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Mr Kerry Doss
Deputy Director-General, Planning Group
Department of State Development, Manufacturing, Infrastructure and Planning
PO Box 15009
City East QLD 4002

BY POST / EMAIL – Kerry.Doss@dsmip.qld.gov.au

Dear Mr Doss,

Kerry

RE: Draft North Queensland Regional Plan 2019

The Urban Development Institute of Australia Queensland (the Institute) writes to the Department of State Development, Manufacturing, Infrastructure and Planning (DSDMIP) on the Draft North Queensland Regional Plan 2019 (draft plan). The Institute acknowledges the considerable amount of work undertaken by DSDMIP both in the original consultation in 2016 and consolidating the draft plan in the current form. We are also appreciative of DSDMIP directly engaging with the Institute and our Townsville Branch on the draft plan.

We highlight that the development industry is essential in driving economic growth for the North Queensland and Townsville economy. The development industry is a major contributor to the Townsville economy; with the industry providing 7.3% of the region's employment equating to 6,482 direct and 8,366 indirect jobs and \$1,986.8 million to the Gross Regional Product (GRP)¹.

The Institute is supportive of the draft plan and the overarching objective to promote, sustain, and manage economic growth within the North Queensland region. In addition, we specifically support the draft plan's initiatives around incorporating 'Measures that matter' and 'Implementing actions' in order to gauge the progress of the draft plan and the actions to give effect to the identified regional policies.

As you are aware, the North Queensland region is undergoing a significant economic transition and requires serious commitment from the State Government to local industries, including traditional and emerging industries, to promote employment and jobs growth. In the Institute's view the draft plan must be able to assist and equip local governments to facilitate and unlock opportunities to leverage North Queensland's existing assets to improve the economy in the Townsville region.

To illustrate this issue, residential building approval numbers against the 10 year average provides a valuable insight into the state of the Townsville economy. The 2018/19 financial year recorded 379 new (detached) housing approvals and 14 new (attached) other residential approvals, significantly under their respective 10 year

¹ The Institute's Research Foundation - *The Contribution of the Development Industry to Queensland*, Urbis, March 2018

averages; 910 and 203. The Institute urges DSDMIP to be cognisant of these figures and consider how the draft plan may seek to improve conditions to align with the 10 year averages.

The Institute strongly encourages that the draft plan should be reviewed to identify additional opportunities to enhance employment to address the difficult and protracted economic situation in the region.

The Institute has reviewed and analysed the material within the draft plan and has provided detail comments on:

- The introduction of the of the 'Townsville Urban Area' within the Townsville City Council area and the relevant assessment benchmarks prescribed within the draft plan
- Maximising consolidated communities and diversity in housing in the draft plan
- Maximising the region's opportunity to capitalise on the renewable energy sector.

Townsville Urban Area and Relevant Assessment Benchmarks

The Institute has observed that the draft plan has introduced the 'Townsville Urban Area' (TUA) which appears to bound the existing areas zoned for urban purposes within the Townsville local government area.

The Institute supports the principle that the TUA should promote the consolidation of new residential development over the life of the plan. The Institute raises concerns regarding the application and regulatory provisions that attach to the TUA. While the Institute concedes that the consolidation of residential development within existing urban areas carries a strong argument for efficiency, we hold concerns about the ability of the market to drive infill residential development over the 25 year life of the plan.

The draft plan has also incorporated Development assessment benchmarks for development outside the TUA. Assessable development for reconfiguring a lot for and/or material change of use for a residential purpose will be required to demonstrate how it will comply with the relevant provisions in the draft plan. The Institute is concerned that the additional regulatory requirements would block the industry's ability to meet housing needs.

The introduction of the TUA and the new assessment benchmarks potentially places an unnecessary barrier to urban and residential development in Townsville. The Institute is not aware of evidence that demonstrates that the proposed TUA will not unnecessarily limit land availability.

The Institute requests further information be provided regarding residential land supply to ensure it is relevant to the TUA and accurately depicts the current market demand of residential dwellings. It is recommended DSDMIP commission a review of the study to ensure the study is relevant, up-to-date and provides a reliable evidence base for the TUA.

Consolidation and Housing Choice

The Institute is supportive of the draft plan's references to changing households and its proposed principles to encourage housing diversity. We note that a diversity of housing plays an important role to meet the diverse community's housing needs but have some concerns as to the efficacy of the proposals. The Institute recommends that to ensure a diversity of housing is provided, the economic realities of achieving this should be examined.

