

Economic Development and Other Legislation Amendment Bill 2024

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Committee Secretary
Cost of Living and Economics
Parliament House
George Street
BRISBANE QLD 4000



BY EMAIL – colec@parliament.qld.gov.au

Dear Committee Secretary,

Economic Development and Other Legislation Amendment Bill 2024

The Urban Development Institute of Australia Queensland (the Institute) appreciates the opportunity to provide comment on the Economic Development and Other Legislation Amendment Bill 2024 (the Bill).

The Institute supports many aspects of the Bill and has long supported the activities of Economic Development Queensland and its contribution to innovation and housing supply. However, the Institute is very concerned by some proposed changes. Among our most significant concerns is the uncertainty the Bill would introduce in relation to the delivery of much needed affordable housing.

Context

The property industry is a major contributor to the Queensland economy. As the second largest industry of employment within the state, it directly employs 10 percent of the Queensland workforce, and indirectly supports a further 12 percent. Underlining its importance to the state's economy, the property industry directly contributed \$31.7 billion to the Queensland economy in 2021, or 9 percent of Queensland's GSP, and a further \$39.8 billion through indirect economic impacts (11 percent of GSP).¹

The property industry provides around 97 percent of the homes that are delivered to new home buyers in Queensland each year. As is well known, Queensland is facing a severe housing affordability crisis that involves insufficient housing to meet the needs of the community, extremely low rental vacancy rates, increasing homelessness, and rising housing prices.

For these reasons, the Institute is focussed on assessing all proposed legislative and regulatory changes in the light of this present crisis and the knowledge that the cumulative effect of various new state and local government decisions is already reducing available land supply and the delivery of new housing. These include additional construction code requirements, waterway barriers controls, sunset clauses for land sales, environmental measures, flooding risk, competing construction priorities, planning scheme constraints, construction agreements, and civil works constraints.

¹ The Contribution of the Development Industry to Queensland, Urbis, November 2022

Overall, the Institute's view is that in order to meet the urgent housing needs of our community, additional government costs or restrictions that will further stall or prevent the flow of new homes for Queenslanders should not be added at this time. Our comments on the Bill are provided in view of this lens.

General

The Institute is generally supportive of the work of the EDQ as it has enabled the commencement of needed growth areas such as Yarrabilba, led renewal of challenging infill areas such as Bowen Hills, and facilitated affordable homes and delivery of innovative housing diversity not otherwise viable or permitted in places such as Fitzgibbon or The Village in Townsville. EDQ, and its precursor organisation, have been particularly important in overcoming large scale infrastructure or other challenges to enable housing supply.

While the present 35 Priority Development Areas (PDAs) are diverse in character and applicable arrangements, industry sees a range of positives in working in PDA locations including:

- Faster approvals
- Resolution of state and local government issues in the development scheme avoiding the need for referral of development applications
- Development scheme stability, providing certainty for development
- Lower application fees, offsetting the higher infrastructure charges, additional design and affordability requirements, and lack of decision appeal rights in PDAs
- Potential for self-certification of engineering details
- Flexibility in consideration of applications by EDQ responding to circumstances in the PDA
- Undertaking to reasonably deliver infrastructure matching to demand.

Consequently, PDAs have historically been a desired location for industry housing activity and activation pathway for new growth areas. Unfortunately, this view has recently changed as many of these advantages have dissipated to the extent that working in a PDA now involves unique challenges for some parts of industry which are not seen in non-PDA areas. While there are some specific challenges associated with individual PDAs, key concerns include:

- Delayed approvals resulting in delays to housing delivery. Approval timeframes on our survey are now taking around nine months to complete and those in the Ripley PDA more than double that time frame
- Lack of applicant appeal rights for decisions with a "take it or leave" approach from EDQ assessors conservatively applying out of date development scheme provisions
- Increased outside influence on PDAs by local governments and agencies through delegations and referrals
- Increased costs from delays and changed assessment approaches
- Lack of support from state agencies in areas such as transport infrastructure which are critical to achieving the affordable, connected, and higher density outcomes sought for these important housing supply nodes in the state.

The Institute has sought to work collaboratively with the State to resolve the above issues on a number of occasions.

