

Department of Climate Change, Energy, the Environment and Water

# Housing Approvals Reform Action Plan | DCCEEW Water, WaterNSW & Sydney Water

A commitment to meet housing targets

November 2024



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# Acknowledgement of Country



Department of Climate Change, Energy, the Environment and Water acknowledges the traditional custodians of the land and pays respect to Elders past, present and future.

We recognise Australian Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to place and their rich contribution to society.

Artist and designer Nikita Ridgeway from Aboriginal design agency – Boss Lady Creative Designs, created the People and Community symbol.

## More information

<https://water.dpie.nsw.gov.au/>

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# Purpose

The strategic housing priorities of the Australian and NSW Governments focus on increasing the supply of diverse, well-located homes; and enhancing social, affordable housing.

The Water Group of the NSW Department of Climate Change, Energy, the Environment and Water (DCCEE Water), WaterNSW and Sydney Water (The Water Sector agencies) are committed to these housing priorities, and to integrate considerations for strategic land use planning and water servicing needs.

This includes ensuring statutory obligations are met for sustainable water management practices that focus on securing reliable water supplies, improving water efficiency, and integrating recycled water and stormwater management systems.

In acknowledging the concerns of our stakeholders and the various causes of delays in housing development across NSW, this Housing Approvals Reform Action Plan proposes 4 short to medium term outcomes:

Outcome 1 - Reduce turnaround times

Outcome 2 - Update policy and regulation

Outcome 3 - Improve governance and increase capability

Outcome 4 - Increase process transparency and information

To achieve these outcomes this plan sets out the first 13 actions we will take:

1. Expand risk-based triaging for all referral types
2. Continue streamlining the construction dewatering process
3. Revise key performance indicators and align performance reporting
4. Help developers and Water Servicing Coordinators get their applications right first time
5. Promote early engagement on applications
6. Promote a culture of fast service and solutions focus
7. Amend the Water Management (General) Regulation 2018 relating to licensing and approvals exemptions
8. Update relevant planning instruments to improve water servicing considerations in strategic planning
9. Strengthen planning approvals, advice coordination and responsibilities for strategic and statutory water matters
10. Uplift resource capacity and capability
11. Further improve website information
12. Deliver new Business to Business (B2B) workflow system (Sydney Water)
13. Continue online education forums for key stakeholders.

Supported by a set of sub-actions, these 13 actions are the highest value and high impact actions. They build on the water licensing and approvals improvement work that The Water Sector agencies have delivered in recent years.

Each sub-action will have a defined project plan noting responsible team/agency leads, key stakeholders, and tasks.

The Water Sector agencies are also progressing other actions as part of continuous business improvements.



Aerial view, residential housing, Camden. Image credit - Bill Code/Department of Planning, Housing and Infrastructure (DPHI)

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# Background

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## Principal legislation that governs the management of and impacts to water

- *Water Management Act 2000* (WM Act) - that allocates and provides for the protection, safe, secure, efficient, sustainable, affordable and integrated water management of water sources for the benefit of present and future generations. Regulate works on waterfront land and manage water licenses and approvals of larger entities including water utilities.
- *Environmental Planning and Assessment Act 1979* (EP&A Act) – new or expanding developments and activities generally require an environmental impact assessment through the acts regulatory tool. Matters related to water supply, surface and groundwater impacts and works on waterfront land may be referred to DCCEE Water.

## The Water Group NSW planning system interactions

### Strategic planning, planning proposals and rezonings

- Provide requirements of the Water Management Act 2000 (WM Act).
- Requirements relate to watercourse corridors and principles, water entitlement requirements and water security as well as potential surface and groundwater requirements and impacts.

### State Significant Development (SSD)/State Significant Infrastructure (SSI)

- Assessment of relevant impacts at pre- and post- approval stages.
- Focus areas for assessment include groundwater and surface water impacts, waterfront land, watercourse design and riparian corridors, water supply and licensing requirements.

### Development assessment (DA)

- Assessment and issuing of General Terms of Approval (GTA) for DA.
- Focus areas for assessment include works on construction dewatering (WaterNSW), waterfront land, WM Act and Water Sharing Plan (WSP) requirements for surface and groundwater.
- DCCEE Water provides subject matter expert (SME) advice to WaterNSW for construction dewatering matters.
- Assessment of modifications

### Post DA approvals

- Assessment and issuing of licences and/or approvals prior to commencement of works/activity.
- Focus areas for assessment include technical assessment for surface and groundwater works and take and confirming compliance with WSP rules and requirements.
- Conducts full assessment for construction dewatering works referred by WaterNSW.

