



Advocacy Wins 2024

January - June

Delivering for you

Property Council of Australia
NSW Division



As we face a once-in-a-generation housing supply and affordability crisis, the property industry is being called on to deliver...

The five-year National Housing Accord began on 1 July. It kicked off a commitment to build 1.2 million new well-located homes by 2029. In NSW, a record breaking 377,000 new homes will need to be realised. This is a monumental challenge. Industry is facing significant headwinds from rising construction costs, high interest rates, and tougher foreign investment frameworks to attract international capital.

The Property Council has worked tirelessly in the first six months of this year to advocate on behalf of our members on the issues that matter. We have influenced and led the conversation on ongoing reforms to address the housing crisis – including Transport Oriented Development; new social and affordable housing bonuses; low- and mid-rise development policy; and the impact of new taxes and charges on feasibility.

We will continue to support our members to deliver record housing completions. We will also keep up the pressure on priorities beyond housing supply and delivery, including maintaining NSW as an attractive investment destination; ensuring long-term plans are in place for our cities; supporting industry leadership to deliver a net-zero built environment; and investing in our growing regions.

We remain a leading voice on your behalf, advocating strongly and credibly to all levels of government on the policy issues and reforms you care about.

Thank you for the enormous contribution you make to our advocacy efforts – your partnership and expertise are greatly valued, and I look forward to sharing more of the outcomes we are achieving together in our efforts to tackle the housing crisis and to build a more prosperous property industry in NSW.



We remain a leading voice on your behalf, advocating strongly and credibly to all levels of government and achieving outcomes on the policy issues and reforms you care about.

A handwritten signature in black ink, appearing to read 'K. Stevenson'.

Katie Stevenson

NSW Executive Director
Property Council of Australia

A powerful voice for industry

Property Council members are leaders within a sector that employs more Australians than any other. As Australia's peak representative of the property and construction industry, the Property Council's members include investors, owners, managers and developers of property across all asset classes throughout NSW.

Representing members that design, develop and manage diversified property asset class portfolios, we provide powerful advocacy for issues that matter to all parts of the industry. This advocacy encompasses thought leadership, research, influential policy advice to government, market insights, professional development, and networking opportunities and events.

Our members invest in being part of the Property Council because our collective

credibility, access to decision makers, and deep understanding of industry issues all deliver policy and regulatory change that benefits the sector. We also offer unparalleled opportunities for learning from, and networking with, industry and government leaders.

NSW is home to almost a third of Australia's population and it is the powerhouse of the nation's economy. We are proud to advocate on behalf of our members in NSW, to maintain the

state's nation-leading position, to offer unmatched opportunity for business and growth, and to deliver world-class homes, offices, and communities for people.

A sustainable future, where everyone in our cities and regions can share in this prosperity, will continue to be at the heart of our advocacy.



NSW vital statistics

January - June 2024

69

government and policy meetings



34

submissions lodged



39

events



894

media mentions



469

industry volunteers on Property Council committees



Our NSW advocacy priorities in 2024-25

Our advocacy priorities champion the issues that matter most to our members and to industry, and challenge the government to undertake bold reform. In NSW we contribute to state and national advocacy outcomes.

01

Unlock new housing supply

Increase housing supply across Sydney and regional NSW through rezoning and revised planning controls, and diversify housing choice including across retirement living and purpose-built student accommodation assets.

02

Maintain NSW as an investment destination

Create jobs and economic growth by reducing cost barriers for development, addressing the chronic shortage of industrial and employment lands, delivering sustainable and effective tax reform, and re-energising our CBDs, commercial centres and precincts.

03

Improve certainty and timeliness in the planning and regulatory system

Ensure long-term plans are in place for our cities that include coordinated planning, transport and services strategies. Overhaul planning and regulation to reduce delays, holding costs and investment risks, and support consumer confidence.

04

Support industry leadership to deliver a net-zero built environment

Empower the industry to assist the transition to net-zero through a long-term government strategy for zero-carbon-ready buildings, as well as targeted incentives and innovative financing for high performance buildings.

05

Invest in our growing regions

Provide a clear vision for growing regions that is supported by enabling infrastructure, economic development and planning reform.

