



COST RECOVERY IMPLEMENTATION STATEMENT

Consideration of proposals to approve ‘works’ in the Designated Areas of the ACT (Works Approval)

Cost recovery involves government entities charging individuals or non-government organisations some or all of the efficient costs of a specific government activity. This may include goods, services or regulation, or a combination of them. The Australian Government Cost Recovery Guidelines (the CRGs)¹ set out the overarching framework under which government entities design, implement and review cost recovered activities.

¹ The CRGs are available on the Department of Finance website (www.finance.gov.au).

1. INTRODUCTION

1.1 Purpose of the CRIS

This Cost Recovery Implementation Statement (CRIS) provides information on how the National Capital Authority (NCA) will implement cost recovery for the consideration of proposals to approve 'works' in the Designated Areas of the ACT. It also reports financial and non-financial performance information for this activity and contains financial forecasts for 2015-2016 and three forward years. The NCA will maintain the CRIS until the activity or cost recovery for the activity has been discontinued.

1.2 Description of the activity

The activity being cost recovered is for works approval in the Designated Areas of the ACT, as set out in the *Australian Capital Territory (Planning and Land Management) Regulations (Regulation 5)* under the *Australian Capital Territory (Land Management) Act 1988* (PALM Act).

Works approval fees are payable by entities wishing to undertake works in the Designated Areas. These include but are not limited to:

- Developers wishing to undertake major redevelopments.
- Government entities (Commonwealth and Territory) or their contractors wishing to undertake construction or land management activities.
- Telecommunications providers undertaking excavations and installation of new infrastructure to improve communications networks.
- Entities wishing to erect temporary event related structures.

The PALM Act requires that no works shall be performed in a Designated Area unless the proposal to perform the works has been submitted to the NCA together with such plans and specifications as are required by the NCA:

Section 12 of the *PALM Act* requires that no works shall be performed in a Designated Area unless:

- the proposal to perform the works has been submitted to the NCA, together with such plans and specifications as are required by the NCA;
- the NCA has approved the works in writing; and
- the works are in accordance with the Plan.

Works is defined within the PALM Act as:

- *the construction, alteration, extension or demolition of buildings and/or structures;*
- *landscaping;*
- *tree felling; or*
- *excavations*

but excludes anything done inside buildings or structures.

The NCA is required to consider proposals for works within the Designated Areas to ensure they are in accordance with the National Capital Plan (the Plan). This requires the engagement of professionally qualified persons to review and provide

recommendations as to whether proposals are in accordance with the Plan. There are direct costs that can be directly and unequivocally attributed to labour (including on-costs) and materials used to deliver products.

In performing the functions in relation to the consideration of proposals for works in the Designated Areas, the NCA ensures the Commonwealths ongoing interests in the National Capital, in particular the quality of development and land management in areas of Canberra considered to be of special national importance.

2. POLICY AND STATUTORY AUTHORITY TO COST RECOVER

2.1 Government policy approval to cost recover the activity

The cost of assessing proposals is recovered by charging a fee to the applicant when the application is lodged. The NCA has charged fees for works approval since 1992. Since that time the costs associated with the provision of this service have markedly increased.

The policy authority for cost recovery of processing applications for works approval was confirmed by the Australian Government in November 2015.

2.2 Statutory authority to charge

The NCA is established under the PALM Act which can be found on the ComLaw website at www.comlaw.gov.au/Series/C2004A03701.

Section 53 of the PALM Act states:

- (1) The Governor -General may make regulations, not inconsistent with this Act, prescribing matters:
 - (a) required or permitted by this Act to be prescribed; or*
 - (b) necessary or convenient to be prescribed for carrying out or giving effect to this Act.**
- (2) In particular, the regulations may provide for:
 - (a) the charging and recovery of fees in relation to proposals submitted to the Authority for approval under this Act; and*
 - (b) the remission, refund or waiver of those fees, or the exemption of persons from payment of those fees.**
- (3) The amount of a fee:
 - (a) must be reasonably related to the expenses incurred or to be incurred by the Authority in connection with the proposal in question; and*
 - (b) must not be such as to amount to taxation.**

In accordance with the *PALM Act*, the fee schedule is currently set via regulation under the *Australian Capital Territory (Planning and Land Management) Regulations*. *Regulation 5* outlines the current fee model. The current regulations can be found on the ComLaw website at <https://www.legislation.gov.au/Details/F2015C01009>.

3. COST RECOVERY MODEL

3.1 Outputs and business processes of the activity

The outputs from this cost recovered activity are the processed applications for works approval.

