

CHAPTER 19

HOUSING AND CONSTRUCTION

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CHAPTER 19

HOUSING AND CONSTRUCTION

This chapter gives details of: the characteristics of dwellings obtained from censuses (pages 481-2); government activities in the field of housing (pages 482-92); financial arrangements associated with the erection or purchase of homes (pages 492-6); a summary of building activities (pages 496-9); and summary of construction (other than building) activities (pages 499-500).

HOUSING

Census dwellings

Further information on dwellings obtained from censuses is available in the detailed tables of the publications issued for each individual census. A list of the 1971 and 1976 Census publications is shown in the *ABS Catalogue of Publications* (1101.0). The most relevant 1976 census publication is *Population and Dwellings: Summary Tables* (2409.0 to 2417.0). More detailed unpublished dwellings information is available on microfiche and are listed in the *Catalogue of 1976 Census Tables* (2103.0).

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 1976 Census, together with information from earlier censuses.

Number of dwellings

The following table shows the number of occupied and unoccupied dwellings in Australia at each census from 1947 to 1976. Occupied dwellings are classified into 'private' and 'non-private' dwellings.

Private dwellings were classified into the following categories for the 1976 Census:

private house—includes separate, semi-detached, attached and terrace or row houses.

villa unit—also includes dwellings variously described as town house, cottage unit, villa development, cottage flats.

self-contained flat—part of a house or other building which can be completely closed off and which has its own cooking and bathing facilities. Includes home units.

other private dwellings—comprises non-self-contained parts or rooms of houses, flats or other premises. Also includes sheds, tents, garages, caravans and houseboats occupied on a permanent or semi-permanent basis.

Non-private dwellings include hotels, motels, boarding houses and hostels, educational, religious and charitable institutions, hospitals, defence and penal establishments, caravan parks, 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, CENSUSES, 1947 TO 1976

Census	Occupied		Total	Unoccupied
	Private	Non-private		
1947	1,873,623	34,272	1,907,895	47,041
1954	2,343,421	36,932	2,380,353	112,594
1961	2,781,945	35,325	2,817,270	194,114
1966	3,155,340	33,917	3,189,257	263,873
1971	3,670,553	24,006	3,694,559	339,057
1976	4,140,521	21,543	4,162,064	431,200

(a) Excludes dwellings occupied solely by Aborigines before 1966.

The total numbers of occupied and unoccupied dwellings in each State and Territory at the Censuses of 1971 and 1976 were as follows:

DWELLINGS: CENSUSES, 1971 AND 1976

State or Territory	Census 30 June 1971		Census 30 June 1976	
	Occupied	Unoccupied	Occupied(a)	Unoccupied
New South Wales	1,364,542	124,522	1,499,001	152,960
Victoria	1,015,485	88,521	1,126,304	119,592
Queensland	517,245	51,077	602,426	62,686
South Australia	344,112	30,553	392,253	39,768
Western Australia	286,845	28,274	339,105	34,064
Tasmania	110,420	13,307	122,573	15,786
Northern Territory	17,792	929	23,270	2,292
Australian Capital Territory	38,118	1,874	57,132	4,052
Australia	3,694,559	339,057	4,162,064	431,200

(a) Includes non-private dwellings.

Former Arrangements between Commonwealth and State Governments

Over the period between 1945 and 1971, public housing was provided under the terms of a series of Housing Agreements entered into between the Commonwealth and the State Governments. For more detailed explanations, see Year Book No. 61, page 228.

With effect from 1 July 1971, a new arrangement was introduced under which the State Governments allocated loan funds for public housing purposes and were financially assisted by the Commonwealth making payments of non-repayable interest-free grants under the *States Grants (Housing) Act 1971*. Originally, that Act was to operate in respect of five financial years, but in 1973 it was amended to apply to operations in 1971-72 and 1972-73 only. For further information regarding the *States Grants (Housing) Act 1971* see Year Book No. 59, page 210.

A further Housing Agreement was entered into between the Commonwealth and all States in 1973 in relation to Welfare housing. It was amended in some minor respects in 1974. See Year Book No. 63, page 410 for further details.

1978 Housing Agreement

This Agreement between the Commonwealth and the six States (excluding Northern Territory) is operative for a three year term ending 30 June 1981. Commonwealth advances to the States are repayable over 53 years at an interest rate of 4.5 per cent per annum for Home Purchase Assistance and 5 per cent per annum for Rental Housing Assistance. The allocation of advances to these two programs each financial year is determined by the Commonwealth Minister in consultation with each State Minister.

Home Purchase Assistance

In the third year of the Agreement at least 40 per cent of total advances made to a State is to be allocated to that State's Home Purchase Assistance Account (HPAA). Funds available in the HPAA are used principally to make loans to terminating building or co-operative housing societies and approved State lending authorities for on-lending to home purchasers. The interest rate charged by a State to societies and approved lending authorities must be not less than 5 per cent per annum in the first full financial year, increasing by 0.5 per cent per annum until a rate equivalent to 1 per cent below the long term bond rate is reached, and thereafter varying with movements in the long term bond rate. Eligibility conditions are set by the State ensuring that loans are only made to those who cannot obtain mortgage finance on the open market. Provision is made in the Agreement for a number of flexible lending practices, such as escalating interest loans with income geared starts, to be applied by a State subject to variation in repayment in the event of hardship.

Rental Housing Assistance

Funds 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. Each State determines eligibility for rental housing ensuring that assistance is directed to those most in need. The level of rent is also fixed by each State having regard to a policy of generally relating rents to those on the open market. Rental rebates are granted to those tenants who cannot afford to pay the rent fixed. Each State may determine its own policy on sales of rental dwellings but all sales must be at market value or replacement cost and on the basis of a cash transaction. Home Purchase Assistance funds may be used to finance the purchase of rental dwellings.

Housing Agreement (Servicemen)

Prior to 30 June 1971, housing for servicemen 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. With effect from 1 July 1971, a separate agreement was concluded between the Commonwealth and State Governments to provide for the construction of dwellings for allotment to servicemen 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 advances to the States.

Operations under the 1973-1974 Housing Agreement, 1978 Housing Agreement and the Housing Agreement (Servicemen)

The following tables show the results of operations under the 1973-1974 Housing Agreement, 1978 Housing Agreement and the Housing Agreement (Servicemen) during 1977-1978 and 1978-1979. Corresponding figures for 1976-1977 appear in Year Book No. 63, page 411.

1973-74 HOUSING AGREEMENT: SUMMARY 1977-78

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
HOUSING FUNDS (\$'000)							
Commonwealth advances to States for housing	128,011	101,759	39,810	58,460	36,740	25,220	390,000
State housing authorities (a)	89,608	71,231	30,400	34,810	25,718	20,000	271,767
Home builders' account (a)	38,403	30,528	9,410	23,650	11,022	5,220	118,233
Amounts drawn by institutions	60,403	47,767	12,344	28,782	16,548	6,601	172,445
Housing Agreement (Servicemen) advances	7,947	753	12,500	1,317	2	-	22,519
NUMBER OF DWELLINGS							
State housing program—							
Commenced	2,839	1,779	719	1,171	1,043	922	8,473
Completed	2,207	2,330	897	1,380	1,277	862	8,953
Under construction at 30 June 1978	3,142	1,906	324	991	298	499	7,160
Home builders' account—							
Purchased—							
New	507	281	154	2,205	32	39	3,218
Other	1,606	857	220	267	343	191	3,484
New construction—							
Approved	506	663	290	343	282	159	2,243
Commenced	399	946	289	362	282	132	2,410
Completed	491	1,019	329	411	710	202	3,162
Service housing—							
Agreed program	-	-	-	-	-	-	-
Completed (b)	55	61	290	67	-	-	473
Sold under—							
1973-74 Housing agreement	-	1,434	205	376	166	-	2,181
Earlier agreements	131	931	368	-	289	1	1,720

(a) Between 20 and 30 per cent of total advances to a State in a financial year must be allocated to Home Builders' Accounts, the balance being allocated to State Housing Authorities. (b) See footnote (b) on next page.

