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Joanne Smith

10 February 2004

Inquiry into First Home Ownership
Productivity Commission
LB2 Collins Street East
MELBOURNE VIC 8003

Dear Sir/Madam,

SUBMISSION TO INQUIRY INTO FIRST HOME OWNERSHIP

Cabonne Council welcomes the opportunity to make a further submission to the Inquiry into First Home Ownership and wishes to make comment as outlined below.

Affordability

While housing finance may have become more accessible in regional and metropolitan centres, it does not appear to be the case in smaller villages and rural areas due to the deposit requirements as outlined in Council's previous submission to your Inquiry.

Supply

In Council's experience, a reluctance of potential developers to invest in smaller scale developments has been evident. It is possible that this could be addressed through the availability of public funding to encourage potential developers to consider investing in smaller villages and rural areas. Opening up land in these areas may assist in reducing demand and therefore prices of land in the larger regional areas.

Again, it has been Council's experience that the demand for suitably qualified and skilled tradespeople outweighs supply which can lead to lengthy delays in construction.

Further, lead times for the planning and installation of essential services such as electricity are reported to be excessive.

With respect to the planning processes, Council would like to make the following comments:

- In rural areas, land tenure can be an issue;
- Onerous legislative requirements can cause delays in the processing of Development Applications;
- The change in State Government policy to full cost recovery for services has impacted on the willingness and ability of developers to invest in villages and rural areas, particularly with the physical infrastructure requirements;

If you wish to discuss this matter further, please contact Council's Administration Manager, Ms Joanne Smith on 63 923200.

Thankyou for providing Cabonne Council with an opportunity to make a submission.

Yours faithfully

S.J. Harding
Director of Finance and Corporate Services