

*Project Bounce Back:*

**A COVID-19**

**INDUSTRY**

**ACTION PLAN**





**OUR INDUSTRY IS A  
CONSISTENT AND STABLE  
PROVIDER OF JOBS**

## OUR MESSAGE TO GOVERNMENT

**For the last 49 years, we've been the driving force of community creation across the State.**

The COVID-19 crisis is testing all of us. Across many Queensland communities and industries people are feeling the economic consequences, which foreseeably will be felt for many months to come. A great concern of governments is the flow-on effects that a country in hibernation will have on local economies and jobs.

Our industry is a consistent and stable provider of jobs, we are in fact the State's third largest employer. Our short-term viability and performance will have a direct correlation with the economy's ability to recover.

As the industry comes under enormous operating pressures due to this pandemic, many firms are at risk of collapse due to the inability to meet costs in the face of declining sales. The failure of any one firm will result in Queensland job losses at a time when the Prime Minister has described every worker as an essential worker.

The property industry has long lead times, so action now will support continued project delivery and preserve jobs in every corner of this State. A phased action strategy will help restore confidence in the economic engine of Queensland as we ride out this pandemic together.

The Institute has developed **Project Bounce Back: A COVID-19 Industry Action Plan** that we urge governments to seriously consider. Confidence is critical to our sector and the initiatives outlined in this plan will assist the industry to maximise jobs during each phase of this crisis and position us to ramp up for recovery.

We ask the government to consider its response and support of the industry across three phases:

1. Keep the industry operating
2. Getting ready for recovery
3. Restoring confidence.

To date the Urban Development Institute of Australia Queensland (the Institute) has observed the Queensland Government, councils, and utility providers supporting our industry with a range of stimulus measures. We commend and thank those organisations that have already sought to offer their support.

During this time of uncertainty and lockdown, the impacts on businesses across the State are unavoidable but we can stem the losses and position ourselves now for a strong recovery. We implore governments to continue upholding the stance that construction and planning are essential services and critical priorities in our recovery efforts.

The Institute welcomes the economic stimulus announced thus far but we believe governments need to redouble their efforts, and urgently. We recommend the initiatives outlined in this Action Plan based on their ability to be delivered quickly and safely to save Queenslanders' jobs and set us up to bounce back strongly.

