



A risk-based approach to managing Statutory Planning Referrals and Permitting workloads and obligations

the challenge

MHC was recently engaged to optimise the referral agency role for a Catchment Management Authority (CMA), who manages advice on planning applications associated with floodplains and river health, as well as works and activities on Designated Waterways which require permitting. The Statutory Planning team itself was composed of a small number of highly skilled individuals, with team members often performing non-technical tasks not considered an efficient use of time.

The review combined process mapping and resource modelling of current processes, along with extensive consultation of internal and external stakeholders to determine and recommend appropriate optimisation initiatives. A subsequent core recommendation and deliverable entailed the development of a risk-based tool for management of response obligations for all Statutory Planning referrals and permitting.

what MHC did

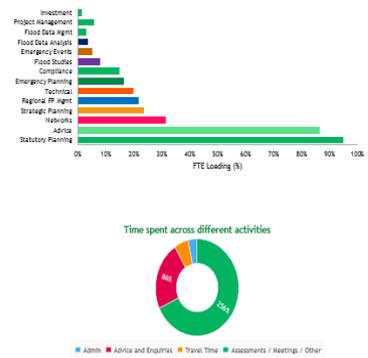
MHC commenced the engagement by performing a current state analysis of the CMA's Statutory Planning service. This involved both internal and external stakeholder engagement to seek feedback on the current level of service, end-to-end process mapping to pinpoint opportunities for improvement, and the development of a resource model to identify areas of high workload within the team (refer Figure 1 below).

Figure 1 - Sample resource model output from optimisation review

| Waterways Management | Preliminary Advice | Submissions | Assessment | Response | Peer Review | Authorisation | Follow Up | Other | FTE Total |
|---------------------------|--------------------|--------------|----------------|--------------|--------------|---------------|--------------|--------------|----------------|
| Business Support | 0.00% | 0.89% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.89% |
| Env Water Resources Offi | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Stat Planning Team Activi | 22.18% | 0.00% | 80.12% | 6.73% | 0.00% | 0.00% | 1.93% | 0.00% | 120.85% |
| Stat Planning Manager Ac | 14.3% | 0.00% | 51.08% | 0.45% | 8.28% | 0.00% | 0.00% | 0.00% | 61.23% |
| Executive Manager | 0.00% | 0.00% | 0.00% | 0.00% | 0.45% | 3.33% | 0.00% | 0.00% | 3.78% |
| CEO | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| FTE Total | 23.54% | 0.89% | 141.21% | 7.18% | 8.71% | 3.53% | 1.93% | 0.00% | 186.97% |

| Floodplains Management | Preliminary Advice | Submissions | Assessment | Response | Peer Review | Authorisation | Follow Up | Other | FTE Total |
|---------------------------|--------------------|--------------|----------------|--------------|--------------|---------------|--------------|--------------|----------------|
| Business Support | 1.08% | 1.36% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 2.46% |
| Env Water Resources Offi | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Stat Planning Team Activi | 2.13% | 0.00% | 134.55% | 3.25% | 0.00% | 0.00% | 2.50% | 0.00% | 142.47% |
| Stat Planning Manager Ac | 0.60% | 0.00% | 5.22% | 0.00% | 4.82% | 0.00% | 0.00% | 0.00% | 10.63% |
| Executive Manager | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.68% | 0.00% | 0.00% | 1.68% |
| CEO | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| FTE Total | 3.81% | 1.36% | 139.81% | 3.25% | 4.82% | 1.68% | 2.50% | 0.00% | 157.25% |

| Environmental Water | Preliminary Advice | Submissions | Assessment | Response | Peer Review | Authorisation | Follow Up | Other | FTE Total |
|---------------------------|--------------------|--------------|----------------|--------------|--------------|---------------|--------------|--------------|----------------|
| Business Support | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Env Water Resources Offi | 0.00% | 0.00% | 55.61% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 55.61% |
| Stat Planning Team Activi | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Stat Planning Manager Ac | 0.00% | 0.00% | 58.62% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 58.62% |
| Executive Manager | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| CEO | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| FTE Total | 0.00% | 0.00% | 114.24% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 114.24% |



The results of the review demonstrated that the Statutory Planning resources faced an over-burden of work (equivalent to 44% overload per employee), with a large proportion of time (>50%) spent assessing works on waterways permits and planning referrals and giving internal and external advice. Examination of 'As-Is' processes and internal feedback revealed a number of challenges the Statutory Planning team faced on a day-to-day basis, categorised as

engagement profile

administrative, technical duties and system/IT challenges. Cumulatively, these challenges are the major drivers for reduced efficiency of the Statutory Planning team’s work.

MHC optimisation review observations therefore resulted in four (4) Strategic Objectives being put forward for to guide the ongoing optimisation process:

1. Become effective and efficient;
2. Align with leading peers in our industry;
3. Best use of data and systems; and
4. Future-proof our resourcing model.

In total, these objectives led to the generation of eleven (11) agreed optimisation initiatives. These were classified according to impact and practicality of implementation, ranging from Priority 1 initiatives being high priority down to Priority 3 as low priority (refer Table 1 below). Each initiative was provided with a supporting benefits stream and associated implementation plan.

