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CHAPTER TWENTY

HOUSING AND CONSTRUCTION

HOUSING

AN HISTORICAL PERSPECTIVE

To own one's own home has long been the ultimate goal of most Australians.

While home ownership has obvious benefits for the owner, it is also beneficial to the government. Governments see an adequately housed population as being more politically and economically stable, healthy and productive. Additionally, a healthy housing construction industry provides substantial employment both within the industry and in associated sectors of the economy—notably in banking, the real estate industry and manufacturing. It is no accident that Australia has the highest rate of private home ownership per head of population in the world. This has come about as a result of a variety of government initiatives and policies since Federation.

The need for housing and construction statistics has developed with these initiatives to the point where Australia's statistics are quite comprehensive. Of course, user requirements change with government policy changes, and more and different data will always need to be developed.

An historical perspective of Australia's housing statistics is presented below. More detailed current statistics are shown later in this chapter.

New dwelling statistics

These statistics were first collected in 1946–47 to provide data on expenditure on dwellings for inclusion in the Bureau's quarterly national accounts. This survey was one of several commenced around that period as the national accounts statistical system was developed.

The following tables and graphics provide an historical national perspective on the number of dwelling units approved from 1954–55 to 1986–87 together with dwelling commencements and completions from 1946–47 to 1986–87.

More detailed current data appear later in this chapter.

NUMBER OF NEW DWELLING UNITS, AUSTRALIA

Year	Approved			Commenced(a)(b)			Completed(a)(b)		
	Private	Public	Total	Private	Public	Total	Private	Public	Total
1946–47	n.a.	n.a.	n.a.	n.a.	n.a.	48,300	n.a.	n.a.	32,926
1947–48	n.a.	n.a.	n.a.	n.a.	n.a.	54,614	n.a.	n.a.	44,271
1948–49	n.a.	n.a.	n.a.	n.a.	n.a.	60,055	n.a.	n.a.	52,684
1949–50	n.a.	n.a.	n.a.	n.a.	n.a.	68,302	n.a.	n.a.	56,987
1950–51	n.a.	n.a.	n.a.	n.a.	n.a.	(c)83,914	n.a.	n.a.	(c)69,297
1951–52	n.a.	n.a.	n.a.	n.a.	n.a.	80,922	n.a.	n.a.	80,119
1952–53	n.a.	n.a.	n.a.	n.a.	n.a.	64,609	n.a.	n.a.	80,208
1953–54	n.a.	n.a.	n.a.	n.a.	n.a.	(c)76,877	n.a.	n.a.	(c)77,578
1954–55	67,465	18,752	86,217	n.a.	n.a.	77,237	n.a.	n.a.	82,110
1955–56	63,222	12,559	75,781	57,467	15,153	72,620	61,027	17,477	78,504
1956–57	62,273	13,459	75,732	55,374	14,083	69,457	55,266	13,170	68,436
1957–58	70,152	14,175	84,327	60,422	12,925	73,347	60,583	14,002	74,585
1958–59	75,694	14,275	89,969	66,859	14,828	81,687	69,744	14,414	84,158
1959–60	91,040	12,797	103,837	77,586	13,758	91,344	75,987	14,034	90,021
1960–61	77,354	16,262	93,616	74,740	14,149	88,889	80,642	13,823	94,465
1961–62	70,630	14,161	84,791	67,277	15,193	82,470	69,982	16,281	86,263
1962–63	79,474	14,915	94,389	73,578	14,691	88,269	73,543	14,204	87,747
1963–64	97,525	18,899	116,424	90,264	17,316	107,580	81,670	15,063	96,733
1964–65	105,285	17,506	122,791	97,534	19,175	116,709	95,477	17,174	112,651
1965–66	95,594	14,590	110,184	91,798	15,406	107,204	95,034	17,732	112,766

NUMBER OF NEW DWELLING UNITS, AUSTRALIA—continued

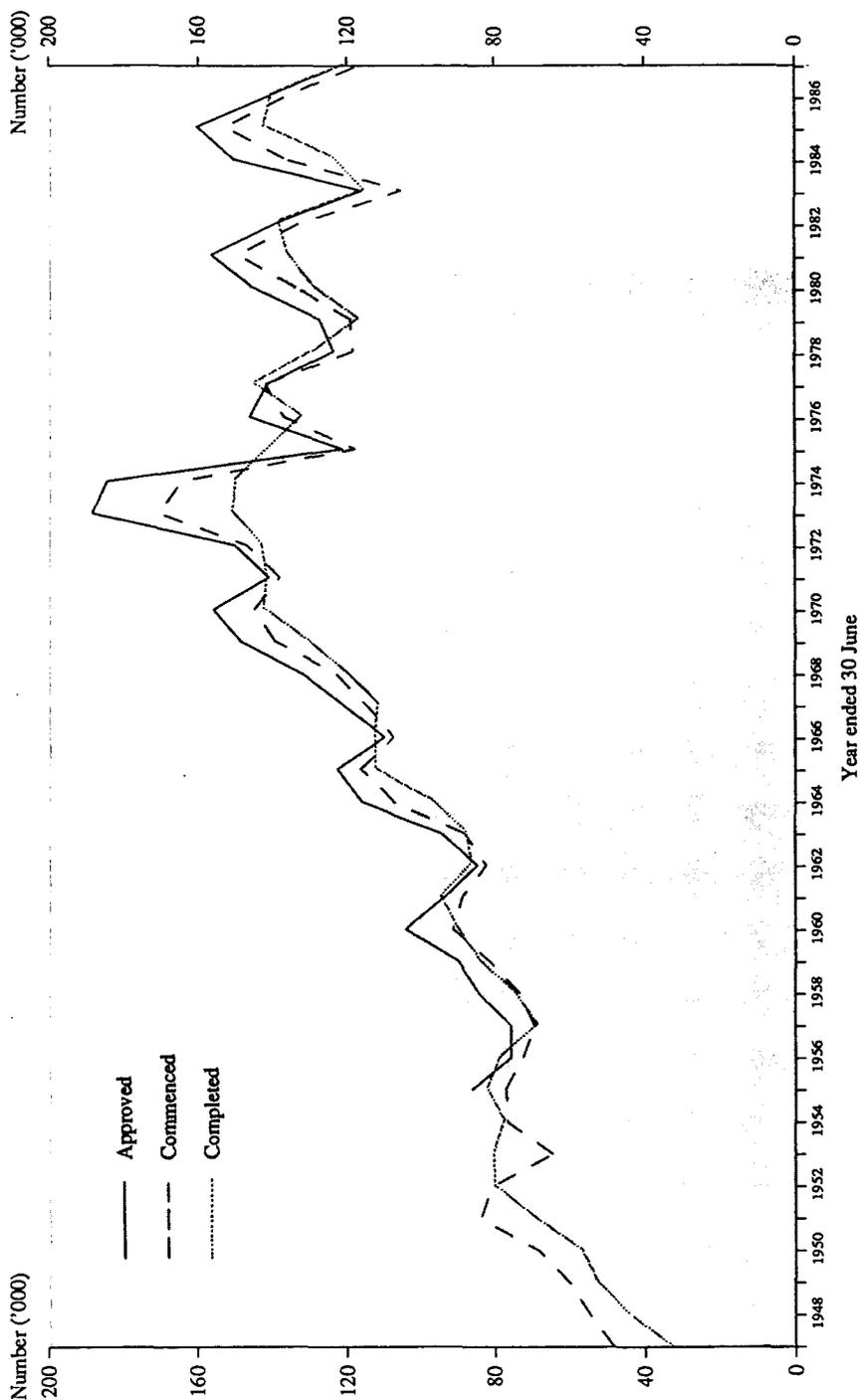
Year	Approved			Commenced(a) (b)			Completed(a) (b)		
	Private	Public	Total	Private	Public	Total	Private	Public	Total
1966-67	104,159	16,778	120,937	98,109	17,007	115,116	95,844	16,048	111,892
1967-68	118,848	13,280	132,128	108,612	14,505	123,117	104,589	15,581	120,170
1968-69	131,727	16,734	148,461	123,766	15,536	139,302	115,962	14,725	130,687
1969-70	138,063	17,868	155,931	127,199	17,780	144,979	125,933	16,279	142,212
1970-71	122,346	18,680	141,026	119,751	18,452	138,203	123,463	17,940	141,403
1971-72	136,673	13,573	150,246	131,945	15,085	147,030	125,308	17,446	142,754
1972-73	171,574	16,810	188,384	155,385	15,126	170,511	136,812	13,798	150,610
1973-74	169,615	14,769	184,384	150,134	14,288	164,422	138,612	11,416	150,028
1974-75	101,547	19,776	121,323	(c)99,103	(c)19,006	(c)118,109	(c)125,680	(c)15,415	(c)141,095
1975-76	134,205	11,908	146,113	123,766	13,292	137,058	112,300	19,726	132,026
1976-77	127,300	14,074	141,374	126,429	15,288	141,717	129,568	15,220	144,788
1977-78	110,823	12,949	123,772	105,496	13,200	118,696	114,337	14,599	128,936
1978-79	117,822	9,611	127,433	109,736	9,527	119,263	105,600	11,534	117,134
1979-80	134,720	10,435	145,155	(c)123,289	(c)10,566	(c)133,855	(c)119,096	(c)10,174	(c)129,270
1980-81	147,529	8,972	156,501	(c)139,800	(c)9,360	(c)149,160	(c)125,480	(c)10,393	(c)135,880
1981-82	130,498	8,006	138,504	123,840	8,425	132,270	128,970	9,332	138,310
1982-83	102,778	13,591	116,369	92,340	12,678	105,020	104,760	10,900	115,660
1983-84	134,888	15,859	150,747	122,180	14,862	137,040	110,710	13,064	123,770
1984-85	144,645	15,814	160,459	137,850	14,868	152,720	129,110	13,253	142,370
1985-86	126,017	14,638	140,655	122,500	13,300	135,800	126,540	13,931	140,480
1986-87	108,611	12,169	120,780	103,170	12,914	116,090	106,140	13,543	119,690

(a) Prior to July 1954 figures are partly estimated and exclude the Northern Territory. (b) From the September quarter 1980, figures for the number of new dwelling units have been rounded to the nearest ten units. (c) Break in series.