*Ian Murray*  
**State President**

*Kirsty Chessher-Brown*  
**Chief Executive Officer**

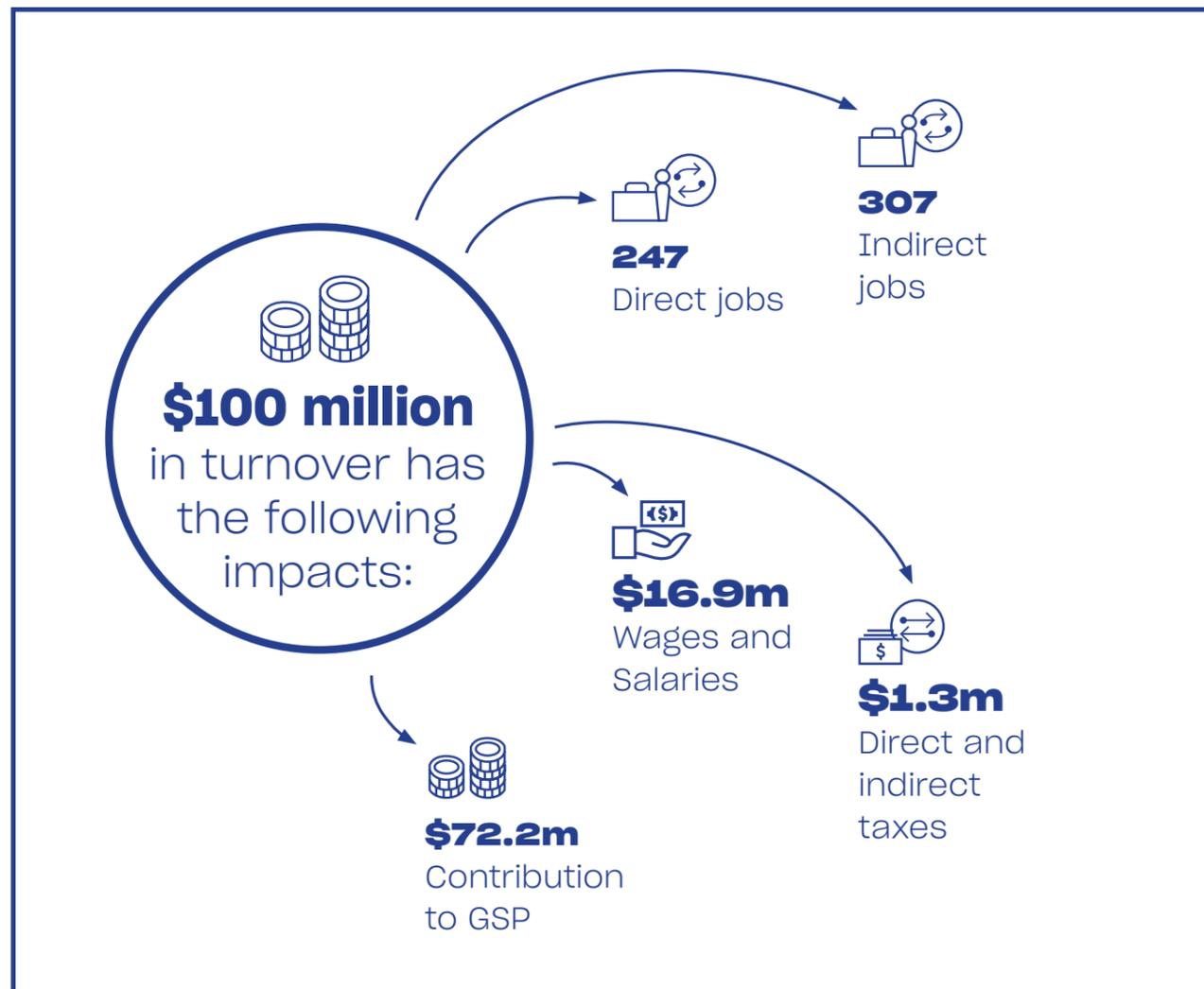
## OUR INDUSTRY

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, supplier, and property developer<sup>1</sup>.

For this reason, we have identified that keeping our

members in their jobs will be critical to Queensland weathering the COVID-19 crisis. The property industry has among the highest, positive flow on effects to the rest of the economy. Stimulus in our sector will support jobs in retail, manufacturing, and many other areas.



<sup>1</sup> Report prepared by Urbis for the UDIA Queensland, March 2018.

## ECONOMIC BENEFITS OF THE DEVELOPMENT INDUSTRY IN QUEENSLAND



**Direct jobs**  
**207,677**



**% of direct Queensland employment**  
**10.2%**



**Indirect jobs**  
**257,962**



**Contribution to GSP**  
**\$60.8 billion**



**Wages and Salaries**  
**\$14.2 billion**



**Direct and indirect taxes**  
**\$1.1 billion**

*Phase 1*

# KEEP THE INDUSTRY OPERATING

## STATE GOVERNMENT

### Make sure development remains essential

Keeping construction and development sites operational, for as long as it is safe to do so, recognises the deep capability within the industry and its workforce to implement health, safety, and social distancing measures effectively. Additionally, the Queensland Government needs to acknowledge that all worksites are not the same. There are differences between a commercial, multi-level construction site and a land development site. This should be taken into consideration in the event of any mandated site shutdowns.

### Facilitate expanded on-site work hours

Reducing restrictions on operating hours for on-site work can enable additional social distancing between workers. The government should facilitate this through: the necessary generalised amendments; facilitating temporary use applications under the Planning regulations; and a general communique to local government to avoid new site restrictions.

### Commit to a land tax holiday until 31 December 2020

Land tax is a significant cost to the industry and its removal would enable the industry to continue operations, save jobs, and deliver much needed new housing. Removal of land tax until the end of the year would also improve the industry's sustainability and allow businesses to save Queenslanders' jobs.

### Addressing any development financing issues

Keeping finance flowing to development is critical for jobs and the economy. Should development and homebuyer lending contract further, as it did in the GFC, the State should develop strategies now to support construction activity with direct debt finance, guarantees, financial support for pre-sales etc.

## COUNCILS AND UTILITY PROVIDERS

### Halve all development related fees

This reduction in costs would allow the industry to keep applications rolling, thereby creating a pipeline of project work ready for economic recovery. It would also reduce the financial burden for projects at a critical time and assist with retaining their workforce.

### Stay open for business

Put in place arrangements to ensure adequate resourcing for development applications as well as water and sewer applications. We acknowledge the significant changes that each organisation is currently undergoing while transitioning to remote working arrangements. The Institute is ready to assist any government agency in considering a response to constraints, including potential outsourcing of critical work to consultants.

## COUNCILS AND UTILITY PROVIDERS CONT.

### Process plan sealing and bonding applications faster

Many projects across the State are currently at this critical stage, with the project at 'peak' debt and awaiting final processing of plan sealing and release of bonds. Delays to this process by any local government will be catastrophic for industry cash flow and our ability to sustain employment. We encourage councils to speed up their processes ahead of statutory timeframes during this period.

