

IMPROVING EFFICIENCIES ACROSS THE DEVELOPMENT PROCESS

FACT SHEET

The source of all the data below is the Greater Whitsunday Housing Playbook unless another source is quoted.

How do we solve for improving efficiencies across the development process to reduce time and costs

Key findings:

Planning Review

A review of the planning frameworks across the 3 Regional Councils highlighted that:

- *“Looking for better ways to identify and communicate planning policy and processes to deliver housing supply benefits from community involvement and provides context for ongoing discussions to manage growth and change more generally. A clearly established and high performing planning framework helps support the regions visions and objectives for housing delivery. This provides capability and capacity in the industry to bring forward housing, improves community understanding and awareness around key housing challenges and can encourage investor confidence in the regional housing market.”*
- A review of the planning schemes of the 3 Regional Councils highlighted scope to strengthen the alignment between housing policy and provisions to improve consistency.
- Upon review of the three local government planning schemes, it is noted that a majority of key housing themes have been identified in Mackay Planning Scheme and some housing policy gaps have been identified in the Isaac and Whitsunday Planning Schemes. The lack of reference to specific housing themes, such as affordability and aging in place highlights policy gaps relevant to key housing challenges identified in the region. There are also gaps in policy for seniors housing, which is not addressed in Whitsunday or Isaac regions. There are also gaps around housing policy for rural and agricultural settings and active transport infrastructure to support complete and healthy communities.
- The Mackay, Isaac and Whitsunday Regional Plan is over a decade old and warrants updates to tackle current housing themes and challenges.
- Noting Councils are required to review LGIPs every 5 years, more frequent review of growth modelling will better inform land use and infrastructure policy through planning schemes and local government infrastructure plans revisions.
- There is lack of coordination and integration between regional land use and infrastructure planning.
- The 2012 regional plan is out of date and there is no regional infrastructure plan to support the region level land use plan.
- There is a lack of time allocation to actions in the regional plan (i.e. identification of short, medium and long term actions). Updated timing would help prioritise actions and associated objectives for land use planning at the region level.
- Local Councils can act as a facilitator as well as regulator of housing in their LGA.

Data Analysis

Population growth in the region has increased significantly in the last five years and housing supply has not kept up with demand.

New house sales and dwelling approvals have slowed since the peak of 2012 despite favourable market conditions. Although sufficient land has been zoned for housing relative to population growth, infrastructure is not being funded or delivered to enable the volume of housing needed.

Construction costs are notably higher than the national average in the Greater Whitsunday Region. High building costs and timeframes are delaying and discouraging new housing delivery.

In addition, planning provisions and processes present challenges to the efficiency and viability of housing delivery by the market, adding time and cost to the process.

Infrastructure costs are a factor that discourage housing being funded and developed.

There are 5,400 lots approved for development that are not being converted. Development Approvals are not being acted on (i.e. approval 'banking'). Costs associated with post-approval requirements and timeframes, trunk infrastructure, regional construction multipliers, limited skilled labour, high insurance premiums, and high loan deposits were identified as contributors.

Rates of building and construction have steadily declined over the last 10 years and remain low post-COVID. Significant increases in build rates are needed to meet current and future housing demand.

Housing types do not align with population demographics or their economic capacity. There is limited attached housing (e.g. duplex, townhouses, apartments) being delivered despite market demand.

There is scope to align local government planning schemes to improve consistency in planning requirements and timeframes.








Investor confidence was identified as one of 8 key themes from the data analysis and stakeholder engagement, that is, a lack of confidence in the property market as a financial investment option for long term individual and institutional investors. This is offset by the trend of high investor confidence and competition when housing is being secured as a business necessity.

The Regional Councils have not found their incentive programs to achieve the housing outcomes desired.

Key Themes

The following key housing themes have been identified as the overarching themes to core housing challenges in the region:

Key Themes 2, 3 and 7 derived from the data analysis and stakeholder engagement are relevant to the discussion relating to improving efficiencies in the development process, and will improve outcomes in themes 4 and 5.