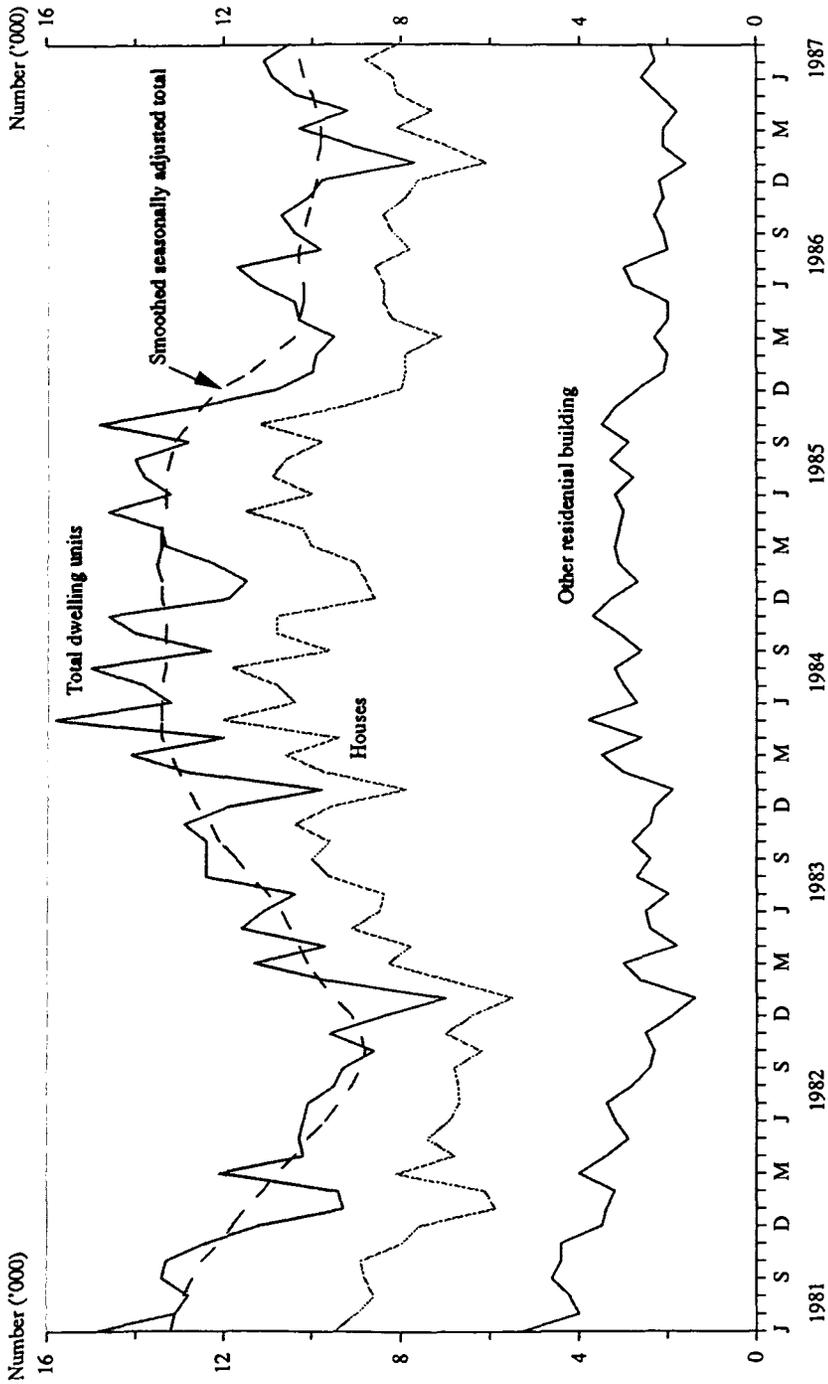
NUMBER OF NEW RESIDENTIAL BUILDING APPROVED, AUSTRALIA

Year	Houses			Other residential			Total		
	Private sector	Public sector	Total	Private sector	Public sector	Total	Private sector	Public sector	Total
1954-55	65,626	16,914	82,540	1,839	1,838	3,677	67,465	18,752	86,217
1955-56	61,287	11,547	72,834	1,935	1,012	2,947	63,222	12,559	75,781
1956-57	59,333	12,198	71,531	2,940	1,261	4,201	62,273	13,459	75,732
1957-58	65,455	13,314	78,769	4,697	861	5,558	70,152	14,175	84,327
1958-59	68,713	11,817	80,530	6,981	2,458	9,439	75,694	14,275	89,969
1959-60	74,964	11,235	86,199	16,076	1,562	17,638	91,040	12,797	103,837
1960-61	62,371	14,453	76,824	14,983	1,809	16,792	77,354	16,262	93,616
1961-62	61,741	11,828	73,569	8,889	2,333	11,222	70,630	14,161	84,791
1962-63	66,849	12,825	79,674	12,625	2,090	14,715	79,474	14,915	94,389
1963-64	73,461	16,634	90,095	24,064	2,265	26,329	97,525	18,899	116,424
1964-65	71,510	14,358	85,868	33,775	3,148	36,923	105,285	17,506	122,791
1965-66	67,892	12,685	80,577	27,702	1,905	29,607	95,594	14,590	110,184
1966-67	71,736	13,661	85,397	32,423	3,117	35,540	104,159	16,778	120,937
1967-68	78,287	10,700	88,987	40,561	2,580	43,141	118,848	13,280	132,128
1968-69	85,837	13,830	99,667	45,890	2,904	48,794	131,727	16,734	148,461
1969-70	87,978	13,670	101,648	50,085	4,198	54,283	138,063	17,868	155,931
1970-71	85,336	14,818	100,154	37,010	3,862	40,872	122,346	18,680	141,026
1971-72	95,776	10,494	106,270	40,897	3,079	43,976	136,673	13,573	150,246
1972-73	121,384	13,119	134,503	50,190	3,691	53,881	171,574	16,810	188,384
1973-74	112,964	11,360	124,324	56,651	3,409	60,060	169,615	14,769	184,384
1974-75	72,940	14,616	87,556	28,607	5,160	33,767	101,547	19,776	121,323
1975-76	105,629	9,218	114,847	28,576	2,690	31,266	134,205	11,908	146,113
1976-77	99,625	9,804	109,429	27,675	4,270	31,945	127,300	14,074	141,374
1977-78	90,753	7,758	98,511	20,070	5,191	25,261	110,823	12,949	123,772
1978-79	95,336	5,505	100,841	22,486	4,106	26,592	117,822	9,611	127,433
1979-80	104,044	5,995	110,039	30,676	4,440	35,116	134,720	10,435	145,155
1980-81	105,384	5,021	110,405	42,145	3,951	46,096	147,529	8,972	156,501
1981-82	87,874	4,729	92,603	42,624	3,277	45,901	130,498	8,006	138,504
1982-83	78,956	7,764	86,720	23,822	5,827	29,649	102,778	13,591	116,369
1983-84	109,225	8,927	118,152	25,663	6,932	32,595	134,888	15,859	150,747
1984-85	113,519	9,000	122,519	31,126	6,814	37,940	144,645	15,814	160,459
1985-86	101,010	7,309	108,319	25,007	7,329	32,336	126,017	14,638	140,655
1986-87	88,414	5,421	93,835	20,197	6,748	26,945	108,611	12,169	120,780

NUMBER OF NEW DWELLING UNITS, AUSTRALIA



**NUMBER OF DWELLING UNITS APPROVED IN NEW RESIDENTIAL BUILDINGS,
AUSTRALIA, MONTHS**



NUMBER OF DWELLING UNITS APPROVED, STATES AND AUSTRALIA

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	A.C.T.	Aust.
1954-55	29,883	24,157	10,057	9,017	9,004	2,810	326	963	86,217
1955-56	25,527	22,577	9,703	8,132	6,221	2,666	288	667	75,781
1956-57	27,710	21,127	9,898	7,011	6,295	2,744	164	783	75,732
1957-58	30,061	24,099	10,887	9,353	5,789	2,544	321	1,273	84,327
1958-59	35,143	24,791	11,423	8,491	5,461	2,625	374	1,661	89,969
1959-60	41,811	29,065	12,472	9,328	6,447	2,732	440	1,542	103,837
1960-61	36,701	23,588	11,913	10,702	6,118	2,425	390	1,779	93,616
1961-62	32,640	21,405	10,752	8,536	6,883	2,644	471	1,460	84,791
1962-63	34,700	26,022	10,428	10,776	7,466	2,644	423	1,930	94,389
1963-64	43,484	32,042	12,583	13,744	9,277	2,813	612	1,869	116,424
1964-65	46,914	32,908	14,873	12,334	9,365	2,921	939	2,537	122,791
1965-66	39,249	29,468	15,754	10,935	9,202	2,646	749	2,181	110,184
1966-67	42,323	34,608	16,921	8,482	11,447	3,445	900	2,811	120,937
1967-68	47,409	38,500	16,311	7,719	15,119	3,734	1,336	2,000	132,128
1968-69	54,558	38,399	16,787	10,377	20,671	3,132	1,340	3,197	148,461
1969-70	54,959	40,369	17,920	12,506	20,637	3,436	2,534	3,570	155,931
1970-71	49,773	34,350	20,819	13,914	13,718	3,191	1,370	3,891	141,026
1971-72	49,456	38,721	25,850	13,025	14,060	3,393	1,571	4,170	150,246
1972-73	61,103	50,002	33,949	14,760	18,141	3,826	1,412	5,191	188,384
1973-74	62,081	45,490	32,052	16,757	16,830	4,230	2,032	4,912	184,384
1974-75	38,125	30,611	18,109	12,680	12,802	3,322	1,521	4,153	121,323
1975-76	32,133	39,398	24,609	16,815	21,387	4,436	2,793	4,542	146,113
1976-77	36,798	36,626	25,673	14,392	19,062	4,402	1,579	2,842	141,374
1977-78	37,735	28,551	24,982	9,533	15,899	3,689	1,338	2,045	123,772
1978-79	41,927	26,642	28,281	8,144	15,428	3,644	1,330	2,037	127,433
1979-80	55,311	26,823	31,268	8,614	16,630	3,319	1,693	1,684	145,342
1980-81	58,216	27,335	39,049	7,754	16,386	3,200	2,072	2,489	156,501
1981-82	44,781	24,863	38,138	8,123	15,652	2,730	2,047	2,170	138,504
1982-83	33,290	28,582	27,143	8,789	11,842	2,727	2,210	1,786	116,369
1983-84	40,911	36,727	33,535	13,490	17,195	3,687	2,726	2,476	150,747
1984-85	42,451	40,997	31,788	15,053	19,279	4,370	2,889	3,632	160,459
1985-86	37,224	37,533	26,696	10,940	18,559	4,108	1,793	3,802	140,655
1986-87	31,781	33,056	22,498	9,119	16,945	3,638	1,401	2,342	120,780

Census dwellings

At each census of the population, in addition to the questions relating to personal particulars, there have been a number of questions relating to dwellings. A 'dwelling' is defined as any habitation occupied by a household group living together as a domestic unit, whether comprising the whole or only part of a building, and includes, in addition to houses and self-contained flats, a great variety of dwellings ranging from a single-roomed shack to a multi-roomed hotel or institution. This section contains particulars of such information on dwellings as is available from the 1986 Census, together with information from earlier censuses.

Extensive information on dwellings obtained from censuses is available in the detailed tables of the publications issued for each individual census. A list of the 1986 Census publications is shown in the *ABS Catalogue of Publications, Australia* (1101.0). The most relevant 1986 Census publication is *Census 86—Summary Characteristics of Persons and Dwellings* (2479.0-2487.0). More detailed dwellings information is available on microfiche. Tables are listed in the *Catalogue of 1986 Census Tables* (2175.0).

Number of dwellings

The following table shows the number of occupied and unoccupied dwellings in Australia at each census from 1954 to 1986. Occupied dwellings are classified into 'private', 'caravans, etc. in caravan parks' and 'non-private' dwellings.

Private dwellings were classified by the census collector for the 1986 Census; collectors allocated each dwelling to one of the following categories:

- Separate house*
- Semi-detached house*
- Row or terrace house*
- Medium density housing*
- Flat, unit in building, over three storeys*
- Caravan, tent, cabin, etc. in caravan park*
- Caravan not in caravan park, houseboat, etc.*
- Improvised home*
- House or flat attached to a shop, office, etc.*

Caravans, etc. in caravan parks were treated as separate households in the 1986 Census. Previously, each caravan park was treated as a non-private dwelling.

Non-private dwellings include hotels, motels, boarding houses and hostels, educational, religious and charitable institutions, hospitals, defence and penal establishments, staff barracks and quarters, etc.

An unoccupied dwelling is defined as a structure built specifically for private living purposes and which is habitable though unoccupied at the time of the census. The total number of unoccupied dwellings shown for any area does not represent the number of vacant dwellings available for sale or renting.

DWELLINGS (a): AUSTRALIA: CENSUS YEARS

Census	Occupied			Total	Unoccupied
	Private	Caravans in caravan parks (b)	Non-private (b)		
1961 . . .	2,781,945	n.a.	35,325	2,817,270	194,114
1966 . . .	3,155,340	n.a.	33,917	3,189,257	263,873
1971 . . .	3,670,553	n.a.	24,006	3,694,559	339,057
1976 . . .	4,140,521	n.a.	21,543	4,162,064	431,200
1981 . . .	4,668,909	n.a.	22,516	4,691,425	469,742
1986 . . .	5,264,516	77,094	21,055	(c)5,285,571	543,539

(a) Excludes dwellings occupied solely by Aborigines before 1966. (b) Prior to the 1986 Census, caravan parks were classified as non-private dwellings. Therefore, 1986 Census non-private dwelling counts are not comparable with previous censuses. (c) Excludes caravans, etc. in caravan parks.

The total number of occupied and unoccupied dwellings in each State and Territory at the Censuses of 1981 and 1986 were as follows:

DWELLINGS, BY STATE: CENSUS YEARS

State or Territory	Census 30 June 1981		Census 30 June 1986	
	Occupied(a)	Unoccupied	Occupied(a)(b)	Unoccupied
New South Wales	1,669,594	153,251	1,839,308	174,467
Victoria	1,243,451	124,522	1,360,594	143,264
Queensland	703,964	83,366	865,432	94,714
South Australia	433,841	42,407	477,618	48,546
Western Australia	405,997	42,100	469,511	53,851
Tasmania	136,269	17,765	150,142	19,470
Northern Territory	29,563	2,368	43,235	3,639
Australian Capital Territory	68,740	3,963	79,731	5,588
Australia	4,691,419	469,742	5,285,571	543,539

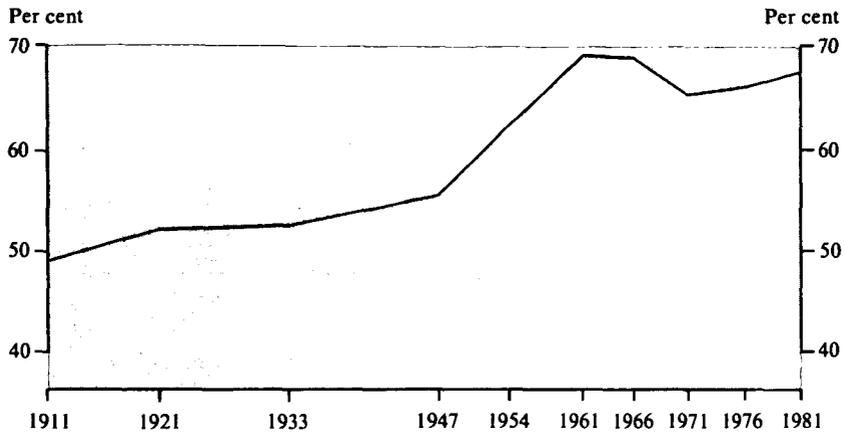
(a) Includes non-private dwellings. (b) Excludes caravans, etc. in caravan parks.

Commonwealth and State Government housing assistance

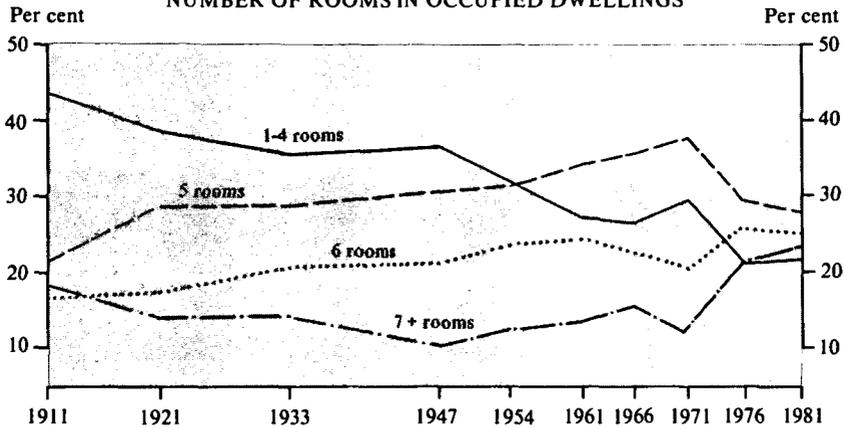
One of the Commonwealth's major objectives is to ensure that every Australian has adequate and appropriate accommodation at a price within his or her means. A range of assistance programs has been developed to target assistance to households in the owner-occupied, public

