

Reference: T50.0213 OUT2003/3107E0AC

Enquiries: Kevin Scully

28 October 2003

Productivity Commission
LB2, Collins Street East
Melbourne, Victoria 8003

Dear Sir / Madam

Re: Inquiry on First Home Ownership

Council welcomes this Inquiry and appreciates the opportunity to provide these brief comments for the consideration of the Commission.

In recent years Wodonga has experienced the highest growth rate in regional Victoria, which has seen a sharp rise in demand for land. As welcome as this has been, it has also presented its own challenges for Council as it plans the development of the city.

The booming Wodonga economy has seen an escalation in land and house prices, impacting upon housing affordability. Therefore, Council is in agreement of the need to institute a wide-ranging series of public policy strategies aimed at improving affordability for first home buyers.

However, in terms of the national debate and an assessment of appropriate strategies, one of the key determinants for affordability is the choice of where to live. It has been to the detriment of Australia that we have allowed development to concentrate upon the capital cities and eastern seaboard.

Regional development policy has a key role to play in reducing the pressure on metropolitan house prices. It is as fundamental to housing affordability as issues such as taxes, levies, and planning processes are. An effective regional development strategy will improve affordability without impacting upon the value of the current stock of housing.

Council asks that the Commission incorporate regional development policy as a part of its recommendations on first home ownership affordability.

Yours sincerely

David Roff
Acting Chief Executive Officer