	<p>Housing Market Disruptors: The Greater Whitsunday regional housing market is influenced by a range of factors beyond fluctuations in housing supply and demand driven by permanent residential communities. The housing market disruptors are primarily driven by employment sectors with a disparate range of housing needs and demands.</p>
	<p>Infrastructure: Inadequate infrastructure to support cost effective and timely housing development. Barriers to on the ground infrastructure delivery include the cost of infrastructure provision for government and developers and lack of agility to plan and deliver required infrastructure ahead of development need, leading to difficulty matching housing supply to meet housing demand.</p>
	<p>Conversion and Delivery: Increasing complexity and risk across the industries and sectors that contribute to housing delivery (e.g. planning, infrastructure, financing, construction, real estate etc.) are all contributing to an increasing lack of conversion. This lack of conversion is demonstrated via reduction in development applications and approvals for housing, an increase in ‘banking’ of land subject to housing approvals and a reduction in approvals for housing proceeding to construction.</p>
	<p>Housing Diversity: While single detached housing remains, the predominant product being delivered and sought in the region, there is clear demand for greater housing diversity in the form of semi-attached and attached housing from a range of user groups in both coastal and rural areas.</p>
	<p>Investment Confidence: A lack of confidence in the property market as a financial investment option for long term individual and institutional investors. This is offset by the trend of high investor confidence and competition when housing is being secured as a business necessity.</p>
	<p>Social and Affordable Housing: An increasing demand for social and affordable housing options is identified from a range of user groups, fueled as the cost of securing housing (rental and purchase) remain high.</p>
	<p>Alignment of Planning Provisions: There is opportunity to improve consistency across planning provisions for the three local government areas that comprise the region to improve community and developer understanding and certainty. This includes alignment of policy, development assessment efficiencies and post-approval requirements, systems and processes.</p>

More detail in relation to the infrastructure and conversion and delivery themes can be found on the next page.

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Key Theme: INFRASTRUCTURE

ISSUE/CHALLENGE -

Inadequate infrastructure to support cost effective and timely housing development and employment opportunities in the short and long term.

Roundtable discussion: Infrastructure identified as an information gap during discussion. Interest in understanding major infrastructure in the pipeline for the region.

Issues	Barriers	Evidence Base	Opportunities <i>Recommendations are found in the Playbook</i>
<ul style="list-style-type: none"> The identification of limited scale Priority Infrastructure Areas controls the costs of trunk infrastructure to government, but results in greater cost to developers. Different local governments have different views on the cost benefit of providing reductions, waivers or delays to payment of infrastructure charges. Lack of agility in governance systems to plan and deliver required infrastructure ahead of anticipated development need. Recognition that infrastructure delivery unlocks land and housing supply, but neither local government or the development industry are in the position to fund the extent of trunk infrastructure necessary to unlock a meaningful increase in housing supply. 	<ul style="list-style-type: none"> The cost involved with constructing and delivering infrastructure is identified by the development industry as a substantial barrier to converting development approvals. Difficulty obtaining approvals or timely decision making from certain infrastructure providers (e.g. Ergon) – delays delivery of development. Complexity between different levels of government to co ordinate and facilitate and address infrastructure provision. Local governments have flagged limitation in funding and delivering catalyst trunk infrastructure to bring forward housing supply. 	<ul style="list-style-type: none"> In Whitsunday, the forecasted demand for dwellings at current rate in 2031, will result in a deficit of 1,539 detached dwellings. There appears to be sufficient attached dwellings. In Isaac, the forecasted demand for dwellings at current rate in 2031, will be a deficit of 227 in detached dwellings and deficit of 591 attached dwellings before 2036. In Mackay, the forecasted demand for dwellings at current rate in 2036, for detached dwellings a deficit of 255 (Central Mackay), 1,116 (Coastal Mackay), 1,503 (North Mackay), 1,455 (South Mackay), 539 (Rural Mackay), -1,273 (Sarina) and 388 (Pioneer Valley). Areas such as Bowen, Central Mackay and Sarina are achieving only circa of 4-5% of their annual targets. 	<ul style="list-style-type: none"> Co-ordinated and sequencing approach – To ensure future infrastructure to meet housing and population change. Recommendation 5.3 Review funding mechanisms – To deliver essential infrastructure for the region and explore opportunity for infrastructure delivery to be concurrent with housing delivery – to align resourcing with growth. Recommendation 5.3 Recommendation 5.9 Contributions in amenity – From large developers could be considered to ensure good outcomes. Recommendation 2.7 Increase support for 'Development ready' projects - Monitoring and providing support from local government to developers to support construction of their projects and expedite delivery. Recommendation 3.7 Recommendation 5.7 Recommendation 5.10 Scope in reviewing infrastructure related incentives – To provide more agile responses to infrastructure provision. Recommendation 3.5 Recommendation 5.4 Recommendation 5.9

