COST OF LIVING AND ECONOMICS COMMITTEE

Members present:
Mr LP Power MP—Chair
Mr RA Stevens MP
Ms AJ Camm MP
Mr MJ Crandon MP
Mrs MF McMahon MP
Ms JC Pugh MP

Staff present:
Mr T Horne—Committee Secretary
Mr R Pelenyi—Assistant Committee Secretary

PUBLIC HEARING—INQUIRY INTO THE ECONOMIC DEVELOPMENT AND OTHER LEGISLATION AMENDMENT BILL 2024

TRANSCRIPT OF PROCEEDINGS

Friday, 19 April 2024

Brisbane

FRIDAY, 19 APRIL 2024

The committee met at 11.02 am.

CHAIR: Good morning. I declare this public hearing of the Cost of Living and Economics Committee open. I would like to respectfully acknowledge the traditional custodians of the land on which we are meeting today, the Yagara people, and pay our respects to elders past and present. It is always exciting to reflect on the incredible tradition that we have in this state with two of the oldest continuing cultures in those of Aboriginal and Torres Strait Islander peoples. My name is Linus Power. I am the member for Logan and chair of the committee. The other members of the committee are: Mr Ray Stevens, the member for Mermaid Beach and deputy chair; Ms Amanda Camm, the member for Whitsunday; Mr Michael Crandon, the member for Coomera; Ms Jess Pugh, the member for Mount Ommaney; and Ms Melissa McMahon, the member for Macalister.

The purpose of today's hearing is to assist the committee with its examination of the Economic Development and Other Legislation Amendment Bill 2024. We will also have an opportunity to hear further from the department in relation to the matters discussed today at the conclusion of the proceedings. The hearing is a proceeding of the Queensland parliament and is subject to the standing rules and orders of the parliament. While the hearing is open to the public to watch, only the committee and invited witnesses may participate in the proceedings. Witnesses are not required to give evidence under oath or affirmation, but I remind witnesses that intentionally misleading the committee is a serious offence under the rules of the parliament.

These proceedings are being recorded and broadcast live on the parliament's website. Media may be present and are subject to the committee's media rules and the chair's direction at all times. I also remind those present that you may be filmed or photographed during the proceedings, and images may also appear on the parliament's website or social media pages. Before we proceed, please ensure that mobile phones are switched off or to silent mode.

ENGLAND, Dr Philippa, Member, South East Queensland Community Alliance

HILLS, Mr Jackson, Manager, Policy and Strategic Engagement, Q Shelter

WALKER, Mr Chris, President, South East Queensland Community Alliance

CHAIR: I now welcome our first group of witnesses from Q Shelter and the South East Queensland Community Alliance. Thank you for being here today. I invite both organisations to make an opening statement before we ask our questions.

Mr Hills: Thank you to the committee for the opportunity to appear today at the hearings and speak to the Economic Development and Other Legislation Amendment Bill 2024. Q Shelter is a peak body dedicated to addressing housing and homelessness here in Queensland. We work to promote policy and investment solutions while building capacity in the housing system to provide for the community's needs. The current housing situation presents significant challenges due to the lack of available housing supply to meet growing demand. This has led to a rise in the number of people experiencing or at risk of homelessness.

Q Shelter has provided input to various engagement processes conducted by the Queensland government to develop recommendations for housing policy and investment. We appreciate the recent efforts made by the state government—such as Homes for Queenslanders, the housing plan released a few weeks ago—and support the objective of achieving a healthy housing system through broader reforms. We consider Economic Development Queensland, EDQ, to be a critical tool in delivering more housing supply across the state, including new social and affordable housing.

We have also suggested that state agencies need to be appropriately structured to ensure greater capacity and speed in delivering housing supply and through to implementation as quickly as possible. We welcome the proposed changes in this bill. They aim to enhance EDQ's capability to provide housing supply and diversity, which is consistent with our advice leading up to and since the Queensland Housing Summit in 2022.

I will provide a little bit of information about community housing providers. CHPs are distributed across Queensland and they deliver place-based and integrated housing support solutions as part of local service systems. They manage around 11,000 homes for Queenslanders on low to moderate incomes. Until recently—and I mean the last couple of years—funding opportunities for CHPs in Queensland were limited and the policy settings at the state level were restricting growth in our view. However, this new bill will create an additional pathway for community housing growth in areas declared as priority development areas, PDAs. Importantly, CHPs can provide both social and affordable housing under a not-for-profit guise, and they are regulated nationally. They are increasingly working with the development industry to create mixed tenure residential development and integrated communities right across the country.

I have a couple of quick comments regarding the key features of the bill. The changes relating to EDQ's corporate structure and functions are supported by Q Shelter because they seek to achieve agility and speed in response to market conditions, while ensuring adequate safeguards through accountability to the minister and a new skills-based board. We support the amendment to include the provision of diverse housing, including social and affordable housing, and likewise the amendments that enable EDQ to enter into formal agreements with third parties like community housing providers. This will have a significant long-term benefit on the growth and capability of this sector to deliver more housing to vulnerable Queenslanders over time.

We support the ability of EDQ to condition social and affordable housing within the development conditions of PDA projects and for the flexible option to provide financial contributions as an alternative to housing development. On this point, I would like to note record investment in capital and subsidy programs for below market housing that exist at the state and federal levels at the moment and the proven partnerships that are occurring between developers and community housing providers to secure investment in other jurisdictions, which can occur here in Queensland too. In principle, we also support place renewal areas and EDQ's role in leading a coordinated and integrated urban renewal to an agreed place renewal framework. I imagine other peak and industry bodies will talk about this function more broadly today, but we do think this area requires greater leadership from the state.

The last point I will make is that we are concerned with the lack of certainty around the definition of 'affordable housing' generally. It is also a risk to the delivery of the Queensland government's Homes for Queenslanders plan, especially if partners and providers are not willing or able to deliver affordable housing to low- to middle-income earners in perpetuity. However, we note in this case the definition is within the regulation and there will be opportunities to update this once a more consistent view is formed between government and industry around planning, policy and funding programs. Thank you, Chair. I am happy to take your questions.

CHAIR: Thank you. I invite the South East Queensland Community Alliance to make a brief submission to the committee.

Mr Walker: Thank you for the opportunity to address the committee today. I am Chris Walker, president of SEQCA, and with me is Dr Philippa England, a member of SEQCA who happens to have lectured and written about Queensland's planning laws. SEQCA is an umbrella organisation formed by community groups Brisbane Residents United, Gecko from the Gold Coast, Redlands2030 and OSCAR from the Sunshine Coast. SEQCA understands the need for housing to be available and affordable and for the need to be addressed through increased housing supply. SEQCA and our member organisations have concerns about state government controlled priority development areas which reduce the scope for communities to be involved in planning decisions. If Queensland's planning laws and approval processes are holding back the supply of housing, then these things should be fixed fundamentally instead of finding second-best workarounds. The Economic Development and Other Legislation Amendment Bill 2024 should be amended to ensure a timely increase in supply of social and affordable housing in locations where this is needed. If I may, I will hand over to Philippa who will make some key points on our submission to the bill.

Dr England: In our submission, we argued this bill ignores best practice urban development principles, fails to guarantee the actual delivery of social and affordable housing and risks playing into the hands of vested interests. We made various recommendations to remedy these defects. In short, we want to see enshrined guarantees that social and affordable housing will actually be delivered. We want best practice planning principles to be implemented in all developments and safeguards in place to prevent the risk of capture by vested interests. By best practice planning principles, we mean: rational and explicit integration with other relevant planning policies and instruments; explicit commitments to reduce the carbon footprint and improve the resilience of the built environment consistent with other legislation; and opportunities for community involvement appropriate to the

measures being proposed. We note the department has responded to our submission with a number of generalised and defensive comments, a few of which we can draw to your attention here. I can go through the few that I have addressed in this paper, or I can leave it open to further comments.

CHAIR: There might be one aspect you want to highlight and then we will move to questions.

Dr England: On social and affordable housing, for example, which is a really critical interest, the department defends the proposal to make payments in lieu of providing social and affordable housing on site as necessary to provide flexibility for bespoke solutions—see, for instance, the department's response to issue 52. We disagree. Our experience with environmental offsets is that payments in lieu of delivery simply push actual delivery further down the road. Ample flexibility can be achieved by requiring developers to supply social and affordable housing on another nearby site before any compulsory acquisitions are commenced and within the same PDA. This will provide a strong guarantee that social and affordable housing will be delivered in a timely fashion. We believe it is not sufficient to glibly say—

EDQ recognises that appropriately located social and affordable housing is important and will be a consideration when conditioning social and affordable housing.

This provides no guarantee to the public at all that our expectations will be met. We are told the intent of the bill is to provide a clearer pathway in relation to providing more social and affordable housing, but we find this bill is simply a smokescreen for increasing densification without any actual guarantee social and affordable housing will be delivered in a timely fashion, and we think this is unacceptable.

CHAIR: I am not sure I would agree with the characteristics of glibness and smokescreens. Mr Stevens, do you have a question?

Mr STEVENS: We all recognise there is an incredible problem out there with affordable housing and the rental crisis and people living rough. Can you expand on your concern at the lack of definition of affordable housing in terms of the pricing of it or the availability of it in the delivery of Homes for Queenslanders if other partners or providers are not willing or able to deliver on affordable housing to low and middle income earners? This legislation has arrived now and we are in the middle of a problem. Can you estimate the timing involved—when this legislation will actually produce a result that is tangible when it comes to our affordable housing problem?

Mr Hills: There are probably two parts to that question. In terms of the definition of it, I have spoken to a couple of parliamentary committees about this before. I do not think it is possible for this bill to solve the shared definition that does not currently exist nationally. There is a mismatch at the moment between policy, funding programs and some of the planning legislation around all states and territories. I do not think that should stop us from moving forward with some of these initiatives. That is the first point I would make.

