



DELIVERING FOR YOU



ADVOCACY WINS

2021 | VIC

COVID-19 and our advocacy priorities in coming months



The coronavirus pandemic has had a profound impact on Australia, our economy and our nation's largest industry – property.

Our industry should be proud of the role it has played during this pandemic to keep Australians safe and to do the heavy lifting to pull our economy out of recession.

The Property Council has been using the strength of our Federal, State and Territory advocates to improve conditions for you and your organisation and to assist governments with the recovery road ahead.

Over the coming year, we will continue to experience tighter control over community and economic activity than we have seen in the past.

Many of these measures will continue to have unintended consequences and pose challenges for property businesses seeking to invest in the recovery.

We are providing feedback to policy makers daily on market conditions and practical policies to keep businesses going and foster a strong economic recovery.

This is our advocacy focus for as long as it takes.

We will stand with you, advocate for you and ensure that you have all the resources we can offer to assist you through these challenging times.

A stylized, handwritten signature in a light grey color, consisting of a large loop followed by a horizontal line that tapers off to the right.

Ken Morrison
Chief Executive
Property Council of Australia

Delivering excellence to our members

Representing 530 member companies in Victoria and a network of 14,300 individuals, we strive to deliver excellence to our members by providing market insights, advocacy, thought leadership and networking, and professional development opportunities.

Property Council members are the leaders of a sector that employs 1.4 million Australians, more than mining and manufacturing combined. They represent the full spectrum of the industry, including those who invest, finance, own, manage and develop in all sectors of property, creating landmark projects and environments where people live, work, shop and play.



Advocacy is our core business

Our members invest in the Property Council because we deliver policy outcomes which make Victoria a more attractive state for investment.

We will continue to prioritise advocacy of policies which are in the business interests of our members and build prosperity, jobs and strong communities.

DELIVERING FOR YOU

Our VIC priorities in 2021

We will champion the policy priorities of members and challenge the government to undertake bold reform.



Securing acceleration of the Government's return to office roadmap, including removing workplace caps and a proactive approach to bringing the public service back to the office, to support the return of office workers to Melbourne's CBD and revitalize our capital city.



Locking in an extension to industry-focused stimulus to support the residential development sector, including targeted stimulus measures for the housing sector such as the reinstatement of off-the-plan stamp duty concessions and the removal of the Foreign Purchaser Additional Duty.



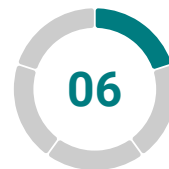
Continuing to advocate for a viable Build-to-Rent housing asset class in Victoria, by working closely with the State Government to develop a workable definition of eligible Build-to-Rent projects for the purpose of Land Tax concessions announced in the 2020 State Budget.



Continuing to promote and enhance the role of the property industry, Victoria's largest employer and largest contributor to the State's income, to drive a property-led economic recovery.



Establishing meaningful partnerships with state and local governments that deliver the social and affordable housing our state needs for future generations.



Advocating for the establishment of a workable infrastructure contributions system in Victoria, to promote the key principles of affordability, livability, certainty, and equity.



Advising government and co-designing Victoria's next generation planning system as part of the Government's agenda to modernise the planning system, cut red tape and ensures the planning and development approval system delivers the economic recovery Victoria needs.

National advocacy wins and work

Engaging with governments to set the agenda

The Property Council has been industry's voice to Federal and State governments struggling with the pandemic and the challenges of recovery. Whether it was defending the right to keep construction going, protecting hundreds of thousands of seniors in retirement communities, ensuring the COVID-safe operation of office towers and shopping centres while supporting the nation's tenant businesses, or the conversion of hotels and serviced apartments into vital quarantine accommodation, we have helped the property sector to be Australia's heavy lifter during the pandemic response.

As each new wave of regulation came rolling in, we harnessed your expertise to guide and shape government responses to an unprecedented public health challenge. We have also relied on your insight to lead strong advocacy on the earliest possible restart of COVID-safe immigration when health settings allow, aligned with a business-led recovery in a low tax environment.

All of our initiatives require the highest possible levels of dialogue with Federal and State and Territory governments, parliaments, regulators and our allies at all levels across the country. Most of all, they need your support.

A strong population policy

Now more than ever, Australia needs to safely restart student and skilled migration. We must grow the infrastructure to safely attract, welcome and process students and skilled migrants at scale as soon as possible.

Our national talent pool needs the boost that strong immigration brings, adding more than one per cent to our yearly GDP growth. We must attract the best and brightest from around the world to study and start businesses here. This will grow jobs and opportunities for all Australians, create a productivity dividend for the nation, and expand our tax base.

Successful cities and central business districts

Our cities are our hubs of innovation and opportunity. They account for 80 per cent of Australia's GDP. We are leading the national discussion about the benefits of individuals and companies collaborating and socialising in central business districts.

Our monthly survey, which we began in the third quarter of 2020, is one part of a strategic research and campaign agenda you are helping us drive. It has been driving debate in the media, community and government that will create far stronger partnerships between business and governments in support of our CBDs in the year ahead.

