were determined by Local Government.

Similarly, in New South Wales, 'Joint Regional Planning Panels' manage development with a capital investment value of over \$20 million. Development with a value between \$10 million and \$20 million not assessed within 120 days can also be referred to a panel by the applicant. Alternatively, a DAPs assessment criteria similar to that in operation in New South Wales would also enable the DAPs system to become more effective.

Recommendation

2. Abolishing the current opt-in mechanism which allows applicants to choose either elected Councils or the DAP as the decision maker in favour of a Ministerial call-in power for projects of state or regional significance, with a minimal value of \$20 million, as has been adopted in the eastern states.

Whilst two in three decisions regarding a DA have at least one RAR recommended condition amended by DAPs, very few, just 14% of the total number of approval conditions are amended. Further, a large proportion of these amendments are minor text amendments to conditions that do not alter the intent or outcome of development. Such as changing a RAR recommended condition from “*to the satisfaction of the Planning Manager of the City of.....*” to “*to the satisfaction of the City of.....*”

The analysis has shown that DAPs are more likely to alter a recommendation or conditions relating to a mixed use development, than they are for other types of development such as industrial development.

Conclusion

Overall, the findings of the statistical analysis of the DAPs system supports the long held position of the Association that the DAPs system was ill-prepared and is in need of significant reform for it to achieve its objectives of greater transparency, consistency and efficiency in decision making on significant planning applications.

Recommendation

3. The Local Government sector be consulted prior to any amendments to the Development Assessment Panels system, to ensure that operational efficiencies can be achieved.

DETAILED FINDINGS

DAPs Applications and Meetings

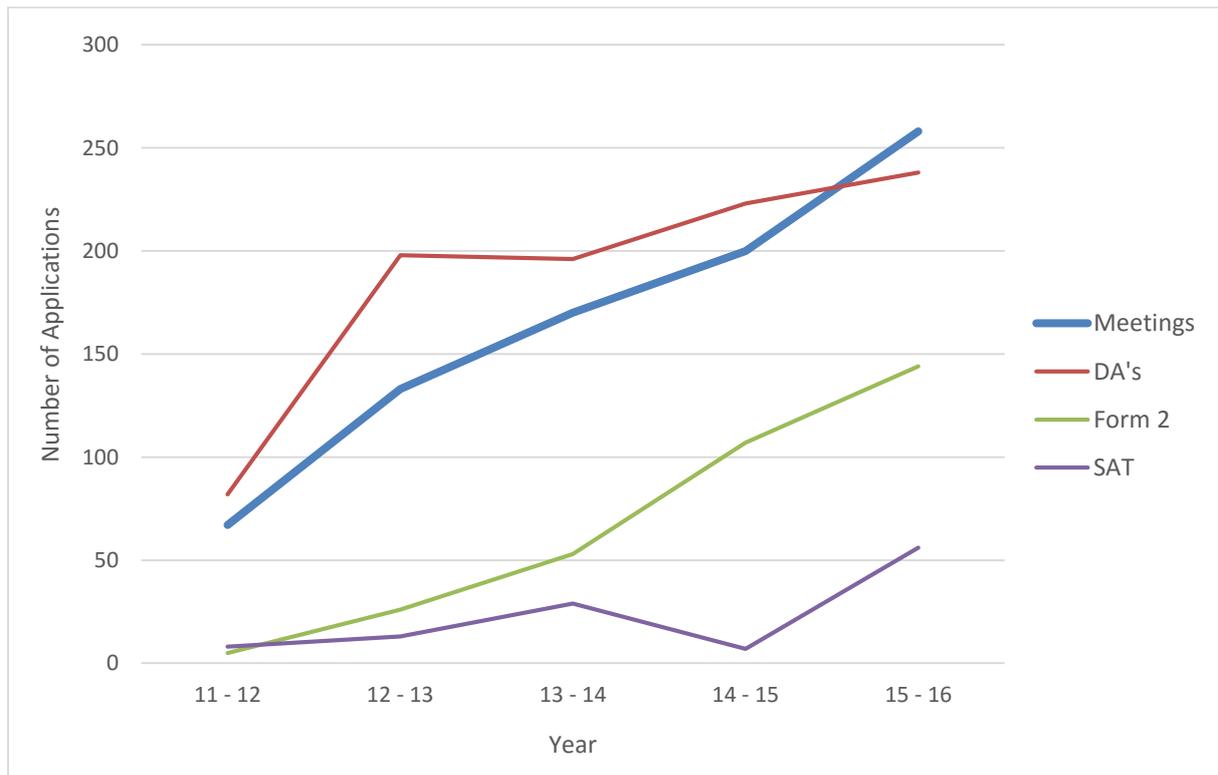
Figure 1 below, shows that following the initial establishment of the DAPs decision making system, year on year, the total number of development applications (DAs) determined by DAPs applications has only increased slightly. Even with the lowering of the monetary threshold for which DAs are eligible to be assessed by a DAPs, the number of DAs assessed grew by just 7% during the 2015-16 financial year to total 238 applications determined.

Whilst over the course of its operation, the growth in the number of DAs assessed by DAPs have remained steady, the number of DAPs meetings held has increased far more dramatically. Such has been the growth in the number of DAPs meetings that in the 2015-16 financial year, the number of DAPs meetings has exceeded the number of development applications (DA) determined. On average, DAPs meetings held in 2015-16 discussed a total of just 1.9 development proposal per meeting, whether this be a DA, Form 2 application, SAT reconsideration, or item previously deferred.

One of the reasons for the growth in the number of DAPs meetings has been the rapid growth in the number of 'Form 2' applications (requests for an amendment to a DAPs determination) and SAT reconsiderations, particularly in the last financial year. Another key reason for the growth in the number of meetings is the significant rise in the number of deferred applications. This is discussed in more detail below.

Whilst the number of DAs assessed during the 2015-16 financial year grew at 7%, the number of 'Form 2' applications increased by some 35%. Much of the grow in the number of 'Form 2' applications during the 2015-16 financial year has arisen out an increasing number of applications seeking an extension of time to previously approved.

Figure 1: Number of Applications and Meetings, 2011-16



DAPs Decisions

Mirroring the trend of an increasing number of DAPs meetings, Figure 2 shows that during the 2015-16 financial year, the number of DAs deferred by DAPs also increased considerably. During the first year of operation just 2% of DAPs decisions relating to a DA were deferred, however during the 2015-16 financial year, some 16% of the total decisions (either approve, refuse or defer) made by DAPs were to defer an application. Another notable trend that emerged during the 2015-16 financial year, was a significant increase in the number of applications refused. This trend, following an increased number of refused applications during the 2014-15 financial year perhaps accounts for the significant increase in the number of SAT applications. In 2015-16, just two-thirds of all decisions relating to a DA, was to approve an application.