In terms of your question about what is affordable housing, as a sector that represents social and affordable housing—so sub-market providers, community housing—we see affordable housing with a capital A and a capital H, meaning products that are provided to people on the bottom two income quantiles, the bottom 40 per cent of the income distribution, and them spending no more than 30 per cent of their income on housing costs, which is predominantly rental costs or rental products. That is what affordable housing means to us, but it means different things to different people and I do not think this bill can solve that, which is why I think the definition sits in the regulation because there is still more work that needs to be done nationally on that definition.

The second point I think you raise was around the impact of this bill on social and affordable housing. We already know that there are live conversations around what PDAs can deliver in residential development. We actually, as opposed to the other groups sitting on the panel today, think that the conditioning arrangements here actually provide more certainty for social and affordable housing. There are actually currently overlay targets in PDAs that are not being delivered. This actually makes social and affordable housing, or the flexible delivery, a condition of the development application and that is a much stronger mechanism for us to lean into as a sector. Any housing supply at the moment is taking some time, as you know, to come to market so I do not see this as a bill that is going to produce housing in the next 12 months. I do not think any kind of initiative is, maybe besides the modular and prefabricated building program that is quicker in terms of construction. Hopefully that answers your question.

Mr STEVENS: That certainly does, but it gives me one to follow-up. You mentioned that affordable housing is basically for people renting—the under 40 per cent percentile of income earners. That was your answer, as I understand that. To make that a reasonable affordable rental, obviously in terms of return on capital investment for the properties and those issues, which would probably be

less than what a normal person would expect as a return on investment in that property, which will then mean they will shift to another property for a higher return, what sort of balance do you see is a reasonable outcome for people to invest in these affordable houses and to push that cost, if you like, of that affordable housing onto other properties?

Mr Hills: There are a couple of things there. I think the first thing is that none of those kind of mixed tenure type of models work without support from the government. There has historically been capital funding programs that help here, but in the last couple of years there has been an emergence of more of what are called subsidy programs or programs that provide an availability payment for the investor or the developer that subsidise the discount to market rent for those types of products that we are talking about now to meet a market return. They exist at both the state level and also the federal level. There has actually never been more funding and subsidy around for this type of development activity. It is hard to answer your question on the perfect number or ratio because that is really a development consideration based on the cost of land, site, location and other factors, but obviously this bill is seeking to provide some targets that are specific to the PDAs in the locations that they have carriage for. I might leave it there.

CHAIR: There is no need to keep harping on about the cuts to the NRAS program. Are there any other questions that people wanted to put? Mr Hills, I had a question. In terms of a policy about future planning for development, that obviously is something that is aimed at a long-term solution and by its very nature is about future planned things that take some time for delivery. That is not necessarily a criticism, just a statement of fact about the nature of forward planning

Mr Hills: I think the way we see this bill is it is a longer term play. There are many initiatives at the moment that the government and other governments are looking at that are short-term focused. I think this one sets up a planning framework for the future as Queensland's population grows considerably right across the state but particularly in South-East Queensland. The way our sector interprets the bill is it is an alternative pathway for community housing to partner with the development industry and the government. There are other programs that already exist through the department of housing and the provision of other products and services, but this would be an alternative pathway—one that we think is being set up with some speed and agility to respond to market pressures so that is why we are really supportive of it.

CHAIR: I have a question for Mr Walker about community consultation. When departments talk about affordable housing, and especially community and social housing, and do community consultation with the existing residents there is often a tension between the provision of that sort of housing and often the people who are in that difficult position in their lives and the community's expectations. How do we resolve that tension?

Mr Walker: Do you mean the tension between the intended new clients, the new residents, and the existing residents in the area?

CHAIR: As a person who is very critical of the PDA process, within the PDA if there is very large acreage housing and then a very different housing stock proposed, there is often clear opposition to that new development so the community consultation process, where there is implacable opposition, involves direct tension between the need for community and affordable housing and the provision of new housing stock. The committee has had a long relationship with the Community Alliance and your constituent groups and often, I may be mischaracterising you, there has been an implacable opposition to housing provision from what we see in some of the submissions that we have receive. There is a real tension between that and the need for families, especially families in housing need, to get new housing. I wonder how we resolve those two tensions.

Mr Walker: My general answer is that we want a good planning process that sets out the objectives and gives all the people in the community—not just the immediate development area, but the whole community—an opportunity to consider what is being proposed. We understand that things have to change and that more people are going to have to be housed. There is a real issue there so, yes, we understand the need for more housing, but what we would like is for the process to be laid out very clearly and to give people plenty of time to be engaged in commenting on the process. All too often the consultation time is fairly short and it takes quite a while for a community to get its head around these things. Plenty of consultation time and a very clear understanding of what is being proposed—our view is that if you do those things then we will be happy with what the community has to say about the proposal, the whole community.

CHAIR: In that way we should hold up affordable community and public housing for a process of engagement until people are happy?

Mr Walker: I think the difference is between a few weeks and a couple of months. That gives enough time for a community to understand it. A media release comes out and there is a thing in the newspaper. Most people are not aware of those things. It takes time for community groups like ours, and the constituent members, to educate the community about what is being proposed. It takes time to organise a meeting and explain to people what is being proposed. The consultation process can be done properly and better. It takes maybe two or three months, instead of two or three weeks or a month. So, yes, make the consultation better. Let people have their say and then we cannot get too upset about it.

CHAIR: You are maybe more optimistic perhaps than—

Mr Walker: Some people will be, but if you do the process properly then everyone has had their say.

CHAIR: Just to get you on the record there, two to three months is the process from the initiation of the PDA and the consultation to the end of the process.

Mr Walker: No, I am saying if you want to do a specific proposal for some housing of a particular nature, that would be the appropriate amount of time if you really want to find out what the community thinks. The consultation about a whole PDA is probably a different kettle of fish because the change that is being proposed is far more significant.

CHAIR: For instance, within a PDA in my area we have a reasonably dense block that is aimed as a refuge for women who are the subject of domestic abuse. We should delay that by two to three months in order to announce—

Mr Walker: Yes, you are right. All we are saying is allow enough time for people to have their say—to understand what is being proposed, to discuss it within the community and then get back to the appropriate decision-makers.

CHAIR: Thank you very much. We really appreciate your presence here today. I thank you for your submissions.

BAKER, Ms Crystal, Manager, Strategic Policy, Advocate, Local Government Association of Queensland.

LEMAN, Mr Matthew, Lead, Planning and Development Policy, Local Government Association of Queensland

SMITH, Ms Alison, Chief Executive Officer, Local Government Association of Queensland

CHAIR: I now welcome representatives from the Local Government Association of Queensland. Good morning. Would you like to make a brief opening statement before I turn to members for questions?

Ms Smith: Good morning, Chair. I would firstly like to acknowledge the traditional owners of the land on which we meet and pay my respects to elders past, present and emerging. The LGAQ is the peak body for all councils across Queensland. We represent all 77 councils and their communities. We support the intent of this bill because local government recognises the need to address the housing crisis. Councils across the state are already investing in ways that they can assist. They are investing considerable time and resourcing into planning scheme amendments, incentive schemes and support services to address the housing issues. Currently councils have approved close to 99,000 residential lots across the state and more than 94,000 apartments here in SEQ, but these are yet to be built by the development sector. Councils want to partner with the state on housing, but, having said that, they also need to balance the costs of growth to ensure that councils are not unduly bearing the brunt of costs.

The way that this bill has been drafted does not, to our members, constitute an equal partnership, a fair partnership, between state and local governments. If I can simplify our submission today, I would like to outline just four specific issues. Issue 1—for 10 years councils have been raising concerns about the current act and the state has ignored that. This bill is no different because the current act and now this draft bill, under both there is no requirement for EDQ to reach out and consult with councils and reach an agreement before declaring a PDA in a local government area. There is no requirement to sign an infrastructure funding agreement with councils to prevent councils being slugged for shortfalls that happen.

A PDA ultimately creates a cost shift to the council because a PDA needs supporting infrastructure that is outside the boundary of a PDA. An example is sewerage. Infrastructure that is outside of the PDA is built by councils, but there is no requirement for EDQ to share their infrastructure charges revenue with councils to have that done. Cost shifting needs to stop and the LGAQ in January this year released new research that shows cost shifting from either the state or federal governments or indeed the private sector is causing at least $360 million a year additional on councils to find.

The second issue is that when EDQ delivers a PDA the state is able to collect 50 per cent more for the cost of infrastructure to cover infrastructure charges inside the PDA boundary compared to what councils can recover outside the PDA boundary for their trunk infrastructure. What we are saying here is that the state's infrastructure charging cap on councils is actually limiting them to charges that are well short of the true cost of delivering that trunk infrastructure and councils have repeatedly been calling for that cap to be lifted in order to address the rise in costs. It is one rule for the state and a different rule for councils.

The third issue is that there is an unintended consequence within this bill that would further short-change councils. Years ago the state deliberately introduced new flexibility within the planning framework for councils in order for them to collect infrastructure charges and then spend that money within the local government area where trunk infrastructure was needed the most. What that means is that councils do not have data to relate a particular infrastructure expense back to a particular property and charge. The state did this to give councils flexibility to help them increase housing supply. However, under this bill we see that it would give EDQ the ability to demand infrastructure charges back from councils, even when those councils are relying on that funding to recoup the cost of the infrastructure that they have been putting in place to facilitate housing supply. EDQ will be able to do this unless that council provides information that they cannot collect, that they do not collect and that they have currently no requirement to collect.

