

HOUSING AND CONSTRUCTION

BUILDING CONSTRUCTION, 1982-83

The value of building work done in Victoria in 1982-83 was \$2,219m, a decrease of 3 per cent over 1981-82. This dollar value represents a decrease in activity in real terms of 16 per cent during the year, compared with a decrease of approximately 6 per cent during the previous year. This and other value assessments in this summary are made on the basis of adjusting annual statistics by the Building Cost Index, published by the *Building Economist*, to allow for the effect of inflation.

Private sector projects accounted for 83 per cent of all building activity in both 1981-82 and 1982-83, the balance being provided by public sector projects. Victoria's share of all building work in Australia in 1982-83 was 23 per cent, compared with 21 per cent in 1981-82. The distribution of activity in the different sectors during 1982-83 was commercial building 29 per cent, building for community purposes 13 per cent, and housing 56 per cent. The balance of 2 per cent was in the miscellaneous category.

The direction and magnitude of activity within these sectors during 1982-83 has not followed proportionally that of the previous year. Decreased activity was apparent in each category of the commercial sector: the building of factories declined by 38 per cent compared with 1981-82, shops and other business premises each decreased by 28 per cent, and offices by 12 per cent.

In the community sector, building for entertainment and recreation purposes decreased 31 per cent. Activity on buildings used for religious purposes and health purposes each rose 5 per cent and for hotels by 6 per cent.

Work done on dwelling construction, including alterations and additions to dwellings decreased 10 per cent in value, to comprise 56 per cent of all building activity in Victoria, compared with 53 per cent in the previous year. The value of work, comprising jobs valued at more than \$10,000 directed to alterations and additions to existing dwellings, decreased by 13 per cent. This sector, which became solidly established in the early 1970s, has increased from 1 per cent of building activity in 1973-74, to 8 per cent of total building in 1982-83. This percentage underestimated the scope of the phenomenon, as many jobs are valued at less than \$10,000 and others are not recorded if a building permit is not required.

The number of dwellings completed fell by 3 per cent to 23,860 but domestic owner-building activity increased from 26 per cent to 27 per cent of total dwelling completions. The average size of private sector, contractor-built houses, commenced in 1982-83 was 147 square metres, a decrease of 8 square metres over the 1981-82 size; the average commencement value decreased by 8 per cent in real value terms, from \$43,765 in 1981-82 to \$46,090 in 1982-83.

The public sector share of housing increased to 7.1 per cent of the total dwelling programme.

In Victoria, overall building activity in 1982-83 decreased by 16 per cent in real terms compared to 1981-82, which continued the decline of the previous year. During the same period, Victoria's share of the total value of building in Australia increased marginally.

Further references: Building trends since 1945, *Victorian Year Book* 1963, pp. 345-7; Developments in building methods since 1945, 1964, pp. 365-8; Building materials, 1966, pp. 324-7; Redevelopment of the inner residential areas, 1967, pp. 599-600; Early building in Victoria, 1968, pp. 598-600; Housing for aged persons, 1969, pp. 636-8; Building trends in Melbourne since 1961, 1970, pp. 614-16; Bridges in Victoria, 1971, pp. 592-4; Division of Building Research - C.S.I.R.O., 1972, pp. 585-8; Metrication in the building and construction industry, 1976, p. 302; Historical introduction, 1977, pp. 323-6; The National Estate, 1977, pp. 326-7; Historic Buildings Preservation Council, 1977, p. 328; Victorian Urban Land Council, 1977, pp. 328-9; Residential Land Development Committee, 1977, pp. 329-30; Building and Development Approvals Committee, 1977, p. 330; Use of timber in the housing and construction industry, 1978, pp. 279-81; Dwelling construction in the Victorian building industry, 1959-60 to 1976-77, 1979, pp. 259-61; Building societies, 1980, p. 269-71;

Housing in Victoria during the 1970s, 1981, pp. 263-5; *Centenary of St Paul's Anglican Cathedral, Melbourne*, 1981, pp. 266-7; *Centenary of the Royal Exhibition Building, Melbourne*, 1981, pp. 267-9; *Sacred Heart Cathedral, Bendigo*, 1981, pp. 269-70; *Collins Place*, 1982, p. 250; *Recent trends in building technology*, 1983, pp. 245-7; *Housing, building, and construction, 1934 to the 1980s*, 1984, pp. 228-39

BUILDING LEGISLATION

Supervision and control of building

On 12 January 1982, a new Act, the *Building Control Act* 1981, which provides regulations for the uniform control of building throughout Victoria, received Royal Assent and was operationally phased in with progressive proclamations of its various parts commencing on 2 August 1982. The Act which was based on the recommendations of the Building and Development Approvals Committee (BADAC) appointed by the Victorian Government in 1975, consolidates, amends, and extends the law relating to building in Victoria.

Victoria building regulations

Under the *Building Control Act* 1981 the power to administer building regulations is vested in the councils of municipalities.

On 1 May 1984 the Uniform Building Regulations 1974 were superseded by a new performance-orientated set of regulations known as the Victoria Building Regulations 1983. The new regulations are less prescriptive than the regulations they replace and specify minimum requirements with respect to construction. It is the responsibility of the councils of the various municipalities to ensure that the regulations are complied with. If any doubt, difference, or dissatisfaction arises between any parties concerned or between any party and the Development Approvals Co-ordinator of a municipality or a relevant authority in terms of the building regulations, they may appeal to a Building Referees Board appointed pursuant to the provisions of the Act which will determine the matter. Building Referees Boards also have power to modify or vary any regulation or by-law provided that the modification or variation sought might reasonably be made without detriment to the public interest.

