## UNLOCKING OPPORTUNITIES FOR MORE HOUSING

CASE STUDIES | RIPLEY VALLEY AND GREATER FLAGSTONE

EDQ leads trunk infrastructure projects, responding to the housing needs of a growing Queensland.

### **Economic Development Queensland**

Creating and investing in sustainable places for Queensland to prosper





## ECONOMIC DEVELOPMENT QUEENSLAND IS TAKING A WAY FORWARD FOR THE HOUSING SYSTEM

### BACKGROUND

We all know the housing system is currently under immense pressure on a national level. Queensland, as a growing state is certainly not immune.

Queensland Housing Summit held in October 2022, the National Housing Accord and the efforts of all levels of government and industry underline the fact that our housing system is a policy priority.

The challenges are heightened by the fact that Queensland is a fast-growing state, with the population in South East Queensland (SEQ) alone expected to grow to around 6 million by 2046. Based on current trends an additional unmet need for social and affordable housing will equate to 70,000 households over the next 20 years<sup>1</sup>.

Economic Development Queensland (EDQ) as the

Queensland Government's land use planning and property development agency, is working with the community, local government, planners, and developers to build and nurture well-planned communities, offering a range of different housing options to meet the different household needs and budget.

To meet the current and future needs of a changing population and increase the housing choice for Queenslanders, we need to get the services, infrastructure, and lifestyle options right.

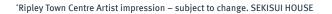
EDQ is accelerating the delivery of critical infrastructure through funding co-investment with developers in our Priority Development Areas (PDAs), to bring forward much needed housing supply.

### What is driving the change?

- Growth in SEQ has recovered strongly post the COVID-19 pandemic, driven by record levels of net interstate migration, and will continue to grow to almost six million people by 2046, which represents an increase of over 2.2 million people from 2021.
- Our population is growing, due largely to interstate migration <sup>2</sup>; people are living longer, healthier and independent lives <sup>3</sup>. In addition, decrease of large families living under one roof, many people live alone <sup>4</sup>.

The demographic composition of SEQ will continue to change, with households increasingly becoming smaller. The changing nature of our growing population demands new policies and integrated responses across government, industry and community.

- 1. Pawson, H. Clarke, A. Moore, J. van den Nouwelant, R. Ng, M. 'A Blueprint to Tackle Queensland's Housing Crisis.' 2023. p.68.
- 2. Today: Population 3.8m / 2046: Population 6m
- 3. Today: 15% of Queenslanders aged 65+ (1 in 7) / 2046: 19% of Queenslanders aged 65+ (1 in 5)
- 4. Couple without children households Today: 404K / 2046: 589k people. Lone person households Today: 344K / 2046: 596k



## **INNOVATIVE SOLUTIONS**

EDQ continues to explore innovative solutions to expand and enhance our already great communities as we grow.

### **INFRASTRUCTURE PLANNING AND DELIVERY**

EDQ is the Queensland Government's land use planning and property development agency.

EDQ is partnering with industry to deliver timely release of new, affordable land through Priority Development Areas (PDAs).

To ensure seamless facilitation of development, EDQ

works closely with local government, developers, utility companies and other stakeholders to plan, assess and guide development within a PDA from start to finish.

We excel in coordinating multiple development fronts and offer catalyst funding to accelerate the development process.

### **STRATEGIES:**

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**Comprehensive Planning:** EDQ creates industry-leading infrastructure network planning and modelling. The models include tested growth assumptions, baseline data, and market aspirations, and are developed in partnership with key stakeholders.



**Industry Validation:** Our Detailed Comprehensive Outline Plans (DCOPs) are crafted through extensive realworld testing and industry engagement. DCOPs include the development of horizons and timing, network solutions, and staging and design standards drawing on live project data for network costing. Our focus is on ensuring a robust and market-appropriate framework.



**Financial Sustainability:** The cornerstones of cashflow management and financial sustainability are central to our DCOPs development and execution. Across the PDA's lifespan, we tackle challenges including cost escalations, inflation, market pressures, concurrent development activities, evolving network requirements, and the coordination of multiple developers and agencies. Our financial modelling and DCOP application are pivotal to our success, emphasising cost efficiency in design and projecting and monitoring expenditure and contributions over the PDA's life, with periodic 5-year reviews.



**Innovation:** Innovation in network design and delivery is an integral aspect of EDQ's strategic planning for trunk infrastructure within PDAs. We actively identify and promote infrastructure innovations and facilitate their realisation through appropriate charge offsets.