Table 1 - Resulting optimisation review initiatives

| | |
|-----------|---|
| P1 | 1.1. Enhanced Administrative Systems & Response Frameworks |
| | 1.2 Triaging of Permits and Planning Referrals (i.e. risk-based management) |
| | 1.3 Delegation of Authority |
| | 1.4 Data Enhancements |
| | 1.5 Upskilling of staff |
| P2 | 2.1. Enhanced Business Support Services / Junior Statutory Planning Officer |
| | 2.2 Flood Consultant QMS |
| | 2.3 Improve Planning Schemes with LGAs |
| | 2.4 Service Fee Optimisation |
| P3 | 3.1 Flood Advice Portal |
| | 3.2 Automated Permit Application |

As can be seen within Table 1, the ‘Triaging of Permits and Planning Referrals (i.e. risk-based management)’ was a core Priority 1 initiative proposed. This was subsequently adopted by the CMA and requested for immediate development by MHC. The resultant outcome of applying the risk framework being that a proportion of Referrals and Permit applications would not require (or require reduced) assessment, reducing the workload on the Statutory Planning team, whilst ensuring there is limited risk of any detrimental environmental impact on activities that are undertaken on and/or adjacent to waterways.

MHC developed this risk framework for Referrals and Permit Applications as calculated by a method of assessment against a relevant Base Risk Score for the proposed activity, as enhanced by specific Elevation Criteria. The overall risk

rating is determined by the highest risk level attributed to the base risk or elevation criteria from these assessments (refer Table 2 overleaf).

Table 2 - Calculation of Risk Level for Planning Referrals and Works on Waterways Permits

| Risk Level | Very Low | Low | Medium | High |
|--|-------------------------------------|--------------------------|-------------------------------------|--------------------------|
| Assessment of Base Risk Level | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Assessment against Risk Elevation Criteria | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Resultant Risk Level (Highest of Base Risk and Risk Elevation Criteria) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

The Base level risk is determined for standard works and development activities, as based on the experience of CMA staff:

- A **very low level** of risk activity is considered to be manageable with either no conditions, or standard conditions for that activity due to the simplicity of the works, and the low potential for the activity to impact on a waterway or floodplain.
- A **low risk** is considered to be a standard response, with standard conditions, involving documentation of the information considered and decision made. The activity is considered to have potential to impact on a waterway and or floodplain that is easily managed.
- A **medium risk** is considered to be a standard response, with standard and site-specific conditions, involving documentation of the information considered and rationale for the decision made. The activity is considered complex with potential to impact on a waterway and or floodplain and as such the application requires negotiation and/or sound technical information as part of assessing the proposal.
- A **high risk** is considered to be a non-standard response with site specific conditions, involving a complex assessment that requires documentation of the information considered and the rationale for the decision made. The activity is considered to be complex and/or contentious with potential to impact on a waterway and or floodplain and may also be contentious, and as such the application will likely require complex negotiation and/or technical information as part of assessing the proposal.

The elevation risk level is determined based on criteria from the experience of the CMA staff which has been, from their experience, likely to elevate the complexity of an application.

- **Background / History** - Determined by any prior history in development area or applicant.
- **Data Quality** - Quality of data in proposed development area or quality of information to support the application.
- **Community Sensitivity** - Potential for community concern around proposed development
- **Non-Compliance** - Any report of non-compliance to the CMA.

This risk framework was designed so that the appropriate level for Referrals and Permits could be determined by any member of the Statutory Planning Team. The attributed risk level informs the appropriate assessment and review process to follow before sending a response (refer Table 3 below).

Table 3 - Assessment, Response and Review Process & Risk Mitigation Procedures

| Risk Level | Very Low | Low | Medium | High |
|--|---|--|---|---|
| Assessment & Response Prepared by: | Officer | Officer | Senior Officer | Manager |
| Response Reviewed by: | Review not required - Generic conditions provided | Review of the response to be conducted by a Senior Officer | Review of the response to be conducted by the Manager. | Review of the response to be conducted by the Executive Manager, with consultation from the CEO. |
| Documentation Required: | <ul style="list-style-type: none"> Completed risk assessment sheet. Generic conditions sent to applicant. | <ul style="list-style-type: none"> Completed risk assessment sheet. Generic and Generic+ conditions sent to applicant. File note documented with assessment findings. | <ul style="list-style-type: none"> Generic / Generic+ / Custom conditions sent to applicant. Site visit performed with site photographs captured. File note documented with assessment findings. | <ul style="list-style-type: none"> Generic / Generic+ / Custom conditions sent to applicant. Site visit performed with site photographs captured. File note documented with assessment findings. |
| Site visit required for Assessment purposes: | No | No* *Unless deemed required by assessor. | Optional* *As deemed required. | Yes |
| Site Compliance Audits (per no. of applications) | 1 in 10 | 1 in 5 | All | All |

the benefit

MHC’s analysis provided insights into a number of potential areas for improvement and the development of a number of optimisation initiatives. This included high priority initiatives such as the risk-based approach to triaging referrals and permits (reducing the time spent by the Statutory Planning Team on assessing low-risk applications), delegating down of authority for permit and referral sign-off (reduce management bottleneck), enhancement of core staff capability to reduce over-reliance on the Statutory Planning team and, pursuing enhanced data through DELWP to allow for more confident analysis and provision of services such as an online flood advice portal.

The resultant benefits of this work included:

- The development of a risk-based framework to triage tasks and allocate to appropriate staff;
- Optimisation initiatives, which upon full implementation, would provide an estimated workload saving of up to 30% per annum; and
- Recommendations to align with other CMAs in providing statutory planning services.

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