In the Institute's view, and based on current industry experience, any changes to existing arrangements should be positioned around the following:

- Providing more efficient development assessment and infrastructure delivery arrangements that lead and demonstrate improvements that can be made to the planning system. This should include performance requirements such as a 30-day deemed approval provision similar to that available in the *Planning Act 2016* and increased exclusion of regulatory changes that impact on PDA development, such as the Department of Agriculture and Fisheries Waterway Barrier changes
- Providing an agile avenue to urgently address housing delivery bottlenecks
- Delivering resolved structure plans for growth areas in advance of need
- Delivering an expanded consistent, reliable, and sustainable pipeline of land supply in and out of PDAs
- Providing certainty for landowners, the community, and governments on the arrangements and facilitation of future growth areas to meet the needs of a growing population
- Delivering timely, quality communities and infrastructure, including schools and health facilities
- Facilitating additional infill housing for the community over that which might otherwise occur.

Institute members have raised concerns that important operational reforms to achieve more expedited development approvals (that do not necessarily require legislative amendment) are not being explicitly dealt with in the Bill. This represents a significant missed opportunity. While the Institute acknowledges non-legislative reforms appear "at face value" to be outside the Committee's role in reviewing the Bill, we suggest this failure to address these "front end" issues has resulted in flaws in the Bill's aims and approach.

The Institute supports some of the additional powers the Bill proposes to introduce. In other instances, either the lack of detail, or concern over unintended consequences means the Institute cannot support the measures as proposed. The following provides high-level insight into these concerns:

- The Bill does not adequately focus on opportunities for urgent delivery of additional housing, such as addressing current development application delays or expanding self-certification
- The Bill creates uncertainty and raises the risk that the capacity of industry to deliver housing in PDAs will be reduced by:
 - unexpected increased costs of social and affordable housing provision on existing projects in PDAs
 - increased development assessment and other fees
 - place renewal dissipating the focus from housing delivery.

Further, and extensive consultation with industry is required to resolve potential increased requirements and fees on existing projects, uncertainties created, and to include additional opportunities for improvement.

As indicated above, the Institute supports some measures that will assist in the faster delivery of housing, including:

- powers to acquire easements or land for infrastructure through land acquisition powers
- further recognition of cultural heritage and ecological sustainability
- agreements, to aid flexible delivery of social and affordable housing
- directional powers for distributor retailers and local government
- creation of a Temporary Local Planning Instrument (TLPI) like tool for PDAs when its use does not reduce housing supply
- provision of premises for commercial or industrial uses
- changes to ensure PDA development schemes align with state planning policy.

The following matters require further clarification:

- Of the unclear definition of affordable housing. Given the use of this term in the Bill, progress of specific changes relating to affordable housing must be delayed until this is resolved in consultation with industry
- That the proposed holding of assets will not compete unfairly with industry projects
- That investment activities do not impinge on housing delivery activities, activities that can be undertaken by industry, or compete unfairly with other private operators
- That Place Renewal Areas could be used as a tool to coordinate fragmented land for housing supply
- That the Place Renewal Framework will not apply to existing PDAs with unforeseen costs for existing projects, and, where proposed involve extensive consultation with land holders, local government, and other stakeholders
- That in respect of infrastructure fees applying to projects which pre-dated the PDA, these fees should transition to the PDA only following adequate consultation having been conducted
- That the rights and conditions of approved development applications are protected and grandfathered to future stages within existing projects

The following proposed changes are not supported:

- Increase in fees and charges and release of a new fee schedule from 1 July 2024 without thorough consultation with the Institute
- The imposition of additional requirements for additional social and affordable housing on existing PDAs without compensatory upzoning and incentives
- Permission for an extension of Interim Land Use Plans
- Powers for conditioning of additional social and affordable housing requirements on existing PDAs.