Subject to the provisions of the Victoria Building Regulations no person can commence any building work unless the Development Approvals Co-ordinator has granted building approval for the work and the appropriate building approval fee has been paid.

The council of the municipality concerned is required to ensure that the building during its course of construction, demolition, or removal complies with the Act, regulations, and the plans and specifications originally approved. Further information may be found in the publication entitled *Victoria Building Regulations - Housing extract*, compiled by the Local Government Department.

Further references: *Urban renewal*, *Victorian Year Book* 1976, pp. 303-4; *Building development in the City of Melbourne*, 1978, 1979, p. 261; *Building legislation and municipal responsibilities*, 1984, pp. 239-41

BUILDING STATISTICS

General concepts

The statistics in the following pages deal only with the construction of buildings, as distinct from other construction such as railways, bridges, earthworks, water storages, etc. In the following table, alterations and additions valued at \$10,000 and over to buildings other than dwellings are included in the values stated. With the exception of the table relating to building approvals, particulars of minor alterations and additions are excluded, and in all tables particulars of repairs and maintenance to buildings are excluded. Figures for houses exclude converted military huts, temporary dwellings, flats, and dwellings attached to other new buildings.

Since the September quarter 1945, up to and including the June quarter 1980, a quarterly collection of statistics of building operations was undertaken, which comprised the activities of all private contractors and government authorities engaged in the erection of new buildings, and owner-builders who erected buildings without the services of a contractor responsible for the whole job.

However, from the September quarter 1980, a new Building Activity Survey has replaced the Building Operations collection. The main features of the new survey are: (1) 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; and (2) continuation of the complete quarterly enumeration of all other building jobs of \$10,000 and over, other than those outlined in (1) above.

As a result of this change the new survey only provides private sector house building activity data at the State level and it is now not possible to classify these data by as many variables as in the past (e.g. material of outer walls). However, to compensate for this loss of detail a monthly series for new

dwelling commenced has been introduced to provide data on a small area basis (e.g. local government area). Although the differences in concept between the new Building Activity Survey and the previous Building Operations collection are minor, figures from the September quarter 1980 are not strictly comparable with those for earlier periods and caution should be exercised in comparing data across the time of the change in collection methodology.

Both collections are based on building permits issued by local government authorities, and contracts let or day labour work authorised by Commonwealth, State, semi-government, and local government authorities.

The following definitions of terms used in the succeeding tables are necessary for an understanding of the data presented:

Building approvals. These comprise private permits issued by local government authorities together with contracts let or day labour work authorised by Commonwealth, State, semi-government, and local government authorities.

Private sector or public sector. Building is classified as private sector or public sector according to ownership at the time of commencement. Thus, building carried out for government instrumentalities by private contractors, or directly by day labour, even though for subsequent sale, is classed as public sector. Building carried out by private contractors for private ownership, or which is financed or supervised by government instrumentalities but erected for a specified purpose, is classed as 'private sector'.

Buildings built by other than contract builders. A building actually erected or being erected by the owner or under the owner's direction, without the services of a contractor who is responsible for the whole job.

Commenced. A building is regarded as having been commenced when work on foundations has begun. Because of the difficulty of defining the exact point that this represents in building operations, interpretations made by respondents may not be entirely uniform.

Completed. A building is regarded as having been completed when the building contractor has fulfilled the terms of the contract or, in the case of owner-built houses, when the house is either completed or substantially completed and occupied (the value shown in this case is that of the owner-built house as a finished project). As with commencements, the interpretation placed on this definition by informants may not be entirely uniform.

Under construction (i.e. unfinished). Irrespective of when commenced, and regardless of whether or not work has actually proceeded at all times, once a building has been commenced it continues to be shown in the tables as under construction (i.e. unfinished) until completed. Buildings on which work has been permanently abandoned are excluded.

Numbers. The numbers of houses, flats, and shops with dwellings attached, represent the number of separate dwelling units. Each flat in a block of flats is counted as a separate dwelling unit.

Values. All values shown exclude the value of the land and represent the estimated value of the buildings on completion.

Building approvals

The following table shows the total value of buildings approved in Victoria for the years 1977-78 to 1982-83:

TOTAL VALUE OF BUILDINGS APPROVED, VICTORIA
(\$'000)

Year	Houses and other dwellings (a)	Other new buildings (a)	Total all buildings
1977-78	913,392	696,376	1,609,768
1978-79	886,717	779,119	1,665,836
1979-80	980,924	749,582	1,730,506
1980-81	1,108,935	771,250	1,880,185
1981-82	1,161,564	1,117,051	2,278,615
1982-83	1,378,961	801,945	2,180,903

(a) Includes alterations and additions of \$10,000 and over.

In normal circumstances, information concerning building approvals is a primary indicator of building trends and gives some indication of the effect of varying economic conditions on the building industry. However, a complete comparison of buildings approved cannot be made against buildings

commenced, since the relationship is affected by some intended buildings never being begun and new building plans being re-submitted, and estimated values recorded for building approvals being affected by rising costs resulting from delays in the commencement of buildings.

Value of building jobs

As with building approvals, increases in the value of buildings commenced, completed, and under construction, and in the value of work done are not wholly attributable to increased building activity, but include increases in the cost of building arising from price inflation. It should also be realised that, in any period, where there are appreciable increases in the value of buildings commenced for industrial, commercial, business, health, etc., purposes, this movement could be misinterpreted to some extent, as these buildings may include the commencement of large-scale projects, the completion of which may be spread over several years.