### Focus on refunds for trunk infrastructure

Cash flow has never been more important. Local governments should quickly work through any backlog of refunds owing to developers, and process payments urgently. If resourcing is constrained, local governments should outsource the verification of claims to consultants to ensure urgent resolution and payment.

### Ensure all inspections continue

Local government needs to commit to all inspections continuing whilst ensuring appropriate arrangements are put in place to achieve social distancing.

### Expand the matters that can be included for on and off maintenance bonding to spread the assessment load

By expanding the range of items that can be included for on and off maintenance bonding, councils will be able to free up resources and make them available for other critical roles such as assessing development applications. Additional bonding by utilities should also be considered.

### Offer a rates reduction for completed stock and development land holdings

With sales grinding to a halt due to COVID-19, a reduction in development related rates by local governments would provide relief to those businesses with completed but unsold stock available or lands held for future projects. This relief will assist with cash flow and help sustain industry jobs.



**ACTION NOW WILL  
PRESERVE JOBS IN EVERY  
CORNER OF THIS STATE.**

*Phase 2*

# GETTING READY FOR RECOVERY

## STATE GOVERNMENT

### Defer any significant legislative reform that increases costs and/or administrative burden

Defer any proposed changes to key legislation or commencement dates that would increase costs for the development industry. Delay implementing any changes that would take the focus away from the core task of delivering projects and sustaining jobs.

### Deliver a \$500 million boost to the Catalytic Infrastructure Program

A \$500 million boost to the program would aggressively address our infrastructure backlog, provide Queenslanders with much needed infrastructure, and support industry to deliver new projects as well as keep people employed.

### Create a new \$200 million Infrastructure Charges Relief Scheme

The creation of a Relief Scheme would address cash flow issues by creating a State Government fund for councils to replace revenue lost as the result of halving the Infrastructure Charges levied. This discount will protect businesses against closure and the associated massive job losses. It would also incentivise businesses to invest ready for the recovery phase.

### Create a new \$200 million Local Infrastructure Rapid Delivery Scheme

This State Government funded scheme would enable councils to speed up the payment of trunk infrastructure refunds already owed to development companies. This would bolster business cash flow allowing companies to deliver projects, sustain employment, and provide additional community infrastructure.

## COUNCILS AND UTILITY PROVIDERS

### Delay payment of Infrastructure Charges until the sale and settlement of land

Once the initial phase of COVID-19 is resolved, delaying the payment of Infrastructure Charges until the sale and settlement of land would give development businesses better cash flow management. The option to delay payment in specific circumstances already exists in some local government areas including Toowoomba and the Fraser Coast. This approach has proved to be a very effective means of maintaining jobs and stimulating local economic activity.

### Urgently progress structure planning in growth regions

This pandemic will significantly disrupt housing supply across Queensland. There are several areas across the South East corner where land supply is constrained by a lack of detailed infrastructure and structure planning. The crisis provides an opportunity to urgently fast track structure planning to ensure land holders in key growth areas can commence development when the market starts to recover.

# Phase 3

## RESTORING CONFIDENCE

### STATE GOVERNMENT

**In the medium-term we are seeking actions that will restore confidence in the marketplace and help support new homebuyers to return to the market.**