Figure 2: DAPs - DA Determinations

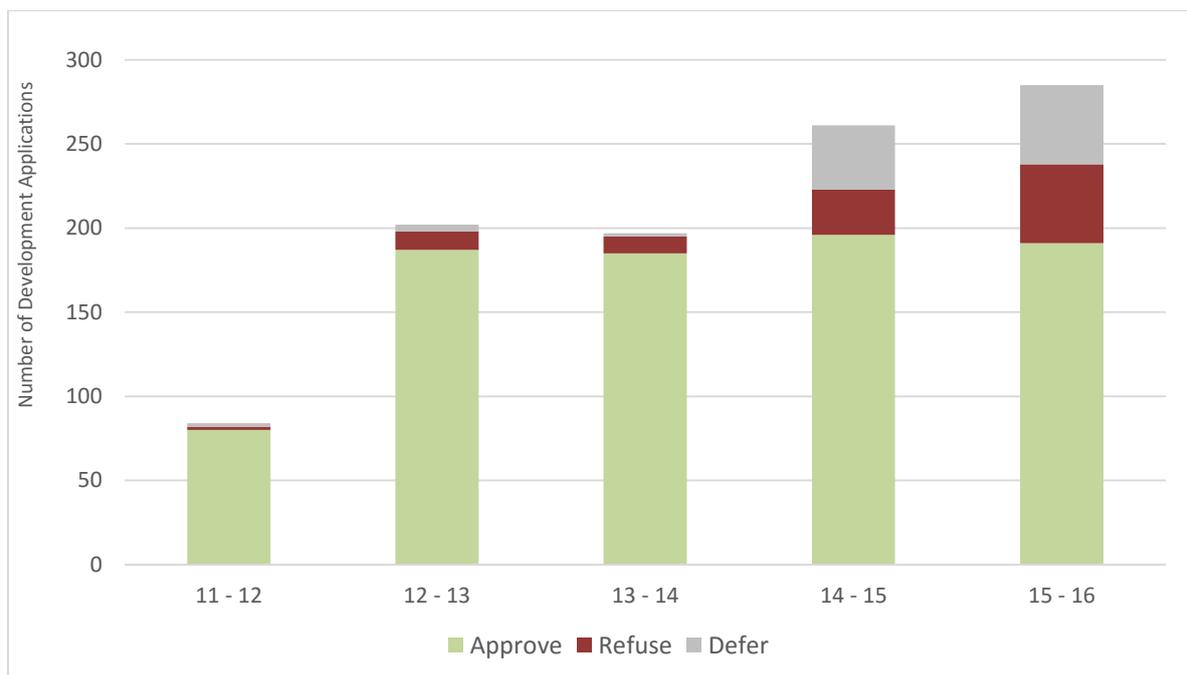


Figure 2.1: DAPs - DA Determinations by Percentage

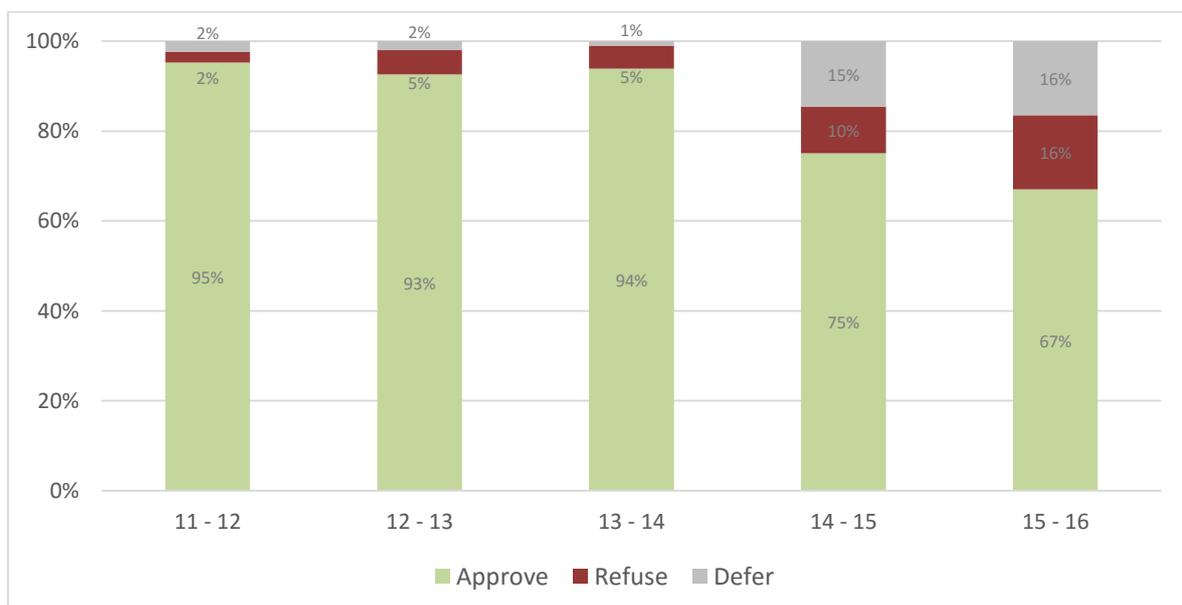


Figure 3 shows that nearly all DAPs determinations¹ align with the recommendation set out in the Responsible Authority Report (RAR) with some 94% of all DAs determined by DAPs matching the recommendation set out in the RAR. This alignment remains consistent at or above 94% for all development types, with the exception of 'mixed use development' for which it drops to 91%. 100% of DAPs determinations concerning 'industrial' development aligned with the RAR recommendation.

Across all five years of DAPs operation, where a DA determination did not align with the RAR recommendation, 13 applications were refused (RAR recommended approval) and 41 were approved (RAR recommended refusal). Accordingly, this supports the perception of some, that DAPs are more likely to exercised discretion to approve development. Further, of those residential development applications where the decision of a DAPs did not align the RAR recommendation, 12 developments were approved (RAR recommended refusal), whilst just one DA was refused (RAR recommended approval). Similarly, 15 mixed use DAs were approved (RAR recommended refusal) whilst 6 were refused against the RAR recommendation of approval.

A breakdown of the development uses category definitions is provided in appendix 1.

Figure 3: DAPs Decision alignment with Responsible Authority Report- DAs.

