

HOUSING AND CONSTRUCTION

BUILDING CONSTRUCTION, 1984-85

The value of building work done in Victoria in 1984-85 was \$3,713m, an increase of 29 per cent over 1983-84. This dollar value represents an increase in activity in real terms of 21 per cent during the year, compared with an increase of approximately 23 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 85 per cent of all building activity in 1984-85 compared to 80 per cent in 1983-84, the balance being provided by public sector projects. Victoria's share of all building work in Australia in 1984-85 was 26 per cent, compared with 25 per cent in 1983-84. The distribution of activity in the different sectors during 1984-85 was commercial building 27 per cent, building for community purposes 12 per cent, and housing 59 per cent. The balance of 2 per cent was in the miscellaneous category.

The magnitude of activity within these sectors during 1984-85 has not followed proportionally that of the previous year. Increased activity was apparent in each category of the commercial sector: the building of shops increased by 56 per cent compared with 1983-84, offices by 41 per cent, factories by 21 per cent, and other business premises by 8 per cent.

In the community sector, building for entertainment and recreation purposes decreased 59 per cent, and for religious purposes, by 28 per cent. Activity on buildings used for health purposes rose 56 per cent, education 21 per cent, and for hotels by 9 per cent.

Work done on dwelling construction, including alterations and additions to dwellings increased 22 per cent in value, to make up 59 per cent of all building activity in Victoria, compared with 58 per cent in the previous year. The value of work, of jobs valued at more than \$10,000 directed to alterations and additions to existing dwellings, increased by 30 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 7 per cent of total building activity in 1984-85. This percentage underestimated the scope of the phenomenon, as many jobs valued at less than \$10,000, and others, are not recorded if a building permit is not required.

The number of dwellings completed increased by 15 per cent to 35,500. Domestic owner-building activity increased from 28 per cent to 29 per cent of total dwelling completions. The average size of private sector, contractor-built houses, commenced in 1984-85 was 149 square metres, an increase of 6 square metres over the 1983-84 size; the average commencement value increased by 4 per cent in real value terms, from \$48,812 in 1983-84 to \$54,228 in 1984-85.

The public sector share of housing decreased to 4.3 per cent of the total dwelling programme.

In Victoria, overall building activity in 1984-85 increased by 21 per cent in real terms compared to 1983-84. During the same period, Victoria's share of the total value of building in Australia increased marginally.

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.

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.

From 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 dwellings 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 intended ownership at the time of approval. 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.

Statistics

Building approvals

The following table shows the total value of buildings approved in Victoria for the years 1979-80 to 1984-85:

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

Year	Houses and other dwellings (a)	Other new buildings (a)	Total all buildings
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
1983-84	1,847,215	1,056,087	2,903,302
1984-85	2,321,611	1,467,092	3,788,704

(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 1979-80 to 1984-85. 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	1979-80	1980-81(a)	1981-82(a)	1982-83(a)	1983-84(a)	1984-85(a)
Houses	777,009	887,186	846,613	963,857	1,379,056	1,766,099
Other dwellings	93,026	128,337	151,742	186,401	185,895	326,308
Alterations and additions to dwellings	101,226	138,796	163,590	171,083	186,656	260,435
Hotels, guest houses, etc.	26,202	30,240	22,167	38,129	75,889	95,017
Shops	116,434	102,481	110,981	75,771	144,293	260,411
Factories	149,714	258,799	227,148	144,451	111,659	164,221
Offices	165,440	166,130	235,586	273,179	222,360	498,340
Other business premises	75,891	112,483	91,498	76,867	146,975	138,563
Education	92,408	81,526	108,658	127,183	159,379	206,069
Religious	7,413	11,443	9,129	10,113	6,858	9,226
Health	38,972	47,654	50,508	48,256	68,661	97,763
Entertainment and recreation	60,664	44,961	36,245	34,787	66,281	49,973
Miscellaneous	56,927	69,046	32,511	71,487	51,767	59,415
Total	1,761,328	2,079,082	2,086,376	2,221,564	2,805,730	3,931,840

(a) New Building Activity Survey. See general concepts on pages 187-8.

