

Media Release



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NSW Homebuyers hit with more Charges

The NSW Government's back flip on local council development charges have been criticised by the development industry's peak body, UDIA NSW.

The NSW Government's back flip will increase local council development charges from \$20 000 to \$30 000 per home, adding another \$10 000 to the cost of a home in Sydney growth areas.

The announcement has substantially complicated an already unworkable approvals process by adding broad grandfathering provisions to existing Section 94 Plans and introducing Ministerial and Council discretion on going above the \$30,000 cap.

There are presently 2000 housing lots affected by Councils not processing development applications. The industry is not convinced that the announced changes will take the pressure off developers affected by Councils bans on development approvals.

"Unless the Government has an iron clad agreement from all local Councils to start processing development applications the industry will continue to be in hiatus. Our understanding is that there is no such commitment" said Stephen Albin.

The NSW Government's back flip sends the wrong message to anyone looking to invest in NSW. It will make housing less affordable and undermine growth in the construction and building industries.

"Investors want certainty and transparency – under the changes a developer won't know whether they will be required to pay \$20,000, \$30,000 or an amount to be determined by the Council and approved by the Minister" said Stephen Albin.

UDIA NSW demands that the NSW Government take greater responsibility for funding community infrastructure and delivering affordable housing.

"If this Government is committed to NSW homebuyers it will take concrete action on the financing of local infrastructure. It is completely unrealistic to expect the homebuyer to foot the total bill. While the \$50 million priority infrastructure fund is welcomed, it will have little to no effect on housing affordability" said Stephen Albin.

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