1978 HOUSING AGREEMENT: SUMMARY 1978-79

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
HOUSING FUNDS (\$'000)							
Commonwealth advances to States for housing	103,721	82,451	32,257	47,368	29,767	20,436	316,000
Rental Housing Assistance Program	72,605	-	10,257	22,565	20,837	16,349	142,613
Home Purchase Assistance Account	31,116	82,451	22,000	24,803	8,930	4,087	173,387
Amounts drawn by institutions	62,000	n.y.a.	26,450	n.y.a.	n.y.a.	10,011	n.y.a.
Housing Agreement (Servicemen) advances	5,423	948	5,229	-	-	-	11,600

1978 HOUSING AGREEMENT: SUMMARY 1978-79—continued

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
NUMBER OF DWELLINGS							
Rental Housing Assistance Program—							
Commenced	2,140	1,240	490	1,155	763	850	6,638
Completed	2,920	1,835	604	1,857	745	810	8,771
Under construction at 30 June 1979	2,786	1,453	304	901	302	541	6,287
Home Purchase Assistance Account(a)—							
Purchased—							
New	907	571	583	2,157	25	6	4,249
Other	930	2,099	35	312	14	270	3,660
New construction—							
Approved	274	604	391	349	323	109	2,050
Commenced	367	888	377	n.y.a.	n.y.a.	n.y.a.	n.y.a.
Completed	377	886	288	n.y.a.	n.y.a.	n.y.a.	n.y.a.
Service housing—							
Agreed program	—	—	—	—	—	—	—
Completed(b)	205	10	164	1	—	—	380
Sales of Rental Dwellings	260	1,875	330	143	64	67	2,739

(a) Figures for S.A. do not include loans made through permanent building societies. (b) Includes completions of houses for servicemen programmed in previous years.

Rental Assistance to Pensioners Scheme

Year Book No. 61, page 229, gives information on the *States Grants (Dwellings for Aged Pensioners) Act 1969* and the *States Grants (Dwellings for Pensioners) Act 1974*. The latter was extended a further financial year to 30 June 1978 and a further \$10 million was allocated. From 1 July 1978 grants are being provided to the States for 3 years to 30 June 1981 under Part III of the *Housing Assistance Act 1978*. The scheme now allows the States to provide rental housing assistance for other persons in need as well as pensioners defined in the Act. Grants may be used for purposes other than construction of housing, eg, leasing from the private sector.

Units provided in 1976-77 and 1977-78 and 1978-79 are shown in the following table.

RENTAL ASSISTANCE TO PENSIONERS

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Number of units—							
1976-77	138	—	55	57	66	9	325
1977-78	195	137	78	58	46	14	528
1978-79(a)	309	168	103	81	77	26	764
Grants Paid—							
1976-77 \$'000	2,084	—	944	907	895	158	4,986
1977-78 \$'000	4,070	2,530	1,490	930	700	280	10,000
1978-79 \$'000	5,695	3,388	2,050	1,343	1,086	438	14,000

(a) From 1978-79 States only need to nominate schemes

Defence service homes

The *Defence Service Homes Act 1918*, formerly the *War 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 on concessional terms a soundly constructed home that they would occupy as a residence.

Persons eligible for assistance 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 the 1914-18 and 1939-45 Wars; persons who served in the warlike operations in Korea or Malaya or who have served on 'special service' as defined in the *Repatriation (Special Overseas Service) Act 1962*; and members of the Forces who serve on continuous full-time service and national servicemen 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 the 1914-18 and 1939-45 Wars.

The maximum amount of loan or advance which may be granted under the *Defence Service Homes Act* 1918 is \$15,000. The maximum period of repayment is 45 years or, in the case of the widow or widowed mother of an Australian ex-serviceman, 50 years; but normally the repayment period is restricted to not more than 32 years.

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.

Operations under the Defence Service Homes Act

The following tables give details of the operations under the Defence Service Homes Act in the year 1978-79 and from the inception of the scheme on 6 March 1919 to 30 June 1979. The earliest single year for which details are given in the tables is 1973-74; for earlier years *see* previous issues of the Year Book. The figures shown include operations in Papua New Guinea and on Norfolk Island.

DEFENCE SERVICE HOMES ACT: OPERATIONS, 1978-79 AND TO 30 JUNE 1979

1978-79					
<i>Eligibility established from following service—</i>					
		1914-18 War	1939-45 War Korea, etc. (a)	Regulars and National Servicemen serving on or after 7 December 1972	Total
Applications received	No.	55	4,975	1,949	6,979
Applications approved	"	44	3,520	1,353	4,917
Homes purchased	"	41	2,334	828	3,203
Homes built, or assistance given to build them	"	2	390	250	642
Mortgages discharged	"	7	1,138	352	1,497
<i>Total homes provided</i>	"	50	3,862	1,430	5,342
Transfers and resales	"	-	73	10	83
Total capital expenditure	\$'000	n.a.	n.a.	n.a.	77,434
Total capital receipts	"	n.a.	n.a.	n.a.	(b)82,521

From inception to 30 June 1979					
<i>Eligibility established from following service—</i>					
		1914-18 War	1939-45 War Korea, etc. (a)	Regulars and National Servicemen serving on or after 7 December 1972	Total
Applications received	No.	120,059	502,645	16,571	639,275
Applications approved	"	59,187	308,620	9,223	377,030
Homes purchased	"	20,976	167,700	5,297	193,973
Homes built, or assistance given to build them	"	24,234	77,390	1,721	103,345
Mortgages discharged	"	4,406	45,403	1,629	51,438
<i>Total homes provided</i>	"	49,616	290,493	8,647	348,756
Transfer and resales	"	9,695	17,437	250	27,382
Total capital expenditure	\$'000	n.a.	n.a.	n.a.	2,178,357
Total capital receipts	"	n.a.	n.a.	n.a.	(c)1,824,622

(a) Korea, Singapore, Malaysia or Vietnam (Southern Zone) and Vietnamese waters. (b) Total capital receipts for the year, not including interest received from applicants. (c) Includes interest receipts.

HOUSING AND CONSTRUCTION
DEFENCE SERVICE HOMES ACT: OPERATIONS

Year	Number of Homes provided					Total capital expendi- ture	Total capital receipts(b)
	Applications received	Homes purchased (a)	Homes built	Mortgages discharged	Total		
						\$'000	\$'000
1973-74	15,494	6,223	715	1,356	8,294	102,000	(b)101,467
1974-75	14,582	5,840	1,244	1,780	8,864	130,000	(b)91,640
1975-76	11,646	5,009	1,472	1,797	8,278	128,194	(b)110,720
1976-77	10,059	2,860	1,357	1,573	5,790	94,657	(b)124,424
1977-78	8,058	3,365	1,149	1,382	5,896	90,321	(c)90,012
1978-79	6,979	3,203	642	1,397	5,242	77,434	(c)82,521

(a) Homes purchased with assistance under the Defence Service Homes Act. (b) Includes interest receipts. (c) Total capital receipts for the year, not including interest received from applicants.

DEFENCE SERVICE HOMES ACT: ADVANCES FOR HOUSING AND NUMBER OF HOMES PROVIDED

Period or date	N.S.W.(a)	Vic.	Qld(b)	S.A.	W.A.	Tas.	N.T.	A.C.T.	Total
TOTAL CAPITAL ADVANCED DURING YEAR (\$'000)									
1973-74	30,171	27,149	17,400	10,418	9,500	3,200	162	4,000	102,000
1974-75	37,925	32,250	22,785	11,867	16,400	3,220	133	5,420	130,000
1975-76	40,954	31,971	20,254	10,490	16,005	2,795	(c)	5,725	128,194
1976-77	31,109	21,607	14,635	9,120	11,798	1,788	(c)	4,600	94,657
1977-78	24,948	22,417	15,700	9,769	11,049	1,807	(c)	4,631	90,321
1978-79	23,843	14,979	15,438	7,992	7,836	1,467	(c)	5,879	77,434

NUMBER OF SECURITIES IN FORCE

At end of June—									
1974	62,699	54,379	25,527	16,603	17,576	4,397	73	1,671	182,925
1975	63,035	54,363	26,181	16,879	18,095	4,484	67	2,022	185,126
1976	62,535	53,109	26,367	16,736	18,072	4,483	33	2,355	183,690
1977	61,367	52,316	26,197	16,504	17,855	4,380	38	2,575	181,232
1978	60,033	51,004	26,129	16,381	17,628	4,305	46	2,804	178,330
1979	58,090	49,458	25,888	16,062	17,208	4,157	54	3,089	174,006