Whether dealt with by the Bill or in another manner, further action is also required to address:

- Current development assessment and plan sealing delays which are delaying the delivery of new housing with resources and legislative deemed approval provisions
- Reduced integration of policy matters that are leading to greater local government and other agency impacts on PDA housing development that are adding time and cost. EDQ should use new (and existing) powers to better govern outcomes of agencies, for example:
 - Department of Transport and Main Roads – lack of integration of application processes and infrastructure planning and delivery

- Department of Agriculture and Fisheries – PDA housing delivery should be better protected from erroneous mapping and unfounded changes (as is the case with vegetation mapping)
- The ad hoc application of local government policies, overriding those of EDQ, despite the fact that the land holding is located within a PDA
- Improvement of corporate arrangements for greater accountability and recognition of community obligations in EDQ strategic plan and functions
- Dispute resolution mechanisms to speed up the delivery of housing
- Protecting all existing projects (including subsequent development stages) from additional costs from new social and affordable requirements and fees that threaten their viability to deliver housing.

Bill provisions

Bill objectives

The explanatory notes to the Bill indicate the range of imperatives for the Bill. However, the Institute does not consider the objectives and the detail of the Bill adequately reflect the Queensland Housing Summit's direction **to deliver more housing supply across the State, including new social and affordable housing in the context of urban renewal and precincts**. Further elaboration of this view is outlined below.

Housing supply, affordability and diversity amendments

The provision of premises for commercial or industrial uses

The proposed provision of premises for commercial or industrial uses by MEDQ is supported by the Institute. The Institute is aware of locations such as the Sunshine Coast where urgent action is required to improve the provision industrial facilities. The MEDQ can assist and independently advocate to local government for additional industrial zoning.

However, the holding by MEDQ of commercial and industrial use assets should not result in unfair competition with private market facilities. Clarification should also be provided to avoid overlap between MEDQ and Coordinator-General activities and holdings.

Social and Affordable housing

The Bill enables and appears to propose a retrospective increase in social and affordable housing requirements on PDAs, with social housing provided at a developer's cost and current 'stretch targets' becoming fixed targets.

While existing PDA developers should meet any existing obligation, any increased social and affordable requirement on existing PDAs will add costs to the delivery of housing and is not appropriate at the current time. New provisions should not apply retrospectively to existing PDAs as projects have not had the opportunity to account for the cost of delivering more social and affordable housing than originally anticipated.

The Institute is concerned that, inherently, PDAs aim to make the development process easier, targeting investment into certain areas where economic development activities and housing can be produced relatively simply and affordably without third party appeal risk. The imposition of additional mandatory social / affordable housing requirements on developments within a PDA, could perversely make it easier and more financially viable to do projects outside the PDA areas and defeat the social and affordable housing objective.

It may be appropriate to apply additional provisions to prospective PDAs where proponents know the obligations and can adjust their commercial offers to landowners accordingly. Consideration must also be given to upzoning or other incentives that ultimately compensate new home buyers for any increased cost of delivering the State's housing targets. This area of the Bill is of substantial concern to the industry and has introduced serious uncertainty for projects.

Unlike the delivery of social housing (related to the Minister of Housing), there appears to be no checks and balances as to how EDQ will fund and deliver affordable housing. The definition of affordable housing references the Planning Regulation, which is yet to be amended. This lacks transparency, and as a minimum, the Planning Regulation definition needs to be consulted on and finalised before progress of this Bill given the ramifications for industry and the Bill's ambit.

Agreements

In principle, the Institute supports the ability to reach agreements for easier, more flexible, and clearer delivery of affordable housing. Producing the agreements however could be resource intensive and a prolonged financial burden for both parties comprising the negotiation, preparation, execution, and administration of the agreement. The Institute is generally supportive of the proposed agreements, but these should be limited in where they are required as much as possible. The Institute also does not consider the agreements need be limited to social and affordable housing if they are valuable for other PDA development purposes.

Powers to specifically condition applications for affordable and social outcomes

It is arguable new home buyers should not be required to subsidise social housing or pay a monetary contribution to facilitate its delivery. The delivery of social housing is a state government responsibility paid for by all. Requiring developers on behalf of new home buyers to pay an additional contribution for its provision allocates the cost of provision to a few and is therefore inequitable. The additional contribution will also result in additional challenges for the provision of housing as it undermines the viability of a project and its potential to pass feasibility testing.