The fourth issue is about the lack of consultation on this bill. The LGAQ has a Partners in Government Agreement with the state government and that provides for adequate consultation on matters that relate to council and, where practical, a period of four weeks is given for that consultation. There was no consultation with the LGAQ in drafting this bill and then when the bill was introduced

we were given just 15 days to consult with our members. However, when that happened it was straight after the local government elections in March and, because there was a three-week delay for the ECQ to do their final declarations, it meant that that 15 days of consultation was in caretaker period which meant that we were not able to fully consult with our members or get anything like the feedback we would have liked. The consultation was insufficient and we do believe it was not in the spirit of the Partners in Government Agreement.

In closing, councils have facilitated plenty of land through zoning and approving, but councils can facilitate; they cannot activate housing to be built. If the intent is to increase housing supply or to deliver houses faster, the LGAQ says that priority should be given to industry incentives that can activate housing and activate existing approvals from councils. There are plenty of them. We see that this bill is seeking to ensure that EDQ's financial sustainability is done and is improved but at the same time will only worsen councils' financial sustainability. To that point, the LGAQ will very soon be releasing our research on infrastructure charges which will show what the gap truly is. I am talking a multibillion dollar infrastructure charging gap. Thank you. That concludes our opening statement and we look forward to your questions.

CHAIR: I call Ray Stevens, the deputy chair and member for Mermaid Beach.

Mr STEVENS: Thank you, Chair, and thank you, Ms Smith, for that excellent presentation on behalf of the LGAQ, which still has a very fond place in my heart. More and more we see a shifting, which you mentioned in your address, of the costs which are basically state and federal responsibilities in terms of social responsibilities because of the taxation regime where for local government basically it is four per cent of the taxation dollar across Queensland. Do you feel this is a further attempt, if you like, to shift those responsibilities and the costs across to a lesser level of government that has lesser capacities to support social responsibilities such as affordable housing? At what point are the councils—and obviously they are a child of state government—going to reject the loss of funding or the funding that they may have to put forward and may not recoup in terms of the provision of this affordable housing through this bill?

Ms Smith: As mentioned, we are very concerned about what is happening to councils in terms of cost shifting from both levels of government as well as from the private sector. We need to remember that councils have a core role when it comes to housing, and that is to facilitate housing. It is not their job to deliver housing, so they have powers that enable them to zone. As I said in my opening statement, there are tens of thousands of residential lots across the state that have been given DA approval and are ready to go, but the issue is that they are not being built, so the industry is not meeting the ability to match the speed of planning approvals that are given, zoning and then construction. I might defer to my colleagues—either Crystal or Matt—for some further words in relation to your question.

Ms Baker: Thank you, Alison. One of the key concerns you will have seen in our submission very much was around the financial sustainability of local government and the changes proposed for this bill and the impact on councils' financial sustainability. As the committee would be aware, the Queensland Audit Office report indicates that 48 out of our 77 councils in this state are at moderate or high risk of being financially unsustainable. Alison has mentioned our research that we have commissioned and released around cost shifting. We do think that these measures underscore the need for amendments to be made to relieve pressure on local government financial sustainability.

In the context of this bill specifically, there are further amendments we would like to see to enable that: removing the ability for the MEDQ to direct a local government to provide or maintain infrastructure without their agreement and the need for local governments to agree to PDAs and the infrastructure funding arrangements, and also the desired standards of service are critical in relation to PDAs. We also think that there are further amendments that could be made to remove the ability of EDQ to create PDAs without the agreement of the relevant council and also introducing a new requirement to ensure there is that agreement around the services for PDA related infrastructure and the design standards. That is at the heart of our LGAQ policy statement. We very much do support PDAs being established, but only where there is the full agreement of local government to do so.

Mr STEVENS: Further to that, Ms Smith mentioned the disappointment in the lack of consultation by the government in particular with local government representing 75 councils or around that number across Queensland. I understand that this legislation, as we heard earlier, will not take effect in terms of provision of affordable housing for quite a long time down the track. What impediments were there in consultation for you to consult with your councils and come back with the issues that you would have liked to have seen addressed before this legislation came to the parliament?

Ms Smith: As I mentioned in my opening address, the LGAQ really did not have the ability to consult with members before the bill was introduced, so that puts us on the back foot. When the bill was introduced, we were in an extended period of caretaker—an additional three weeks.

Mr STEVENS: Yes, for council elections.

Ms Smith: Sorry; did that answer your question?

Mr STEVENS: Yes, that is fine; so you were disappointed with the consultation process. Thank you.

CHAIR: Ms Smith, I want to speak about the principles of infrastructure charges. Your answer seemed to imply that the infrastructure charges that are charged within PDAs are not applied to infrastructure such as sewerage that are outside the PDAs.

Ms Smith: I will make some opening comments and again defer to my team on this. Certainly councils can be out of pocket for supporting infrastructure that sits outside the boundary of a PDA. Because there is no consultation with the councils prior to a PDA being announced and then started, it means that councils have had no ability to discuss this in advance.

CHAIR: My question was that the answer seemed to imply that, for instance, for the sewerage works infrastructure charges, councils obviously have lumpy infrastructure in terms of whether those infrastructure charges are applied to those sorts of investments.

Ms Smith: Thank you, Chair. I will ask Matt Leman to respond.

Mr Leman: There is certainly no statutory requirement for an infrastructure agreement to be reached between EDQ and a local government when a PDA is declared in a local government so-called area.

CHAIR: I really do not know whether you are trying to obfuscate my question, but for instance in Logan do some of the infrastructure charges from PDAs get applied to sewerage works, roadworks and other works outside of the PDA?

Mr Leman: There is something called a subregional contribution which is intended to give a share, sometimes, of infrastructure charges revenue to a council to support that infrastructure. There is no statutory obligation for that to be in place though.

CHAIR: In terms of the infrastructure agreement, it is also used to build such things as parks and sporting fields and other infrastructure that the council then takes control of.

Mr Leman: Yes, and that is another issue which we talked to in our submission. There is no requirement for EDQ to reach an agreement with the council on standards of service for infrastructure which can lead to a situation where the infrastructure being delivered represents overservicing.

CHAIR: Just for the benefit of Hansard, when I asked whether they build parks, sporting fields and other council infrastructure with those infrastructure charges, I wanted to know if that was correct.

Mr Leman: It can be the case; it can also not be the case.

CHAIR: Having had an extensive experience in that, the infrastructure charges, in my understanding, are used for things that councils normally would provide.

Mr Leman: Correct. It is called a subregional contribution and our concern is that there is no requirement for EDQ to share that funding with the council to deliver that infrastructure. It can happen, but there is no safeguard for councils.

CHAIR: For instance, in the Yarrabilba development there were charges in addition to the infrastructure charges used to fund parts of the Waterford Tambourine Road.

Mr Leman: Correct.

CHAIR: Okay.

Ms CAMM: I note the LGAQ's references with regard to financial sustainability and also note concerns around the cost shifting that occurs at both levels of government from time to time and, having been experienced in local government, I understand those frustrations. I want clarity around the impact of depreciation and accounting standards when it comes to infrastructure, knowing that that is also a very large contributing factor to financial sustainability with or without a PDA or with or without any sort of private investment to councils. Could you clarify and confirm that that is also a large contributing factor?

Ms Smith: Again, I will start and my colleagues may wish to continue. Depreciation is a very considerable issue for councils. In the case where an asset that is built by another and then gifted to a council or passed on for a council to maintain, it is something that then sits on their books to have to look after. That is something that is regularly raised with us by our members as an issue.

Your question is a good one because, with or without a PDA, at the heart of our submission is also the issue around the actual cap that sits on the infrastructure charges being insufficient to cover the true cost of building and maintaining the trunk infrastructure that is required of councils. When you look at the fact that that legislation was introduced in 2011, we have now reached a passage of inflation, materials, construction costs, labour et cetera—and I said in my opening statement it is one rule for the state and a different rule for local councils—so why is it that the state can charge up to 50 per cent more for infrastructure funding to cover their infrastructure charges but the councils cannot?

CHAIR: I have a question on caps on infrastructure charges. We all know the history of Brisbane where there was no sewerage and sewerage and guttering needed to be installed. That was a large investment that councils had to make. They then recoup that through rates. The suggestion now is that we should have very large infrastructure and that charges for all of those costs—and, I think, beyond those costs—should be applied up-front. In that way we are effectively putting in place a tax, a charge, that applies to new homebuyers predominantly. They are often younger, poorer and in a position in their lives when they have family responsibilities compared to the average person in the city. In that way is there a transfer of wealth from those who already have established homes and equity in them and who perhaps had the benefit of a different style of development infrastructure away from those who are younger and as yet have no equity in housing?

Ms Smith: I am a little bit confused about where you are going with the question. Are you suggesting councils pass on infrastructure rates to their ratepayers?

CHAIR: When we have a charge on new homebuyers, a tax on new homebuyers, that is one way to pay for the infrastructure and that is added to their initial up-front costs. Is that your preferred way to do that type of charging?

Mr Leman: I am happy to clarify that. We probably need to be careful in acknowledging that there is not necessarily a direct relationship between the cost to build a home and the price that home is sold for. If a developer can sell a home for a million dollars, they will sell it for a million dollars. It does not matter if that home cost them $700,000 to build or $707,000 to build; if the market is willing to pay a million dollars, that is what the developer will charge. The infrastructure charges that get levied on development are not necessarily passed on in the form of a one-to-one increase in home prices.

CHAIR: That could be called the incidence of taxation and your assertion is that the tax then falls on the developer and not the homebuyer?

Mr Leman: I am saying there is no one-to-one relationship between the cost of building a home and the cost that home is sold for by a developer.

CHAIR: You seem to be indicating that some of those up-front costs would then apply as effectively a tax on new, younger homebuyers?

Mr Leman: That is not what I am trying to suggest, no.

