Urban Taskforce
AUSTRALIA

25 November, 2026

Mr Nick Tobin
General Manager
Hunters Hill Council
22 Alexandra Street
HUNTERS HILL NSW 2110

Sent to: info@huntershill.nsw.gov.au

Cc: Anthony Roberts MP; Monica Gibson, Deputy Secretary, DPHI

Dear Mr Tobin

Local Infrastructure Contributions Plan

I write in relation to the draft Hunters Hill Section 7.12 Local Infrastructure Contributions Plan 2026, which is currently on public exhibition.

Urban Taskforce Australia is concerned that Council has underestimated the impact that increasing the s.7.12 local infrastructure contributions from 1% to 3% will have on housing projects.

The developer contributions rate is too high

The proposed increase in the S.7.12 levy from 1% of construction cost to 3% represents a massive hike (a hike of 300%) and is significantly above the reasonable cost of the delivery of local infrastructure. The Hunters Hill LGA is an established LGA with established local roads, playgrounds, public open space, community libraries and local facilities.

The Hunters Hill LGA Accord based completed dwellings housing target over five years till June 30, 2029, is only 400 new completed dwellings. To date, the ABS data shows that only 68 have been progressed to construction certificate stage.

Growth in the number of dwellings of this minor scale does not justify this significant increase in fees. It is effectively charging new residents for improvements to the local amenity for existing residents. Urban Taskforce strongly opposes this.

We are also concerned that the 2% mandatory affordable housing contribution rate (a direct tax on new housing supply) that Council has already set, when combined with any increase in the S.7.12 contribution for local infrastructure, will make many projects unfeasible.

According to your own 2024/25 annual report the accumulated developer contributions collected by Hunters Hill Council (p.22 – of the notes to the annual financial statements) was $2.78 million as at 30 June 2025. The Auditor General asserts that this number is actually significantly higher. Nonetheless, with the new Ministerial Direction issued by Planning Minister Scully allowing councils to pool

infrastructure funds, there should be a pause placed on changes to any new fees, taxes or charges applied to housing supply.

Errors in the Assumed cost of Construction in the Hunters Hill LGA

Urban Taskforce asserts that the Report has under-estimated the cost of construction of new residential apartment buildings in the Hunters Hill LGA. While we acknowledge that the report quoted DPHI figures, in the LGA of Hunters Hill, the construction of a new dwelling costs significantly more than the average 2 bedroom apartment cost across Sydney quoted at $639,000.

The higher actual cost of construction in your LGA (arising from larger apartments, higher level appointments etc) will flow through to higher costs associated with each of the related fees, taxes, charges, levies and contributions. The economic analysis associated with this Local Infrastructure Plan needs to be bench marked against the actual cost of construction.

With the state of feasibility in the sector being so tight at present, any new purchaser would have to cover those expenses, plus a significant stamp duty bill, rapidly making new homes unaffordable.

Rethink the works program

Council has attributed a quarter of the predicted cost of its planned infrastructure projects to underpin the new contributions plan. However, given the very low numbers of new dwellings coming into the LGA, Urban Taskforce asserts that the cost being borne by new residents remains significantly high.

To reduce the cost of the program, and to ensure the costs borne by new residents are proportionate (as required by the EP&A Act) Urban Taskforce recommends that Council commission an external review to determine what is necessary based on the increased number of dwellings anticipated, and which projects are simply adding to the amenity of existing residents (and therefore should be funded through Council rates – supports by an application for a special variation if necessary), and which projects are just "nice to have".

If new homes are needed, the non-essential projects should be filtered out from those that are needed to support new development.

Projected increases may not be achievable

The report to Council discussing the proposed levy predicted an increase of 1,800 new dwellings between now and 2036 in Hunters Hill LGA.

That is 180 new homes per year. This number defies the current and forecast market conditions, but we commend Council's support for more housing supply and look forward to seeing that flow through into completed dwellings.

Council's efforts to achieve these targets will be significantly undermined if a 3% local infrastructure contribution rate is introduced.

Conclusion

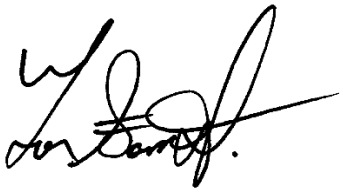
Hunters Hill Council has an opportunity to engage with the development sector to understand what makes projects feasible and how increasing levies will kill new housing.

Urban Taskforce contends that the proposed increase to 3% for local infrastructure contributions is unnecessary and will endanger future projects within the LGA.

We recommend that the current rate of 1% be retained, or, at worst, the proposed revised contribution rate be reduced.

Should you wish to discuss any aspect of this submission further, please contact our Chief Economist, William Hughes on 0418 286 530 or via email at will@urbantaskforce.com.au

Yours sincerely



Tom Forrest
Chief Executive Officer