DWELLING STATISTICS AT CENSUSES

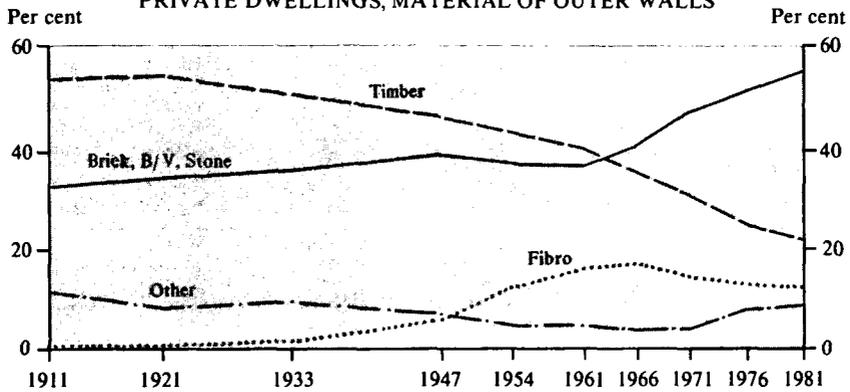
OCCUPIED PRIVATE DWELLINGS OWNED OR BEING PURCHASED



NUMBER OF ROOMS IN OCCUPIED DWELLINGS

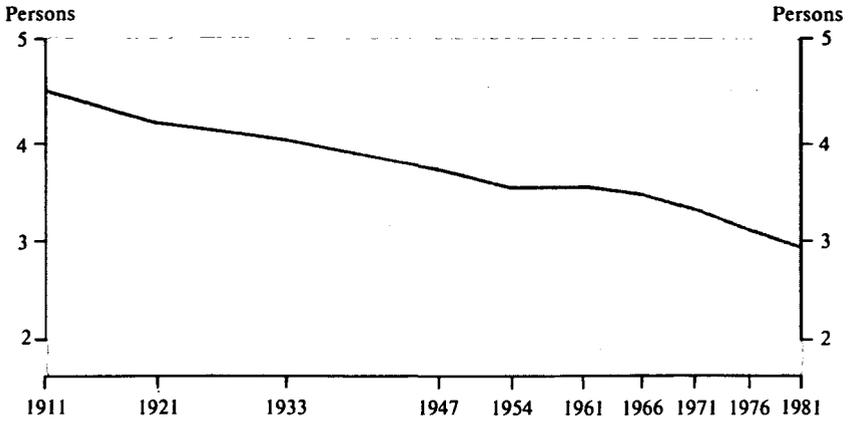


PRIVATE DWELLINGS, MATERIAL OF OUTER WALLS

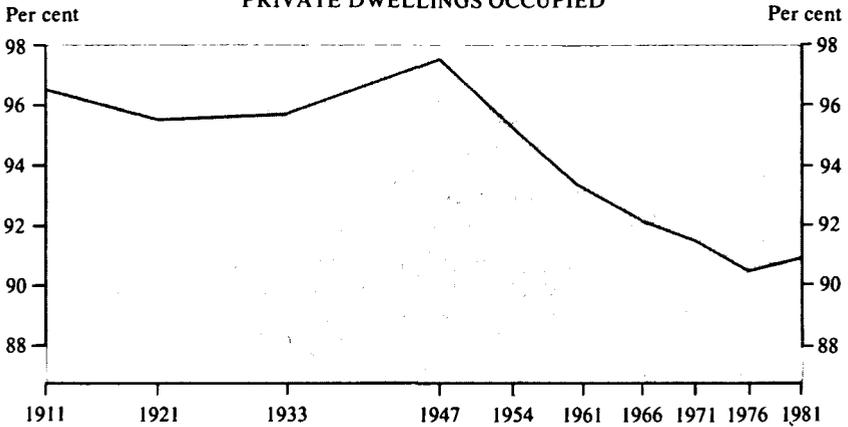


DWELLING STATISTICS AT CENSUSES

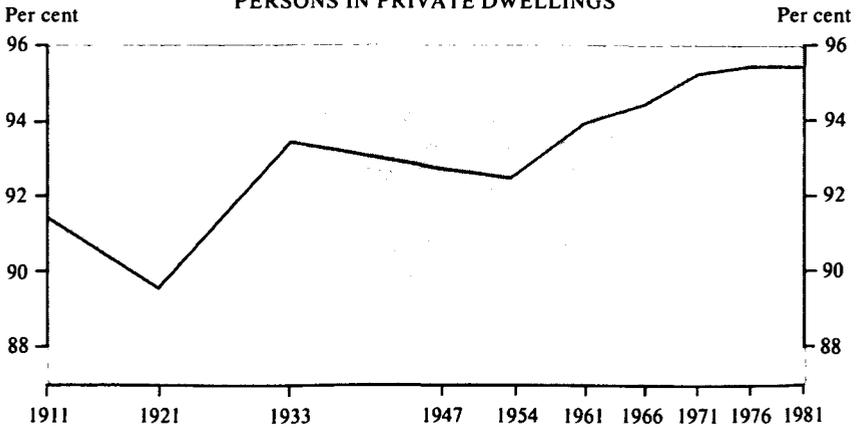
NUMBER OF PERSONS PER OCCUPIED PRIVATE DWELLING



PRIVATE DWELLINGS OCCUPIED



PERSONS IN PRIVATE DWELLINGS



housing and private rental housing sectors. The Government provides funds for public housing, supported accommodation services, crises accommodation, mortgage and rent relief, home purchase loans and home purchase subsidies to individuals and families.

The bulk of Commonwealth financial assistance for housing is provided through the First Home Owners Scheme (FHOS) and the Commonwealth-State Housing Agreement (CSHA).

First Home Owners Scheme

The First Home Owners Scheme was introduced on 1 October 1983. Applications for assistance under the *First Home Owners Act 1983* may be made by persons who contract to buy or build or who commence constructing their first home in Australia on or after 1 October 1983. There is no restriction on the marital status or age of the applicant. The home must be intended as the applicants' principal place of residence. At least one applicant must be an Australian citizen or must have the right to reside here permanently. Applicants cannot have owned a home in Australia previously, received assistance under the First Home Owners Scheme, or a grant under the Home Savings Grant Scheme or Home Deposit Assistance Scheme.

The income limits for a home acquired after 31 March 1987 are shown below.

INCOME LIMITS

(\$)

	<i>Lower</i>	<i>Upper</i>
Sole or joint applicants with two or more dependent children	26,000	34,000
Sole or joint applicants with one dependent child	25,000	33,000
Joint applicants without dependent children	23,000	31,000
Sole applicants without dependent children	11,500	15,500

The amount of assistance payable relates directly to the amount of taxable income of all the applicants. The income to be tested is, generally, the taxable income for the year before home acquisition. In certain circumstances income for the current financial year may be tested. New arrivals will be tested against income in the first full year as a taxpayer.

MAXIMUM ASSISTANCE AVAILABLE AND OPTIONS FOR HOMES ACQUIRED FROM 1 OCTOBER 1983 TO 16 APRIL 1985

<i>Benefit options</i>	<i>No dependants</i>	<i>One dependant</i>	<i>Two or more dependants</i>
Option 1—	\$	\$	\$
Subsidy only	5,000	6,500	7,000
Option 2—			
Subsidy	3,000	4,500	4,500
Lump Sum	1,500	1,500	2,000
Option 3—			
Subsidy	1,750	2,750	2,750
Lump Sum	2,500	3,000	3,500

MAXIMUM ASSISTANCE AVAILABLE AND OPTIONS FOR HOMES ACQUIRED SINCE 17 APRIL 1985

<i>Benefit options</i>	<i>No dependants</i>	<i>One dependant</i>	<i>Two or more dependants</i>
Option 1—	\$	\$	\$
Subsidy only	4,000	5,500	6,000
Option 2—			
Subsidy	2,300	3,800	3,800
Lump Sum	1,200	1,200	1,700
Option 3—			
Subsidy	1,250	2,250	2,250
Lump Sum	2,000	2,500	3,000

The subsidy is paid monthly, generally over five years, into a financial institution loan account. The lump sum is paid with the first monthly payment or, where requested, by early direct payment for deposit assistance or for settlement.

During the five year subsidy period the home must continue to be the applicant's principal place of residence. The subsidy will cease upon the sale of the home, but may recommence if a subsequent home is acquired within 12 months of the sale of the first home.

The following table sets out the operations of the scheme from 1 July 1986 to 30 June 1987.

FIRST HOME OWNERS SCHEME: OPERATIONS 1986-87

State	Number of applications		Amount of benefit approval (\$'000)	Amount of benefit paid (\$'000)
	Received	Approved		
New South Wales	12,655	10,813	42,573	51,785
Victoria	12,505	11,236	41,789	51,497
Queensland	8,540	7,643	30,609	37,827
South Australia	4,313	3,863	14,614	17,582
Western Australia	7,484	6,554	24,957	28,391
Tasmania	1,688	1,432	5,402	6,717
Northern Territory	240	237	824	1,228
Australian Capital Territory	1,555	1,408	5,360	5,917
Australia	48,980	43,186	166,128	200,944

1984 Commonwealth-State Housing Agreement—CSHA

The 1984 CSHA came into operation on 1 July 1984 following the renegotiation of the 1981 Agreement. The Agreement is set to run for a 10 year period with triennial reviews. Financial assistance under the 1984 Agreement is to be provided as a combination of grants and loans with at least 75 per cent to be provided as grants. Since 1984-85, all assistance was provided as grants. Each State decides on the distribution of untied funds between home purchase and rental housing assistance and is required to match these funds on a dollar for dollar basis with funds provided from their own resources.

The Commonwealth guaranteed a minimum level of funding of \$530 million in 1984-85 and \$510 million for 1985-86 and 1986-87. The base level funding has been increased to \$700 million in 1987-88 and a minimum of at least this amount will be provided in 1988-89 and 1989-90. Total funding each year is determined in the Budget context. Total funding under the 1984 CSHA in 1987-88 is \$700.0 million, comprising \$550.0 million in 'untied' grants, \$37.5 million for pensioners, \$60.0 million for Aboriginals, \$25.0 million for the Mortgage and Rent Relief Scheme, \$15.5 million for the Crisis Accommodation Program and \$12.0 million for the Local Government and Community Housing Program.

In addition to direct CSHA funding, since 1982-83 the States and the Northern Territory have been able to nominate further funds for public housing from their Loan Council allocations. A total of \$584.7 million was nominated by the States in 1986-87, and in 1987-88 the States and the Northern Territory are entitled to nominate up to a maximum of \$414.0 million. These additional funds are provided, subject to States matching the untied funds (\$550.0 million in 1987-88), and are made available at the highly concessional interest rate of 4.5 per cent per annum over a 53 year period.

The Commonwealth Government is continuing to implement the major principles incorporated in the 1984 CSHA which focus on alleviating housing related poverty and achieving equitable distribution of housing assistance between tenures.

The first triennial evaluation of the 1984 Agreement was undertaken during 1986-87—the final year of the first triennium. The terms of reference stated that the evaluation would examine the effectiveness of CSHA rental and home purchase assistance programs and the use of CSHA funds, against the principles set out in the Agreement.

The following key issues were considered during the triennial evaluation:

- base level funding;
- State nomination of Loan Council borrowings for public housing;
- matching arrangements;
- accountability and use of revolving funds;

- allocation of funds between home purchase and rental assistance;
- funding of rent rebates;
- distribution of funds between States;
- specific purpose programs and co-ordination of programs;
- tenant participation;
- cost rents;
- home purchase assistance arrangements.

As a result of the evaluation, a number of changes are being made to the Agreement and program guidelines. Key changes are:

- tightening provisions for accountability and use of Loan Council funds to ensure that all revolving funds arising from these loans remain in public housing;
- ensuring States adhere to the non-discrimination principles of the Agreement by adding a specific requirement that young, single people be admitted to waiting lists;
- revising consultative arrangements for the Aboriginal rental program to ensure a greater federal role in establishing priority for Aboriginal housing;
- requiring States to allocate not less than 50 per cent of total funds for public rental housing from 1987-88;
- standardising income review and recoupment of interest subsidies under the home purchase assistance arrangements.

Home purchase assistance

Funds available under the CSHA for home purchase assistance comprise Commonwealth funds, revolving funds arising from the operation of previous home purchase programs and State funds. These funds are used principally to make loans to co-operative housing societies and approved State lending authorities for on-lending to home purchasers. Under the 1984 CSHA the annual interest rate charged by a State to societies and approved lending authorities is to be determined periodically by the Commonwealth and State Ministers with regard to the minimum Commonwealth Savings Bank market rate for housing loans. Eligibility conditions are set by each State, but loans can only be made to those who cannot obtain mortgage finance on the open market, or from other sources. Loan repayments are based on the borrowers' income.

Rental housing assistance

Funds available to the States for the provision of public rental housing include federal funds, internally generated funds arising from the operation of housing programs, proceeds from the sale of rental housing, and State contributions. Under the 1984 Agreement, each State determines eligibility for rental housing subject only to the condition that all people are eligible for assistance but priority goes to those most in need. As required under the 1984 CSHA, State Housing Authorities have implemented a cost rent formula for setting rents. Cost rents reflect the cost of providing rental housing.

Each State determines its policy on sales of rental dwellings but all sales are to be at market value or replacement cost and on the basis of a cash transaction. Home purchase assistance funds can be used to finance the purchase of rental dwellings.

COMMONWEALTH-STATE HOUSING AGREEMENT: NUMBER OF DWELLINGS PROVIDED IN 1985-86

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>N.T.</i>	<i>Total</i>
Rental Housing Assistance—								
Commenced	5,198	1,759	1,577	2,080	1,273	560	657	13,104
Completed	4,304	1,817	1,066	2,255	1,161	618	994	12,215
Purchased	276	1,039	351	644	352	169	2	2,833
Sold	145	121	71	200	93	416	349	1,395
Total as at								
30 June 1986	102,222	51,007	26,631	56,028	30,792	12,689	7,375	283,744
Home Purchase Assistance—								
Loans approved for purchase								
New	—	118	909	97	3	3	10	1,140
Other	888	2,043	2,177	2,174	438	654	52	8,426
Construction	776	427	647	659	350	71	25	2,955

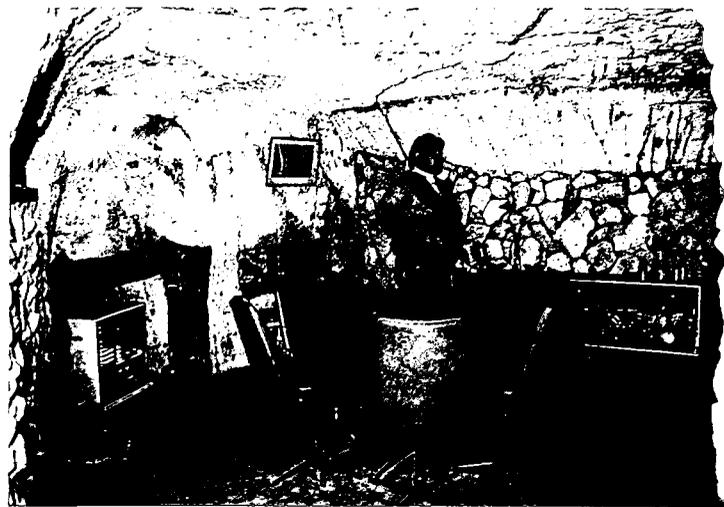


The Bass Strait oil rig, 'Diamond M Epoch', in Hobart for repairs.

Mootsuyker Island off southern Tasmania.



Underground dwelling, Coober Pedy, N.S.W.





Old cottage near Glen Innes, N.S.W.



Terraced houses, Glebe, N.S.W.



A home typical of Queensland.