The key business processes required to process applications for works approval are:

- Liaise with prospective applicants advising of the relevant provisions of the Plan and the application process.
- Receive application and assess completeness of the application lodged by the applicant.
- Assess the application against the relevant provisions of the Plan.
- Communicate with the applicant to seek further information where the application is not sufficient to make a full assessment.
- Refer and liaise with external entities that may provide advice on specific legislative requirements required prior to approval.
- Prepare draft recommendation including an assessment of the proposal against the relevant provisions of the Plan for review and subsequent decision by the Delegate of the NCA.
- Monitor and ensure the processing of the application is considered within 15 working days. This does not include days where the NCA is awaiting further information from the applicant or released for public consultation.
- Manage public consultation processes and community briefing in relation to some applications.
- Prepare briefings for NCA's Board members to provide advice on decision.
- Advertising the application including preparation and installation of signs on the site of the application.
- Provide decision on the application to the applicant.
- Conduct post approval site inspections.

3.2 Costs of the activity

The main cost drivers for the processing of works approval include hours taken by the NCA planning officers to assess the application and prepare a recommendation for the Delegates consideration.

The costs incurred by the NCA in relation to consideration of proposals for works generally relate to employee expenses in undertaking the business processes required to assess and make a decision on the proposal. There are also further administrative processes related to receiving the application, ensuring the application is accurate and in accordance with *Sections 12(1)(a) or (c)* of the PALM Act and notifying the applicant when a decision has been made. These are direct costs included in the processing of the application workflow.

There are other indirect costs that are divided into different cost pools and attributed based on cost drivers. Indirect cost drivers include:

- Employee expenses related to non-regulatory employees

- Consultancies
- corporate support
- infrastructure operations
- IT costs, including maintenance
- Property operating and management costs.

3.2.1 Costs of assessing proposals for works

To estimate the cost of assessing proposals the following tables approximate the minimum, average and maximum times spent on the various business process required. These are broad estimates as each application requires a site specific response and assessment. The following assumptions are made in order to calculate these costs.

- Time is costed in 5 minute, 15 minute, 30 minute, 45 minute or 60 minute increments.
- A 5 minute cost is applied to all applications for the ongoing monitoring of applications by the Director of Development Assessment (EL2).
- Receiving the application and assessing for completeness (i.e. ensuring applications are in accordance with Sections 12(1) (a) or (c) of the PALM Act) takes less time for simpler applications but has a maximum of 1 hour for even the most complex of applications.
- Management of public consultation and requirements for site/visits and inspections are only applied to applications over \$500,000.
- The level of an assessing officer increases as the value of the works increases.
- Indirect costs were estimated at \$66.25 per hour after taking the full amount from the NCA's budget statements and dividing by the entire Works Approval team's hours.

Tables 2(a-f) describe the estimated minimum, mid and maximum amount of time spent and associated costs on separate proposals based on the break points in the fee schedule. The range of hours spent on projects can vary markedly, especially at the top end of the scale.

Table 2(a): The minimum, mid and maximum amount of time spent and associated costs of assessing proposals below \$100,000.

If the estimated cost of works does not exceed \$100,000							
Process	Level	Min Time (Hours)	Mid Time (Hours)	Max Time (Hours)	Min Cost	Mid Cost	Max Cost
Liaise With prospective applicants	APS4	0	0.25	0.5	\$0.00	\$11.68	\$23.35
Receive application and assess for completeness	APS4	0.08	0.08	0.25	\$3.74	\$3.74	\$11.68
Assess the Application against the relevant provisions of the Plan	APS6	0.5	1	2	\$31.40	\$62.80	\$125.60
Prepare Documentation for decision by Delegate	APS6	0.25	0.75	1	\$15.70	\$47.10	\$62.80
Monitor and ensure the processing of the application is considered within 15 business days	EL2	0.08	0.08	0.08	\$8.04	\$8.04	\$8.04
Make decision on application after reviewing documentation	EL2	0.08	0.25	0.25	\$8.04	\$25.12	\$25.12
Sub Total		0.99	2.41	4.08	\$66.91	\$158.47	\$256.58
Indirect Costs (\$66.25 per hour)					\$65.59	\$159.66	\$270.30
Total					\$132.50	\$318.13	\$526.88

Table 2(b): The minimum, mid and maximum amount of time spent and associated costs of assessing proposals between \$100,000 and \$500,000.