National advocacy wins and work



Recovery stimulus and housing supply

With the leadership of our Residential Development Council, the Federal Government has put housing front and centre. The powerful *HomeBuilder* and state stimulus programs have combined to boost the economy, job creation and confidence.

The Federal Government's numbers tell us that every million dollars spent in residential construction supports nine jobs. Our *Planning Quick Wins* agenda gives State and Territory governments the toolkit to improve our cities and boost housing construction to meet community needs and grow jobs.

Beyond the private market for new housing, we continue to support the National Affordable Housing Alliance, a partnership of NGOs and industry bodies, to increase the amount of social and affordable housing being delivered by all Australian governments over the next five years.



Defending negative gearing and a robust banking sector

There should be no changes to negative gearing and capital gains tax settings. We cannot risk the immediate impact on jobs, economic growth and confidence at the time Australia can least afford it. Our evidence-based public policy case against any changes remains a high priority ahead of the next Federal election.

We continue to support a well-governed and competitive lending sector that actively promotes domestic and global credit flows. Our advocacy has helped return balance to credit regulation while enhancing consumer safeguards.



Smarter infrastructure investment

Metro Rail, motorways, mixed mode transit and freight projects should sit alongside regional fast rail as national priorities.

We have backed the Federal Government's \$100 billion 10 year commitment and the complementary strong commitment of most State governments to spend more on necessary public infrastructure. We have urged the Federal Government to continue their roll out in line with Infrastructure Australia and National Faster Rail Agency priorities.

National advocacy wins and work

A climate resilient and net zero emissions future

The Australian property industry is a world leader in sustainability. We advocate establishing a national plan for net zero emissions buildings by 2050. This is based on our shared platform *Every Building Counts* which contains 75 recommendations for Federal, State and Territory and Local governments.

The Property Council's advocacy has been vital in securing the *Trajectory for Low Energy Buildings*, the policy commitment from all Governments to work towards zero energy (and carbon) ready buildings. Improving the energy performance and comfort of Australia's existing building stock, through tax, planning and other incentives, as well as the establishment of a single national rating scheme for the energy performance of homes, is essential to drive targeted action across all asset classes.

We are supportive of the circular economy and have established a world first property sector collaboration to engage suppliers on Modern Slavery risks, aligned with our advocacy in support of the Federal Modern Slavery Act.

Retirement living leadership

The Retirement Living Council prioritises high operational standards and great resident experiences in retirement communities. The Council has delivered the Retirement Living Code of Conduct, together with a robust accreditation scheme to ensure the industry has access to a strong and credible quality framework.

Our strong research agenda continues to provide vital data for governments and stakeholders about future supply and demand trends, while our Capability Framework is ensuring that retirement communities are well placed to attract and retain highly skilled and properly qualified sales professionals and village managers.

We are advocating for the creation of a new pipeline of quality retirement living housing through policies including reclassifying retirement living as commercial residential premises for GST purposes, akin to the treatment for off-campus student accommodation, planning reform, and age pension changes to remove barriers to rightsizing.

National **advocacy** wins and work

Strong capital markets

Strong government advocacy and detailed technical input has allowed us to defend and drive positive outcomes for our sector.

Our real time engagement with the Government, Treasury, ASIC, APRA and the RBA has helped those bodies fine tune their efforts to support the economy.

We have also successfully helped the Government solve challenges including ensuring:

- property companies had appropriate access to JobKeeper
 - 'mum and dad' investors retained access to REIT IPOs and capital raisings
 - FIRB COVID temporary leasing measures were shorter and less punitive than originally proposed
 - superannuation reforms don't cut across investment in property
 - commercial property interaction with the new 'national security test' is appropriate
 - appropriate safeguards were built into the new Federal insolvency regime.
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Victoria advocacy wins



✓ Keeping the building and construction industry open throughout 2020 lockdowns

In an unprecedented year, and despite Stage 4 restrictions limiting social movement to stop the spread of COVID-19, the Property Council worked with other industry associations and trade unions in the building and construction industry to successfully advocate that the sector remain open for business, supporting thousands of jobs that may otherwise have been lost.



✓ Stamp Duty discounts on new and existing residential property

The State Government announced a 50% stamp duty discount on new homes and a 25% stamp duty discount on existing homes in November 2020. The threshold value for these discounts was raised to \$1 million. This followed extensive Property Council advocacy supporting a call for demand-side stimulus to support Victoria's largest economic contributor, create economic activity and support Victorian home ownership.



✓ Land Tax concessions for Build-to-Rent housing

The Property Council's Build-to-Rent Roundtable has long advised the Victorian Government on the framework required to ensure the viability of the asset class in Victoria. The Government announced a 50% land tax concession for eligible Build-to-Rent projects in November 2020 and we continue to work with the Government to refine its policy and help attract the State's share of an estimated \$7 billion of potential investment capital.

Victoria advocacy wins



✓ Temporary waivers to the Congestion Levy and Vacant Residential Land Tax

The Property Council successfully made the case to Government to provide temporary waivers from the Vacant Residential Land Tax (\$16 million) and the Congestion Levy (\$30 million) given the hardships faced by the property industry because of the global pandemic.



