

PARTNERS IN PROGRESS

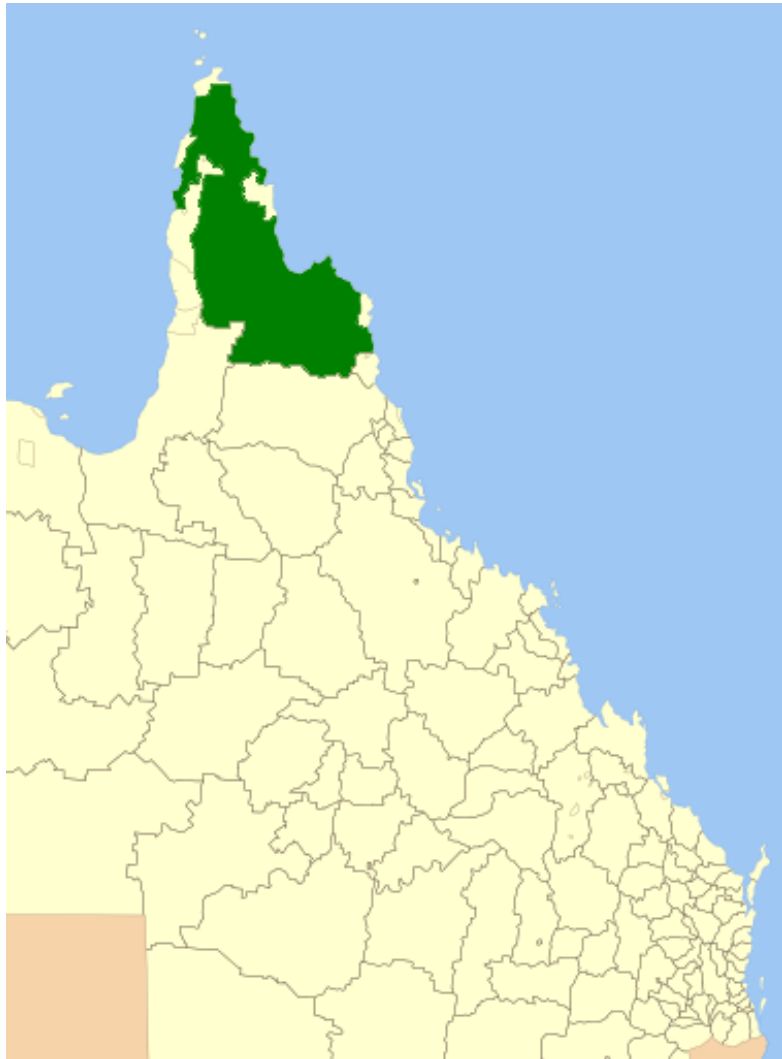
Cooktown Land Release / Government Staff Housing Project

Cr Peter Scott
Mayor, Cook Shire Council



BACKGROUND

Cook Shire LGA



- Largest land area local government area in Queensland at 106,000km²
- Very small population < 5,000 with largest township Cooktown home to approx. 3,000
- Financially stressed council and 82% grant dependent
- Minimal own source revenue but encourage development through Council land / property allocation and sale to schools, business and other government services

BACKGROUND

Cooktown

- Cooktown is the administrative centre for the SE Cape corner plus is a regional centre for tourism, business, sport and recreation
- Well connected by sealed road and daily air services to Cairns
- Water, sewerage and urban footprint in Cooktown is adequate to cater for doubling population



HOUSING SHORTAGE

Unable to keep up with local growth and demand

- Redevelopment project from Queensland Health through Torres and Cape Hospital and Health Service, to double the size of the Cooktown Hospital
- Demonstrated need to increase / improve services but inadequate housing available to attract and retain up to 40 new health staff
- Similar situation across other agencies as well as Cook Shire Council
- Direct sale of land to State Government would be detrimental to Council as State-owned land is exempt from rates and development infrastructure charges are not paid to Council