If the estimated cost of works exceeds \$100,000 but not \$500,000							
Process	Level	Min Time (Hours)	Mid Time (Hours)	Max Time (Hours)	Min Cost	Mid Cost	Max Cost
Liaise with applicant prior to submission of proposal	APS6	0.25	0.5	1	\$15.70	\$31.40	\$62.80
Receive application and assess for completeness	APS4	0.25	0.25	0.5	\$11.68	\$11.68	\$23.35
Refer and Liaise with external entities	APS6	2	2.5	3	\$125.60	\$157.00	\$188.40
Communicate with applicant	APS6	0.25	2	4	\$15.70	\$125.60	\$251.19
Assess the Application against the relevant provisions of the Plan	APS6	4	6	8	\$251.19	\$376.79	\$502.39
Prepare Documentation for decision by Delegate	APS6	2	2.5	4	\$125.60	\$157.00	\$251.19
Monitor and ensure the processing of the application is considered within 15 business days	EL2	0.08	0.08	0.08	\$8.04	\$8.04	\$8.04
Make decision on application after reviewing documentation	EL2	0.5	0.5	0.5	\$50.24	\$50.24	\$50.24
Sub Total		9.33	14.33	21.08	\$603.74	\$917.73	\$1,337.60
Indirect Costs (\$66.25 per hour)					\$618.11	\$949.36	\$1,396.55
Total					\$1,221.85	\$1,867.10	\$2,734.15

Table 2(c): The minimum, mid and maximum amount of time spent and associated costs of assessing proposals between \$500,000 and \$1,000,000.

If the estimated cost of works exceeds \$500,000 but not \$1,000,000							
Process	Level	Min Time	Mid Time	Max Time	Min Cost	Mid Cost	Max Cost
Liaise with applicant prior to submission of proposal	APS6	1	2	3	\$62.80	\$125.60	\$188.40
Receive application and assess for completeness	APS4	0.5	0.75	1	\$23.35	\$35.03	\$46.71
Refer and liaise with external entities	EL1	2	2.5	3	\$146.01	\$182.51	\$219.01
Communicate with applicant and site visits/inspections	APS6	1.5	2	3.5	\$94.20	\$125.60	\$219.80
Communicate with applicant and site visits/inspections	EL1	1.5	2	3.5	\$109.51	\$146.01	\$255.51
Assess the application against the relevant provisions of the Plan	APS6	3	4	6	\$188.40	\$251.19	\$376.79
Assess the application against the relevant provisions of the Plan	EL1	3	4	6	\$219.01	\$292.01	\$438.02
Prepare documentation for decision by Delegate	EL1	2	4	6	\$146.01	\$292.01	\$438.02
Monitor and ensure the processing of the application is considered within 15 business days	EL2	0.08	0.08	0.08	\$8.04	\$8.04	\$8.04
Make decision on application after reviewing documentation	EL2	0.5	0.75	1	\$50.24	\$75.36	\$100.48
Sub Total		15.08	22.08	33.08	\$1,047.55	\$1,533.36	\$2,290.77
Indirect Costs (\$66.25 per hour)					\$999.05	\$1,462.80	\$2,191.55
Total					\$2,046.60	\$2,996.16	\$4,482.32

Table 2(d): describes the minimum, mid and maximum amount of time spent and associated costs of assessing proposals between \$1,000,000 and \$10,000,000.

If the estimated cost of works exceeds \$1,000,000 but not \$10,000,000							
Process	Level	Min Time	Mid Time	Max Time	Min Cost	Mid Cost	Max Cost
Liaise with applicant prior to submission of proposal	EL1	2	6	10	\$146.01	\$438.02	\$730.04
Liaise with applicant prior to submission of proposal	EL2	2	6	10	\$200.96	\$602.87	\$1,004.78
Receive application and assess for completeness	APS4	1	1	1	\$46.71	\$46.71	\$46.71
Refer and liaise with external entities	EL1	3	4.5	6	\$219.01	\$328.52	\$438.02
Communicate with applicant and site visits/inspections	EL2	2	6	12	\$146.01	\$438.02	\$876.04
Communicate with applicant and site visits/inspections	EL1	2	6	12	\$200.96	\$602.87	\$1,205.73
Assess the application against the relevant provisions of the Plan	EL2	7.5	15	30	\$547.53	\$1,095.05	\$2,190.11
Assess the application against the relevant provisions of the Plan	EL1	7.5	15	30	\$753.58	\$1,507.17	\$3,014.34
Prepare documentation for decision by Delegate	EL1	6	10	14	\$438.02	\$730.04	\$1,022.05
Monitor and ensure the processing of the application is considered within 15 business days	EL2	0.08	0.08	0.08	\$8.04	\$8.04	\$8.04
Manage public consultation process	EL1	15	25	35	\$1,095.05	\$1,825.09	\$2,555.13
Make decision on application after reviewing documentation	EL2	1	2	4	\$100.48	\$200.96	\$401.91
Sub Total		49.08	96.58	164.08	\$3,902.34	\$7,823.34	\$13,492.89
Indirect Costs (\$66.25 per hour)					\$3,251.55	\$6,398.43	\$10,870.30
Total					\$7,153.89	\$14,221.77	\$24,363.19

Table 2(e): describes the minimum, mid and maximum amount of time spent and associated costs of assessing proposals between \$10,000,000 and \$100,000,000.