VALUE OF ADVANCES OUTSTANDING (\$'000)

At end of June—									
1974	363,071	288,556	135,961	84,624	90,336	23,997	(c)	(d)	986,545
1975	382,562	302,077	150,560	91,341	101,351	25,901	(c)	(d)	1,053,792
1976	402,045	313,014	162,454	95,314	109,329	27,117	(c)	(d)	1,109,273
1977	408,911	314,001	168,289	97,822	113,757	27,113	(c)	(d)	1,129,893
1978	412,695	316,039	174,941	100,516	117,941	27,229	(c)	(d)	1,149,361
1979	405,141	303,226	175,887	100,377	115,515	26,111	(c)	(d)	1,126,257

NUMBER OF HOMES PROVIDED

1973-74	2,449	2,245	1,434	757	783	280	14	332	8,294
1974-75	2,402	2,172	1,544	836	1,245	251	10	404	8,864
1975-76	2,437	2,098	1,379	704	1,059	204	7	390	8,278
1976-77	1,724	1,359	967	555	740	122	9	314	5,790
1977-78	1,697	1,425	1,059	555	726	127	7	300	5,896
1978-79	1,609	998	1,054	542	531	102	11	395	5,242

(a) Includes Norfolk Island. (b) Includes Papua New Guinea. (c) Included in South Australia. (d) Included in New South Wales.

In addition to the homes provided under the Defence Service Homes Act and shown above, 3,682 homes, which had been provided originally under the Housing Agreements with the States, have been taken over in accordance with those Agreements.

Home Savings Grant Scheme

The administration of the Home Savings Grant Scheme is a function of the Department of Housing and Construction. The purpose of the scheme is to encourage people to save over a period towards the ownership of their first home and to assist them financially with its acquisition by means of a home savings grant. A further objective is to increase the funds available in Australia for housing purposes by rewarding savings made with those institutions that provide the bulk of private housing finance. The grant is a tax-free gift, not a loan.

The Scheme was introduced in 1964. Persons who acquired their home on or before 31 December 1976 qualified under the *Homes Savings Grant Act 1964*, the conditions of which are explained in detail in Year Book No. 61, page 233. Details of grants made under this Act up to 30 June 1978 are available in Year Book No. 63, pages 415-6.

Persons acquiring their homes on and after 1 January 1977 may qualify under the *Homes Savings Grant Act 1976*. Applications for grants may be made by persons who, on and after 1 January 1977, contract to buy or build, or commence to construct, their first home in Australia. Applicants may be young or old, married or single. The home must be intended as the applicant's principal place of residence. Persons who are not Australian citizens must have the right to reside here permanently. Persons under eighteen years of age must be married or engaged. Applicants cannot have owned a home or received a grant before.

The amount of grant is related to the 'savings period', which is the period of one, two or three complete years immediately before the contract date, during which the applicant/s must have saved in an acceptable form. The grant is calculated on the basis of \$1 for each \$3 of acceptable savings, including savings held at the beginning of the savings period. A maximum grant of \$667 is payable in respect of a savings period of one year, \$1,333 for two years and \$2,000 for three years. Grants of \$667 first became payable for people contracting to buy or build their home from 1 January 1977. The larger grants apply first from 1 January 1978 and 1979 respectively.

There is no limit to the value of homes acquired on or before 24 May 1979. The Government announced on 24 May 1979 that a value limit will apply to homes acquired after that date. A full grant will be payable for homes valued at \$35,000 or less, reducing to zero grant for homes valued at \$40,000. The value limit will apply to the combined value of land, dwelling and other improvements.

The main forms of savings that are acceptable are those most commonly used to accumulate savings for a home, that is, with banks (other than cheque accounts), building societies and credit unions. Savings expended on or before the contract date in connection with the home, such as for the deposit on the home or for the land, are also acceptable.

Full details of the new scheme are available in a booklet, 'Your Home Savings Grant', copies of which are available from the Department of Housing and Construction and from savings institutions. Further information on the operation of the scheme is contained in the Department's Annual Report.

Operations under the Home Savings Grant Scheme

Particulars of applications received and approved during 1978-79 and from inception in respect of the *Homes Savings Grant Act 1976*, are set out below.

HOMES SAVINGS GRANT ACT 1976: OPERATIONS, 1978-79

		N.S.W.	Vic.	Qld	S.A.(a)	W.A.	Tas.	A.C.T.(b)	Aust.
Applications received	No.	20,624	16,172	7,027	5,480	4,787	1,844	1,244	57,178
Applications approved	..	18,692	13,790	6,624	5,050	4,684	1,587	1,199	51,626
Grants approved	.. \$'000	19,467	15,562	7,317	5,325	4,780	1,751	1,313	55,514
Average grant approved	.. \$	1,041	1,128	1,105	1,054	1,020	1,103	1,095	1,075
Expenditure from Consolidated Revenue	.. \$'000	7,931	5,629	2,100	1,900	1,520	540	380	20,000

(a) Includes Northern Territory.

(b) Includes Queanbeyan, N.S.W.

HOMES SAVINGS GRANT ACT 1976: OPERATIONS, 1 JANUARY 1977 TO 30 JUNE 1979

<i>Period</i>	<i>Applications received</i>	<i>Applications approved</i>	<i>Grants approved</i>	<i>Average grant approved</i>	<i>Expenditure from consolidated revenue</i>
1 January 1977-30 June 1977	11,850	8,447	\$'000 5,491	\$ 650	\$'000 5,035
1977-78	58,433	49,790	36,131	726	33,995
1978-79	57,178	51,626	55,514	1,075	20,000
Total from 1 January 1977	127,461	109,863	97,136	884	59,029

Housing loan interest deduction scheme

The housing loan interest deduction scheme provides for the allowance of an income tax deduction for eligible housing loan interest payments. To qualify, interest paid after 30 June 1976 must relate to the first home of the taxpayer (or of his or her spouse) and be paid during the first five years of occupancy of that first home.

The amount of the housing loan interest deduction that may be an allowable deduction is governed by a 'net income' test under which all eligible interest paid in the relevant income year is deductible if the taxpayer concerned has a net income for that year of \$4,000 or less. For a taxpayer with a higher net income, the percentage of interest deductible is 100 per cent reduced by 1 per cent for each \$100 by which his or her net income for the year exceeds \$4,000. The deduction is therefore not available to a person whose net income is \$14,000 or more.

'Net income' for purposes of the scheme means gross income (including exempt income but not family allowances or domiciliary nursing care benefits) less expenses of a revenue nature incurred in the course of earning the income. In measuring the deduction allowable, the net income of the taxpayer is combined with the net income of his or her spouse.

The deduction will be terminated with effect from 1 November 1978. No reduction on account of housing loan interest paid by an employee may therefore be made in the level of tax instalments deductible under the pay-as-you-earn (PAYE) system from salary or wages paid after 31 October 1978.

Housing loans insurance scheme

The Housing Loans Insurance Corporation was established under the *Housing Loans Insurance Act 1965* to insure approved lenders against losses arising from the making of housing loans. For further information regarding the Corporation and earlier operation of the Scheme, see Year Book No. 61, pages 235-6.

Following amendments to the Act in mid-1977, loans for owner-occupancy homes are insurable without limit on loan amount, interest rate or term. A once-and-for-all premium of 1.4 per cent of the amount of the loan is charged by the Corporation for the insurance of loans up to, but less than, 96 per cent of valuation, with the premium rate falling progressively to a minimum of 0.1 per cent on loans of less than 76 per cent of valuation. On loans from 96 to 100 per cent of valuation, the premium charged is 1.4 per cent of the valuation of the loan plus 10 per cent of the amount so calculated. The amendments to the Act also empowered the Corporation to insure loans for rental housing projects and loans to developers and builders.

From November 1965, when the Corporation commenced operations, until the end of June 1978, 324,000 loans to the value of \$5,254 million had been insured.

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 (see pages 492-6, for their financial advances to persons wishing to purchase or build a home). For summarised figures of total government construction of houses and other dwellings, see pages 496 and 498.

New South Wales—The Housing Commission of New South Wales. The Housing Commission of New South Wales was constituted in 1942, its principal function being the provision of low-cost housing to persons in the lower or moderate income groups.