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## What we have heard

DCCEE Water recently hosted a Developer Forum (mid-August 2024) where constructive feedback was received for the Water Sector agencies for improvements to housing related planning approvals.

The Water Sector agencies committed to develop action plans for high value and high impact initiatives to address these issues in the short to medium term.

The issues raised are mostly known issues that the Water Sector agencies have been working to resolve for some time, acknowledging time, resource and financial constraints.

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## What we have delivered

Since mid-2022 and into 2024, the following improvements were made:

- Process mapped key water licensing and approval workflows, planning system interactions, to identify improvement opportunities and business requirements.
- Updated DCCEE Water website content to reduce overall customer effort, supporting customers to better self-serve online.
- Developed additional guidelines and support documentation to assist customers provide more consistent applications.
- System enhancements to the NSW Planning Portal for Concurrent & Referrals (C&R) and Controlled Activity Approvals (CAA), including triaging (for C&R and CAA) and assessment (for C&R) processes for back-office efficiency and improved turnaround times. Improved application tracking for local government.
- System enhancements to the NSW Planning Portal for SSD/SSI, including opening a communications channel in the portal for proponents and Water Group staff to seek updates on post-approval matters as well as enhanced project tracking.
- Implemented risk-based triaging of groundwater assessment referrals for SSD/SSI and construction dewatering projects to reduce the net workload on SME staff and improve turnaround times.
- Secured additional staff and capability training uplift for teams involved in CAA and groundwater assessments, reducing assessment times.
- Improvements to reporting and performance for Integrated Development Applications (IDAS) and CAA referrals and prioritised requests for further information reducing delays.
- Stakeholder engagement and education events on key licensing and approvals requirements such as DPHI Planning's Water Knowledge Bites webinar to local government.
- Realigned Sydney Water teams to focus on developer journey and known pain points
- Improved Sydney Water triage processes to allocate new work faster
- Updated Sydney Water Engineering Competency Standards, Civil Technical Specifications and other technical documents to reflect industry feedback
- Increased Sydney Water risk appetite for servicing capacity in housing infill areas.

These initiatives align with the outcomes and actions of this plan and will support continuous improvement in contribution to housing reforms.

# Action Plan Outcomes

## Outcome 1: Reduce turnaround times

### Action 1. Expand risk-based triaging for all referral types

**Expected benefits:** streamlined triage process steps; reduces the number of referrals to Water Group; reduces the net workload on subject matter expert (SME) staff; and aligns with customer expectations.

| Sub-actions   | Indicative time & expected completion |
|---|---------------------------------------|
| 1.1 Develop and implement risk-based triaging rules for Subject Matter Expert (SME) referral within Water Group and standardised responses for low-risk matters for integrated development applications (IDAS) and water supply work approval (WSWA). | 6 months<br>April 2025                |
| 1.2 Implement the risk-based triaging rules that have been developed and currently being trialled for controlled activity approvals (CAA).  | 6 months<br>April 2025                |
| 1.3 Define and implement a geographical-based triage model that identifies areas of low risk where construction dewatering development applications GTAs and WSWA can be turnaround quicker (no technical assessment from DCCEEW).                    | 6 months<br>April 2025                |



Regional housing development, Central Coast, Image credit - Mikey Matthews/DPHI



## Action 2. Continue streamlining the construction dewatering process

**Expected benefits:** streamlined triage process steps; reduces the number of referrals to Water Group; reduces the net workload on SME staff; improve customer accountability; and provide flexibility in process for improved customer experience.

| Sub-actions   | Indicative time & expected completion |
|---|---------------------------------------|
| 2.1 DCCEE Water will provide input into the current review of the General Terms of Approval (GTAs) for infrastructure dewatering (IDAS), this is required to improve flexibility and implement the geographical based triage.   | 6 months<br>April 2025                |
| 2.2 Update external facing guidelines to improve standard of planning and approval documentation submitted to the Water Group.  | 12 months<br>October 2025             |
| 2.3 Technical updates to the Minimum Requirements for Building Site Groundwater Investigations and Reporting: Information for Developers and Consultants (October 2022) regarding: the model used, risk to water source, and extraction volumes; and promote to stakeholders. | 12 months<br>October 2025             |
| 2.4 Pilot, with DPHI, a government led, priority precinct wide groundwater study to assist with improving assessment timeframes by providing reliable and up-to-date groundwater information for use by proponents.   | 6 months<br>April 2025                |