Mr STEVENS: To add to what the chair was saying regarding development, basically the developer buys a vacant block of land. The developer has a lot of costs put on it from councils—infrastructure headworks, all of those sorts of things—and then he marks it up by at least 100 per cent to cover marketing and all those sorts of issues. What the chair was trying to say, I believe, was that if you put in place a bigger infrastructure charge then the developer is going to include that in his costs and charge more for that particular block of land. If he can get a million dollars, that is fine. However, if it has cost him $500,000 for a block that he is going to sell for a million and if you put another $50,000 on that block, he is going to want $1.1 million. I think that was what the chair was trying to explain, that those costs are passed on to the first home buyer and that is a real tragedy.

CHAIR: I think Mr Leman has made it clear there is not a one-to-one relationship; that was the answer. Are there any other clarifications you want to make on that?

Ms Smith: If what you are trying to ask us is the question, 'Would not infrastructure charges drive up house prices?' then we would answer with this: how is it the case that the state can charge 50 per cent more for infrastructure funding and charges for trunk infrastructure within PDAs compared to councils outside of PDAs yet houses can be cheaper in PDAs?

Mr STEVENS: Boom, boom!

CHAIR: That is a long conversation. We do not have any more time. I want to recognise the complexities. I appreciate Mr Leman's answer about one-to-one relationships. I now welcome our next witnesses.

BENNETTS, Ms Nicole, State Manager, Planning Institute of Australia (Queensland)

CHESSHER-BROWN, Ms Kirsty, Chief Executive Officer, Urban Development Institute of Australia (Queensland)

COX, Mrs Anna, Director of Policy, Strategy and Regional Services, Urban Development Institute of Australia (Queensland)

GARRED, Mr Martin, Vice President, Planning Institute of Australia (Queensland)

MURRAY, Mr Ian, Head of Queensland, Lendlease

CHAIR: I remember Mr Ian Murray from previous meetings about the Yarrabilba community. Welcome all. Would each organisation like to make a brief opening statement? We do have your submissions and we thank you.

Ms Bennetts: Good morning and thank you for inviting the Planning Institute of Australia to come and speak with the committee today. I would like to acknowledge the traditional custodians, too. We acknowledge that the first peoples of Australia are the oldest living cultures on earth and have the oldest continuing land use planning and land management system in the world.

My name is Nicole Bennetts and I am the Queensland and Northern Territory state manager for the Planning Institute. As you may know, PIA is the national body representing the planning profession, championing the important role of planning in shaping Australia's future. PIA advocates for all Australians to have access to affordable, well located housing that is integrated with transport, employment and the environment. PIA recognises the broadscale housing crisis facing far too many Queenslanders and advocates for evidence-based action to help address this systemic challenge. We note the housing crisis, though, is not unique to Queensland or even Australia but is a global phenomenon. The data is consistently telling us that the single biggest issue affecting the timely delivery of housing on the ground right now is construction challenges and that planning changes alone cannot solve this crisis. Whilst not a crisis response, planning does play an important role in ensuring the next wave of the right housing commences down the supply pipeline.

Ahead of the Queensland Housing Summit in October, PIA released a major advocacy document called *Delivering housing for all.* In this document PIA advocated for some changes to Economic Development Queensland, or EDQ. These related to restoring and strengthening EDQ's focus on affordable and diverse housing for low to moderate income households. There were three points to this. We wanted to see the reinstatement of the delivery of affordable and diverse housing as one of EDQ's statutory objectives, and it is great to see the bill responds to this. Secondly, we asked EDQ to acquire land in strategic locations and actively utilise EDQ's powers to de-risk and fast-track the delivery of housing, particularly social and affordable housing. Finally, we asked EDQ to lead the market in innovative and diverse housing typologies including in their priority development areas. Also of relevance to the bill, in that same advocacy document PIA asked for legislative changes to improve and simplify access to service easements and infrastructure as well as reviewing infrastructure charges and other funding arrangements to ensure there is sufficient funding for trunk and catalytic infrastructure, particularly in our high-growth areas.

In addition, after the Housing Summit, PIA has been engaged with EDQ and I want to go through a couple of things that we have been advocating for. We said EDQ is best when it works in a targeted and cooperative manner to fill gaps not being met by the private market. This includes using EDQ's powers to develop housing that the community needs—and that is housing diversity and affordable housing—in targeted locations and we see an opportunity for that to be in small and medium scales. This represents a shift from EDQ's focus to date, which has largely been on major projects and large precinct redevelopments.

Secondly, we see EDQ's opportunity to conceptualise and deliver innovative development which showcases new housing typologies to the community. Many privately funded developers are unable to trial really innovative concepts until a successful precedent has been established. In addition, local planning instruments facilitating innovative typologies can be challenging for a range of reasons. We see EDQ's opportunity to really lean into that flexibility offered by the Economic Development Act to promote and showcase innovation in housing development and to catalyse broader change in the housing industry.

Thirdly, we have advocated for EDQ to work with local governments, which often have target areas for infill development or know where capacity is available and where there are hotspots for development where they can fill the gaps that the communities need. This might be in the regions where housing diversity and infill development are much less feasible and this could involve establishing some demonstration projects.

Turning to the bill, PIA supports many aspects of the bill, particularly those which align with our advocacy I have just outlined. The bill's changes that enable EDQ to work more collaboratively with all stakeholders and the community to deliver more diverse, affordable and well located homes are supported. PIA does make a range of recommendations for changes to the bill which really relate to providing some greater clarity and confidence in the bill's new powers, ensuring EDQ strengthens its cooperation with all key stakeholders and enabling some more streamlined, place-based planning outcomes. In addition, as I have said, PIA believes EDQ could really utilise its developer functions to bring forward some targeted, affordable and diverse housing projects outside of PDAs.

I will run through our recommendations. PIA makes—

CHAIR: We do have your submission. We did not want the reading of a submission as this is the opportunity for questioning and we have a lot of questions. Do you want to make any concluding remarks?

Ms Bennetts: In summary, as I said, PIA supports the intent of the bill and many aspects including the change to the Economic Development Act's main purpose, new powers for third-party agreements to deliver social and affordable housing and the new corporate structure. PIA makes recommended changes to the bill in relation to the conditioning powers for social and affordable housing and other aspects, which is in our submission, as you say. These changes are recommended to really deliver on the intended purpose of the act and limit any unintended consequences. In closing, I would like to thank the committee for their time today and I am happy to take any questions.

CHAIR: We appreciate it. I am sorry for the hurry-up, but we do have your submission right here and it is something that the committee has taken account of.

Ms Chessher-Brown: Thank you for the opportunity to speak to the committee and outline UDIA Queensland's response to the bill. I will try to be brief this morning. The institute is generally very supportive of the work of EDQ and its precursor organisation, the ULDA. There is little doubt that EDQ has played, and continues to play, an important role in facilitating housing in locations where there are significant infrastructure and planning challenges. The institute supports many aspects of the bill. However, the institute is concerned by some of the uncertainty the bill introduces as well as its potential to add costs to the price of a new home.

Having said that, we do note that the department's response to submissions has provided some additional clarification in addressing our concerns. Generally, the concerns outlined in our submission relate to the practical application and implementation of the bill's provisions. These include powers relating to the increase of fees and charges without thorough consultation, the conditioning of additional social and affordable housing requirements on existing PDAs, increased social and affordable housing without any compensatory up-zoning and incentives, and some confusion around the role of place renewal requirements. However, the institute understands from the department's response to submissions—and I refer you to note No. 36—that existing social and affordable housing targets in the current development schemes are likely to remain. This assists in providing greater clarity and certainty to developers operating in existing PDAs.

Other elements of the bill still requiring further clarity and consultation with industry include the definition of affordable housing, which has been discussed this morning. Without a clear definition, the industry is unable to determine the impact of requirements and the viability of a project. However, again I understand from the department's response that the definition is likely to be broad and flexible and, importantly, include the ability to deliver affordable by design, which again is welcomed by the institute.

Further clarification will be required around the specifics of the arrangements and time frame expectations to ensure that those obligations are able to be discharged by industry. I would note that we consider that an efficient, flexible and agile Economic Development Queensland that is very focused on measures to bring housing supply to market in an expeditious manner is a critical part of the Queensland housing solution. We support measures that increase EDQ's powers in the context of preparations ahead of the Olympics, but we note an urgent need to reinvigorate EDQ's focus on immediate housing supply. In closing, the institute is committed to continuing to engage with Economic Development Queensland on important reforms to deliver housing to market sooner.

CHAIR: I now turn to Mr Ian Murray from Lendlease Communities.

Mr Murray: Thank you for the opportunity to speak to you today. I represent Lendlease, a national developer and one of the significant contributors to providing housing in this state. I welcome the government's action on the issue of housing supply. In over three decades of working in this industry to provide houses for Queenslanders, I have never seen a greater imbalance between demand and supply. The supply side of the equation is affected by a range of things, but government approval times is near the top of that list. Delays in approval for new homes impact on affordability by creating scarcity of product and also driving up land-holding costs that must be passed on to the buyer. Hopefully, this bill will contribute in some way to addressing this issue but much more needs to be done. The government must also focus on the supply side. Regional plan reviews could be more ambitious in terms of scale and delivery time frames; also, stronger support for local government to complete the subsequent approvals.

Included in the Lendlease portfolio of projects is Yarrabilba, a master planned community within an EDQ PDA that is now home to almost 17,000 people. When it is fully developed, it will be home to circa 50,000 people. Besides Stockland's Aura, it is a clear success story in providing large-scale housing for Queenslanders.

Lendlease has made five recommendations for the committee to consider, which we believe are vital to ensuring the new legislation does not unduly impact projects that are clearly working in providing housing supply. Briefly—I will try to trim this to save time—we would say amendments to existing PDA schemes should only occur where they are silent on social and affordable housing. We believe that the level of social housing needs to align with community support and public transport provided at the time.

Secondly, care is needed regarding the definition of affordable housing. At a recent stakeholder briefing, EDQ advised that definitions of social and affordable housing will be detailed in the regulations. We believe that there should be consultation in regard to that aspect.