The following tables show the value of all buildings commenced and completed, the value of work done during the period, and estimated value of work yet to be done on the job, according to the type of building, for the years 1977-78 to 1982-83. The figures include all alterations and additions valued at \$10,000 and over. Renovations and repairs are excluded.

VALUE (WHEN COMPLETED) OF BUILDING JOBS COMMENCED, CLASSIFIED
BY TYPE, VICTORIA
(\$'000)

Type of building	1977-78	1978-79	1979-80	1980-81(a)	1981-82(a)	1982-83(a)
Houses	777,175	705,489	777,009	887,186	846,613	963,857
Other dwellings	112,335	100,137	93,026	128,337	151,742	186,401
Alterations and additions to dwellings	97,922	86,406	101,226	138,796	163,590	171,083
Hotels, guest houses, etc.	10,848	19,377	26,202	30,240	22,167	38,129
Shops	91,130	106,857	116,434	102,481	110,981	75,771
Factories	135,186	159,955	149,714	258,799	227,148	144,451
Offices	94,573	87,851	165,440	166,130	235,586	273,179
Other business premises	59,354	77,300	75,891	112,483	91,498	76,867
Education	109,578	128,077	92,408	81,526	108,658	127,183
Religious	5,987	7,542	7,413	11,443	9,129	10,113
Health	77,278	78,554	38,972	47,654	50,508	48,256
Entertainment and recreation	68,085	41,745	60,664	44,961	36,245	34,787
Miscellaneous	52,087	110,083	56,927	69,046	32,511	71,487
Total	1,691,536	1,709,373	1,761,328	2,079,082	2,086,376	2,221,564

(a) New Building Activity Survey. See general concepts on pages 276-7.

VALUE OF BUILDINGS COMPLETED, CLASSIFIED BY TYPE, VICTORIA
(\$'000)

Type of building	1977-78	1978-79	1979-80	1980-81(a)	1981-82(a)	1982-83(a)
Houses	832,184	769,068	785,744	817,490	870,526	866,166
Other dwellings	157,315	111,773	110,680	115,633	132,148	147,149
Alterations and additions to dwellings	87,047	91,964	95,387	119,488	159,845	167,262
Hotels, guest houses, etc.	12,560	14,837	32,531	32,058	28,323	27,765
Shops	79,914	107,626	121,310	108,855	115,589	102,071
Factories	114,940	139,621	181,617	157,847	219,829	231,947
Offices	114,778	100,086	138,672	167,758	144,335	384,678
Other business premises	57,313	62,385	63,307	89,918	136,269	100,301
Education	94,202	153,839	113,265	107,722	94,835	118,709
Religious	7,357	8,764	5,674	10,159	11,165	9,243
Health	71,112	72,847	62,413	56,551	62,207	97,229
Entertainment and recreation	33,048	47,842	43,493	47,597	39,979	94,440
Miscellaneous	34,272	68,279	51,883	38,520	62,961	51,109
Total	1,696,045	1,748,931	1,805,977	1,869,596	2,078,012	2,398,069

(a) For footnote see table above.

VALUE OF WORK DONE ON BUILDINGS, CLASSIFIED BY TYPE, VICTORIA
(\$'000)

Type of building	1977-78	1978-79	1979-80	1980-81(a)	1981-82(a)	1982-83(a)
Houses	820,914	759,990	785,371	896,783	884,538	921,778
Other dwellings	136,022	107,534	108,274	126,845	149,020	158,815
Alterations and additions to dwellings	93,322	90,742	99,206	134,666	170,450	170,761
Hotels, guest houses, etc.	11,780	18,645	28,956	34,542	27,514	33,637
Shops	82,172	112,330	108,794	122,093	118,572	98,524
Factories	128,519	177,999	183,393	200,171	260,026	186,152
Offices	128,074	117,648	166,434	185,098	252,262	256,997
Other business premises	55,662	66,238	83,322	116,302	111,333	92,565
Education	126,975	131,831	105,229	91,621	106,716	118,981
Religious	7,382	7,125	7,396	10,466	9,148	10,850
Health	75,389	88,277	62,368	65,793	53,455	64,747
Entertainment and recreation	36,182	51,268	76,590	62,507	63,056	50,188
Miscellaneous	51,568	58,037	62,026	98,858	78,815	54,595
Total	1,753,961	1,787,664	1,877,358	2,145,745	2,284,906	2,218,593

(a) For footnote see first table on page 278.

ESTIMATED VALUE OF WORK YET TO BE DONE ON JOBS UNDER CONSTRUCTION
AT END OF PERIOD, CLASSIFIED BY TYPE, VICTORIA
(\$'000)

Type of building	1977-78	1978-79	1979-80	1980-81(a)	1981-82(a)	1982-83(a)
Houses	246,396	222,089	229,643	235,137	208,938	262,112
Other dwellings	40,287	37,557	32,502	42,972	48,361	87,707
Alterations and additions to dwellings	23,155	19,657	23,658	30,410	27,898	28,407
Hotels, guest houses, etc.	11,305	10,486	9,305	10,250	5,820	13,761
Shops	38,532	36,995	45,003	35,665	27,936	14,831
Factories	61,225	59,891	53,419	144,296	120,569	94,092
Offices	110,767	86,985	126,284	133,354	140,745	197,157
Other business premises	21,152	35,753	33,151	40,188	20,524	16,993
Education	57,659	56,890	46,154	43,703	39,414	50,470
Religious	1,790	2,199	2,480	3,344	3,087	2,551
Health	54,146	45,933	37,423	36,330	39,816	42,055
Entertainment and recreation	45,810	40,867	30,406	31,977	16,519	9,357
Miscellaneous	25,507	78,885	73,611	52,797	21,103	42,924
Total	737,731	734,185	743,039	840,423	720,730	862,417

(a) For footnote see first table on page 278.