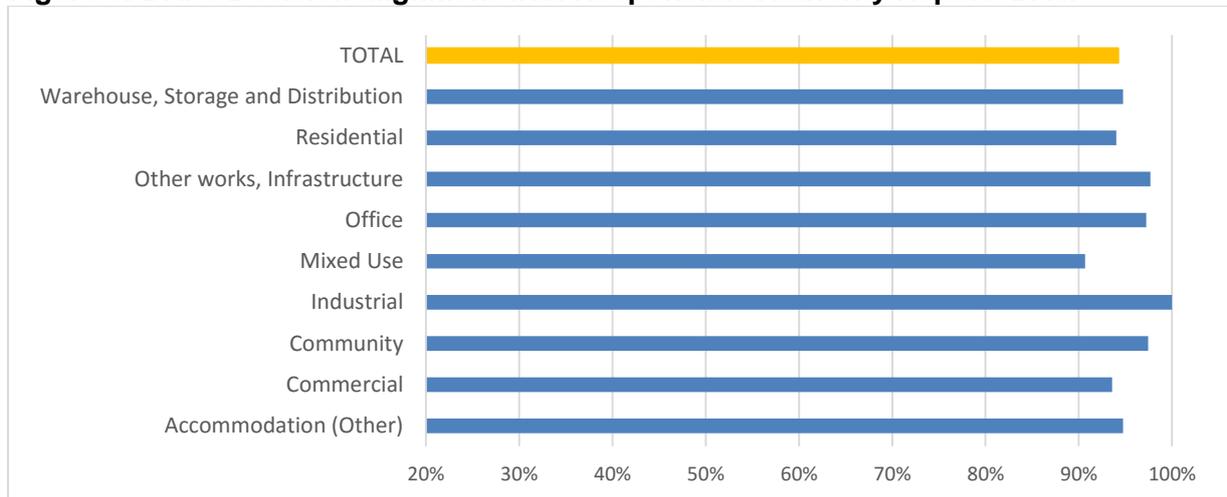
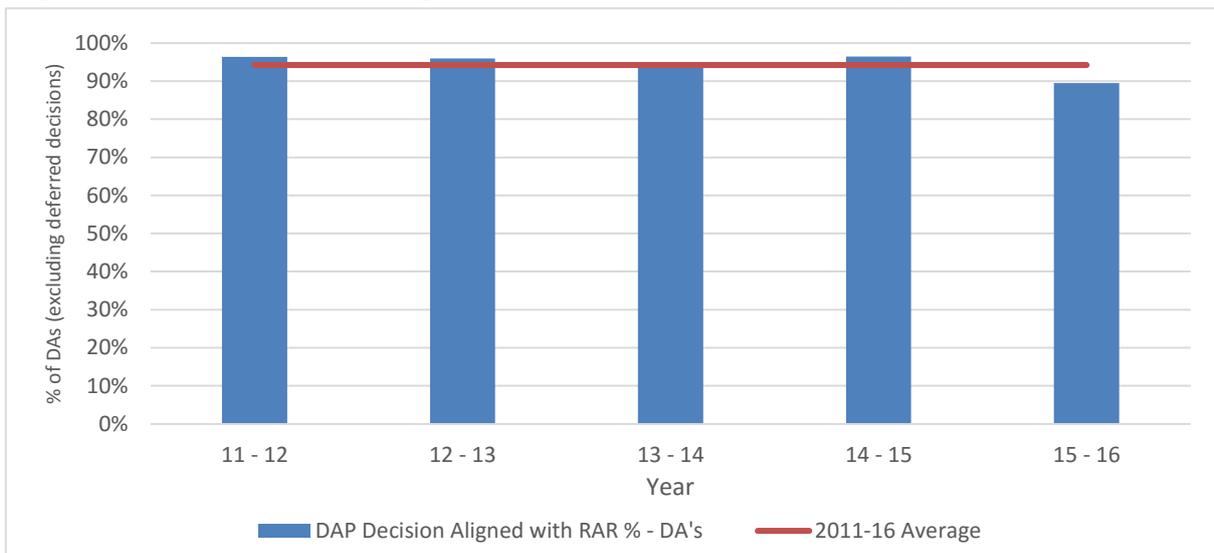


Figure 3.1: DAPs Decision alignment with Responsible Authority Report



¹ Note: Only refers to DAs where a DAP has made a clear determination - excludes 'deferred' decisions.

Figure 3.1 shows that despite the overall trend across the five years of DAPs operation for determinations to closely match RAR recommendations, following the amendments to the DAPs application cost eligibility threshold for the 2015-16 financial year, there has been a notable fall in this level consistency. However, for those DAs determined with a value of between \$2-3m the consistency between the RAR recommendation and the DAPs decision remains at 94%, despite the relatively high number of refused applications. This evidence clearly indicates that at this scale, decisions concerning development proposals are not complex.

In addition, the falling recommendation-decision consistency two other significant trend changes have also occurred following the amended application threshold criteria. As previously discussed, not only has the number of DAs refused increased, but also DAPs are now significantly more likely to refuse a DA that has been recommended for approval. Further, it should also be noted that of those 2015-16 applications where the DAPs decision and RAR recommendation do not align, almost half are for mixed used developments.

This emerging trend, with an increasing number of refusals, remains confined to DAs. Amongst the 'Form 2' applications, received during 2015-6 seven DAPs decisions did not align with the RAR recommendation, with all seven receiving approval.

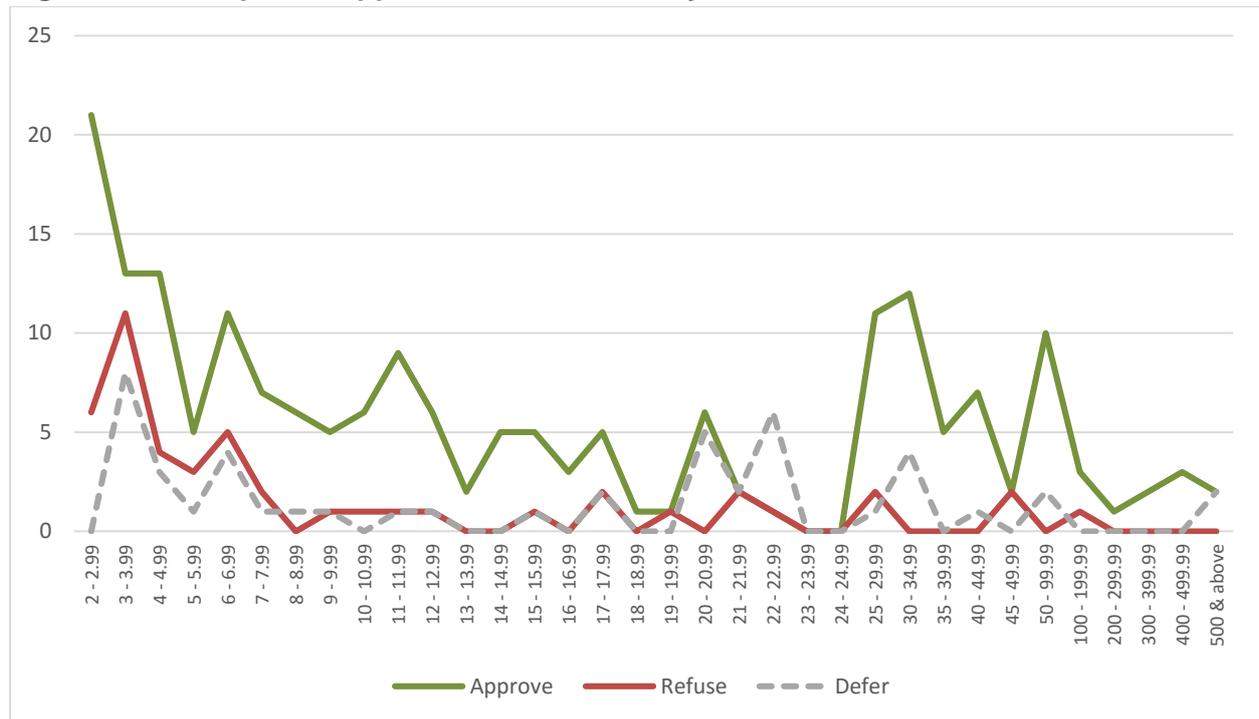
Another noticeable trend that first emerged during 2014-15 and has continued to increase in 2015-16, is the number of instances whereby if the initial RAR recommendation to refuse an application, DAPs are increasingly requesting that an alternative motion be put forward by the RAR and appropriate conditions identified should the DAPs decide to issue an approval.

Table 1: DAPs decisions deferring to RAR recommendation 2015-16.