PROPOSAL



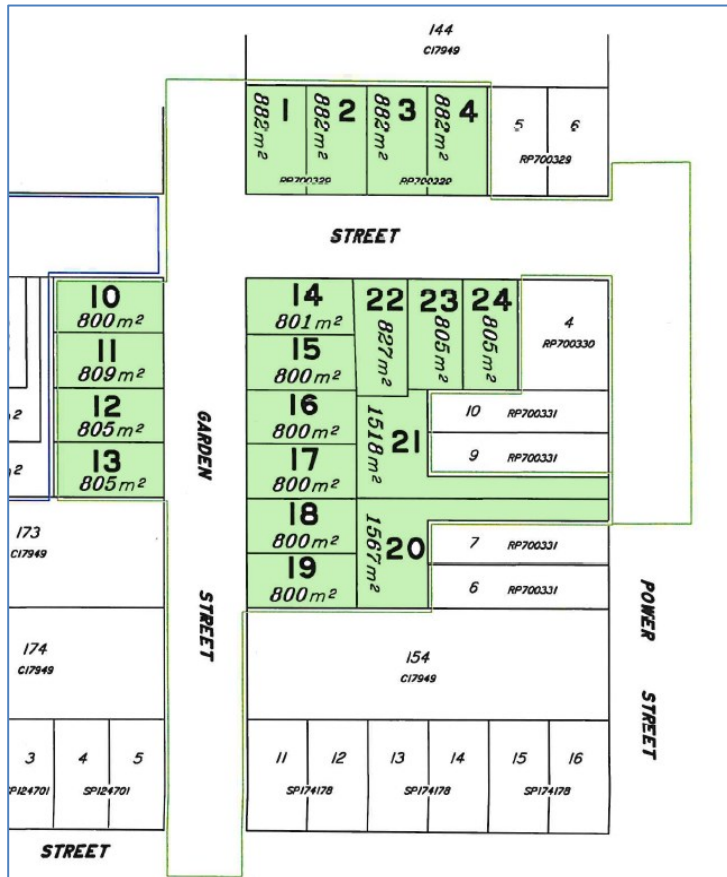
Addressing the lack of government staff housing

- **MAJOR PROJECT:** Council freehold land development (two stages)
- Partnership with Queensland Health, LGIA (Brighter) Super, architects, planning and economic consultants to determine land use, building configuration and different cost models to optimise return on investment for both investor and Council
- Project funded from freehold land ownership, grants and loan

