

12 September, 2025

Mr Michael Mamo
General Manager
Strathfield Council
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Dear Mr Mamo

Draft Homebush TOD Section 7.12 Infrastructure Contributions Plan.

I write about the proposed 7.12 Infrastructure Contributions Plan that has been prepared for the Homebush Transport-Oriented Development (TOD) area.

Urban Taskforce Australia supports NSW Government reforms to introduce TODs and sees them as a vital step towards delivering the significant housing shortfall currently being experienced in this State.

However, we are concerned that the Council's proposal represents a significant overreach, and that the funding being sought for a variety of infrastructure projects may be excessive.

Exceeding the cap

When section 7.12 levies were introduced, the NSW Government stated that contributions would be capped at 1% of development costs:

*"Rates based on construction cost are currently capped at 1 percent in most places, with some exceptions (see Part 9, Division 2 of the Environmental Planning and Assessment Regulation 2021)."*¹

This is detailed in [clause 209\(2\)\(c\) of the Environmental Planning and Assessment Regulation 2021](#).

While we recognise that exemptions to this clause are possible with the approval of the Planning Minister, this proposal would increase the capped rate by a factor of four, making Strathfield Council one of the highest charging councils in the State.

Timing of payments

In most cases, the contributions plan requires the levy to be determined based on estimated costs and to be paid prior to any work commencing.

It further states a preference for all payments to be monetary in nature, restricting the use of works-in-kind or dedicated land, and proscribes that payments cannot be deferred.

¹ The Hon. Paul Scully MP, Budget Estimates 2024-2025, Supplementary Questions, September 2024

Given this, the levy puts a significant impost on a developer before a single apartment has been sold, requiring substantial up-front resourcing to cover a cost that would not be funded by financiers.

At the very least, to assist in project feasibility, any payment levied under this plan should be due at the time of issuing occupation certificate, rather than at the issuing of construction certificate or subdivision certificate, or the commencement of complying development certificate works.

The cost to the homeowner

A 4% levy in the Homebush TOD area could greatly affect project feasibility and, in so doing, prevent housing from being built.

It could ultimately add as much as \$40,000 to the cost of an individual apartment for any project, putting financial strain on first home buyers and making housing less affordable.

This is significantly higher than the \$21,000 per unit suggested in the report.

Infrastructure projects benefit all residents of Strathfield, not just new homeowners – the cost of delivering them should therefore come from all ratepayers.

The infrastructure works plan

The draft *Homebush TOD Section 7.12 Local Infrastructure Contributions Plan* argues that the high levy is needed to fund a large infrastructure works program for the region.

This program is a mix of new items to address demand generated by the TOD and existing items identified in previous plans.

It is not clear why previously identified infrastructure projects, which presumably were funded by developer contributions at the time, need additional resourcing from new development in the Homebush TOD.

The works program itself – as identified in the February, 2025, Local Infrastructure Contributions Plan (the February report) that went to Council on 29 April, 2025, and the updated Local Infrastructure Contributions Plan (the July report) of July, 2025 – has several inconsistencies and errors that raise questions:

- The February report stated that \$171,648,054 of allocated funding was needed, for a total works program of \$271,004,110,

However, just five months later, those amounts had increased to a total cost of \$330,213,744 and an allocation of \$203,212,590 (an amount underquoted by \$172,566 in the text of the report).

How does a total infrastructure works program increase by \$59,209,634 in such a short period of time, requiring an extra allocation of \$31,564,535?

- Three projects were included in the July report that were not in the February report, totalling \$37,249,210 and allocating \$25,656,545, while two fully allocated projects totalling \$3,503,468 were listed in February but removed in July.

This represents a net increase in total spending of \$33,745,742 and allocated spending of \$22,153,077.

Why was there such a discrepancy in the lists of infrastructure projects between the two reports?

- 11 projects increased between reports by \$25,646,358 in total cost and \$9,411,458 in allocated costs, without any explanation.

Why did these projects increase in cost by such a significant margin in less than half a year?

- The reports quote incorrect figures (such as the total required level of allocated funding) and include one project where the total cost of the project (\$1,500,800) is \$182,466 lower than the allocated cost (\$1,683,266).

Given the number of people likely to have been involved in researching, writing, and approving these reports, why are the numbers in the infrastructure works plan so unreliable?

- The two drafts of the Contribution Plans outline 63 separate projects (between the different versions) ranging in cost from \$19,575 to \$100m.

Where are the project plans that break down in detail the costs that will be incurred for each project, how spending is to be allocated, and the indicative timing for when payments are to be made?

Where are the explanations justifying the need for each project and addressing how they will meet the defined needs of the community?

Poor attention to detail in the February and July reports, and the apparent fluidity of quoted costs, do not inspire confidence that proper planning has been carried out for this work, duly costed by a qualified quantity surveyor, and that the Council has a strategy for their delivery.

Project management

The reports propose that Council pool contributions would be paid for different purposes, from which it will apply the funds "... progressively for those purposes", with the support of a "local infrastructure governance committee" and a commitment to annual reporting.

Urban Taskforce Australia is concerned that this committee is internal in nature, with no independent oversight, and that the proposed funding pool could be diverted to other priorities at will.

These fears are reinforced by the fact that the infrastructure works plan includes many projects drawn from – but apparently not funded by – other statutory plans, which the Council now expects to be funded through this levy.

Without a clear strategy detailing:

- specific work to be undertaken;
- the timing for each stage of that work;
- the cost of each stage of that work;
- the ultimate purpose of the project; and
- a rationale for why it needs to be funded by this section 7.12 levy,

there is a very real risk that funds may not end up being allocated towards the projects stated and could be used for other Council interests instead.

Conclusion

Urban Taskforce Australia does not support Strathfield Council's proposed section 7.12 levy for the Homebush TOD.

We call on the Council to develop a more modest, more achievable, and more viable approach to funding infrastructure that will not deter development.

Recommendation 1: That Strathfield Council:

- **review the assumptions and costings underpinning its infrastructure requirements for the Homebush TOD;**
- **develop a detailed infrastructure plan that outlines how the levy will be spent on specific projects and the timing of delivery; and**
- **seek to offset many of the costs for required infrastructure through its existing and incoming rate base.**

Recommendation 2: If the Local Infrastructure Contributions Plan proceeds, that the Council defer timing of payments until the issue of the occupation certificate.

Should you wish to discuss any aspect of this submission further, please call our Policy, Planning, and Research Analyst, Paul Waterhouse, on 0411-875-366 or via email paul@urbantaskforce.com.au

Yours sincerely



Stephen Fenn
Acting Chief Executive Officer