Application Type	DAs		Form 2	
	Approve	Refuse	Approve	Refuse
Accommodation (Other)	1	1		
Commercial	4	2	2	
Community	1	1		
Mixed Use	6	5	3	
Office	1	-	1	
Residential	2	1	1	
Total	15	10	7	-

Examining DAPs decision by development cost highlights the fact that development applications with lower capital works costs are more likely to be refused, or deferred. Across the five years of operation, whilst just 25% of all DAs had a capital works cost of less than \$7m, 48% of all refused DAs were valued at less than \$7m. Following the lowering of the DAPs application threshold, this phenomenon has further increased. One in every three DAs valued at less than \$7m was refused by a DAPs in 2015-16. Likewise, two thirds of all the DAs that were refused by a DAPs in 2015-16 had a development capital works cost of less than \$8m.

Approximately one third of all deferred applications had a value of less than \$6m, and approximately half of all deferred applications had a value of less than \$10m. Below \$10m, 40% of all decisions relating to a DA were either to defer or to refuse an application. Further, the poor efficiency by which DAPs deal with these lower cost applications and proportionally high number of deferred and/or refused applications, indicates that lower development proposals are more likely to be contrary to, or contain elements that are contrary to the provisions of a Local Planning Scheme.

Figure 4: Development Applications Decisions by Value 2015-16

Table 2: DAPs amendments to RAR conditions, 2015-16

DAP	City of Perth	Metro East	Metro Central	Metro NW	Metro SW	Metro West	Kimberley, Pilbara, Gascoyne (Northern)	Mid-West / Wheatbelt	Southern	Total
DAP Decision Aligned with RAR %	93.3%	80.5%	91.2%	88.5%	90.9%	91.3%	100%	100%	100%	89.5%
% DAs with at Least One Condition or Reason for Refusal Amended	73%	51%	70%	62%	82%	61%	50%	100%	80%	66.8%
Total Conditions for Approved DAs	284	483	850	901	626	231	35	80	188	3,678
Total Number of Amended Conditions*	16	55	99	169	86	26	1	33	27	512
% of Conditions Amended	5.6%	11.4%	11.6%	18.8%	13.7%	11.3%	2.9%	41.3%	14.4%	13.9%
Ave Conditions per Approved DA	16.7	17.5	21.8	16.0	20.5	18.9	18.8	20.9	13.6	19.3
Ave number of amended conditions per DA approved with amended conditions	1.5	2.6	2.5	5.3	3.2	1.9	1	6.6	3.4	3.2

*Table Note: Where the DAP has asked for an alternative recommendation to be set out in the RAR, only amendments to conditions set out in the alternative recommendation conditions are counted.

Table 2 shows that approximately two thirds of DAs determined by a DAPs during 2015-16 had at least one development condition or reason for refusal amended. This remains generally consistent with the level of amendments to applications in previous years and with the overall average of 66.1% of all DAs having at least one recommended condition amended. However, the table also shows that only a relatively small number of conditions, some 14% of all DAPs approval conditions, were amended from those conditions set out in the RAR report. Whilst the rate of variation to DA approval conditions varies between DAPs, where the number of applications determined by a Panel creates a sufficient sample size of approval conditions, the level of variation to development conditions remains largely consistent with the overall average of 13.9%. However, the rate of variation to conditions within the Metro NW, which does have a large sample size, is significantly higher at 18%.

Overall, the average number of conditions per DA approved by a DAPs in 2015-16 stands at almost 20 conditions. Of those applications where the DAPs decision amends at least one condition, on average just 3.2 conditions are amended. Again, although there is a slight variation between panels with most DAPs having an on average fewer conditions amended, the rate of amendments is higher in the Metro North-West JDAP. Nevertheless, the overall finding reiterates the fact that very few conditions are actually amended by DAPs.

Further it is important to note that a large proportion of amendments to conditions are relatively minor amendments, such as amendments to text that do not change the intention or purpose of the condition. For example, often an application may receive multiple amendments to change a condition from *“to the satisfaction of the Planning Manager of the City of.....”* to *“to the satisfaction of the City of.....”*

As well as DAPs being more likely to alter a recommendation relating to a mixed use development, they are also more likely to amend a condition affecting a mixed use development proposal, than they are for certain other types of development such as industrial development. This suggests that DAPs members are more comfortable and familiar dealing with this form of development.

There is also little consistency with how DAPs apply conditions and indeed the validity of conditions, or whether these new conditions have been verified by a lawyer. For example, a number of RAR recommendations include an advice note stating that a planning permit is valid for a period of two years. However DAPs often delete this advice note and add a condition stating that a condition is valid for two years. This is despite the fact the provisions of the Local Planning Scheme Regulations state that a planning permit is valid for two years unless otherwise stated.

DAPs Decision Making Timeliness

Figure 5: Average time taken to determine DAs by year

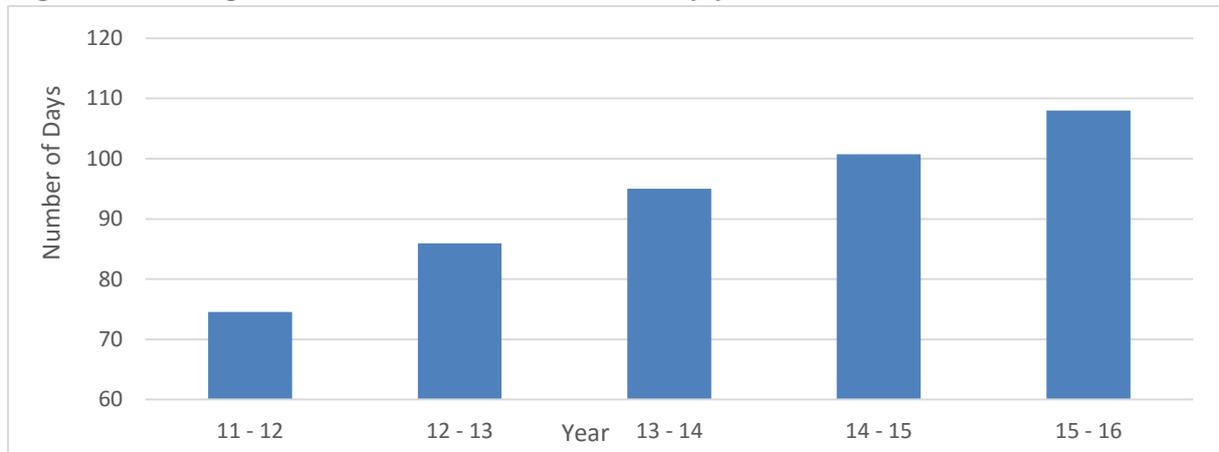
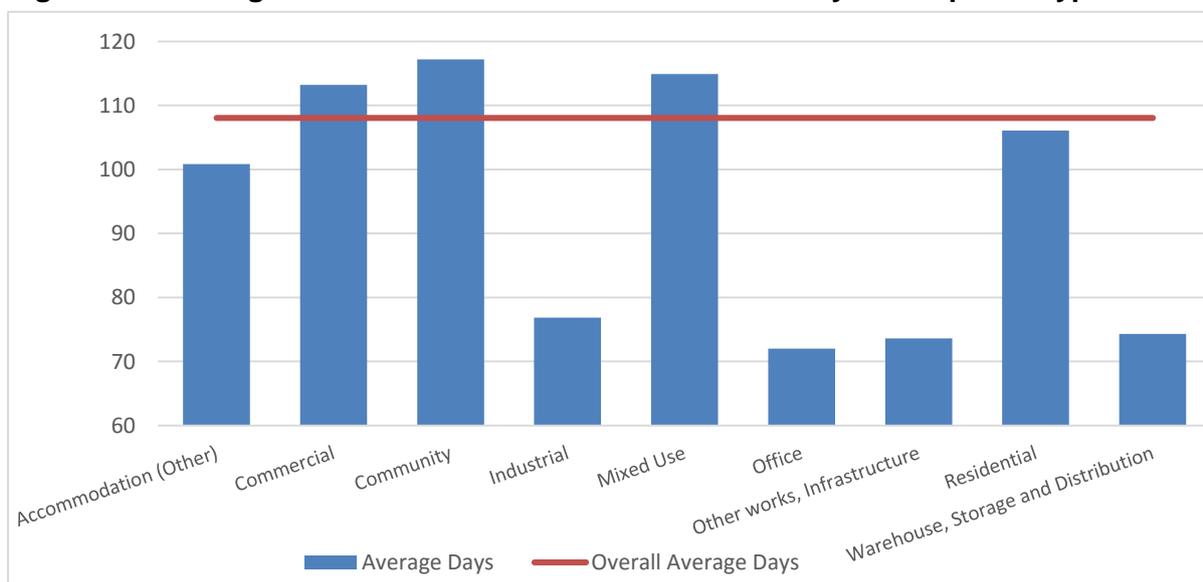


