



# Addressing the Whitsunday Coast Region's Employee Accommodation Crisis

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# Addressing the Whitsunday Coast Region's Employee Accommodation Crisis: Urgent Government Intervention Required

## 1. Introduction

The purpose of this paper is to highlight the pressing issue of employee accommodation shortage in the Whitsunday Coast region, specifically in Airlie Beach and Proserpine.

The lack of suitable short- and long-term housing options for employees has led to significant challenges in attracting and retaining a skilled workforce. This crisis not only hinders the region's economic growth but also impedes the ability of local businesses to reach their full potential.

Immediate action from the government is imperative to alleviate this crisis.

This paper aims to present the Whitsunday Coast Chamber of Commerce considered view as a serious stakeholder, offering valid ideas and recommendations for government intervention.

## 2. Current Accommodation Shortages & Regulatory Constraints

The existing accommodation shortages in the region primarily arise from the concentration of housing stock in holiday lettings, leaving limited options for employees servicing the region. To address this issue effectively, it is necessary to explore regulatory interventions and potentially implement a temporary moratorium on existing regulations and development legislation.

### 2.1 Holiday Letting Limitations

Drawing inspiration from the State Government of New South Wales, the State Government should consider imposing restrictions on holiday letting activities. For instance, limiting the number of days per year a property can be used for holiday letting purposes while exempting long-term rental leases. This approach would ensure a fair allocation of housing resources to meet the needs of both tourists and employees.

### 2.2 Body Corporate Intervention

Another viable option is to grant the State Government the authority to implement fixed-term limitations on body corporates, allowing only zero or one Airbnb listing per property. This measure could help redirect housing stock towards long-term rentals, thereby possibly mitigating the accommodation shortage for employees. These regulatory suggestions should be implemented as part of a moratorium with a defined time frame, providing an opportunity for future town planning and allowing informed property investor decisions.

## 3. Additional Policy Recommendations

In addition to regulatory interventions, the following suggestions merit consideration to address the accommodation crisis effectively:

### 3.1 Use of Land

Local council can play a pivotal role in assisting landowners by facilitating the installation of "granny flats" or "tiny homes." A temporary relaxation of regulations would be necessary to enable a swift response to the market demand for accommodation. During the moratorium period, it should be ensured that these installations are exclusively used for long-term rentals, rather than holiday letting.

### **3.2 Incentivising Transition**

The government could introduce incentives to encourage property owners who engage in holiday letting to switch to long-term leases. Such incentives could include tax benefits or streamlined administrative processes, fostering a smoother transition, and increasing the availability of long-term housing options.

### **3.3 Build to Rent Programs**

Incentive programs aimed at encouraging the construction of build-to-rent properties would bolster the supply of purpose-built accommodation for employees. These programs could include financial incentives, streamlined approvals, and supportive regulations to attract investment in the development of rental properties.

### **3.4 Employer Housing Initiatives**

To alleviate the accommodation crisis, the government could reduce regulations and offer tax incentives to employers who purchase properties specifically designated for use as group houses for their employees. This approach would not only address the housing shortage but also enhance workforce retention and productivity.

### **3.5 Developer Incentives**

To expedite the availability of suitable employee accommodation, the government could explore developer incentives to refurbish existing properties to meet the required leasing standards. Financial incentives, tax breaks, and streamlined approval processes could be instrumental in encouraging developers to invest in refurbishment projects.

### **3.6 Removal/Reform of Red Tape at State Planning Level**

Recognising that the current bureaucratic processes, including environmental assessments, road infrastructure requirements, and sewerage considerations, often result in lengthy delays or even project halts, the State Government should undertake a thorough review of these regulations. Streamlining and simplifying the approval processes, while maintaining necessary environmental and infrastructure standards, will expedite the development of new projects and increase the availability of employee accommodations.

### **3.7 Transition from Stamp Duty to Annual Land Tax**

To encourage property owners to downsize and free up larger properties suitable for families, the government should consider transitioning from the current stamp duty system to an annual land tax model. By reducing the upfront financial burden on property purchases, this reform would incentivise property owners to consider downsizing, thereby increasing the availability of family-friendly housing options.

### **3.8 Accelerated Approval Processes at Council Planning Level**

Local and state governments must prioritise the accommodation crisis and hold themselves accountable for meeting the urgent demands it presents. This entails streamlining and expediting the approval processes for development applications related to employee accommodations. By enhancing the efficiency and responsiveness of Council planning systems, unnecessary delays can be minimised, ensuring that viable projects proceed promptly.

### **3.9 Taxation Reform at the Federal Level**

In order to effectively address the housing shortage crisis, comprehensive taxation reform at the federal level is necessary. The government should explore and implement measures such as tax incentives or deductions that incentivise property owners and developers to invest in employee accommodation projects. Additionally, exploring mechanisms to reduce the tax burden on businesses and individuals involved in the provision of employee housing can further encourage investment in this crucial sector.

By taking these additional recommendations into account, the government can bolster its efforts to resolve the employee accommodation crisis in the Whitsunday Coast region. Implementing reforms that reduce bureaucratic red tape, incentivise property owners, expedite approval processes, and enact comprehensive taxation reform will create an environment conducive to the swift development of employee accommodations, enabling businesses to thrive and the local economy to prosper.

## **4. Immediate Action Steps**

To kickstart the process of resolving the accommodation crisis, the following immediate actions should be taken:

### **4.1 Marketing and Advocacy Program**

Develop a comprehensive marketing and advocacy program to raise awareness about the chronic housing shortage issue in the Whitsunday Coast region. This program should highlight the detrimental effects of the crisis on the local economy and emphasize the urgent need for government intervention.

### **4.2 Advocacy White Paper**

Prepare an authoritative "White Paper" that articulates the stakeholders' stance and concerns regarding the accommodation crisis. This document should be presented to both the state and federal governments, outlining the proposed solutions and emphasizing the imperative for their prompt consideration and action.

### **4.3 Property Release Campaign**

Launch a targeted marketing campaign aimed at encouraging property owners to release their investment properties into the long-term rental market. This initiative should highlight the benefits of long-term rentals, including stable income streams, community support, and positive socio-economic impacts.

## **5. Conclusion**

The Whitsunday Coast region is facing a severe employee accommodation crisis that demands immediate government intervention. By implementing a range of regulatory measures and incentivising various accommodation initiatives, the government can play a pivotal role in resolving this pressing issue. The Whitsunday Coast Chamber of Commerce, as a respected stakeholder, urges the government to take prompt action to ensure the region's economic health and prosperity. By embracing the recommendations presented in this paper, all levels of government can demonstrate its commitment to fostering a thriving business environment while addressing the critical housing needs of employees.

### **Contact the Chamber**

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Whitsunday Coast Chamber of Commerce is a member of Business Chamber Queensland.