



8 May 2020

Cr Jenny Hill
Mayor
Townsville City Council
PO Box 1268
Townsville QLD 4810

BY POST/EMAIL – mayor@townsville.qld.gov.au

Dear Mayor,

RE: Congratulations and development industry employment during coronavirus outbreak

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

As you would be 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 expert advice on a range of matters relevant to the local development industry and its role in our economy.

As you may also be aware, our industry is the sixth largest industry of employment in our local region, employing 6,842 people directly and a further 8,366 indirectly.¹ Whilst these jobs have always been important to quality of life in Townsville, 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 region.

For this reason, we would like to brief you on some key issues arising from the outbreak of the COVID-19 pandemic and recommend initiatives which we believe will be key to our community weathering this difficult time and eventually being well positioned to recover. In writing, we would also like to acknowledge that council is already taking many steps to support the community as well as shouldering the responsibility to continue essential services.

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 businesses.

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

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 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.

Offer an Infrastructure Charges Incentive Scheme

Infrastructure charges discounts 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 Infrastructure Charges waivers and discounts would provide critical support to company cash flow, shoring up industry jobs through our region. We see an opportunity for council to pass on these discounts, in the form of rebates, to potential homebuyers after sale/purchase of new dwellings. This will provide a boost and generate greater activity in new housing construction and will see the community directly benefit. We urge council to explore this measure with a view to passing on these benefits to the community and homebuyers.

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 provide development businesses easier cash flow management. The option to delay payment already exists in some local government areas including Rockhampton and Fraser Coast Regional Councils. This approach can prove to be a very effective means of maintaining jobs and stimulating local economic activity. Prior to COVID-19, we have been in close discussions with council officers on implementing this measure and detailing the many benefits. We wish to continue this dialogue with council and outline how it may assist the property industry to deliver residential communities and respond to COVID-19.

Introduce a rates discount for First Home Buyers

Council should immediately adopt a discount on rates for First Home Buyers, offering a minimum \$1,000 rates discount per new dwellings to boost local employment. This will assist local first home buyers to enter the housing market and provide an additional incentive to consider purchasing now.

Reducing all development related fees or deferring fees

A reduction in costs, or deferred payment in costs, would allow the industry to keep applications rolling, thereby enabling a pipeline of project work ready for economic recovery and jobs creation. It would also reduce the financial burden for projects at a critical time and assist directly with retaining their workforce. Mackay Regional Council have been proactive in this regard announcing this measure, as part of their first COVID-19 stimulus package and we strongly encourage council to consider this option to stimulate construction activity.

Process plan sealing and bonding applications faster

Many projects across the region 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 can be catastrophic for industry cash flow and our ability to sustain employment. We encourage council to speed up their processes ahead of statutory timeframes during this period to save jobs.

Council payment for trunk infrastructure

Cash flow has never been more important to saving jobs. Council should consider quickly funding trunk infrastructure that encourages immediate development as it is unlikely that developers can fund

these works and await the credits that would be applicable. We recommend council explore this initiative further to implement a more efficient, streamlined process in trunk infrastructure repayment to support the industry in response to COVID-19.

Ensure all inspections continue

Council needs to commit to all inspections continuing, whilst ensuring appropriate arrangements are put in place to achieve social distancing, so as to ensure project delivery continues and jobs are sustained. We urge council to continue to conduct these necessary inspections to ensure the industry can continue to be operable and deliver development during this uncertain period.

COVID-19 in general

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 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 Townsville. To this end Townsville Branch President, Duane Gibson, will shortly be in touch to arrange a time convenient to you. In addition, we express a keenness to explore these measures in detail, specifically how infrastructure charges discounts can directly benefit the community and how deferred infrastructure payments provide greater flexibility to the property industry.

We thank you for taking the time to consider our letter during this difficult period. 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



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