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FOR IMMEDIATE RELEASE

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HIA Welcomes Rethink on Infrastructure Funding

The news that the NSW Minister for Planning and Infrastructure, Hon Brad Hazzard, will consider alternatives for funding of community infrastructure in new housing developments is welcomed by the Housing Industry Association (HIA).

“A major barrier to achieving sustained and affordable housing supply has been the proliferation of the ‘user pays’ approach to funding physical and social infrastructure,” said HIA Executive Director, NSW, David Bare.

“This approach means that infrastructure is paid for by a small group - the new home buyer - yet is enjoyed by the whole community, including future generations.

Housing affordability and supply has been significantly affected in NSW by the current inequitable model.”

“Broader community, social and regional infrastructure benefits all and the costs should be borne by all. A range of funding sources needs to be considered including a general rate revenue, borrowings, bonds or broad based levies such as those put forward by IPART. It is only fair that if infrastructure benefits the general community then we all share the burden to build it.”

“Rate-capping in NSW is one of the biggest barriers to local government revenue-raising to fund infrastructure facilities for the whole community,” said Mr Bare.

“The removal of rate capping would allow councils to fund community infrastructure through a broad-based approach of increasing general rates across the local government area rather than crippling new homebuyers through the application of significant development levies.”

“HIA has been lobbying the NSW Government to seriously rethink the consequences of inequitable levies to fund community infrastructure that exacerbate the ongoing low levels of building in the state and negatively impact on housing affordability.”

HIA is the leading industry association in the Australian residential building sector, supporting the businesses and interests of builders, contractors, manufacturers, suppliers, building professionals and business partners.

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