Figure 5 shows that the average time taken by DAPs to determine a DA has continually risen year on year and now stands at 108 days. This is well beyond the required time to determine a development application which, as set out by the *Local Planning Scheme Regulations*, deemed provisions is 60 days, or 90 days if advertising is required. However, as 5.1 shows, the time taken to determine an application varies significantly between development proposals. Whilst 'industrial', office, 'other works, infrastructure' and 'warehouse, storage and distribution' applications take on average around 75 days to determine, 'commercial', 'mixed use development' and 'community' proposals all take in excess of 113 days to determine. It is notably that almost one in three DAs for mixed use development were deferred in 2015-16. A similar high deferral and refusal rate existed for commercial development, however there appears to be no clear reason why community development took so long to determine (community development includes school sites, churches and other uses listed in Appendix 1 of this report).

In support of these findings, some 88% of respondents to WALGA's DAPs survey reported that DAPs were either occasionally or often subject to delays. 75% of the survey's respondents identified the main cause for delay as a 'lack of information from proponent'.

The inconsistent way information is recorded by the DAPs meeting minutes means it is not possible to properly analysis decision times concerning 'Form 2' applications.

Figure 5.1: Average time taken to determine DAs 2015-16 by development type



Comparison with Local Government Decision Timeframes

In order to provide context and a comparative performance analysis of DAPs decision making timeframes, the Association collated planning decision making statistical information from a total of nine Metropolitan Local Governments. Given the limited timeframe in which a response was sought, a total of nine Local Governments provided the Association with information. This included the Cities of Belmont, Cockburn, Fremantle, Gosnells, Joondalup, Mandurah, South Perth, Stirling and Subiaco.

In total, during the 2015-16 financial year these Local Governments determined some 6,393 development applications. The average taken time to these applications was 59 days.

Amongst the sample, 122 applications had a value of between \$2-10m, taking an average of 97 days to determine. Accordingly, the average time taken for Local Governments to determine DAs within the DAPs 'opt in' threshold is over two weeks quicker than the time taken by DAPs.

It is also important to note that within these Local Government areas in 2015-16, a total of 161 applications satisfying the DAPs 'opt in' criteria were determined, however only 39 applications were assessed by a DAPs. Accordingly, despite being within the 'opt in' thresholds of DAPs, proponents overwhelmingly choose to have their applications determined by a Local Government, with 24% of applications determined by a DAPs. This highlights the need to give proponents greater choice about whether or not they wish to opt into the DAPs system.

DAPs Transparency

Table 3: Agenda Items and Declaration of Interests

2015-16 JDAP Meetings	Agenda Items	Apps where disclosure of interest declared	
		Total	%
City of Perth	32	13	41%
Metro Central	122	14	11%
Metro East	71	8	11%
Metro North-West	117	33	28%
Metro South-West	67	5	7%
Metro West	57	10	18%
Kimberley/Pilbara/Gascoyne	4	0	0%
Mid-West/Wheatbelt	8	4	50%
Southern	13	4	31%
Total	491	92	19%

Agenda items includes all applications, DAs, Form 2, SAT reconsiderations and also deferred applications

Table 3, above shows that overall, at least one member of a DAPs made a declaration of interest against one in five items presented to a DAPs. However, as the table also shows, the rate of declarations varied significantly across DAPs. The Mid-West/Wheatbelt (although off a very small number of applications) and City of Perth have had the highest proportion of declarations. Meanwhile the Kimberley/Pilbara/Gascoyne and Metro South-West JDAP both have the least.

In addition to the significant variation in the ratio of declarations of interests, the type of declarations varied considerably across DAPs. For example, the majority of declarations of interest within the City of Perth were of a direct nature where a panel member was either the applicant or employed by the applicant. Elsewhere DAPs panel member declarations were more likely to be made by a local government, elected member declaring to have participated in Council decision relating to an application prior to the DAPs meeting.

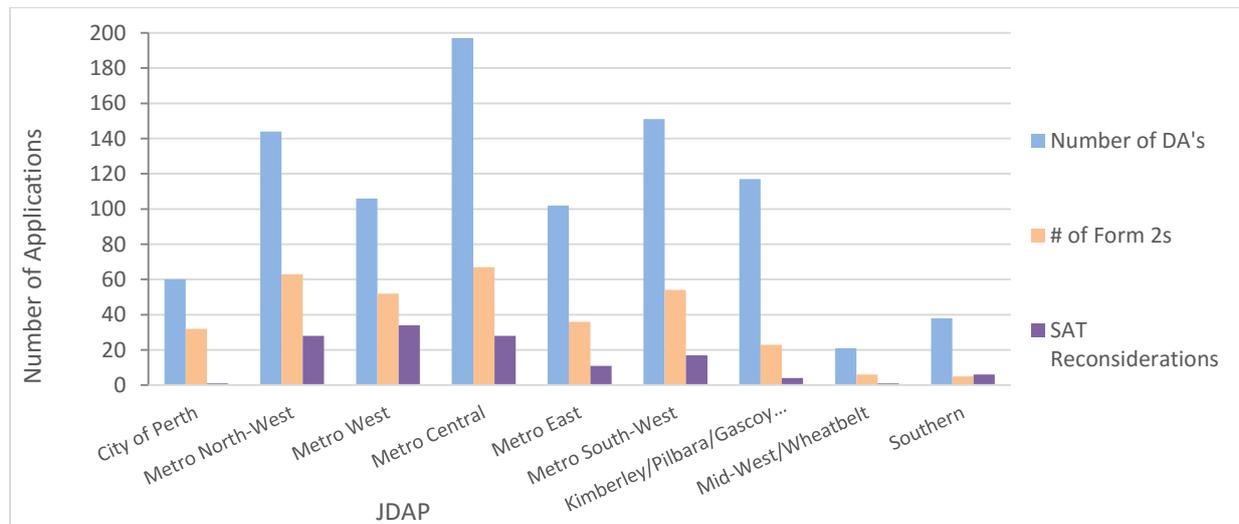
In many instances where the DAPs minutes had recorded that a panel member declaring a 'direct pecuniary interest', panel members were often not in attendance at DAPs meeting, however, in many other instances they left the meeting whilst the relevant item was being discussed.

