

2022/23 Q2 DEVELOPMENT ACTIVITY REPORT



PREPARED BY: PLANNING & DEVELOPMENT

TOWNSVILLE SNAPSHOT



2022/23 Q2 DEVELOPMENT ACTIVITY REPORT



■ Public Administration ■ Health Care ■ Construction ■ Education & Training ■ Manufacturing



11,959
LOCAL
BUSINESSES

VALUE OF
BUILDING
APPROVALS
RESIDENTIAL COMMERCIAL
\$54M \$20M

DEVELOPMENT
APPLICATIONS
PECEIVED

councillor requests 18



THREE PILLARS OF CUSTOMER SERVICE







ACTIVATING TOWNSVILLE

As part of the 2022/23 financial year budget and in support of the council's Corporate Plan, the Planning and Development City Activation and Jobs Growth Policy continues to support growth and activate investment.

Townsville City Council is dedicated to building a robust and economically viable investment environment where our local and new industry businesses, partnering organisations and residents will thrive.



Component 1 **New and Repurposed Development & Medium Density Residential Urban Infill**

This component incentivises prescribed new development and the repurpose of current development in identified geographical areas. In addition, and for the first time this year, this component also extends to providing incentives where vacant medium density lots are developed to cater for identified accommodation uses. This extension to component 1 aims to help ease critically low residential vacancy rates.



Component 2 - Attracting Jobs to the City

This component (waived infrastructure charges) incentivises businesses that have <15 staff that relocate to the identified City Core area and secure the relocation with a lease of a minimum of 3 years. This aims to increase the population working and potentially living in the CBD.



approved application = \$10,000 grant funding

>> \$40k economic benefit



Component 3 - Modernising Buildings and Activating Spaces

A grant to support a wide variety of indicatives which activates the city streets, improving the attractiveness, vibrancy, or safety of the city centre. This includes holding events to activate the city or improvements to buildings and shopfront facades or retrofitting buildings to open them onto the street. The aim of this component is to revitalise the CBD, activating spaces and creating an environment attracting new business and people into the city centre.



Component 4 - Special or **Significant Economic or Social Benefit**

Offers discretionary incentives (waived infrastructure charges) to major developments where a significant economic or social benefit to Townsville can be demonstrated.

This is an integral component in councils' aim to attract new businesses where significant investment in the local economy and employment opportunities are secured.

12 approved applications = \$330,630 grant funding

>> \$5.1m economic benefit

approved application = \$500,000 waived charges

>> \$36.1m economic benefit



SUMMARY

This Development Activity Report comprises of comparative development activity data from the 2019/20 financial year up to and including Q2 of the 2022/23 financial year.

Collectively the data shows a meaningful insight into the trends and external factors that have influenced the development/construction industry throughout the period represented and how Planning and Development have responded to these challenges.

Industry sector analysis reveals that the local construction industry employs 8,415 persons directly and has annual sales of \$3.068 billion. The industry comprises 20% of registered businesses in Townsville compared to 17.2% for Queensland.

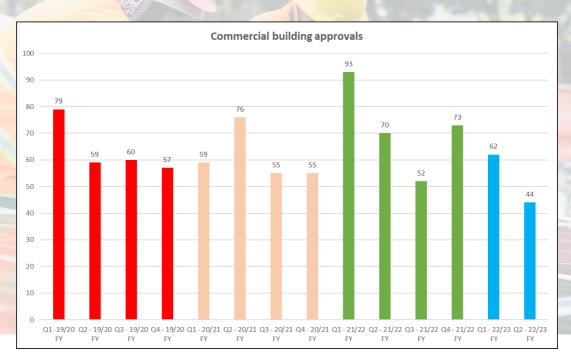
The financial year to date indicates strong confidence in the commercial segmentation of development approvals. This trend is correlated through significant investments and recent approvals, including:

- QPM (Queensland Pacific Minerals) investing in \$2b battery refinery at Lansdown Eco-Industrial Precinct
- State Government \$47.5m joint venture with EGH2 to develop green hydrogen at Lansdown Eco-Industrial Precinct
- State Government \$75m commitment to developing critical minerals demonstration hub at Cleveland Industrial Park
- · Confirmation of a \$30m Police academy in Kirwan
- Major development approvals (Hilton, Ardo, The Strand)
- \$800m International investment to purchase Qld Nickel

The industry sector is an integral indicator of the local economy's health. Some highlights from this period are as follows:

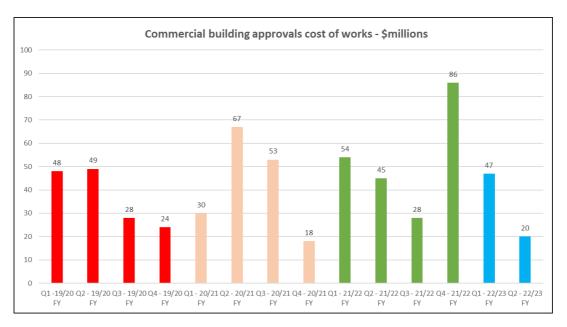
- The Flinders Boardwalk place-making project is currently under construction. This project will support a safe, well-designed and connected network for people of all ages and abilities to ride bikes, and scooters and walk to get around.
- Amendments to the Townsville City Plan are currently underway. This ensures this governing document is up to date, remains relevant to the current city setting, and fosters investment;
- A review of the Local Government Infrastructure Plan (LGIP) is underway. This will ensure the plan will respond to the future requirements of the city in terms of growth, infrastructure and development; and
- A review of the Townsville City Plan Development Manual is underway to improve the design and delivery of cost-effective, sustainable infrastructure for the city suited for the climate of the dry tropics.
- As the 2023 year progresses, further projects and policy reviews will commence, enabling the city's development, strengthening our local economy, and ensuring the city protects and enhances its livability.

1. COMMERCIAL



1.1

Q2 results record 44 commercial building approvals. The rolling FY average remains strong with 53 approvals per quarter - indicating a consistent confidence in the market.

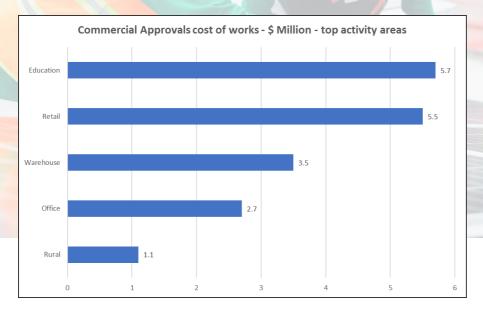




1.2

Volume of commercial Plumbing and Drainage applications received also performed well.

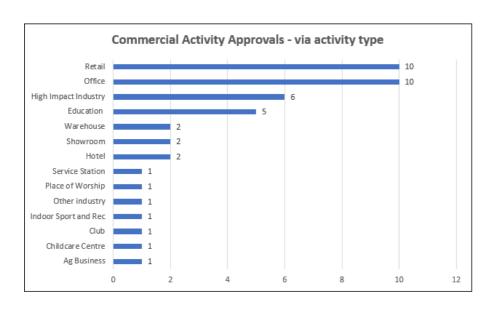
These results are an indication of supplementary works rather than new construction.



1.3

Education and the Retail sector continues to attract higher investment which is an ongoing trend.

The data reveals the commercial industry types attracting the highest investment during the quarter.

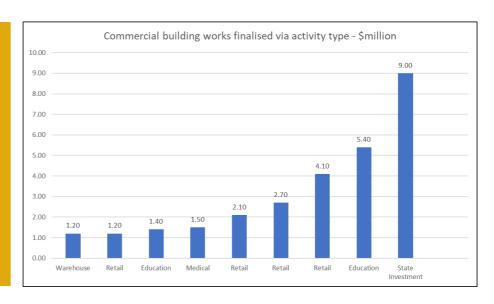


The top four industries (Retail, Office, High-Impact, Education) represent a significant investment into the liveability of the city.

The recent major investment within the renewable sector, driven largely by the ecoindustrial precinct Lansdown, has triggered further investment into services in order to grow the captial of north queensland.

During the period, State Government projects ranked highest, with \$9million invested into projects including the Townsville Port upgrade.

New education facilities and retail investment also performed well during the period.

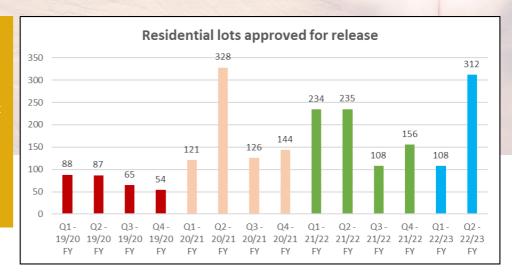


2. RESIDENTIAL

Townsville has experienced a significant rise of residential lots during the last quarter.

Q2 2022/23 is the 2nd largest quarter in the past four financial years.

The release of this land enables additional housing to be constructed.



