

20/21 Our New System Benefits

Assessment system benefits:

- **Faster** decisions for simple applications
- **Better** pathways for complex applications
- **Online** lodgement and monitoring of applications
- **Better** customer interface which is digital by default
- **Better** data and analytics to monitor the system
- **Efficient** ePlanning system changes to respond to changing regulations and procedures.

Fees and charges model benefits:

- **Simplify** fees to make them easier to understand and enable automation in ePlanning solution
- **Better** alignment of fees with work effort undertaken by authorities
- **Greater** cost recovery for government to fund ePlanning investment and ongoing operations
- **Greater** cost recovery for government agencies acting as referral bodies
- **Realignment** of fees to better reflect the various roles of government and councils in the planning system
- **New** assessment pathways require a fee structure
- **Greater** focus on compliance, with fees designed to enhance safety and reduce rectification costs when buildings have not met standards.

A Simpler Fee Structure

Lodgement	This is a flat fee charged to applicants regardless of type. It cost recovers the support model for the planning system and is returned to the Department. Fee is increasing from \$68 to \$177.
Assessment (Planning, Land Division and Building)	The Assessment fee is to be returned to the relevant decision making authority to recover the costs of that activity. While the fees are set by regulation, a private sector accredited professional may set a higher or lower fee than prescribed in the regulations – it is set at a market rate.
Compliance	This fee recognizes the compliance function played by Councils and recovers inspections and general compliance. The fee replaces some of the lodgement fee previously received by Councils.
Referral Agency	Standard fee for most referrals of \$398 with some variations to the Environment Protection Authority, Native Vegetation, SA Housing Authority and Technical Regulator.

Key outcomes:

- Faster, more efficient and cost-effective assessment pathways with Deemed-to-Satisfy (five days) and Performance Assessed (20 days)
- Increased national and state requirements around inspections creates stronger compliance and improves safety of buildings
- Private certifiers can set fees at market rate
- Cost recovery for councils now varies based on performance and type of development
- SA's fees remain one of the lowest in the country.

Annual Review Process

- It is recommended that an annual review process be undertaken to evaluate the fees and charges once the system is fully operational and the benefits well understood. Review to be completed for any adjustments to be made by July 2022.

Case Studies

\$48.5 Million Multi-Story Residential (Performance Assessed)

	Development Act Fee	PDI Act Fee
Lodgement	\$146	\$177
Planning	\$60,625	\$60,625
Building*	\$42,130	\$74,640
Compliance	Nil.	\$2,500
Total**	***\$103,124	\$137,942



* mostly undertaken by private certifiers who can set fees
 ** excluded referral fees
 *** includes other minor fees

A multi-story apartment with a development cost of \$48.5 million could cost \$137,942 in assessment and compliance fees under the new Act (noting accredited professionals may apply market rates) compared to \$103,124 under the Development Act.

The planning fees remain the same at \$60,625.

The extra \$34,818 in fees covers the building rules consent and supports a higher standard of inspection and compliance to meet national and community expectations.

Assuming 150 apartments, this increase would equate to around \$232 per apartment. This greater scrutiny is a worthwhile investment given that average claims for rectification works in Victoria were \$34,000 for non-structural defects and \$51,000 for structural defects across 2018-19.

Note: Accredited Professionals can set fees at market rates. Most of these building types will be assessed by a private building certifier.

\$10 Million Medium Rise Residential

	Development Act Fee	PDI Act Fee
Lodgement	\$146	\$177
Planning	\$12,500	\$12,500
Building*	\$11,520	\$16,890
Compliance	Nil.	\$2,500
Total**	***\$24,389	\$32,067



* mostly undertaken by private certifiers who can set fees
 ** excluded referral fees
 *** includes other minor fees

A multi-story apartment with a development cost of \$10 million would cost \$32,067 in assessment and compliance fees under the new Act, compared to \$24,389 under the Development Act.

The planning fees remain the same at \$12,500. The extra \$7,680 in assessment fees covers the building rules consent (noting accredited professionals may apply market rates), and ensures a higher standard of inspection and compliance to meet national and community expectations.

Assuming 40 apartments, this increase would equate to \$192 per apartment. This greater scrutiny is a worthwhile investment given that average claims for rectification works in Victoria were \$34,000 for non-structural defects and \$51,000 for structural defects across 2018-19.

Note: Accredited Professionals can set fees at market rates. Most of these building types will be assessed by a private building certifier.

\$400,000 Dwelling (Performance Assessed)

	Development Act Fee	PDI Act Fee
Lodgement	\$146	\$177
Planning	\$500	\$500
Building	\$987	\$1,000
Compliance	Nil.	\$290
Total	***\$1,701	\$1,967



*** includes other minor fees

A Performance Assessed house of \$400,000 will cost an extra \$266 dollars in fees.

The new system provides for a 20 business day planning decision (provided it is not notified), compared to 8 weeks under the Development Act.

The planning fee doesn't change under the new system and the building assessment fee has a nominal increase of \$13.

The extra cost comes from the compliance fee of \$290, consisting of a new \$50 Certificate of Occupancy fee and inspection costs, giving home owners greater peace of mind that their house is suitable for occupancy.

The Certificate of Occupancy achieves consistency across the nation and strengthens legal responsibilities around decision making.

\$205,000 Dwelling (Deemed-to-Satisfy)

	Development Act Fee	PDI Act Fee
Lodgement	\$146	\$177
Planning	\$256	\$210
Building	\$658	\$513
Compliance	Nil.	\$290
Total	***\$1,129	\$1,190



*** includes other minor fees

A Deemed-to-Satisfy house of \$205,000 will cost an extra \$61 in assessment fees for a 5 day planning decision.

Due to the new efficiencies, the planning and building rules assessment fees have gone down.

Currently 'complying' houses should take 10 days, but may take anywhere between 2 days and 70 days, across the 68 Councils.

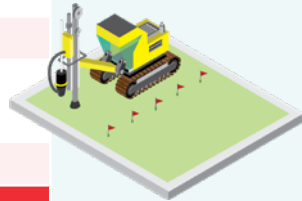
Accredited professionals may be the decision maker for planning and/or building consent (applicants choice) and can set lower fees, and reduce timeframes if they become particularly efficient at processing these applications.

The extra cost comes from the compliance fee of \$290, consisting of a new \$50 Certificate of Occupancy fee and inspection costs, giving home owners greater peace of mind.

Note: if the house was accepted development, there would be no planning fee at all. Accepted standards for houses in master planned communities are under development.

Land Division (one allotment into two)

	Development Act Fee	PDI Act Fee
Lodgement	\$229	\$177
Planning	\$188	\$175
Statement of Requirements	\$455	\$200
Other	\$608	\$1028
Total	\$1,480	\$1,580



Note: Land Division Assessment fees have been recalibrated to ensure the correct fee revenue goes to the right authority.

Small-scale land divisions can be assessed by an accredited professional (surveyor).

Accepted Carport (<\$10K)

	Development Act Fee	PDI Act Fee
Lodgement	\$125	\$177
Planning	N/A	N/A
Building	\$73	\$130
Compliance	N/A	N/A
Total	\$198	\$307



Building rules consent only is required.

An Accepted Carport of <\$10K will cost \$307 under the new Act, compared to \$198 under the Development Act.

The additional \$109 is attributed to the lodgement fee (a standard \$177 that goes to the State to run the planning system) and the building fee of \$130.

Building companies that lodge high volumes of applications such as carports, will experience significant benefits to the new system.

- On-line lodgement
- Dashboard for managing their applications
- Quicker decisions
- No need to contact councils chasing decisions.



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