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Key Theme: CONVERSION AND DELIVERY

ISSUE/CHALLENGE -

Lack of conversion of approvals to housing and increasing complexity navigating across industries and sectors that contribute to getting housing 'on the ground', such as planning, infrastructure, financing, construction, real estate etc. Development for housing not coming forward or DA Approvals on hold for multiple reasons: financial factors, cost and time to obtain approvals and meet conditions, construction costs, skilled labor shortages, overall greater developer risk, investment uncertainty etc.

Roundtable discussion: Reviewed existing DA and Building approvals within the region and identified a need to understand what is stopping approval conversion and conversion of existing and underutilized buildings to residential accommodation.

Issues	Barriers	Evidence Base	Opportunities <i>Recommendations are found in the Playbook</i>
<ul style="list-style-type: none"> Undeveloped land constrained by a range of factors including approval condition requirements, financial/funding factors which restrict conversion of approvals. Price escalation of construction materials and limited skilled labour. Project complexity and size being key drivers of cost overrun. Climatic risk impacts on cost of insurance. Changes to development applications and development approval is a common occurrence in the development industry in order to meet the needs of the changing market. This may also slow down the process of conversion and delivery. 	<ul style="list-style-type: none"> There is 'land banking' issue with a significant level of uncompleted stock within active approvals. A range of factors including approval condition requirements, financial/funding factors which restrict conversion of approvals. Experiencing skill, labor and contactor shortages within the region that are likely to worsen the delivery of infrastructure in the pipeline. Changes to financial returns and market demand overtime making development less financially viable Risk factors: financial, cost and time to obtain approvals and meet conditions, construction costs, skilled labor shortages, overall greater developer risk, investment uncertainty etc. 	<ul style="list-style-type: none"> There is capacity amongst project builders, but the pipeline and interest rates have created this to slow down. Lack of housing availability within next 12-24 months. The 5-year average of lot registrations is 392 across the total region – significantly below the 1,950 witnessed in 2008/2009. Increased in approvals in last 2 years but not translated into registration. Detached dwelling conversions: typically, 50% of lots registered recorded Building Approval (Rural Whitsunday, Sarina, Bowen). Attached dwelling conversion: typically, 50% of approvals proceed through registration (Central & Coastal Mackay, Rural Whitsunday, Sarina). When reviewing the planned ultimate supply, there is considerable provision of attached housing within the ultimate supply (planned supply), however the current levels of delivery are considerably below the targets. 	<ul style="list-style-type: none"> Educating residents and housing providers – Review suitable housing choice and appropriate dwelling types to deliver products needed for the region. Recommendation 4.2 Recommendation 8.8 Close monitoring of Post Approval – LGA to support concierge services to support delivers and targeting systems or approaches to enable streamline process and expedite development delivery. This may also include pilot towards non-strata attached housing to encourage sales in attached housing. Recommendation 3.7 Recommendation 4.3 Recommendation 5.5 Labor and materials – Encourage and retain skilled workers in the region. Pipeline planning – There is planned supply for attached dwellings, therefore there is much greater potential for a more diverse market and short-term barriers may be influencing delivery. Recommendation 3.1 Recommendation 5.7 Government incentives – To support the delivery of infrastructure and contributions to ensure development proceeds forward. Recommendation 5.6 Land holding taxes – Disincentives to land banking development ready land with approvals in place Recommendation 5.4

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Key Theme: ALIGNMENT OF PLANNING PROVISIONS

ISSUE/CHALLENGE -

Consistency in housing policy across local government planning schemes has been identified as a constraint and a lack of certainty and flexibility in development assessment and post-approval has been raised as a significant inhibitor to project viability, housing delivery and cost of housing.

