

# Additional Information

## Ordinary Meeting

**Thursday, 18 January 2024**



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## Related Report / Additional Information Request

<b>Meeting:</b>	<b>Ordinary Meeting</b>	<b>Date:</b>	<b>18 January 2024</b>
<b>Item:</b>	<b>8.1 Mooloolaba Foreshore Revitalisation – Stage Two Central Meeting Place</b>		
<b>Circulation</b>	<b>10 January 2024</b>		
<b>Officer :</b>	<b>Manager Project Delivery</b>	<b>Approving Group Executive:</b>	<b>Liveability &amp; Natural Assets</b>

Please note the following additional information for your consideration.

Regarding construction market conditions in Australia please see below links and some relevant extracts from the Property Council of Australia and Infrastructure Australia:

1. [Labour the biggest challenge to construction costs: Slattery - Property Council Australia](#)

*“For Queensland, cost escalation is expected to rise with major projects on the horizon regarding major renewable projects, hospital projects and the Olympics. Slattery expects costs escalation to run at an average of 6-7 per cent per annum over the course of 2024.”*

City	2022	2023	2024 and beyond
Sydney	6-8%	4-6%	4-5%
Melbourne	8-10%	4-6%	3-4%
Brisbane	10-12%	6%	6-7%
Perth	10-12%	4.5-5.5%	4.5-5.5%
Adelaide	5-7%	4.5%	4.5-5%
Hobart	10-12%	8%	6-8%

2. <https://www.infrastructureaustralia.gov.au/publications/2023-infrastructure-market-capacity-report>

*“The report finds Australia’s major public infrastructure pipeline stands at \$230 billion over five years - an increase of four percent on the previous year. The report also finds that there is a smoothing of the pipeline, which shows governments have taken action to actively manage demand. Despite this slight smoothing of the pipeline, several market capacity constraints are inhibiting the ability of the sector to deliver projects on time and on budget, which are detailed in this report, including: Skills shortages; Non-labour supply challenges; Stagnating productivity. For the first time, the 2023 Infrastructure Market Capacity report also offers insights into key regional hotspots across the country, where demand is far outweighing supply.”*

**Key insights**



**Overall, public infrastructure demand has flattened compared to the previous year, although growth in key regions and sectors may prolong supply shortages if unaddressed.**

Governments have continued to actively manage their infrastructure pipelines. For example, the Australian Government's continued commitment to a sustainable 10-year pipeline and commissioning of the Infrastructure Investment Pipeline Review will assist in ensuring demand is aligned with market conditions. It will also create more certainty for the market and encourage investment to build capacity to meet future demand.



Major public infrastructure spend is now valued at \$230 billion over the five years from 2022–23 to 2026–27. While this represents a slight 4% increase from last year, the updated outlook shows a 10% drop in the highest peak of expenditure across those five years as well as a shifting of investments into later years. This indicates that governments have taken positive steps to actively manage the demand-supply gap and create longer term certainty.



Energy sector investment is expected to grow at around four times current activity levels. While most of this growth will be funded by the private sector, it indicates the market is responding to government signals about its energy transition ambitions. It also represents more pressure for materials and labour due to this increased investment.



Regional demand hotspots will create labour gaps. Regions across New South Wales, Queensland, and the Northern Territory will experience extraordinary growth in the three years from 2024–25, with investment up to three times higher than the three years prior in some regions.

Sustained cross-sectoral demand will prolong the pressure on construction capacity. Infrastructure Australia's Market Capacity Program covers transport, buildings, and utilities. We note significant public investment is in planning for defence, energy as described across, mining - especially critical minerals - and housing, which highlights that supply and demand management strategies must be complemented by a nationally coordinated effort to improve construction productivity and innovation.

**Key insights**



**Labour remains the top capacity constraint, indicating longer-term structural barriers, many of which may be addressed through current reforms outlined by the Australian Government in recent months.**

A shortage of 229,000 full-time infrastructure workers is predicted as of October 2023, with shortages expected in all occupational groups.



Engineers and scientists will continue to experience the largest of all shortages until mid-2024. Trades and labour shortages are growing at the fastest rate and will remain high until 2025. The tertiary system (higher education and vocational education and training) plays a role in meeting demand in occupation groups in shortage.