Thirdly, Lendlease recommends that place and renewal areas are not declared on existing greenfield PDAs. There has been subsequent clarification from EDQ.

Our fourth recommendation involves EDQ's role as a pre-eminent government agency, and I think this has come out clearly in the Housing Summit. On the coordination across different state departments, we would clearly call out DAF and TMR as two examples where this does need to change. If the state government is serious about accelerating housing delivery, there must be government levers that can be used to overcome tardy decision-making by other government departments.

Our final recommendation concerns regulatory services fees. Lendlease understands the proposed restructure of fees is not part of the bill. However, I take this opportunity to record our position that these will impact on housing affordability as these additional costs will be passed directly on to purchasers. The five recommendations are included in our submission, as we noted.

The EDQ bill is part of the overall puzzle but is a very reasonable start by the government. Supply remains the critical issue. Fixing supply must be the priority. Thank you for the opportunity.

CHAIR: Thank you very much. I now turn to the deputy chair who has a smorgasbord of questions to different witnesses.

Mr SPEAKER: No, not really. We are marching to time. Mr Murray, thank you for your presentation today. You are a big supplier of houses throughout Queensland. You mentioned that there were terrible delays in supply meeting demand. That obviously affects affordable housing for the community and that is what this legislation is trying to address. Has that delay been at the local council level or has that been more around the state government planning instrument, particularly in South-East Queensland where the majority of people have moved to? There is demand for 94,000 houses in South-East Queensland, approved at this stage. I have a follow-up question after you answer that particular one.

Mr Murray: On the recent experience we have had, we have developments north, south, east and west of Greater Brisbane. We are in a PDA for Yarrabilba. We are with local government at Redlands, Moreton to the north and Ipswich to the west. We have a project in Townsville. We have a variety of experience across the board.

I have to say, EDQ's approval process timing is a standout as being best in class for issuing approvals to get things done. It is not the EDQ approval process in the planning approvals; the main delays that occur are in other state departments. TMR aspects are impacting Yarrabilba. There are some approvals there that have been quite constraining and could, if left unaddressed, impact supply.

In other projects where it is predominantly council, we are impacted straight up by the council approval process. I heard the comments from the LGAQ earlier. It is not generally the original rezoning approval. That is not where the problem is. The problem comes downstream with subsequent individual-specific development approvals and then operational works approvals. Streamlining operational works approval, as EDQ has done, providing self-certification for developers, I think is an excellent fix that needs to be looked at across the wider industry.

Mr STEVENS: Basically, both levels of government are responsible for the delay in the provision of housing?

Mr Murray: Sorry to interrupt: the federal government EPBC approvals are impacting several of our projects at the moment—the Environment Protection and Biodiversity Conservation Act.

Mr STEVENS: You mentioned earlier that you had clarified some matters in terms of the retrospectivity in relation to this bill. Can you give us the costs and the impacts of the scenarios in any of those retrospectivity issues that you thought might have been addressed?

Mr Murray: The concern was, when it was initially released, about the determination of how much social housing would be done in a particular area. We have conditions in our approval that we are meeting at Yarrabilba. On the pace of delivery of social housing, having been at the Housing Summit and having been imbedded in the industry, you can see the demand and it is supply that is constraining all of the different sectors. On social housing, one of the different segments is also impacted by supply. There is supply impacting everywhere.

However, rushing out to Yarrabilba to increase social housing when the town centre has not been delivered and the public transport is not in place would be the wrong lever to pull at this point in time for Yarrabilba. I am sure in locations closer to the CBD, closer to existing services, closing to public transport, social housing should be facilitated in different locations right now. We were concerned that the bill was intending to force additional social housing out of pace with the overall development of the project.

Mrs McMAHON: On the tension between social housing and private housing, obviously in a greenfield site, particularly out at Yarrabilba, and I am familiar with it, there is the tyranny of distance and infrastructure that needs to be created to do that. I have the opposite in an urban area in Beenleigh, which is an older town but it has all the infrastructure that is required. The issue is that the rush to actually provide social housing means that it is becoming dense in social housing. At the moment, the developers are very keen to access the bucket of money that is coming from both state and federal governments for social and affordable housing. How do we plan to make sure that we have a good mix when, say, in my area the only things being built are social housing so, if left unaddressed, it is going to become a very unbalanced mix where it is tipped very heavily in favour of social housing? That may affect our ability to attract private investment in what could become a very dense commuter hub. I am interested from a planning perspective when we talk about a mix. I see there are a lot of planners here.

CHAIR: Who are you addressing that question to?

Mrs McMAHON: Probably the planners. We want social housing, but we also want that mix. Is it a chicken and egg situation? How do we get that mix?

Ms Bennetts: I will start and then throw to my colleague Martin. I think you are exactly right and that is why good planning is so important, to get the right mix of housing in the right location supported by the right infrastructure. Are you speaking particularly around a PDA or are you talking about—

Mrs McMAHON: At the moment, no PDA but—

CHAIR: We seem to have drifted somewhat from the bill, but go on. We are taking advantage of the experts in front of us.

Mrs McMAHON: Let us look at it in terms of the urban renewal framework that is proposed within this bill. Does that help, Chair?

CHAIR: Yes.

Ms Bennetts: I would say that we have a policy position where we like to see housing studies done at the local level or at the precinct level and neighbourhood level, where we get the right mix—so the housing needs assessment and then the planning policy to follow what the need of the community is. As we know through the discussions around the affordable housing definition, affordable housing is different depending on the demographics of the area, the price point of the area and other factors. That is why we have advocated, particularly as part of other processes, for that

planning process to be undertaken where you actually understand the need rather than there being some blanket controls. We are really keen to see separately the inclusionary planning pilots that will look at some of that and how you get that mix right.

Ms PUGH: I refer to your opening statement, Ms Bennetts. I was interested in what you were saying about the PDAs. Right now I have a PDA in my area. It is 20 hectares. That is a fairly large infill site. You were talking about smaller more targeted development. Can you expand on what that looks like? That is a very interesting concept.

Ms Bennetts: At the moment EDQ, how it works, is in PDAs. Its powers are around PDAs. As we understand and as we know, the 35 PDAs are generally large areas. That has worked, in terms of places like Fitzgibbon Chase and other areas, to really start to get housing in those locations.

The concept of the missing middle or gentle density is a challenge that we face, particularly in South-East Queensland. It is something that the South-East Queensland regional plan, since 2017, has really tried to crack the nut on. We can see EDQ playing a real role in that space because there is an opportunity for them to be the first one to go into an area and demonstrate that that kind of housing typology works. It works in terms of getting the community on side with density done well. It works in terms of setting a precedent for market sales so that other developers can then follow and get the required valuations and things like that. It is an ability for EDQ to use their developer function in a smaller scale, outside of PDAs, to deliver housing.

Ms PUGH: Can I clarify, you would be talking about something as small as a single vacant block where they could purchase that and then build some units that are of more density than otherwise; is that the kind of thing that you are thinking of?

CHAIR: You may be extending well beyond the act.

Ms Bennetts: I think the new corporate structure allows for it. I think that is one end. That would be the really small-scale stuff. There would have to be a real state priority—why would you do that? But even things through to high amenity areas under the South-East Queensland regional plan around train stations and things, for EDQ to start to move into that space. I could give you some examples but I think I will leave it there.

CHAIR: We have diverse typology, innovative typology, the missing middle, gentle development. Certainly I know there is a conversation between EDQ and Lendlease in that, in your new town development, you want to see some of that diverse and innovative typology of housing in those areas, in conjunction with EDQ.

Mr Murray: Yes, definitely and I would clarify that I think there are opportunities for EDQ to partner with the private sector to do these different smaller innovative type products, in PDAs but also in declared other smaller areas. If the government is able to facilitate the opportunity, the return to the developer is a quick approval but, for that, you need to include then the social housing and the other aspects. At Yarrabilba we are trying to include, around that town centre, these opportunities. We think the opportunity for innovation is going to be quite high in that location.

CHAIR: I notice Ms McNamara picked up her pen at that point. We thank you very much for your feedback and submission. This is something that the committee takes very seriously. I thank you for what you have given us here today. With that, I now invite the representatives from the Property Council of Australia and the Housing Industry Association to come forward.

CAIRE, Ms Jess, Executive Director Queensland, Property Council of Australia

HECKEL, Mr Sam, Assistant Director of Planning & Development, Housing Industry Association

LEVEN, Mr Paul, Deputy Executive Director Queensland, Housing Industry Association

STEELE, Ms Moya, Committee Member, Property Council of Australia

CHAIR: Good morning. Would you like to make a brief opening statement before I turn to members for questions?

Ms Caire: Thank you for the opportunity to provide feedback on behalf of the property industry in relation to the Economic Development and Other Legislation Amendment Bill 2024. The Property Council is the leading advocate for Australia's property industry and here in Queensland the property council has 400 member companies: developers, community housing providers, builders, town planners, project managers and legal professionals to name a few. As noted, our members represent a cross-section of the property sector. Our members are proud to invest, design, build and manage places that matter and have a long-term interest in the future of Queensland. Further to that, our members are deeply passionate about working collaboratively with all levels of government to ensure that every Queenslander has access to fit-for-purpose and safe housing. Our members are critical to assisting in the facilitation of the delivery of much-needed supply to market.

Responding to Queensland's ongoing housing crisis will require bold and decisive action and the Property Council welcomes the intent of this bill to amend the Economic Development Act 2012. The Property Council has and continues to support the role of EDQ in the delivery of housing for Queenslanders. EDQ plays a significant role in the facilitation of delivering new greenfield land to market and PDAs have delivered 30 per cent of SEQ greenfield land in the last two calendar years and in the future we believe they will play an even more significant role in bringing land online. The success of this has occurred through the partnership approach that EDQ has with the private sector. They play a vital role and we support the role that they play.