DAPs Applications and Development Outcomes

The vast majority of all applications determined by the DAPs system have been located in the Perth Metropolitan and Peel Regions, with over 80% of all DAs determined by a DAPs located within these regions. Correspondingly, 90% of all 'Form 2' applications and 91.5% of all SAT reconsiderations have concerned development located within the Metropolitan region. The Metro Central JDAP has received the most DAs with 197 application determined over the lifetime of the DAPs system, accounting for 21% of all DAs received. The next most frequent areas for DAPs applications are the Metro South-West and Metro North-West JDAPs which have accounted for 16.1% and 15.4% of DAs submitted to a JDAP respectively. By Local Government area, over the five years of operation, the City of Stirling with 67, has received the most DAs to be determined by a DAPs, closely followed by the City of Perth with 60.

The location of 'Form 2' applications largely mirrors that of DAs however as figure 2 shows, the ratio between the number of DAs and Form 2 varies across the Metropolitan Panels from 2:1 within the City of Perth to roughly 3:1 elsewhere. Within the regional JDAPs the ratio of DAs to 'Form 2' applications is far lower at approximately 5:1.

Figure 6: Location of DAPs Applications, 2011-16



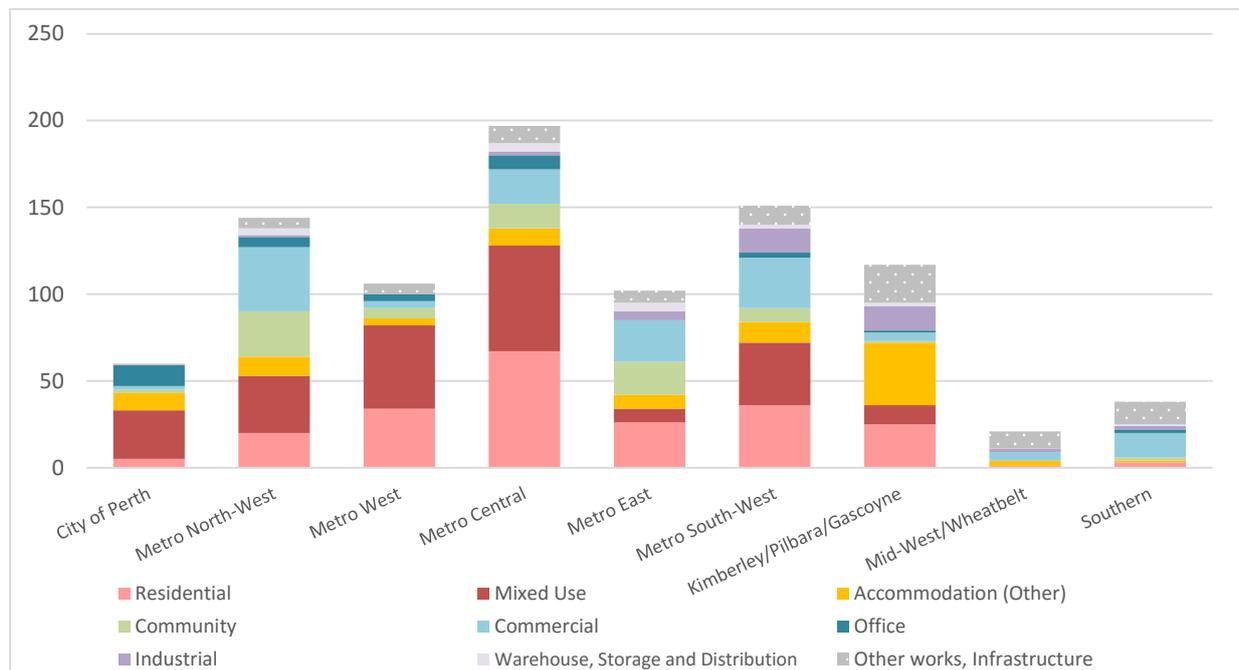
*Note - 'JDAP' grouping amended to align with the JDAP designations amended at the beginning of the 2015/16 financial year.

In addition to the fact that the overwhelming majority of DAs determined by DAPs have been located within the Metropolitan Region, the majority of DAPs applications have been for either residential or mixed use developments. Across all DAPs, residential and mixed development has accounted for 47% of all DAs however within some Metropolitan JDAPs, such as the Metro Central and Metro West the proportion of residential or mixed use developments is significantly higher, accounting for 77% and 65% respectively of all DAs determined by these JDAPs. It is also important to note that whilst for the purposes of this study mixed use is defined as development with mix of any different uses, much of the 'mixed use development' within the Metropolitan region determined by DAPs has been characterised as being mainly multi-residential development with a smaller commercial component. As such, the majority of 'mixed development' identified by this survey has been for residential uses.

The third most popular type of development proposal amongst all DAPs DAs has been commercial development with 15% of all applications. As figure 7 shows, within the regional areas of the State there has been a greater propensity for other forms of development to be determined by DAPs.

On the basis that DAPs were created to assess 'complex' development proposals the large number of residential development currently being assessed by DAPs raises legitimate questions about whether DAPs is satisfying its aims. Indeed, the overwhelming majority, some 86% of all respondents to WALGA's DAPs experience survey either disagree or strongly disagree with the survey's statement that *'the DAPs system only determines development applications that have state or regional significance'*.

Figure 7: JDAP and Development Use Category 2011-16



Following the amended DAPs application criteria, there has been a further increase in the overall trend of residential and mixed use development dominating DAPs applications. During 2015-16 mixed use development was accounting for 29% of all DAs whilst residential development remained consistently high at 23% of all applications. The number of commercial applications increased significantly in 2015-16 with 21% of all applications. The growth within this category of development has been driven by the lowering of the development application criteria and a large number of development proposals for service stations valued between \$2-\$3m.