Roundtable discussion: *Lack of currency in strategic land use planning for the region. Absence of infrastructure planning information. Development assessment and post approval timeframes a delivery constraints.*

Issues	Barriers	Evidence Base	Opportunities <i>Recommendations are found in the Playbook</i>
<ul style="list-style-type: none"> The current age/ version of the Planning Schemes ranges from 2017-2021. Isaac Region Planning Scheme 2021 is the most recent scheme across the 3 local governments. Both Whitsunday and Mackay Region Planning Schemes are dated 2017 and are less aligned with recent housing issues. Lack of understanding or transparency in planning policy, development assessment and post approval. Planning schemes currently lack performance checks, there may be different ways of interpreting the requirements. Lack of certainty in the post approval phase impacts developers. Stakeholders have provided feedback on delays and associated costs and the subsequent impact on development viability. There is limited to no publicly available data around timeframes for post approval compliance processes to evaluate process suitability or efficiency. The length and extent of processes to allow for a change in residential land uses on land approved or identified suitable for housing purposes. (e.g. changes to preliminary approvals and development approvals) 	<ul style="list-style-type: none"> Lack of integration between serviced and un-serviced land and infrastructure planning. Inflexibility of land uses and zoning requirements. Planning controls and benchmarks are locally led and there are no mechanisms or lack of resources to review each local planning scheme and framework and integrate issues. Complex concepts and requirements in the planning scheme framework for example, setting a quantitative standard rather quality of the development. Whilst there is opportunity to review and update Local Government Planning Schemes regularly, some planning processes are governed by State Legislation (i.e. the Planning Act) and are not subject to local government discretion. 	<ul style="list-style-type: none"> Planning Policy – <ul style="list-style-type: none"> Barriers to land use designations. Some key housing themes are not addressed in the Whitsunday Region Planning Scheme and Isaac Region Planning Scheme. Development assessment – <ul style="list-style-type: none"> Lack of understanding in planning provision. Timing constraints in obtaining a development approval. Post approval – <ul style="list-style-type: none"> Barriers with approval condition requirements i.e.: too difficult to comply with. Lack of monitor and support for post approval process and delivery of projects results in lack of conversion. 	<p>Collaboration across three Local Councils – To provide investor certainty provide streamlined approaches across the region. Recommendation 5.8 Recommendation 5.9</p> <ul style="list-style-type: none"> Opportunity for cross-industry partnerships - To build a resilient building and coordination of support and implementation. Improve efficiency and timing of planning decisions – To enable more housing investment and market and tenures Recommendation 5.4 Recommendation 5.5 Recommendation 5.8 Recommendation 8.9 Develop clearer line of sight – Between aspirations in regional plans and local implementation. Provide clearer blueprint of committed goals and actions with timeframes and tracking progress. Recommendation 5.1 Recommendation 4.2 Improving community understanding and transparency of planning framework – Better understanding of how the town planning processes work will enable community and investor confidence that the system will deliver the desired outcome and support needed. Recommendation 3.1 Recommendation 4.2 Recommendation 8.1 Review current framework – Simplify the development assessment process and review ‘exemption’ or land use flexibility options to expedite development. Recommendation 5.4 Recommendation 5.8 Recommendation 6.6



Considerations:

Stakeholder (anecdotal) feedback includes:

- Development Approvals are harder to convert due to conditions being imposed.
- Red tape and financial factors are hindering investment/conversion.
- Cost of developing units is too high.
- Cost of insurance chases investors away, especially for units.
- Very costly to build in the regions and need State intervention and incentives.
- Valuers need to reframe how they value different diversity options.
- Approval conditions imposed by Council considered unreasonable, inflexible and resulting in additional costs for developers.
- Stormwater infrastructure issues in Mackay.
- Ergon Energy delay the process.
- Councils are risk-averse and rely heavily on their Planning Scheme – they do not see or apply it as a guide, but rather a rule.