That said, whilst the intent is welcome, the proposed changes are the most significant reforms to the ED Act ever proposed and given this significance industry feels that there has not been adequate time, nor detail, to support the proposed changes in the current form. The Property Council understands the potential benefit of EDQ being empowered to deliver more homes, along with the economic return, however, currently the bill is broad and in some sections for industry it is ambiguous. There is concern that it actually means that things will take longer as the new frameworks are set up and new delivery vehicles are created, whilst potentially adding further costs. As you will be aware and we have touched on today, it has never been harder for homes to be delivered in Queensland, it has never taken longer and it has never been more expensive. Industry confidence is underpinned by a regulatory environment of certainty. Where there is ambiguity in terms of the rules and requirements, this confidence can be undermined.

Given the magnitude and the far-reaching impacts of the reform, our members feel that further consultation is required with industry about the following items: addressing industry's concern around the potential and perceived conflict between EDQ and the private sector. While we believe the intent of the bill is for EDQ to be the facilitator, the current drafting causes concern for industry that EDQ will also be seen as the deliverer. Industry wants to work with EDQ and, as currently, drafted we feel that there may be the potential for competition at a time when the private sector and EDQ need to work more closely together.

Addressing industry concerns around the increased costs of doing business with EDQ, currently there is no detail around the additional costs that may be incurred and borne by the private sector. Of particular concern to industry is that there is no EDQ performance benchmarks or service delivery expectations to meet these increased costs.

Touching on the retrospectivity, which I think has since been addressed, for industry any retrospective administration in existing PDAs will undermine confidence but also potentially undermine commercial agreements that have already been entered into—as I said, noting that appears to have been addressed.

Further, addressing industry concerns around the introduction of place renewal frameworks, there are concerns that the time taken to prepare a PRF may leave the private owners within a PDA with uncertainty as they wait for those PRFs to come into play. Further, industry has concerns around

the compulsory acquisition powers linked to PRFs and their potential lack of consultation and appeal rights, noting that the Property Council is supportive of precinct planning and public and private partnerships.

Solving the housing crisis takes bold leadership and collaboration to get the settings right, all of which we believe are the desired intent of this proposed bill. Given the role that industry plays and the significant private investment within PDAs, it is essential that key stakeholders are extensively consulted. We acknowledge and support EDQ's response to our submission around commitment for further ongoing engagement regarding operationalisation and regulations. We would be happy to take any questions. Obviously if we are unable to provide an immediate response we can commit to taking questions on notice. Thank you for having us today.

CHAIR: Thank you for your quick speed with that. You have certainly got it on the record and we will have some questions for you. I turn now to Mr Paul Leven,

Mr Leven: Thank you, Chair and committee members. On behalf of our members we are very pleased to appear at today's public hearing. The Housing Industry Association represents a membership of 60,000 across Australia. We collectively construct about 85 per cent of the nation's new building stock. Our members are builders of all sizes, developers, contractors, manufacturers and suppliers, allied building professionals and all members of our industry.

HIA wants more homes built in Queensland—importantly, more affordable and more social homes. We agree with the Premier when he said yesterday that the solution to the housing crisis is in increasing supply of new homes. We especially support more Queenslanders being able to afford to buy their own home and/or find an affordable rental. We also support the National Housing Accord which sees industry on board with government to build 1.2 million homes over the next five years. However, we do not support a key component of this bill which will allow the conditioning by EDQ of social and affordable housing on new developments or alternative imposition of monetary charges—effectively a new tax—in lieu of social and affordable housing. If extra costs are imposed or increased on houses then the cost to the end user goes up. Housing remains one of the most heavily taxed commodities in our economy and our association is perplexed that in the midst of a housing crisis more costs are proposed.

In 2019, HIA engaged an independent researcher to review the taxation burden on new housing. Sadly, it was not too surprising for us to find that a whole one-third of the cost of a new home in Queensland is made up of taxes and regulatory charges. I am urging the committee today to really consider the impact of new imposed costs and red tape. We hear all the time suggestions that the government should tax sugar content because it would force food manufacturers to use less sugar. We heavily tax cigarettes and alcohol in the belief that it will lower consumption because that is what costs and taxes do: they promote less use and consumption, they reduce, they impede and they limit everything except the cost. A 2015 study undertaken by the School of Built Environment and Civil Engineering at QUT found that development charges are a significant contributor to both increasing house prices and reducing housing supply. It found that developer charges, in fact, have an inflationary effect on all homebuyers. Significantly, international studies reveal it is a danger to assume that passing or shifting costs occur at parity, that is, at one-to-one to developer charges being passed on at $1.

New costs do not increase production and these proposed new requirements include a financial impost on housing and homeowners in the name of creating more affordable housing that will add to the recipe of producing less housing stock and higher prices. You cannot impose a cost on housing that will make housing cheaper and create more of something you want. It does not make sense to make building houses more costly and harder at a time when we need more of them. This new regime for EDQ runs contrary to some recent welcome efforts made by the government in an effort to reduce taxes and charges, for example, the build-to-rent tax incentives and the $350 million Incentivising Infill Fund where the state will pay for some developer charges.

Also of concern in the bill is that it gives no definition or certainty to industry on what is affordable housing, what affordable housing actually is, and how much aspiring homeowners will pay in the name of it. HIA notes that for decades policymakers have attempted to define affordable housing and still no good definition exist. The term 'affordable' means different things to almost every different person. The department's response to our submission on this legislation says it will all be settled in the drafting of the regulations to support this bill, but I have little faith given the issues in defining affordable housing in other jurisdictions. In Victoria they tried to define affordable relative to household income, but this failed. The Housing Australia Future Fund defines affordable housing in relationship to localised rent prices. The department says that it will have a workable national definition soon, but we will see.

In EDQ's favour, some of the lowest cost new housing we have seen in recent years has been built within priority development areas managed by EDQ. We had builders creating fantastic lower-cost houses on blocks that are 250 square, or sometimes smaller in these areas, that were selling well within the normal process and making homes for new Queensland families. However, we have a situation where viable homes struggle to be built viably on very limited small blocks that are now available. This is because of strict livability requirements and coming energy efficiency rules put into the National Construction Code that make floor plans too big to fit and will reduce siting options on these smaller blocks that are more affordable. It is worth mentioning that there are also concerns about provisions in this bill that would potentially see homebuyers in one suburb paying for the affordable housing in another suburb in the same LGA. The crux of HIA's position here is that there are better ways than this proposed legislation to deliver more social and affordable housing in Queensland. Once again we welcome the opportunity to appear at today's committee.

Mr STEVENS: Mr Leven, can you expand, please, on your statement that 70 per cent of homes will be subject to a significantly greater purchase price—I assume that will be for a lot of new homebuyers—to offset the cost burden of providing social and affordable housing given that the state is the responsible body for funding social housing in Queensland?

Mr Leven: Yes. I believe you are referring to the possible charge that can be levied under this legislation—

Mr STEVENS: Yes.

Mr Leven:—which is an EDQ ability, in lieu of the provision of social and affordable housing, to charge a fee to a developer for their project to subsidise local affordable housing, which may or may not be in the local vicinity but within the local government area. That would be an additional cost. It gets added on at the end of the day to the cost of the housing in the project.

CHAIR: On that, it may be that in negotiations between the proponent of the project, the builder, and EDQ that there is a discussion that social and affordable housing is not right for that particular area and it would be more appropriate that it be located in a different area and both parties might agree to that prospect.

Mr Leven: Chair, I believe that is the case. The concern is the provision of the ability to levy a charge.

CHAIR: My point is removing that flexibility would perhaps mean that social and affordable housing is put in areas that is inappropriate, where both the proponent of the project and EDQ both agree it is not the correct area, but under the act it would still be put forward.

Mr Leven: Yes, Chair, I believe that is the case.

CHAIR: I understand your concerns. I do not want to dismiss them.

Ms CAMM: I have a question for the Property Council. You are not the first to outline in your submission your concerns around the place renewal framework and those impacts. Because we have the department here post your contribution, can you outline for me—I will be asking them the same question, just so they have a heads-up—what your members' concerns are and from your perspective in real terms?

Ms Caire: The Property Council supports precinct planning and exploring governance to the extent that we actually launched a paper last year. Debbie McNamara was on the panel when we did that. That talked about showcasing governance models between the private and public sector. From industry's point of view, the creation of the place renewal framework excludes the role of the private sector in its creation and establishes the broad powers for EDQ, including the ability to compulsorily acquire land where it is consistent with the place renewal framework. Our members' preference is for the reform to focus on reviewing the rules and regulations around how development applications are processed within a PDA. I might hand to Moya, if that is okay.

Ms Steele: The PRF creates a new planning framework that would appear to embargo development for a period of time, therefore delaying any opportunity to actually create development in the area so designated. It seems at the moment that this is a matter that goes against the ability for us to bring forward housing outcomes for the betterment of the community, if basically the private industry has to sit back and wait for these PRFs to be, firstly, designated and then the framework to be developed. On top of that, there is a risk that these PRFs can be put in place in existing priority development areas which means that there is going to be either conflicts or a need to amend the actual development schemes for those existing PRFs. Every one of these things takes time.

While those things are being dealt with by EDQ, there is increasing and significant uncertainty if you are the developer with a block of land in those areas trying to work out what your future looks like, what you are going to be able to get approved and what conditions might be imposed on that development. Therefore, if you have an opportunity right now to develop at site A where those uncertainties do not exist or at site B inside a designated area, which one are you going to choose? The concern of industry is that the time frames and the uncertainty that these things create are going to be detrimental to both the industry and the EDQ being able to actually do what the act is looking to do.

Ms CAMM: Thank you, Ms Steele. That was a good articulation for me.

CHAIR: You are saying that under all circumstances EDQ has the potential to do it, but the stated intent is not to provide that uncertainty and to move forward with those projects quite quickly. That is certainly the history of EDQ, it would be fair to say.