Typical infrastructure career pathways have long lead times in and high churn rates out. Governments should consider developing a national infrastructure workforce strategy to grow workforce capacity through long-term workforce planning with industry, to attract, retain and upskill workers, including women, particularly in a tight labour market.



Reforms are underway. Positively, key Australian Government reform directions, namely the Employment White Paper, the Australian Universities Accord, and the recently signed National Skills Agreement, recognise and are looking to address many of the structural barriers outlined in this report. With coordination across the Australian Government, they will provide some key mechanisms for acting to boost workforce supply both in the short and longer term.

**Key insights**



**Industry surveys and interviews indicate concerns with the domestic capacity of materials supply.**

Global supply chain pressures have eased, with steady improvements in international production, trade, and transport measures compared with 12 months ago.



Local materials supply - particularly steel and quarry products - cannot meet demand in particular hotspots. Australia is increasingly reliant on steel imports, which over two recent years (2020–21 and 2021–22) are up 20% on the long-run average of the last two decades. Acute quarry shortages loom in several regions nationally, with long lead times from quarry approval to extraction making it difficult to source alternative supplies when and where they are needed, increasing project schedules, costs, and carbon emissions.



Gaps in national market data collection on domestic manufacturing and production hinders government efforts to predict supply and plan in line with anticipated demand.



There is an opportunity to build domestic capacity and markets for new low emissions construction materials - such as green steel and recycled materials - in response to Australia's Net Zero 2050 and 2035 targets. Governments have already taken first steps through national initiatives such as the National Waste Policy Action Plan and the Buy Australia Plan as well as actions at the state and territory levels. National coordination could generate a further step change in increasing adoption of recycled materials.

**The Productivity Turnaround**

Construction sector productivity has stagnated for over 30 years. Addressing the barriers to growth will take time but there are levers to boost supply over the long-term.

**Long entrenched 'wicked problems' have held construction sector productivity back for three decades.** It is time for governments and industry to work together to improve long-term sustainability and capacity to deliver current and future infrastructure projects.

This edition of *Infrastructure Market Capacity* highlights key barriers to boosting productivity: lack of diagnostic productivity measures, poor rates of women's workforce participation, inconsistent uptake of new technologies and modern manufacturing methods, and room for improved fair risk allocation between parties in procurement and contracting. Reaching agreement between governments on diagnostic productivity measures and creation of a national productivity baseline would close a critical knowledge gap needed to inform meaningful policy interventions in the future.

We recognise that state and territory governments have already introduced, or are in the process of introducing, reforms to boost industry productivity. Joint effort by all governments will be needed to support work already underway and elevate reform outcomes to the national level.

Infrastructure Australia intends to advance this report's recommendations in 2024 through continued exploration of the evidence base and insights that will inform a turnaround in construction sector productivity. We look forward to the opportunity to work with governments and start meaningful conversations with stakeholders to address barriers and identify policy solutions to improve longer-term productivity outcomes for both industry and governments.

The Federation Funding Agreement on Land Transport Infrastructure (currently under negotiation) will be a key government lever to support overall productivity growth, as well as increasing the adoption of new low carbon methods by a key carbon-emitting sector.





## Related Report / Additional Information Request

<b>Meeting:</b>	<b>Ordinary Meeting</b>	<b>Date:</b>	<b>18 January 2024</b>
<b>Requesting Councillor:</b>	<b>Councillors Hungerford, O'Pray and Johnston</b>		
<b>Item:</b>	<b>Infrastructure charges rebate for eligible community organisations policy</b>		
<b>Circulation</b>	<b>16/01/24</b>		
<b>Officer (title):</b>	<b>Manager Strategic Planning (Acting)</b>	<b>Approving GE (title):</b>	<b>Group Executive Customer &amp; Planning Services (Acting)</b>

In response to questions raised by Councillors Hungerford, O'Pray and Johnston, please note the following additional information for your consideration.

### Question:

Consider the inclusion of a sunset clause in the policy.

