Situation scan

What's going on?

What’s happened?

- The gap between infrastructure costs and contributions revenue is growing – especially for development enabled through the Transport Oriented Development (TOD) and Low and Mid Rise (LMR) policy reforms and Housing Delivery Authority approvals. Higher-rate s7.12 plans are all the rage!
- Housing and Productivity Contribution (HPC) Works in Kind Guideline and Infrastructure Opportunities Plans (informed by UDP) released – first round of WIK/VPA applications are open until 31 August 2026.
- New affordable housing contributions schemes adopted across NSW, with a regional scheme for five Western Sydney councils currently awaiting DPHI approval. Clear shift from niche inner-city policy to mainstream policy.
- Cumulative impact of State, local and affordable housing contributions and DSP charges on feasibility, at a time where construction costs have increased by around 50% in six years
- NSW falling behind in the race to meet National Housing Accord targets
- Local government feeling the funding squeeze – the cost of providing services and infrastructure continues to escalate.

What else has happened?

- June 2026 – LGNSW launched campaign requesting a $5B infrastructure fund to help deliver local infrastructure earlier, forward-funding $3B of growth infrastructure to be paid-back from the HPC, and update the essential works list to include social infrastructure works.

- Remaining SICs >>>>>>>>>>>>>> HPC on 1 July 2026 – Ministerial Order to come

- DPHI's Local Infrastructure Contributions Practice Notes – biggest change in 20 years.

- IPART released information paper on its assessment processes and Cost Benchmarking tool, along with stakeholder engagement and forums.

- Planning agreements continue to be the infrastructure funding and mechanism policy of choice for large or complex developments.

- CoreLogic became Cotality and CPI now released monthly (for the idexation junkies!)