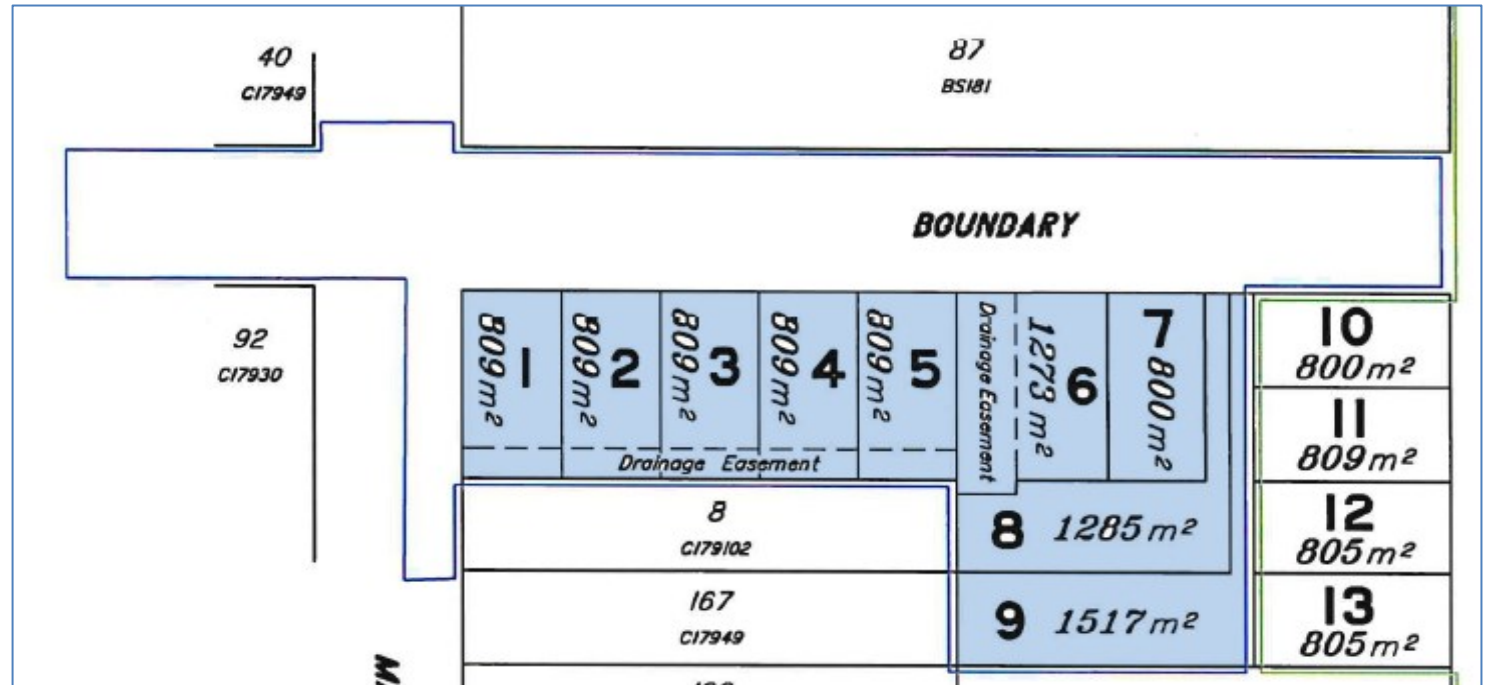
PROPOSAL

Two stage development

Stage one



Stage two



PROPOSAL

Two stage development

Stage one construction – before and after



LAND RELEASE

Disposal and loan repayment

- OPTION 1 – Investor buy, build and lease with Government departments
- OPTION 2 – Investor buy, build and lease (lease to any tenant)
- OPTION 3 – Individual lots sold by Council public tender/auction
- OPTION 4 – Land sold as a single package to developer or investor

SUMMARY

Strengths

- Demonstrated demand
- Flexible land release conditions
- Subdivision funded by Council through borrowings and grants
- Water, sewerage and power services already available
- Committed private investor
- Government guaranteed tenants
- Attractive private investment opportunity

SUMMARY

Weaknesses

- Non-committal to long term leases by Queensland Health
- Current material supply and trades / labour shortages
- Increasing interest rates
- Lack of land and Land Tenure restrictions
- Unavailability of State and Trustee Reserve land
- Financial inadequacy of regional and remote councils to provide roads, drainage, water, sewer and communications infrastructure
- Where service infrastructure is unavailable there is an inadequate ROI for investors / developers

SUMMARY

Opportunities

- Stage two development to meet further public and private demand
- Project model is scalable
- Government Employee Housing currently require 300 accommodation units for staff across Cape York
- 600 ant plants relocated to Cooktown Botanic Gardens



SUMMARY

Opportunities



- National Housing Summit and State Policy review to address / affirm:
 - ✓ Government-owned (State & Federal) Land Release – USL (Growth Acceleration Fund)
 - ✓ Regional Plan redefinition to remove State imposed restrictions
 - ✓ Local government planning and building code review to allow higher density living
 - ✓ Trunk/service infrastructure funding support for regional, remote and financially stressed LGAs (as per SEQ catalyst infrastructure fund)
 - ✓ Home to Rent, 1st Home owners grants for existing properties, renovations and extensions, home deposit guarantee scheme – needs to be extended for other than Social Housing

SUMMARY



Threats

- Inadequate ROI in regional and remote areas for investors without concessional land releases / infrastructure provision
- Overheated rental market being driven by government agency professionals paying top \$ – mums and dads, low income earners and pensioners not in the race
- Further population increase and associated increased service needs in rural and remote areas
- Tourist accommodation diminishing
- Private market disruption by concessional land release (bringing values down)
- Community expectations – Council as an investor/ developer vs. public/private investment
- In Victoria, rural communities have declared housing crises to get Federal action. We have given our own State government the tools to address the problem – it just needs to be extended state wide, not just in SEQ.

CLOSING REMARKS / QUESTIONS