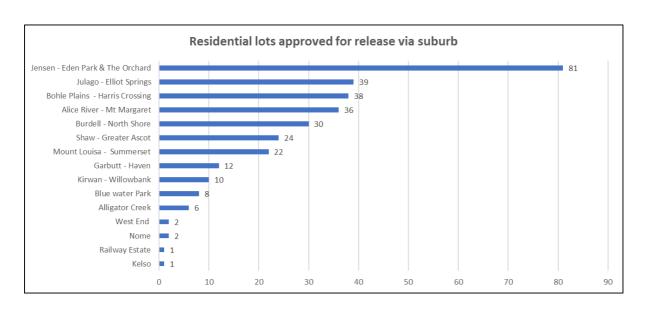
2.1

The data represents the volume of residential lots lodged by the development industry and subsequently approved for release for sale by the Council.

Of the 312 lots approved for release, only 20 have carried over from previous quarters - indicating a true representation of an increase in approvals during the period.

Despite national labour and material shortages, Q2 lot releases performed well, spiking to a level not seen since the height of the COVID-19 Federal Government stimulus package.

Traditionally, Q2 of the financial year is when the volume of lodgements for lot releases increases as a lead-up to the end of the calendar year and to meet presale commitments.



The volume of lots released in the Jensen locality may reflect a demand for the larger semi-rural lifestyle lots



2.2

The development applications that are represented within the data set above include:

- Material Change of Use;
- Reconfiguration of a Lot;
- Operational Works; and
- · Development Building Works.

Total DA's lodged remain steady, with a slight upward trend.

Material Change of Use applications indicates 31 new developments or intensification of existing development across both residential and commercial activity areas.

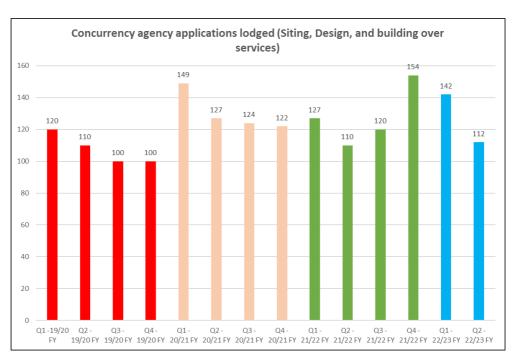
The Federal Government Home Builder Grant announced in June 2020 prompted an increase in development applications lodged, particularly Reconfiguration of a Lot and Operational Works. This is reflected in the increased volume of applications during the 2020/21 financial year and the following year.

It should be noted that the period following the conclusion of the Federal Government Grants shows the volume of applications remaining consistent and in excess of the 2019/20 financial year, which shows the fundamental strength and confidence of the local economy.

2.3

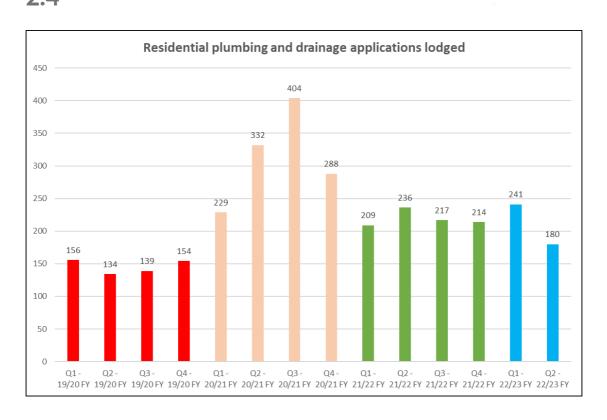
112 agency applications were received this quarter. Historically consumers often choose not to commit to building works leading up to the Christmas period.

For example, all Q2 of each financial year demonstrates a seasonal effect.

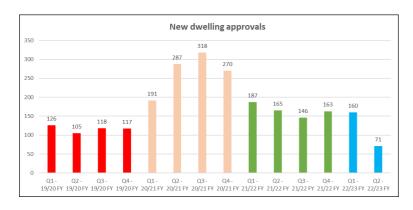




7 A The volume of residential plumbing and drainage applications lodged remain strong.



3. THIRD-PARTY STATISTICS (HIA)



3.1

ABS data for Q2 records 71 new dwelling approvals.

HIA commentary forecasts lower volumes into 2024, with the volume of homes already under construction expected to keep builders busy.

Commentaries from the industry indicate builders are reluctant to contract new homes, particularly fixed price contracts, in view of the volatility of the cost of materials and access to skilled trades. With a backlog of homes under construction, further new homes being contracted will further place pressure on construction commencement and timeframes.