If the estimated cost of works exceeds \$10,000,000 but not \$100,000,000							
Process	Level	Min Time	Mid Time	Max Time	Min Cost	Mid Cost	Max Cost
Liaise with applicant prior to submission of proposal	EL1	6	15	60	\$438.02	\$1,095.05	\$4,380.21
Liaise with applicant prior to submission of proposal	EL2	6	15	60	\$602.87	\$1,507.17	\$6,028.67
Liaise with applicant prior to submission of proposal	SES1	3	7.5	30	\$374.86	\$937.15	\$3,748.59
Receive application and assess for completeness	APS4	1	1	1	\$46.71	\$46.71	\$46.71
Refer and liaise with external entities	EL2	4	8	12	\$292.01	\$584.03	\$876.04
Communicate with applicant and site visits/inspections	EL1	12	16	20	\$1,205.73	\$1,607.65	\$2,009.56
Communicate with applicant and site visits/inspections	EL2	12	16	20	\$876.04	\$1,168.06	\$1,460.07
Communicate with applicant and site visits/inspections	SES1	6	8	10	\$749.72	\$999.62	\$1,249.53
Assess the application against the relevant provisions of the Plan	EL1	15	60	150	\$1,095.05	\$4,380.21	\$10,950.54
Assess the application against the relevant provisions of the Plan	EL2	15	60	150	\$1,507.17	\$6,028.67	\$15,071.68
Assess the application against the relevant provisions of the Plan	SES1	10	40	150	\$1,249.53	\$4,998.11	\$18,742.93
Prepare documentation for decision by Delegate	EL2	30	60	90	\$3,014.34	\$6,028.67	\$9,043.01
Monitor and ensure the processing of the application is considered within 15 business days	EL2	0.08	0.08	0.08	\$8.04	\$8.04	\$8.04
Manage public consultation process	EL2	25	50	100	\$2,511.95	\$5,023.89	\$10,047.79
Make decision on application after reviewing documentation	SES1	4	6	8	\$499.81	\$749.72	\$999.62
Sub Total		149.08	362.58	861.08	\$14,471.84	\$35,162.75	\$84,662.97
Indirect Costs (\$66.25 per hour)					\$9,876.55	\$24,020.93	\$57,046.55
Total					\$24,348.39	\$59,183.67	\$141,709.52

Table 2(f): The minimum, mid and maximum amount of time spent and associated costs of assessing proposals exceeding \$100,000,000.

If the estimated cost of works exceeds \$100,000,000							
Process	Level	Min Time	Mid Time	Max Time	Min Cost	Mid Cost	Max Cost
Liaise with applicant prior to submission of proposal	EL1	60	120	180	\$4,380.21	\$8,760.43	\$13,140.64
Liaise with applicant prior to submission of proposal	EL2	60	120	180	\$6,028.67	\$12,057.34	\$18,086.01
Liaise with applicant prior to submission of proposal	SES1	60	120	180	\$7,497.17	\$14,994.34	\$22,491.51
Receive application and assess for completeness	APS4	1	1	1	\$46.71	\$46.71	\$46.71
Refer and liaise with external entities	EL2	12	16	20	\$1,205.73	\$1,607.65	\$2,009.56
Communicate with applicant and site visits/inspections	EL2	20	25	30	\$1,460.07	\$1,825.09	\$2,190.11
Communicate with applicant and site visits/inspections	EL1	20	25	30	\$2,009.56	\$2,511.95	\$3,014.34
Communicate with applicant and site visits/inspections	SES1	10	15	30	\$1,249.53	\$1,874.29	\$3,748.59
Assess the application against the relevant provisions of the Plan	SES1	150	175	200	\$10,950.54	\$12,775.63	\$14,600.71
Assess the application against the relevant provisions of the Plan	EL2	150	175	200	\$15,071.68	\$17,583.63	\$20,095.57
Assess the application against the relevant provisions of the Plan	SES1	100	150	200	\$12,495.29	\$18,742.93	\$24,990.57
Prepare documentation for decision by Delegate	EL1	60	75	90	\$4,380.21	\$5,475.27	\$6,570.32
Prepare documentation for decision by Delegate	EL2	45	75	90	\$4,521.50	\$7,535.84	\$9,043.01
Monitor and ensure the processing of the application is considered within 15 business days	EL2	0.08	0.08	0.08	\$8.04	\$8.04	\$8.04
Manage public consultation process	EL2	100	150	200	\$10,047.79	\$15,071.68	\$20,095.57
Make decision on application after reviewing documentation	SES1	8	10	12	\$999.62	\$1,249.53	\$1,499.43
Sub Total		856.08	1252.08	1643.08	\$82,352.32	\$122,120.33	\$161,630.69
Indirect Costs (\$66.25 per hour)					\$56,715.30	\$82,950.30	\$108,854.05
Total					\$139,067.62	\$205,070.63	\$270,484.74

Table 3: Summary of detailed tables above and describes the average amount of time spent on separate proposals based on the break points in the fee schedule. These are very broad estimates, as the range of hours spent on projects can vary markedly especially at the top end of the scale.