Value of building jobs under construction (i.e. unfinished)

The value of all building work remaining unfinished increased from \$1,513m at 30 June 1979 to \$1,559m at 30 June 1980, \$1,838m at 30 June 1981, \$1,901m at 30 June 1982, and decreased to \$1,848m at 30 June 1983.

Number of dwellings

The following tables show the number of houses and other dwellings (excluding conversions to other dwellings) commenced classified by geographical distribution and the number of houses and other dwellings commenced, completed, and under construction by ownership for the years 1977-78 to 1982-83, and the number of houses commenced, classified by material of outer walls for the years 1977-78 to 1982-83.

NUMBER OF HOUSES AND OTHER DWELLINGS COMMENCED BY GEOGRAPHICAL DISTRIBUTION

Year	Commenced	
	Houses	Other dwellings
MELBOURNE STATISTICAL DIVISION		
1977-78	15,053	3,484
1978-79	13,370	2,790
1979-80	13,219	2,379
1980-81(a)	13,078	2,747
1981-82(a)	11,905	3,205
1982-83(a)	12,986	3,468
REMAINDER OF VICTORIA		
1977-78	9,245	1,578
1978-79	8,279	1,189
1979-80	8,734	1,612
1980-81(a)	8,529	1,958
1981-82(a)	7,326	1,882
1982-83(a)	8,213	1,592
TOTAL VICTORIA		
1977-78	24,298	5,062
1978-79	21,649	3,979
1979-80	21,953	3,991
1980-81(a)	21,607	4,705
1981-82(a)	19,231	5,087
1982-83(a)	21,199	5,060

(a) For footnote see first table on page 278.

NUMBER OF HOUSES AND OTHER DWELLINGS, CLASSIFIED BY OWNERSHIP, VICTORIA

Year	Number of houses and other dwellings erected for —					Total houses and other dwellings (b)
	Public sector	Private sector (a)			Total houses and other dwellings (b)	
		Houses		Other dwellings		
		Total dwellings (a)	By contractors (b)			
COMMENCED						
1977-78	2,082	15,456	7,300	4,522	27,278	29,360
1978-79	1,756	15,445	5,212	3,215	23,872	25,628
1979-80	1,230	15,574	5,570	3,570	24,714	25,944
1980-81(c)	1,684	14,270	6,770	3,909	24,950	26,630
1981-82(c)	1,436	11,790	6,660	4,450	22,900	24,340
1982-83(c)	2,949	11,460	7,540	4,197	23,200	26,150
UNDER CONSTRUCTION (I.E. UNFINISHED) AT END OF PERIOD						
1977-78	1,403	5,222	8,630	3,430	17,282	18,685
1978-79	1,195	5,029	7,028	2,345	14,402	15,597
1979-80	860	4,365	6,668	2,171	13,204	14,064
1980-81(c)	1,170	4,650	5,490	2,525	12,670	13,840
1981-82(c)	671	3,920	5,510	3,115	12,550	13,220
1982-83(c)	1,510	3,870	6,730	3,223	13,830	15,340
COMPLETED						
1977-78	2,886	16,901	7,294	6,408	30,603	33,489
1978-79	1,962	15,659	6,314	4,024	25,997	27,959
1979-80	1,566	15,968	5,726	3,680	25,374	26,940
1980-81(c)	1,416	14,690	6,020	3,776	24,490	25,900
1981-82(c)	1,850	12,490	6,470	3,684	22,640	24,490
1982-83(c)	2,111	11,260	6,440	4,040	21,740	23,860

(a) See definitions on pages 276-7.

(b) From 1980-81 figures have been rounded to the nearest ten units.

(c) For footnote see first table on page 278.

**NUMBER OF HOUSES COMMENCED, CLASSIFIED BY
MATERIAL OF OUTER WALLS, VICTORIA**

Year	Brick, concrete, and stone	Brick veneer	Timber	Fibro cement	Other and not stated	Total
1977-78	1,458	19,447	1,469	1,773	151	24,298
1978-79	1,541	17,695	1,131	1,199	83	21,649
1979-80	1,839	17,714	966	1,372	62	21,953
1980-81(a)	1,978	16,007	1,067	940	1,615	21,607
1981-82(a)	1,581	14,015	1,088	898	1,649	19,231
1982-83(a)	1,209	15,323	1,458	870	2,339	21,199

(a) For footnote see first table on page 278.

GOVERNMENT BUILDING AUTHORITIES

Commonwealth Government

General

Commonwealth Government activities in the housing field have, in the main, included the provision of financial assistance to State Governments under various agreements; assistance to first home buyers under the former Home Savings Grant and the Home Deposit Assistance Schemes and the current First Home Owners Scheme; financial assistance to defence (and eligible ex-service) personnel in the erection and purchase of homes; the operations of the Housing Loans Insurance Corporation; assistance in the provision of accommodation for the aged, Aborigines, and other groups in need, and the provision of housing in the Territories. The Commonwealth Government also plans to introduce a new programme known as the Local Government and Community Housing Scheme, and incorporate this programme, the Mortgage and Rent Relief Scheme, and the Crisis Accommodation Program under the Commonwealth-State Housing Agreement.

Home Savings Grant Scheme

The Home Savings Grant Scheme was introduced in 1964 and provided grants in respect of first homes acquired by eligible applicants up to 31 December 1976.