The additional commentary explains that although there are current pressures around labour, materials and interest rates - house prices are remaining robust.



3.2

HIA news indicates that supply constraints and more acutely, shortage of skilled trades is impacting heavily on the ability of builders to complete homes.

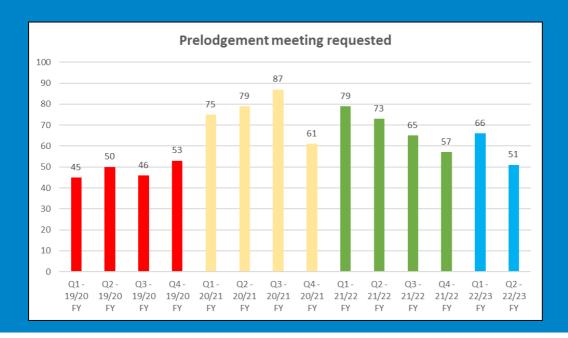
Indications are across Australia houses remaining under construction are almost double when compared to mid-2020.



3.3

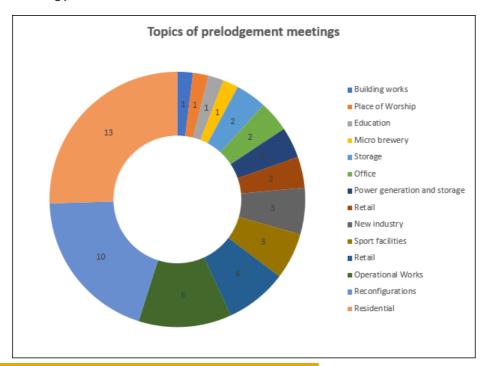
The 2022/23 financial year in total maintains an average of residential investment of \$71M per quarter, compared to the market conditions prior to the Home Builder Grant period of the 2020/21 financial year, this average remains sound.

4. PRE-LODGEMENTS



Townsville City Council's Planning and Development department offers free prelodgement meetings to all applicants to ensure a smooth application process with clear, concise and consistent information.

The Planning and Development planning and assessment team is committed to reducing assessment timeframes for their customers, hence it is strongly recommended to use this service.



Discussing what is required for a well-made application, discovery of potential issues before lodgement, information required, clear expectations and relationship building all contribute to collaborative environment where assessment timeframes can be reduced.



5. TIMEFRAMES

Planning and Development are inviting applicants to join us in the improvement of the assessment of applications. The goal is to improve the turnaround timeframes of the assessment process.

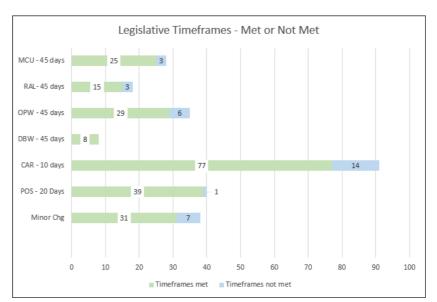
Our planning and assessment officers are committed to providing excellent customer service, which provides clarity, consistency and certainty of information.

Planning and Development encourage the lodgement of well-made applications. To assist with this, free pre-lodgement meetings continue to be available. This allows a prospective applicant to have open and frank discussions with relevant council officers.

Importantly these discussions will assist the applicant in lodging an application that is well-made by having all the required information, resulting in reduced timeframes and negating the requirement for a later request for further information.

The data represents the number of applications that either have met or have not met legislative timeframes related to times taken to reach a decision.

The assessment timeframes are calculated from the date the application is properly made to the date the decision is less any periods waiting for responses to formal RFIs, Referral Agency responses and periods of public notification (if applicable).



The calculation also considers agreed extensions to assessment stages and where the applicant has requested the assessment clock be stopped.

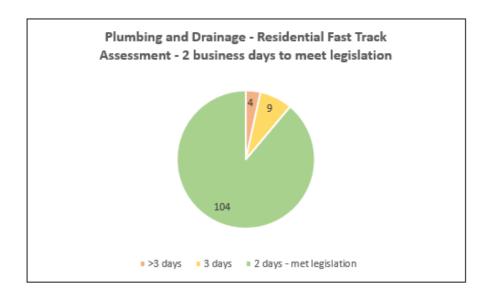
Moving forward into 2023, Planning and Development is embarking on projects targeted at reducing assessment timeframes.