Description	Minimum	Mid	Maximum	Average Cost per hour
If the estimated cost of works does not exceed \$100,000	1.0	2.5	4.0	\$132.00
If the estimated cost of works exceeds \$100,000 and not \$500,000	9.3	14.3	21.0	\$134.00
If the estimated cost of works exceeds \$500,000 and not \$1,000,000	15.0	22.0	33.0	\$136.00
If the estimated cost of works exceeds \$1,000,000 and not \$10,000,000	49.0	96.5	164.0	\$147.00
If the estimated cost of works exceeds \$10,000,000 and not \$100,000,000	149	362	861	\$161.00
If the estimated cost of works exceeds \$100,000,000	856	1252	1643	\$163.00
Approval of Signs	2	2	2	\$129.00

3.2.2 Costs of assessing proposals for signs

The provisions of the Plan related to signage mean that a proposal can be largely self-assessed as compliant with the quantitative requirements of the Plan or seek to be considered on its merits and design quality. This leads to a more routine application process in comparison to other proposals.

Table 4: The estimated time and associated costs of assessing a proposal which is only related to signage.

Approval of Signs			
Process	Level	Hours	Cost
Liaise with prospective applicants	APS4	0.08	\$3.74
Receive application and assess for completeness	APS4	0.25	\$11.68
Assess the application against the relevant provisions of the Plan	APS6	1	\$62.80
Prepare documentation for decision by Delegate	APS6	0.5	\$31.40
Monitor and ensure the processing of the application is considered within 15 business days	EL2	0.08	\$8.04
Make decision on application after reviewing documentation	EL2	0.08	\$8.04
Sub Total		1.99	\$125.69
Indirect Costs (\$66.25 per hour)			\$131.84
Total			\$257.52

3.2.3 Costs of issuing notices to resubmit proposal

Notices to resubmit proposals have been introduced to improve efficiencies in processing of applications. Table 4 describes the workflow and associated costs of processing the application that is not considered to meet Sections 12(1) (a) or (c) of the PALM Act and therefore not of a suitable quality to assess the proposal. This workflow is not altered following the introduction of the amended fee schedule except that a formal notice is sent to the applicant and a separate charge is raised.

Table 5: The estimated time and associated costs of providing a notice of resubmission for an application considered not to be in accordance with the Act.

Provision of notice to resubmit proposal			
Process	Level	Hours	Cost
Receive application and assess for completeness	APS4	0.75	\$35.03
Make decision on whether application meets provisions of the Act	EL2	1	\$100.48
Provision of notice to resubmit application including list of required documents	APS4	1.5	\$46.71
Sub Total		2.75	\$135.51
Indirect Costs (\$66.25 per hour)			\$182.19
Total			\$317.70

There are administrative costs additional to those outlined above in ensuring proposals are of a quality that can be adequately assessed against the relevant provisions of the Plan. In line with other planning jurisdictions, it is appropriate for the additional costs to be recovered for proposals submitted that do not include the required plans and specifications as are required by the NCA. These are calculated as per the additional hours required to receive, review and notify the applicant that the proposal does not meet minimum requirements and will need to be resubmitted.

In addition to the NCA's service charter and resources available to the public to assist them through the works approval process, the NCA's consultation protocol provides detail on applications which may be released for public comment prior to the NCA making a decision. The consultation protocol requires publishing the details of the proposal in the daily Canberra Newspaper (currently the Canberra Times), making plans and details available on the NCA's website and placement of signage on site to inform the public that the application is currently available for public comment.

Regulation 5 provides for cost recovery of the expenses related to these activities and states:

In addition to the fees set out in the Schedule for a service, the Authority (NCA) is entitled to be reimbursed for any charges or costs that the NCA pays to, or for the services of, another person in connection with that service.

The proponent is charged the identical amount invoiced by the external service provider for these activities. This charge is in addition to the fee calculated for the assessment of the proposal.

3.3 Design of cost recovery charges

The calculation of the works approval fees is based on the estimated cost of the works proposed. This is consistent with industry wide practice for fees related to planning approval. It is also the most efficient method in terms of providing certainty to industry prior to lodgement and recovering costs incurred by the NCA.