**Funding and Stimulus:** EDQ takes an active role in propelling development within our PDAs and has driven catalyst funding programs to accelerate the early delivery of vital trunk infrastructure. To date, we have co-invested approximately \$345M with developers and agencies bringing forward approximately 60,000 lots and generating over 800 jobs. A further \$170M facility is currently being delivered in our major greenfield PDAs which will galvanise a further 59,000 lots.



\*Ripley Town Centre Artist impression - subject to change. SEKISUI HOUSE

### **INFRASTRUCTURE CO-INVESTMENT OPPORTUNITIES**

### **TRUNK INFRASTRUCTURE**

Trunk infrastructure is the 'spine' of any new development -including the large, shared necessities such as roads, water, sewerage, and schools. The funding and timely delivery of trunk infrastructure is critical to progressing development in PDAs.

The challenge with trunk infrastructure is the cost – it is significant and rising due to market forces and construction industry constraints. The heavy budget means it may not be financially feasible for any single developer or landowner

### **CATALYST INFRASTRUCTURE FUNDS**

In 2022, the Queensland Government boosted the existing \$191 million Catalyst Infrastructure Fund (CIF) with a further \$171.2 million in equity funding to help deliver communities in the Ripley Valley and Greater Flagstone PDAs. Access to these catalyst funds, is delivered as lowinterest loans facilitated via EDQ.

Catalyst funding is available to local governments, utility providers, and developers. Within the funding "pot" available, project proponents are required to co-invest at least 20 per cent of the total infrastructure project cost. Eligible projects are assessed against criteria such as:

1. Strategic fit against the PDA infrastructure timing and priorities

to fund the trunk infrastructure required to service the PDA, especially in large greenfield communities and/or on land with challenging constraints in the current economic climate.

It is one of EDQ's key priorities to urgently find solutions to address this problem, and to continue accelerating development of affordable housing options for Queenslanders.

- 2. Economic benefit
- 3. Lot generation and in particular 'bring-forward' of lot delivery
- 4. Job creation
- 5. Project frameworks which promote strategic partnerships across developers, and;
- 6. The capacity of developers to deliver the project proposed

This assessment criterion ensures investment can be prioritised for projects that deliver the greatest benefit to the PDAs.

### **STRONG PARTNERSHIPS**

EDQ facilitates and coordinates diverse groups of stakeholders to navigate highly complex scenarios and negotiations that arise during the construction of such large-scale developments. A coordinated approach is essential to ensure multiple stakeholders operate with a shared, integrated community perspective, that supports efficient delivery outcomes of the entire PDA, not just the outcomes of their individual projects. In instances where issues arise, EDQ takes a faciliatory role, helping all parties reach a mutually satisfactory resolution. In all instances, EDQ strives to ensure the priorities of the wider community remain at the forefront of any new development.



\*Providence Estate. Stockland

## DRIVE BEST PRACTICE ACROSS SOCIAL AND ENVIRONMENTAL INFRASTRUCTURE

In addition to hard infrastructure, EDQ also helps facilitate the development of social infrastructure, ensuring PDAs are equipped for the future community. For example, in ensuring an integrated approach to public transport connections. EDQ is also focused on environmental sustainability and best practice urban design within the PDAs.



Uniquely, EDQ facilitates community capacity building in greenfield PDAs through the collection of implementation charges. Implementation charges are utilised to underpin the delivery of vibrant, cohesive and sustainable communities through targeting the delivery of works for ecological sustainability, employment community development and innovation within greenfield PDAs. Instead of making a financial contribution towards the implementation charge a developer may deliver implementation works agreed under an implementation plan, and receive offsets against the implementation charges applicable.

# CASE STUDIES: RIPLEY VALLEY & GREATER FLAGSTONE

### MORE AFFORDABLE HOUSING TO MARKET, FASTER.

EDQ is unlocking housing opportunities in greenfield areas within two PDAs representing cities of the future - Ripley Valley and Greater Flagstone.

The Ripley Valley PDA and the Greater Flagstone PDA are two of the largest urban growth areas in Australia, and both

\*Ripley Town Centre Artist impression – subject to change. SEKISUI HOUSE

offer opportunities for further residential growth providing safe, secure and affordable housing.

In Ripley Valley and Greater Flagstone, EDQ spreadheads development by providing catalysing funds directly targeted at large items of infrastructure.





\*Providence Estate. Stockland

### THE RIPLEY VALLEY PDA – A CITY OF THE FUTURE

Declared a PDA in 2010, Ripley Valley is located in SEQ's Western 'growth corridor,' which is one of the largest employment and industry growth areas in Australia. The area offers the opportunity for significant residential growth, close to major employment areas of Brisbane, Springfield, and Ipswich, to meet the region's affordable housing needs.

Ripley Valley will be a diverse, inclusive community with a series of distinctive neighbourhoods, providing a variety of housing options, including affordable accessible housing to cater to different households and changing requirements as the community matures.

