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Mr Shanks



Industry Assistance: Draft Catalogue of Assistance Measures

Thank you for the opportunity to provide comment on the *Industry Assistance: Draft Catalogue of Assistance Measures* (the Draft Catalogue) consultation paper.

The Property Council continues to support the review's goal of identifying, assessing and suggesting reform to current Queensland Government Industry Assistance Measures (Assistance Measures).

In our previous submission to the Queensland Competition Authority (QCA) the Property Council stressed the economic importance of the property industry relative to the direct industry assistance provided by the State Government.

It is our continued position that the review into industry assistance must take into account the overall economic benefit that a healthy property industry generates.

Assistance measures captured by the Draft Catalogue

The Property Council has not identified any additional assistance measures to those outlined in the Draft Catalogue. We would stress however, the importance of a number of measures that have been captured. These are:

- Home buyer concessions
 - Transfer Duty on residential property
 - First Home Buyer Transfer Duty on residential property
 - First Home Vacant Land Concession
- The National Rental Affordability Scheme
- The Priority Development Infrastructure Co-investment Program



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Home buyer concessions

The property industry related tax concessions outlined in the Draft Catalogue provide only flow-on value to the property industry.

This includes the listing of transfer duty on residential properties, and concessions for first home owners, which are primarily a reduction in the cost of a home for Queenslanders. The property industry's share of these assistance measures is the resultant increase in residential construction.

The Property Council would strongly urge the QCA to consider the consumer benefit of these tax concessions alongside their economic value.

The National Rental Affordability Scheme

In the lead-up to the 2014 Federal Budget the Property Council strongly supported the continuation of the National Rental Affordability Scheme (NRAS).

NRAS is an important driver for increasing housing supply nationally, and the removal of funding for round five of the scheme was a disappointing result of the Federal Budget.

While ongoing funding has not been provided for NRAS, the Property Council believes this provides the opportunity to improve on the past outcomes of the program and develop new levers to improve housing supply and affordability.

The Property Council therefore looks forward to considering the QCA's findings in relation to the suitability of NRAS as an assistance measure and strengthening future affordability assistance.

The Priority Development Infrastructure Co-investment Program

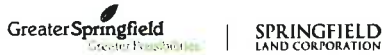
The Property Council has been a strong supporter of the introduction of co-investment funding for catalyst infrastructure projects.

Co-investment on infrastructure projects is a critical step towards incentivising councils to lower their infrastructure charges and open the door to development in their local government area.

Development creates significant additional taxation revenue, jobs and economic activity many times greater than the value generated by infrastructure charges.

The Property Council has undertaken analysis which shows that within 7 years a 900 lot subdivision will not only provide housing for 900 families, it will create over 500 construction jobs, contribute over \$120 million to gross regional product and provide over \$28 million in additional taxes to State and local governments.

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When assessing the suitability of the Priority Development Infrastructure Co-investment program it is critical that the QCA consider that an investment in infrastructure has a flow-on benefit that far outweighs the financial value of the infrastructure itself.

Conclusion

The Property Council would like to thank you for the opportunity to provide comment on the *Industry Assistance: Draft Catalogue of Assistance Measures* consultation paper.

We look forward to ongoing consultation on the importance of these assistance measures to the Queensland economy.

If you have any questions regarding the Property Council or this submission, please do not hesitate to contact me on 07 3225 3000, or cmountford@propertyoz.com.au.

Yours sincerely



Chris Mountford
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