Section 53 (3) (a) of the PALM Act prescribes that the NCA can charge a fee for works approval that is reasonably related to the expenses incurred or to be incurred by the NCA in connection with the proposal. The unique nature of applications means that the charges are set to minimise the risk of over-recovery.

Utilising the cost estimates and applying industry wide-practices, the following percentage and base fee-points best match the costs incurred by the NCA in assessing each proposal. Assessment of signs and provision of notice to resubmit an application are appropriate for charging a flat fee.

3.3 Indexation of certain fee amounts

Regulation 5 provides for the indexation of works approval fees by applying an indexation formula, the regulation reads:

On 1 July 2016 and each subsequent 1 July (an indexation day), each dollar amount that is specified in a relevant Schedule 1 item and is an indexed amount for that relevant Schedule 1 item is replaced by an amount worked out using the following formula:

(3) The indexation factor for an indexation day is the number worked out using the following formula:

Index Number for Reference Quarter

Index Number for the Base Quarter

where:

base quarter means the March quarter ending 1 year before the reference quarter ends.

index number, for a quarter, means the All Groups Consumer Price Index number (being the weighted average of the 8 capital cities) published by the Australian Statistician for that quarter.

March quarter means a period of 3 months ending on 31 March.

reference quarter means the March quarter immediately before the indexation day.

(4) An indexation factor is to be calculated to 3 decimal places (rounding up if the fourth decimal place is 5 or more).

(5) An indexation factor that is less than 1 is to be increased to 1.

(6) Calculations under subregulation (3):

(a) are to be made using only the index numbers published in terms of the most recently published index reference period; and

(b) are to be made disregarding index numbers that are published in substitution for previously published index numbers (except where the substituted numbers are published to take account of changes in the index reference period).

On 1 July 2016, the Australian Bureau of Statistics published results for the 'All Groups Consumer Price Index number (being the weighted average of the 8 capital cities)' and the indexation factor was calculated as:

Index Number for Reference Quarter (March 2015)	Index Number for Base Quarter (March 2016)	Indexation Factor	Indexation Factor (after applying Reg5(4))
106.8	108.2	1.013108614	1.013

Item	Relevant Schedule 1 item	Indexed amount	New Indexed Amount
1	Paragraph (a) of item 1	\$ 111.43	\$ 113.77
2	Paragraph (b) of item 1	\$ 1,316.90	\$ 1,344.55
3	Paragraph (c) of item 1	\$ 2,684.45	\$ 2,740.82
4	Paragraph (d) of item 1	\$ 4,102.65	\$ 4,188.81
5	Paragraph (e) of item 1	\$ 22,691.20	\$ 23,167.72
6	Item 3	\$ 253.25	\$ 258.57
7	Item 4	\$ 303.90	\$ 310.28

On 1 July 2017, the Australian Bureau of Statistics published results for the 'All Groups Consumer Price Index number (being the weighted average of the 8 capital cities)' and the indexation factor was calculated as:

Index Number for Reference Quarter (March 2016)	Index Number for Base Quarter (March 2017)	Indexation Factor	Indexation Factor (after applying Reg5(4))
108.2	110.5	1.021257	1.021

Item	Relevant Schedule 1 item	Indexed amount	New Indexed Amount
1	Paragraph (a) of item 1	\$ 111.43	\$ 113.77
2	Paragraph (b) of item 1	\$ 1,316.90	\$ 1,344.55
3	Paragraph (c) of item 1	\$ 2,684.45	\$ 2,740.82
4	Paragraph (d) of item 1	\$ 4,102.65	\$ 4,188.81
5	Paragraph (e) of item 1	\$ 22,691.20	\$ 23,167.72
6	Item 3	\$ 253.25	\$ 258.57
7	Item 4	\$ 303.90	\$ 310.28

Table 6: Fee Schedule (as of July 2017)