Advances from the Commonwealth Government have provided most of the Housing Commission's capital funds and by 30 June 1979 had aggregated \$1,132,232,000 of which \$117,220,000 had been repaid. Other net funds of the Commission at 30 June 1979 comprised: repayable advances

from the State, \$124,435,000; public loans raised by the Commission, \$18,881,000; grants from the Commonwealth Government, \$41,871,000; grants from the State, \$27,790,000 (including \$9,590,000 from consolidated revenue and \$18,200,000 from taxes on poker machines); provision for maintenance of properties, \$9,226,000; and accumulated surplus, \$125,126,000. In addition, the Commission owed \$19,068,000 to creditors, mainly for purchase of land and work-in-progress. These funds were represented by fixed assets, \$1,356,864,000 (including \$204,153,000 debtors for purchase of homes); and current assets, \$25,230,000. In 1978-79, the Commission's income was \$137,644,000 (including rent \$114,404,000 and interest \$17,440,000); expenditure was \$123,411,000 (interest, \$48,306,000).

Most of the permanent dwellings provided by the Commission have been erected under the Federal-State Housing Agreements. In 1978-79, 3,265 houses and flats were completed for the Housing Commission by private builders on contract to the Commission.

Upon request by other State Departments, the Housing Commission will erect houses for employees of those Departments, the Departments providing the necessary lands and funds. In addition, the Commission erects (with State funds) dwellings for employees of industries connected with decentralisation and development. Specially-designed units are erected by the Housing Commission to provide dwellings for elderly persons at rentals within their means. The rents of these units, as at 30 June 1979, were approximately \$11.40 a week for elderly single persons and \$18.30 a week for elderly couples. At 30 June 1979, 10,075 units had been completed.

Victoria—Ministry of Housing. The Ministry of Housing co-ordinates all Government housing activities in Victoria. The authorities within the Ministry are the Housing Commission, Registry of Co-operative Housing Societies and Co-operative Societies, Home Finance Trust (see page 493), Decentralised Industry Housing Authority and Teacher Housing Authority.

Housing Commission, Victoria. The Commission was set up in 1938 as a result of the Housing Act of the previous year. Following an amendment to the Housing Act in January 1979, the function of the Commission is defined as assisting the Minister to carry out his duties, which include the determination of the present and future housing needs of the people of Victoria and the taking of steps in relation to: the provision of accommodation for persons in need; the provision of adequate and suitable houses for letting or leasing; the sale of houses to eligible persons; the making of advances to eligible persons for home purchase; the improvement of existing housing by the establishment and enforcement of adequate housing standards; encouraging and assisting in the provision of finance for persons building, purchasing or renovating houses; the development and sale of land for housing; the preparation and implementation of urban renewal proposals; the provision of parks, gardens and community facilities in areas where land or houses have been provided; the provision of shops and commercial facilities or land therefor; the provision of movable units for the accommodation of the pensioner parents of an applicant on the land of the applicant; the provision of housing for officers and employees of government departments and public authorities in circumstances where this is desirable; and the integration of housing under the Act with private housing.

Since the signing of the 1945 Housing Agreement, the construction of dwellings has been financed by the Commonwealth Government and Commission Funds.

At 30 June 1979, the Housing Commission had completed 88,695 dwelling units under the State Housing Scheme and Federal-State Agreements, Works and Services Loans, Service Personnel Agreements (Housing), and Grants for Aged Person Housing. Specially-designed dwelling units are erected by the Commission to provide dwellings for elderly persons at rentals within their means. To 30 June 1979, 7,608 such units had been completed. These are also included in the figures for total constructions above.

Queensland—The 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 1978-79 the Commission provided 1,875 dwelling units, bringing the total number under all schemes since the revival of housing construction in 1944-45 to 57,909. Of this number 35,138 houses, or 61 per cent, were for home ownership, and 22,730, or 39 per cent, were for rental.

In the field of rental housing the Commission administers and acts as the constructing authority under the Federal-State Housing Agreements and the States Grants (Dwellings for Pensioners) and States Grants (Housing) legislation. Operating under the provisions of the *State Housing Act 1945-1978*, the Commission, through its scheme of worker's dwellings, makes advances for the construction of dwellings to eligible persons who own a suitable building site. The number of workers' dwellings completed during 1978-79 amounted to 879, making a total of 34,568 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 403 of the Commission's houses during 1978-79.

South Australia—The South Australian Housing Trust. The South Australian Housing Trust operates under the South Australian Housing Trust Act, 1936-1978 and the Housing Improvement Act, 1940-1978 for the purpose of providing accommodation for families of limited means. Dwellings are built for both rental and sale, and to 30 June 1979, a total of 87,258 had been completed or purchased by the Trust throughout the State, of which 46,210 had been built and sold under various schemes.

At 30 June 1979, the rents of 5 roomed (i.e. 3 bedroomed) semi-detached bungalows ranged from \$23.50 per week for houses of the older type, to \$25.00 per week for newer type houses. Single unit rents ranged between \$29.00 and \$38.00 per week. Two bedroomed villa flats were let at \$30.00 per week whilst weekly rentals on two and three storey groups of flats in the Adelaide metropolitan area ranged from \$26.50 for one bedroom flats to \$28.50 for two bedroomed flats. Of these, 2,320 flats were situated in the metropolitan area and 203 in country towns. With few exceptions, rentals for attached, one and two storey maisonettes and town houses (three bedrooms) at 30th June 1979 ranged between \$32.50 and \$39.00 per week.

The exceptions are town houses at West Lakes, Hackney, Kent Town and in the City of Adelaide where rents range from \$45.50 for two bedrooms to \$79.00 for three bedrooms and a family room.

In 1953 the Trust began building cottage flats for pensioners and elderly people. By 30 June 1979, the Trust had let 2,117 cottage flats and built an additional 865 for charitable and non profit organisations. The rents for persons receiving pensions were \$7.50 per week for a one person cottage flat (\$6.50 for a shared facility cottage flat) and \$12.50 for a two person cottage flat.

The Trust Rental Purchase Scheme introduced in 1962 had the aim of providing less expensive purchase housing for lower income families. As anticipated, houses purchased under this scheme to some extent eased the demand for Trust rental accommodation. Low deposits and a forty year, low interest loan, (financed under Commonwealth-State housing agreements), enabled a total of 8,144 low income families to purchase a new three bedroom, brick-veneer house between 1962 and 1978. Unfortunately this extremely popular scheme has been discontinued due to changes in funding made by the Commonwealth Housing Assistance Act, 1978. At 30 June 1979, there were 5,263 Rental Purchase accounts still in existence.

The Trust has a House Sales scheme, which, in conjunction with the State Government Insurance Commission (SGIC), provides home purchase facilities aimed to be of particular assistance to the lower and middle income groups in the community. Currently these houses are priced between \$32,000 and \$40,000 (depending on location and design), most are priced below \$35,000 and, therefore, qualify for the full Commonwealth Home Savings Grant. The present Trust House Sales scheme partially fills the vacuum left in the wake of the now defunct Rental Purchase scheme. All construction is by private contractors.

The Trust undertook the construction of houses for various Commonwealth and State Government Departments which needed to house staff in the State. Houses are also built to a standard Trust design on the client's own land in the country if they so wish; either for their own use or that of their employees. For this purpose either local materials are utilised, or complete *House Kits* containing everything necessary to build a house including nails, paint and fencing or pre-fabricated dwellings are transported to the site for erection by *labour only* contractors. The farthestmost point at which the Trust has built is Amata, some 1,600 kilometres from Adelaide.

There has been a considerable increase in the number of houses provided for disadvantaged and handicapped people, and many of the houses provided were extensively altered to meet the needs of the individual. These alterations have enabled many handicapped people to live a full and independent life.

The Trust is also responsible for the administration of all houses financed through the State Aboriginal Advancement Scheme, in accordance with policies formulated by the Aboriginal Housing Board of South Australia. The Board comprises six Aboriginal Members and a representative each from the Department of Community Welfare, the Department of Aboriginal Affairs, Aboriginal Hostels Limited and the Trust. So successful has the relationship between the Board and the Trust been, that the Board will in future conduct its business from the premises of the Trust Head Office in Adelaide.

The Trust employs a number of Aborigines in its Aboriginal Funded Unit and provides all the normal housing management services for the houses under the scheme. By the end of June 1979, a

total of 745 homes had been built or purchased in South Australia exclusively for people of Aboriginal descent. The scheme whereby Aboriginal apprentices were indentured to a Ceduna Trust contractor has proved successful. When they complete their training it is intended the Trust and the Board will employ them on the maintenance of Aboriginal Funded houses.