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

Type of building	1979-80	1980-81(a)	1981-82(a)	1982-83(a)	1983-84(a)	1984-85(a)
Houses	785,744	817,490	870,526	866,166	1,205,396	1,524,763
Other dwellings	110,680	115,633	132,148	147,149	176,244	223,610
Alterations and additions to dwellings	95,387	119,488	159,845	167,262	178,591	240,108
Hotels, guest houses, etc.	32,531	32,058	28,323	27,765	24,357	68,661
Shops	121,310	108,855	115,589	102,071	110,129	179,205
Factories	181,617	157,847	219,829	231,947	148,514	157,455
Offices	138,672	167,758	144,335	384,678	250,931	262,330
Other business premises	63,307	89,918	136,269	100,301	101,215	171,179
Education	113,265	107,722	94,835	118,709	132,203	108,954
Religious	5,674	10,159	11,165	9,243	9,280	6,669
Health	62,413	56,551	62,207	97,229	36,655	57,470
Entertainment and recreation	43,493	47,597	39,979	94,440	40,868	178,708
Miscellaneous	51,883	38,520	62,961	51,109	143,353	50,115
Total	1,805,977	1,869,596	2,078,012	2,398,069	2,557,736	3,229,225

(a) For footnote see table above.

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

Type of building	1979-80	1980-81(a)	1981-82(a)	1982-83(a)	1983-84(a)	1984-85(a)
Houses	785,371	896,783	884,538	921,778	1,289,722	1,651,978
Other dwellings	108,274	126,845	149,020	158,815	205,130	290,741
Alterations and additions to dwellings	99,206	134,666	170,450	170,761	180,991	253,019
Hotels, guest houses, etc.	28,956	34,542	27,514	33,637	52,480	60,729
Shops	108,794	122,093	118,572	98,524	131,827	218,593
Factories	183,393	200,171	260,026	186,152	137,289	177,178
Offices	166,434	185,098	252,262	256,997	308,331	466,378
Other business premises	83,322	116,302	111,333	92,565	130,117	146,442

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

Type of building	1979-80	1980-81(a)	1981-82(a)	1982-83(a)	1983-84(a)	1984-85(a)
Education	105,229	91,621	106,716	118,981	133,862	179,443
Religious	7,396	10,466	9,148	10,850	8,677	7,357
Health	62,368	65,793	53,455	64,747	77,623	133,897
Entertainment and recreation	76,590	62,507	63,056	50,188	144,038	61,509
Miscellaneous	62,026	98,858	78,815	54,595	71,844	65,256
Total	1,877,358	2,145,745	2,284,906	2,218,593	2,871,931	3,712,518

(a) For footnote see first table on page 189.

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

Type of building	1979-80	1980-81(a)	1981-82(a)	1982-83(a)	1983-84(a)	1984-85(a)
Houses	229,643	235,137	208,938	262,112	361,957	485,886
Other dwellings	32,502	42,972	48,361	87,707	78,050	139,104
Alterations and additions to dwellings	23,658	30,410	27,898	28,407	38,466	54,932
Hotels, guest houses, etc.	9,305	10,250	5,820	13,761	55,555	93,629
Shops	45,003	35,665	27,936	14,831	53,003	111,273
Factories	53,419	144,296	120,569	94,092	85,864	77,923
Offices	126,284	133,354	140,745	197,157	124,525	307,159
Other business premises	33,151	40,188	20,524	16,993	32,633	29,274
Education	46,154	43,703	39,414	50,470	80,840	114,203
Religious	2,480	3,344	3,087	2,551	1,405	3,337
Health	37,423	36,330	39,816	42,055	62,529	67,140
Entertainment and recreation	30,406	31,977	16,519	9,357	32,689	19,615
Miscellaneous	73,611	52,797	21,103	42,924	29,411	28,125
Total	743,039	840,423	720,730	862,417	1,036,927	1,531,601

(a) For footnote see first table on page 189.

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

The value of all building work remaining unfinished increased from \$1,559m at 30 June 1980 to \$1,838m at 30 June 1981, \$1,901m at 30 June 1982, and decreased to \$1,848m at 30 June 1983. The value increased again at 30 June 1984 to \$2,315m and at 30 June 1985 to \$3,266m.

Number of dwellings

The following tables show the number of houses and other dwellings (excluding conversions to other dwellings) commenced classified by geographical distribution; the number of houses and other dwellings commenced, completed, and under construction by ownership; and the number of houses commenced, classified by material of outer walls, for the years 1979-80 to 1984-85.

NUMBER OF HOUSES AND OTHER
DWELLINGS COMMENCED BY
GEOGRAPHICAL DISTRIBUTION

Year	Commenced	
	Houses	Other dwellings
MELBOURNE STATISTICAL DIVISION		
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
1983-84(a)	17,896	3,993
1984-85(a)	19,502	4,843
REMAINDER OF VICTORIA		
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
1983-84(a)	11,008	1,836
1984-85(a)	12,499	2,278

NUMBER OF HOUSES AND OTHER
DWELLINGS COMMENCED BY
GEOGRAPHICAL DISTRIBUTION – *continued*

Year	Commenced	
	Houses	Other dwellings
TOTAL VICTORIA		
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
1983-84(a)	28,904	5,829
1984-85(a)	32,001	7,121

(a) For footnote see first table on page 189.