Photos—Promotion Australia

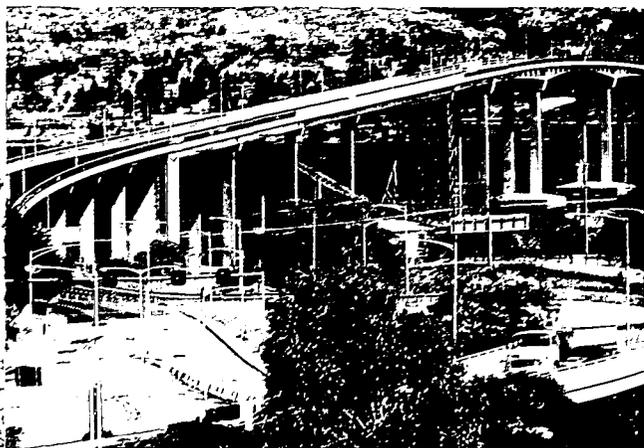
Theatre Royal, Sydney, 1882.



Rialto Tower and restored buildings, Melbourne.



A bag humpy of Darwin's Chinatown, circa 1911.



Tasman Bridge after restoration.

Federation home, Sydney.





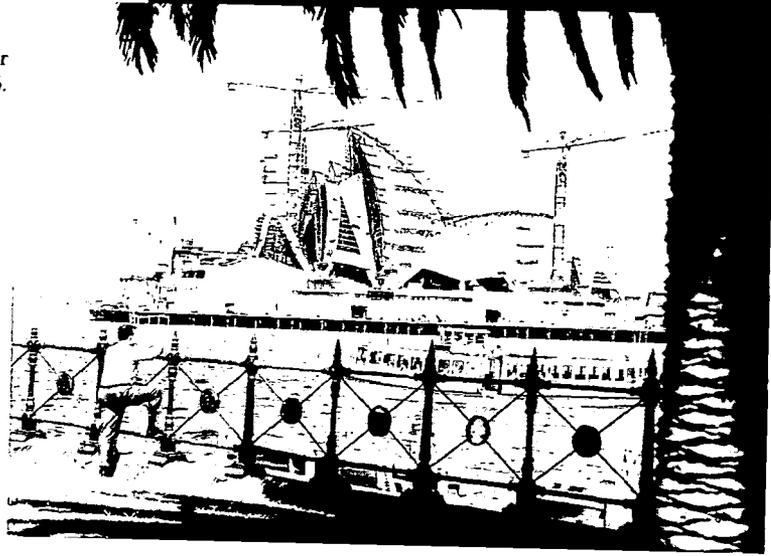
Gordon River Dam, Tasmania.

Ross Bridge, Tasmania.



Photos—Promotion Australia

Sydney Opera House under construction, 1966.



**COMMONWEALTH-STATE HOUSING AGREEMENT: DISTRIBUTION OF 1987-88
FEDERAL FUNDS (1986-87 FIGURES IN BRACKETS)
(\$ million)**

<i>State</i>	<i>Untied</i>	<i>Rental Assistance for Pensioners</i>	<i>Rental Assistance for Aboriginals</i>	<i>Mortgage and Rent Relief</i>
N.S.W.	184.439 (182.340)	14.517 (14.282)	12.345 (12.345)	8.817 (8.508)
Vic.	141.004 (140.377)	8.560 (8.509)	3.417 (3.417)	6.623 (6.400)
Qld	77.545 (73.328)	7.396 (7.096)	15.186 (14.109)	4.132 (3.968)
S.A.	57.468 (61.004)	2.614 (2.640)	5.595 (5.595)	2.182 (2.114)
W.A.	49.561 (49.239)	3.051 (3.095)	10.264 (10.047)	2.299 (2.197)
Tas.	23.222 (24.701)	0.839 (0.855)	0.696 (0.696)	0.710 (0.686)
N.T.	16.761 (18.611)	0.523 (0.523)	12.497 (11.791)	0.237 (0.227)
Aust.	550.000 (549.600)	37.500 (37.000)	60.000 (58.000)	25.000 (24.100)

<i>State</i>	<i>Crisis Accommodation Program</i>	<i>Local Government and Community Housing Program</i>	<i>Total</i>
N.S.W.	5.447 (4.933)	4.201 (3.883)	229.766 (226.291)
Vic.	4.092 (3.711)	3.156 (2.921)	166.852 (165.335)
Qld	2.553 (2.301)	1.969 (1.811)	108.781 (102.613)
S.A.	1.349 (1.226)	1.040 (0.965)	70.248 (73.544)
W.A.	1.420 (1.274)	1.095 (1.003)	67.690 (66.855)
Tas.	0.439 (0.398)	0.339 (0.313)	26.245 (27.649)
N.T.	0.200 (0.157)	0.200 (0.104)	30.418 (31.413)
Aust.	15.500 (14.000)	12.000 (11.000)	700.000 (693.700)

Specific purpose programs

In addition to untied assistance used for the provision of home purchase assistance and general public rental housing, the CSHA provides funds for a number of specific purpose programs:

- Rental Assistance for Pensioners.* The numbers of pensioner units provided under this program to 30 June 1986 amounted to around 18,000.
- Rental Assistance for Aboriginals.* Since 1979-80 the Federal Government has provided separately identified funding to the States for rental housing assistance for Aboriginals through the CSHA. Since 1980, 4,217 dwellings have been provided in the six States and the Northern Territory under this program. This includes the upgrading of existing dwellings.
- Mortgage and Rent Relief Scheme.* This is a program for the provision of short term assistance to low-income earners experiencing genuine financial difficulty in meeting their mortgage repayments, rent payments or in gaining access to private rental accommodation.
- Crisis Accommodation Program.* A program introduced to assist families, youths, single men and women in crisis situations, as well as the chronically homeless.

Local Government and Community Housing Program

In 1984-85, the Commonwealth introduced the Local Government and Community Housing Program. Grants are provided to the States and the Northern Territory to assist local governments, community groups and other non-government organisations to purchase, construct, lease or upgrade dwellings for low cost rental housing. The main objectives of the program are to attract local government and community expertise and money to supplement CSHA efforts, broaden the choice of low cost rental housing and involve tenants in the management of their dwellings. Decisions on the broad program for funding are made by the Commonwealth and State Housing Ministers based on advice from State Advisory Committees. Under arrangements applicable to the operation of the program, States are responsible for the day-to-day administration. Grants under this program are not required to be matched by the States.

Housing Loans Insurance Corporation

The Housing Loans Insurance Corporation is a government business enterprise which insures lenders (such as building societies, banks, etc.) against loss on housing and building loans.

From November 1965, when the Corporation commenced operations, until the end of June 1986, 760,000 loans to the value of \$22,000 million had been insured.

Housing Agreement (Service Personnel)

State housing authorities build and upgrade dwellings for allocation to service personnel under the agreed arrangements with the Commonwealth Government. The arrangements to 30 June 1981 are covered by the Commonwealth-State Housing Agreement. Operations have continued since that time under the same arrangements pending a new agreement.

Dwellings no longer required for service personnel revert to State public housing stock and in 1986-87 some 652 dwellings were returned to the States for use as public rental housing.

Following the 1984 Task Force Review on Housing for Service Personnel, the Government announced on 30 January 1986 that it would establish a Defence Housing Authority, operating as a Statutory Authority and responsible to the Minister for Defence.

In 1986-87, \$2.4 million was spent on the provision and upgrading of dwellings.

Defence Service Homes

The *Defence Service Homes Act 1918* assists certain former and serving members of the Defence Force to acquire a home on concessional terms.

The Defence Service Homes Corporation is, subject to the directions of the Minister for Veterans' Affairs, responsible for the administration of the Defence Service Homes Act.

Persons eligible under the Act include:

- members of the Australian forces and nursing services enlisted or appointed for, or employed on, active service outside Australia or on a ship of war during World War I and World War II;
- persons who served in the warlike operations in Korea or Malaya or on operational service in South East Asia;
- members of the Defence Force who serve on continuous full-time service and national service men whose periods of service ended not earlier than 7 December 1972 and who meet certain prescribed conditions.

The categories of eligible persons also include the widows and, in some circumstances, the widowed mothers of eligible persons, and persons domiciled in Australia and employed in certain sea-going service during World War I and World War II.

During 1984-85 the following loan conditions applied:

Maximum loan:	\$25,000
Interest rates:	3.75 per cent per annum on the first \$12,000
	7.25 per cent per annum on any excess over \$12,000 up to \$15,000
	10.00 per cent per annum on an amount in excess of \$15,000
Repayment period:	The maximum repayment period permitted by the Act is 45 years or, in the case of the widow or widowed mother of an eligible person, 50 years. Normally the repayment period is limited to 32 years.

On 14 May 1985 the Treasurer announced that persons joining the Defence Force after that date would not qualify for benefits under the Defence Service Homes Scheme; instead, those persons would be eligible for home ownership assistance under a scheme to be developed.

The Treasurer's statement of 14 May 1985 also announced the Government's intention to arrange for private financial institutions to provide loans that would include a substantial interest concession and to administer existing loans. Consistent with this decision institutions were invited, through newspaper advertisements on 12 December 1986, to express interest by 11 March 1987 in providing new loans and managing the existing portfolio of mortgages and the insurance operations. The evaluation of the responses had not been completed at 30 June 1987.

Operations under the Defence Service Homes Scheme

Since the inception of the Defence Service Homes Scheme in 1919, 426,176 eligible persons have been assisted under the Act. The figures shown include persons originally assisted under housing agreements with the States, and taken over in accordance with those agreements.

The following tables give details of the operations under the Defence Service Homes Act for the years 1981-82 to 1986-87. The figures shown include operations in the Australian Capital Territory, the Northern Territory and Norfolk Island.

DEFENCE SERVICE HOMES ACT: NUMBER OF LOANS GRANTED

Year	Construction of homes	Purchase of new homes	Purchase of previously occupied homes	Enlargement of existing homes	Total
1981-82	2,694	570	3,818	203	7,285
1982-83	2,345	419	3,568	225	6,557
1983-84	1,998	254	3,058	220	5,530
1984-85	2,201	266	3,226	216	5,909
1985-86	1,926	275	2,837	229	5,267
1986-87	1,858	284	2,833	227	5,202

DEFENCE SERVICE HOMES ACT: STATE SUMMARY OF OPERATIONS

Year	N.S.W.(a)	Vic.	Qld(b)	S.A.(c)	W.A.	Tas.	A.C.T.	Aust.
NUMBER OF LOANS GRANTED								
1981-82	1,569	1,563	2,031	709	806	198	409	7,285
1982-83	1,576	1,484	1,447	687	808	185	370	6,557
1983-84	1,222	1,264	1,215	580	770	177	302	5,530
1984-85	1,372	1,266	1,249	580	944	228	270	5,909
1985-86	1,344	1,032	1,192	474	830	155	240	5,267
1986-87	1,357	945	1,299	454	740	124	283	5,202
CAPITAL EXPENDITURE (\$'000)								
1981-82	34,350	34,710	44,690	15,318	18,537	4,362	9,723	161,690
1982-83	36,677	33,939	34,416	15,500	18,877	4,001	9,067	152,477
1983-84	28,218	29,133	28,321	13,213	18,487	4,078	7,336	128,786
1984-85	31,841	29,169	29,860	13,423	21,821	4,967	6,511	137,562
1985-86	31,801	24,998	28,598	11,855	19,351	3,498	5,871	125,972
1986-87	32,081	22,353	31,652	10,968	17,029	2,880	6,489	123,452
LOAN REPAYMENTS (\$'000)								
1981-82	29,825	22,278	14,915	7,933	8,980	2,013	(d)	85,944
1982-83	27,951	22,084	13,191	8,032	8,017	1,772	(d)	81,047
1983-84	33,837	25,856	16,433	9,936	10,322	2,575	(d)	98,959
1984-85	37,247	29,721	18,224	11,144	12,679	3,202	(d)	112,217
1985-86	30,336	24,800	14,906	8,563	9,910	2,670	(d)	91,185
1986-87	30,315	25,723	14,305	8,334	11,323	2,536	(d)	92,536
NUMBER OF LOAN ACCOUNTS AT 30 JUNE								
1982	53,332	45,498	25,254	14,871	16,235	3,876	3,415	162,481
1983	52,166	44,473	25,476	14,649	16,246	3,856	(d)	160,649
1984	50,296	42,738	25,198	14,181	15,990	3,761	(d)	155,982
1985	48,283	40,943	24,873	13,709	15,660	3,694	(d)	150,985
1986	46,412	39,259	24,710	13,315	15,521	3,607	3,796	146,620
1987	44,777	37,530	24,700	12,990	15,071	3,484	3,860	142,412

(a) Includes Norfolk Island

(b) Includes Papua New Guinea

(c) Includes Northern Territory

(d) Included in New South Wales.

State housing authorities

The following paragraphs describe briefly the organisation of the various State housing authorities and their activities in the fields of home construction and provision of homes on a rental basis.

New South Wales—Department of Housing

The Department came into being with the enactment of the *Housing Act 1985* on 1 January 1986, which enabled the amalgamation of the Housing and Land Commissions of New South Wales and various housing related divisions of other departments. The Department's structure reflects a more objective and integrated approach to the provision of secure, appropriate and affordable housing to all sections of the community with housing needs.

Advances from the Commonwealth Government have provided most of the Department's capital funds and by 30 June 1986 had aggregated \$1,318,764,000 of which \$194,984,000 had been repaid. Other net funds of the Department at 30 June 1986 comprised: repayable advances from the State, \$357,800,000; public loans raised by the Department, \$281,478,000; grants from the Commonwealth Government, \$758,646,000; grants from the State, \$81,368,000 (including \$8,668,000 from Consolidated Revenue and \$72,700,000 mainly from the proceeds of poker machine taxes); and accumulated surplus, \$258,273,000. In addition, the Department owed \$68,433,000 to creditors, mainly for purchase of land and work-in-progress. These funds were represented by fixed assets, \$2,841,839,000 (including \$115,291,000 owed by purchasers of homes); and current assets, \$106,091,000. In 1985-86, the Department's income was \$151,360,000 (including rent, \$118,414,000 and interest, \$18,097,000); expenditure was \$146,870,000 (interest, \$52,704,000).

The permanent dwellings provided by the Department have been erected under the Commonwealth-State Housing Agreements or from State loans and grants. In 1985-86, 4,272 houses and flats were completed for the Department by contracted private builders.

Upon request by other State departments, the Department will erect houses for employees of those departments, the departments providing the necessary lands and funds. In addition, the Department erects (with State funds) dwellings for employees of industries connected with decentralisation and development. Specially designed units are erected by the Department to provide dwellings for elderly persons at rentals within their means. The rents of these units, as at 30 June 1986, were approximately \$18.38 a week for elderly single persons and \$30.65 a week for elderly couples. At 30 June 1986, 13,776 units had been completed.

Victoria—Ministry of Housing

The various State housing authorities were consolidated under the control of the Ministry of Housing early in 1983. These authorities included the Housing Commission, the Government Employee Housing Authority and the Co-operative Housing Registry.

