

INFORMATION SHEET

SIC LEVIES ON HOLD

The Special Infrastructure Contribution (SIC) was introduced to fund new regional infrastructure such as the cost of roads, bus depots and open space. It applied to the North West (70,000 dwellings) and South West (110,000 dwellings) Growth Centres of Sydney and is approximately \$11,000 per lot. In December 2008, the former Government reduced it from \$23,000 per lot to \$11,000 until 1st July 2011 when it was to revert to its original amount of \$23,000.

In a bid to kickstart the housing industry, the expected rise in the levy paid by developers will be postponed for a further 6 months pending a review by the new O'Farrell Government. "My message to developers is – the new Government wants them to do business in NSW and reverse Labor's legacy of the lowest housing starts in 50 years," said Planning and Infrastructure Minister, Brad Hazzard.

The review will look at the impact on housing affordability and how the cost of infrastructure is calculated. The review will also examine the decision by the former Keneally Government in mid-January to charge developers \$6,000 to \$9,000 per lot extra in the Hunter and Illawarra regions.

HIA's position:

The deferral of the new home levy gives some reprieve to the housing industry in the interim however, HIA is opposed to the implementation of the State Infrastructure Contribution (SIC). Imposing an additional State levy, which is up to \$23,000 per lot in Sydney's growth areas, further exacerbates the housing affordability crisis that NSW is currently facing. New homebuyers should not be crippled by a State levy to pay for broader state and regional infrastructure which will be used by the whole community. The expansion of the SIC into areas where price sensitivity is critical to the roll-out of development will simply stall development and do nothing to assist with the significant housing shortage that NSW is dealing with.