### Response:

Council officers have further investigated the ability to set a timeframe for affordable housing infrastructure rebates and note the following:

1. A specified timeframe would be a new component of the policy and would not apply to the entire policy, only those aspects being amended that relate to affordable housing.
2. Specifying a start and end date for rebates is possible and Council has used this approach in the past. An example is the *Infill Development Incentives Policy* adopted by Council in 2017 where Council allowed for reduced infrastructure charges between certain dates for eligible development. The policy also identified an option to extend the timeframe and this was subsequently taken up by Council.
3. Due to the potentially long lead times for delivering affordable housing (sourcing funding, obtaining approvals and construction) and the need for the rebate to be applied at the commencement of the use (i.e. once constructed), it is unlikely that Council will see any policy impact for at least 2-3 years.
4. It is recommended that a five (5) year timeframe be set to give the policy sufficient time to have a meaningful impact. It will be important for the policy to also provide a 'grace period' for development approvals obtained toward the end of the timeframe to allow sufficient time to commence construction and remain eligible for the rebate. For this reason, it is recommended that the timeframe be split – a four (4) year period for development applications to be received and approved; and an additional one (1) year for construction to substantially commence.



Should Councillors wish to set a timeframe for the proposed affordable housing infrastructure rebates, the following wording is recommended under the heading 'Assessment of Applications' (pp.5):

*"To be eligible for a rebate of infrastructure charges for affordable housing, a development must comply with all of the following criteria:*

- 1. The development must be undertaken by one of the entities identified in Table 1 of this policy;*
- 2. The application for a rebate is received by Council between 1 January 2024 and 31 December 2027;*
- 3. The building work for the development is substantially commenced by 31 December 2028*

*The relevant period for affordable housing rebates may be extended for a further period at Council's discretion.*

**Question:** Does Council pay infrastructure charges on developments it undertakes?

**Response:** Yes, Council generally pays infrastructure charges on its developments, on the basis that such developments increase demand on the trunk infrastructure networks. Examples include:

1. Alterations and additions to Kawana Aquatic Centre - \$84,968
2. Construction of Mudjimba multi-sports clubhouse - \$5,937
3. Caloundra tennis Centre clubhouse - \$33,237

However, in the case of City Hall, the development proceeded under the *Maroochydore City Centre Infrastructure Agreement 2017*, which effectively exempts Council from paying charges for infrastructure (other than water and sewerage infrastructure) where an activity is to be carried out on land owned by the Council. This is because Council has already funded the provision of the infrastructure necessary to support the activity. Council paid Unity Water's applicable water and sewerage infrastructure charges for the City Hall development under the *Maroochydore City Centre Water Infrastructure Agreement 2017*.

**Question:** How will this policy affect delivery of affordable housing projects funded under the State Governments' Housing Investment Fund (HIF)?

**Response:** This policy will not affect the delivery of the affordable housing project funded under such programs as the Housing Investment Fund (HIF). Council's intent to enter into an arrangement with a community housing provider would mean the project would receive a 100% rebate on the charges payable according to this policy.

**Question:** Do we have any precedence on build to rent developments?

**Response:** Build to Rent is a relatively new concept in Queensland and relevant parties are generally still trying to determine the most appropriate way to deliver this form of housing. Council is yet to receive a development application for a Build to Rent development and we understand that other Local Governments are in a similar situation.

Council officers are of the view that it may be some time before these types of applications are received, but will monitor the situation closely and provide updates as necessary. It should, however, be noted that Build to Rent is defined differently to affordable housing and the provisions of this policy, as it currently stands, would not apply to that form of development.

## Related Report / Additional Information Request

<b>Meeting:</b>	<b>Ordinary Meeting</b>	<b>Date:</b>	<b>18 January 2024</b>
<b>Requesting Councillor:</b>	<b>Councillor W Johnston</b>		
<b>Item:</b>	<b>Item 8.3 – Festive Season Program</b>		
<b>Circulation</b>	<b>16/01/24</b>		
<b>Officer (title):</b>	<b>Coordinator Creative Arts &amp; Events</b>	<b>Approving GE (title):</b>	<b>Group Executive Economic &amp; Community Development</b>

In response to a question raised by Councillor Johnston, please note the following additional information for your consideration.

### Question:

What is the festive spend per division?

### Response:

Please see following breakdown of festive spend per division for Festive and Commemorative Grants program and Festive Infrastructure allocation which reveals that Division 5 receives the highest Festive Infrastructure budget allocation at 21% of the total budget (\$85,099), and third highest of the Festive and Commemorative Events grant funding at 14% (\$13,506).