✓ Land Tax relief benefiting commercial landlords who offer rent relief to tenants facing financial hardship

The Property Council advocated to both the Commonwealth and Victorian Government on the Commercial Tenancy Relief Scheme and secured significant concessions for our members. Commercial landlords who provide rental relief to tenants facing financial hardship throughout COVID are able to share in \$337 million in Land Tax relief.



✓ Landmark planning system reform committed and commenced

Longstanding advocacy by the Property Council delivered for the industry with landmark planning system reform committed to by the Victorian Government in the 2020 State Budget. With a solid legislative agenda ahead, the Property Council continues to provide critical advice to government on behalf of our industry as the reform program commences.

Victoria advocacy wins



- ✓ **Record investment in social and affordable housing and industry partnerships herald a new era for cross sector collaboration**

The Victorian Government's Big Housing Build heralds a new era of significant government investment in social and affordable housing and new opportunities for cross-sector collaboration and partnerships to deliver more social and affordable housing. The Big Housing Build program follows tireless advocacy by the Property Council for a major funding stream for social and affordable housing, and for the role of the industry as a partner in delivering new housing supply.



- ✓ **First of its kind partnership with City of Melbourne to attract workers back to the CBD**

With only 31% of Victorians back in the office in March 2021, the need to attract and incentivise office workers back to Melbourne's CBD is extremely acute. In an industry-first, Property Council has partnered with the City of Melbourne to deliver the FOMO Melbourne campaign to attract and incentivise workers back into the city. Property Council's advocacy reached 6 million Australians in a huge day of media activity when we launched the initiative in early March and our members are working hard to bring their offices and retail spaces to life in an effort to bring our CBD back to life.

DELIVERING
FOR YOU

Vital statistics 2020

400+
Government and
policy meetings



45+
submissions
lodged



14,300
member company
audience reach



650+
media
mentions



271
industry volunteers
on Property Council committees



CREATING JOBS - PROPERTY IS VICTORIA'S LARGEST EMPLOYER

390,000 JOBS
PROPERTY INDUSTRY



246,800 JOBS
MANUFACTURING



67,700 JOBS
AGRICULTURE

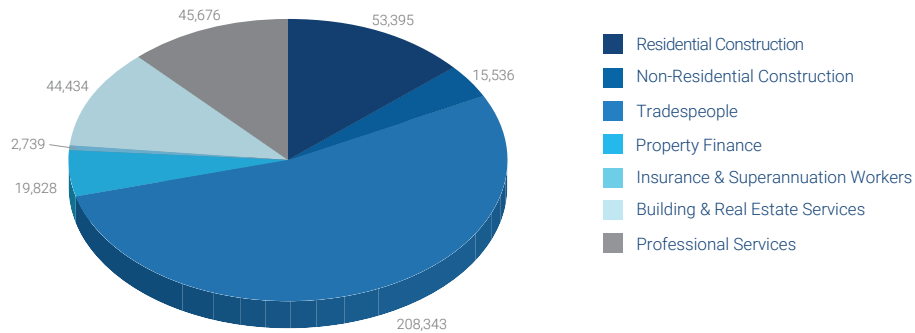


13,000 JOBS
MINING



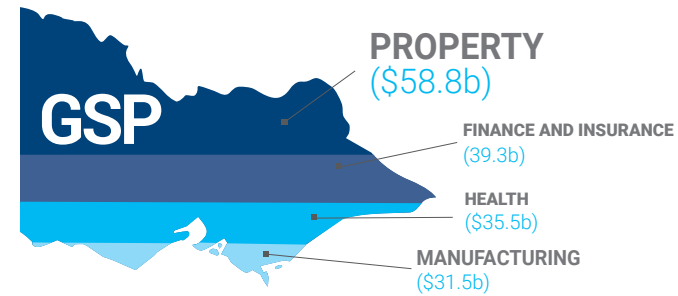
The property industry employs more people than agriculture, mining and manufacturing combined.

JOBS IN YOUR STATE



VICTORIA'S BIGGEST INDUSTRY

DIRECTLY ACCOUNTING FOR 13.8% OF THE STATE'S ECONOMIC ACTIVITY



BUILDING PROSPERITY BY DIRECTLY PAYING \$25.3 BILLION IN WAGES AND SALARIES

MORE THAN 1 IN 4 PEOPLE

DERIVE THEIR WAGE FROM THE PROPERTY INDUSTRY DIRECTLY AND INDIRECTLY



\$17.9 BILLION IN TAXES

TO STATE AND LOCAL GOVERNMENTS IN VICTORIA PROPERTY IS THE LARGEST SINGLE INDUSTRY CONTRIBUTOR PAYING 59.0% OF TOTAL STATE AND LOCAL GOVERNMENT TAXES AND RATES



Source: AEC Group Economic Significance of the Property Industry to the Australian Economy report 2020



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CORPORATE PARTNERS

The Property Council of Australia acknowledges the continued support of the following companies:



We support the Property Industry Foundation which works to make a tangible difference to the serious and persistent problem of youth homelessness. www.pif.com.au