The Ministry's key objectives are to:

- facilitate the continuing access of all Victorians to affordable, adequate and appropriate housing;
- deliver housing assistance programs in an effective, efficient and equitable manner.

Thus, the Ministry is not only involved in the provision of public rental accommodation but also in the provision of assistance to private tenants and existing and potential homeowners. The Ministry also co-operates with community groups in the provision of emergency housing, and programs to assist the homeless are currently under development.

During 1986-87 a total of 3,179 public rental units were built or purchased, using funds provided under the Commonwealth-State Housing Agreement, State funds and Ministry funds. The Ministry's public rental stock was 54,000 as at 30 June 1987 of which 64 per cent were located in the metropolitan area. As at 30 June 1987 there was a waiting list of 30,076 households requesting public rental assistance, as well as 4,404 households wishing to transfer from one Ministry unit to another. Tenants on reduced rents (rebates) totalled 40,029 at this date, representing 78 per cent of all tenants.

The Ministry also provides assistance to households renting in the private sector. Under the Bond and Relocation Scheme, the Ministry provides financial assistance to individuals or households in the private rental market by making funds available for security deposits (bonds), rent-in-advance and removal expenses. Individual single applicants may receive a maximum loan of \$500 and families or groups may receive up to \$700. During 1986-87 some 12,702 households received assistance under this scheme, at an average level of assistance of \$543 per household.

Queensland—Queensland Housing Commission

The Queensland Housing Commission was established in 1945 to assist in meeting the housing shortage. In addition, the Commission was empowered to build houses itself, either for sale or for rental.

During 1986-87 the Commission provided 5,507 dwelling units, bringing the total number under all schemes since the revival of housing construction in 1944-45 to 89,009. Of this number, 57,381 houses, or 64.5 per cent, were for home ownership, and 31,628, or 35.5 per cent, were for rental.

In the field of rental housing, the Commission administers, and acts as the constructing authority under, the Commonwealth-State Housing Agreements and States Grants (Housing) legislation. Operating under the provisions of the *State Housing Act 1945-1986*, the Commission, through its scheme of mortgage finance, makes advances for the construction of dwellings to eligible persons who own a suitable building site or to purchase a house and land package. The number of dwellings completed during 1986-87 under this scheme amounted to 3,618, making a total of 55,690 completions since the inception of the scheme. The Commission also has power to make advances, secured by mortgage, to firms for housing of employees. The Commission has power to sell houses under contract of sale conditions. Contract of sale agreements were made to purchase 54 of the Commission's houses during 1986-87.

South Australia—South Australian Housing Trust

The South Australian Housing Trust was established under the *South Australian Housing Trust Act, 1936*. Under the *Housing Improvement Act, 1940*, the Trust became the housing authority to administer the Act and the Trust's powers were extended. It is also the housing authority for South Australia under the *Housing Assistance Act 1984*.

The primary role of the Trust is to provide housing for those in need, and within their capacity to pay. The Trust aims to provide housing which is appropriate for the householders' needs, is of an acceptable and modern standard and is integrated within the surrounding environment.

The Trust makes housing available to those in need, by the construction, purchase or leasing of property which is let to tenants at rents related to cost, with a rent rebate scheme for those with special needs; by the sale of housing, mainly to sitting tenants.

The Trust also provides assistance to tenants renting privately through:

- the administration of the Rent Relief Scheme;
- its management responsibility for the Emergency Housing Office;
- exercising its responsibilities under the Housing Improvements Act.

It also assists home owners in financial crisis through the Mortgage Relief Scheme.

The Trust is actively involved in providing housing in partnership with other organisations. One example of this is the Housing Co-operatives Scheme under which the Trust subsidises private rental co-operatives. Others include joint ventures with various private, local government and community organisations where resources are pooled, in order to meet local housing needs; and community tenancies where the Trust provides residential accommodation for community purposes including women's shelters and youth housing.

The Trust has a separate responsibility to government to act as the State's industrial property authority, to provide industrial premises for approved additions to or extensions of industrial facilities within the State.

A total of 108,132 dwellings have been built, purchased or leased by the Trust since 1936.

Western Australia—State Housing Commission of Western Australia

The activities of the State Housing Commission, trading as Homeswest, extend throughout the State. Under the State Housing Act, the Commonwealth-State Housing Agreements prior to 30 June 1971, the *States Grants (Housing) Act 1978*, the 1978 Housing Agreement, the 1981 Housing Agreement, and the 1984 Housing Agreement, the Commission constructs a variety of dwelling types for its rental and purchase programs. In addition, it constructs housing for other government departments (both Commonwealth and State Government, and semi- and local government authorities) and constructs and maintains houses for the Government Employees' Housing Authority.

At 30 June 1987, the Commission had provided under all schemes since 30 June 1944 a total of 78,173 units of accommodation throughout the State (including 12,046 units completed under the *Defence Services Homes Act 1918*).

During the twelve months ended 30 June 1987, 1,999 units of accommodation were provided: 1,164 in the metropolitan area, 443 in country areas and 392 north of the 26th parallel.

Building societies are a major source of housing finance in Western Australia. At 30 June 1987, it was estimated that the assets of permanent and terminating societies were about \$1,880 million. Currently, 7 permanent and 177 terminating societies are operating. Under

the 1984 Housing Agreement with the Commonwealth, the State is required to allocate a proportion of the funds the State receives under the Agreement to the Home Purchase Assistance Account. Advances are made from the account to terminating building societies which in turn make loans available to eligible applicants, being those persons unable to obtain mortgage finance assistance in the open market or from other sources.

Under the *Housing Loans Guarantee Act, 1957-1986*, the guarantees provided to financial institutions enable loans to be made by lending institutions with full security. The Act enables building societies and other approved bodies to make high ratio advances to families of low and moderate means without additional charge. The interest rate charged to the borrower is in line with the Commonwealth Bank mortgage rate. Loans may be made for up to 95 per cent of the value of the house and land. The maximum loan permitted in respect of the metropolitan region south of the 26th parallel is \$50,000. For a new house situated in the country south of the 26th parallel, the maximum loan is \$52,500; for the Kalgoorlie and Esperance region, \$57,000; in the North West and Eastern Division, \$86,000; and in the Kimberley region, \$88,000.

Tasmania—Tasmanian Housing Department

The Housing Department is responsible for administering the portion of the *Homes Act 1935* relating to the acquisition and development of land for housing purposes and the erection of homes for rental and sale to those deemed in need of assistance.

During 1986-87, dwelling completions numbered 568. The total number of dwellings constructed to 30 June 1987 was 23,850, of which 7,958 have been paid for in full, sold or demolished. The number of properties purchased numbered 1,424, making a total dwelling stock of 17,316. Of these 12,883 are detached or semi-detached, 2,335 are elderly persons' units, 424 are multi-unit flats, 1,645 are villa units and 29 are moveable units.

Dwellings are allotted on a rental basis, however tenants are able to achieve home ownership through a purchase contract. The weekly rental of a house was between \$45.00 and \$79.00 at 30 June 1987. Approximately 71 per cent of tenants are in receipt of a rental rebate.

Housing schemes in Australian Territories

Northern Territory

In 1946 control of all government-owned residences in the Territory (excluding those belonging to the Defence Services, Commonwealth Railways or attached to post offices) was vested in the Administration. The Northern Territory Housing Commission was established in 1959 and currently operates under authority of the *Housing Act 1982*. In 1968, an amendment to the Housing Ordinance gave the Commission power to build dwellings for approved industries and government departments and authorities. The Commission became autonomous on 1 October 1969.

Australian Capital Territory

The Commonwealth Government provides houses, flats and aged persons' units for rental to persons on low incomes who live or are employed in the Australian Capital Territory. At 30 June 1987, the then Department of Territories controlled 7,522 houses and 3,709 flats (including aged persons' units) for rental purposes. Government rental houses are currently not available for purchase by tenants.

Summary of rental activities of government authorities

GOVERNMENT HOUSING AUTHORITIES: REVENUE FROM RENTALS (\$'000)

Year	N.S.W.	Vic.(a)	Qld	S.A.	W.A.(b)	Tas.	N.T.(b)	A.C.T.	Aust.
1981-82	162,323	r 65,514	51,112	60,403	36,648	21,557	17,915	22,896	r 438,368
1982-83	188,317	r 74,343	55,865	70,243	40,475	25,149	18,712	37,780	r 510,884
1983-84	200,371	r 86,299	59,675	79,097	44,108	28,178	19,899	35,794	r 553,421
1984-85	218,820	96,175	66,946	90,643	45,945	30,386	22,727	28,090	599,732
1985-86	118,414	109,103	72,036	98,001	49,292	36,033	26,454	33,764	543,097
1986-87	258,200	117,958	78,898	113,409	53,920	40,776	30,074	38,548	731,783

(a) Prior to 1983-84 figures relate to Housing Commission only and thereafter to the Ministry of Housing. (b) Figures relate to Housing Commission only.

GOVERNMENT HOUSING AUTHORITIES: NUMBER OF TENANTS PAYING RENT

Year	N.S.W.	Vic.(a)	Qld	S.A.	W.A.(b)	Tas.(c)	N.T.(c)	A.C.T.(c)	Aust.
1981-82	95,237	43,900	24,253	46,263	27,707	10,412	6,882	9,495	264,149
1982-83	97,286	45,806	25,421	48,466	28,656	10,996	7,167	9,638	273,436
1983-84	99,979	49,026	26,890	50,914	28,934	11,736	r7,497	9,849	r284,825
1984-85	100,098	51,642	28,393	53,281	30,178	12,437	r7,878	10,005	r293,912
1985-86	104,410	54,665	29,793	56,028	31,484	12,633	8,623	10,574	308,210
1986-87	133,826	57,300	31,628	58,884	32,270	12,911	8,830	11,028	346,677

(a) Prior to 1983-84 figures relate to Housing Commission only and thereafter to Ministry of Housing. (b) Figures relate to Housing Commission only. (c) Number of occupied dwellings at 30 June.

Advances to home purchasers

Many prospective home purchasers wish to borrow for the purpose of constructing or purchasing their own homes. Usually the loan is covered by way of mortgage of the home to be constructed or bought. Such loans are provided from a number of private sources and from agencies owned or guaranteed by the Commonwealth or State Governments. The information in this section concerns the direct loans made to home purchasers by the more important institutional lenders. Loans to institutions which in turn lend moneys to home purchasers and loans to contract builders, etc., are excluded as far as possible. The loans may be for the construction of new dwellings, the purchase of existing dwellings, for additions, renovations, etc., as first or subsequent mortgages, overdrafts and so on. While figures of all loans to home purchasers are not available, the institutions mentioned account for a significant proportion of total loans. Details of the terms and conditions of lending are given, together with available information on the number and value of loans made.

State and Territory authorities and agencies

New South Wales—State Bank of New South Wales—Sale of Homes Agency

The State Bank of New South Wales, by arrangement with the New South Wales Government, administers funds provided in respect of agency schemes under which finance is made available to individuals for erection or purchase of homes and for other approved purposes associated with homes.

Prior to 1976, the Sale of Homes Agency undertook arrangement for the sale on terms of houses erected by the Housing Commission of New South Wales and houses sold on terms under the 1956 and subsequent Commonwealth-State Housing Agreements and Arrangements. The Agency has continued to administer the purchase accounts. For further details on this responsibility of the Bank see *Year Book* No. 66.

The Housing Society Agency administers advances made to co-operative housing societies and the State Bank (as the approved government lending institution of the State) from funds allocated to the State under Commonwealth-State Housing Agreements and Arrangements. Borrowers pay interest on the advances made prior to 1 July 1985 at rates ranging from 5 per cent per annum to rates which increase annually until they are 1 per cent per annum below the then current Commonwealth Savings Bank rate for housing loans. Changes brought about by the *Housing Assistance Act 1984* require borrowers to pay interest at the rate of 11.25 per cent per annum on advances made from 1 July 1985, but for low income earners a rebate of interest is allowed. Repayments by borrowers range from 20 to 30 per cent of income.

Particulars of advances by the Agency during the last six years appear in the following table.

AGENCY ADVANCES
(**\$'000**)

<i>Year ended 30 June</i>	<i>Advances during year</i>	<i>Total advances to end of year</i>	<i>Principal repaid during year</i>	<i>Advances outstanding at end of year</i>
1981	52,640	668,325	34,733	373,918
1982	50,615	718,940	27,702	396,865
1983	37,565	756,505	27,976	406,500
1984	78,265	834,770	40,487	444,423
1985	63,027	897,797	45,781	461,710
1986	72,146	969,943	40,316	490,794

Stamp Duty Deferred Payment Scheme

In 1976 the State Government introduced a scheme by which first home buyers may be eligible for a deferment of the amount of stamp duty payable on their first home. The Stamp Duties Office determines, on behalf of the Treasury, the eligibility of applicants and properties and, if acceptable, approves of an advance being made for payment of stamp duty in accordance with the scheme. Applicants repay the advance to the State Bank over a period of five years by equal annual instalments. The advances are free of interest provided instalments are paid by the due date. To 30 June 1986, 182,758 applicants had taken advantage of the Deferred Payment Scheme to the extent of \$154.2 million. Balances outstanding as at 30 June 1986 totalled \$64.9 million in respect of 94,698 accounts.

State Second Mortgage Loan Scheme

On 1 July 1981 the New South Wales Government introduced the State Second Mortgage Loan Scheme to provide second mortgages to assist eligible low to moderate income earning families to acquire their home. The interest rate charged is 12 per cent per annum or the notional rate payable on the first mortgage, whichever is the higher, and remains fixed for the term of the loan. The maximum loan is \$15,000 and loans are repayable over 10 years. The scheme is financed from funds made available by various government instrumentalities and is administered by the State Bank of New South Wales. From the inception of the scheme to 30 June 1986, 7,294 loans for \$69.2 million were approved.

State Bank of New South Wales—other loans

The State Bank of New South Wales provides assistance to individuals for the erection or purchase of homes and for other approved purposes associated with homes. Advances are based on the bank's official valuation of the dwelling. The rate of interest on new long term loans for housing purposes as at September 1987 was 15.5 per cent per annum.

Victoria—Ministry of Housing

Home purchase loans granted totalled 2,255 over 1986–87, of which 572 were provided through the co-operative housing societies. The loans were provided through several schemes: Capital Indexed Loans (CAPIL) — 1,285 loans; Indexed Repayment Loans — 908 loans and Home Ownership for the Over Fifties — 62 loans. Expenditure under these three schemes during the financial year was \$70.2 million, \$52.0 million and \$2.8 million respectively.

