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30 June 2020

Mr Linus Power MP
Economics and Governance Committee
Parliament House
George Street
Brisbane Qld 4000
Via: egc@parliament.qld.gov.au

Inquiry into the Queensland Government's economic response to COVID-19

Thank you for the opportunity to provide a submission on the Queensland Government's economic response to COVID-19. Throughout the COVID period the Property Council have engaged closely with the Queensland Government on the economic impacts being experienced by our members and what government assistance is required in response to the COVID-19 pandemic.

During this period, the Government has generally been receptive of the industry's input and should be commended for incorporating this feedback into its economic response. So far, the Queensland Government has acted quickly and decisively during the pandemic to limit the virus's impact on businesses and jobs.

In particular, the Government has worked closely with the property industry and other stakeholders to finalise the *Retail Shop Leases and Other Commercial Leases (COVID-19 Emergency Response) Regulation 2020*, to ensure that it provided fair and equitable outcomes for landlords and tenants alike. These arrangements continue to play a crucial role in clarifying the responsibilities of lessors and lessees during the COVID period. However, once this period ends on September 30, it will be necessary for businesses to ensure that they are sustainable in the longer term. As such, it should not be a requirement for landlords to continue to provide rental relief to their tenants. Mandating this will only serve to disadvantage commercial landlords that have supported tenants throughout the worst of the crisis and are now themselves trying to respond to the longer-term economic challenges resulting from COVID-19.

Additionally, the government was a first mover among the other states in announcing a 25% land tax rebate for landowners to offset some of the financial burden of the *Retail Shop Leases and Other Commercial Leases (COVID-19 Emergency Response) Regulation 2020*. To qualify for this relief, landowners must commit to providing tenants with rental relief throughout the COVID period. While this relief is critical in enabling landlords to fulfill their commercial leasing obligations, the industry remains concerned with the inability for new owners (properties purchased this financial year) and owner-occupiers to access the relief, and a misalignment of landlord requirements between the rebate conditions and the new *Retail Shop Leases and Other Commercial Leases (COVID-19 Emergency Response) Regulation 2020*. In our view the Government needs to refine the land tax rebate criteria to resolve these issues to ensure all affected businesses receive the relief they are entitled to.

Another sector of the property industry that has had an acute responsibility in responding to the challenges of the pandemic is seniors housing. Operators of retirement villages and residential parks have had the added responsibility of ensuring the safety of residents of whom many are classified as most at risk of contracting COVID-19. In responding to the pandemic operators have incurred additional costs such as cleaning and visitor screening to minimise any risks. Pleasingly there have been no outbreaks in retirement villages and residential parks as a result.

At the peak of the crisis here in Queensland sales of retirement village units where severely impacted due to the restrictions placed on selling units, and new residents not wanting to put existing homes on the market due the economic impacts resulting from COVID-19. While many of the selling restrictions have eased there are still significant concerns about the market conditions over the coming months.

The financial ramifications on operators resulting from subdued market conditions are substantial due the legislated requirement for operators to 'buyback' a retirement village unit if it has not sold for a period of 18 months.

The 18 month buyback clause that was retrospectively introduced in late 2017, along with the many other reforms being implemented as part of the legislative amendments over the course of the last few years have had a significant financial impact on the industry. The economic downturn resulting from COVID-19 has only exacerbated the financial implications on operators. These impacts are being felt by all operators, with many smaller operators struggling to stay solvent, and unfortunately some have succumbed to this pressure and have been placed in voluntary administration.

To assist operators in navigating the economic impacts of COVID-19 the Property Council has repeatedly sought a suspension from the legislated mandatory requirements to 'buyback' a retirement village. To date, the Government has not agreed with this request.

The Next Phase of the recovery

Now, as the Queensland economy gradually re-opens, the focus for all levels of government is on implementing longer term policies that are efficient and produce ongoing dividends. While stimulus efforts have been effective in buffering Queensland from the worst economic impacts of COVID-19, these measures are unsustainable and must be replaced by policies that set the economy up for long term success. The current period should be viewed as an opportunity to enact change and establish patterns that will steer Queensland towards economic growth.

As the leading body for Queensland's biggest industry – property, the Property Council believes that unlocking the property industry will be critical in facilitating this growth. With one in six Queenslanders relying on the property industry directly or indirectly for employment, policies that support the property industry will have a powerful multiplier effect across the economy.

The Property Council provides the following proposals as measures to not only boost growth within the property industry but to create jobs and confidence to drive Queensland's economic bounce back from COVID-19. Some of the proposal are accompanied by a more detailed briefing note which is attached to this submission. In addition to these measures the final section of the submission discusses the role that Queensland's planning framework can play in unlocking economic activity.

1. Revitalise Central Business Districts

Facilitating and encouraging the movement of people back to our central business districts across the state will provide much needed activation of our city centres and will be critical in supporting our recovery from the economic impact of the COVID-19 pandemic.

While businesses and employees are starting to return to their workplaces, the prolonged absence of people- combined with the economic impact of COVID-19 has had a profound impact on CBDs and the many businesses who rely on people being in these areas.
However, we know that many people would like to get back to the office environment for the professional and social benefits that the workplace offers. According to a recent ABS survey, 86 per cent

of working Australians were somewhat comfortable in resuming attendance at their usual workplace. Therefore, the Queensland Government, local governments and businesses need to work together so that people can feel safe and confident about coming back to the CBD for work or pleasure.

Cities will remain the beating heart of the economy not only do they serve a fundamental purpose of centralising activity, but they play an important role in showcasing business and attracting foreign and domestic investment. Without vibrant and active CBD's Queensland becomes more insular and will be less attractive to the longer-term institutional investment that will be crucial in helping Queensland rebuild from COVID-19.

2. Catalyst Infrastructure

The Property Council, in conjunction with the Urban Development Institute of Australia and the Housing Industry Association have written to the Premier and Minister for State Development, Manufacturing, Infrastructure and Planning regarding the establishment of a Catalyst Infrastructure Fund for Queensland. This funding would not only deliver crucial infrastructure and jobs but unlock further private sector investment in housing, construction, and smaller scale infrastructure.

Previously, funding catalyst infrastructure has proven to be a powerful economic multiplier with Economic Development Queensland's Catalyst Infrastructure Fund and Catalyst Infrastructure Program successfully enabling development in key areas by co-investors from the private sector. The fund represents an existing mechanism for the Queensland Government to provide rapid stimulus to the property and construction industry.

The Property Council believes that funding catalyst infrastructure should be a priority for the Government as it represents an efficient and powerful way to administer stimulus that can be in turn be matched by the property development sector.