Introducing the conditioning of approval powers for affordable housing is premature as the Bill does not include a definition of 'affordable'. Several potential issues apply including:

- additional information is needed to determine the cost of the contribution necessary where a development does not provide affordable dwellings on site. As this is dependent on the definition of 'affordable housing' an assessment of the impact of this provision cannot be determined at this time
- if the definition of 'affordable housing' includes a discounted rent/purchase price for a stated period, the ability to provide this as part of traditional development will be very challenging and will impact the contribution payable
- the provision of the affordable housing outside of the PDA may not be possible or reasonable in some instances, as has been the lived experience in multiple PDAs, where developers have sought to commence discharging their obligation, only to be rejected by the Department of Housing
- while a contribution might be permissible where a development does not provide social or affordable housing, it is unclear what happens when social and affordable housing has already been delivered within the catchment to the extent required and whether the contribution is still payable in this instance

- it is unclear how will EDQ assess and determine the PDAs that are conditioned to provide social and affordable housing requirements
- greenfield housing, such as that found in Yarrabilba or Flagstone, is typically more affordable. Providing public transport that better connects residents in greenfield development areas to employment nodes may be a more effective use of resources in connecting people to affordable housing
- a range of social and affordable housing requirements apply across Queensland PDAs. Some prescribed housing types may not meet the new definition, creating uncertainty for stakeholders.

Application of increased requirements for social and affordable housing can have serious implications for existing projects. It is difficult to determine the overall impact of this proposed legislation change without modelling of additional costs and constraints caused by the development and administrative costs of social and affordable housing, and monetary offsets or attributing land in projects for affordable/social housing adds additional costs and constraints. Existing projects in PDAs should be protected (grandfathered) from changes in requirements and fees that were unaccounted for at their initial investment decision.

The Institute notes the provisions conditioning social and affordable housing on existing PDAs would require change and public notification of PDA development schemes. The Institute is concerned by the substantial additional costs and uncertainty that would result for projects requiring any additional approvals and amendments for stages of the project. Development scheme changes will also create additional administration burden, particularly on delegate councils with limited resources, and will likely result in further delays to the delivery of much needed new homes.

Any change to requirements for social and affordable housing should recognise the circumstances of the PDA, particularly greenfield locations. Conditioning social housing homes to be provided early in the delivery of a new growth area could lead to increased isolation for social housing tenants. Also, industry has experienced instances where state funding for a community housing provider has not been provided given the nascent state of the growth area. The arrangements should provide for a strategy of delivery that is accelerated after town centres, facilities, and wider community support arrangements are in place. Any arrangements prescribed within Development Schemes should have been coordinated with the broader Department of Housing, prior to being prescribed. Industry should not continue to be forced into a situation of attempting to discharge obligations in locations which are considered to be unsuitable by the Department of Housing.

New definitions for social housing and affordable housing

Currently various approaches and definitions seem to apply on projects regarding social and affordable housing requirements. For example, social housing normally envisages full public financed housing for persons otherwise unable to afford a home. However present arrangements have in some cases permitted "NRAS" homes (privately owned discounted rent homes that may no longer be supported by government). The Institute supports rationalising and modernising the definitions but application of new requirements on existing projects could have disastrous effects at this time of a broad-based housing availability crisis.

Investment Powers

The Institute supports investment by MEDQ to facilitate economic development and development for community purposes across a range of property asset classes. Any purchase and holding however, should not enable unfair competition with private facilities, be appropriately considered prior to purchase, minimise the period of holding of the asset, and minimise any flow through costs to PDA stakeholders. The Institute considers MEDQ activities should focus on increasing housing supply rather than activities that add cost or divert resources from additional housing facilitation.

Place Renewal Framework

The Institute notes this power is intended to enable the fuller realisation of an area like the Woolloongabba PDA as a place. The Institute is concerned this is not housing supply focussed enough and does not support this specific use for the place renewal framework. The Institute is concerned the costs of place activation activities may be more than the additional housing supply it generates. Place activities may also increase costs on stakeholders and ultimately home buyers, and increases the potential for activities by government competing with private sector activity i.e. providing below market rent commercial tenancies alongside market-rate opportunities.

The Institute is concerned at the potential effects the Place Renewal Framework may have on existing PDA stakeholders. Costs and requirements on existing projects in the PDA could be increased that were not calculated in the project's initial investment decision. The Institute recommends the Place Renewal Framework not apply to existing PDAs and where proposed involve extensive consultation with land holders, local government, and other stakeholders.

