



**Summary of Key Points UDIA Launch of
Queensland Housing Affordability Strategy 25 July 2007**

By Anna Bligh, Deputy Premier, Treasurer and Infrastructure Minister

1. The Strategy addresses three key issues that have been identified as factors influencing affordability (in conjunction with the UDIA):
 - a) The amount and pace of supply;
 - b) Holding costs; and
 - c) Infrastructure changes.

2. Queensland Government will create a new Urban Land Development Authority (ULDA) by November 2007. For nominated sites the ULDA will have the power to:
 - a) assemble land;
 - b) undertake master planning;
 - c) act as the consulting authority (ie no reference to other authorities);
 - d) assess and approve development; and
 - e) market the land for the private sector to develop the land and housing.

The ULDA's powers will only apply to its major sites. Its Board will consist of seven people of which two must have previous Local Government experience. It will report directly to the Minister for Local Government and Planning. The approval conditions the ULDA may attach to the land include a contribution of affordable housing. There are five initial sites: Bowen Hills (130 ha), Woolloongabba (80 ha), Fitzgibbon (230 ha), Hamilton North Shore (240 ha) and Mackay Showgrounds (20 ha). In total >700 ha with potential to accommodate 20,000 persons.

3. Land supply within the SEQ Urban Footprint. The Queensland Government will review the current schedule for development of the following major parcels:

Location	Population	Current Schedule
Caloundra South	60,000	2018
Coomera	90,000	2010
Ripley Valley South	10,000	post 2016
Yarrabilba	5,000	post 2016

By December 2007 the Government will announce if these time frames should be brought forward.

4. Monitoring Land Supply. Current programmes to be extended to all areas and expand published information on land and housing prices, land fragmentation and ownership, development activity and release of land.

5. Holding Costs. The Deputy Premier provided two examples, as follows:
- a 112-unit inner city project where development assessment took 21 months, representing \$1.6 million in holding cost to the developer, or \$14,285 per unit;
 - 396 attached dwellings in the Northern Corridor where development assessment took 2 years 3 months at a holding cost of \$1.5 million or \$3,787 per dwelling.

The summary document (that is available from www.oum.qld.gov.au) indicates in some areas the cost of delays can be \$15,000-\$20,000 per dwelling which is added to the cost of housing and reduces the efficiency of the system.

The Government's response to this issue will be to amend the Integrated Planning Act 1997 (IPA) so that the Minister for Local Government and Planning has the power to intervene to ensure the 6-9 month development assessment time frame required under IPA will be met. The Minister will be able to:

- resolve conflicts between agencies;
- direct a decision to be made;
- require Structure Planning for major development sites; and
- enable Councils to deal with low risk approvals through a simplified process.

6. Infrastructure Charges. The Deputy Premier indicated these can range from \$2,330 to \$13,500 per lot. The need to address this issue was indicated by some Councils including costs not originally envisaged (eg library books) and by at least one Council raising its charge without warning from \$6,060 to \$50,030 per lot. To address the need for clarity, transparency and certainty, the Government proposes:

- to develop a standard priority infrastructure plan (PIP) – ie what items can be charged;
- to empower the Queensland Competition Authority to review and set infrastructure charging schedules;
- to enable the Building and Development Tribunal to decide disputes between Councils and developer for specific applications by September 2007;
- to require any Council that does not have its PIP prepared by June 2008, to apply the standard PIP (and small Councils can choose to do so);
- to require Councils to advertise and phase in new charges.

7. The Deputy Premier stated the Queensland Government was not backing away from the concept of Infrastructure charges. The summary document indicates they are essential for services such as water treatment, storage and supply, sewerage treatment facilities, drainage trunk networks, arterial and sub-arterial roads, local parks and lands for community facilities.

8. The Minister indicated greater flexibility would be introduced in respect of funding of infrastructure charges – a mechanism so that Councils could approve third party financing if desired (ie not State or Local Government, not only developer charges).
9. The ULDA is intended to be self-funding – as it disposes of the initial sites to the private sector for development, these funds will be applied to the purchase of additional sites.
10. The draft legislation will be made available to industry bodies for comment.
11. Brent Hailey (UDIA President, Queensland) welcomed the Government initiatives and indicated he anticipated that the impact would be to at least stabilise prices.
12. In response to a question from Ray Stevens (former Gold Coast Mayor and now Shadow Minister for Housing Affordability and Public Works), the Deputy Premier indicated that the Minister for Local Government and Planning would not be able to require 20 storeys instead of ten storeys – he would be able to mediate, to direct that a decision be made so that Councils should not procrastinate decisions. However parcels of land under control of the new ULDA would be planned by that authority which would include determining building height.
13. In response to a question about reform of the Appeals Process, the Deputy Premier indicated the Government was in the middle of a review of IPA, and the appeals system was being reviewed to streamline the process. However the items being addressed now are considered urgent to be put in place by late 2007.

The above points are a summary of verbal material heard at the UDIA seminar on 25 July 2007. Details may or may not be totally correct as they depend for their correctness upon my understanding of what has been said, and details of the Government Strategy may change over time as it is implemented.

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