

Sent: 16 March 2004 3:48 PM

To: housing@pc.gov.au

Subject: First Home Affordability

Dear Sirs and Mesdames

A report by the Business Council of Australia ("Aspire Australia 2025", March 15, 2004) provides some observations that should be relevant in the Productivity Commission's inquiry.

The report says, among many other things, "In Canberra, politicians continue to extol the virtues of their policies. But behind a façade of prosperity, the country's problems are building. Not enough is being spent on key economic infrastructure and services, especially energy, telecommunications, transport and housing (my emphasis)... The lack of investment in low cost housing and public transport weakens the economic efficiency, equity and environmental health of our cities".

The Productivity Commission (PC) states that "the basic requirement that all members of the community have access to affordable housing means that distributional issues loom large in policy formulation". But the Business Council of Australia suggests that this basic requirement is not being met and, indeed, that policy is not currently addressing this requirement.

Moreover, the Business Council has stated that a "breakdown in trust between people and institutions undermines Australia's capacity to grow". The PC should ensure that its final report recommends policies that meet the PC's own standards and are not compromised or censured by the Federal Government.

Yours sincerely

Nigel Fitzpatrick