Attachment 1: Catalyst Infrastructure Proposal

3. Facilitate investment in housing

Recent analysis shows that residential construction is an important economic multiplier, with each $1 million invested into residential construction supporting nine jobs and around $2.9 million in industry output and consumption across the wider economy. This means that residential construction operates as the second biggest economic multiplier of all 114 industries that comprise Australia's economy. This presents a clear way forward for Government as stimulus measures geared towards housing will not only produce the greatest economic dividends but achieve a range of strategic and social objectives such as increasing housing affordability and ensuring adequate housing supply for people at all stages of life and at various income levels.

The Property Council believes that the following suggestions will assist the development of residential housing in Queensland and produce numerous and ongoing benefits for the economy.

a) Fast track and expand the Build to Rent pilot project

The impact of COVID-19 will likely dissuade mum and dad investors from investing into the housing market, reducing the availability of affordable rental accommodation. Build to Rent is a burgeoning asset class in Australia and provides purpose built and affordable rental accommodation operated by institutional investors.

The State Government has endorsed the value of Build to Rent by subsidising a $70 million pilot project within close proximity of the CBD. The project aims to overcome the taxation barriers that prevent Build to Rent being finically viable by providing a subsidy directly to project proponents. Since the announcement however, a preferred proponent has not been selected despite strong interest from the private sector.

Until taxation structures in Australia are changed the only way to drive large scale investment in Build to Rent is for the Government to support proponents via its pilot project.

The Property Council believes that the Government should not only fast track the development of this pilot but expand its scope and make it accessible to more applicants. Capitalised developers are currently looking for stable opportunities to diversify their portfolios. Expanding the Build to Rent pilot project would provide these developers with such an opportunity and provide much needed rental housing and jobs for Queenslanders.

Additionally, the Government should also undertake a review of the existing land tax thresholds and surcharges on foreign ownership of property which diminish Build to Rent's viability as an asset class in Queensland. By removing these barriers, the Government could enhance Queensland's investment appeal and help allow Build to Rent to become a key pillar in Queensland's long-term recovery and growth.

Attachment 2: Build to Rent Briefing Note

b) Social and affordable housing

The Property Council and the National Affordable Housing Consortium have written the Minster for Housing and Public Works on the urgent need boost the supply of social and affordable housing in Queensland. The impact of COVID-19 will have a considerable impact on the ability of households to meet the day to day cost of living. With so many low and middle-income households struggling with housing costs before the onset of COVID-19, increased levels of unemployment and lack of job certainty will only compound the need for Government-assisted housing.

As such, there is an urgent need for the Queensland Government to boost its investment in social and affordable housing. Through partnering with the property industry and community housing providers, a significant increase in housing could be quickly and cheaply delivered to assist communities across the state.

The Property Council's *10 Step Plan to boost social and affordable housing* outlines a range of initiatives to address the expected shortage in social and affordable housing. However, at its core the plan calls for:

- A tripling of the social housing target, to a minimum of 15,000 new dwellings over the next ten years
- 38,000 new affordable dwellings over the next ten years, which equates to 10% of the total new housing stock expected to be delivered across the state.

Attachment 3: A 10 Step Plan to make social and affordable housing a key pillar of Queensland's Economic Recovery

c) Stamp Duty Relief

Early forecasts have predicted a 50% decline in Queensland's construction industry due to COVID-19. In response to this, the Federal Government have announced the 'Homebuilder' scheme to supplement forward work expectations as project numbers dwindle towards the end of 2020. While this scheme will assist Queensland's construction industry there is a need for additional stimulus.

Transfer duty (stamp duty) is one of Australia's least efficient and popular taxes. Reducing stamp duty for a set period of time during the COVID period in Queensland will provide homebuyers with a direct incentive to purchase property and thereby stimulating the construction industry and creating Queensland jobs. This temporary reduction in stamp duty could be used as a template for Government to review taxation settings in Queensland permanently.

Attachment 4: Joint Letter: Industry rescue stimulus

4. Surplus Government Land

COVID-19 is poised to severely impact both the Queensland economy and the State Government's finances. During this period, it is crucial the Government looks towards job-creating stimulus measures. However, these measures are costly to implement.

The State Government's existing land supply provides an opportunity for the Government to generate an additional and much needed source of income while creating jobs and investment opportunities.

Previously, the Government released the *Advancing our Cities and Regions Strategy* which was aimed at repurposing government land to "deliver better community outcomes, create jobs and drive economic growth." The current period represents an opportune time to re-examine this strategy. Utilising government land would not only boost economic activity and jobs but produce development revenue that the State government could then invest into infrastructure and other economic stimulus measures.

Attachment 5: Surplus Government Land Briefing Note

5. A South East Queensland City Deal

On 15 March 2019, the Council of Mayors (SEQ), the Queensland Government and the Federal Government signed a statement of intent (SOI) signalling a cross-government commitment to deliver a City Deal for the SEQ region.

The document outlined basic principles to drive the implementation of a City Deal. The details of the Deal would be negotiated over the ensuing 12 months, with the final City Deal intended to be finalised by mid-2020. However, the disruptive economic impact of the COVID-19 pandemic threatens to delay the Deal as all tiers of government recalibrate their economic policies and priorities.

The Property Council believes it is critical that the SEQ City Deal is viewed as an integral recovery measure that provides a pipeline of transformative investments beyond the immediate stimulus response. A Deal that coordinates funding from all three tiers of government has unique job-creating potential and will pay economic dividends over the longer term that will be otherwise lost.

Attachment 6: How a South-East Queensland City Deal can help the region rebuild from the impact of COVID-19.

6. Economic Stimulus through the planning system

The planning system is a mechanism essential to economic activity – crucial in facilitating the pipeline of job creating projects. We acknowledge the Government's positive move to address immediate planning issues arising from the crisis through amendments passed to the *Planning Act 2016* (PA) and the *Economic Development Act 2012* (EDA), along with the specific stimulus announcements for a number Priority Development Areas (PDAs).

However, we note that other state governments, including NSW, are pressing ahead with planning reform as a key mechanism for broader economic recovery. Therefore, we have put forward a set of initiatives that have the potential to facilitate much needed development activity through and post the crisis.

We acknowledge that Queensland has been a leader in planning reform, so the measures we are advocating for build off this existing framework and reinforce many of the principles that are already in place.

Furthermore, unlike other states, councils are largely responsible for implementing the legislative framework created by the Queensland Government. In many instances the planning framework is not being utilised by councils to drive development outcomes due to the perceived negative outcomes that may result, along with a fear from local decision makers that they will be in breach of the Belcarra legislation. If we are to stimulate the economy post the COVID-19 crisis, there needs to be shift in the culture of decision making. To achieve this, the Government must provide leadership and the tools that are necessary for this to occur.