## Action 3. Revise key performance indicators and align performance reporting

**Expected benefits:** single source of truth for categorised housing related water licensing, assessment and approval performance data; increased transparency and accountability across teams and decision makers and aid in prioritisation; and enable evidenced-based decision-making.

| Sub-actions   | Indicative time & expected completion |
|---|---------------------------------------|
| 3.1 Revise and refresh water sector licensing and approvals performance reporting, including planning system and <i>Water Management Act 2000</i> consent transactions. | 12 months<br>October 2025             |



New housing under construction at Googong. Image credit - Jaime Plaza van Roon/DPHI

## Action 4. Help developers and Water Servicing Coordinators (WSC) get their applications with Sydney Water right first time

**Expected benefits:** High quality applications reduce the need for double handling and will improve the turnaround time for approvals.

| Sub-actions  | Indicative time & expected completion |
|--|---------------------------------------|
| 4.1 Track application rejection themes and seek WSC feedback on pain points            | 2 months<br>January 2025              |
| 4.2 Implement training program for WSCs to improve capability                          | 12 months<br>October 2025             |
| 4.3 Review and refresh guidelines for applications and provide education to applicants | 8 months<br>June 2025                 |

## Action 5. Promote early engagement on Sydney Water applications

**Expected benefits:** A better understanding of constraints, opportunities and feasibility of an application will allow for efficiencies and help develop a robust application.

| Sub-actions   | Indicative time & expected completion |
|---|---------------------------------------|
| 5.1 Work with referral authorities to promote earlier engagement via feasibility and Anticipated Notice of Requirements processes | 12 months<br>October 2025             |
| 5.2 Work with developers and WSCs to actively promote lodgement of s73 application concurrently with Development Applications     | 12 months<br>October 2025             |
| 5.3 Facilitate pre-lodgement meetings for Building Plan Approvals   | 8 months<br>June 2025                 |

## Action 6. Sydney Water to promote a culture of fast service and solutions focus

**Expected benefits:** Quicker turnaround of Section 73 and Building Plan Approval applications.

| Sub-actions  | Indicative time & expected completion |
|--|---------------------------------------|
| 6.1 Implement internal Service Level Agreement for application/design review times | 6 months<br>April 2025                |
| 6.2 Minimise avoidable referrals by building internal capability                   | 12 months<br>October 2025             |

## Outcome 2: Update policy and regulation

### Action 7. Amend the Water Management (General) Regulation 2018 relating to licensing and approvals exemptions

**Expected benefits:** Improved targeted low risk changes to water licencing and approvals to facilitate priority housing and public infrastructure related development

| Sub-actions  | Indicative time & expected completion |
|--|---------------------------------------|
| 7.1 Provide a water access licence exemption for construction related groundwater dewatering across all coastal groundwater sources, subject to satisfactory commitments from the construction sector for improved compliance with water take reporting obligations under exemption. | 8 months<br>June 2025                 |
| 7.2 Replace existing water access licence exemption road/rail construction and maintenance with a broader exemption for road, rail and public utility infrastructure construction and maintenance including private water industry infrastructure which serves a public purpose.     | 8 months<br>June 2025                 |
| 7.3 Explore the possibility to provide an ability for the Minister for Water to specify areas of the Sydney Metropolitan region within which residential developments are exempt from water supply work approval requirements.   | 12 months<br>End of 2025              |
| 7.4 Explore the possibility to provide a conditional water supply work approval exemption for public authorities building and maintaining road, rail and public utility infrastructure.  | 12 months<br>End of 2025              |
| 7.5 Implement a reformed, fit-for-purpose, long-term licencing and approvals framework for infrastructure dewatering.  | 18 months<br>Early 2026               |



Mid-rise housing and inner city transport, Summer Hill, Sydney. Image credit - James Grabowski/DPHI