Advocacy wins in 2023-24 National

01

Build-to-rent

Effectively lobbied for a reduction in the managed investment trust (MIT) withholding tax on to build-to-rent projects, successfully lowering the rate from 30 per cent to 15 per cent.

02

National housing reforms

Endorsed the government's ambitious target of constructing 1.2 million well-located homes by 2029. This aligns with the Property Council's longstanding position on the need for a measurable, accountable national approach to address Australia's housing challenges.

03

Competition-style incentives

Commended the government's allocation of \$3 billion in competition-style incentives, a policy the Property Council has fervently supported for numerous years, aimed at amplifying the nation's housing supply.

04

Thin Cap framework

Our Capital Markets team spearheaded pivotal modifications to the government's proposed Thin Capitalisation framework, moderately safeguarding Australia's standing for global institutional investment in the development of new property assets.

05

Reduction in FIRB application fees

Successfully advocated for a substantial reduction in Foreign Investment Review Board (FIRB) application fees related to build-to-rent projects – a strategic move designed to stimulate institutional investment in the development of new homes.

06

Infrastructure Australia reforms

Welcomed the government's alignment to the Property Council's position to improve Infrastructure Australia's capacity and authority to assess new infrastructure projects.

Advocacy wins so far in 2024 NSW

Transport Oriented Development (TOD)

The Property Council were the original architects of the TOD State Environmental Planning Policy (SEPP). After continued advocacy, the TOD program is now underway for 8 accelerated precincts and 37 TOD SEPP precincts. We have supported the speed and efficiency of the initial TOD SEPP precincts, but we continue to advocate for the expansion of the TOD program and removal of barriers to make the most of this once-in-a-generation opportunity.



Jobs Need Roads: Planning for the Aerotropolis

After our sustained campaigning, the NSW 2024-25 Budget dedicated more than \$1 billion for roads connecting people and communities with the new International Airport and supporting employment lands. This comes after the Federal Budget provided \$500m for Mamre Road, \$400m for Elizabeth Drive, and funding for the Eastern Ring Road and Badgerys Creek South. The Property Council's advocacy was fundamental in securing these four-year forward allocations.

Planning Portal Funding

Our advocacy delivered a NSW 2024-25 Budget allocation of \$20.4 million towards vital improvements to the NSW Planning Portal. Recognising the frustration, delays and challenges our members are dealing with when using the Portal, we established a working group to identify a program of issues to assist Department of Planning, Housing and Infrastructure (DPHI) in improving the platform and the user experience, and this work has already resulted in improvements to the system.



New Housing Targets

We have called consistently for the release of long-awaited housing targets for local councils, and a new league table to monitor the planning performance of local councils and DPHI. Both have now been delivered.

Our advocacy calls for a 'red card' penalty model for local councils who do not meet performance targets have also been heard with a new Statement of Expectations to ensure accountability.

Advocacy wins so far in 2024 NSW

Investment in the Planning System

Our calls for additional investment in the planning system were answered in the NSW 2024-25 Budget, with a commitment of \$253.7 million to fund more planners and deliver on the NSW Government's commitment to the National Housing Accord. An additional \$200 million reserved in Restart NSW for the Faster Assessments Council Incentives and Grants Program responds to the Property Council's call for both a 'stick' and 'carrot' system where local councils meeting and beating their housing targets can be rewarded.

Investing in our growing regions

The NSW Government and City of Newcastle heeded our calls for progress on Hunter Park and Broadmeadow Place Strategy, with both plans exhibited in June. They will pave the way for growth and prosperity in the precinct and surrounds for decades. We are championing the economic expansion of the Illawarra Shoalhaven Region, especially in the Wollongong CBD, Port Kembla and other regional centres such as Nowra. Our advocacy has also seen projects such as the Illawarra Sports and Entertainment Precinct Masterplan commencement and funding for key infrastructure such as the Mount Ousley Interchange.



Financing Guarantee Pilot

In response to the Property Council-led Ministerial Roundtable with the Australian Banking Association and major banks, the NSW Government committed \$1 million in the 2024 Budget to investigate a guarantee scheme for residential developers to secure funding to speed up the delivery of residential housing. We will continue this work, using our membership base to provide realistic financial modelling to make sure the scheme is workable.

