

Dr Warren Mundy

Presiding Commissioner

Business Regulation Benchmarking:
Role of Local Government as Regulators
Productivity Commission
PO Box 1428
Canberra City ACT 2601

Delivery by email: localgov@pc.gov.au

Dear Dr Mundy,

Re: Role of Local Government and in particular New South Wales

Local Government, and in particular New South Wales under the NSW Planning Act 1979, have been obliged to levy through Section 95 and Section 64 so called infrastructure monies.

This has impacted detrimentally on the economy and on the affordability of home ownership.

By example; Gosford Shire Council charges about \$30,000 up front as S95 and S64 levy. Then it expect the developer to put in another \$100,000 minimum for kerb and guttering, road sealing, electricity, water and sewage etc. This plus the initial cost of the land say \$60,000 and the developers risk margin brings the cost of land anywhere between \$200,000 and \$300,000.

A young couple or low income earners setting out in life will be paying not the \$200K-300K but for a loan over 30 years the total cost will be:
Income \$60,000 Loan Amount \$250,100 @ 6.3% for 30 years Monthly payment \$\$1548.05
Total repayment \$550,000 just for the land. On the basis of that income the total borrowing can only be \$281,100 i.e. only \$30,000 is left over to build the house. (See NAB borrowing power calculator)

Today with all the green building options available, there is no need for infrastructure as envisaged by the Act.

You can build a house using green material such as shown in www.kotocorp.com. Then you use a cheap solar system for lights TV computers etc. Gas bottles for heating and cooking, solar power air water generators for drinking and cooking, and water tanks for washing etc. septic tanks for sewage disposal. Plus a rural landscape with dirt roads slightly modified and there you have it .

Using all the above land should cost no more than \$50,000 and a 100 sq. metre house no more than \$90K-\$150K. All that adds up to affordability and the economy not in the doldrums. What is necessary that we take a step back in history and see how the forefathers did it.

Overall these planning acts mean to do good but they do more harm to the whole of the community

Yours sincerely

Jack Koopman