With this in mind we are putting forward a range of planning measures that the Queensland Government could utilise to assist in the economic recovery.

a) Ministerial Call in Powers

A key challenge for the development industry, particularly for major projects, is the issue of minimising risk and improving certainty.

In the context of planning approvals for major projects, there are risks associated with the level of assessment, timeframes, conditions, and ultimately if the project will become the subject of an appeal by third parties.

The economic uncertainty resulting from this crisis has only increased the level of risk associated with undertaking development. Therefore, the Government has a role to play in seeking to minimise risk, particularly for major projects.

A tool that may assist through this period is the use of Ministerial Call in Powers for projects that facilitate the economic recovery of the State or a region.

In our view, the use of the Ministerial Call in Powers in appropriate circumstances would support and encourage proponents to invest in Queensland projects.

b) Temporary Use Licenses

The Government's changes to the PA and EDA were a positive step as we entered the crisis.

In reviewing the effectiveness of these provisions, we have consulted with our members who have raised some concerns and suggestions in relation to the Temporary Use Licenses (TULs) provisions. These matters are set out below:

- The period for which the TULs are available is too short and should be extended.

- There needs to be a transitional period back to the "normal requirements" once the effect of TULs cease.
- TULs only provide relief from requirements under the PA and EDA. There are a variety of other project approvals that could benefit from the TUL provisions. These include environmental approvals and licenses/permits under local laws.
- TULs do not apply to building approvals, where they would be most effective.

In light of these comments, we recommend an expansion of the TUL provisions.

c) State Assessment and Referral Agency

While councils are responsible for the assessment of most development applications, the Queensland Government has a significant role to play in the assessment of state interests.

The creation of the State Assessment and Referral Agency (SARA) was an important reform to assist in processing and coordinating the response to state referrals.

Ensuring the timely processing of state referrals must be a priority during the recovery. Therefore, SARA should be tasked with carrying out its assessments in a period less than the statutory timeframe and be pro-active in managing competing state interest conflicts that often arise where several referral triggers exist.

Prior to SARA reforms, a number of planning schemes were constructed in such a way as to cause subservient applications to again be triggered for referral to the State, notwithstanding that an assessment has already been made (e.g. Code assessable Building Works following an MCU). This leads to unnecessary expense, duplication and time delays, and payment of further fees for assessments already completed.

Consideration needs to be given to relief from a referral trigger where an earlier assessment has been completed. This could be either by a state-wide amendment of the PA or fast-tracked assistance allowing local authorities to amend their planning instruments. In the shorter term, assistance could be found by the waiver or heavy reduction of fees payable for the subservient assessment. There is currently no existing standard and the full payment of fees is expected.

Furthermore, s57 of the PA allows for SARA to give a referral agency response before a development application is made. This provision has been in place for some time, however, in speaking with members, it appears to have been underutilised due to SARA's reluctance to accept and process these requests.

The pre-referral response mechanism, if implemented, would allow for improved efficiencies through the removal of unnecessary referrals and by enabling a proponent to address referral assessment matters at the front end of a project. This would assist in decreasing the risk, improving certainty and stimulating much-needed investment at this time.

In addition, referral fees should be reviewed more broadly to reflect currency and relevance.

c) Require councils to spend funds collected through infrastructure charges

We acknowledge the reforms that have been introduced by the Government to require more transparency in the collection and expenditure of infrastructure charges. Despite these reforms, we understand that some local governments continue to hold funds that were collected through infrastructure charges over many years.

This is unacceptable, and the Government should move to require councils to spend these funds in line with local government infrastructure plans. This would provide much needed stimulus funding during the recovery period.

d) Under Utilised Urban Footprint

The government identified areas in South East Queensland as underutilised through the *ShapingSEQ SEQRP 2017.*

In response, the Department has carried out a significant body of work to address this matter in consultation with industry and local government.

We understand that this work is in the process of being finalised and a recommendations report was to be put forward for Ministerial consideration. This provides an opportunity to implement policy measures to unlock development in these areas and we would welcome the release of the finalised policy and to assist the government in its implementation.

e) Priority Development Areas

A key area in which the Government can show leadership and create opportunities is through PDAs.

While we acknowledge the announcements that have been made for new infrastructure in Ripley and Carseldine, the Government should be seeking to stimulate development in PDAs through a combination of development application fee waivers or reductions, a waiver or substantial reduction in infrastructure charges, and investment in catalyst infrastructure.

In addition to these items, there is a need for EDQ to take a stronger leadership role in implementing and driving development outcomes in PDAs in regional Queensland. For example, the Townsville Waterfront PDA that was declared in 2014 has to date not been successful in delivering development outcomes. However, the recent completion of the Townsville Stadium provides an opportunity to drive development outcomes.

Thank you for the opportunity for the Property Council to provide input in the Queensland Government's economic response to COVID-19. The Property Council is keen to continue to work with Government and members of the Parliament more broadly throughout this period to ensure that government policies allow Queensland's property industry to maximise its contribution to the economic recovery. If you require any further information or would like to discuss these recommendations further, please contact me on [redacted] or at [redacted].

Yours sincerely,

Chris Mountford
Queensland Executive Director

PROSPERITY | JOBS | STRONG COMMUNITIES

Attachment	1
Subject	Catalyst Infrastructure Proposal
Summary	A Joint proposal from the Property Council, Urban Development Institute of Australia, and Housing Industry Association for a Catalyst Infrastructure Fund for Queensland.

CATALYST INFRASTRUCTURE

A $600 million catalyst infrastructure fund injection to reboot the Queensland economy and create employment opportunities post COVID-19

Urban Development Institute of Australia QUEENSLAND

HIA

PROPERTY COUNCIL of Australia

A $600 million catalyst infrastructure fund injection to reboot the Queensland economy and create employment opportunities post COVID-19

Catalyst Infrastructure Funding – supporting and investing in planning outcomes that unlock construction and development

<u>Background</u>

The Queensland Government's Catalyst Infrastructure Fund and Catalyst Infrastructure Program have proven to be incredibly powerful tools to unlock development, generate construction activity and create long-term employment.

The Catalyst Infrastructure Fund administered through Economic Development Queensland (EDQ) provides financial support by way of a loan, in order to connect communities and commence development projects within Priority Development Areas (PDAs). The fund provides low interest loans for identified infrastructure projects.