## Action 8. Update relevant planning instruments to improve water considerations in strategic planning

**Expected benefits:** Improved strategic planning for water for housing urban release areas to reduce delays in meeting the NSW Government’s housing targets and ensure that water is available to meet the demand.

| Sub-actions  | Indicative time & expected completion |
|--|---------------------------------------|
| 8.1 Work with the Department of Planning Housing and Infrastructure (DPHI) to draft a Ministerial direction related to water servicing under section 9.1(2) of the <i>Environmental Planning and Assessment Act 1989</i> .   | 12 months<br>October 2025             |
| 8.2 Review opportunities to update State Environmental Planning Policies (SEPPs) to include water security by requiring servicing considerations upfront and earlier in the planning process.  | 12 months<br>October 2025             |
| 8.3 Support the update of industry-specific Secretary Environmental Assessment Requirements (SEARs) to have a more consistent and prescriptive approach to water requirements.   | 12 months<br>October 2025             |
| 8.4 Explore the following options with DPHI to update Local Environmental Plans (LEPs) to better address water requirements: develop water-related ‘aims of plan’ provisions; update the Standard Instrument LEP to standardise water servicing requirements; and introduce a standard LEP clause relating to water for Urban Release Areas. | 12 months<br>October 2025             |



Water sensitive urban design, Googong new housing development. Image credit - Jaime Plaza van Roon/DPHI

## Outcome 3: Improve governance and increase capability

### Action 9. Strengthen planning approvals, advice coordination and responsibilities for strategic and statutory water matters

**Expected benefits:** support application preparation and timely submissions that meet the department's expectations to reduce confusion, requests for information and double handling.

| Sub-actions   | Indicative time & expected completion |
|---|---------------------------------------|
| 9.1 Centralise coordination of strategic and statutory water matters, including: develop business as usual (BAU) processes; develop triage and response rules; develop standard responses, deliver staff training and stakeholder engagement. | 8 months<br>June 2025                 |

### Action 10. Uplift resource capacity and capability

**Expected benefits:** Increased staffing resources will reduce assessment timeframes. Additional training will improve overall capability of staff to meet assessment demand.

| Sub-actions  | Indicative time & expected completion |
|--|---------------------------------------|
| 10.1 Implement the outcomes of the Water Administration Ministerial Council (WAMC) IPART and the NSW Treasury funding submissions to seek cost recovery and staffing for assessments across all subject matter expert areas. | 8 months<br>June 2025                 |
| 10.2 Realignment of assessment prioritisation to enable more streamlined responses for housing development.  | 4 months<br>March 2025                |
| 10.3 Staff training and capability uplift.   | 8 months<br>June 2025                 |



New water and wastewater infrastructure. Image credit - Another77/Shutterstock

## Outcome 4: Increase process transparency and information

### Action 11. Further improve website information

**Expected benefits:** reduce the 3 existing online website customer entry points to 1; and improve website content to improve customer experience and information available.

| Sub-actions   | Indicative time & expected completion |
|---|---------------------------------------|
| 11.1 Design and deliver a single point of online entry for all water licensing and approvals customers. | 8 months<br>June 2025                 |
| 11.2 Make improvements to agency contact information.   | 4 months<br>March 2025                |

### Action 12. Deliver new Business to Business (B2B) workflow system – Sydney Water

**Expected benefits:** Improved transparency, faster turnaround time, improved customer experience for developer customers

| Sub-actions  | Indicative time & expected completion |
|--|---------------------------------------|
| 12.1 Complete Request for Proposal to select digital solution platform | 4 months<br>March 2025                |
| 12.2 Transfer case management from e-developer to new platform         | 14 months<br>February 2026            |

### Action 13. Continue online education forums for key stakeholders

**Expected benefits:** Greater understanding of the approval pathways available and assessment requirements will have less requests for additional information and faster approvals

