

6 May 2020



Cr. Bob Manning
Mayor
Cairns Regional Council
PO Box 359
Cairns QLD 4870

BY POST/EMAIL – B.Manning@cairns.qld.gov.au

Dear Mayor,

RE: Congratulations and development industry employment during coronavirus outbreak

We would like to take this opportunity to offer the Institute's sincere congratulations again on your recent success in the local government elections. The Urban Development Institute of Australia Queensland (the Institute) has long valued its productive working relationship with you as Mayor and we look forward to continuing this relationship over the coming four years.

As you are aware, the Institute is the peak body for the property development industry in Queensland. Powered by a unique Research Foundation and a regional branch network comprised of 11 branches throughout Queensland, the Institute is ideally placed to provide you and your council with expert advice on a range of matters relevant to the local development industry and its role in our economy. We have successfully worked closely with council through its elected representatives and its officers on numerous submissions and projects over many years.

As you may also be aware, our industry is the sixth largest industry of employment in the Cairns region, employing 6,791 people directly and a further 8,332 indirectly¹. Whilst these jobs have always been important to the quality of life in Far North Queensland, there has rarely been another time when it has been as critical to save these jobs and secure the economic future of residents throughout the Cairns region.

The Institute holds significant concerns about the impact of COVID-19 on local employment in our industry. With many industry firms now under considerable pressure on several fronts, difficult decisions are being made about the continuation of projects, the launch of new projects as well as the longer term sustainability of the business.

For this reason, and further to our letter of 19 March 2020 we encourage your consideration of the Institute's *Project Bounce Back, A COVID-19 Industry Action Plan* (attached) to keep the property development industry working. We particularly wish to emphasise those below that council can put

¹ ¹ Urbis for the Urban Development Institute of Australia Queensland, March 2018

in place quickly, within the framework of existing programs, and which will have a material impact on saving industry jobs in a short time frame.

Infrastructure Charges Waiver

The Cairns branch's top priority is a temporary waiver of infrastructure charges.

This initiative would significantly stimulate the local construction and property industry and will sustain employment in the region. We note that this initiative has proved successful in other local government regions in Queensland through the global financial crisis. We also note council has previously adopted such an incentive.

The property industry was able to generate greater activity to continue to invest into the region, support jobs and employment. Economic initiatives around infrastructure charges are a common way for local government to stimulate and shape economic development and have well established implementation mechanisms in councils throughout the state. Offering an infrastructure charges waiver within a given period would provide critical support to company cashflow shoring up industry jobs through the Cairns region.

Introduce new home builders grant

The Institute has previously brought this initiative to council's attention noting the potential to stimulate the local construction and property industry and attracting people to live in the Cairns region. The Institute can report that the grant, introduced by Rockhampton Regional Council, has generated great interest in that region.

Cairns Regional Council should replicate Rockhampton Regional Council's initiative, offering at least \$5,000 per new dwelling to boost local employment. Given the worsening market conditions and existing home building activity stagnation, our view is that, a minimum of \$10,000 per new dwelling capped at the first 200 homes with a total cost to council of \$2million should be put in place.

Focus on bringing forward refunds for trunk infrastructure

Cashflow has never been more important to saving jobs. It is requested that council urgently assess budgeted offset payments that are intended for property industry over the next 24 months and bring forward reimbursement of trunk infrastructure. This will ensure that the identified trunk infrastructure is brought forward and will generate the employment activity sooner.

Waiver of all Development Application related fees

This waiver would allow the industry to keep applications rolling, thereby enabling a pipeline of project work ready for economic recovery and ongoing jobs creation. It would also reduce the financial burden for projects at a critical time and assist directly with retaining their workforce. We would encourage council to consider a full or partial waiver of development application fees.

Increased used of local consultants

We understand that council has a strong commitment to local contractors and consultants. We would ask that council increase its local spend even further. Local town planners, accountants, and lawyers are being stood down however we understand that in excess of \$1million has been spent in the past 12 months alone with such services being outsourced to Brisbane. We would ask that council look at engaging such services locally with the support of specialists where required.

Conclusion

We reiterate the importance of taking action to keep the property development industry moving to safeguard jobs, enable a bounce back of activity, and minimise damage to the region's economy as much as possible. We understand that these times present many challenges for council and we are very keen to offer our assistance to work towards an economic recovery strategy for Cairns.

To this end, the Cairns Committee will shortly be in touch to arrange a time to brief you on matters raised in this letter as well as to answer your questions on any industry matters.

During this difficult period, we thank you for taking the time to consider our letter. The Institute offers its assistance wherever we can to ensure the property industry continues to operate in the current circumstances. If you have any questions, please contact Manager of Policy, Martin Zaltron (mzaltron@udiaqld.com.au) on (07) 3229 1589.

Yours sincerely,

Urban Development Institute of Australia Queensland



Kirsty Chessher-Brown
Chief Executive Officer