Since 1973, the Trust has purchased 1,302 old houses and cottages (mainly in the City and inner suburbs) under its Special Rental Scheme. After upgrading, these homes have been let to needy people, requiring accommodation in close proximity to essential welfare and social support. This scheme has not only greatly assisted the disadvantaged people in the community, but has also contributed significantly toward urban renewal.

Western Australia—State Housing Commission of Western Australia. The activities of the State Housing Commission extend throughout the whole State. In addition to construction of a variety of dwellings for its own rental and purchase program as determined under the State Housing Act, the Federal State Housing Agreements prior to 30 June 1971, the *States Grants (Housing) Act 1978* and the 1978 Housing Agreement, its activities include: construction of houses for other Government Departments (both Commonwealth and State Government, and semi-and local government authorities) in Western Australia; and construction and maintenance of houses for the Government Employees' Housing Authority.

At 30 June 1979, the Commission had completed under all schemes since 30 June 1944 a total of 66,625 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 1979, 1,001 units of accommodation were completed: metropolitan area, 458; country, 242; and north of the 26th parallel, 301. A further 549 units were under construction.

Building Societies are a major source of housing finance in Western Australia. At 30 June 1979, it was estimated that the assets of all societies were about \$1,646 million. Currently, 10 permanent and 556 terminating societies are operating. Under the Housing Agreement with the Commonwealth the State is required by 1 July 1980 to allocate not less than 40 per cent of the funds the State receives under the Agreement to the Home Purchase Assistance Account. Advances are made for 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, 1957-1972*, the guarantees provided to financial institutions enable loans to be made to 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 may not exceed 10.25 per cent reducible. Loans may be made for up to 90 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 \$30,600. For a new house situated north of the 26th parallel and in the North West or Eastern Land Divisions, the maximum loan is \$48,600 and in the Kimberley Land Division \$50,400.

Tasmania—Department of Housing and Construction (Housing Division). The Department of Housing and Construction, established in September 1977, is comprised of the Housing and Construction Divisions. The Housing Division is continuing the functions of the former Housing Department which was established in 1953 for the purpose of administering that 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, and the *Casual Worker's and Unemployed Persons' Homes Act 1936*.

During 1978-79 dwelling completions numbered 810. Construction since 1944 totalled 18,522. At 30 June 1979, they comprised 16,585 detached and semi-detached units (9,884 of timber), 1,028 elderly persons' flatettes, 316 multi-unit flats, 565 villa units and 28 moveable units.

The Division now allots all welfare housing accommodation on a rental basis. Weekly rental of a new typical standard home was about \$46.00 at 30 June 1978 and \$40.00 at 30 June 1979. In certain necessitous cases, rental rebates are allowed. Under current policy a married couple occupying an elderly persons' unit and whose only income is the age pension pay \$16.00 a week, while a single person solely dependent on the pension pays \$10.00 a week.

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 or Commonwealth Railways or attached to post offices) was vested in the Administration. The Northern Territory Housing Commission was established in 1959 and operates under authority of the *Housing Act 1979*. The Commission became autonomous on 1 October 1969 and, in addition to its role of providing residential accommodation to persons of

limited means, its functions were broadened as from 1 July 1978 to include the provision of housing for employees of the Northern Territory Government and related authorities and the provision of residential, office, industrial or other accommodation for the Commonwealth and the Territory for public purposes.

Australian Capital Territory. The Commonwealth Government provides houses and flats for rental to persons on low incomes who live or are employed in the Australian Capital Territory. At 30 June 1979 the Department of the Capital Territory controlled 7,688 houses and 3,253 flats for rental purposes. Government rental houses may be purchased by tenants.

Summary of rental activities of government authorities

The first of the following two tables shows the revenue from rental for dwellings under control of government housing authorities each year from 1973-74 to 1978-79, and the second shows the number of tenants paying rent for dwellings under control of government housing authorities at the end of each year 1973-74 to 1978-79.

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

Year	N.S.W.	Vic.(a)	Qld(b)	S.A.(c)	W.A.	Tas.	N.T.	A.C.T.	Aust.
1973-74	42,378	26,820	12,104	18,730	12,791	3,404	2,313	5,555	124,095
1974-75	49,401	31,596	13,959	22,271	15,810	4,281	1,739	7,479	146,536
1975-76	63,870	42,031	19,326	28,930	17,040	5,569	2,486	10,839	190,091
1976-77	84,242	49,714	26,766	35,913	19,586	7,368	3,281	15,626	242,496
1977-78	99,566	53,753	32,069	42,331	24,337	9,855	8,690	20,538	291,139
1978-79	114,404	64,556	39,382	42,785	26,829	12,722	4,467	20,658	325,803

(a) Figures relate to Housing Commission only. (b) Excludes rentals in respect of tenanted temporary dwellings. (c) Excludes rentals in respect of temporary and emergency dwellings to 30 June 1977, by which date all had been removed.

GOVERNMENT HOUSING AUTHORITIES: NUMBER OF TENANTS PAYING RENT

Year	N.S.W.	Vic.(a)	Qld(b)	S.A.(c)	W.A.	Tas.(d)	N.T.	A.C.T.(d)	Aust.
1973-74	70,510	39,996	18,183	35,592	24,304	4,841	2,517	9,506	205,449
1974-75	73,021	40,726	18,947	36,752	25,767	5,350	2,012	10,481	213,056
1975-76	78,325	40,057	20,508	37,847	24,791	6,150	3,109	11,152	221,939
1976-77	80,510	40,053	20,772	39,013	24,818	6,695	3,428	10,967	226,256
1977-78	82,893	40,151	21,863	40,129	24,323	7,489	3,665	10,575	231,088
1978-79	85,997	40,049	22,730	41,048	25,011	8,238	3,386	10,550	237,009

(a) Figures relate to Housing Commission only. (b) Excludes tenanted temporary dwellings. (c) Excludes temporary and emergency dwellings (all removed by 30 June 1977). (d) 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: Rural Bank of New South Wales—Sale of Homes Agency. A Sale of Homes Agency was established in 1954 to arrange for the sale on terms of houses erected by the Housing Commission of New South Wales. Since 30 November 1976, the sale of these homes on a terms basis has not been permitted, although the Agency still acts as agent for the Commission in collecting instalments payable by purchasers of homes sold prior to that date. The Agency's operations began with the sale to selected purchasers of 100 houses made available by the Commission during

1954-55 and 1955-56. The sales were made on the basis of 10 per cent deposit and repayment of the balance over a maximum period of forty years, with interest at 4.5 per cent per annum. Total advances under that scheme amounted to \$646,648; at 30 June 1979 the advances outstanding amounted to \$122,181 in respect of 36 houses.

Between 1 July 1956 and 30 November 1976, the Sale of Homes Agency acted as the agent of the Housing Commission in arranging the sale on terms of houses erected under the Federal-State Housing Agreements. The terms of sale provided for a minimum deposit of \$200 and repayment of the balance over a maximum period of forty-five years, with interest rates since the inception of the scheme ranging from 4.25 to 6.75 per cent per annum. Particulars of the advances made by the Agency in connection with the sale of houses erected under the 1956, 1961, 1966 and 1973 Agreements and the *States Grants (Housing) Act 1971* are given in the following table.

RURAL BANK OF NEW SOUTH WALES—SALE OF HOMES AGENCY ADVANCES FOR HOMES SOLD UNDER THE 1956, 1961, 1966 AND 1973 FEDERAL-STATE HOUSING AGREEMENTS AND THE STATES GRANTS (HOUSING) ACT OF 1971

Year	Advances during year		Total advances to end of year		Advances outstanding at end of year (a)	
	Number of houses	Amount	Number of houses	Amount	Number of houses	Amount
		\$'000		\$'000		\$'000
1973-74	76	1,158	28,895	240,313	21,550	167,995
1974-75	79	1,514	28,974	241,827	20,779	160,422
1975-76	180	4,402	29,154	246,229	19,939	154,635
1976-77	22	573	29,176	246,802	18,905	144,899
1977-78	—	—	29,176	246,802	17,818	134,529
1978-79	—	—	29,176	246,802	16,802	125,126

(a) Comprises principal outstanding and loan charges due but not paid.