Release the Pressure

Ahead of the NSW Budget, we issued the Release the Pressure report. The report, prepared by global real estate company Savills, shows how two recently introduced development taxes imposed on new housing are in fact working against the government's own ambitious housing agenda.

Since 2018, many new state government taxes and charges have been levied including Sydney Water developer contributions (up to \$45,000 per dwelling) and more recently the Housing and Productivity Contribution (HPC) (up to \$12,000 for houses). Local councils have also increased the taxes and charges applied to residential projects with some charging over \$60,000 per house.

Our Release the pressure report examines the impacts of increased taxes and charges on housing supply and affordability across the six cities region in NSW. It shows government taxes and charges make up a significant and unsustainable amount of new housing costs across Sydney.

For example, a typical 250-unit apartment development and a 115-lot greenfield development in both the Central River City and the Western Parkland City are no longer financially feasible in 2024, and planned increases in taxes and charges will make many infill residential developments unfeasible unless developer contributions are suspended.



Release the Pressure

As at 30 June, we published reports one and two – for the Central River City, Western Parklands City, Eastern Harbour City and Illawarra-Shoalhaven – with the third and final report covering the Lower Hunter and Greater Newcastle, and Central Coast to be released in September.

The first two reports recommended:

- A moratorium on new taxes and charges for the duration of the Housing Accord period
- Suspension of Sydney Water DSP and HPC charges for the duration of the Housing Accord period
- Accelerated planning processes that reduce approval timeframes by a minimum of 6 months
- Process and systems improvements to accelerate significant residential projects which demonstrably contribute to the delivery of the Government’s dwelling targets and Housing Accord commitments.



The first two reports show that if our recommendations were adopted, an additional 209,000 new homes could be delivered during the Housing Accord period, representing 65% of the total target, including:

Up to 62,000

New homes

for the Eastern Harbour City

Up to 77,500

New homes

for the Central River City

Up to 50,000

New homes

for the Western Parkland City

Up to 22,000

New homes

for the Illawarra-Shoalhaven City



The property industry: Australia's largest economic footprint

Largest economic footprint
in NSW, directly contributing

**13.1 per cent of
Australia's GDP**

jobs and incomes combined in 2021-22

A pillar of the NSW economy,
contributing

\$189.5 billion

(29 per cent) to Australia's GDP

Provides income
for more than

**one in four
Australians**

**Supporting more
than one million
jobs in NSW**

the property industry provides more
jobs than the mining, manufacturing and
financial services industries combined

The property sector is the
largest single industry contributor
to government revenue, paying

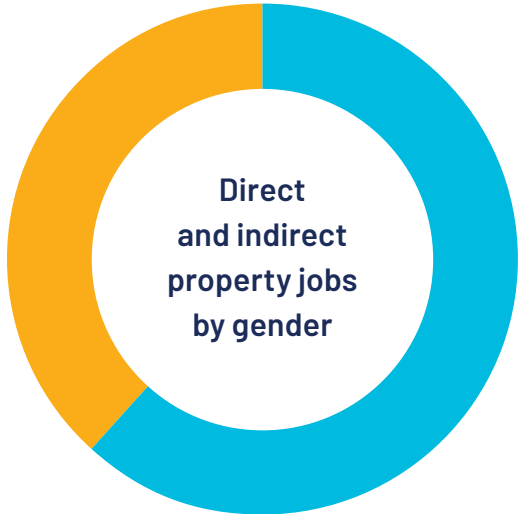
**54.5 per cent
of total state and
local government
taxes and rates**

Source: AEC Group, Economic Significance of the
Property Industry to the Australian Economy Report, 2024

Property jobs in NSW



- Residential construction **40,209**
- Non-residential construction **23,160**
- Tradespeople **215,291**
- Property finance **37,478**
- Insurance and superannuation workers **3,417**
- Building and real estate services **60,651**
- Professional services **51,300**



- Male **61.9 per cent**
 - Female **38.1 per cent**
- 38.1 per cent of jobs supported by property are held by women**

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