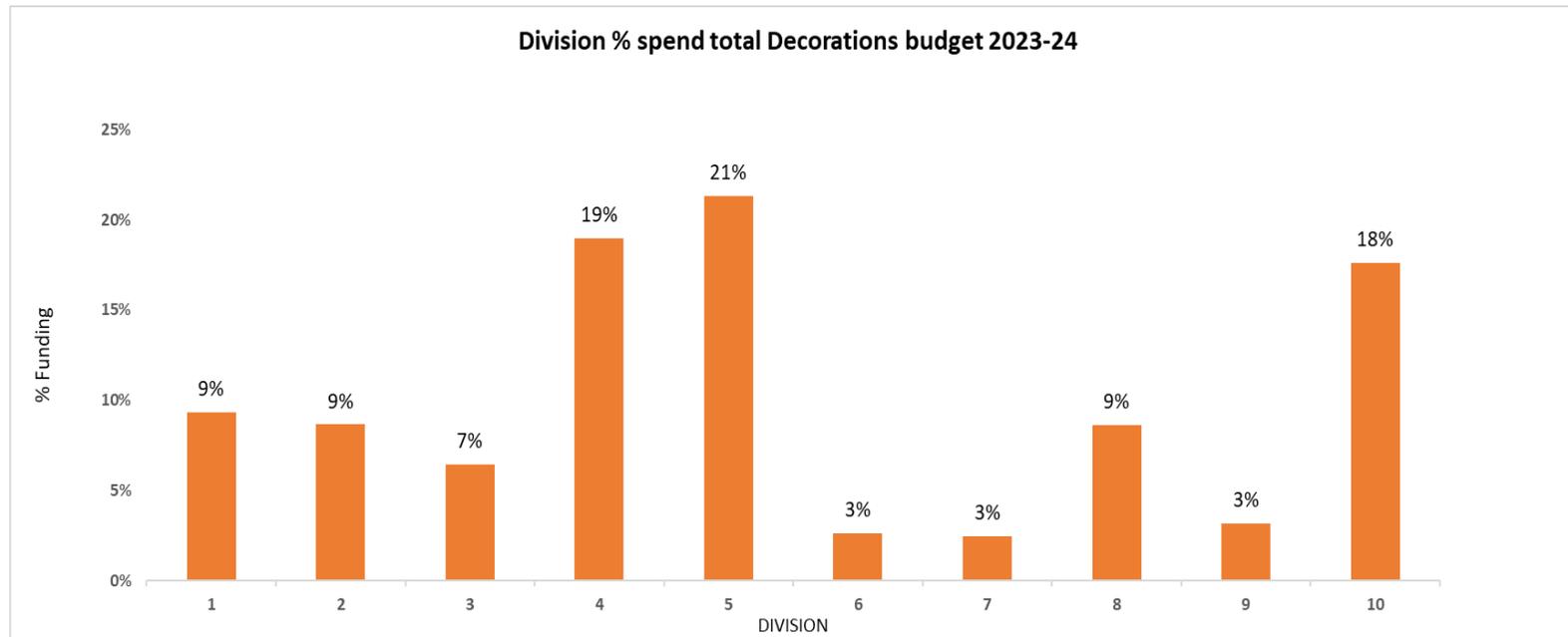
Table: 2023-24 FY Festive Infrastructure and Grants Costs as at 9.1.2024

Division	Banners purchased 23/24 FY	Installation of banner - annual cost	Pole decorations purchased 23/24 FY	Installation of pole decorations - annual cost	Tree installation of hired decorations - annual cost	Total cost all decorations – purchase, installation, repairs, maintenance	Festive and Commemorative Events Grants awarded	TOTAL ALL
1		\$5,637		\$7,804	\$23,999	\$37,440	\$1,550	\$38,990
2	\$1,856 (Felicity Park)	\$4,509		\$7,154	\$21,180	\$34,699	\$15,000	\$49,699
3		\$2,536		\$1,518	\$21,831	\$25,885	\$11,000	\$36,885
4		\$6,482	\$20,940 (Cotton Tree 5, Alexandra Headlands 4)	\$9,864	\$38,524	\$75,810	\$12,750	\$88,560
5		\$4,509	\$11,000 (Maleny 3, Montville 2)	\$14,417	\$55,173	\$85,099	\$13,506	\$98,605
6		\$8,455		\$2,276		\$10,731		\$10,731
7		\$845			\$9,322	\$10,167	\$11,823	\$21,990
8		\$11,414		\$3,035	\$20,053	\$34,502	\$5,700	\$40,202
9		\$2,396		\$1,518	\$8,943	\$12,857	\$5,000	\$17,857
10		\$4,227		\$8,238	\$57,872	\$70,337	\$16,942	\$87,279
<b>Total</b>	<b>\$1,856</b>	<b>\$51,011</b>	<b>\$31,940</b>	<b>\$55,824</b>	<b>\$256,896</b>	<b>\$397,527</b>	<b>\$93,271</b>	<b>\$490,798</b>



