CASE STUDY: PENRITH CITY COUNCIL'S IMPLEMENTATION OF NOVOPLAN

HIGHLIGHTS

- Novoplan customer since 2022
- $20m revenue from development contributions per annum
- $6m per annum of contributed infrastructure
- Core systems:
    - ERP - TechnologyOne Ci
    - Document Management – Sharepoint
- Integrations – Built and managed internally

INTRODUCTION

Penrith City Council, a leading Australian local government authority in New South Wales, faced a complex challenge in managing development contributions across multiple precincts.

As the Council sought to foster growth in key areas, it required a robust solution to streamline the calculation, management, and tracking of development contributions and planning agreements. Novoplan, a comprehensive contributions management system, emerged as the ideal solution to address the Council's needs, offering advanced capabilities tailored to local government requirements.

CUSTOMER BACKGROUND

Penrith City Council oversees a local government area of 404.9 square kilometres with a population of approximately 210,000. Situated 55 kilometres west of Sydney's Central Business District, near the Blue Mountains, the Council manages an extensive infrastructure portfolio valued at over $670 million. This portfolio is supported by over 100 staff members from various business units.

As a pivotal entity in the Western Sydney region, Penrith City Council plays a crucial role in urban development and infrastructure planning to support the rapidly growing population. This is particularly significant for key growth precincts such as Penrith, St Marys, Kingswood and the Western Sydney Aerotropolis, which are central to regional employment, housing, and commercial development.

CHALLENGES

The specific challenge faced by Penrith City Council was the need for an integrated system to streamline the management of development contributions and planning agreements.

To address the city's growth projections, Penrith City Council conducted an internal audit to evaluate its systems for negotiating and executing planning agreements. The audit identified several deficiencies, such as:

- Inefficiencies in Contribution Calculations: Manual processes led to delays and inaccuracies in calculating contributions, affecting revenue flow and project timelines.
- Tracking and Compliance Issues: Difficulty in tracking development stages, providing accurate reporting, and ensuring compliance with planning agreements resulted in operational inefficiencies and potential legal risks.
- Limited Connectivity: Existing systems lacked the capability to seamlessly connect with property and rating systems, subdivision applications, and other critical workflows.

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The risks associated with these deficiencies included potential under-delivery of infrastructure, financial losses, contractual breaches, and decreased stakeholder confidence.

SOLUTION

The Council's Business Improvement Team initiated workshops to map current and future state processes to understand existing workflows and envision an optimal future process. The Team also conducted surveys and interviews with over 30 staff members to identify application needs and features.

It was identified that the implementation of Novoplan as the Council's system for managing contributions and planning agreements would offer the following key features:

- Automated Calculation and Management: Novoplan automates the calculation and management of contributions payments, significantly reducing errors and administrative burdens.
- Integrated Tracking: The system provides comprehensive tracking capabilities for bonds, works in kind, subdivision applications, and development stages in planning agreements.
- Enhanced Connectivity: Novoplan connects seamlessly with the Council's existing property and rating systems and other relevant applications, streamlining workflows and improving data accuracy.

IMPLEMENTATION PROCESS

The implementation of Novoplan followed a structured timeline from 2019 to 2022:

- 2019: Contributions framework review, audit, and initial user requirements workshop.
- 2020: Concept design and investigation.
- 2021: Finalisation of the business case and tender process.
- 2022: Full implementation and deployment.

ROLES AND RESPONSIBILITIES

The implementation involved collaborative efforts between Penrith City Council and Novoplan's team:

- Council's Business Improvement Team: Responsible for providing detailed requirements, participating in user workshops, developing integrations, and overseeing the implementation process.
- Novoplan's Team: Led the configuration of Novoplan to meet the Council’s specifications, provided training to users across the Council and provided support to the Council’s team as they developed integrations and undertook data migration.

RESULTS

Following the implementation of Novoplan, Penrith City Council achieved significant benefits in its operations:

- Financial Management: Streamlined calculation and management of contributions led to more accurate and timely financial oversight.

  Penrith has become the first council in New South Wales to seamlessly integrate its development contributions and planning agreement system with existing invoicing and receipting systems. This integration eliminates redundant invoice handling between systems, resulting in a streamlined, cohesive, and fully functional process.

  Further, the implementation has corrected longstanding indexation calculation errors, which previously led to revenue shortfalls of up to 20% in certain development contribution plans.

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- Increased Efficiency: Ease of use, automated processes, and integrated systems significantly enhanced operational efficiency to reduce administrative workload, improve data accuracy, and achieve financial efficiencies.
- Enhanced Compliance and Transparency: Improved monitoring capabilities and reporting ensured enhanced compliance with planning agreements, development stages, and compliance with the Environmental Planning and Assessment Regulation (2000).

These improvements to operations facilitated the achievement of key outcomes from the Council's Community Strategic Plan: planning and shaping the growing city and fostering open and collaborative leadership.

CONCLUSION

The implementation of Novoplan at Penrith City Council has transformed the Council's approach to managing development contributions and planning agreements.

The Council has achieved significant operational improvements by automating processes, integrating systems, and enhancing transparency. With Novoplan, the Council has mitigated risks, improved efficiency, and bolstered stakeholder confidence.

This case study exemplifies the potential of tailored technology solutions in transforming local government operations.

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