

Government curbs sought to cut building costs

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The subsidy has not diminished; it has been boosted by compensation for the devaluation of sterling. And the number of farmers that could be classed as marginal has more than doubled.

Not only did the Federal Government shelve the dairy industry report, but the Victorian Government among others continued their lunatic schemes of turning more virgin bushland into uneconomic farms.

In 1967 the Federal Government offered to provide up to \$25 million over four years to help low-income dairy farmers leave the industry, to make existing holdings more profitable by increasing their size, and to encourage farmers to diversify away from butterfat production.

Owing to the inevitable obstructions of some of the State and section of the dairy industry, this scheme is still not fully under way.

Much of the credit for this plan, as well as for the wider rural reconstruction scheme, belongs to the new Federal Country Party leader and Minister for Trade (Mr. Anthony).

He is one of the few rural politicians in this country who has the wit, honesty and courage to acknowledge the fundamental weaknesses of Australian agriculture and to advocate measures which, though they fall far short of what is necessary, are more than palliatives pliffed out of the public purse.

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For example, last October the average price from a land auction at Mt. Waverley was \$520, at Templestowe \$4700, at Ringwood \$4285 and at Rosanna (the golf links estate) \$7100. At Cheltenham the following month the average bid was \$5534.

Prices can be lower, of course, but—unlike Canberra—you may have to do without some important services, including sewerage.

What happens in the A.C.T. is that the NCDC, by careful planning and judgment, supervises subdivision and servicing and "feeds" blocks into the auction market — there were 2238 put under the hammer in 1969-70—to meet, but not exceed, demand.

The cost of development is at least covered by the reserve prices put on residential blocks, and profit — it was more than \$3 million in the January sales, mostly from business sale of leases—is paid into consolidated revenue.

In its last annual report the NCDC noted: "A statement which is commonly made in Australian cities is that the cost of building land is increasing so rapidly that potential home owners are either forced from the market or forced to allocate larger and larger proportions of their total housing funds for the house and land, to buy the land."

"In Canberra, experience is that the price of new building land can be controlled by supply and by avoiding large numbers of vacant blocks being brought on to the market out of the general sequence of development."

"The Canberra land market operates in a comparatively stable way, with a vacant land supply of only about 12 months' stock released to the market and another six months' stock of blocks in production at any time."

"This would appear to be one of the benefits of the particular combination of public land ownership, the leasehold system and the degree of development co-ordination made possible by a single planning and development authority."

by Mr. Whitlam is a moot point. It would certainly be anathema to the private developers.

And Mr. Whitlam has never split out how much his Government would be prepared to give the State planning authorities for land acquisition and subdivision, or what he regards as "just" compensation to the dispossessed land owners.

Ironically, the basic model for the Opposition's urban renais- sance is Canberra and its principal planning body—the National Capital Development Commission (NCDC).

Canberra's record in residential land sales has been remarkable over the past decade. Not only has the price of land remained within reach of most home-builders, but in the category most readily comparable with sales in the State capitals the average price has fallen.

THE key to this story is Government control. All land in Canberra is leased from the Crown — normally for 99 years with the option of automatic renewal.

There are two types of land auction in the A.C.T. The first is "restricted" — that is, open only to bidders who have not held a residential lease in Can-

berra at any time since June, 1962.

The average sale price of restricted suburban blocks — all fully serviced — is about \$900. It ranges as low as \$600 or as high as \$1200, depending on location.

The second category is known as "unrestricted" auction and is open to all bidders, including speculative home builders.

The NCDC says the freehold equivalent average price of new land sold at unrestricted auction has been: 1962-63, \$4517; 1963-64, \$4114; 1964-65, \$4856; 1965-66, \$3434; 1966-67, \$2442; 1967-68, \$3746; 1968-69, \$4163; 1969-70, \$3720.

In the May, 1970, auction, it fell to \$3093. In the March sales this year — following abolition of land rent and introduction of reserve prices — the average bids for three days were \$4018, \$4123 and \$2886.

There are no easily obtainable figures on average prices for residential land in the States. The Federal Housing Department has begun a comprehensive survey of land costs in all capitals, but this may take up to two years.

However, there is no doubt that in Melbourne, at least, the cost of suburban land comparable to Canberra's is—in fact—substantially higher.

City land boom out of control

From MICHAEL RICHARDSON, in Canberra

home buying and building costs in developing suburbs.

He claims the price of every house built in Australia is artificially and needlessly inflated by the extra costs which non-Labor Governments have imposed — or failed to halt — in land prices, interest rates and construction costs.

"Land prices are artificially high in Australia because we are one of the few urban countries in which public participation in land development is almost unknown."

"A Labor Government will make grants to the States to acquire substantial areas of residential land on just terms and to subdivide, service and sell it at cost."

He also favors creation of new cities to stem the octopus sprawl of the metropolitan areas.

This manifesto is undoubtedly an important part of the Opposition's appeal to the 80 per cent. of the population living in cities and large towns.

Labor strategists believe the Federal Liberal-Country Party Government is at its most vulnerable on "hip-pocket" issues like land costs in the States.

Whether non-Labor State Governments wedded to the ideology of "free enterprise" would welcome the sort of Commonwealth "co-operation" proposed

ON Sunday night and again on Monday the president of the Royal Australian Institute of Architects (Mr. Ronald Gilling) outlined a solution for halting the accelerating upward spiral of residential land costs in the capital cities, particularly Sydney and Melbourne.

Speaking on the ABC's national radio programme *Guest of Honor*, he said Governments should act as developers by buying essential land around the cities.

"If a handful of developers can raise the money then I see no reason why Governments cannot form trusts and get money from the same sources."

"We will build in Australia during the next 30 years more buildings than have been built since Governor Phillip landed. This is a frightening thought, made worse by the fact that development will go on uncontrolled and unplanned unless we immediately do something about it."

The Federal Opposition Leader (Mr. Whitlam) has a similar recipe for preventing large-scale private speculation in land — a major cause of the explosion in

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The Israelis have already written the Arabs on Washington it is the turn for the Egyptians of independence in their dealing President Podgorny, who is both an errand boy for the Krem Caib on "unofficial business".

Sett because his party includes Foreign Minister (Mr. Grom Deputy Defence Minister (Gene From the size and stature of delegation it appears that problems to be solved within Ca20 axis.

The official voice of Cairo to announce that the purge of Ministers and civil servants do

Moscow shows not