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)	
		Total dwellings (a)	Houses			
		By contractors (b)	Other (b)	Other dwellings		
COMMENCED						
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
1983-84(c)	2,503	15,700	10,500	4,989	31,190	33,690
1984-85(c)	2,629	17,630	12,850	7,185	37,660	40,290
UNDER CONSTRUCTION (i.e. UNFINISHED) AT END OF PERIOD						
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
1983-84(c)	926	5,290	7,950	3,863	17,110	18,030
1984-85(c)	1,424	6,070	9,510	5,328	20,910	22,340
COMPLETED						
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
1983-84(c)	3,025	14,700	8,630	4,477	27,810	30,830
1984-85(c)	2,099	16,950	10,910	5,541	33,400	35,500

(a) See definitions on pages 187-8.

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

(c) For footnote see first table on page 189.

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
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
1983-84(a)	1,359	20,285	2,067	1,292	3,901	28,904
1984-85(a)	943	22,897	2,723	1,204	4,234	32,001

(a) For footnote see first table on page 189.

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 and are compiled quarterly. The prime contract is valued inclusive of all associated sub-contract work performed for the prime contractor. Alterations and additions undertaken as prime contracts and within the same value criterion are included in the statistics.

The following table indicates the type of construction work covered by these statistics and its classification is broadly compatible with that used for the publication of data from the 1978-79 Construction Industry Survey. The table shows the value of construction (other than building) activity undertaken as prime contracts commenced, under construction, completed, work done, and work yet to be done in Victoria for the year 1984-85.

CONSTRUCTION (OTHER THAN BUILDING) BY TYPE, VICTORIA, 1984-85
(\$m)

Type of construction	Commenced	Completed	Under construction at end of year	Work done during year	Work yet to be done
Roads, highways, and related structures	195.1	209.7	122.4	205.6	56.2
Dams, water supply, and sewerage	62.4	94.4	72.2	74.7	36.3
Power transmission and electrical generating plant	22.6	99.8	844.5	186.9	197.7
Heavy industrial plant and equipment, n.e.c.	40.7	159.1	265.8	132.6	99.2
Other (a)	78.7	99.2	186.5	140.0	71.6
Total all construction –					
Private sector	168.6	294.0	179.9	269.2	100.3
Public sector	231.0	368.3	1,311.5	470.6	360.6
Total	399.6	662.3	1,491.4	739.8	460.9

(a) Includes bridges, railways, harbours, pipelines, street and highway lighting, telecommunications structures, and miscellaneous.

The value of prime contracts by stage of construction in Victoria in the last six years is given in the following table:

VALUE OF PRIME CONTRACTS BY STAGE OF CONSTRUCTION, VICTORIA
(\$m)

Year	Commenced	Completed	Under construction at end of year	Work done during year	Work yet to be done
1979-80	395.0	344.0	1,145.0	477.0	577.0
1980-81	517.2	431.7	1,373.2	514.4	721.5
1981-82	352.9	565.5	1,321.9	654.7	684.7
1982-83	250.3	440.8	1,453.8	653.1	503.0
1983-84	572.4	573.4	1,636.4	579.2	684.7
1984-85	406.6	662.2	1,491.4	739.8	460.9

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

Institution	Loans approvals					
	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85
Savings banks	997.8	1,014.9	1,012.2	1,259.6	1,744.4	2,338.0
Trading banks	137.3	152.6	157.8	114.1	146.4	295.7
Permanent building societies	452.6	489.3	355.4	410.0	754.3	855.4
Terminating building societies	44.3	38.0	23.3	39.7	37.4	235.0
Finance companies	46.0	56.4	31.1	21.5	31.7	
Government	78.2	83.5	90.2	78.2	68.7	
Other	50.6	52.8	47.9	51.8	68.6	
Total	1,806.8	1,887.5	1,717.9	1,974.9	2,851.5	3,724.1

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.

1984 Commonwealth-State Housing Agreement

The 1984 Commonwealth-State Housing Agreement (CSHA) came into operation on 1 July 1984 following the renegotiation of the 1981 Agreement. The Agreement is set to run for a 10 year period with triennial evaluations. Financial assistance under the 1984 Agreement is provided as a combination of grants and loans with at least 75 per cent to be provided as grants. In 1984-85 and 1985-86 all assistance was provided as grants. Each State decides on the distribution of untied funds between home purchase and rental housing assistance and is required to match these funds on a dollar for dollar basis with funds provided from their own resources.