Table 4: Number of DAs by development proposal

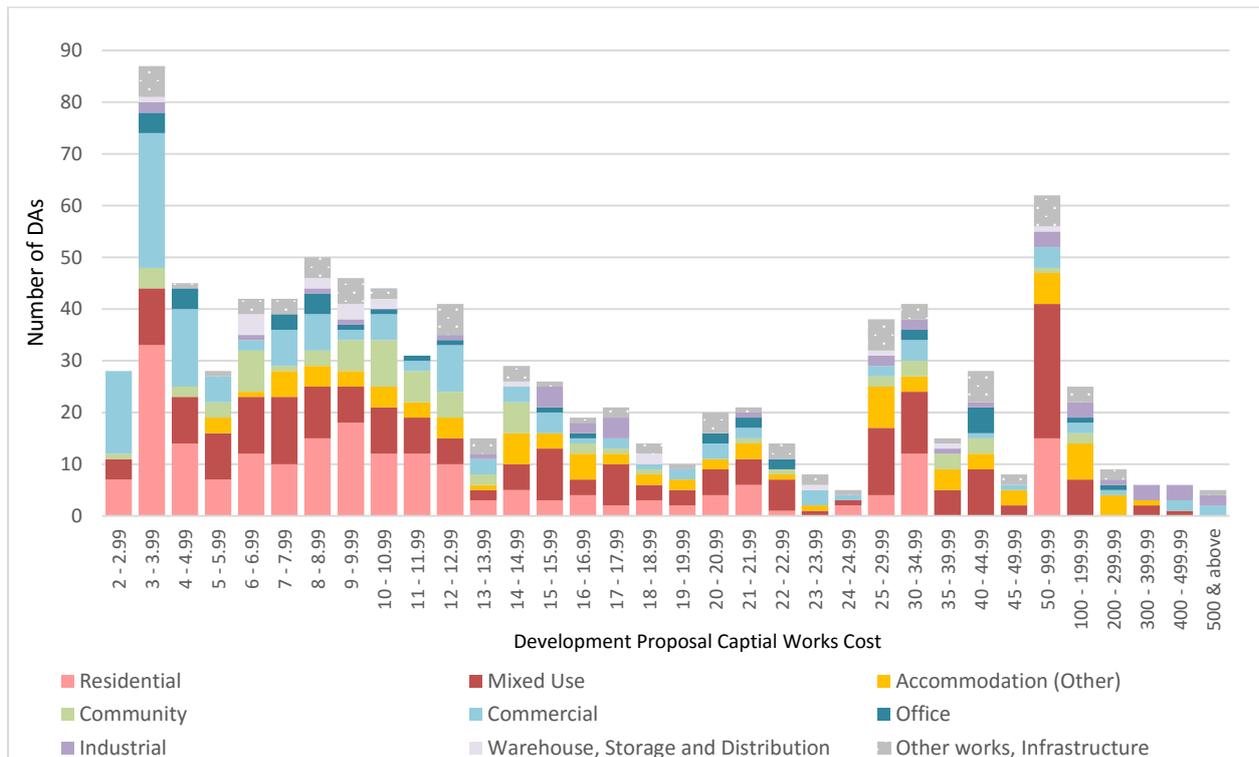
Proposed Development Use	All DA's	2015-16
Accommodation (Other)	10%	8%
Commercial	15%	21%
Community	8%	10%
Industrial	4%	3%
Mixed Use	24%	29%
Office	4%	1%
Other works, Infrastructure	9%	4%
Residential	23%	23%
Warehouse, Storage and Distribution	2%	1%

DAPs Application, Development Costs

Overall, between 2011-16, the median value of DAPs applications is \$12m. One in five applications has had development cost value of less than \$6m whilst 20% applications have had a value of \$25m or greater. The break-down of development types remains largely consistent and does not vary too significantly as development costs increase. In particular, the composition of residential and mixed development remains largely the same. However, it is notable that the majority of community applications fall below \$15m. Proportionally, the number of industrial development and 'other works, infrastructure' is much higher amongst the higher value DAs.

Figure 8 shows the prominence of the large number of applications that just met the DAPs application costing threshold criteria with a value of \$3-4m (\$3m was the minimum opt value prior to 2015). Indeed, some 9% of all DAs received over the life time of DAPs have had a development cost between \$3-4m. It also notable that development valued between \$3 and \$4m had a higher tendency to be refused, with 16% of DAs with this costing refused between 2011-15 this compares to the wider rate of refusal rate of 10% for all DAs received over the lifetime of the DAPs system.

Figure 8: Development value by application type, 2011-16



Following the amendments to the DAPs application threshold, there has been a marked shift in the development cost breakdown, with a clear shift towards lower cost developments. This trend is demonstrated by the fact that one in three DA determined by a DAPs in 2015-16 had a value of less than \$6m, whilst almost half of DAs had a value of less than \$10m. As figure 8.1 shows, most forms of development have mirrored the overall shift towards lower cost development proposals. For example, whilst commercial development appears across the full range of development costs, commercial development is much more prevalent in lower development costs bands. In 2015-16, some 47% of all DAs for commercial uses carried a capital works cost of less than \$4m. This form of development is notable by the fact that it is largely dominated by applications for service stations.

Whilst most forms of development have a median construction cost value similar to that of the overall DAs, the exemptions to this are, 'accommodation, other', 'Industrial' and 'other works, Infrastructure'. Typically 'accommodation other' with a value of greater than \$25m is characterised by development for hotels and aged care accommodation, whilst 'industrial' and 'other works, infrastructure' has been for a range of different developments.

Figure 8.1: Development value by application type, 2015-16

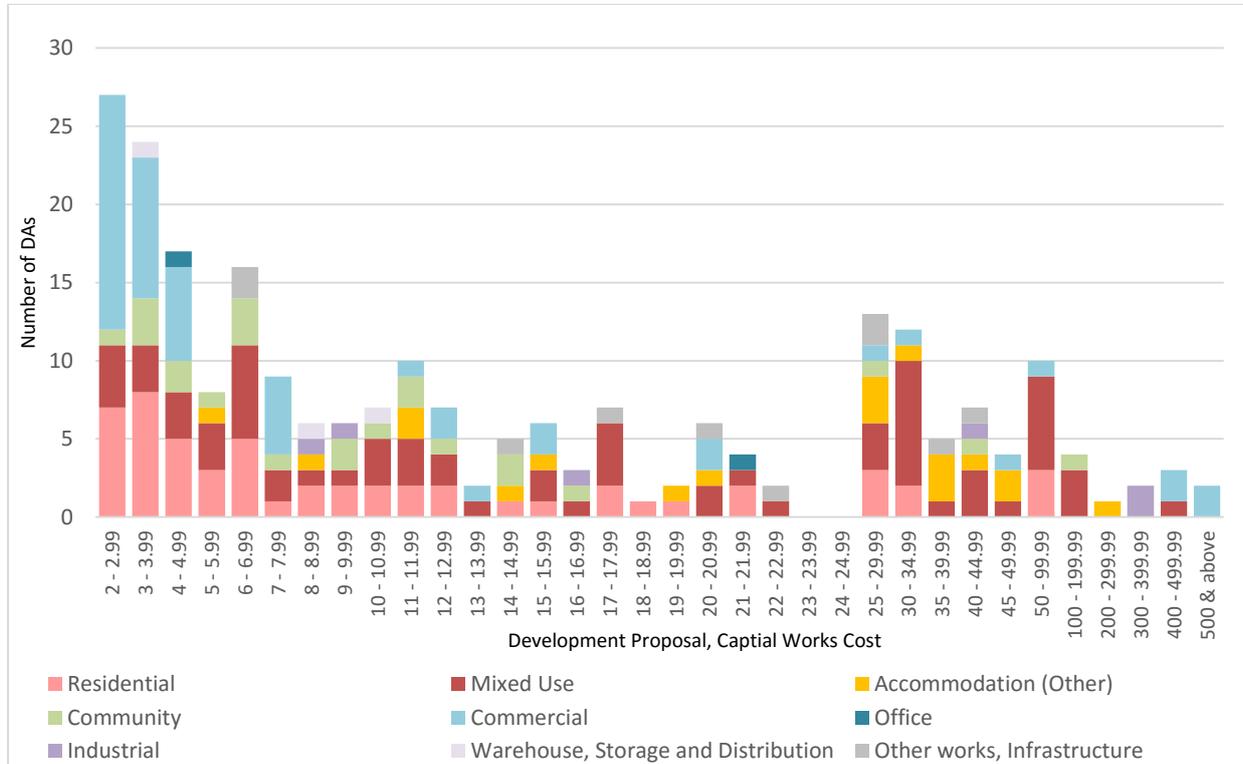


Table 5 sets out the typical development outcomes for mixed use and residential DAs assessed by DAPs in 2015-16. Developments assessed by DAPs around the \$30m mark typical provide for approximately 150 residential units, whilst development at \$20m typically provide around 100 units. Meanwhile, development assessed by DAPs with a costing of \$2-2.5m was typical for 10 multiple units.