The *Homes Savings Grant Act* 1976 commenced operation on 1 January 1977 and applied to persons who contracted to buy or build their first home between that date and the date of termination of the Scheme – 2 June 1982.

Applications under the *Homes Savings Grant Act* 1964 were accepted until 2 June 1982, and under the *Homes Savings Grant Act* 1976 until 2 July 1982 – unless a notice of intention to apply for a grant under the 1976 Act was received by 2 July 1982, in which case an application could be lodged within a further calendar month – before 2 August 1982.

The Home Savings Grant Scheme provided a grant of \$1 for every \$3 saved, over a three year period, and held in an acceptable form. The maximum grant was \$2,000.

A Family Bonus was introduced for persons who contracted to buy or build their home on or after 1 October 1980. The sum of \$500 was payable for families with one dependent child and \$1,000 was payable for families with two or more dependent children.

Home Deposit Assistance Scheme

The Home Deposit Assistance Scheme replaced the old Home Savings Grant Scheme. The Home Deposit Assistance Scheme related to first homes acquired on or after 18 March 1982 and up to 30 September 1983.

The Home Deposit Assistance Scheme included an income test, to direct assistance to low-to-moderate income earners. It provided a grant of \$1 for every \$1 saved over a two year period and held in an acceptable form. The maximum grant was \$2,500.

A Family Bonus was also available in respect of dependent children for those applicants qualifying for a basic grant. It provided \$500 for one dependent child and \$1,000 for two or more dependent children.

There was no restriction on the age, sex, or marital status of applicants or the number of persons making a joint application. The home could be a newly constructed or an established house, home unit, or flat.

First Home Owners Scheme

The First Home Owners Scheme was introduced on 1 October 1983 and replaced the previous Home Deposit Assistance Scheme.

The Scheme is designed to assist low to moderate income earners, and provides for a non-repayable tax-free grant of up to \$7,000 to eligible first home buyers.

Successful applicants have a choice as to how assistance is paid. Benefits may be paid either as a series of monthly payments over five years or as an initial lump sum payment with smaller monthly payments over five years. These payment alternatives provide flexibility in meeting the specific needs of applicants, by increasing their borrowing capacity, providing a substantial initial lump sum to assist in bridging the deposit gap, and providing assistance with payments during the first years of home ownership.

The amount of benefit is determined by income and the number of children dependent on the applicants. For homes purchased between 1 October 1983 and 30 June 1984, the maximum benefit was payable to applicants whose total taxable income was \$24,300 or less in 1982-83. Where income exceeded \$24,300 and was less than \$27,900 the amount of benefit was reduced proportionately. No benefit was payable if income was \$27,900 or more.

For homes acquired between 1 July 1984 and 21 August 1984 the same limits applied, but the relevant income year was 1983-84.

For families, joint applicants and sole applicants with dependent children who acquire their home on or after 22 August 1984, a full benefit may be paid if their taxable income was \$20,000 or less. Where income exceeded \$20,000 and was less than \$27,900, the amount of benefit is reduced proportionately. No benefit is payable if income was \$27,900 or more.

For sole applicants without dependants, who acquire their home on or after 22 August 1984, the income limits are \$10,000 to \$13,950.

A grant can be made for any new or established home, house, home unit, flat, or any other type of fixed dwelling, in the city or country. The dwelling must however be intended for the applicant's principal place of residence.

Commonwealth-State Housing Agreements since 1981

The 1981 Housing Agreement between the Commonwealth, the six States, and the Northern Territory was planned to operate for the five years from 1 July 1981 to 30 June 1986. However, the Commonwealth Government sought, and each State and the Northern Territory agreed, to negotiate a new Agreement to operate from 1 July 1984 for a period of ten years. Financial assistance under the 1981 Agreement comprised 'untied' loans, grants earmarked for housing for pensioners and Aborigines, and 'untied' grants. Each State decided on the allocation of 'untied' funds between home purchase and rental housing assistance and was required to match these funds on a dollar for dollar basis with funds provided from its own resources. Commonwealth Government loans to the States are repayable over fifty-three years at an annual interest rate of 4.5 per cent.

The Commonwealth Government guaranteed a minimum level of funding of \$200m for each year of the 1981 Agreement. Additional funding for each year was determined in the Budget context. Total funding under the Agreement in 1983-84 was \$500m: \$146m in 'untied' loans and the remainder as grants, of which \$32m was allocated for housing for pensioners, \$52m for housing for Aborigines, and \$270m was 'untied'. In addition, since 1982-83 each State has been permitted to nominate additional funds for public housing from its Works and Housing Program and a total of \$227m was nominated by the States in 1983-84. Victoria nominated \$75m in 1982-83 and \$44.5m in 1983-84 under this arrangement. These additional funds were provided at concessional Commonwealth-State Housing Agreement loan terms and conditions, i.e. interest rate of 4.5 per cent with principal repayable over fifty-three years.

The new 1984 Agreement incorporates revised principles which focus on alleviating housing related poverty and, as far as possible, provides housing assistance fairly between tenures.

Total funding under the new 1984 Agreement in 1984-85 is \$623.3m, comprising \$495m in 'untied' grants, \$35m for pensioners, \$52m for Aborigines, and the balance of \$41.3m for programmes not previously included in Housing Agreements.

Total allocations for other programmes are \$21.7m for the Mortgage and Rent Relief Scheme, \$12.6m for a new Crisis Accommodation Program, and \$7m for a new Local Government and Community Housing Program. States are again able to nominate additional funds for public housing on concessional terms subject to their matching, in 1984-85, \$450m of 'untied' Commonwealth assistance on a dollar for dollar basis from their own resources.