The Commonwealth Government guaranteed a minimum level of funding of \$530m in 1984-85 and \$510m for 1985-86 and 1986-87. Total funding each year is determined in the Budget context. Total funding under the 1984 CSHA in 1985-86 is \$654.4m.

In addition to direct CSHA funding, the States and the Northern Territory have, in 1985-86, nominated \$459.5m of a maximum available \$492m from their Loan Council allocations. A total of \$405.7m was nominated by the States in 1984-85. These additional funds are provided subject to States matching untied funds and are made available at the concessional interest rate of 4.5 per cent annum over a 53 year period.

Home Purchase Assistance

Funds available under the CSHA for Home Purchase Assistance comprise Commonwealth Government funds, revolving funds arising from the operation of previous home purchase programmes, and State funds. These funds are used principally to make loans to co-operative housing societies and approved State lending authorities for on-lending to home purchasers.

Rental Housing Assistance

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

Specific purpose programmes

In addition to untied assistance used for the provision of home purchase assistance and general public rental housing, the 1984 CSHA provides funds for a number of specific purpose programmes:

(1) *Rental Assistance for Pensioners*. Rental assistance for pensioners has been incorporated within the CSHA since 1981-82. Grants provided under this programme do not have to be matched by the States but can be used to assist pensioners in the same way as funds for the general rental housing assistance component of the CSHA.

(2) *Rental Assistance for Aborigines*. Since 1979-80 the Commonwealth Government has provided separately identified funding to the States for rental housing assistance for Aborigines through the CSHA. The aim of the programme is to assist Aborigines to gain access to accommodation which suits their needs and capacity to pay. Grants provided do not have to be matched by the States.

(3) *Mortgage and Rent Relief Scheme*. Under this programme which began in 1982-83, the Commonwealth Government provides funds 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 these sums dollar for dollar. The financial commitment to this

scheme expired on 30 June 1985. Following a review of the scheme in early 1985, the Government decided to continue the scheme into 1985-86.

(4) *Crisis Accommodation Program*. In 1984-85 the Commonwealth Government introduced a Crisis Accommodation Program to assist families, individuals, youth, and women in crisis situations, as well as the chronically homeless. The Crisis Accommodation Program is linked to the Federal Department of Community Services' Supported Accommodation Assistance Program.

Local Government and Community Housing Program

In 1984-85, the Commonwealth Government introduced the Local Government and Community Housing Program. The main objectives of the programme are to attract local government and community expertise and money to supplement CSHA efforts, broaden the choice of low cost rental housing, and involve tenants in the management of their dwellings.

Housing Agreement (service personnel)

Prior to 30 June 1971, housing for service personnel was provided under the terms of the 1956-1966 Housing Agreement which, in the main, was concerned with public housing. With effect from 1 July 1971, separate agreements have been concluded between the Commonwealth and State Governments to provide for the construction of dwellings for 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 as loans to the States.

In 1985-86 a total amount of \$4.26m was appropriated to the Department of Defence to continue improvement programmes already in progress and to start new programmes under the Agreement. Of these funds, Victoria will receive \$0.28m: this comprises \$0.24m for work previously agreed between the Victorian and Commonwealth Housing Ministers and the balance of \$0.04m for new improvement work to commence in 1985-86.

COMMONWEALTH-STATE HOUSING AGREEMENT DISTRIBUTION OF COMMONWEALTH FUNDS (\$'000)

Programme	Victoria		Australia	
	1984-85	1985-86	1984-85	1985-86
Untied	125,147	131,575	495,000	517,600
Rental Assistance for Pensioners	8,421	8,646	35,000	36,600
Rental Assistance for Aborigines	3,417	3,417	52,000	54,300
Mortgage and Rent Relief	5,771	6,043	21,659	22,700
Crisis Accommodation	3,348	3,504	12,601	13,200
Local Government and Community Housing	1,865	2,662	7,000	10,000
Total	147,969	155,847	623,260	654,400

Source: Department of Housing and Construction.

HOME PURCHASE ASSISTANCE PERFORMANCE INDICATORS, 1984-85

Item	Unit	Victoria	Australia
Loans outstanding	number	n.a.	(a)81,780
Ratio: loans/1,000 people	"	n.a.	n.a.
Loans approved	"	1,273	12,195
Ratio: approvals/1,000 people	"	0.3	0.8
Total amount	\$'000	48,200	442,127
Average loan	\$'000	37.9	36.2
Loan waiting list	number	28,362	50,215
Ratio: applications/1,000 people	"	6.9	3.2
Approvals/waiting list	per cent	4.5	24.3
Estimated waiting time (months) (b)	number	24	n.a.