Similar to the Fund, the Catalyst Infrastructure Program is also administered by EDQ for urban infrastructure projects in growth areas and PDAs. The Program is designed to co-invest in infrastructure that unlocks development through an interest-free loan. The model requires the funds to be paid back over set period (e.g 15 years) so they can be re-invested into new projects. This program is currently fully subscribed.

The Fund and Program were established in an effort to address the significant cost impost that is borne by the development and construction industry in delivering the large-scale infrastructure required to unlock new growth fronts. While typically funded by developers, the benefits of new developments and the associated infrastructure they provide are typically shared across public and private sector, as well as the community.

In a post COVID-19 world, infrastructure investment will play a critical role in facilitating the economic recovery of our local communities. Continuing to inject direct funding and provide incentives for private sector expenditure in priority infrastructure projects will ensure the provision of an important source of ongoing employment for Queenslanders. It will also ensure the State is well placed to cater for its long-term population growth trends.

In a credit-strapped climate, establishing and supporting mechanisms that attract investment from all levels of government and leveraging the capacity of the private sector will be crucial to stimulating development activity and encouraging job growth.

This type of funding approach has been successful in the past with programs like the Australian Government's Better Cities Program (BCP) of the early 1990s providing $816 million to 26 strategic projects. This Federal Government investment was matched by State funding and this joint funding provided the catalyst to unlock the economic growth potential of Australian cities and regions.

<u>Long-term population growth</u>

It is anticipated that population growth across Australia will slow in the short-term as a result of restrictions on mobility due to COVID-19. This brief hiatus must not detract from the need to ensure that the State continues to plan for and deliver infrastructure that responds to long-term growth trends.

ShapingSEQ forecasts South-East Queensland's population to grow to 5.3 million in the next 25 years, requiring 30,000 new dwellings annually. To adequately respond to this, local governments are required to have a minimum of 15 years of land supply zoned and able to be serviced.

In addition, Queensland's regional centres are experiencing rapid population growth. Townsville, Queensland's largest regional city, is expected to have a growth rate of 1.5 per cent according to the *North Queensland Regional Plan*. How this population is accommodated will be critical to the economic future of North Queensland.

A new approach to supporting the delivery of catalyst infrastructure

Together, the Property Council of Australia, Urban Development Institute of Australia (Qld) and the Housing Industry Association, are advocating for the establishment of:

- a **$500 million fund** to supercharge direct investment in catalyst infrastructure across the state, and
- an additional, **$100 million** to be allocated across the already established Catalyst Infrastructure Fund and Catalyst Infrastructure Program.

This funding would not only deliver crucial infrastructure and the important jobs associated with it, but would also unlock further private sector spending on housing, construction and smaller-scale non-trunk infrastructure. This in turn would provide governments with ongoing returns through the likes of GST, stamp duty, land tax and local government rates.

The new Fund and extension to the current Program's pool of funding, should prioritise projects that will enable development in growth areas and Priority Development Areas identified in regional plans across Queensland.

This new approach to catalyst infrastructure funding should:

- Provide for direct funding as well as low or interest free loans
- Allow the private sector to co-invest in projects with the State Government
- Provide for multiple levels of government, water distributor-retailers and the private sector to jointly fund projects
- Be available to both the private sector and local governments- with an incentive for local governments to spend stored funds collected through infrastructure charges
- Align spending with existing planning policy documents, e.g. SEQ Regional Plan
- Not be limited to transport, water supply, wastewater and stormwater infrastructure
- Provide a fast-track approval process to get activity started
- Ensure approvals and funding are prioritised for those projects ready to commence now.

Case studies

Investment in catalytic infrastructure has a multiplier effect well beyond the jobs enabled during construction.

Palmview

Through the Catalyst Infrastructure Program, AVID Property Group, developer of Harmony – together with adjoining landholders - co-invested $5 million with the Queensland Government for essential infrastructure to unlock development in Palmview, including a sewer pump station and sewer rising main.

This funding allowed the acceleration of construction works at Harmony and assisted neighbouring landholders to unlock further development sites. When completed Palmview will deliver around 8000 homes for 17,500 residents.

Greater Flagstone Priority Development Area

Through the Catalyst Infrastructure Program, Peet Limited and the Queensland Government invested $5 million into Greater Flagstone. This provided transport access over the Brisbane to Sydney railway line and opened up the Greater Flagstone Priority Development Area which currently employs over 600 full time and casual non construction jobs in its growing Town Centre, in addition to the 50,000 new homes expected in the next 20 years.

Elliot Springs

Through the Catalyst Infrastructure Program, the Lendlease Elliott Springs project and the Queensland Government have co-invested $31.5 million into the Townsville region over the last 3 years. The Queensland Governments investment which has been in the form of a $15 million interest free loan, shows the flexibility of this program in delivering vital infrastructure to regional areas through public/private partnerships.

This key infrastructure funding program has and will ultimately provide for much needed Bruce Highway upgrades, installation of a new sewer line and associated pump stations to Cleveland Bay wastewater treatment plant and a new reservoir. These projects, in conjunction with the delivery of the Elliot Springs project have employed 365 full time workers in the construction industry over the last 3 years with further employment ongoing.

Attachment	2
Subject	Build to Rent Briefing note
Summary	The Property Council's proposal to fast track and expand Queensland's Build to Rent pilot project to stimulate the construction industry and the economy.

PROPERTY COUNCIL of Australia

Australia's property industry
Creating for Generations

BRIEFING NOTE

25 May 2020

FAST TRACK AND EXPAND THE BUILD TO RENT PILOT PROJECT

RECOMMENDATION

Fast track and expand the Build-to-Rent pilot project in Queensland to attract investment, stimulate the construction industry and provide people who rent with more choice and affordable housing options.

An overview

Build-to-Rent is purpose built, institutionally owned and professionally managed private rental accommodation.

As opposed to our traditional build-to-sell model, where a developer builds a residential development and sells the apartments to individuals, Build-to-Rent developments are specifically designed to be leased out to tenants, providing long-term return and carry lower risk for investors.

Whilst the concept is relatively new in Australia, Built-to-Rent is an exceptionally successful housing format aboard. In North America, the format has generated more than 6.3 million new apartments since 1992 in the US alone. And in the UK, a Build-to-Rent sector has led to 68,000 units built or under construction since 2012.

Additionally, Build-to-Rent provides options for the growing demand of those in our community who are unable or unwilling to buy their own homes, live closer to jobs and services they need in well located areas.

The current state of play

In December 2018, the Queensland Government announced a $70 million targeted subsidy to deliver affordable, Build-to-Rent housing within 10 kilometres of the Brisbane CBD.