Victoria's share of these funds in 1984-85 will be \$125,147,000 in 'untied' grants, \$3,417,000 in Aboriginal grants, \$8,421,000 for pensioner grants, and \$9,304,000 for other programmes.

Home Purchase Assistance. Funds available in the Home Purchase Assistance Account, comprising Commonwealth Government funds, revolving funds arising from the operation of previous home purchase programmes and State 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 1981 Housing Agreement the annual interest rate charged by a State to societies and approved lending authorities was to be not less than five per cent per annum in the first full financial year, increasing by 0.5 per cent per annum until a rate equivalent to one per cent below the current Commonwealth Savings Bank rate for housing loans was reached, and thereafter varying with movements in this rate. Eligibility conditions were set by each State, but loans could only be made to those who could not obtain mortgage finance on the open market, or from other sources. Provision was made in the Agreement for a number of flexible lending practices. The Ministry of Housing and the Co-operative Housing Societies provide loans under the Housing Agreement.

Features of the new 1984 Agreement include the introduction of income related loan repayments and rental-purchase arrangements.

Rental Housing Assistance. Available funds, comprising Commonwealth Government funds, internally generated funds arising from the operation of rental housing programmes, and State contributions, are used principally for the provision of rental housing by State housing authorities but may be used for other purposes such as urban renewal, funding of voluntary housing management groups, and allocations to local government bodies to provide rental housing. Under the 1981 Agreement each State determines eligibility for rental housing subject only to the condition that assistance is directed to those most in need. The level of rent is also fixed by each State and under the 1981 Agreement a policy of progressive movement to full market rents over the life of the Agreement applied in each State. Rental rebates were granted to those tenants who could not afford to pay the rent fixed.

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

Under the new Agreement, eligibility has been widened to include all groups in the community and public rents are to be determined on the basis of the cost of provision of public rental housing.

Operations under the Commonwealth-State Housing Agreements (CSHA) in Victoria are summarised as follows:

COMMONWEALTH-STATE HOUSING AGREEMENTS, COMMONWEALTH GOVERNMENT FUNDING AND OPERATIONS, VICTORIA

Item	Total
	\$'000
Commonwealth loan funds advanced up to and including 1982-83	1,272,101
Commonwealth Government grants up to and including 1982-83	109,758
Allocations from State loan fund –	
<i>States Grants (Housing) Act 1971 (1971-72 and 1972-73)</i>	74,000
<i>States (Works and Housing) Assistance Act 1982 (a)</i>	75,000
Allocation for public housing under <i>Special Employment-related Programs Act 1982</i>	10,980
Allocations to State housing authority (Victorian Ministry of Housing) for rental housing assistance, up to and including 1982-83 –	
Loans	916,733
Grants	109,758
Loan allocations to Home Purchase Assistance Account up to and including 1982-83	429,368
Drawings from Home Purchase Assistance Account up to and including 1982-83 –	
By co-operative housing societies	580,029
By State housing authority (Victorian Ministry of Housing)	158,771
Dwellings completed by State housing authority (Victorian Ministry of Housing) up to and including 1982-83	number 93,778
Dwellings completed or purchased under Home Purchase Assistance Program up to and including 1982-83	47,670
Commonwealth Government loans allocated to State housing authority in 1972-73 under the <i>Housing Assistance Act 1973</i> offset against loss of revenue from rental rebates	\$'000 1,500

COMMONWEALTH-STATE HOUSING AGREEMENTS, COMMONWEALTH
GOVERNMENT FUNDING AND OPERATIONS, VICTORIA — *continued*

Item	Total
Supplementary loans made by Commonwealth Government for housing for defence force personnel, under CSHA, 1 July 1956 to 30 June 1971	\$'000 24,561
Loans made by Commonwealth Government for housing for defence force personnel under CSHA (Servicemen) (1971-72 up to and including 1982-83)	22,955

(a) States were able to nominate funds from their Loan Council Works and Housing Programs to go to public housing on the concessional CSHA loan terms and conditions (repayable over fifty-three years with interest at 4.5 per cent per annum).

Rental assistance

From 1 July 1981, grants have been provided to the States and the Northern Territory for rental housing assistance for pensioners, Aborigines, and other persons in need under the 1981 Housing Agreement. In previous years, such grants were provided under separate arrangements, as described in earlier issues of the *Victorian Year Book*.

Grants may be used for purposes other than construction of housing, e.g. leasing from the private sector.

To June 1983, grant payments allocated for pensioners in Victoria totalled \$49,421,000. The number of units provided to 30 June 1983 amounted to 2,622.

Grants for Aboriginal housing commenced in 1979-80 with \$2m being paid in 1979-80, \$2.1m in 1980-81, \$2.5m in 1981-82, and \$2.5m in 1982-83. During those four years 215 dwellings were provided in Victoria.

Mortgage and Rent Relief Scheme

Under the three-year programme which began in 1982-83, the Commonwealth Government announced that it would provide at least \$20m a year to the States, the Northern Territory, and the Australian Capital Territory 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.

Payment of the grants is conditional upon the States and Territories matching those sums dollar for dollar.

An amount of \$20m was allocated in each of the years 1982-83 and 1983-84 while \$22m has been allocated for 1984-85. Victoria's share in each of these years is \$5.3m, \$5.3m, and \$5.8m, respectively.

This programme has been incorporated, as a specific assistance programme, into the 1984 Commonwealth-State Housing Agreement. Under the arrangements applicable to the operation of the Scheme, States are responsible for the day to day administration, including determining eligibility for assistance.

