

O C T 2003

First Home Ownership Inquiry

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To the Readers,

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Whilst the focus of the Submissions to date, has been n 1 rig, and the inflated prices.

I would like to present something totally different.

Rather the situation in many of our very Small Towns across the Nation.

Many of whom are suffering rapidly declining populations, with the consequence of increasing numbers of 'empty houses'. In turn, the value of houses rapidly decline.

Therefore my submission is in relation to extremely low cost housing in our very small towns.

As an example, I would cite my own situation, where I purchased a house for \$10,000 [ten thousand

Though this was in no way the cheapest !

Yet my submission relates to Term of Reference number 5: Mechanisms to assist first home buyers.

After paying a \$4,000 Deposit. I then applied for the \$7,000 first home owners grant, to pay out the remaining \$6,000.

Though I was informed that I must have paid out the entire \$10,000 and have had my name registered on the Land Title before I could receive the \$7,000 Grant.

Whilst taking out a short term Personal Loan was suggested, as a Low Income Earner, with few Assets, this was not possible.

Therefore I was forced to take out a House Loan through Keystart Home Loans.

With the consequent associated Fees.

Essentially what I would like to ask your consideration of , is where the Outstanding Balance for the purchase of a House, including Settlement Fees, is 'less than ' \$7,000.

That an Applicant be able to apply directly to their State Revenue Dept, [which handles FHOG], to crucially, pay out the Grant at that point. [If approved.]

Therefore bypassing the need to take out a Home Loan to cover the current interim 4 to 6 week period required to have an Applicants name registered on the Land Title and then apply for the Grant.

From my analysis, this would not add any additional expense to the Govt, but simply bring the Grant process forward 4 to 6 weeks. Also given that Keystart Home Loans is a Govt Body, which assists people in my situation. This could save some time for Keystart Officers, as they would not have to deal with these Clients. Other than simply to inform these Clients that they can apply directly for their Grant to their State Revenue Dept. So it could potentially reduce overall Govt Administration expenses. Perhaps as an adjunct, Applicants could apply for 'Pre-Approval' of their Grant ?

Whilst this extremely Low Cost Housing situation may seem absurd from the perspective of our Cities, it is in fact a reality in hundreds, if not thousands of very small towns across our Nation. With declining local populations.

Perhaps in a small way, this could help very Small Towns maintain their populations? Also importantly, I would note that when a house sits empty for a while, it's not long before local youths take pleasure in destroying them! To the point that they need to be demolished. Which, given the high cost of building a new house in small towns, is extremely distressing. Not to mention the effect this has on the general atmosphere of a small town, where most streets have some partially destroyed houses. Perhaps this could help turn some local youths from 'house destroyers' into 'house owners'? Where I would also note research that shows that 'home owners' take greater concern for their local community. In conclusion, I would just say, that this simple FHOG change to the "mechanisms to assist first home buyers'. would be very helpful for our very small towns. Better still, it would not cost the Govt anything! As well as save the Buyer some money! Also help sustain our very small towns! I look forward to putting a poster up in town for our local youths, saying: "WHEN YOU SEE AN EMPTY HOUSE IN TOWN, DON'T DESTROY IT, BUY IT INSTEAD!" Geoff Dobson. WA.