Prior to 30 November 1976 the Sale of Homes Agency also acted as agent for the Housing Commission in arranging the sale of houses erected by the Commission on applicants' land. Under this scheme persons who had established a housing need could apply to the Commission to have a standard-type dwelling erected on their own land. The houses were sold, at a price equivalent to their capital cost, on the same terms as for houses erected under the 1956 to 1973 Housing Agreements and the *States Grants (Housing) Act 1971*. Up to 30 June 1979, 768 houses had been built at a cost of \$8,197,000, the balance of indebtedness at that date was \$4,171,000.

Rural Bank of New South Wales—Other loans. The Rural 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 current rate of interest on new long-term loans for housing purposes is 9.25 per cent per annum.

Victoria: Housing Commission of Victoria. Commission policy is to encourage home ownership; of the 88,695 (1978, 86,861) dwelling units built up to 30 June 1979 under the State Housing Scheme, the Federal-State Agreements and Housing Grant, a total of 48,386 (1978, 46,658) houses have been sold (27,849 (1978, 27,028) in the metropolitan area and 20,537 (1978, 19,630) in the country).

Home Finance Trust. The Home Finance Trust is a corporate body constituted under the *Home Finance Act 1962*. It is authorised to receive money on deposit, the repayment of which is guaranteed by the Government of Victoria, for the purpose of making loans for housing on the security of first and second mortgages. Under the terms of the Act the Trust is precluded from making loans in certain circumstances.

The number of loans granted by the Trust to 30 June 1979 and subsisting totalled 2,615 (1978, 2,806) on the security of first mortgages and 2,710 (1978, 1,954) on second mortgages, the amounts involved being \$24.9 (1978, \$26.4) million and \$12.9 (1978, \$9.0) million, respectively.

(See Savings Banks, page 243 of Year Book No. 61, for activities of the State Savings Bank of Victoria.)

Queensland: Queensland Housing Commission. The major housing scheme financed solely by the State Government is the Workers Dwelling Scheme. Under the *State Housing Act 1945-79*, 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 worker's dwelling. The Housing Commission also provides finance for the purchase of homes constructed by the Commission to

the applicant's design on Commission land under contract of sale. At 30 June 1979, the maximum advance under both schemes was \$25,000 with interest chargeable at 7½ per cent, and repayments over periods up to 45 years.

South Australia: South Australian Housing Trust Sales Schemes. Prospective purchasers of Housing Trust houses may purchase either by paying cash or by paying a deposit and arranging for a loan on security of a first mortgage from any of the recognised lending authorities. In cases where the deposit and the first mortgage so raised are insufficient, the Trust may advance the balance of the house price on security of a second mortgage, the term of which is usually coterminous, but not exceeding 30 years. The interest rate was 11 per cent at 30 June 1979, and the interest is adjusted quarterly. At 30 June 1979 there were 5,690 second mortgages outstanding.

At 30 June 1979 there were 5,690 second mortgages outstanding. A minimum deposit of \$500 was required under the rental-purchase scheme from 1 January 1977 and at 30 June 1978 there were 5,441 advances outstanding under the scheme. The balance of the purchase price is repayable to the Trust in weekly instalments over periods up to 40 years at 5.5 per cent interest per annum.

State Bank of South Australia. The State Bank and the Housing Trust are the principal agents of the State Government for the distribution of moneys received under housing assistance arrangements with the Commonwealth Government. During 1978-79, 2,447 individual loans were made for a total outlay of \$49,714,559 in the Home Builders' Account. The balance of loans outstanding on this account at 30 June 1979 totalled \$302,936,196. The *Advances for Homes Act, 1928-1972* which was administered by the Bank on behalf of the State Government, was repealed during the year and the outstanding assets were absorbed into the Bank's housing funds. The balance outstanding under the repealed Act at 30 June 1979 was \$7,845,981. During the year the Bank commenced lending second mortgage finance using funds obtained from sources other than the Commonwealth Government. Under the Second Mortgage Scheme 914 loans were made for a total outlay of \$5,101,418. The balance of loans outstanding on this account at 30 June 1979 totalled \$5,048,722. The present maximum loan on first mortgage is \$21,000 repayable over a term not exceeding 40 years at an interest rate of 5.75 per cent per annum or 6.75 per cent per annum, determined according to a means test. The present maximum loan on second mortgage is \$6,000 repayable over a term not exceeding 15 years at an interest rate of 11 per cent per annum. Interest rates on first mortgages are subject to variation, with a likely increase of 0.5 per cent per annum for each year the loan has been advanced, to a ceiling interest rate not exceeding the Commonwealth Bond rate.

Western Australia: State Housing Commission of Western Australia. Under current policy commenced by the Commission in October 1976, all sales are on a cash basis through approved Terminating Building Societies with finance to be funded from the Home Purchase Assistance Account where the family is eligible, or from an outside source where the family is ineligible for Home Purchase Assistance Account finance.

Assistance through Terminating Building Societies is available to acceptable applicants under first mortgage conditions if they are able to meet the eligibility requirements. Funds are not available for second mortgages.

The Commission can refer only those applicants who are able to satisfy eligibility requirements to the various Terminating Building Societies. Acceptance of their application for a loan lies with the Society concerned. They are not bound to assist Commission applicants. The interest rate on advances varies from 6 per cent to 9 per cent depending on family income and the maximum repayment period is thirty years.

The Societies are required to accept no less than 3 per cent of the value of the house and land as deposit, but a deposit of 5 per cent or greater is sought by the societies. If the amount of finance required is in excess of the combined maximum advance and deposit provided, a second mortgage or personal loan will be required to bridge the gap.

The income is based on seasonally adjusted average weekly earnings; currently (September 1979) an applicant in the metropolitan area cannot have an income exceeding \$219.83 per week, plus \$5.00 per week for each dependent child in excess of two. The maximum value of house and land is \$30,000 with a maximum advance of 90 per cent of the maximum valuation being obtainable.

The remainder of the State is divided into areas in which the income eligibility varies from \$219.83 per week to \$300.82 per week plus \$5.00 per week for each dependent child in excess of two. The maximum advance in these areas is 90 per cent on the maximum value of house and land which varies from \$30,000 to \$52,000.

(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: Department of Housing and Construction, Housing Division. The interest rate on purchase contract loans at 1 July 1979 was 5.75 per cent. The number of loans outstanding at 30 June 1979 was 7,038 and the amount outstanding, \$55,688,000.

Agricultural Bank of Tasmania. The Agricultural Bank of Tasmania is responsible for the administration of funds made under the Home Purchase Assistance section of the *Housing Assistance Act 1978*. A new Housing Agreement operating from 1 July 1978 consolidates all past agreements. The State has also provided State Loan Funds for lending under the *Homes Act* specifically available for first home builders. Interest rates vary from 6 per cent to 9.5 per cent depending on need. Repayments are normally 30 years.

Principles to apply under the new agreement include:

- To facilitate home ownership for those able to afford it but not able to gain it through the private market.
- Provide assistance for home ownership in the most efficient way and thus exclude from eligibility those not in need, to minimise continued availability of assistance to those no longer in need and to accord benefits which are designed so that assistance being provided is related to the particular family's or individual's current economic and social circumstances.
- The States will be able to exercise maximum autonomy and flexibility in the administrative arrangements necessary to achieve these principles.

The following table shows details for recent years.

AGRICULTURAL BANK, ADVANCES FOR HOUSING (a)

Particulars	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79
Advances approved:						
Number	490	453	431	393	366	366
Value (\$'000)	5,480	6,148	6,100	8,355	8,354	7,532
Advances Outstanding (b) (\$'000)	25,608	30,290	33,481	38,832	43,726	49,190

(a) Excludes advances to Co-Operative Housing Societies. (b) At end of period.

Northern Territory: Loans Scheme. On 1 October 1979, the Northern Territory Government introduced a loans scheme to provide finance for the erection of a house, the purchase, enlargement or modification of an existing dwelling or the completion of a partially erected dwelling. Loans are provided to a maximum of 98 per cent of the valuation of the dwelling to a limit of \$44,000. An income-geared escalating interest rate is charged on the borrowings, starting at 4 per cent per annum for low-income groups to one per cent above the Long Term Bond Rate. The maximum period of repayment is forty-five years. Where borrowers are capable of obtaining finance privately, loans are proportionately lower and on a second mortgage basis.