Crisis Accommodation for Families in Distress Program

In 1981-82, the Commonwealth Government introduced a crisis accommodation programme for families in distress. Grants are provided to the States, the Northern Territory, and Aboriginal Hostels Limited for the construction, purchase, or lease of dwellings to provide short-term emergency accommodation for families. The objectives of the programme is to assist both one and two parent families who have an immediate need for accommodation.

In the 1981-82 Budget, \$2m was provided for the commencement of the programme. A further \$4m was allocated in both 1982-83 and 1983-84. Victoria's share in each of these years was \$502,000, \$1,000,000, and \$996,000, respectively.

In 1984-85 funding for the Crisis Accommodation for Families in Distress Program is being absorbed into the Crisis Accommodation Program, which forms a part of the 1984 Commonwealth-State Housing Agreement. An amount of \$3,348,000 has been allocated for 1984-85.

Local Government and Community Housing Agreement

Victoria has been allocated \$1,865,000 under a new programme of housing introduced under the 1984-85 Agreement to encourage a wider community involvement in housing programmes.

From November 1965, when the Corporation commenced operations, until the end of June 1983, 639,000 loans to the value of \$15,800m had been insured.

Housing Agreement (Service Personnel)

Prior to 30 June 1971, housing for defence service personnel was provided under the terms of the 1956-1966 Housing Agreement which, in the main, was concerned with public housing and which

expired on that date. Subsequently, separate agreements have been entered into between the Commonwealth and State Governments to provide for the construction of dwellings for allotment to defence service personnel and for improvements to existing accommodation occupied by them. Programmes are negotiated annually and the full capital cost is made available by the Commonwealth in repayable, interest-bearing loans to the States. Provision is made for the States to recover the cost of provision in the rents charged to servicemen.

Operations under the Agreement from 1 July 1971 to 30 June 1983, are summarised as follows:

- (1) Commonwealth Government loans to Victoria for construction purposes amounted to \$14,594,088, while grants for improvements to existing dwellings were \$8,360,171;
- (2) dwellings constructed by the Housing Commission of Victoria numbered 731; and
- (3) total houses provided under arrangements between the Commonwealth and Victoria numbered 4,298.

Defence Service Homes (formerly War Service Homes)

The *Defence Service Homes Act* 1918 makes provision for assistance to be granted to persons who satisfy the eligibility conditions set out in the Act, to enable them to acquire homes on concessional terms.

DEFENCE SERVICE HOMES SCHEME, OPERATIONS, VICTORIA

Year	Number of loans granted for —				Total	Capital expenditure during year	Capital receipts during year	Number of loan accounts at 30 June
	Home construction	Purchase of new homes	Purchase of previously occupied homes	Enlargement of existing homes				
						\$'000	\$'000	
1977-78	622	156	707	1	1,486	22,417	19,076	51,693
1978-79	382	118	537	5	1,042	14,980	20,670	50,192
1979-80	335	123	645	8	1,111	15,835	21,865	48,090
1980-81	357	108	825	19	1,309	22,334	22,475	46,591
1981-82	474	113	935	41	1,563	34,710	22,278	45,498
1982-83	469	112	930	23	1,534	33,939	18,895	44,473

Accommodation of migrants

Migrant centres provide a residential base for the provision of programmes and services, including English classes, orientation information, and welfare assistance for newly arrived settlers. Refugees and special humanitarian programme entrants, and some other migrant categories, receive subsidised accommodation, while other residents pay cost-recovery based tariffs.

Nine centres located across all States and the Northern Territory, provide accommodation. There were two residential centres located in Melbourne at 30 June 1984 with an accommodation capacity of 1,900 persons. In addition, in Melbourne, one centre which was closed because of a downturn in demand continues to provide on-arrival services. These services assist those new arrivals moving directly into the community.

There are also 378 two and three bedroom fully furnished and self-contained flats throughout Australia. At 30 June 1984, there were 104 located in the Melbourne metropolitan area. These flats provide transitory accommodation between the protected environment of the migrant centres and life in the community at large.

Housing Loans Insurance Corporation

The Housing Loans Insurance Corporation was established by the *Housing Loans Insurance Act* 1965-1973 to insure approved lenders against losses arising from the making of housing loans. The main purpose of the activities of the Corporation is to assist persons to borrow, as a single loan, the money they need and can afford to repay to obtain a home. Amendments to the Act in 1977 and 1983 broadened the scope of the Corporation's activities and in addition to loans for the purchase or construction of homes for owner occupancy, loans for the purchase of vacant land, commercial housing, and commercial non-residential propositions are also insurable. During 1983-84, 12,341 loans for \$539m were insured in Victoria. Comparable figures for 1981-82 were 6,675 loans for \$248m, and for 1982-83, 7,066 loans for \$265m.

Further reference: *Victorian Year Book* 1977, pp. 336-43

Victorian Government

Ministry of Housing

The various State housing authorities were consolidated under the control of the Ministry of Housing early in 1973. These authorities then included the Housing Commission, the Government Employee Housing Authority, and the Co-operative Housing Registry.

The *Housing Act* 1983, proclaimed in December, 1983, abolished the Housing Commission and the Home Finance Trust, replacing these bodies with a Body Corporate under the name of the Director of Housing. All assets and rights, and liabilities and obligations, of the Housing Commission and the Home Finance Trust were, by the *Housing Act* 1983, vested in and became due by the Director. Part IVA, Government Finance, of the *Co-operative Housing Societies Act* 1958 has been revoked, those provisions now being included in the *Housing Act* 1983. The Housing Advisory Council was abolished by the *Housing Act* 1983.