Acquire land

The Institute supports land acquisition powers to remove bottlenecks to housing supply in some areas. A number of locations are close to existing services and potentially a source of well-located homes but have not progressed in delivering housing supply for 20 years as the land is fragmented into small ownerships and significant infrastructure may be required. EDQ involvement in these areas is encouraged ahead of infill locations that have less housing or economic outcomes.

Use in fragmented land areas also aligns with the Commonwealth Government's response to the housing supply shortage that state and territory development corporations and their associated precinct planning bodies should *accelerate land assembly (including through compulsory acquisition as a last resort), infrastructure provision and development approvals in areas which are suitable for large-scale intensive housing development.*

Powers of acquisition of land is generally supported to alleviate the issues of land fragmentation, open up development fronts, and support efficient delivery of key infrastructure. The Institute notes the *Acquisition of Land Act 1967* processes by the Department are taking up to 18 months to facilitate. The Department requires adequate resourcing if the number of acquisitions is to increase.

The Institute is concerned about the lack of transparency and potential conflicts of interest posed by the Place Renewal Areas framework as proposed in the Bill. There is also insufficient surety regarding the ability to appeal outcomes.

The Institute considers the place renewal arrangements offer the potential to form state teams to assist PDAs with delivery of integrated centre, community, and facility outcomes in new growth areas. This team could better integrate state and local government services including state and private schools, local government community centres and state social services for the benefit of the growing population. However, these services should be available to all PDAs not just place renewal areas.

Amendments for operational efficiency

Infrastructure charges

The Institute supports transition from a local government planning and distributor-retailer regime into a PDA regime. Prior to transfer of the charges collected within a PDA by a preexisting approved development, consultation / acknowledgement should be undertaken with local government and developers on any infrastructure beyond the PDA (affected by the development) that the charges may have been required for.

The Institute would not support this transition leading to charges higher than applicable to the local government.

Fees and charges for services

We note MEDQ proposes moving to a cost recovery model for development assessment related fees is appropriate, capped at no more than local government rates. The Institute would welcome a report on the MEDQ cost to undertake its varying development assessment activities.

The Institute does not support amendments that would allow MEDQ to impose development application fees that cover the cost of the development and the management of assets. Fees should not cover development losses by MEDQ incurred in delivering development outcomes and managing assets.

The Institute acknowledges that EDQ application fees may be less than local government fees in some areas. There are areas such as in the Ipswich City Council where fees are set to local government levels. The actual practical end fee may be higher than local government in some locations, such as where the costly required outsourced peer review of proposed engineering works applies. Any fee changes should not duplicate required local government fees.

The long-term financial sustainability of EDQ is important however that should not be at the cost of housing supply. The community service that EDQ provides in facilitating housing supply should be recognised by government in the assessment of EDQ's financial sustainability.

EDQ have indicated that a new fee schedule will be released, following, and transition to the new fees undertaken over a period. An increase in development assessment fees to local government level would not recognise:

- other fees that apply in PDAs that do not apply outside of the PDA (for example, stakeholders in PDAs pay for some state infrastructure not required elsewhere)
- the inability to appeal applications and fees
- the social and affordable housing impost on projects in a PDA
- the expectation around lower schedule fees when developers purchased in a PDA
- the housing delivery and affordability role of PDAs.

EDQ indicates that increases in fees will accompany improved service levels for PDAs. Improved service levels are necessary to help industry deliver housing on the ground. The Institute seeks information of how this service improvement would be achieved, for example, additional staff, defined delivery targets or other aspects.

Existing projects in PDAs (through their life) should be protected (grandfathered) from changes in fees that were unaccounted for at their initial investment decision.

The fees issue also highlights the lack of clarity around the Community Service Obligation (CSO) of MEDQ. Most public enterprises are required by governments to pursue some community or policy obligations. CSOs are activities EDQ that would not do, if it were operating purely on a commercial basis.

The CSO obligations of EDQ need to be better defined, and the cost burden of carrying them out clarified. Where the CSOs intersect with developers' costs, they should not be applied or increased without extreme care or compensation. Otherwise housing delivery may be affected or the costs ultimately passing onto new home buyers.