It has the potential to contribute approximately 48,750 dwellings to house a population of approximately 131,000

people, including a mix of building types to cater to a range of lifestyles, incomes, and lifecycle needs. It will prioritise the provision of housing that is affordable to households with low to moderate incomes, such as first-time buyers.

Ripley Valley has been designed on global best practices and sustainability including energy efficiency, waste minimisation, and water-sensitive design. The dwellings will have an energy-efficient climatically responsive design including appropriate solar orientation shading cross ventilation, natural lighting, and passive cooling techniques.

Residents will have easy access to employment opportunities both locally and in the wider district, and an integrated public transport system will operate within <sup>5</sup>.



### **Catalyst Funds Secured for Critical Infrastructure**

Secured catalyst funding to facilitate large scale infrastructure has had a positive impact in Ripley Valley. Developers have been able to access funding to construct trunk water and sewer mains and provide an alternative access to the PDA from the State Transport infrastructure to support the significant population growth in the region. Construction of Cumner Road and the new Barrams Road will facilitate an improved Translink regional bus route and link the existing road network between Stockland's Providence Estate and Intrapac's White Rock development, which will connect communities, schools with public transport, cycling, and pedestrian networks within the Ripley Valley PDA <sup>6</sup>.

5. Queensland Government, Urban Land Development Authority, 'Ripley Valley Urban Development Area Development Scheme', 2011.

6. Queensland Government, Infrastructure, Local Government and Planning, Media Statement, 'Almost \$37 million road network to unlock land supply', 28 July 2021.

### THE GREATER FLAGSTONE PDA - PREPARED FOR GROWTH

Also declared a PDA in 2010, the Greater Flagstone PDA is located approximately 40 kilometres southwest of Brisbane CBD within the southern part of Logan City Council Local Government Area. It is strategically situated within SEQ's growth corridor - one of the largest job and industry growth areas in Australia.

The area has existing urban infrastructure networks from which the community will be developed, in partnership with Logan City Council and community organisations. The existing retail and community facilities hub provides a range of services that will support an urban community, which will ultimately become a major regional activity centre with several employment clusters. Greater Flagstone offers opportunities to accommodate significant levels of residential and employment growth; there is potential to accommodate over 51,500 new dwellings and an additional population of approximately 138,000.

Greater Flagstone is located within the bushland setting between the Logan River and the foothills of Flinders Peak, and the area enjoys significant natural and ecological areas. A key objective for the PDA is to ensure the urban development is responsive to the location through innovation and sustainability while enhancing the ecological value of the waterways through adequate community green space and outdoor recreation.



- 51,500 dwellings to house a population of up to 138,000 people.
  - Trunk Infrastructure Value \$2.3 billion

Cedar Grove Regional Sewerage Treatment Facility, developed through CIF contribution, is viewed by the environmental regulator as a model for other utilities, and has won multiple industry awards, including the Australian Engineering Excellence Award 2020.

- Estimated 34,000 jobs to be created in the PDA
- More than 450 hectares of sports facilities, recreation areas and linear parks
- State Government has facilitated a total of \$162.2 million for catalyst infrastructure

### **Catalyst Funds Secured for Critical Infrastructure**

The impact of catalyst funding has been a significant cornerstone of the delivery of the Flagstone community. To date a total of \$106M in funding has been allocated to support the delivery of the PDA across water, sewer and transport projects. In addition to the delivery of the Cedar Grove Environmental Project profiled below, and the latest CIF 2022 funding, a tranche of \$31M was allocated in 2021 and is currently in negotiation with developers for delivery of the urgently needed extensions of New Beith Road and Teviot Road. These two new road connections will, between them, unlock up to 27,000 lots within the Flagstone area.

These new road corridors will not only include ultimate dual carriageways for traffic, but importantly will contribute to community active transport accessibility through the provision of separated bike paths and footpaths.

The projects will also support the community by creating more than 165 local jobs.



The Cedar Grove Environmental Centre within the Greater Flagstone PDA features Queensland's first Wastewater Treatment Plant (WWTP) to benefit the environment through membrane bioreactor technology and constructed wetlands to achieve record low nutrient levels, and offsetting remaining nutrients through catchment restoration. A total of 37,000 trees have been planted on the restoration site to offset vegetation removal by developers across Logan. The site is also a centre for research and a community recreation reserve. The \$116.7 million project was delivered by a public and private sector partnership involving Logan Water, EDQ, Downer, Cardno, and WSP, underpinned by \$40M in catalyst funding through EDQ to meet the needs of a growing population<sup>7</sup>.

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### Economic Development Queensland

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