



the voice of the industry

FOR IMMEDIATE RELEASE

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Council Raids Home Owners Piggy Bank

Home owners money paid to fund local infrastructure should not be used as a slush fund by local government, says the Housing Industry Association.

“News that levies applied to new home buyers in the Lake Macquarie Council area have been used to ‘prop-up’ other local government spending is extremely concerning,” said HIA Hunter Executive Director, Craig Jennion.

“These development levies are collected for community infrastructure and they add a significant upfront sum to the cost of new homes. This has a direct impact on housing affordability.

“The announcement that some councils may be choosing to borrow from these funds for purposes outside the infrastructure they were collected for may not be legal and must mean councils are collecting more than they need or not spending it on the things they promise would be delivered. Either way it’s not right.

“While some people think these levies are applied to the developer, the truth is they are paid for by new home buyers.

“Last year 957 residential dwelling approvals occurred in Lake Macquarie, that’s 957 home owners that paid for their local infrastructure and are now paying interest on their home loans which included paying for these levies. If Council has taken this action, then the result is that home buyers are now also paying interest on borrowings given to council from funds that are reportedly not being used for up to 20 years.

“The community should be rightfully outraged that a generation of children could exit the family home before the infrastructure they paid for is provided.

“Lake Macquarie City Council needs to detail for the development industry and home owners how this significant loan won’t impact on the cost and the timing of delivering future infrastructure.

“These development levies come at a huge cost to home owners and they deserve to have full value for their dollar with absolute transparency as to how their money is being spent”, concluded Mr Jennion.

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