Since that time, market briefings have been held and requests for proposals have been called for. However almost 18 months after the original announcement, a preferred proponent has not been selected and there is no clarity around timeframes for progression.

Given the industry's interest in establishing Build-to-Rent as an asset class and the potential for a successful pilot to spark further private sector investment, it is imperative this project is fast-tracked and further Government stimulus provided to support this new housing option.

The Challenge

In a post COVID-19 environment, the need for stable, affordable rental accommodation will be even more pronounced as mum-and-dad investors are likely to reconsider further investment in the housing market.

To be financially viable, Build-to-Rent projects must be of a scale larger than what can typically be delivered by the community/NGO housing providers relied upon to deliver housing for the State. Projects undertaken by institutional grade investors are likely to involve a portfolio of sites spread across the city, which would then allow for the inclusion of a mix of social, affordable and market housing.

There are many hurdles to establishing Build-to-Rent as an asset class in Australia, with most challenges relating to taxation obligations. This has been acknowledged by governments at all levels, with the Queensland pilot project aiming to overcome some of these hurdles by providing a subsidy directly to the preferred development proponent.

Until such time as taxation structures are changed, the only way large-scale investment in rental housing will work is if government comes to the party and assists in overcoming the hurdles.

Capitalised developers are currently looking for opportunities in the market, with Build-to-Rent providing an attractive, counter-cyclical opportunity that would allow investors to diversify their portfolios. Through accelerating and expanding the Build-to-Rent program, Queensland would be well placed to attract global capital seeking a safe, long-term investment. This in turn would provide much-needed rental housing and jobs for Queenslanders.

Queensland has one of the highest proportions of people renting in Australia with 34 per cent of Queensland households finding their homes in the rental market.

A lever for economic stimulus

Creating new homes and apartments is one of the most powerful and important job keepers and job multipliers in the Australian economy. Build-to-Rent is a policy lever available to government to pull to ignite economic activity.

Conservative estimates indicate that stimulating BTR delivery to a scale of 10,000 units ($2billion in construction investment) could support an average of 2,200 jobs per year linked to the construction phase alone.

Growing that to 50,000 units, or around 1/3 of the inner-city apartment pipeline on Australia's east coast could support 11,000 jobs per year in the construction phase, as well as an average of $1.5bn in Gross Value Added.[1]

The stimulus solutions

To increase the stock of safe, secure rental housing, while also attracting institutional capital and jobs to Queensland, Government should:

1. **Immediately identify the preferred proponent for the Build-to-Rent pilot** and get the project underway
2. **Invest further capital** in an expanded Build-to-Rent subsidy program to attract additional investment in institutional grade rental housing. The expanded program could include requirements for a combination of social, affordable and market rentals
3. **Review land tax thresholds** as they apply to residential investments. Lowering land tax obligations for Build-to-Rent developments will lower the hurdles to establishing Build-to-Rent as an asset class
4. **Remove surcharges on foreign ownership of property.** These surcharges create additional hurdles to the investment of capital in Queensland at a time when the economy most needs it

BENEFITS

- Greater and improved housing choices for Queenslander's who rent
- Attracts much needed investment to Queensland
- Sustains jobs and generates economic activity even during downturns in the build-to-sell housing cycle

[1] *The key to unlocking the future liveability o Australia's cities*
https://www.allens.com.au/globalassets/pdfs/campaigns/build-to-rent-2019_allensurbis.pdf

PROPERTY COUNCIL of Australia

Australia's property industry
Creating for Generations

Ensuring our future prosperity

The impact of COVID-19 on Queensland's economy is devastating. With surging levels of unemployment and underemployment, a predicted decline in population growth, strong downward pressure on valuations and therefore buyer confidence, there is a strong need for government intervention.

Build to Rent is a positive catalyst that can support gains against a housing shortage, cater to the demands of modern consumers, attract much needed investment, stimulate our economy and create local jobs.

> Build to Rent housing projects can often be brought forward faster than traditional build-to-sell housing as they are not reliant on pre-sales to commence construction.

Further information:

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PROSPERITY | JOBS | STRONG COMMUNITIES

Attachment	3
Subject	A 10 Step Plan to make social and affordable housing a key pillar of Queensland's Economic Recovery
Summary	The Property Council's suggestions to make social and affordable housing a key driver of Queensland's Economic Recovery.

SOCIAL AND AFFORDABLE HOUSING

A 10 STEP PLAN TO MAKE SOCIAL AND AFFORDABLE HOUSING A KEY PILLAR OF QUEENSLAND'S ECONOMIC RECOVERY

AHC
National Affordable Housing Consortium

PROPERTY COUNCIL of Australia

MAY, 2020

Triple the target for social housing and partner with the private and community sectors to deliver a substantial increase in both social and affordable housing in Queensland.

Source: QCOSS and Property Council, 2018

It is widely accepted that the economic impact of the COVID-19 pandemic will have a significant effect on the ability of households to meet the day-to-day cost of living. With so many low and middle-income households struggling with housing costs before the onset of COVID-19, increased levels of unemployment and lack of job certainty will only compound the need for Government-assisted housing.

The property industry too- the state's largest employer- has been significantly impacted by the COVID-19 pandemic. Given that potential purchasers of residential property are no longer able to access finance, choose to delay decision-making, or are no longer employed, very few new houses will be able to reach contractual close.

Worryingly, while some of these effects are being felt now, the bigger impact could extend well into the future as developers are forced to cancel future projects and pull back spending. The Commonwealth Bank recently estimated that every $1 million reduction in spending on residential construction cuts 7 jobs on a full-time equivalent basis, meaning that a downturn in housing construction will have a profound impact on the Queensland economy.

To address both the urgent need to provide more government-assisted housing and keep the property industry in action, the Queensland Government should expand its investment in social and affordable housing. Through partnering with the property industry and community housing providers, a significant increase in housing could be quickly and cheaply delivered to assist communities across the state.

Various approaches to the delivery of government-assisted housing have been undertaken in the past, with the *Queensland Housing Strategy 2017-2027* outlining the Government's current investment of $1.8 billion to deliver ~5,000 homes over a 10-year period (4,522 social and 1,034 affordable).

In 2018, the Property Council and Queensland Council of Social Services (QCOSS) released a joint position paper outlining a range of recommendations to address housing issues spanning the entire housing continuum. Based on the current public housing waiting list, the paper identified the need for a **minimum of 15,000 additional social housing dwellings over the next 10 years**. This number does not take into account the additional households impacted by COVID-19 who will require Government-assisted housing.