The draft plan has acknowledged that 30 percent (15,114) of the required dwellings by 2041 will be within the consolidation areas. The Institute highlights that the Townsville market has a predominant demand for detached dwellings in new estates consistent with trends in regional centres across Queensland. Compounding the difficulty in delivering infill development is the lack of economic feasibility of most projects and access to

finance. These challenges are further exacerbated when projects fall outside of the city centre. The Institute is concerned that the draft plan does not contain sufficient actions or deliverables that would result in greater infill development to achieve this desired benchmark. The draft plan has included a number of figures around housing typologies and 'gentle density' but does not contain tangible outcomes to deliver this.

The Institute recommends DSDMIP undertake further work with the relevant local governments and industry to consider how dwelling diversity in existing residential areas can be increased, including specific implementation actions and incentives to deliver alternative housing typologies in Townsville.

Renewable energy

The Townsville region has a significant opportunity to capitalise on the demand behind the production and storage of renewable energy. This could be an important industry for the North Queensland region to deliver and support key workforces within the local community.

The region needs to claim and secure an industry that is unique to the surrounding regions in order to compete regionally, sustain population growth, and boost the economy locally. The draft plan has rightfully acknowledged the importance of renewable energy and the potential of facilitating this industry. The Institute, however, is concerned about the identification of the Renewable Energy Investigation Areas (REIA) and potential to have a limiting effect on the renewable energy sector and other uses.

The Institute acknowledges the role of the REIAs in determining the suitability of future sites and ensuring sites are able to capitalise on existing infrastructure and available resources. Concern arises where the industry identifies a suitable site to accommodate a solar/wind farm but would in future be considered an inconsistent use, particularly against the Priority Agricultural Areas (PAA) and Agricultural Land Classifications (ALC) in the draft plan.

The Institute understands that the renewable energy industry is highly competitive and there is a multitude of factors that combine to dictate whether a proposed development may be realised. It is also important to recognise that the capacity of the electricity grid to accommodate renewable energy generation is a critical factor in determining the renewable energy hotspots throughout the State. Irrespective of the REIAs defined within the draft plan, the location of future transmission infrastructure (whether under the Powering North Queensland Plan, or otherwise), the phasing-out of fossil-fuel generators, and location-specific information on capacity within the grid (e.g. that which is published annually in Powerlink's Transmission Annual Planning Report) leads to the industry concentrating renewable energy prospecting and development activities on these locations (effectively, these become informal REIAs in their own right). The regional plan REIAs should be well located in relation to these factors.

It is also concerning to see that in the draft plan wind and solar development appear to have been grouped together in the determination of REIAs. The locational requirements of wind and solar projects differ greatly. Wind farm locations are less able to be planned for as they are highly sensitive to a number of characteristics of wind speed and for a given location and it is not easy to predict wind resource quality. There is a risk that the draft plan will limit the potential for the North Queensland region to capitalise on this wind opportunity if the REIAs limit the opportunities for wind farm development. The Institute recommends a greater flexibility to allow for wind farm development in response to the specific character of this industry.

We note that there is an implementation action to identify and investigate opportunities to establish renewable energy developments, which is supported by the Institute. A regional policy has however been included within the draft plan that excludes non-agricultural uses within the PAA, excluding public infrastructure or uses that

demonstrate net benefits. The Institute is concerned that renewable energy development will not be able to be delivered within PAAs and potentially areas outside of REIAs and will place significant barriers to enabling the renewable energy industry.

The Institute recommends DSDMIP clarify the ability to propose renewable energy land uses outside the REIAs and within the PAAs and ALCs to ensure certainty in realising renewable energy opportunities in North Queensland.

Conclusion

The Institute appreciates the opportunity to provide comments on the draft plan. We sincerely thank DSDMIP for providing a briefing to our local Townsville Branch on the core aspects of the draft plan. The Institute provides this feedback in the spirit of collaboration and urges DSDMIP to continue to engage with the Institute to better refine the draft plan in support of the North Queensland Region.

In summary, the Institute recommends:

- Further consultation to be undertaken to ensure the TUA truly represents the current and future residential land supply situation and opportunities and it considers the market demand and commercial reality of facilitating future residential communities
- Further work in coordination with industry and local government to consider how dwelling diversity in existing residential areas can be increased, including specific implementation actions and incentives to deliver alternative housing typologies in Townsville
- Ensure the renewable energy industry is supported in the draft plan in order for the region to fully realise the economic benefits and jobs growth
- The draft plan is further revised in concert with other initiatives to substantially enhance employment given the protracted difficult economic situation in the region.

If there is any matter that you wish to discuss, please contact Policy Executive, Robert Tily (rtily@udiaqld.com.au) on (07) 3229 1589.

Yours sincerely,

Urban Development Institute of Australia Queensland



Kirsty Chessher-Brown
Chief Executive Officer