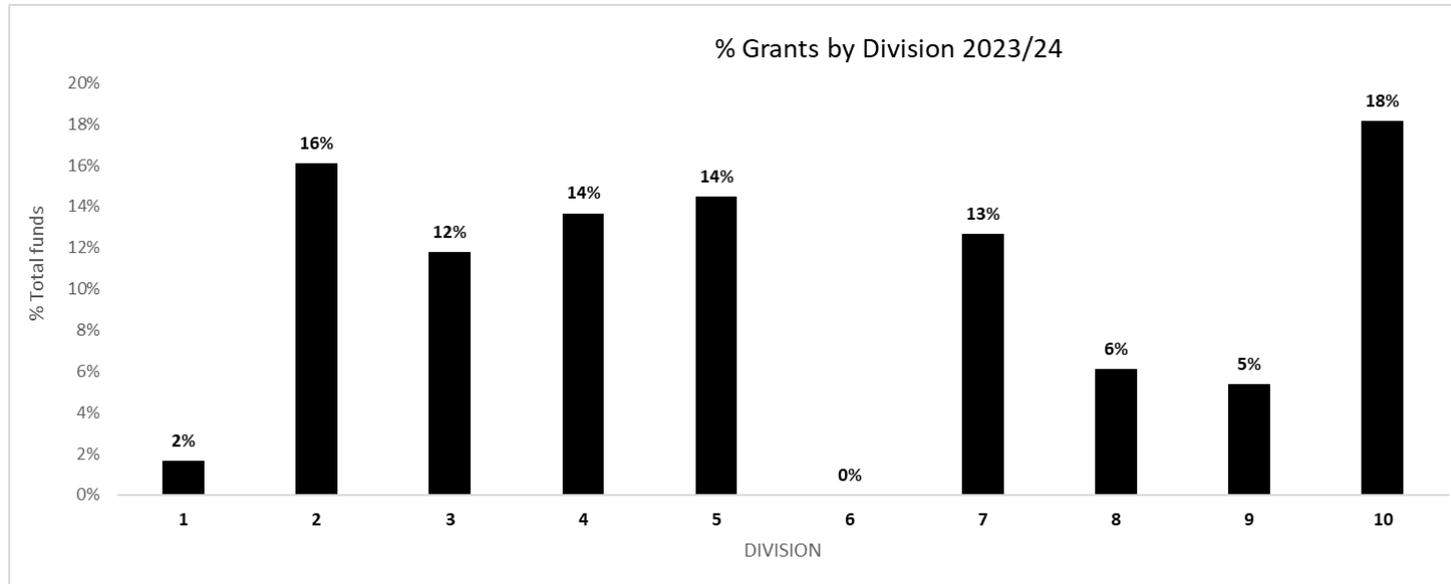
## Festive Funding 2023/24

### 1. Decorations Only - % Budget spend.



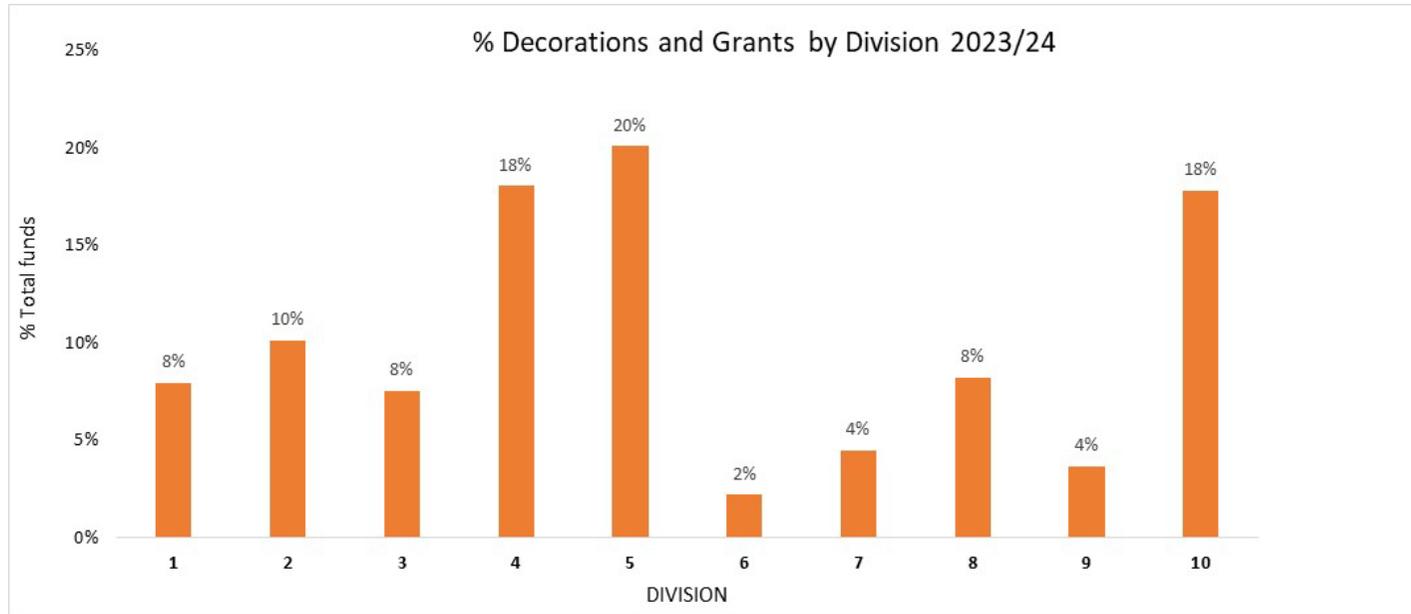


2. Funding Only- % Budget spend.



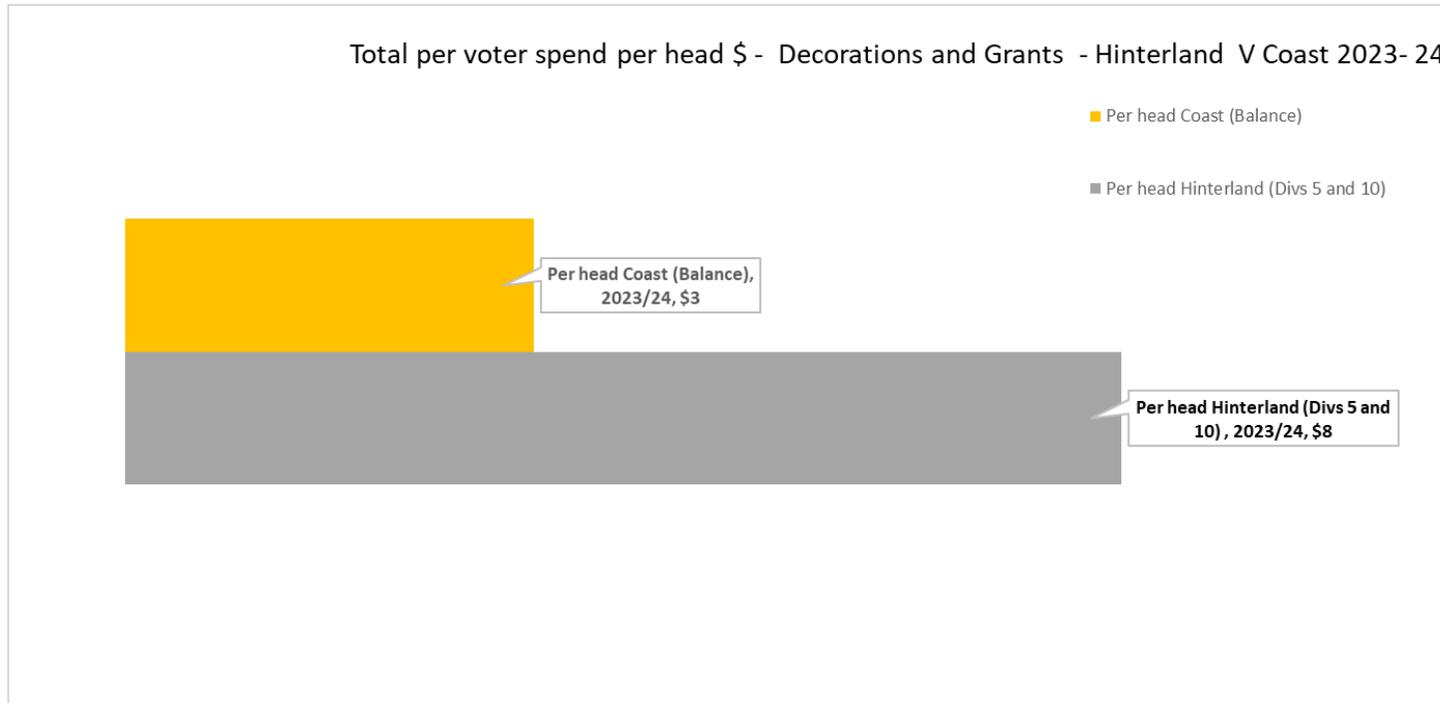


3. Combined Decorations and Funding



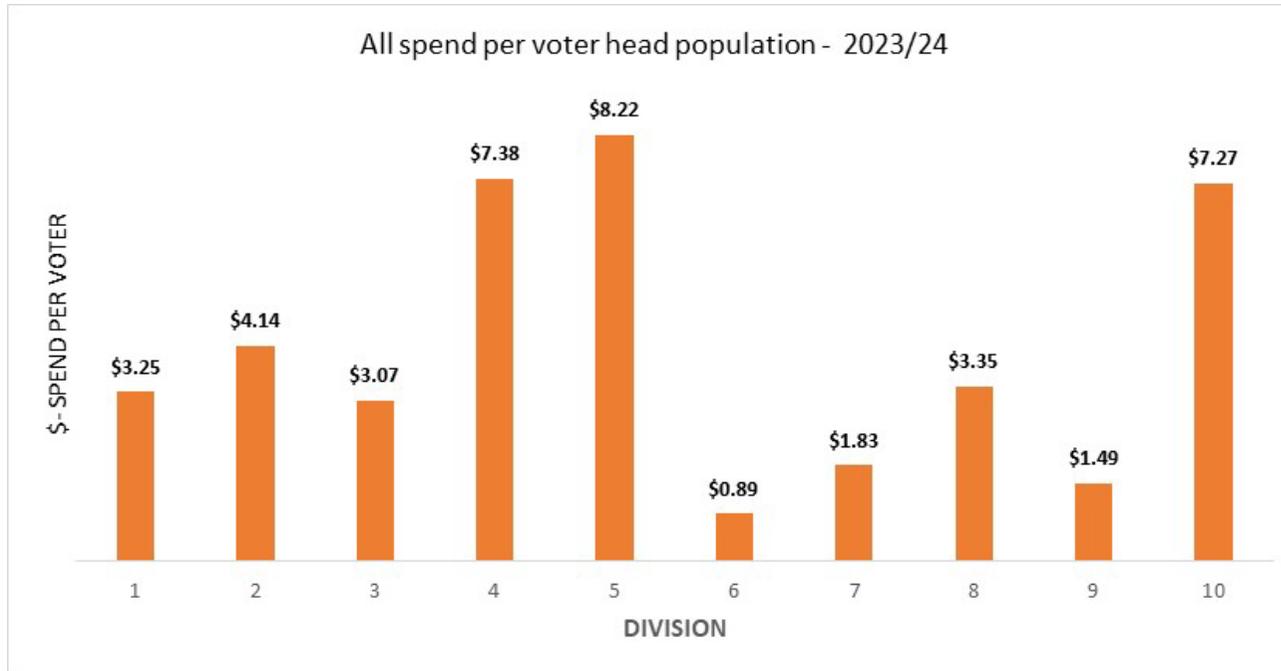


4. Hinterland v Coast Spend per voter population comparison.





5. Spend per head voter population - comparison – Divisions.





## Related Report / Additional Information Request

<b>Meeting:</b>	<b>Ordinary Meeting</b>	<b>Date:</b>	<b>18 January 2024</b>
<b>Requesting Councillor:</b>	<b>Councillor T Landsberg</b>		
<b>Item:</b>	<b>8.3 – Festive Season Program</b>		
<b>Circulation</b>	<b>16/01/24</b>		
<b>Officer (title):</b>	<b>Coordinator Community Land Permits &amp; Parking</b>	<b>Approving GE (title):</b>	<b>GE Customer and Planning Services</b>

In response to a question raised by Councillor Landsberg, please note the following additional information for your consideration.

### Question:

Cr Landsberg raised community concerns and challenges with understanding the permit process and requirements for holding Christmas events.