Including the construction and purchase of housing units since the inception in 1938 of its antecedent authority, the Housing Commission, the Director of Housing has built and purchased, to 30 June 1984, 97,334 housing units, of which 50,785 have been sold. Approximately thirty-six per cent of all such construction since 1938 is located outside the Melbourne metropolitan area.

Rental charges for the year ended 30 June 1984 were \$124,388,557, against which \$37,606,795 was allowed in rent rebates to tenants on low incomes, including pensioners.

HOUSING COMMISSION, DWELLING CONSTRUCTION, VICTORIA

Geographical distribution (a)	Houses and flat units					
	1978-79	1979-80	1980-81	1981-82 (b)	1982-83 (b)	1983-84 (b)
COMPLETED						
Melbourne Statistical Division	783	427	521	732	821	1,531
Remainder of Victoria	1,051	786	647	1,000	1,298	1,314
Total	1,834	1,213	1,168	1,732	2,119	2,845
UNDER CONTRACT AT END OF PERIOD (INCLUDES CONTRACTS LET, WORK NOT STARTED)						
Melbourne Statistical Division	606	563	510	228	764	686
Remainder of Victoria	847	616	806	456	1,086	558
Total	1,453	1,179	1,316	684	1,850	1,244

(a) Figures are according to boundaries as determined at 30 June 1966.

(b) Included purchases.

Further references: Report of the Board of Inquiry into certain land purchases by the Housing Commission, *Victorian Year Book* 1979, pp. 272-3; Social effects of Housing Commission policies, 1984, p.246; Planning and the City of Melbourne, 1984, pp. 243-5; Regional authorities, 1984, pp. 246-7

Registry of Co-operative Housing Societies

The *Co-operative Housing Societies Act* 1958 empowers societies to raise money on loan for the purposes of making advances to their members to erect houses, to purchase houses (within certain age limits); to meet street making and sewerage installation charges; to undertake additional permanent improvements to a dwelling acquired through a society; to maintain and keep the house in proper repair; and to purchase a residential flat on the security of a stratum title.

Until 30 June 1956, co-operative housing societies were entirely dependent on institutional finance for their funds, but since 1956 they have received a portion of Victoria's housing loan allocation under the Commonwealth-State Housing Agreements.

The following table, compiled from annual reports published by the Registrar of Co-operative Housing Societies, provides particulars relating to the operations of societies at 30 June for each of the years 1978 to 1983:

OPERATIONS OF CO-OPERATIVE HOUSING SOCIETIES, VICTORIA, AT 30 JUNE

Particulars	Unit	1978	1979	1980	1981	1982	1983
Societies registered	number	1,898	2,062	2,026	2,040	2,048	1,966
Members registered	number	52,108	52,401	50,680	48,506	46,403	43,393
Shares subscribed	number	4,818,435	5,251,845	5,501,288	5,634,186	5,600,278	5,574,813
Nominal share capital	\$m	482	525	550	563	560	557
Advances approved	number	43,384	42,701	41,362	39,458	37,397	35,244
Advances approved	\$m	476	536	544	559	549	554
Government guarantees executed	number	965	1,020	988	988	942	917
Government guarantees executed	\$m	221	243	251	258	251	249
Indemnities given and subsisting	number	5,968	6,171	6,042	6,644	7,327	7,327
Indemnities subsisting	\$'000	7,263	8,063	8,733	9,904	11,648	11,648
Housing loan funds paid into Home Builders' Account	\$m	283	308	325	338	338	n.a.
Dwelling houses completed to date (a)	number	93,936	97,092	99,155	101,155	104,497	105,419
Dwelling houses in course of erection (a)	number	789	1,056	977	668	304	233

(a) Includes residential flats.

Government Employee Housing Authority

The Government Employee Housing Authority commenced operation in March 1982 as successor to the former Teacher Housing Authority. The Authority has the broad role of overseeing the provision of housing for all Victorian government employees; and in respect of participating departments whose employee housing is directly managed by the Authority providing, modernising, maintaining, and disposing of properties according to the priorities of need and budgetary constraints.

At 30 June 1984, the Authority had two participating departments, Education and Law, and discussion is proceeding with a number of other departments concerning their possible participation. However, the greatest inhibiting factor is seen as the long process of rent review and negotiation which has been necessary to establish a uniform rental structure for all Victorian Government employee housing as required by the Victorian Government. The ultimate objective of the rent revision is the attainment of full cost recovery rentals.

A total of 2,219 residential units were directly managed by the Authority at 30 June 1984.

Further references: Rural Finance and Settlement Commission, *Victorian Year Book 1978*, p. 293; Home Finance Trust, 1983, pp. 260-1; Approved housing institutions, 1983, p. 262

HOUSING FINANCE STATISTICS: LOANS APPROVED BY MAJOR INSTITUTIONS TO
INDIVIDUALS FOR THE CONSTRUCTION OR PURCHASE
OF DWELLINGS, VICTORIA
(\$'000)

Institution	Loans approvals					
	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84
Savings banks	891,349	997,807	1,014,927	1,012,205	1,259,643	1,744,372
Trading banks	134,089	137,289	152,594	157,761	114,080	146,442
Permanent building societies	476,092	452,596	489,301	355,402	409,971	754,281
Terminating building societies	62,821	44,257	38,040	23,241	39,697	37,416
Finance companies	47,810	46,012	56,385	31,121	21,480	31,728
Government	87,343	78,194	83,508	90,235	78,226	68,715
Other	40,933	50,621	52,766	47,950	51,785	68,583
Total	1,740,437	1,806,776	1,887,521	1,717,915	1,974,882	2,851,537

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