CAPIL is the Ministry's standard lending instrument. Repayments are fixed at 25 per cent of an eligible household's income with the interest rate tied to the annual rate of inflation to provide a real rate of return of 3 per cent per annum. In addition to standard CAPIL funding, the Real Estate Agents' Board has provided \$7 million in funds targeted for people aged 50 and over. The new scheme, called Home Ownership for the Over Fifties (HOOF), was launched in June 1986. The third loan type (Indexed Repayment Loan) is a new joint venture between the Ministry and four leading banks. The scheme provides for a two part loan arrangement, with a first mortgage being held by the banks and the second mortgage with the Ministry. The first mortgage is over a fixed 25 year term with a variable interest rate set by the bank. The borrower pays the Ministry repayments set at 25 per cent of income and the Ministry pays the full instalment to the bank. The shortfall on the repayments made to the Ministry are secured under the second mortgage with an interest rate geared to the Consumer Price Index. When the first mortgage is paid out, repayments continue until the Ministry's second mortgage is discharged.

Queensland—Queensland Housing Commission

Loans from the Commonwealth and State Governments are the major source of capital funds for the Commission. Under the *State Housing Act 1945-86*, an eligible person who is the owner of a suitable building site may obtain an advance, secured by mortgage on the land, from the Housing Commission for the erection of a dwelling. The Housing Commission also provides mortgage finance for the purchase of homes already built or to be built by private contractors. The Commission has three home ownership schemes. The first, the Interest Subsidy Scheme, provides a non-repayable subsidy to borrowers who cannot afford commercial rates of interest. The Commercial Scheme is for those on higher incomes who cannot obtain finance elsewhere, and the Second Loan Scheme, introduced in 1984, assists borrowers to bridge the deposit gap. To be eligible, a borrower must qualify for the Interest Subsidy Scheme.

South Australia—South Australia Housing Trust

The Trust also administers the Rental Purchase Scheme in conjunction with the State Bank. This scheme supersedes the Low Deposit Purchase Scheme in assisting low income people in purchasing a home through a nominal deposit and low interest loan.

In September 1986, the Trust initiated the HOME Trust Shared Ownership Scheme whereby tenants can purchase their home in affordable stages commencing with a 25 per cent share.

Western Australia—State Housing Commission of Western Australia

In December 1984 the Commission introduced new loan initiatives to assist applicants with home ownership. These schemes are known as First Mortgage, Flexible Deposit, Shared Equity and Senior Citizens Loan Schemes. The maximum interest rate is maintained in relationship with the Commonwealth Bank interest mortgage rate and the repayment of the loan is on an income geared basis with an applicant not being expected to pay more than 25 per cent of assessed family income in repayments. The maximum repayment period is 30 years.

Under the schemes, the applicants are able to select an established home or build a new home of their choice. The maximum income limits vary with the location. A family with one child can have a maximum weekly income of \$384.30 in the metropolitan area, \$497.30 in remote areas and \$542.50 in the Kimberley region. These limits increase by \$10 for each additional child after the first.

Under the First Mortgage, Flexible Deposit and Shared Equity Schemes, the maximum value of house and land in the metropolitan area is \$41,500 if buying an established home or \$43,000 if building a new home. In non-metropolitan areas, the maximum value varies from \$43,500 for an established house in country areas to \$80,000 if building a new home in the Kimberley region. Minimum deposit required is usually 5 per cent of valuation, although with the Flexible Deposit Scheme as little as \$500 can be paid as the deposit on a home.

The Shared Equity Scheme was designed to help people on very low incomes into home ownership. Homeswest purchases the home on behalf of the applicant and funds the applicant to an equity share of not less than 60 per cent of the home value. Normally 5 per cent of the loan sought is required for the deposit but this can be reduced to as little as \$500. All maintenance, insurance and rates are shared in accordance with the applicants' equity share.

Assistance through Terminating Building Societies is available to eligible applicants from the Loans Priority List under first mortgage conditions. Funds are not available for second mortgages. The interest rate on advances is up to 13.5 per cent depending on family income and the maximum term is for 30 years. In the metropolitan area, the maximum income limit is \$384.30 per week plus an extra \$5 per week for each dependent child after the first. The value of house and land cannot exceed \$43,500 and a 5 to 10 per cent deposit is required. In other areas around the State, maximum income limits vary between \$384.30 in country areas and \$542.50 in the Kimberley region and the maximum value of house and land varies from \$47,000 in country areas to \$84,000 in the Kimberley region.

See Savings Banks, page 243 of *Year Book* No. 61, for activities of the Savings Bank Division of the Rural and Industries Bank of Western Australia.

Tasmania—Tasmanian Housing Department

The home purchase scheme, to enable low income earners to achieve home ownership, is based on a purchase contract with repayments being fixed at 25 per cent of the purchaser's

income; interest payments are deferred where the tenant's income is insufficient to meet all the interest repayments.

During 1986-87, 192 homes were sold under purchase contract.

Tasmanian Development Authority

The Authority is responsible for the administration of funds made under the Home Purchase Assistance section of the *Housing Assistance Act 1984*. The State has also provided State loan funds for lending under the Homes Act.

The primary principle of the *Housing Assistance Act 1984* is to ensure that every person in Australia has access to adequate and appropriate housing at a price within his or her capacity to pay.

The Authority has introduced a Deferred Interest Subsidy Scheme, whereby low income earners can borrow sufficient amounts to enable them to purchase a reasonable dwelling. The current rate of interest is 13.5 per cent with monthly repayments based on 25 per cent of joint gross monthly income. When the repayment is not sufficient to meet the interest charged on the loan, the balance is deferred and repaid in the later years of the loan. There is no interest charged on the deferred proportion of the loan.

The Authority has recently introduced a new Home Ownership Building Industry Scheme (HOBIS) whereby private builders were requested to tender for the construction of 104 homes throughout the State for low to moderate income earners who could not otherwise afford to purchase a new home. As an incentive, loans were offered at an initial interest rate of 10 per cent, increasing by 1 per cent per annum until the normal rate for housing loans with the Authority is reached.

TASMANIAN DEVELOPMENT AUTHORITY, ADVANCES FOR HOUSING (a)

Particulars	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
Advances approved—						
Number	354	450	624	537	815	624
Value (\$'000)	9,448	12,665	18,030	17,437	28,390	24,790
Advances outstanding at 30 June (\$'000)	65,056	71,020	83,081	90,338	106,000	114,606

(a) Excludes advances to co-operative housing societies.

Northern Territory—Loans Scheme

The Northern Territory Government Home Loan Scheme, introduced on 1 October 1979, was replaced on 1 September 1984 by the *Northern Territory Home Purchase Assistance Scheme*. This scheme is based on the principles set out in the Commonwealth-State Housing Agreement.

The scheme is based on a maximum loan of \$50,000 to lower income groups. As the gross weekly income of the highest earner increases, the amount of the Commission loan decreases. There is a requirement that a prescribed amount be borrowed from a private lending institution for the higher income group.

Repayments on the loan are based on 20 per cent of gross family income and reviewed annually. Where the repayment is insufficient to cover interest due, the unpaid amount is allowed to accumulate free of additional charges.

The interest rate currently charged is 13.5 per cent and the Commonwealth Savings Bank Home Loan rate will be an indicator for future interest rates. The maximum term of the loan is 45 years.

To be eligible to apply, applicants must not own a home elsewhere in Australia, have resided in the Territory for the six months prior to application and property value must not exceed \$100,000. Loans can be on a first or second mortgage basis.

Northern Territory—Sales Scheme

A scheme exists to allow eligible tenants of the Northern Territory Housing Commission dwellings to purchase dwellings under the General Public Sales Scheme. Sales are on a cash basis only to approved tenants.

Australian Capital Territory

The Commissioner for Housing operates an income-g geared loan scheme to assist people who are generally unable to afford finance in the private market. Loans to a maximum of \$60,000 over a maximum term of 30 years are available for the purchase or erection of

dwellings in the Australian Capital Territory. The exact amount of loan granted and term of the loan are determined by the applicants' level of income and assets and the value of the property to be purchased. To qualify for a loan an applicant must:

- be a permanent resident of Australia and have lived or worked in the Australian Capital Territory for at least six months prior to loan approval;
- have attained the age of 18 years;
- not exceeded the applicable income limit which is reviewed quarterly;
- be unable to obtain sufficient housing finance from private sources;
- not have any interest whatsoever in real property located in the Australian Capital Territory or Queanbeyan other than the dwelling or the land upon which it is proposed to erect the dwelling;
- undertake to dispose of any other real property within a period of six months after assistance is granted under this scheme;
- not previously have received government financial assistance in the form of a loan for the purchase or construction of a dwelling in the Australian Capital Territory or Queanbeyan;
- demonstrate a capacity to afford the initial and subsequent commitments for purchase of a property;

The loan must not exceed the determined value limit of the dwelling.

Applicants who do not satisfy one or more of the above conditions may still be granted assistance if, in the opinion of the Commissioner for Housing, the applicant is in need of assistance and the objective of the scheme would be satisfied by providing that assistance. Interest rates for new loans are aligned with the Commonwealth Savings Bank new home loans rate. Instalment repayments are geared to the applicant committing 25 per cent of income to total mortgage payments and instalment subsidies are repaid over the term of the loan or upon discharge. At 30 June 1987, 8,573 properties were under mortgage to the Commissioner for Housing. The Commissioner also administers 6,046 Commonwealth of Australia mortgages.

CONSTRUCTION

Building

Building activity is a significant indicator of the level of economic activity. In addition, the level of building activity and the types of buildings being constructed affect the Australian physical and social environment. Building approvals statistics give an indication of the potential future level of investment of private individuals, companies and government agencies in approved building construction. Building activity statistics show the level of actual building construction activity in terms of the level of commencements and completions, building jobs under construction and the value of work done and yet to be done on building jobs.

From July 1985, there was a change in terminology used by the ABS in presenting building statistics. The terms 'residential buildings' and 'non-residential building' replaced 'dwellings' and 'other building' respectively and 'other residential buildings' replaced 'other dwellings'. It should be noted that these were only changes in terminology and do not affect the classification of the various types of buildings or the statistics. The concept of a 'dwelling unit' remained unchanged.

The building statistical collections cover all new residential building of any value, new non-residential building jobs valued at \$10,000 and over, and alterations and additions (to both residential and non-residential building) valued at \$10,000 and over. From 1966-67 to 1972-73, alterations and additions of \$10,000 and over were included with new residential building and new non-residential building. From 1973-74, alterations and additions (of \$10,000 and over) to new residential building are shown separately, but for non-residential building, new work and alterations and additions continue to be shown combined.

From the September quarter 1980 a new Building Activity Survey replaced the previous quarterly Building Operations Census. The major features of the new survey are as follows:

- replacement of the previous complete enumeration of private sector jobs involving new house construction or alterations and additions valued at \$10,000 or more to houses by a sample survey;
- a complete enumeration of jobs involving construction of new residential buildings other than private sector houses, all alterations and additions to residential buildings (other than private sector houses) with an approval value of \$10,000 or more, and all non-residential building jobs with an approval value of \$30,000 or more.

From the September quarter 1981 two additional changes were introduced:

- a one-month-lagged framework of approvals is now used as the basis for selection of both house and non-house building jobs (previously only private sector house jobs were selected from a one-month-lagged approvals framework);
- in general, a building job is now considered to have commenced, for the purposes of the statistical collection, only when the value of work done on that job as reported by the builder is equal to or greater than a pre-determined (threshold) value.

Number of new houses

The following table provides a summary of the number of new houses approved, commenced, under construction and completed by type of ownership in each State and Territory for the year 1986-87.

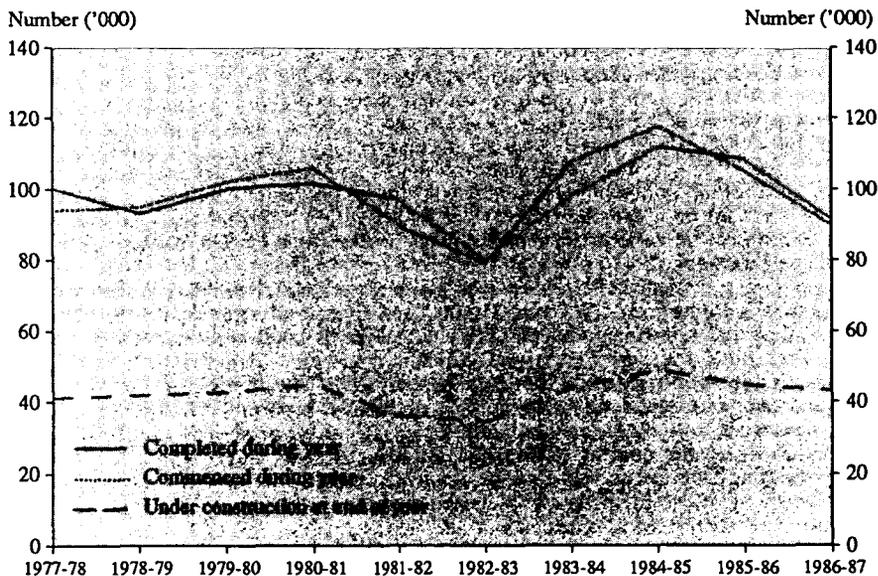
NUMBER OF NEW HOUSES, 1986-87

('000)

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>N.T.</i>	<i>A.C.T.</i>	<i>Aust.</i>
Private Sector—									
Approved	22.0	26.6	16.9	5.8	12.9	2.3	0.4	1.5	88.4
Commenced	20.6	26.0	16.2	5.3	11.7	2.2	0.4	1.6	84.0
Under construction(a)	12.0	15.3	4.1	2.1	4.5	1.6	0.3	0.6	40.4
Completed	20.6	26.1	16.7	5.0	11.6	2.1	0.4	2.1	84.6
Public Sector—									
Approved	0.9	1.7	0.5	0.9	0.5	0.3	0.5	0.1	5.4
Commenced	1.0	1.7	0.5	1.1	0.5	0.3	0.4	0.1	5.7
Under construction(a)	0.6	0.9	0.1	0.4	0.1	0.1	0.3	—	2.7
Completed	1.3	1.6	0.7	1.3	0.7	0.3	0.5	0.4	6.8
Total—									
Approved	22.9	28.3	17.4	6.7	13.4	2.6	0.9	1.6	93.8
Commenced	21.6	27.7	16.7	6.5	12.2	2.5	0.8	1.7	89.7
Under construction(a)	12.6	16.2	4.2	2.5	4.7	1.8	0.6	0.6	43.1
Completed	21.9	27.7	17.4	6.3	12.3	2.4	0.9	2.5	91.5

(a) At end of period

NEW HOUSES, AUSTRALIA



Note: Break in series from 1980-81 and 1981-82.