Value of Works	Fee Payable (1992-2015)	Fee Payable (December 2015)	Fee payable (July 2017)
If the estimated cost of works does not exceed \$100,000	\$100 plus \$2.00 for each \$1,000 of the estimated cost of works	\$110 plus 0.45% of the amount in excess of \$20,000 of the estimated cost of works	\$113.77 plus 0.45% of the amount in excess of \$20,000 of the estimated cost of works
If the estimated cost of works exceeds \$100,000 and not \$500,000	\$300 plus \$1.25 for each \$1,000 by which the estimated cost of works exceeds \$100,000	\$1,300.00 plus 0.35% of the amount in excess of \$100,000	\$1,344.55 plus 0.35% of the amount in excess of \$100,000
If the estimated cost of works exceeds \$500,000 and not \$1,000,000	\$800 plus \$1.00 for each \$1,000 by which the estimated cost of works exceeds \$500,000	\$2,650.00 plus \$0.35% of the amount in excess of \$500,000	\$2,740.82 plus \$0.35% of the amount in excess of \$500,000
If the estimated cost of works exceeds \$1,000,000 and not \$10,000,000	\$1,300 plus 75 cents for each \$1,000 by which the estimated cost of works exceeds \$1,000,000	\$4,050 plus 0.20% of the amount in excess of \$1 million	\$4,188.81 plus 0.20% of the amount in excess of \$1 million
If the estimated cost of works exceeds \$10,000,000 and not \$100,000,000	\$8,100 plus 50 cents for each \$1,000 by which the estimated cost of works exceeds \$10,000,000	\$22,400 plus 0.15% of the amount in excess of \$10 million	\$23,167 plus 0.15% of the amount in excess of \$10 million
If the estimated cost of works exceeds \$100,000,000	\$54,000	As above	As above
Approval of amendments to previously approved works	25% of the scheduled fee	25% of the scheduled fee	25% of the scheduled fee
Approval of signs	\$200 per application	\$250 per application	\$258.57 per application
Approval of temporary works	25% of the scheduled fee	No reduction for temporary works	No reduction for temporary works
Notice to resubmit applications in accordance with the Act	No included in previous fee schedule	\$300 per notice	\$310.28 per notice

Table 7: Examples of the fee payable for the value of the proposed works as of 1 July 2017 (The breakpoints identified in the schedule of the regulation are shown in bold)

Value of Works \$	Fee \$	Value of Works \$	Fee \$	Value of Works \$	Fee \$
5,000.00	113.78	120,000.00	1,414.70	10,000,000.00	22,189.20
10,000.00	113.78	140,000.00	1,484.70	15,000,000.00	30,670.20
15,000.00	113.78	160,000.00	1,554.70	20,000,000.00	38,170.20
20,000.00	113.78	180,000.00	1,624.70	25,000,000.00	45,670.20
25,000.00	136.28	200,000.00	1,694.70	30,000,000.00	53,170.20
30,000.00	158.78	250,000.00	1,869.70	35,000,000.00	60,670.20
35,000.00	181.28	300,000.00	2,044.70	40,000,000.00	68,170.20
40,000.00	203.78	350,000.00	2,219.70	45,000,000.00	75,670.20
45,000.00	226.28	400,000.00	2,394.70	50,000,000.00	83,170.20
50,000.00	248.78	450,000.00	2,569.70	60,000,000.00	98,170.20
55,000.00	271.28	500,000.00	2,744.70	70,000,000.00	113,170.20
60,000.00	293.78	600,000.00	3,091.12	80,000,000.00	128,170.20
65,000.00	316.28	700,000.00	3,441.12	90,000,000.00	143,170.20
70,000.00	338.78	800,000.00	3,791.12	100,000,000.00	158,170.20
75,000.00	361.28	900,000.00	4,141.12	150,000,000.00	233,170.20
80,000.00	383.78	1,000,000.00	4,491.12	200,000,000.00	308,170.20
85,000.00	406.28	2,000,000.00	6,189.25		
90,000.00	428.78	3,000,000.00	8,189.25		
95,000.00	451.28	4,000,000.00	10,189.25		
100,000.00	473.78	5,000,000.00	12,189.25		

4. RISK ASSESSMENT

The original works approval fee schedule was implemented in 1992. Assessment of the current cost recovery performance and assessment against similar charging activities in adjacent jurisdictions shows the NCA fees were well below fees charged for the same services. Fees related to seeking approvals are generally a very small percentage of the overall project cost for the types of proposals submitted to the NCA. The design of the cost recovery ensures that lower cost projects will bear a lower fee burden when seeking approval from the NCA. As cost of works increases the overall percentage of the fee becomes a lower percentage of the overall cost of the project.

4.1 Materiality

The assessed materiality of the cost recovery activity is low.

4.2 Complexity

There is complexity related to a number of difficulties in forecasting demand and the number of cost drivers (direct and indirect) related to the activity. There are also a number of Commonwealth and Territory Government entities as well as industry sectors requiring the services being cost recovered. To address these complexities, the design of cost recovery and calculation of charges remains consistent with wider industry and previous NCA practice.

4.3 Sensitivity

Historically, revenue derived from fees has been subject to variations from year-to-year. In some cases these variations have been significant due to very large projects being submitted (or conversely not submitted) for consideration. Revenue could be adversely affected by a downturn in development activity especially on large scale re-development projects. Alternatively, the submission of a very large project could increase revenues over the projected amounts for a single financial year. In accordance with CRGs, the NCA is required to continually monitor its revenue in comparison to its projections. It is expected that, over time, these variances (under/over recoveries) will balance.