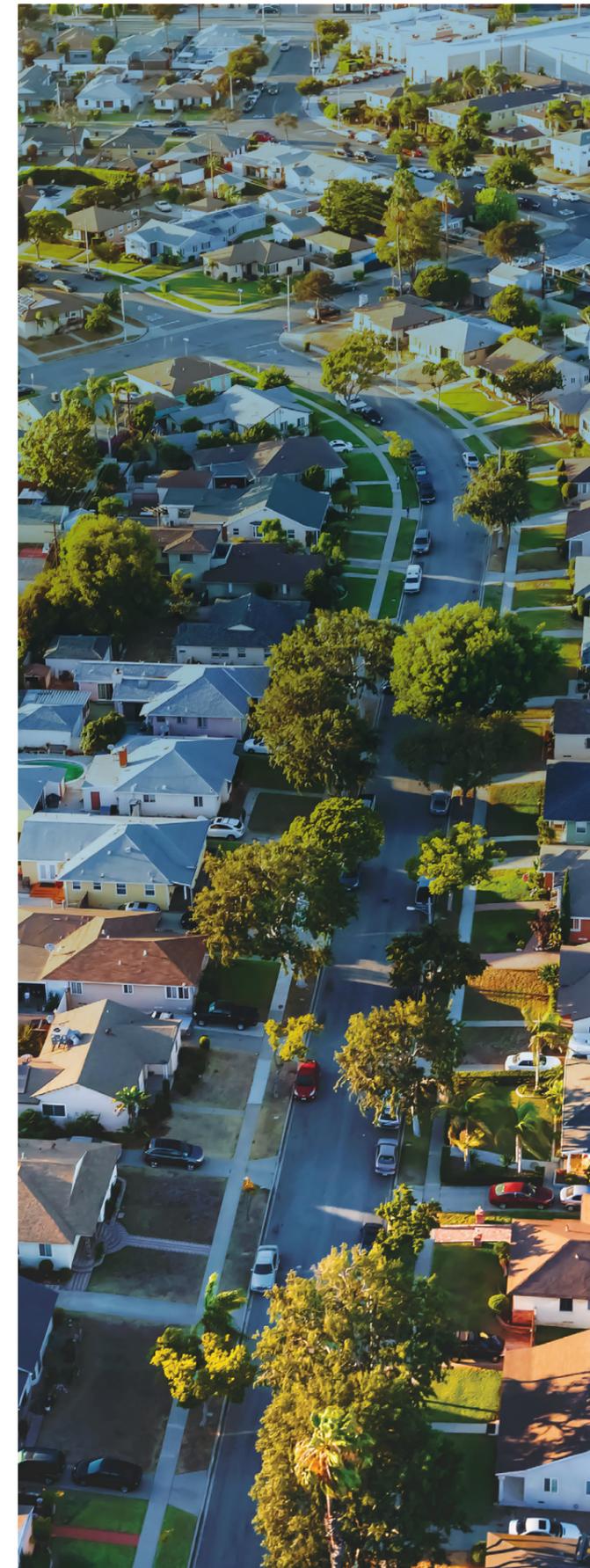
#### Jumpstart investment in housing and jobs

Remove the foreign investor surcharges and stamp duty for all new and off-the-plan sales. These purchases make a significant contribution to housing supply. In the past, foreign purchasers accounted for a substantial proportion of pre-sales, which supported project feasibilities, put rooves over Queenslanders' heads, and created local jobs.

#### New home builders grant for buyers of new dwellings irrespective of first home buyer status

To sustain industry employment levels, house sales across the whole market must continue at current levels. To provide buyers with the additional incentive needed to proceed with a house purchase during the current climate, buyers need more financial support. We recommend this take the form of a \$10,000 grant, like the grant currently provided by Rockhampton Regional Council. This incentive would keep buyers in the market and allow those businesses delivering new housing to keep families across Queensland in jobs.

To speed delivery and manage implementation risks, this initiative should take the form of a special, time-limited modification to the Queensland Government's First Home Owners Grant scheme whereby the requirement to be a first home buyer is not removed from the eligibility criteria. However, for those individuals who are first home buyers, they would be eligible to apply for the existing Queensland Government grant in addition so long as they are purchasing a newly constructed dwelling. Some dwelling cost upper limits may apply.



## STATE GOVERNMENT CONT.

### Stamp Duty Refund Scheme for purchasers of a new dwelling

The purchase of a new home prompts retail spending on new household items and furniture. This will ensure households, particularly young families, have the money to spend and support the retail sector. This will support retail jobs and give the thousands of Queenslanders stood down a job to go back to. In order to facilitate this outcome, buyers of new dwellings should not be charged stamp duty or have it refunded for possible expenditure to stimulate other sectors.

### Mortgage Relief Scheme for any new home buyer who purchases a newly constructed dwelling

To limit the tragedy of mortgage defaults and sustain buyer confidence at the level necessary to safeguard current industry employment levels, expansion of the scheme to provide financial relief directly to home mortgage holders is necessary. To speed delivery and manage implementation risks, this initiative should take the form of a special, time-limited expansion to the existing Mortgage

Relief Loan Scheme. The maximum available to be borrowed should also be raised from \$20,000 to \$40,000 and with the associated payback period appropriately extended. A community information campaign would also be needed to advertise the availability of the scheme.

This initiative would boost the confidence of people contemplating the purchase of a new home right now, allowing them to enter the market with certainty. It would also afford job security to those people employed to build new dwellings. The Queensland Government may also wish to expand eligibility to all home buyers.

## COUNCILS

### Introduce new home builders grant

Individual councils across the State should replicate Rockhampton Regional Council's initiative, offering \$5,000 per new dwelling to boost local employment.



**RESTORE CONFIDENCE  
IN THE ECONOMIC ENGINE  
OF QUEENSLAND.**

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