Number of new houses approved, by material of outer walls

The use of certain materials for outer walls is dictated by such factors as cost, durability, appearance and climatic conditions. Changes in the materials used over time indicate changes in the characteristics of the housing stock.

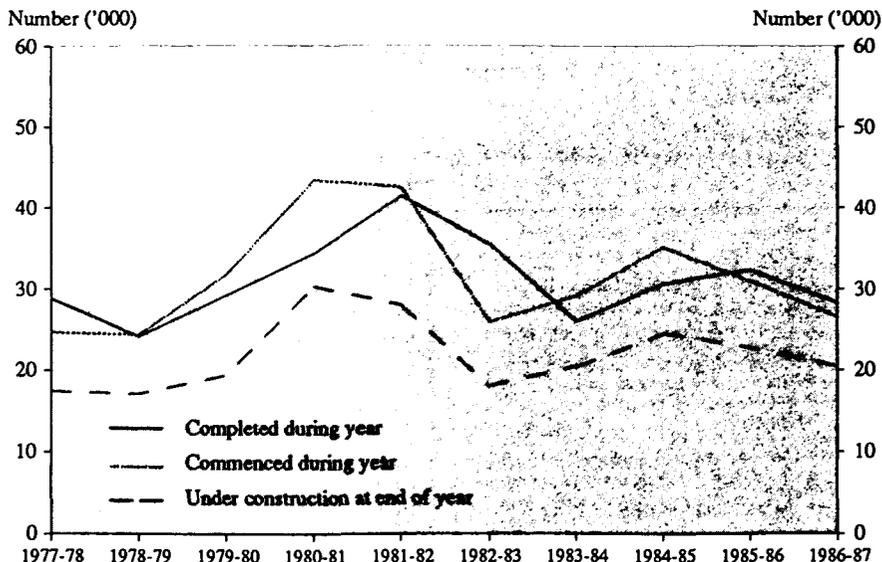
The following table shows the number of new houses approved in each State and Territory during the year 1986-87, classified according to the material of their outer walls.

NUMBER OF NEW HOUSES APPROVED BY MATERIAL OF OUTER WALLS, 1986-87 ('000)

Material of outer wall	N.S.W.	Vic	Qld.	S.A.	W.A.	Tas.	N.T.	A.C.T.	Aust.
Double brick (a)	2.5	0.5	1.3	0.7	11.6	0.2	0.1	—	17.0
Brick veneer	17.4	18.8	12.8	4.2	0.8	2.0	0.5	1.5	57.9
Timber	1.4	2.3	1.5	0.1	0.2	0.3	—	—	5.9
Fibre cement	1.3	1.0	1.5	0.9	0.6	0.1	—	—	5.5
Other	0.3	0.5	0.4	—	0.1	0.1	0.1	—	1.6
Not stated	—	5.2	—	0.7	—	—	—	0.1	6.0
Total	22.9	28.3	17.4	6.7	13.4	2.6	0.9	1.6	93.8

(a) Includes houses constructed with outer walls of stone or concrete.

DWELLING UNITS IN NEW OTHER RESIDENTIAL BUILDING, AUSTRALIA



Note: Break in series from 1980-81 and 1981-82.

Number of dwelling units in new other residential building

The level of other residential building construction is highly variable and does not follow the regular pattern experienced in house construction. This can be explained partly by the generally larger size of other residential building construction jobs and also by the extent of speculative building of private flats, home units and similar other residential building projects. Although construction of government-owned other residential buildings is substantial, the proportion of government-owned other residential buildings to total other residential buildings constructed is smaller than that of government-owned houses to total houses.

The following table shows the number of new dwelling units in other residential building approved, commenced, under construction and completed by type of ownership in each State and Territory for the year 1986-87.

NUMBER OF DWELLING UNITS IN NEW OTHER RESIDENTIAL BUILDING, 1986-87
(*000)

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld.</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>N.T.</i>	<i>A.C.T.</i>	<i>Aust.</i>
Private Sector—									
Approved	5.8	4.5	4.2	1.3	3.1	0.8	0.3	0.4	20.2
Commenced	5.8	4.4	3.6	1.2	2.9	0.7	0.3	0.5	19.2
Under construction(a)	5.5	3.6	2.1	0.8	1.5	0.3	0.1	0.4	14.3
Completed	6.3	5.4	3.1	1.8	3.0	0.7	0.3	0.8	21.5
Public Sector—									
Approved	3.1	0.3	0.9	1.2	0.5	0.2	0.2	0.4	6.7
Commenced	3.3	0.5	0.7	1.3	0.5	0.3	0.3	0.4	7.2
Under construction(a)	3.8	0.4	0.3	0.7	0.2	0.2	0.2	0.4	6.1
Completed	2.5	0.6	1.0	1.4	0.6	0.3	0.2	0.2	6.7
Total—									
Approved	8.9	4.8	5.1	2.4	3.6	1.0	0.5	0.7	26.9
Commenced	9.1	4.8	4.3	2.5	3.4	1.0	0.5	0.9	26.4
Under construction(a)	9.3	3.9	2.4	1.4	1.7	0.5	0.3	0.8	20.4
Completed	8.8	6.0	4.2	3.2	3.6	1.0	0.5	1.0	28.2

(a) At end of period.

Value of buildings

The following table shows the value of all buildings approved, commenced, under construction, completed, work done and work yet to be done in Australia for the year 1986-87, according to the class of building. The classification of non-residential building by type of building is according to the function a building is intended to serve, as specified on building authorisations.

VALUE BY CLASS OF BUILDING, AUSTRALIA, 1986-87
(\$ million)

<i>Class of building</i>	<i>Approved</i>	<i>Commenced</i>	<i>Under construction (a)</i>	<i>Completed</i>	<i>Work done (b)</i>	<i>Work yet to be done (a)</i>
New residential buildings—						
New houses	5,707.0	5,531.0	2,986.3	5,449.7	5,547.1	1,397.6
New other residential buildings	1,222.4	1,270.6	1,138.6	1,340.2	1,344.4	538.8
<i>Total new residential building</i>	<i>6,929.4</i>	<i>6,801.6</i>	<i>4,125.0</i>	<i>6,789.9</i>	<i>6,891.5</i>	<i>1,936.4</i>
<i>Alterations and additions to residential buildings (c)</i>						
	<i>1,112.8</i>	<i>1,095.6</i>	<i>553.9</i>	<i>1,051.9</i>	<i>1,105.3</i>	<i>242.0</i>
Non-residential building—						
Hotels, etc.	540.0	616.5	851.1	509.9	653.1	378.2
Shops	1,201.8	1,271.9	1,447.2	1,378.6	1,512.6	702.6
Factories	811.7	816.3	968.2	775.9	962.5	332.9
Offices	2,582.9	3,380.0	4,883.0	2,077.6	2,959.6	2,468.2
Other business premises	972.8	941.7	760.7	997.2	1,024.6	342.9
Educational	919.8	924.5	1,073.6	800.5	892.4	524.0
Religious	60.3	65.2	44.9	62.8	68.3	21.5
Health	567.9	551.6	857.2	402.3	485.6	411.9
Entertainment and recreational	339.2	416.5	624.0	369.0	554.9	237.3
Miscellaneous	459.6	422.9	1,301.8	368.6	625.2	397.6
<i>Total non-residential building (d)</i>	<i>8,456.1</i>	<i>9,407.0</i>	<i>12,811.6</i>	<i>7,742.3</i>	<i>9,738.8</i>	<i>5,817.1</i>
Total building	16,498.3	17,304.1	17,490.4	15,584.1	17,735.6	7,995.5

(a) At end of period. (b) During period. (c) Valued at \$10,000 or more. (d) Valued at \$30,000 or more.

Constant prices

Estimates of the value of work done at average 1979-80 prices are presented in the following table. Constant price estimates measure changes in value after the direct effects of price changes have been eliminated.

VALUE OF BUILDING WORK DONE AT AVERAGE 1979-80 PRICES, AUSTRALIA
(**\$ million**)

Year	<i>New residential building</i>			<i>Alterations and additions to residential buildings</i>	<i>Non-residential building</i>	<i>Total building</i>
	<i>Houses</i>	<i>Other residential buildings</i>	<i>Total</i>			
1981-82 . . .	3,321.3	1,392.7	4,714.0	547.7	3,499.4	8,761.1
1982-83 . . .	2,628.6	917.9	3,546.5	462.1	2,975.6	6,984.2
1983-84 . . .	3,237.6	758.5	3,996.1	475.4	3,266.5	7,738.0
1984-85 . . .	3,660.5	858.3	4,518.8	548.7	3,806.9	8,874.4
1985-86 . . .	3,585.0	799.6	4,384.6	621.8	4,615.9	9,622.3
1986-87 . . .	3,099.9	680.9	3,780.8	618.2	4,944.8	9,343.8

Building research activity

The CSIRO Division of Building Research (amalgamated with the Division of Energy Technology) is the main, and largest, centre of building research in Australia, with a total staff of some 260, about 110 of whom have professional qualifications through all the conventional sciences, social sciences and economics. The work of the Division covers all aspects of building design, maintenance, construction, and planning.

The work is carried on in four programs, namely: Design for Durability, Life Cycle Performance, Safety & Risk, and Shelter & Infrastructure. The Division has been in existence for over 40 years, and the nature of its work has changed considerably with time. Two main themes dominate the existing programs:

- information technology;
- deterioration and restoration of the infrastructure.

For further details, see *Year Book* No. 70.

Engineering Construction Survey

This section contains estimates of engineering construction activity in Australia by both public and private sector organisations and are the first estimates of total engineering construction produced by the ABS.

These estimates together with results from the Bureau's Building Activity Surveys provide a complete picture of building and construction activity in Australia for the first time.

The estimates of engineering construction activity by the private sector were compiled from the Construction Other Than Building (COTB) Survey and the new Engineering Construction Survey (ECS), which has replaced the COTB Survey from the September quarter 1986. The estimates for engineering construction activity by the public sector, which were compiled from the ECS Public sector units, were not in the scope of the COTB Survey.

The collection methodology for the ECS is different from the COTB Survey and caution should therefore be exercised when interpreting the time series derived from the two surveys.

Scope and coverage of the surveys

The ECS aims to measure the value of all engineering construction work undertaken in Australia whereas the COTB Survey only measured such work undertaken by the private sector. For the ECS, all enterprises recorded on the ABS central register of economic units and classified to the construction industry and all other units known to be undertaking engineering construction work (from trade journals, newspapers, etc.), were included in the survey framework. For the COTB Survey the framework was all known engineering construction prime contracts with a value greater than \$100,000.

The cost of land and the value of building construction is excluded from the survey's scope. Where projects include elements of both building and engineering construction, for example, electricity generation and heavy industrial plant, every effort is taken to exclude the building component from these statistics.

Repair and maintenance activity is excluded from the survey as are the value of any transfers of existing assets, the value of installed machinery and equipment not integral to the structure and the expenses for relocation of utility services.

A contract for the installation of machinery and equipment, which is an integral part of a construction project, is included in the statistics even though, in some cases, the activity in installing such machinery and equipment is classified to the manufacturing industry in the *Australian Standard Industrial Classification, Volume 1* (1201.0).

Comparison of the Engineering Construction Survey (ECS) and the Construction (Other Than Building) (COTB) Survey

The main differences between the COTB Survey and ECS are as follows:

- Construction undertaken by public sector organisations is included in the ECS but not in the COTB Survey.
- Speculative and own account work undertaken by the private sector is included in the ECS but not in the COTB Survey.
- Prime contracts undertaken by the private sector and valued at less than \$100,000 are within the scope of the ECS but not the COTB Survey.
- The statistical unit for the ECS is the enterprise which is defined as a unit covering all the operations in Australia of a single operating legal entity. Each collection unit is required to report details of its operations in each State.
- The statistical unit for the COTB Survey was any construction prime contract valued at \$100,000 or more and undertaken by a private sector prime contractor.
- The categories of construction differ as follows:
 - (i) The 'heavy industrial plant and equipment, n.e.i.' category in the COTB Survey has been divided into 'oil, gas, coal and other minerals'; 'other heavy industry' for the ECS.
 - (ii) A new ECS category has been defined called 'recreation' and includes golf courses, playing fields, racecourses, stadiums, swimming pools, velodromes, landscaping, park construction etc.
- The treatment of machinery and equipment in engineering construction is particularly difficult. The value of machinery and equipment that is integral to the structure should be included as should the cost of on-site erection of heavy machinery. All other machinery and equipment should be excluded. In ECS, this aspect has been brought to the attention of respondents whereas, in the COTB Survey, limited investigations showed that some machinery and equipment values were reported in construction prime contracts.
- Coding of 'ownership' and 'type of construction' is undertaken by the respondent in ECS whereas in the COTB Survey the Australian Bureau of Statistics carried out this coding based on information supplied.

The following tables show the value of engineering construction (ECS) activity by the private sector for sector of ownership and by the public sector for the year 1986-87.