The requirement to deliver the CSOs for government is generally accepted by industry where the requirements are well known at project initiation and the project is financially viable. Costly changes down the track in project create severe issues. In general, new arrangements and higher fees should only apply to new entrants to a PDA who can make a choice of whether to invest.

Amendments and extensions to planning instruments

The Institute supports in general creation of a Temporary Local Planning Instrument (TLPI) like tool for PDAs to quickly amend a PDA planning instrument with a temporary planning instrument for serious adverse cultural, economic, environmental, or social conditions such as advancing additional housing supply. For simplicity of understanding, the instrument should align with that of a TLPI, that is for a temporary basis, for up to two years. Its use should not reduce housing supply in a PDA.

The Institute does not support permission for an extension of Interim Land Use Plan (ILUP)s. ILUPs often have the effect of preventing development while the development scheme is prepared. It is imperative that the development scheme is completed as quickly as possible to facilitate the delivery of housing.

MEDQ may consult

The Institute supports the amendment that MEDQ may seek advice from any third party in assessing and deciding a PDA development application (should it wish). However, we emphasise a benefit of the current development schemes and application processing is that all relevant state agencies' views and policies should be integrated into the development scheme. The proposed change should not see a range of referrals being introduced that delay projects or matters not being fully integrated in PDA development schemes. Recently some matters, such as Department of Agriculture and Fisheries Waterways barriers requirements and local government consultation is delaying projects and housing supply. MEDQ should redouble efforts to integrate all policy matters in a development scheme and protect efficient housing delivery through certain development schemes.

EDQ's corporate structure

Strategic plan

The Institute recommends that the publicised strategic plan, functions, or other parts of the corporate structure provisions include reference to:

- Forewarning of the industry of any intended relevant legislative or regulation change
- Consultation with industry and peak bodies such as the Institute is required in well in advance of legislative/regulation change
- Indicate the success or otherwise of the performance of the EDQ against its previous strategic plan in terms of:
 - Lots / homes created in total and per PDA
 - Median period for assessment of differing development application types
 - Infrastructure charges received, offset
 - Homes delivered relative to the state overall numbers
 - Achievement of affordable or other CSO outcomes
 - Current CSO obligation costs.

Functions

The functions of MEDQ should be further defined with the Institute in a practical sense. Issues are present in the proposals, for example:

- The Institute supports powers to invest more widely in property assets however should not:
 - aim to hold property for a long period rather aim for early delivery of additional housing
 - compete on an unfair basis with comparable market activity
 - demonstrate commitment to use the powers on bottleneck greenfield locations
 - be used to acquire assets that do not ultimately support the objectives of EDQ
- Applying social and affordable housing requirements should:
 - not increase costs for existing land holders
 - not reduce saleability of land
 - be compensated for.

The Institute considers further action is required by MEDQ and government to:

- address current development delays issues in PDAs
- increase overall land supply (even when the additional land supply may compete with PDAs) in each region to enhance housing supply opportunities
- increase opportunities for dispute resolution processes for PDAs.

Key considerations and principles that should guide EDQ operation

In preparing this submission some relevant principles became clear in regard to EDQ operations and will be useful to the Committee to understand in considering this Bill. These include:

- When holding assets, EDQ should avoid unfairly competing with the market supplied commercial or housing development as the EDQ is affected by a different cost base
- Delivery of housing product by a government agency should avoid directly competing with industry by being focussed on housing product the industry is unlikely to undertake, such as social housing, or innovative typologies
- EDQ should be clear on when it is delivering a Community Service Obligation (CSO) directed by government. For example, delivery of an industrial premises in a regional location may

be required for long term development of Queensland but is financially unviable. The cost of this CSO should be clear, quantified, and acknowledged in EDQ reporting and recognised by government when EDQ is expected to meet long-term financial sustainability goals

- The EDQ generally uses the development industry to deliver its CSOs, for example in providing affordable or innovative housing. This is acceptable when the rules of this requirement are clear well before developers invest and developers factor this cost into their project feasibility prior to purchase, and pay for land appropriately
- The Institute is keen that Treasury recognises the important CSOs that EDQ delivers and funds the agency appropriately, not oppressively requiring financial sustainability that requires high imposts on developers that ultimately reduces the agency's objective of supporting additional housing supply
- Change to requirements on developers that increase costs after the land has been purchased threaten the viability of ongoing housing supply and investment in Queensland
- The proposed changes indicate a likely increased cost impost on projects either through increased fees or social and affordable housing requirements. These costs will not have been factored into existing projects. Existing projects should be protected from such change to avoid housing supply impact or alternate new, compensation such as upzoning considered
- The conditioning powers sought include the requirement of social housing. Requiring industry to provide the social and supported affordable housing is inequitable as this is a State responsibility that should be funded through State revenue
- For complex matters such as EDQ operations any change requires substantial consultation with the Institute.

