Tuesday, 9 April 2024

Committee Secretary Cost of Living and Economics Committee Parliament House by email only: **colec@parliament.qld.gov.au**



Dear Committee members

Inquiry into the Economic Development and Other Legislation Amendment Bill 2024

We are writing to you today regarding the Cost of Living and Economics Committee's inquiry into the Economic Development and Other Legislation Amendment Bill 2024.

We support these reforms and the Queensland Government's broad ambitions to become a major developer and builder of public, community and affordable homes.

An expanded remit Economic Development Queensland creates scope for truly visionary opportunities for our city's built environment.

This bill and EDQ's future work in delivering social and affordable housing are built on its ability to build homes of all types and tenures—public, community, private, and commons, from townhouses to skyscrapers.

Broadly, we support a much higher share of government-owned land and government, community and cooperative-owned housing in Queensland than we currently see. EDQ's new agenda is a promising way to deliver this while ensuring private development continues apace and grows alongside public development.

We also see this new agenda for EDQ as a way to move the dial towards higher-density living in Queensland. These new powers mean that EDQ can both plan and deliver demonstration housing at scale to show Queenslanders how good living in a dense, mixed and lively precinct can be.

This bill presents an opportunity to embrace Queensland's enviable climate and set new global standards for human-scale development in tropical and subtropical environments. We can encourage precincts to experiment with new construction methods, designs and urban forms—and as platforms for design competitions and engineering innovation. We can drive greater investment across the whole development pipeline and build a more sustainable building and construction sector. We can transform our car-centric city into a truly walkable, liveable one.

This bill is the start of a very exciting and promising chapter in Queensland's history.

General comments

The decision to remove the obligation for EDQ to operate commercially and replace it with a much more sensible obligation to act in its own long-term financial interest is potentially the most important part of this bill. This allows EDQ to take on big risks for broad social benefit, which is especially important for efforts to consolidate inner city land use and to deliver new twenty-minute neighbourhoods with infrastructure that enables a high quality of life for all community members.

While we understand the practical reasons for adopting the definitions of social and affordable housing in the bill, the lack of nationally uniform and strictly defined definitions for both continues to be a roadblock to smaller, innovative community and not-for-profit developers from interstate operating in Queensland.¹ We understand that the plan to adopt a definition in regulations rather than the Act itself is to be flexible to respond to future standardised definitions—a decision we support but we would like to see that future definition entrenched at a future date.

We also note that while subsidised housing programmes and small-footprint apartments are important parts of the affordable housing mix, the most important part is maximising opportunity and delivering volume at scale. As such, EDQ's delivery should prioritise the delivery of the most housing possible while also delivering affordability in the short term.

Given EDQ's renewed focus on housing, we strongly encourage the Government to ensure that community and private tenants or their advocates are represented in decision-making at all levels, from the board through to individual consultations.

Renters are often excluded from decision-making spaces, including government boards and advisory bodies, roundtables, consultations, surveys, and, indeed, Parliamentary inquiries. This exclusion is rarely intentional and can be a function of renters' economic circumstances, their more frequent displacement than owner-occupiers, and the fact that decision-makers tend to be homeowners.

The result is that renters' situations and concerns are often an afterthought when decisions are made for them by industry groups, policymakers, and political leaders who may have interests and assumptions that predispose them to oppose improvements to rental conditions.

¹ Abundant Housing Network Australia, <u>Submission No. 64 to the Senate Standing Committee on</u> <u>Community Affairs</u>, *Inquiry into the worsening rental crisis in Australia* (4 August 2024), 13-14

Every government body that governs rental regulation and housing supply, affordability, planning or development should include representatives for renters and renter associations. These representatives should be actively targeted and recruited to ensure that any housing-related consultation accurately reflects the broader population's proportions of housing tenure.

We request that EDQ also include demographic information on any consultations they conduct, in particular canvassing the age, housing tenure (i.e. renter, mortgagor, homeowner or landlord) and housing ambitions (i.e. long-term renters, aspirational resident, prioritising affordability) for all respondents. Consultations in planning and development are notoriously unrepresentative of the broader community and have previously been especially exclusive to those most in need of more housing — renters, young people and recent migrants.

We also request that the membership of the Economic Development Board be varied to ensure that a representative from a peak body representing private renters or social housing tenants is appointed.