Ms Steele: As Jess has outlined, the Property Council supports the principles of this act but the reality is we have the issue at the moment in relation to actually getting housing built. As LGAQ said earlier today as well, there are significant sites available where residential development can come forward, but the elephant in the room, effectively, is that private industry is not obligated to actually apply for housing in any place—whether it is within this new framework or on any block of land outside of it—and, when it does choose to apply, it needs certainty looking forward and that can be over a substantive time frame.

For an applicant—any type of developer—to move forward, there are two steps in the process. The first is: do I apply and what are the risks moving forward that could be imposed on my application and what my concept is? Then, when you actually get that approval, if that approval contains matters in it such as the conditions for social and affordable housing, they then have to reconsider what that means for viability. Applicants for these types of developments are businesspeople too. They employ many people. They are not going to proceed with development if, ultimately, it puts their own businesses at risk. There is a great opportunity in these amendments but the reality is the impact at the moment on the development industry from many other things outside of the legislative framework, and those things I think are more important.

Ms PUGH: In your submission and the Property Council submission about consultation time frames, you have outlined a 30-day consultation period. We have heard from previous submitters around extending those time lines in order for the community to have a greater say. Do you think there is anything we can do or that needs to be done around the consultation period to ensure that a 30-day time line would be viable? Obviously that consultation piece is something that EDQ really prides themselves on.

Ms Caire: Are you specifically talking to the PRFs, the place renewal frameworks?

Ms PUGH: Yes.

Ms Steele: I think the issue with the PRFs is that the legislation has no specific obligations in it as to who gets consulted with. The EDQ obviously must consult in the way it considers appropriate, but we take that on trust and, with all respect to the EDQ who are here today, they may not be the EDQ of tomorrow. I think the concern in that regard is simply that consultation and being able to put input in a very short period of time often does not allow somebody who may be considering development of their own land to actually go through the process of what they may wish to do with the land versus what EDQ may wish to do with the land. There can be significant requirements in that regard in terms of even just getting a concept plan for that as to whether or not you feel this is an appropriate way to go to be able to contribute appropriately to the consultation process.

CHAIR: Mr Leven, we have this tension between development charges and their levying on the developer and what economists call the incidence of tax of where that actually ends up. You have a clear opinion that it leads to an increase in the cost of housing, but at the same time infrastructure charges that ultimately get used for the benefit of local council infrastructure in PDAs are higher than within local government and there are efficient housing products and good prices being delivered within PDAs. We heard the expression earlier that it was not one-to-one, but what is the relationship between those charges and the delivery of infrastructure? As a separate question, we have to deliver this infrastructure so one way or another it has to be paid for by the broader Queensland community or the local government area community. That tension is there. How do we find the correct balance between them?

Mr Leven: I would make a couple of points. Firstly, yes, infrastructure charges go towards the infrastructure required to build the housing and that is accepted at some level, but what we are talking about here in this bill is infrastructure charges being levied on the development that may not apply to that particular development. That is the concern.

In terms of the ratio of the developer charges, I referred to a study that was done some time ago that showed that it is more than a one-to-one pass on in terms of the cost. That accounts for the risk the developer has to take in undertaking the development—perhaps finance that they have had to take to pay their costs, so there is an extra cost in that, and extra administration and other paperwork that has to be done to account for those infrastructure charges. It is more than just $1 for $1 that gets passed on because there is a cost to the developer that gets passed on as well.

CHAIR: Thank you. There is that tension. We obviously have to pay for our sewerage networks and how we do it is the question, not whether it needs to be done.

Ms Caire: Can I clarify the question from the member for Mount Ommaney before about the consultation for 30 days? Were you referencing the place renewal frameworks or the PDA development assessment?

Ms PUGH: Place renewal as per your submission.

Ms Caire: In our closing line, we have reform to the PDA assessment to ensure a 30-day approval process which we would be supportive of. I wanted to clarify that you were talking about the place renewal framework.

CHAIR: We hear from local community associations which see the changing nature of their communities, and I feel this very deeply representing an area with such big growth. There is a tension between the delivery of efficient and cheaper housing for families in need and the long community consultation process. How do we balance that process, Mr Leven?

Mr Leven: Ms Caire probably has a better answer to that.

Ms Caire: No pressure! As has been highlighted today, we are in the grips of a housing crisis so delivering homes to market faster is what the development sector wants to do and what the building sector wants to do, and we absolutely believe it is what the government wants to do. It is not about delivering cheap homes; it is about making sure that we are delivering homes that are well designed and sustainable and are designed in a way that reflects what Queenslanders need, and everyone is supportive of that. I believe the intent of the EDQ bill is to assist in facilitating that and we are fully supportive of that. The community has concerns, and rightfully so, but I think the grip of the crisis at the moment far outweighs, with women and children living in cars. This is an all of community and social issue.

CHAIR: And long holding costs and up-front infrastructure ultimately lead to higher consumer costs in the end; is that fair to say?

Ms Caire: Yes. Anything that adds to the delivery of a built form is impeding the capacity. The higher the costs go, the less we are going to be able to deliver. At the moment it has never been more expensive and there are a multitude of issues for that—obviously construction costs and significant demand. Anything we can do to alleviate that burden and deliver homes faster is a good outcome for everybody.

CHAIR: Thank you. I really appreciate your submissions and your appearance today.

ADAMS, Ms Veronica, Director, Special Projects, Economic Development Queensland, Department of State Development and Infrastructure

KELEHER, Ms Kate, Director, Infrastructure, Economic Development Queensland, Department of State Development and Infrastructure

McDOUGALL, Ms Fiona, General Counsel, Legal Services, Department of State Development and Infrastructure

McNAMARA, Ms Debbie, General Manager, Economic Development Queensland, Department of State Development and Infrastructure

CHAIR: Welcome. Thank you for your appearance today. We appreciate that we have already had a briefing from you and we have also had your response to submissions, which I note several of the submitters made reference to today. Some of them gave feedback on your submission and still had concerns so that might be something you wish to address. Ms McNamara, would you like to give a brief submission to the committee reflecting on those things?

Ms McNamara: Good afternoon, and thank you very much for giving us this opportunity. Firstly, I would like to extend my acknowledgement to the traditional owners. As we have heard today, the delivery of increased housing supply is complex and the response must be multifaceted. We all share in the challenge and we acknowledge that the responsibility to deliver against that challenge needs to be balanced. EDQ understands through our engagement and the submissions from the stakeholders that there is a range of views and sometimes competing, and we have had to consider how best to respond to those views.

The bill seeks to strike a middle ground, finding the balance between implementing changes that deliver on diverse housing with partners faster, while at the same time minimising uncertainty. There are words here that you will continue to hear me say that are reflective of the previous witnesses, that is, diversity; partners; faster but minimising uncertainty and undue burden on a single party; balancing the need to support housing growth while seeking to achieve ecological sustainability and maintaining our distinct lifestyle; and facilitating accelerated outcomes while ensuring due process is adopted and safeguards are in place. In finding this balance we continue to return to the main purpose of the act but importantly how the act is actually enabled and delivered.

I want to touch on a couple of those key concern areas. Conditioning of social and affordable housing we acknowledge is one of the provisions in the bill where diversity of views has been received. The support for the provision has been expressed. However, we note that concerns have been raised, especially by the development industry, that this may lead to an increased cost burden on a single party. We believe there are protections in the bill to ensure that conditions of this nature are not implemented before detailed consideration of their application is undertaken, including financial matters. Implementation will require the relevant PDA development scheme, which is the planning instrument, to be updated to reflect the specific social and/or affordable housing requirement which will require formal public consultation. EDQ acknowledges that for partners to deliver social housing and certain types of affordable housing there needs to be financial support.

In addition, EDQ notes the range of views in relation to defining affordable housing through a regulation rather than the bill. As we previously advised the committee, we have adopted this approach to provide appropriate flexibility. We believe it would be premature to fix the definition within the bill while the federal and state governments are exploring the possibility of a consistent definition. It also provides flexibility to respond to the different affordable housing funding programs currently being offered across multiple levels of government. In amending the regulation, we have committed to engage with stakeholders on the affordability criteria which will be progressed over the coming months, and we have shared further details on our website.

The new concept of a place renewal area has also generated a range of views. There are potential concerns that this may create uncertainty and increase complexity resulting in delays across PDAs. To be clear, the place renewal areas are intended to be a true collaborative approach that embrace public, private and community partners to achieve precinct-wide outcomes. This includes genuine engagement with stakeholders that are affected or impacted by the PRA, as referred to in the bill, in the preparation of the place renewal framework. These provisions do not duplicate or delay existing planning processes. They are complementary—they are not competitive—by addressing the unique challenges and opportunities of the area through good governance and stakeholder collaboration in a coordinated approach.

The provision for land acquisition powers, again, has also received some diverse feedback. The concerns raised were in relation to the possibility for these powers to be misused. The bill outlines that these powers can only be used in very limited circumstances and as a last resort. In addition and fundamentally, any acquisition must be in the public interest. Further, the process for land acquisition will be consistent with established processes across government under the Acquisition of Land Act, again striking the right balance between facilitating increased housing supply and the rights of existing landowners.

The proposed changes to EDQ's corporate arrangements strike the balance between retaining ministerial oversight while optimising the capability of a skills-based board, thereby facilitating greater accountability and transparency of EDQ's performance. As the state's land use planning and development agency, a fundamental component of EDQ's role is to demonstrate leadership and innovation across planning, infrastructure and property, and you have heard that today. In the context that we are all operating in, which is acutely evident and has changed in terms of housing challenges, the combination of these drivers underpins why we believe it is the right time for these amendments to the act.

Finally, I would like to recognise EDQ's track record and ongoing commitment to working with partners to bring forward this package of amendments and, importantly, how we will operationalise them in practice. Working with partners is an essential component of how we go about our daily work.