Sales Schemes. Two schemes exist to allow eligible tenants of Northern Territory Housing Commission dwellings to purchase. Under the *General Public Sales Scheme*, sales are on a cash basis only to approved tenants who have completed a satisfactory tenancy of at least two years. A *Staff Sales Scheme* also operates to allow tenants of Northern Territory Public Service dwellings to purchase after a qualifying period of two years. Sales are for cash or on terms requiring a minimum deposit of 5 per cent of the purchase price with repayments over a maximum period of 45 years including interest at either 5.75 per cent or 9 per cent subject to a means test.

Australian Capital Territory: Loans to a maximum of \$23,000 over a maximum term of thirty-two years may be granted by the Commissioner for Housing for the purchase or erection of dwellings in the Australian Capital Territory to a person who does not already own a dwelling in the Australian Capital Territory or Queanbeyan; is not employed outside the Australian Capital Territory; and has not, or whose spouse has not, already had financial assistance from Government funds for housing in the Australian Capital Territory.

A means test is applied for loans. Applicants whose joint income does not exceed 120 per cent of the Australian male seasonally-adjusted average weekly earnings may qualify for a loan. An additional income allowance of \$2.00 per week is made for each dependent child in excess of two.

The rate of interest is 10½ per cent, with a reduction of 1 per cent if payment is made by the due date. A concessional rate of 6¾ per cent (less 1 per cent if payment is made by the due date), applies if the combined gross income of the breadwinner and spouse does not exceed 120 per cent of the Australian seasonally adjusted male average weekly earnings. At 30 June 1979, 13,544 houses were under mortgage to the Commissioner.

Governmental rental houses valued at current market values may be sold to tenants. The basis of the sale is a minimum deposit of 5 per cent of the purchase price fixed by the Department of the Capital Territory with no limit to the amount which may be held on mortgage from the Department. Repayment of the amount covered by mortgage may be made over a maximum period of thirty-two years. There are two rates of interest applicable: the normal rate is 9.75 per cent (less one per cent for payment by the due date) on the first \$15,000 and 12½ per cent (less one per cent as above) on the remainder of the mortgage; while a concessional rate of 6¾ per cent (less one per cent for payment by the due date) applies in situations where the combined incomes of breadwinner and spouse do not exceed 95 per cent of Australian Capital Territory average weekly earnings. In both instances, an allowance of \$2 for each dependent child after the second child is deducted from total gross income. To 30 June 1978, 13,848 houses had been sold to tenants.

Savings banks, trading banks, life insurance companies and registered building societies

For information on loans approved to individuals for owner occupied housing see Chapter 21, Private Finance.

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. As such, they provide information about potential future building activity. Building operations 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.

The building statistical collections cover all new dwellings, new other building jobs valued at \$10,000 and over, and alterations and additions (to both dwellings and other 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 dwellings and new other building. From 1973-74, alterations and additions (of \$10,000 and over) to new dwellings are shown separately, but for other building, new work and alterations and additions continue to be shown combined.

Number of new houses

The following table provides a summary of the number of new houses approved, commenced, completed and under construction by type of ownership in each State and Territory for the year 1978-79. For a graph showing these details over a ten-year period, see Plate 41, page 497.

NUMBER OF NEW HOUSES 1978-79
(^{'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—									
Approved	31.9	21.9	20.5	5.8	11.1	2.3	0.3	1.6	95.3
Commenced	29.5	20.5	19.0	5.4	10.7	2.3	0.3	1.6	89.3
Completed	25.9	22.0	18.4	5.5	10.4	2.1	0.4	1.5	86.1
Under construction (a)	13.3	12.1	5.1	2.1	3.7	1.6	0.3	0.8	38.9
Government—									
Approved	1.3	0.9	0.4	1.1	0.7	0.5	0.6	—	5.5
Commenced	1.3	1.0	0.5	0.7	0.8	0.6	0.6	—	5.5
Completed	1.3	1.5	0.8	1.3	0.7	0.5	0.7	0.1	7.0
Under construction (a)	0.9	0.6	0.1	0.5	0.3	0.3	0.3	—	3.0
Total—									
Approved	33.2	22.7	20.9	6.9	11.7	2.8	0.9	1.6	100.8
Commenced	30.8	21.5	19.5	6.1	11.5	2.9	0.9	1.6	94.7
Completed	27.2	23.4	19.2	6.8	11.1	2.6	1.1	1.6	93.1
Under construction (a)	14.2	12.6	5.2	2.6	4.0	1.9	0.6	0.8	41.9

(a) At end of period.

**NEW HOUSES : AUSTRALIA
1969-70 TO 1978-79**



NOTE: BREAK IN SERIES FROM 1973-74. SEE PAGE 496

PLATE 41

Number of new houses completed 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 completed in each State and Territory during the year 1978-79, classified according to the material of their outer walls.

**NUMBER OF NEW HOUSES COMPLETED BY MATERIAL OF OUTER WALLS 1978-79
(⁰⁰⁰)**

<i>Material of outer wall</i>	<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>
Double brick (a)	2.0	1.8	2.8	2.1	8.7	0.2	0.5	-	18.1
Brick veneer (a)	21.5	18.8	10.2	3.5	1.5	2.1	0.1	1.5	59.2
Timber	0.6	1.3	1.6	0.2	0.1	0.2	0.2	-	4.2
Asbestos cement	2.9	1.5	4.4	1.0	0.8	0.1	0.1	-	10.8
Other	0.2	0.1	0.1	-	-	-	0.2	-	0.8
Total	27.2	23.4	19.2	6.8	11.1	2.6	1.1	1.6	93.1

(a) Includes houses constructed of concrete masonry blocks, concrete and stone.

Number of new other dwellings

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

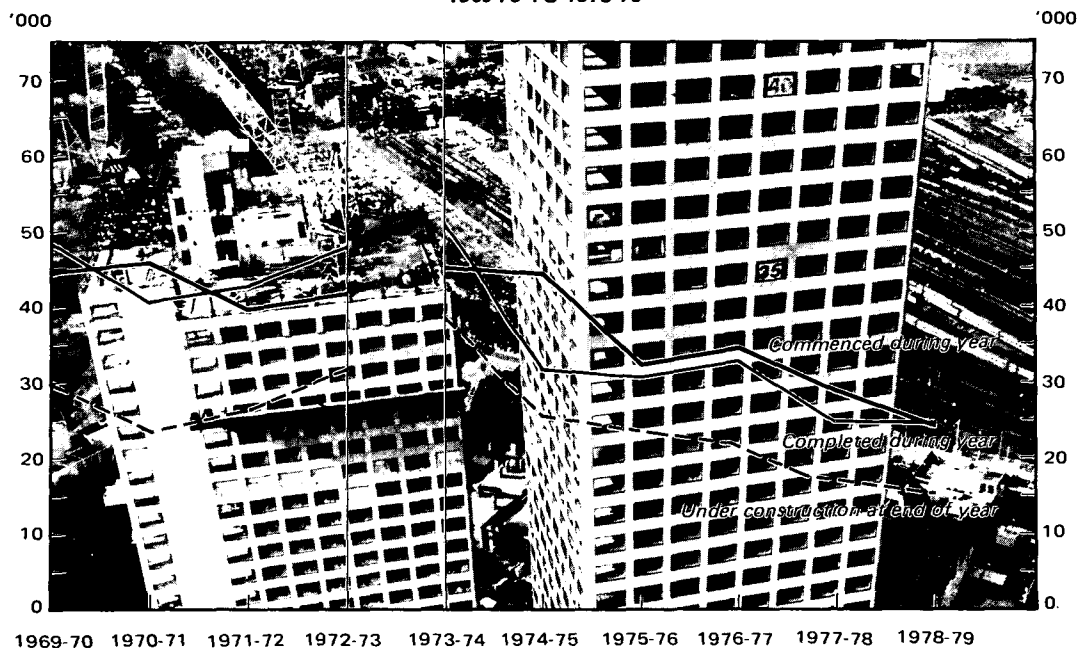
The following table shows the number of new other dwellings approved, commenced, completed and under construction by type of ownership in each State and Territory for the year 1978-79. For a graph showing these details over a ten year period, see Plate 42, page 498.