Conclusion

A comprehensive housing affordability and rental availability disaster is well underway in Queensland and is showing no sign of easing. In fact, it is likely this crisis will get worse before it gets better. Despite the complexity and range of factors which are driving the crisis, the fundamental problem is that there is simply insufficient housing supply. Boosting supply is the key criteria against which we have assessed this Bill.

The Institute maintains its strong support for an efficient, flexible ,and agile Economic Development Queensland that is focussed on measures to bring housing supply to market in an expeditious manner. The Institute supports measures that allow EDQ to reinvigorate its focus on housing affordability and the importance of an efficient approval process, up-front planning, and infrastructure certainty bring to the end cost of housing produced. While some initiatives outlined in the Bill provide a direct link to this important role, the Institute believes that there is more work that can be done to sharpen and reframe the important role of EDQ in the current housing crisis.

Our analysis is that the specifics of this Bill do make some contribution to the supply of new housing in Queensland. Supported elements include:

- Easement and wider acquisition powers for infrastructure for housing delivery
- Directions powers for distributor retailers and local government
- Agreements to aid flexible delivery of social and affordable housing.

The following particular elements of the Bill are not supported without clarification or amendment and include:

- Unclear definition of affordable housing. Given the use of this term in the Bill, progress of specific changes relating to affordable housing must be delayed until this is resolved in consultation with industry
- Clarification that Place Renewal Framework could be used outside some specific cases, as a tool to coordinate fragmented land for housing supply
- Place Renewal Frameworks in general will not apply to existing PDAs resulting in unforeseen costs for existing projects and where proposed involve extensive consultation with land holders, local government, and other stakeholders
- Clarification that the proposed holding of assets and investment activities do not impinge on housing delivery activities, activities that can be undertaken by industry, and will not compete unfairly with industry projects.

The following particular elements relevant to the Bill are not supported as detrimental to achieving additional housing supply:

- The requirement for additional social and affordable housing on existing PDAs without compensatory upzoning and incentives
- Increase in fees and charges without thorough consultation with the Institute
- Permission for an extension of Interim Land Use Plans
- Powers for conditioning of additional social and affordable housing requirements on existing PDAs.

Whether dealt with by the Bill or in another manner, further action is also required to address:

- The need for greater consultation with industry on the effects of increased fees and other requirements, uncertainties created, and opportunities for improvements
- Current development assessment and plan sealing delays which are delaying the delivery of new housing. This should include critical performance requirements such as a 30-day deemed approval provision similar to that available in the *Planning Act 2016* and increased exclusion of regulatory changes that impact on PDA development, such as the Department of Agriculture and Fisheries Waterway Barrier changes
- Reduced integration of policy matters that are leading to greater local government and other agency impacts on PDA housing development that are adding time and cost. EDQ should use new (and existing) powers to better govern outcomes of agencies
- Providing an agile avenue to urgently address wider housing delivery bottlenecks
- Delivering resolved structure plans for all growth areas in advance of need
- Improvement of corporate arrangements for greater accountability and recognition of community obligations in EDQ strategic plan and functions
- Dispute resolution mechanisms to speed up the delivery of housing.

The Institute considers the Bill should be delayed and amended to address the matters raised, EDQ should consult with the Institute on proposed definitions and fee increases, and action be taken to hasten current application processing and housing delivery.

The Institute requests the opportunity to appear as a witness at the Committee's public hearing.

Thank you for considering this submission. Please contact Manager of Policy, Martin Zaltron [REDACTED] on [REDACTED] should you have any questions or would like to discuss any matter.

Yours sincerely,

Urban Development Institute of Australia Queensland



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