Opportunities identified from stakeholder engagement:

- All employers predict significant employment growth keeping demand for housing strong.
- LGA to reduce, waive or delay fees for approval processes and infrastructure costs, or to retain their fees and fund into the post approval process to support compliance and delivery.
- Review Council Planning Schemes and alignment to boost investor confidence in the locality.
- Annual review of Government policies with market trends and update as required.
- Review current DA assessment timeframes and provide more streamlined services.
- Review 'exemption' options (no planning approval required) rather than DA pathway to expedite development or allow flexibility of land uses.

Financial:

- Investigate if/how high loan deposit requirements (30%) can be removed.
- Explore pilot project potential of purchasing old or un-used housing (e.g. motels, hostels etc.) and upgrading into housing, including potential joint venture delivery.



Opportunities identified:

Partnerships and collaboration theme:

- Establish a **'Community of Practice'** to act as champions of change and identify, share, explore and test the delivery of housing that promotes diversity and innovation in the design, construction and management of housing.

Enabling the Market theme:

- Establish a **development facilitation and brokering program** to identify and reduce development application and delivery barriers (e.g. establish coordinated concierge service within local or state government, under the Housing Alliance or a regional economic development entity).

Social and Affordable Housing theme:

- **Investigate and identify surplus land suitable for housing** that can be used to enter into partnerships or be offered as an in-kind contribution for social and affordable housing delivery.

Planning and Infrastructure theme:

- Seek State government commitment and timeline to **update the 2012 Mackay, Isaac and Whitsunday Regional Plan**.
- Request the State government prioritise the preparation of **Regional Infrastructure Plan** in conjunction with review of the Regional Plan.
- Review the timing and sequencing of planned infrastructure delivery under Local Government Infrastructure Plans (LGIPs) to determine where medium and long-term population growth will be located, **identify key infrastructure required** to deliver housing in these locations **and identify options and actions required to deliver key infrastructure to unlock housing supply**.
- **Audit existing approvals** and identify infrastructure delivery barriers that are preventing development being delivered.
- Work with infrastructure entities to minimise and **streamline post-approval compliance processes**.
- Investigate an expanded **catalyst infrastructure funding regime** for the region, including State and Commonwealth funding opportunities.
- **Prioritise trunk infrastructure delivery** in key housing demand and need locations.



- **Establish consistent residential development requirements in planning schemes** across local government areas in the region including:
 - Reviewing zoning provisions to enable more diverse housing types in a range of residential zones,
 - Identifying specific housing types suitable for ‘as-or-right’ development (i.e. accepted development not requiring development approval),
 - Identifying opportunities to reduce or remove the need for assessment when changing between residential land uses on land zoned for housing, and
 - Making a greater range of housing types a lower level of assessment (i.e. code assessable instead of impact assessable). Work with infrastructure entities to minimise and **streamline post-approval compliance processes**.
- Undertake a **cost-benefit analysis** on waiving, reducing or delaying the payment of infrastructure charges or rates to determine if these measures improve the financial viability of delivering attached housing.
- Establish policy positions that support and **encourage flexible approaches to funding trunk infrastructure**, including local government / private sector partnerships and agreements.
- Making a greater range of housing types a lower level of assessment (i.e. code assessable instead of impact assessable). Work with infrastructure entities to minimise and streamline post-approval compliance processes.

Government and Leadership theme:

- Ensure planning provisions and infrastructure requirements **do not disincentivise adaptive re-use of existing buildings** for housing.
- Establish a biannual, facilitated regional development forum where applicants and assessors throughout the development process can come together in good faith to **explore barriers and identify solutions to achieve streamlined and cost-efficient assessment and post approval processes** (e.g. discuss standards and expectations around application materials, processes, timeframes, resource allocation and development outcomes).
- Encourage local government to **explore setting regional-level service delivery benchmarks to boost developer certainty**, such as target assessment timeframes for typical housing applications and post-approval compliance processes.
- Explore opportunities for local government **resource sharing** for statutory and strategic land use and infrastructure planning processes.
- Government **collaborating with Community Housing Providers** to identify land and development opportunities for social and affordable housing delivery.
- Advocate for policy decisions that **establish building design and environmental / sustainability performance requirements for housing being achieved through building approval processes** rather than planning processes to decrease planning regulation.