Planning reform

EDQ's ambitions are only achievable because of special exceptions from planning regulations for state development projects. If exemptions from zoning, parking, and character requirements are preferable for state development, they should also be available for the private and community sectors.

Priority development areas and place renewal frameworks are an imperfect compromise to broad upzoning, removing parking minimums and reducing character building restrictions in the high amenity areas where we hope the majority of social and affordable housing will be delivered. The Auckland experience proves that these reforms not only make housing more affordable and allow for sustainable growth in the building and construction sector², but they also make delivering social and affordable housing cheaper, quicker and better suited to local needs.³

² Ryan Greenaway-McGrevy, <u>The Impact of Upzoning on Housing Construction in Auckland</u> (2023), Working Paper 5 and <u>The Impact of Upzoning on Housing Construction in Auckland</u>: <u>Update and</u> <u>Extended Results</u> (2023) Working Paper 15, *University of Auckland Economic Policy Centre*

³ Ryan Greenaway-McGrevy, 'Zoning Reform and State-Developed Housing in Auckland' (2024) Working Paper 19, University of Auckland Economic Policy Centre

We have previously criticised Brisbane's historical preference for building on post-industrial flood-prone sites or in distant greenfields to avoid making difficult political decisions against the interests of small inner-city landowners in wealthy suburbs. Most of the blame for these outcomes lies with the local government; however, their actions aren't done in isolation and the Queensland Government needs to undertake broad planning reform to avoid repeating the same mistakes.

While we applaud EDQ's work in this area and look forward to working with them on upcoming priority development proposals, these proposals will always be—by their nature—limited in scope. Ultimately, the impact this will have on most people in our city will depend on how broad and how many priority development areas are determined.

Land assembly

EDQ's new powers to acquire land to support priority development areas are a key development in Australia's approach to urban renewal. Community advocates and developers often call for land assembly to facilitate neighbourhood-level planning, fast housing delivery, and appropriate transport and social infrastructure for growing communities.

Land assembly—alongside its private sector cousins, strata and lot consolidation—is a key area of interest to Greater Brisbane and our sister organisations. There is a growing consensus that large-scale greenfield development is neither sustainable nor ecologically sound nor capable of delivering good social outcomes and infrastructure without great public expense. Redevelopment of post-industrial brownfields can also diminish the availability of "Goldilocks" sites for liveable precincts in our inner cities and is a medium-term risk for housing affordability.

While governments have shied away from discussing land assembly in a housing context, this bill shows that the Queensland Government is taking the problem seriously.

To truly address the problem, we must investigate ways to enable and incentivise private land assembly to facilitate urban renewal in key (paradoxically) low-density inner-city residential areas. This goes hand in hand with the need for broad upzoning and the relaxation of regulations related to mixed-use zoning and character protections within a short walk of transport and business centres. The upzoning of individual lots or the consolidation of corner lots are "spot" approaches that create a jagged urban fabric and obstruct organic renewal. These narrow initiatives risk turning public sentiment against densification in our suburbs as developments can have all the perceived downsides of densification without any of the manifold upsides like better infrastructure, more economic dynamism and a more liveable streetscape.

We also note that little research exists on the opportunities, costs, and impacts of land assembly policies in an Australian context. Given EDQ's research remit, EDQ should both directly evaluate the different methods it adopts and commission an independent research organisation to conduct a long-term deep dive into its work.

EDQ's new ambitions lay the groundwork for a significant reshaping of our city—but if that new vision is something we aspire to, we should make sure we can deliver it right across our city and not just in the few places declared for renewal.

This means much more public investment in developing public and community housing—an order of magnitude more.

This means direct investment in demonstration housing projects to show Queenslanders how good a dense, walkable neighbourhood can be.

And, critically, it means rethinking the broader planning regime to ensure that the objectives these reforms seek to achieve—design excellence, good place experiences, coordination and collaboration between stakeholders— are able to occur beyond these specific policy interventions. This will only be achieved by replacing our slow, restrictive planning with much clearer rules, more permissive approvals process and more ambition on height and design.

We are looking forward to the opportunities that this bill will enable and are excited to see how further advances in housing abundance will benefit all Queenslanders.

Yours sincerely

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