Mr STEVENS: The chair suggested I ask you this question in our earlier private meeting, which I have just given away. I understand compulsory acquisition in terms of governance—and it always has been the practice, as I understand, for the greater community benefit. However, I would like you to advise me, if you can, how compulsory acquisition of a property, even if it is for a road reserve or a sewage plant for a PDA development, is not to the benefit of the private developer of that PDA. What Crown law advice have you taken in relation to the sustainability of any legal action through land courts or P&E courts in relation to the sustainability of those compulsory acquisitions for private development?

Ms McNamara: There are two specific scenarios where we are seeking those powers, firstly, within the priority development area for the facilitation of enabling infrastructure. As I mentioned in my opening remarks, in both cases they will be used on the basis of last resort. We do find ourselves in the scenario where development is delayed because parties cannot reach agreement for infrastructure corridors. The land acquisition powers that we are seeking mirror the current powers that local government have. As a planning and infrastructure agency, we believe that is appropriate because that, as I said, mirrors where local government have those provisions. In that scenario, the land that would be acquired to facilitate that infrastructure corridor would then vest with the ultimate infrastructure owner. If it is a road, it would vest with either TMR or local government. If it is a sewer line, it would vest with the distributor-retailer.

Mr STEVENS: In essence, it is still community property?

Ms McNamara: Yes, it would be. It would facilitate a housing outcome and, therefore, it would facilitate a privately led housing outcome because the developers in those areas are private developers, but it would be for the benefit of housing as well as for infrastructure corridors that would ultimately then sit with the relevant public sector entity.

CHAIR: We had an example where an exit road from a development would have been best managed with a particular radius of road that was outside the PDA but only metres outside the PDA. That would be an example where council felt it was difficult for them to do compulsory acquisition, but under normal circumstances if they had been the developer they would have gone through the process of a compulsory acquisition. This would allow you to do that—if agreement could not be gained, they could do a compulsory acquisition to build a better road infrastructure for all users of the road.

Ms McNamara: Correct.

CHAIR: That was not really a question. I just had a look at this one and it was deeply frustrating to me.

Ms CAMM: I have two questions, so I may ask them in two parts. A number of submitters expressed concerns—and we have heard from the previous witnesses—around the planning renewal areas and I also picked up in some other submissions concerns about retrospectivity. Can EDQ provide the committee with any insights that can address some of those concerns that have been raised through those submissions? The second part to my question is: are there any safeguards within the legislation that should be considered where we see a detrimental outcome from some of

what we see being put forward such that when you get down the path it would actually delay or inhibit development or the expedition of social or affordable housing? Is there anything that can safeguard as a continuous improvement mechanism as part of this legislation or dealt with in regulation, or is that something that has not been considered?

Ms McNamara: I will deal with the place renewal area first. What we have tried to do in our report back to the committee responding to the submissions is to provide clarity to stakeholders around place renewal areas. One of the statements in one of the submissions is that it will delay, replace, conflict or cause uncertainty against the PDA. The PDA and the development scheme still remain and are the only land use planning instrument. A PRA, or a place renewal area, and a place renewal framework are not statutory planning instruments. The PDAs will continue to travel and continue to do their job. The introduction of a PRA and a place renewal framework are there in circumstances where there is a high level of complexity by multiple and concurrent levels of investment occurring by both the public and the private sectors and we need a true collaborative governance tool to bring people together to ensure that the collective effort is pointing in the same direction in a coordinated way. It does not restrict or delay the planning process that will continue to occur under a PDA. Therefore, it is complementary; it is not supplementary or there to replace. That is the absolute intention.

Also in terms of the intention in terms of consultation, because it is not a statutory planning instrument we have not been fixed about how we would consult. What we have effectively said is, yes, we would consult with the LGA and we would consult with any individuals impacted, or words to that effect. Depending on who those parties are that have a vested interest, yes, we would bring them in and consult on the co-creation of the framework. It is actually truly set up to try to work with partners to establish a framework that is appropriate to that location.

The second question was in relation to the conditioning of social and affordable housing and around safeguards. Again, we tried to respond to this in the responses to the submissions. The conditioning powers for social and affordable housing will require EDQ to come forward and, firstly, update the development schemes because, again, the development scheme is the planning instrument that will set the requirements around social and affordable housing. If the legislation is passed and becomes effective on 1 July, that provision will not come into effect on 1 July; you have to go through a process of flowing that through the development instrument, which is the development scheme. That is probably the first thing.

The second thing is that we are not in the business and our intention—and I am sure no-one has suggested this—is not to slow down or stifle any kind of diverse housing, including social and affordable housing. Within our 35 PDAs, 17 already have some form of social and/or affordable housing provision. The challenge is that in certain areas people are working with us in the right spirit and are meeting those requirements, but in other areas that is not the case. What this effectively does is strengthen our ability to condition to ensure that when our partners go in and buy into a PDA they do so knowing that that is the expectation around social and/or affordable housing, that they will follow through with us and with other partners to deliver on that outcome.

In terms of those safeguards, as I mentioned in my opening remarks, I think in going to an independent entity there will be greater transparency and accountability around our reporting. EDQ currently reports but it is embedded within the department, so sometimes it is hard to see through to the outcomes that EDQ is delivering. I think that separation will provide greater transparency and with that comes greater accountability in terms of achieving our outcomes. If we believe that we are having a detrimental impact on outcomes, we then have the ability to adjust these instruments to actually respond to that.

My last comment on that is you have heard a lot today about the definition of affordable housing. Again, the flexibility in the definition of affordable housing is important because we have heard from the HIA about 'affordable by design', and that is an important component of the type of affordable housing that is being delivered within PDAs. We have also got affordability where there is a discount market and then we have that affordability that is linked to income. All of those types of affordability have a place and it depends on the location in the PDA in terms of which element you lean into most. Hopefully, what you will see is that we are thinking about how these instruments would be implemented in practice and would have regard to the specific challenges, opportunities or aspirations of that particular location.

CHAIR: We had some questions about infrastructure charges. It seems to be unclear what the ultimate destination is of those infrastructure charges and what they are used for. Can you give us some oversight about how infrastructure charges are expended and how that benefits the local LGA and the ultimate design of the PDA community?

Ms McNamara: Once the PDA is declared, there are two things that EDQ sets about doing. One is the development scheme, which sets the land use planning. The second is: what is the infrastructure instrument that is going to plan and look to scope and fund the infrastructure? In most cases that is a development charges and offsets plan; I know that is a lovely title. Essentially, we work with the local government, the development community, the distributor-retailers and state agencies—for example, TMR—to scope up the required level of infrastructure to support that development. I would say that that is not restricted to the boundaries. We also look at upstream infrastructure requirements. In the case of the headworks required for a sewer line, we do look to make sure that it has the capacity to feed the downstream impact that is the PDA.

Those infrastructure charges are then agreed across all partners. The standards that we adopt are in line with local government standards, so we work very closely with our local government partners to make sure that that accords, and then those infrastructure charges are collected and then effectively paid out to the relevant party that is incurring that cost—whoever is delivering that infrastructure, whether it is the local government, the distributor-retailer or, in some cases, the developer.

The last point I would cover on that is the reference to the transitioning of infrastructure charges and EDQ pulling them back and impacting financial certainty or security of local government. That is in a very specific scenario and that is only where we are transitioning from a local government scheme into a new PDA, so it is for a very specific window when we go from being under the local Planning Act with the LG and moving into a PDA and it is for applications that are approved in that period. Once we get through the transition phase, that does not apply and the principle of that is infrastructure charges collected in that area for schemes and approved in that area are reinvested in that area. If the local government is already investing in that then that is okay and that is the provision in the bill around exchange of information to ensure that that is the case.

CHAIR: In terms of infrastructure charges, often we are trying to provide good-value housing and a lot of the product, at least to my knowledge, is for young families buying their first house. As we know from the construction of the many schools in Logan that I have talked about—even last night—they are young families who have very high costs at that stage of life and not huge incomes. There is a tension between putting up-front charges on those families at that stage of life or paying it more slowly through other charges. How do we resolve that? Obviously it is a public policy question ultimately, but do you have any feedback on that?

Ms McNamara: I think that you are absolutely right and that tension comes out as we are designing and landing on the development charges and offset plans, so the infrastructure plan, because there is that tension between what is the scope that is required because, as we agree, that scope flows through to the cost so we cannot all sit there and say, 'Yes, we want it all.' We have to go through and that tension plays out between ourselves, council, the distributor-retailers and developers, because from a developer point of view they also have an eye on making sure that this product can be delivered to the market at a reasonable price. I think that that process is what actually calibrates what is the right outcome between sufficient scope to ensure that these homes and communities can be supported, but we are not overloading the scope to make sure that it has impacts on affordability.

CHAIR: I understand that that is somewhat outside the bill that we are dealing with today, but it was an issue that multiple submitters made commentary on, so I did want to speak to that. As there are no further questions, I want to thank all of our participants here today for their submissions. If the HIA is still here, I wanted to ask about the report you mentioned about the incidence of infrastructure charges and who is the ultimate bearer of that cost. It is something that I have had a long-term interest in, separate to this bill. If you could pass that on that would be great. That is not necessarily a question taken on notice, but if you could pass that on that would be great.

Mr Leven: We can absolutely do that.

CHAIR: Thank you very much. I meant to ask you at the time, because it is of some interest. That is not official, so I will not give you a time line. There being no further questions, that concludes this hearing. I thank everyone for their appearances here today. I also want to thank our Hansard reporters—we have had two here today—who do an excellent job. Because of that, a transcript of these proceedings will be available in due course. I admire how they always do it so promptly. Thank you also to the broadcast staff up in the booth, especially to Lindsay, who does such a good job. With that, I declare this public hearing closed. Thank you very much for your attendance.

The committee adjourned at 1.03 pm.