The design of the cost recovery charges is consistent with the industry standard and alignment of the applicable fee to the cost of the works to be undertaken is therefore expected to be accepted by stakeholders. Whilst there are likely sensitivities related to the increased fees the NCA will continue to engage with those affected stakeholders.

5. STAKEHOLDER ENGAGEMENT

The stakeholders affected by the fee increase are those proposing works to be carried out in the Designated Areas which require approval. Feedback from stakeholders highlights the difference in applicable fees between jurisdictions, especially in relation to larger projects.

The NCA is engaged with stakeholders on an ongoing basis and will assess and discuss appropriate feedback as part of continual review of this activity. In publishing this CRIS, stakeholders will be able to provide views on the operation and method of calculation of the revised schedule.

In addition, the NCA's service charter has been developed to provide further guidance to Government and the public on how the NCA considers proposals and projected timeframes.

Information outlining the works approval process, guidance on how to engage with the NCA early and effectively in regard to proposals as well as other external clearances that may be required are available on the NCA's website as a resource for prospective applicants.

6. FINANCIAL ESTIMATES

Table 8: Financial estimates for NCA works approval fees

	2014-15	2015-16	2016-17	2017-18	2018-19
Expenses	\$505,731	\$521,750	\$526,949	\$932,238	\$914,813
Revenue	\$226,924	\$384,992	\$494,984	\$ 780,744	\$ 730,744
Budget Funded	\$278,807	\$136,758	\$31,965	\$151,493	\$184,068
Balance	-	-	-	-	-
Explain Material Balance	<p>The costs are recovered based on an estimate of hours spent per application.</p> <p>Under recoveries in 2014-15 and 2015-16 is due to the fees not been increased in line with the expenditures. 2015-16 will encompass an increase in fees for 7 months during the financial year, hence reducing the level of under recovery compared to 2014-15.</p> <p>Under-recoveries in future years are budget funded. These amounts relate to applications from non-profit entities and, potentially, higher number of works approval falling into the first category.</p>				
Explain balance management strategy	<p>The schedule of fees is contained within <i>Regulation 5</i> and under Section 53 of the PALM Act, in accordance with this CRIS, these fees will be constantly monitored to ensure consistency with the cost recovery guidelines and are able to be amended accordingly.</p>				

7A. FINANCIAL PERFORMANCE

	2014-15	2015-16	2016-17	2017-18	2018-19
Expenses	\$505,731	\$811,485	\$1,292,782	-	-
Revenue	\$226,924	\$579,132	\$1,079,437	-	-
Budget Funded	\$278,807	\$323,733	\$213,345	-	-
Balance	-	-	-	-	-
Explain Material Balance	<p>Under recovery is due to ongoing support of electronic lodgement facility and further additional capital costs attributable to development of a lodgement portal. Under-recoveries are budget funded.</p>				

Explain balance management strategy	Fees will be constantly monitored to ensure consistency with the cost recovery guidelines and are able to be amended accordingly in line CPI increases.
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7A.1 Indexation of Base Fees

7B. NON-FINANCIAL PERFORMANCE

The national significance of Canberra is reflected in the National Capital Plan. The key indicator of which ensures development is consistent with the Plan and assessing applications for works approval in an efficient and effective manner. The Key Performance Indicators related to gross number of applications granted and percentage of proposals assessed within 15 working days are included in the NCA's portfolio budget statements and in Table 10 of this document.

Table 10: results for works approval applications made to the NCA against actual results in 2014-15 and forecast for forward three years.

Key Performance Indicator	2015/16 Forecast	2015/16 Actual	2015/16 Variance	2016/17 Forecast	2016/17 Actual	2014/15 Variance	2017/18 Forecast	2018/19 Forecast
Works Approvals Granted	400	416	+16	410	408	-2	415	425
Percentage of proposals considered within 15 working days	90%	70%	-20%	90%	72%	-18%	90%	90%

8. KEY FORWARD DATES

- September 2018: Update of Key Performance Indicators as per the Portfolio Budget Statement.
- September 2018: Update of financial forecasts and results as per the 2016/2017 Financial Statements.

9. CRIS APPROVAL AND CHANGE REGISTER

Date of CRIS change	CRIS change	Approver	Basis for change
30/11/2015	Initial Release	Chief Executive of the NCA	<ul style="list-style-type: none"> N/A
14/11/2016	Update KPI and Financial Results for 2015/16 FY.	Chief Executive of the NCA	<ul style="list-style-type: none"> Financial and KPI Results

1/9/2017	Update KPI and Financial Results for 2016/17 FY.	Authority Board	<ul style="list-style-type: none">• Financial and KPI Results.• Implementation of CPI Increases.
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