NUMBER OF NEW OTHER DWELLINGS, 1978-79
(^{'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—									
Approved	7.2	3.1	6.9	0.9	3.2	0.5	0.3	0.4	22.5
Commenced	6.5	3.2	5.4	0.8	3.2	0.5	0.2	0.5	20.3
Completed	5.5	4.0	4.8	1.0	3.1	0.6	0.2	0.3	19.5
Under construction(<i>a</i>)	4.8	2.3	2.6	0.7	1.7	0.4	0.1	0.3	12.9
Government—									
Approved	1.5	0.8	0.4	0.3	0.5	0.3	0.2	—	4.1
Commenced	1.5	0.8	0.5	0.5	0.4	0.3	0.1	—	4.0
Completed	2.3	0.5	0.3	0.6	0.4	0.3	—	0.1	4.5
Under construction(<i>a</i>)	2.4	0.6	0.2	0.5	0.1	0.2	0.1	0.1	4.2
Total—									
Approved	8.8	3.9	7.4	1.2	3.7	0.8	0.4	0.4	26.6
Commenced	8.0	4.0	5.9	1.3	3.6	0.8	0.3	0.5	24.4
Completed	7.8	4.5	5.2	1.6	3.5	0.9	0.2	0.4	24.1
Under construction(<i>a</i>)	7.1	2.9	2.8	1.2	1.8	0.6	0.2	0.4	17.1

(a) At end of period.

NEW OTHER DWELLINGS : AUSTRALIA
1969-70 TO 1978-79



NOTE: BREAK IN SERIES FROM 1973-74. SEE PAGE 496

PLATE 42

Number, average value, average value per square metre and average size of private contract built houses

The following table shows the number, average value, average value per square metre and average size in square metres of private contract built new houses commenced in each Capital City Statistical Division, the Greater Darwin Area and the A.C.T. part of the Canberra Statistical District which comprises the urban areas of the A.C.T. The average value and average value per square metre are based on the final contract price of houses when complete (or estimates of this price) provided by contractors at the time of commencement of building work.

NUMBER, AVERAGE VALUE, AVERAGE VALUE PER SQUARE METRE AND AVERAGE SIZE OF NEW PRIVATE CONTRACT BUILT HOUSES COMMENCED 1978-79

	<i>Capital City Statistical Divisions</i>						<i>Greater Darwin area</i>	<i>Canberra (A.C.T. part)</i>	<i>Total</i>
	<i>Sydney</i>	<i>Mel-bourne</i>	<i>Brisbane</i>	<i>Adelaide</i>	<i>Perth</i>	<i>Hobart</i>			
Number ('000)	13.6	10.5	7.4	2.6	7.1	0.4	0.1	1.6	43.2
Average value (\$'000)	32.2	31.5	27.3	34.5	29.7	31.9	38.5	33.9	31.0
Average size (sq. m)	146	142	135	155	146	134	136	144	144
Average value per sq. m (\$)	220	222	203	223	203	241	286	236	216

Value of buildings

The following table shows the value of all buildings approved, commenced, completed, under construction, work done and work yet to be done in Australia for the year 1978-79, according to the class of building. The classification of other 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, 1978-79

(\$ million)

<i>Class of building</i>	<i>Approved</i>	<i>Commenced</i>	<i>Completed</i>	<i>Under construction(a)</i>	<i>Work done (b)</i>	<i>Work yet to be done (a)</i>
New houses	3,047.7	3,023.4	2,942.7	1,448.5	3,015.0	744.4
New other dwellings	602.2	615.0	587.0	468.8	611.7	244.4
<i>Total new dwellings</i>	<i>3,649.8</i>	<i>3,638.3</i>	<i>3,529.7</i>	<i>1,917.3</i>	<i>3,626.7</i>	<i>988.8</i>
<i>Alterations and additions to dwellings(c)</i>	<i>331.4</i>	<i>317.2</i>	<i>301.8</i>	<i>131.3</i>	<i>313.2</i>	<i>63.8</i>
Hotels, etc.	93.2	93.4	73.8	76.4	86.4	37.3
Shops	452.0	440.0	407.3	375.9	467.9	164.4
Factories	423.8	396.5	419.0	339.2	445.6	113.6
Offices	352.1	330.9	397.5	695.7	425.6	283.4
Other business premises	250.1	283.3	285.6	225.3	291.6	106.4
Education	393.6	468.6	522.2	463.8	481.3	223.9
Religion	25.8	27.1	29.0	14.6	27.2	8.6
Health	169.9	298.9	261.3	674.4	324.0	284.9
Entertainment and recreation	206.7	222.6	173.3	220.0	197.5	136.4
Miscellaneous	304.5	291.5	230.6	383.3	250.6	233.7
<i>Total other building</i>	<i>2,671.7</i>	<i>2,852.8</i>	<i>2,799.6</i>	<i>3,468.5</i>	<i>2,997.7</i>	<i>1,592.8</i>
Total building	6,652.9	6,808.4	6,631.1	5,517.1	6,937.6	2,645.5

(a) At end of period. (b) During period. (c) Valued at \$10,000 and over.

Construction (other than building)

These statistics relate to work by private contractors on construction (other than building) prime contracts valued at \$100,000 or more, inclusive of all associated sub-contract work performed for the prime contractor. Alterations and additions undertaken as prime contracts valued at \$100,000 or more are included in the statistics. Repairs and maintenance contracts, construction undertaken by government authorities involving their own work forces, and construction on their own account by enterprises in the private sector, are excluded.

The following table shows the value of construction (other than building) activity undertaken as prime contracts commenced, completed, under construction, work done and work yet to be done in Australia for the year of 1977-78.

VALUE OF CONSTRUCTION (OTHER THAN BUILDING) PRIME CONTRACTS BY OWNERSHIP,
1977-78
(\$ million)

	Commenced	Completed	Under construction (a)	Work done (b)	Work yet to be done (a)
PRIVATE					
Roadwork	70.9	90.0	48.4	76.5	20.9
Water supply, storage, sewerage and drainage	27.8	29.8	9.3	32.4	3.9
Electricity, oil and gas production and distribution facilities	42.4	85.8	n.p.	31.9	n.p.
Marine work	7.8	65.3	2.0	12.4	1.2
Heavy industrial facilities	n.p.	n.p.	304.0	238.3	149.6
Other(c)	n.p.	n.p.	n.p.	72.8	n.p.
<i>Total</i>	595.6	532.7	479.1	464.3	234.7
GOVERNMENT					
Roadwork	131.1	183.8	156.0	160.0	59.0
Water supply, storage, sewerage and drainage	208.2	333.0	461.6	258.6	146.8
Electricity, oil and gas production and distribution facilities	232.9	131.2	n.p.	280.4	n.p.
Marine work	105.5	73.4	213.1	74.3	132.4
Heavy, industrial facilities	n.p.	n.p.	11.3	10.1	1.7
Other(c)	149.5	138.3	n.p.	186.7	n.p.
<i>Total</i>	835.6	873.6	2,292.1	970.1	941.1
TOTAL					
Roadwork	202.0	273.8	204.4	236.5	79.8
Water supply, storage, sewerage and drainage	236.0	362.8	470.9	291.0	150.7
Electricity, oil and gas production and distribution facilities	275.3	217.1	1,064.2	312.3	485.9
Marine work	113.3	138.7	215.1	86.7	133.7
Heavy industrial facilities	n.p.	n.p.	315.2	248.3	151.3
Other(c)	n.p.	n.p.	501.4	259.5	174.4
<i>Total</i>	1,431.2	1,406.3	2,771.2	1,434.4	1,175.8

(a) At end of period. (b) During period. (c) Comprises bridges, aerodromes, railways, telecommunications and miscellaneous.

More detailed information on building activity is contained in *Building Statistics, Australia* (quarterly) (8705.0). Current information is obtainable also in the *Monthly Summary of Statistics, Australia* (1304.0), the *Digest of Current Economic Statistics, Australia* (monthly) (1305.0), the *Building Statistics, Australia: Number of Dwellings, Preliminary Estimates* (quarterly) (8703.0), *Building Operations, Australia* (quarterly) (8704.0), *Building Approvals, Australia* (monthly) (8702.0) and *Construction (other than building) Operations, Australia* (quarterly) (8708.0). Details for particular States are available from publications issued regularly by the Deputy Commonwealth Statistician in each State. The *Building Industry Quarterly* published by the Department of Housing and Construction contains further information on current trends in housing activity.

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