Applications meeting
legislative timeframes have
increased from
79% in Q1 to 87% in Q2

These include but not limited to:

- A review of the Plan Right accelerated assessment process with an intent to extend the eligible application types being assessed. There may be an opportunity to extend this process to Operational Works and Plumbing and Drainage;
- Supporting processes to meet the aim of assessing identified application types as same day turnaround; and
- Review of current internal processes to with the intent to streamline and build in efficiencies to reduce the overall assessment periods.

Planning and Development is committed to reducing assessment timeframes on all applications and throughout these initiatives and others will be progressively introduced.

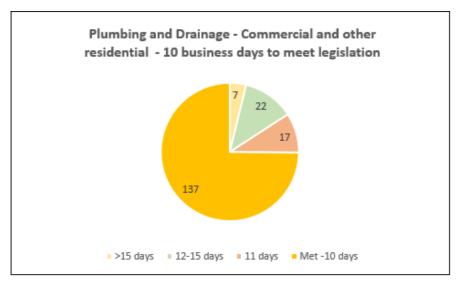


5.1

Plumbing and Drainage Fast Track applications have legislative assessment timeframes of 2 business days. The results are calculated from when the application is properly made to the decision date. Properly made is reached when the council receives all required information to allow an assessment to commence.

Due to a decrease in application volumes, the percentage of applications meeting legislative assessment timeframes this quarter has improved from 78% to 89% compared to the previous quarter.

During 2023, Planning and Development will undertake a complete review of all internal processes relating to assessing Plumbing and Drainage applications with the intent of all Fast Track applications meeting legislative timeframes.



5.2

Assessed commercial and non-fast track plumbing and drainage applications increased from 165 to 183 application when compared to the last quarter.

Plumbing and Drainage commercial and other residential applications have a legislative assessment timeframes of 10 business days. The results are calculated from the day the application reaches properly made to the date of decision.

Properly made is reached when council receives all required information to allow assessment to commence. 74.86% of applications assessed this quarter met the legislative timeframes compared to 58.18% in the last quarter.

The reduction in residential Fast Track applications received allowed for resources to be applied to commercial approvals.

BUILDING APPROVAL DATA

State government development information is not required to be given to Council. Therefore, the building approval data only includes a small proportion of State government work, and this should be taken into consideration when analysing the information (i.e. the estimated value of works may not include developments such as works to schools, hospitals or defence).

The number of building works for the most recent two months also needs to be used with some caution. While private building certifiers are required to provide the information to Council within five business days of the decision notice being issued, this does not always occur. Data is regularly reviewed for accuracy; however, minor representation errors may still occur.

VALUE OF WORKS DATA

The estimated value of works needs to be used with some caution. As this is provided at the planning stage of works, this may not accurately reflect the final cost of works.

ASSESSMENT TIMEFRAMES FOR PLAN OF SURVEY

The assessment days for the release of Plans of Surveys are calculated from the date all required information is received by Council and all conditions of approval have been met.

CONCURRENCE AGENCY RESPONSE APPLICATIONS

Concurrence Agency applications in the context of this report represent two areas of assessment. Firstly, where residential development does not comply with the assessment guidelines of the Queensland Development Code (QDC).

The QDC prescribes amenity and design guidelines. These guidelines as an example dictate the sighting and height of structures on the lot. The Local Government Authority has the delegated rights from the State to assess applications where the property owner wishes to gain a relaxation of the codes.

Secondly the QDC prescribes guidelines in relation to structures built over or within the influence of a Council asset such as sewer infrastructure. It allows the Local Government Authority to assess the structure if it poses a risk to the infrastructure.

"We thank the community for the continued support in our efforts to provide you with clarity, consistency and certainty."

OPW - Operational Work

In the context of day-to-day business, operational works commonly includes infrastructure works associated with development, such as sewerage, water, roads, and stormwater. This may also include excavating or filling, clearing vegetation, road works, and Advertising Devices.

DBW - Development Building Work

Assessment of the proposed building works on lots that are located in zones such as a Character Residential Zone.

RAL- Reconfiguring A Lot

The subdivision, amalgamation, and realignment/rearrangement of lot boundaries, creating an easement and agreements for Community Titles Scheme (CMS)

MCU - Material Change of Use

Required when commencing a new use on premises, re-establishing a use that has been abandoned or changing the intensity or scale of the use.

POS - Plan of Survey

POS lodgements are associated with the approval of a Plan of Survey. This allows newly created lot/s to be registered and introduced to market for sale.

Properly Made

An application must be properly made to allow assessment to proceed. Legislation prescribes the minimum requirements for an application to be properly made.

PlanRight Applications

PlanRight applications are those identified application types that are assessed by approved external consultants. Once lodged, Council issues the decision notice via an accelerated process.