### Response:

A Local Law permit is required to conduct a Temporary Entertainment Event that is open to the public, this includes Christmas events. The permit is designed to manage community safety, community access, infrastructure, environment, and amenity throughout the event (including bump in and bump out). Council's Community Land Permits Team provide support and guidance to event holders in understanding the process and requirements for event applications.

To meet the requirements of the Local Law, event organisers must:

- submit an application,
- be the holder of \$20 million public liability insurance
- provide supporting documentation which may include:
  - a traffic management plan if they intend to close roads or change traffic conditions,
  - site plans outlining event set up and bump in and bump out arrangements,
  - risk management plan,
  - waste management plan and
  - any additional amenities to cater for expected attendance.

Council considers temporary event applications and assesses possible benefits, impacts or risk to:

- community health or safety
- the environment
- property
- local amenity
- local community support
- community activation and
- the economy.

Depending on the event location and what the event may include, the applicant may require additional approvals from other agencies, including the Queensland Police Service, Department of Transport and Main Roads, the Office of Liquor and Gaming and/or Maritime Safety Queensland, State Government department of Resources, Safety and Health (fireworks).



During the 2023 festive period, Council assessed 22 temporary event applications for Christmas related events. All applications were issued with a permit. Two events were cancelled due to poor weather. 11 received funding from Council via the Festive and Commemorative Event Grant program.

Table 1 - Christmas events held on council-controlled land.

Christmas event with permit 2023/24 <sup>1</sup>	Festive and Commemorative Event grant funded 2023 /24 <sup>2</sup>
Pelican Waters Boat Parade	No
Christmas Beach Party	No
CORCA Annual Christmas Party	No
Pyjama Foundation	Yes
4 Paws Animal rescue – Santa Paws in Park	Yes
Christmas in Alex	Yes
RACQ road safety activation	No
Mooloolaba Christmas Boat Parade	Yes
Christmas Multicultural Picnic	No
Christmas Eve – Santa arrives by boat	No
Mooloolah Valley Christmas Cinema Night	Yes
QCWA- Palmwoods Christmas Market fair	No
SCARS foster carers Christmas Party	No
Buderim Christmas Fair	No
Twin Waters Christmas Carols and Fireworks	Yes
Sunshine Cove Christmas Party	Yes
Seaside Shores Community Christmas Event	Yes
Eumundi Markets Christmas Night (Twilights) Market	Yes
Eumundi Markets Christmas Extravaganza	Yes
Nambour Christmas Festival (Tramfest)	Yes

Application numbers for Christmas events have remained consistent year on year, however application numbers dropped by approximately 50% in 2020/21 due to the pandemic. Application numbers returned to their pre-pandemic trends in 2021/22. The following provides a breakdown of permits issued for Christmas events since 1 July 2018.

Table 2 - Number of Christmas event permits by financial year.

FY	18-19	19-20	20-21	21-22	22-23	23-24	Total
Permits issued	23	18	12	22	22	20	117
Events cancelled	1	1	3	1	0	2	8

<sup>1</sup> Note: The Council funded and managed Christmas event must also apply for all permits required and comply with all conditions.

<sup>2</sup> Note: This is not an exhaustive list of all Christmas events funded via the Festive and Commemorative Events program. It does not include the successful grant funded events are held on private property e.g. schools, churches where Council permits are not required.