The Queensland Government currently owns a large portfolio of property, including a significant stock of ageing and underutilised social housing. If the Queensland Government were to allow community housing providers access to redevelop its existing social housing stock, through accessing the Commonwealth Government's Affordable Housing Bond Aggregator (AHBA) low interest loan program through the National Housing Finance and Investment Corporation (NHFIC), a vast increase in appropriate social housing could be delivered at no cost to Government.

COVID-19 is also expected to lead to a decline in private investment in residential properties- leading to a further reduction in properties available for private rental and upward pressure on pricing.

The aforementioned Property Council/QCOSS position paper identified that in addition to 15,000 new social houses, an **additional 38,000 affordable dwellings** will also be needed over the next 10 years, representing 10% of the 380,000 new dwellings that will be required to cater for the state's growing population.

The COVID-19 crisis has only served to reinforce the importance of our essential workers, and the necessity of providing accommodation close to their places of work.

Through involving the private sector in the delivery of affordable housing- whether through a state-based National Rental Affordability Scheme-style subsidy, land contribution or grant- a marked increase in quality housing stock would quickly be made available for affordable rental.

A 10-step plan to make social and affordable housing a key pillar of Qld's economic recovery

Step One: Triple the target for social housing dwellings

Triple the target for social housing dwellings to be delivered over the next 10 years - at a minimum. Delivering 15,000 new dwellings would address the current backlog, however with the impacts of COVID-19 yet to be felt, there may yet be a requirement for significantly more housing

Step Two: Increase the target for affordable dwellings to 38,000

Increase the target for affordable dwellings to 38,000 over the next 10 years- at a minimum. COVID-19 will undoubtedly increase the number of affordable dwellings required throughout Queensland, meaning a significant boost in houses is urgently required

Step Three: Redevelop existing housing stock

Work with the community housing sector to redevelop existing housing stock and deliver more appropriate, higher quality housing. Most public housing is not suitable for its tenants. Through the Queensland Government allocating large-scale contracts across its existing housing stock, and providers utilising the NHFIC, a revitalised portfolio could be delivered at no cost to Government

Step Four: Identify underutilised Government landholdings

Identify underutilised Government landholdings that could be put to the market to deliver social and/or affordable housing as part of a new development, with the land component being the Government's contribution to the project

Step Five: Expand the Build-to-Rent pilot program

Expand the Build-to-Rent pilot program, with additional subsidies to be provided to the private sector to deliver affordable, social and at-market housing through this new housing model

Step Six: Introduce an affordable housing incentive

Introduce an affordable housing incentive in Queensland, similar to the former NRAS program. This would provide either funding directly to the market to deliver affordable housing, or a long-term subsidy to owners of new properties who are willing to rent their properties at a reduced rate

Step Seven: Fund shovel-ready residential projects

Call for shovel-ready residential projects that can be funded by Government as new social/affordable dwellings. This would spur on new residential construction activity, with the benefit of being able to start immediately

Step Eight: Establish a $300 million capital fund

Establish a $300 million capital fund for the purchase of new social or affordable dwellings. There are many newly completed residential projects across Queensland spanning a range of housing typologies- house and land, apartments, townhouses- that could be purchased by Government to immediately boost the supply of government-assisted housing. Spread across different cities, streets and projects, this would ensure an immediate boost to available housing numbers across the state

Step Nine: Unlock funding through the NHFIC

Work with the Commonwealth to unlock funding through the National Housing Finance and Investment Corporation, and revise some scheme requirements

Step Ten: Establish a Shared Equity Home Ownership facility

Establish a Shared Equity Home Ownership facility in Queensland, to provide an opportunity for more essential workers to own their own home sooner.

Further information:

Chris Mountford
Queensland Executive Director
Property Council of Australia
[redacted]

PROPERTY COUNCIL of Australia

PROSPERITY | JOBS | STRONG COMMUNITIES

Attachment	4
Subject	Joint Letter: Industry Rescue Stimulus
Summary	A joint proposal from the Property Council, Urban Development Institute of Australia, and Housing Industry Association for a targeted stamp duty relief stimulus package.

13 May 2020

Hon Cameron Dick MP
Treasurer and
Minister for Infrastructure and Planning
PO Box 15009
CITY EAST QLD 4001

BY POST/EMAIL – treasurer@ministerial.qld.gov.au

Dear Treasurer,

RE: Industry rescue stimulus

COVID-19 is creating a crisis in the Queensland property development industry. Despite an initial capacity to continue working on projects already underway through the first weeks of the pandemic, evidence now emerging from industry participants is that a major loss of development industry jobs is imminent. Early analysis of a detailed survey of Queensland development companies, both large and small, is showing a forecast 50% decline in the construction industry resulting in disruption to tens of thousands of jobs.

As you are aware, the Queensland property development industry is the state's third largest industry of employment. We directly employ 207,677 Queenslanders and indirectly another 257,962 in diverse jobs such as architect, surveyor, bricklayer and stonemason, carpenter and joiner, plumber, town planner, engineer, and property developer. Indeed, the number of construction businesses in Queensland total 77,630[1]. Any initiatives to support our industry will support these jobs and the families who will rely on them throughout these difficult times.

We also note that it takes on average 15 weeks from when someone seriously decides they want to build a new home to when they sign a contract and then another four weeks for physical work to start. According to HIA economic analysis of approval data and feedback from builders we are expecting a substantial drop in residential building activity in August; just 12 weeks away.

For this reason, we write to you seeking urgent action to implement a targeted, temporary, and well-integrated response that takes action on both the supply and demand fronts. We propose a reduction in transfer duty (often called stamp duty in the community) during the COVID-19 period as a means of offering new homebuyers a clear, real world incentive to purchase a new property thereby stimulating the industry and saving Queenslanders' jobs.

Value of a transfer duty reduction as a stimulatory measure

Boosting industry activity and employment levels by offering incentives for the construction of new homes has very substantial flow-on benefits for the economy across the state. This is partly because residential construction is noted as an industry drawing substantially from a locally sourced supply chain. Urban Development Institute of Australia Queensland Research Foundation analysis finds that 85% of development industry expenditure is spent on local goods and services sourced from within Queensland[2]. Relatively speaking, residential construction has very substantial income distribution effects across the whole community with each $100 million in turnover having the following impacts:

[1] CSQ, Qld Building and Construction Industry: a Snapshot
[2] Urbis, The Contribution of the Development Industry to the Queensland Economy, 2018

creating 247 direct jobs, 307 indirect jobs, $16.9 million in wages and salaries, and $1.3 million of direct and indirect taxes.[3]

As a result, a transfer duty reduction emerges as a simple and effective way for the Queensland Government to save local jobs by supporting industry activity.