In considering a scale at which residential development becomes strategic or complex, a useful measure is the WAPC *Liveable Neighbourhoods* policy sets out the requirement for one primary school per 1,500 units. Accordingly, if this requirement were applied, a typical residential development proposal costing less than \$4m would fulfil just 1.3% of the 'Liveable Neighbourhoods' requirement, and in that context could not be described as either complex or strategic.

Table 5: Typical Development Form, Residential development / Mixed Use Development 2015-16

Development Value	Typical Development Form	
Less than \$4m	Less than 20 units	
\$4m to \$10m	20 to 50 units	Up to 4 storey
\$10 to \$20m	50 to 100 units	5 to 10 storey
Greater than \$20m	100 units and above	10 storey and above

Funding for DAPs

The State Budget Papers provide information about the appropriations (funds allocated) to the Department of Planning to run DAPs. 2014-15 was the last year that this information was included. As a result, it is difficult to gain a clear understanding of current levels of funding for DAPs.

Table 6: Appropriations to Department of Planning for DAPs

DAP Appropriation	Budget (\$'000s)	Actual (\$'000s)
2011-12	716	726
2012-13	716	1,116
2013-14	1,137	?
2014-15	1,701	?

Source: *Successive WA Budget Papers.*

Based on the latest available information, funding provided for DAPs has increased substantially since their introduction in 2011-12.

- \$712k per annum was initially provided in the 2011-12 budget to the Department of Planning for DAPs.
- This allocation has progressively increased over time.
- The 2014-15 budget forecasts that funding for DAPs will reach \$1,701k per annum from 2014-15 to 2017-18.

The level of funding provided increased substantially in 2012-13 compared to the estimate initially contained in the 2012-13 Budget and compared to the previous year.

- Actual appropriations were \$1,166k, compared to the budget estimate of \$716k, and the previous year of \$726k.
- The budget papers do not provide much explanation for this increase, other than reference to an 'increase in revenue received for Development Assessment Panels fees'.
- This is likely to reflect a greater number of applications assessed by DAPs during this period. The number of applications assessed increased from 157 to 265 over this period – a 68% increase.

The 2014-15 budget figures suggests that there is now greater consistency between budget and actual results, with estimated outturn unchanged from the budget estimate of \$1,137k.

Comparisons between the Budget Papers and Department of Planning Annual Reports show that revenue generated from DAPs fees and charges aligns with appropriations provided to the Department of Planning for DAPs in 2011-12 and 2012-13. This suggests that fees are being set at cost recovery, and then provided back to the Department to run DAPs. However, it is not clear whether any additional funding on top of this, is provided to the Department.

Given the lack of more recent data, is also unclear whether this is still the case. However, it is appropriations for 2013-14 and 2014-15 (where actual data is not yet available) is will likely be \$1,152k and \$1,146k respectively. This is the most reliable indication of the cost of running DAPs in recent years, given that there is no publicly available information in relation to secretariat and reimbursement (largely travel and administrative) costs. The only public information is the member sitting fees, which appear to be largely stable over time.

Table 7: DAPs Fees Revenue vs Appropriations to Department of Planning for DAPs

	2011-12	2012-13	2013-14	2014-15
DAPs Fees ('000s)	726	1,166	1,152	1,446
DAPs Appropriation*	726	1,166	1,137	1,701

Source: Successive WA Budget Papers, Successive Department of Planning Annual Reports.

Considerations

	2011-12	2012-13	2013-14	2014-15	2015-16
DAPs Fees ('000s)	726	1,166	1,152	1,446	N/A
DAPs Appropriation*	726	1,166	1,137	1,701	1,701
Applications received		265	321	429	438**
Meetings held**	67	133	170	200	258
Meets per application		2	1.9	2.1	1.7
Appropriation per meeting	10.8	8.8	6.7	8.5	6.6

Source: Successive WA Budget Papers, Successive Department of Planning Annual Reports.

*Data for beyond 2014-15 is estimated, based on figures contained in 2014-15 Budget.

** WALGA figures, all other figures taken from State Budget papers

There is a need for greater transparency around the funding of DAPs. There is good data contained in the annual reports in relation to revenue from fees, applications, and member sitting fees costs. However, very little information is available in relation to resources provided for the DAPs secretariat, and other reimbursement costs for members and local government including transport and accommodation, printing, catering, minutes and security costs.

The lack of information in the budget papers from 2015-16 onwards means that the level of appropriations currently provided for DAPs is unknown. As a result, is not clear whether revenue from fees is still sufficient to recover the costs of running DAPs.

Further, as previously discussed, having declared a 'direct pecuniary interest' DAPs panel members often left the meeting whilst the relevant item was being discussed. Accordingly, this raises genuine questions about whether the DAPs member fees, which are awarded on meeting attendance are appropriate or not, particularly when consideration is given to the fact that on average DAPs meetings deal with less than two items.

There has been a significant increase in the fee revenue (and accordingly the appropriations) related to DAPs, compared to when they were first introduced in 2011-12. It is unclear whether there has been a commensurate decrease in fees generated from development applications that are not assessed by DAPs.

It is unclear whether the size of the DAPs secretariat has increased over time, as a result of the increase in applications being processed.

Greater consistency in reporting of other KPIs would also help to determine the effectiveness of DAPs. The way that information has been reported since DAPs were first introduced has changed for some indicators, which has meant that there is not enough information to form a time series which can be used to assess performance over time. For example, there are only two data points (2013-14 and time taken to process applications). There are other areas where data is not available, for example, the number of meetings held, the number of meetings per application, etc.

Appendix 1 Development Use Categories

Accommodation (Other)	Aged Care Holiday / Tourist Accommodation Hotel	Serviced Apartments Workers Accommodation
Commercial	Alcohol Licenced Premise (Pub/Bar) Beauty Studios Car Wash Cinema Fast Food Fuel Filling Station	Hired Goods Restaurant Retail Shopping Centres Showroom Vehicle Sales
Community	Airport, Railway, Bus Station Family Day Care Health / Medical Facility Library Places Of Worship	Public Open Space School Sporting Facility Veterinary Hospital
Industrial	Food Production Facility- Abattoir - Mill Light Industrial Mining Operation Power Station0	Recycling Facility Renewable Energy Facility Vehicle Repairs & Dismantling Workshops
Mixed Use	Any development with multiple components that fall into different development categories	
Office	Office Research And Development And Laboratory Facilities	Television Studio
Other Works, Infrastructure	Additions And Alterations Earthworks Infrastructure Works - Substation - Water Corp Facility etc Landfill	Miscellaneous Works Outbuilding Vehicle Parking
Residential	Residential Accommodation	
Warehouse, Storage and Distribution	Distribution Facility Storage	Transport Depot Warehousing