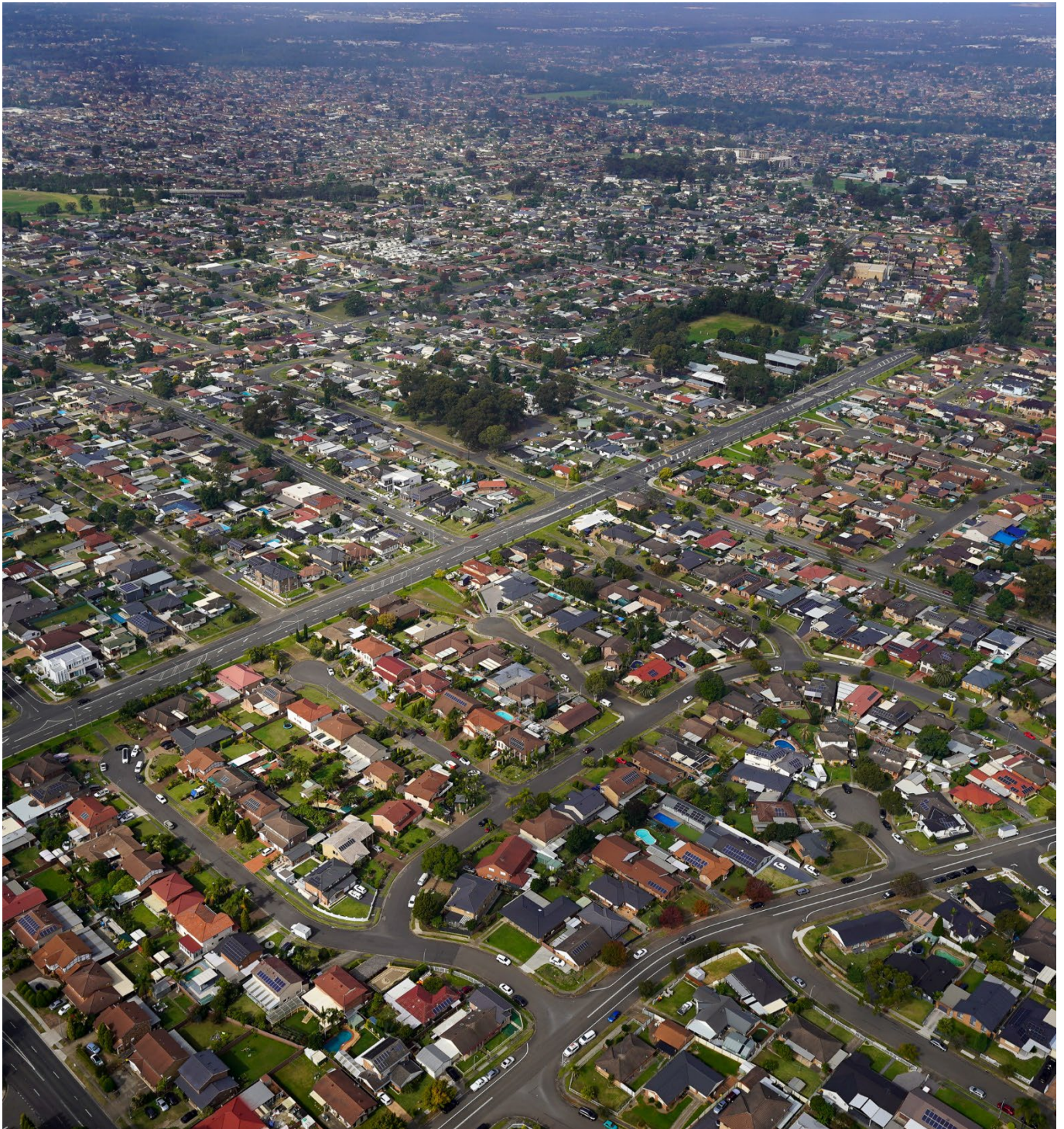
| Sub-actions  | Indicative time & expected completion |
|--|---------------------------------------|
| 13.1 Continue information and education sessions for local government and developers, with a focus on approval pathways, what to refer and at what stage, and update on improvements made late 2024 to early 2025. | 6 months<br>April 2025                |

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## Governance and tracking progress

Individual project plans will be prepared for each action in this Housing Reform Action Plan tailored to reflect the level of change required. Each action project plan will align to the outcomes to ensure they deliver the intended benefits, through accountability and collaboration, to contribute to the NSW Government's Building Homes for NSW Program and the National Housing Accord targets.

A Project Control Group will be responsible for delivery of this action plan and report to a Project Steering Committee comprising of Senior Executives from DCCEEW Water, Water NSW and Sydney Water.



Aerial view of Sydney suburbs. Image credit - Vince Bucello/DCCEEW