

Massive Levies of \$83,109 per lot should cause a rethink of Infrastructure Funding

Tuesday, 31 March 2015

The recommendation by IPART that housing lots in Blacktown should fund a levy of \$83,109 per lot should lead to a rethink of how infrastructure is funded, says the Urban Taskforce.

"The NSW Government set a cap of \$30,000 per lot to cover infrastructure costs a few years ago but allowed councils that could demonstrate that more was needed to submit proposals to the Independent Pricing & Regulation Authority (IPART)," says Urban Taskforce CEO, Chris Johnson. "The costs now proposed in the North West Growth Centre are almost three times the cap that was applied. The whole purpose of the cap was to help keep housing costs down for first home buyers and young families but clearly affordability is losing out to the funding of infrastructure."

"The problem here is that massive amounts of new infrastructure are being funded by a relatively small number of house purchasers rather than being distributed across a broader base. The amount approved by IPART of \$83,109 per lot is a 20% increase in the amount set 4 years ago for the same precinct. At this rate the levies will be over \$100,000 in the next 4 years."

"During the recent NSW election there was much discussion about the affordability of housing and the need for government action. The release of the IPART recommendation of \$83,109 infrastructure levy per lot is a wake-up call to the government and industry that we need a fairer way to fund infrastructure so that new housing remains affordable."

"The IPART recommendation goes to the NSW Minister for Planning and the reaction of the Minister will be an interesting signal about how the government intends tackling the spiralling house costs in Sydney."

"The Urban Taskforce is keen to be involved in constructive discussions with the government on ways to fund infrastructure without dramatically increasing the cost of new Greenfield housing."

The Urban Taskforce is a property development industry group, representing Australia's most prominent property developers and equity financiers.

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