Proposal to reduce transfer duty for all new home purchases

We propose the Queensland Government waive transfer duty for the following:

- **new homes only**
- **properties less than $750,000**
- **for principal places of residence and for investors**
- **available for period of 12 months.**

This would mean a reduction of transfer duty to government of around $13,000 per new dwelling. This represents a significant incentive over that available to buyers of an established home, incentivising many home buyers to consider buying a new home. This would likely quickly restore the present drop off in new sales, boost industry activity levels and save jobs throughout Queensland.

A return to normal levels of owner occupier new home buyer activity represents around 200,000 direct jobs, 10 percent of direct Queensland employment, 250,000 indirect jobs, $60 billion contribution to GSP, and $14 billion in wages and salaries.

Conclusion

In closing, we would like to highlight due to the large numbers of Queenslanders employed by the property development industry, keeping our industry in their jobs will be critical to Queensland successfully weathering COVID-19. Further, the property industry has among the highest flow-on effects to the rest of the Queensland economy. Stimulus here will support jobs in retail, manufacturing, and many other areas.

We commend this initiative to you and would welcome the chance to discuss these matters with you or your delegate at the earliest opportunity. For further information and to discuss this matter further, please contact Kirsty Chessher-Brown on [redacted]

Yours sincerely,

Kirsty Chessher-Brown	**Chris Mountford**	**Michael Roberts**
Chief Executive Officer	Queensland Executive Director	Executive Director
Urban Development Institute of Australia Queensland	Property Council of Australia	Housing Industry Association

[3] IBID

PROSPERITY | JOBS | STRONG COMMUNITIES

Attachment	5
Subject	Surplus Government Land Briefing Note
Summary	The Property Council's proposal for the State Government to examine ways to maxmise the utility of underused government land.

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BRIEFING NOTE

June 2020

IDENTIFY AND RELEASE SURPLUS GOVERNMENT LAND

RECOMMENDATION

Re-examine a strategy to redevelop or repurpose surplus Government land around Queensland as a key measure to create jobs, stimulate the economy, and create additional government revenue throughout the economic recovery from COVID-19.

An overview

COVID-19 is poised to severely impact both the Queensland economy and the State Government's finances. During this period, it is crucial the Government looks towards job-creating stimulus measures. However, these measures are typically costly for Government's to implement. The Queensland Government's existing land holdings provides an opportunity to both stimulate the economy and create revenue for the Government. Unlocking this land for redevelopment by the private sector has been previously touted by the Queensland Government as a method of generating economic development in the *Advancing our cities and regions strategy*. The Property Council believes that now is an opportune time to re-examine a strategy aimed at repurposing surplus government land.

Impact of COVID-19

The COVID-19 outbreak will have a profound economic impact on Queensland. Government modelling predicts that the virus will erase $10 billion from Queensland's economy and cause 290,000 Queenslanders to lose their jobs.

With the economic impact of COVID-19 set to be severe it will be crucial for the Queensland Government to provide necessary stimulus and support measures to assist Queensland throughout this period and to encourage the State to grow out of the crisis. This support will come at significant expense to the State Government with initial reports predicting a $4 billion loss to the Government's budget. However, the full fiscal impact of COVID-19 is difficult to quantify. Due to this uncertainty, the State's annual budget has been replaced with the COVID-19 Fiscal and Economic Review (C19-FER), which is intended to assess the pandemic's full impact on the Government's finances in September 2020.

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Advancing our Cities

Due to the severe fiscal impact of COVID-19, the Property Council believes that the Queensland Government should seek to implement measures that not only produce broad economic benefits but improve the Government finances. In 2016, the Queensland Government released the *Advancing our cities and regions strategy* which was aimed at repurposing government land to "deliver better community outcomes, create jobs and drive economic growth." Under this strategy, utilising government land would not only boost economic activity and jobs but produce development revenue that the State government could then invest into infrastructure and other economic stimulus measures.

The strategy targeted eight economic and community zones to be revitalised or repurposed. However, the success of the *Advancing our cities and regions strategy* is unclear.

In 2017, the Property Council in conjunction with Urbis produced *Six Sites: Redevelopment of Surplus Government Land to Stimulate the Economy,* a thought piece which examined opportunities for the Queensland Government to redevelop surplus government land. Many of the opportunities highlighted within the *Six Sites* report overlapped with those highlighted in the *Advancing our cities and regions strategy*. There is, however, still large tracts that should be seen as the "lowest-hanging fruit" when looking to create jobs.

RESEARCH: Six Sites Report

The Property Council's *Six Sites: Redevelopment of Surplus Government Land to Stimulate the Queensland Economy* produced by Urbis, illustrates opportunities for the Queensland Government to redevelop six specific parcels of land.

Redevelopment in these areas alone would create nearly, 1,100 jobs during development and generate $263 million in development activity. Once completed the six areas would account for 8000 jobs and contribute $1 billion to Queensland's economy annually.

The full report can be accessed here.

The impact of COVID-19 means that now is the time to re-examine a strategy to repurpose government land. Such a strategy would be an effective and efficient way of creating opportunities and promoting jobs and growth in Queensland.

What can be gained

The Queensland Government is the largest landowner in the State with large tracts of land that could be utilised for various strategic purposes. *Advancing our cities and regions* highlights an array of benefits that could be achieved by a strategy that seeks to maximise the utility of these sites. While the strategy focuses on eight economic zones, the government could seek to implement a wider ranging strategy across Queensland to derive greater benefit.

Additional Government Revenue

As previously outlined, the impact of COVID-19 will have a significant impact on the Queensland Government's budget as critical and costly stimulus measures are implemented to save jobs and support the economy. The true impact of COVID-19 will be difficult to predict until the release of the C19-FER later this year. Currently, Government land requires maintenance and security which is a significant cost and an unnecessary drag on Government finances at a time where money needs to be funnelled towards critical job-creating measures.

Instead this 'lazy land' could be leveraged to create revenue. By opening up opportunities for the private sector to repurpose this land and create a revenue stream for the Government.
Jobs

Reutilising government land would help the State Government with its primary target of protecting and creating jobs and promoting economic growth during the current crisis. The Property Council's *Six Sites* research highlights the opportunity in revitalising six portions of government land around Queensland. These are initial case studies which highlight the latent potential of these sites. A concerted government strategy could be broader, more strategic and ultimately more effective than the initial forecasts contained in *Six Sites*. Such a strategy would not only help kickstart jobs in the short term through construction, planning and development but would provide long term jobs as these premises become utilised.