VALUE OF ENGINEERING CONSTRUCTION ACTIVITY BY THE PUBLIC SECTOR 1986-87 (\$ million)

	<i>Commenced</i>	<i>Work done (a)</i>	<i>Work yet to be done (b)</i>
Roads, highways and subdivisions	1,075.4	1,158.8	545.5
Bridges	74.9	87.5	23.7
Railways	147.5	124.7	40.9
Harbours	25.4	31.4	15.5
Water storage and supply	284.1	338.5	253.5
Sewerage and drainage	321.5	417.5	279.1
Electricity generation, transmission and distribution	500.1	623.3	611.4
Pipelines	10.0	12.6	0.5
Recreation	82.6	75.1	36.7
Telecommunications	1,667.1	1,625.8	2.4
Heavy industry	11.6	9.7	20.0
Other	12.3	12.6	4.7
Total	4,212.4	4,517.6	1,834.0

(a) During period

(b) At end of period

VALUE OF ENGINEERING CONSTRUCTION ACTIVITY BY THE PRIVATE SECTOR
1986-87
(\$ million)

	<i>Commenced</i>	<i>Work done (a)</i>	<i>Work yet to be done (b)</i>
FOR THE PRIVATE SECTOR			
Roads, highways and subdivisions	782.6	411.4	756.2
Bridges	7.4	9.3	7.7
Railways	31.8	83.3	135.5
Harbours	92.4	157.0	227.9
Water storage and supply	41.7	45.7	10.1
Sewerage and drainage	29.3	34.8	38.9
Electricity generation, transmission and distribution	99.8	86.6	329.1
Pipelines	63.5	97.5	39.4
Recreation	113.0	131.5	81.4
Telecommunications	17.8	12.5	35.5
Heavy industry	1,015.2	1,036.5	2,730.3
Other	53.6	56.9	44.5
Total	2,348.1	2,163.1	4,436.5
FOR THE PUBLIC SECTOR			
Roads, highways and subdivisions	1,584.4	1,944.9	3,631.3
Bridges	133.8	230.1	437.7
Railways	260.0	251.9	664.1
Harbours	99.4	140.6	210.8
Water storage and supply	406.1	515.3	1,518.6
Sewerage and drainage	478.6	581.3	1,790.2
Electricity generation, transmission and distribution	683.3	1,208.7	4,718.0
Pipelines	16.8	32.8	7.6
Recreation	119.3	107.6	185.0
Telecommunications	1,697.6	1,658.7	2,606.8
Heavy industry	90.9	88.5	445.4
Other	18.5	33.3	37.3
Total	5,588.7	6,793.8	16,252.8
TOTAL			
Roads, highways and subdivisions	2,367.0	2,356.3	4,387.5
Bridges	141.3	239.4	445.4
Railways	291.8	335.2	799.6
Harbours	191.8	297.6	438.6
Water storage and supply	447.8	561.0	1,528.6
Sewerage and drainage	507.9	616.1	1,829.1
Electricity generation, transmission and distribution	783.2	1,295.4	5,047.1
Pipelines	80.2	130.4	47.0
Recreation	232.2	239.0	266.4
Telecommunications	1,715.4	1,671.2	2,642.3
Heavy industry	1,106.1	1,125.0	3,175.7
Other	72.1	90.2	81.8
Total	7,936.7	8,956.9	20,689.3

(a) During period

(b) At end of period

The following table shows the value of construction (other than building) activity undertaken as prime contracts commenced, under construction, completed, work done and work yet to be done in Australia for the year 1985-86.

VALUE OF CONSTRUCTION (OTHER THAN BUILDING) PRIME CONTRACTS BY OWNERSHIP, 1985-86
(\$ million)

	Commenced	Under construction (a)	Completed	Work done (b)	Work yet to be done (a)
PRIVATE SECTOR					
Roadwork	382.7	224.5	380.4	397.9	92.9
Dams, water supply and distribution, sewerage and drainage	16.1	6.8	18.5	18.0	4.0
Electrical power transmission, heavy electrical generating plant	24.4	25.0	29.6	21.0	10.5
Harbours	141.2	209.1	20.2	104.9	88.8
Other heavy industrial plant etc.	672.7	767.1	413.9	520.3	455.4
Other (c)	193.0	240.5	198.9	226.9	81.5
Total	1,430.1	1,472.8	1,061.6	1,288.9	733.3
PUBLIC SECTOR					
Roadwork	800.1	862.6	553.0	690.5	457.1
Dams, water supply and distribution, sewerage and drainage	275.4	386.4	174.1	263.7	174.5
Electrical power transmission, heavy electrical generating plant	577.5	3,335.5	520.0	827.7	948.7
Harbours	52.2	92.2	21.9	66.0	18.5
Other heavy industrial plant etc.	105.8	329.3	319.5	158.2	101.2
Other (c)	437.0	952.5	447.5	563.6	288.2
Total	2,248.0	5,938.5	2,036.1	2,569.8	1,988.1
TOTAL					
Roadwork	1,182.8	1,087.0	933.4	1,088.4	549.9
Dams, water supply and distribution, sewerage and drainage	291.5	393.2	192.7	281.8	178.5
Electrical power transmission, heavy electrical generating plant	601.9	3,360.5	549.6	848.7	959.3
Harbours	193.4	301.3	42.1	171.0	107.3
Other heavy industrial plant etc.	778.5	1,096.4	733.5	678.5	556.6
Other (c)	630.0	1,192.9	646.5	790.5	369.7
Total	3,678.1	7,431.3	3,097.8	3,858.7	2,721.4

(a) At end of period. (b) During period. (c) Comprises bridges, railways, pipelines, street and highway lighting, telecommunications and miscellaneous.

Construction Industry Survey

This section contains statistics obtained from a sample survey of private sector construction establishments and of public sector enterprises engaged in construction and repair and maintenance activities, conducted in respect of 1984-85. The previous Construction Industry Survey was conducted in respect of 1978-79. For further details see *Year Book* No. 70.

The private sector collection was conducted as a component of the Bureau's integrated economic statistics program. This program has been developed so that data from each industry sector conform to the same basic conceptual standards, thereby allowing comparative analysis across different industry sectors. The results of this survey are therefore comparable with economic censuses undertaken annually for the mining, and electricity and gas industries and periodically for the transport, manufacturing, wholesale, retail and selected service industries.

Private sector construction industry statistics

The collection provided detailed information on employment, wages, operating expenses, turnover, value added, capital expenditure, as well as on the structure and size of establishments in the construction industry. The following tables show, for private sector construction establishments, selected items of data by industry class and statistics on the value of work undertaken by broad commodity groups. Further statistics are contained in the publications: *Private Sector Construction Establishments, Details of Operations, States and Territories, 1984-85* (8772.0-8772.8)

PRIVATE SECTOR CONSTRUCTION ESTABLISHMENTS: SELECTED ITEMS OF DATA BY INDUSTRY CLASS, AUSTRALIA, 1984-85

ASIC code	Description	Establish- ments operating		Average employment over whole year			Wages and salaries		Turnover (\$'000)	Stocks		Pur- chases and selected expenses (\$'000)	Value added (\$'000)	Fixed capital, expen- diture less disposals (\$'000)
		During the year	At 30 June 1985	At 30 June		Persons	(\$'000)	At 30 June 1984		At 30 June 1985				
				Males	Females				(No.)		(No.)			
4111	House construction.	19,736	19,438	32,301	14,480	46,781	309,018	5,107,022	528,511	666,380	4,194,263	1,050,628	79,403	
4112	Residential building construction, n.e.c.	1,636	1,536	3,583	1,160	4,742	55,346	830,312	230,924	334,774	731,419	202,743	36,073	
4113	Non-residential building construction	3,146	2,987	27,170	3,813	30,982	649,969	5,716,973	261,118	333,003	4,578,753	1,210,105	98,918	
411	Total building construction	24,518	23,961	63,053	19,453	82,506	1,014,333	11,654,308	1,020,533	1,334,157	9,504,435	2,463,477	214,394	
4121	Road and bridge construction	861	844	10,748	1,126	11,874	271,719	1,655,526	71,924	102,867	1,166,716	519,754	49,427	
4122	Non-building construction, n.e.c.	2,582	2,519	20,243	2,898	23,141	494,845	2,498,836	81,699	99,321	1,707,739	808,719	73,391	
412	Total non-building construction	3,443	3,362	30,990	4,024	35,014	766,564	4,154,361	153,623	202,189	2,874,455	1,328,473	122,818	
41	Total general construction	27,961	27,323	94,044	23,477	117,521	1,780,897	15,808,669	1,174,176	1,536,347	12,378,890	3,791,950	337,212	
4231	Concreting	4,981	4,459	10,632	3,359	13,992	144,873	823,723	11,049	14,908	506,728	320,855	21,353	
4232	Bricklaying	9,243	8,912	14,760	4,419	19,179	79,420	439,166	3,452	3,948	158,981	280,682	15,813	
4233	Roof tiling	1,086	1,035	2,246	645	2,891	26,999	165,756	5,037	5,678	103,672	62,725	3,097	
4234	Floor and wall tiling	3,057	3,029	3,657	1,366	5,022	12,575	127,589	1,267	1,832	58,543	69,611	3,859	
4241	Structural steel erection	1,355	1,206	4,278	1,086	5,364	77,687	237,586	7,664	13,036	114,670	128,289	3,723	
4242	Plumbing	10,595	10,396	21,822	7,661	29,483	262,112	1,357,167	37,203	44,735	761,730	602,969	34,287	
4243	Electrical work	8,697	8,561	23,715	6,632	30,348	373,516	1,470,041	59,561	67,764	791,877	686,367	28,501	
4244	Heating and air-conditioning	1,203	1,177	7,598	1,391	8,989	149,642	741,046	36,397	46,323	497,725	253,247	7,439	
4245	Plastering and plaster fixing	5,306	4,551	8,377	2,674	11,051	81,888	576,652	8,164	10,231	363,100	214,826	12,311	
4246	Carpentry	11,270	10,528	15,993	5,094	21,088	94,700	573,016	9,206	13,932	254,918	322,824	31,440	
4247	Painting	10,206	9,840	16,477	5,450	21,928	122,800	638,537	18,164	24,878	275,409	365,311	26,617	
4248	Earthmoving and dredging	4,331	4,165	11,523	3,510	15,033	166,812	911,331	16,394	19,969	525,016	389,890	66,305	
4249	Special trades, n.e.c.	5,721	5,607	15,036	4,621	19,657	223,203	1,078,435	38,004	40,308	619,826	460,913	25,157	
42	Total special trade construction	77,051	73,467	156,115	47,909	204,024	1,816,226	9,140,046	242,356	293,013	5,032,194	4,158,509	279,901	
41-42	Total construction	105,012	100,789	250,159	71,386	321,545	3,597,124	24,948,715	1,416,532	1,829,359	17,411,084	7,950,459	617,113	

PRIVATE SECTOR CONSTRUCTION ESTABLISHMENTS: VALUE OF CONSTRUCTION PRIME AND SUB-CONTRACTS, SPECULATIVE WORK AND CAPITAL WORK DONE FOR OWN USE BY TYPE OF PROJECT AND INDUSTRY CLASS, AUSTRALIA, 1984-85
(\$'000)

ASIC code	Description	Building construction				Total building construction	Engineering construction	Repair maintenance and demolition (a)	Total construction
		Houses	Other residential building	Total residential building	Non-residential building				
4111	House construction	4,558,534	200,682	4,759,217	198,080	4,957,297	7,001	140,360	5,104,658
4112	Residential building construction	95,583	714,346	809,929	57,498	867,428	1,302	10,907	879,636
4113	Non-residential building construction	125,192	157,994	283,186	5,114,530	5,397,715	177,796	102,890	5,678,401
4121	Road and bridge construction	6,104	604	6,708	25,314	32,022	1,457,357	115,663	1,605,043
4122	Non-building construction n.e.c.	18,064	1,478	19,543	31,589	51,132	2,304,033	78,825	2,433,990
41	Total general construction	4,803,478	1,073,105	5,878,583	5,427,011	11,305,594	3,947,488	448,645	15,701,728
4231	Concreting	360,059	40,427	400,487	296,276	696,763	91,799	27,434	815,995
4232	Bricklaying	266,325	49,889	316,213	101,125	417,339	1,036	16,471	434,845
4233	Roof tiling	125,428	12,780	138,207	15,802	154,009	—	9,776	163,785
4234	Floor and wall tiling	82,598	10,894	93,492	26,201	119,694	939	2,906	123,539
4241	Structural steel erection	5,915	2,579	8,494	96,479	104,973	123,394	6,599	234,965
4242	Plumbing	537,307	96,155	633,462	383,584	1,017,046	41,144	280,555	1,338,745
4243	Electrical work	278,260	49,009	327,269	739,555	1,066,823	189,958	180,957	1,437,738
4244	Heating and air conditioning	70,602	12,330	82,932	588,069	671,001	4,418	47,150	722,570
4245	Plastering and plaster fixing	316,051	51,188	367,240	175,262	542,502	2,592	13,563	558,656
4246	Carpentry	275,929	35,550	311,479	216,551	528,030	4,947	33,656	566,633
4247	Painting	227,769	30,779	258,548	182,411	440,959	26,044	163,550	630,553
4248	Earthmoving and dredging	98,868	11,991	110,860	136,286	247,146	576,962	52,019	876,126
4249	Special trades n.e.c.	264,537	36,201	300,738	435,063	735,801	132,180	155,785	1,023,765
42	Total special trade construction	2,909,647	439,773	3,349,419	3,392,665	6,742,085	1,195,413	990,418	8,927,917
41-41	Total construction	7,713,125	1,514,878	9,228,002	8,819,676	18,047,679	5,142,901	1,439,064	24,629,645

(a) To all types of buildings and structures.

Public sector construction activity statistics

The Public Sector Construction Activity Survey provided details on the construction and maintenance activities of all public sector enterprises engaged in managing or undertaking construction and maintenance activity using their own employees or a combination of their own employees and contractors. Details such as expenses, payments to contractors and employment associated with new construction and major alterations and additions, and total expenses and employment associated with road and other maintenance activities was provided. No details are available for public sector enterprises which contracted out all construction and maintenance work.

Because of the different concepts used in the collection of these data, the public sector results cannot be validly aggregated with those for the private sector.

The following table shows expenditure of public sector enterprises by activity and level of government. Further statistics are contained in the publication: *Public Sector Construction Activity Survey, 1984-85* (8775.0).

PUBLIC SECTOR ENTERPRISES—CONSTRUCTION AND MAINTENANCE EXPENDITURE BY LEVEL OF GOVERNMENT, AUSTRALIA, 1984-85 (\$'000)

<i>Construction expenditure</i>						
<i>Level of Government</i>	<i>Houses</i>	<i>Other residential building</i>	<i>Non-residential building construction</i>	<i>Engineering</i>	<i>Demolition</i>	<i>Total</i>
Commonwealth	24,705	3,351	422,720	2,122,063	594	2,573,434
State	203,337	106,664	765,004	4,874,907	547	5,950,460
Local	6,974	4,145	217,555	1,409,533	405	1,638,613
Total	235,016	114,161	1,405,279	8,406,502	1,547	10,162,506

<i>Maintenance expenditure</i>			
<i>Level of Government</i>	<i>Road maintenance</i>	<i>Other maintenance</i>	<i>Total</i>
Commonwealth	22,646	1,725,163	1,747,809
State	489,714	1,727,806	2,217,520
Local	582,631	641,322	1,223,954
Total	1,094,990	4,094,294	5,189,285

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Building Activity, Australia (8752.0)
Engineering Construction Survey, Australia (8762.0)
Construction Industry Survey: Private Sector Construction Establishments, Details of Operations, States and Territories, 1984-85 (8772.0-8772.8)
Public Sector Construction Activity Survey, 1984-85 (8775.0)

Details for particular States are available from publications issued regularly by the Deputy Commonwealth Statistician in each State.

Other Publications

The annual reports of the Commonwealth and State Government Housing Authorities show further details of government activities in the field of housing.