A Better Queensland

The development of government land will help the Queensland Government achieve its strategic objectives and would develop a better Queensland for the community. As outlined in *Advancing our cities and regions,* repurposing government land will help achieve the objectives of Advance Queensland, which highlights the need to foster economic growth and promote community wellbeing into the future.

Ultimately, a strategy the seeks to redevelop surplus government land would be a convenient and effective measure in assisting Queensland with its economic rebuild from COVID-19. It would assist the government with its primary objective of creating jobs and stimulating the economy and could create revenue that the Government could use in responding to the impact of COVID-19.

Further information:

Chris Mountford
Qld Executive Director
[redacted]

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PROSPERITY | JOBS | STRONG COMMUNITIES

Attachment	6
Subject	How a South-East Queensland City Deal can help the region rebuild from the impact of COVID-19.
Summary	A briefing note on how a South-East Queensland City Deal can be a core component of Queensland long term economic rebuild from COVID-19.

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How a South-East Queensland City Deal can help the region rebuild from the impact of COVID-19

RECOMMENDATION

Prioritise the finalisation of the South-East Queensland City Deal as a key measure to boost industry confidence through a pipeline of regionally transformative initiatives.

THE CITY DEAL – WHERE WE ARE AT

On 15 March 2019, the Council of Mayors (SEQ), the Queensland Government and the Federal Government signed a statement of intent (SOI) signalling a cross-government commitment to deliver a City Deal for the SEQ region.

After six years of collaboration between SEQ governments and the Queensland Government, the SOI represented the next step in SEQ's City Deal process. The document outlined basic principles to drive the implementation of a City Deal. The details of the Deal would be negotiated over the next 12 months, with the final City Deal intended to be finalised by mid-2020.

However, the disruptive economic impact of the COVID-19 pandemic threatens to delay the Deal as all tiers of government recalibrate their economic policies and priorities.

The Property Council believes it is critical that the SEQ City Deal is viewed as an integral recovery measure that provides a pipeline of transformative investments beyond the immediate stimulus response. A Deal that coordinates funding from all three tiers of government has unique job-creating potential and will pay economic dividends over the longer term that will be otherwise lost.

City Deal negotiations are an extensive undertaking, with more work having been devoted to the SEQ City Deal than any other in the country. With the deal set to be implemented in mid-2020 most of the work on the Deal has already occurred. It is critical, now more than ever, that all three tiers of government come together to finalise the Deal and collectively prioritise the initiatives that will contribute to the region's economic rebuild and continued transformation.

IMPACT OF COVID-19

The COVID-19 health crisis has triggered an economic crisis for the Queensland economy. Commonwealth modelling is predicting the virus's impact to wipe $10 billion off Queensland's economy over the next 2 years and cause 290,000 Queenslanders to lose their jobs.

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This impact is likely to divert government funding and resources towards critical short-term stimulus measures. While it is important for government to implement these essential measures, there needs to be a long-term recovery strategy in place to help Queensland through the economic rebuild. A City Deal will not only compliment Queensland's long-term economic recovery strategy, it will provide an immediate injection of much need business confidence in the SEQ region.

Failure to finalise a SEQ City Deal will make the economic contraction more severe and prolonged. The Deal will provide a pipeline of transformative projects to catalyse regional productivity and boost business confidence. This has the potential to help SEQ, Queensland's major enterprise hub, grow out of the COVID crisis, create jobs, and pay down the debt accumulated throughout the crisis.

BENEFITS

TransformingSEQ – The SEQ City Deal Proposition by the Queensland Government and SEQ Council of Mayor's (COM) outlines the significant benefits of a SEQ City Deal. Economic modelling highlights that the successful realisation of a City Deal could enhance SEQ's economy by up to $58 billion. Importantly, the Deal could provide a combination of short, medium- and long-term benefits that could drive SEQ's economic rebuild from COVID-19 and position the region to thrive over the next two decades. The dividends of successfully realising an SEQ City Deal will be felt throughout Queensland's economy with the "pull-through" effect on supply chains across our State.

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BENEFITS OF AN SEQ CITY DEAL

SHORT TERM

An SEQ that is open for business - A City Deal will operate as a vote of confidence from government in the economic future of the SEQ region and provide a tangible plan for growth. The Deal has the potential generate economic momentum which the region may leverage to derive numerous benefits.

Job creation - Fast tracking the delivery of priority infrastructure projects will create an immediate economic and jobs benefit and provide the region with infrastructure assets that support sectors such as tourism, manufacturing and education – all areas severely impacted by COVID-19. Furthermore, the deal will open up immediate opportunities to better utilise government land for housing, jobs and community facilities.

MEDIUM TERM

Catering for growth - Cross government coordination will strengthen the capacity to implement *ShapingSEQ*, the regional plan. A region that grows successfully will be more efficient, more affordable and more accessible. Creating a prosperous region is contingent on implementing good planning. A SEQ City Deal would provide the resources and strategy to achieve this.

Enhanced connectivity - *TransformingSEQ* highlights an opportunity to enhance the region's connectivity to support a 45-minute region and 30-minute cities, with enhanced mobility for people, goods, and services. These specific infrastructure opportunities align with the goals outlined in *ShapingSEQ* and the *State Infrastructure Plan*.

LONG TERM

Maximising the region's opportunities - As outlined in *TransformingSEQ*, a City Deal is the best chance to maximise the region's unique opportunities. In an increasingly competitive global environment, a City Deal is necessary to ensure all levels of government are aligned to solve policy problems and collaborate on opportunities. As outlined in *TransformingSEQ,* "the risk of a no deal is clear, we risk becoming less prosperous, less liveable, less sustainable and less successful than we otherwise might."

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LEVERAGING AN OLYMPICS BID

An SEQ City Deal will help drive the region's development and prepare SEQ to potentially host the 2032 Olympics. A Government study highlighted that a SEQ Olympics could create 129,000 jobs across the tourism, manufacturing, and hospitality sectors and see a $20 billion boost to tourism from 2021-2036. These industries are among those hardest hit by COVID-19 and a successful Olympics bid combined with an SEQ City Deal will provide a clear strategy for their revitalisation.

SEQ's viability as a host of the 2032 Olympics is bolstered by the timing of the multi-billion dollar infrastructure pipeline that is set to precede the Olympics. A City Deal is the central delivery mechanism for this infrastructure. Not only does a City Deal position Queensland to leverage the Olympics and lock in positive long-term growth, it boosts SEQ's chances of succeeding in its bid. Delaying a City Deal may harm SEQ's chances of winning a once in a generation opportunity to grow jobs, deliver infrastructure and attract tourism and investment.

Further information:

Chris Mountford
Qld Executive Director
[redacted]