(a) Excludes Western Australia and Victoria where numbers are not available.

(b) Waiting times vary considerably according to region and type of dwelling.

Source: Department of Housing and Construction.

PUBLIC RENTAL HOUSING PERFORMANCE INDICATORS, 1984-85

Item	Unit	Victoria	Australia
Stock	number	47,945	273,094
Ratio: dwellings/1,000 people	"	11.7	17.6
Rental waiting list	"	24,689	143,249
Ratio: applications/1,000 people	"	6.0	9.3
New applicants	"	6,663	38,836
Ratio: applicants/1,000 people	"	1.6	2.5
Allocations	"	7,043	40,041
Allocations/new applicants	per cent	105.7	103.1
Allocations/waiting list	"	28.5	28.0
Estimated waiting time (months) (a)	number	24 to 48	n.a.

(a) See footnote (b) to previous table.
Source: Department of Housing and Construction.

MAJOR MEASURES OF PUBLIC HOUSING ACTIVITY, 1984-85

Item	Victoria	Australia
	\$m	\$m
Commonwealth-State Housing Authority	148.0	623.4
State -		
Nominated	45.1	405.7
State/other	35.7	186.1
Internal/revolving	53.7	291.0
State Total	134.5	882.8
Total	282.5	1,506.2
	number	number
Commencements/purchases	3,059	18,683
Home loans	1,273	12,195

Source: Department of Housing and Construction.

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 by increasing their borrowing capacity, providing a lump sum to assist in bridging the deposit gap, and providing assistance with payments during the first years of home ownership. The Scheme provides for a non-repayable tax-free grant of up to \$6,000 to eligible first home buyers.

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.

FIRST HOME OWNERS SCHEME, OPERATIONS, 1984-85

Item	Victoria	Australia
Applications approved	24,250	88,533
Amount of benefit -		
Approved (\$'000)	113,371	425,339
Paid (\$'000)	77,920	289,962

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. On 14 May 1985 the Treasurer announced the Commonwealth Government's intention to restructure the Defence Service Homes Scheme by inviting financial institutions to co-operate in providing housing loans to eligible persons and to take over the administration of the Scheme.

DEFENCE SERVICE HOMES SCHEME, OPERATIONS, VICTORIA

Year	Number of loans granted for —				Total	Capital	Capital	Number of loan accounts at 30 June
	Home construction	Purchase of new homes	Purchase of previously occupied homes	Enlargement of existing homes		expenditure during year	receipts during year	
						\$'000	\$'000	
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	22,084	44,473
1983-84	426	65	740	33	1,264	29,133	25,856	42,738
1984-85	435	73	723	35	1,266	29,169	29,721	40,943

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.

Five centres, located in each of the mainland capital cities, provide on-arrival accommodation. The centre in Melbourne has an accommodation capacity of about 1,000 persons. In addition, 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 and 104 of these are 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. Subsequent amendments to the Act 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 1984-85, 11,121 loans for \$581m were insured in Victoria. Comparable figures for 1982-83 were 7,066 loans for \$265m, and for 1983-84, 12,341 loans for \$539m.

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. The Housing Advisory Council was also abolished at this time.

Machinery of government changes resulted in the transferral of the Government Employee Housing Authority to the Department of Property and Services on 21 March, 1985. These changes also transferred to the Ministry of Housing the responsibility for the development of Residential Tenancies legislation (previously the responsibility of the Ministry of Consumer Affairs).

After extensive negotiations between the Commonwealth and State Governments, a new Commonwealth-State Housing Agreement (CSHA) came into effect on 1 July 1984. This Agreement established the framework for the provision of Commonwealth funds to the States to support all forms of tenure. The agreement expires on 30 June 1994.

One requirement of the new CSHA is that the States replace the market rent system of public housing rent setting with a new system known as Cost Rents. Under this system dwelling rents are related to the annual cost of providing and managing the public rental sector. The purpose of this new

system is to ensure that future rent movements are more stable and are comparable with long-term home ownership costs.

Since the inception in 1938 of the Housing Commission, public housing stock provided both through the Commission and the Director of Housing, to 30 June 1985, totalled 99,826 housing units of which 50,827 have been sold. As at this date, total public housing stock is 47,945, of which 64 per cent was located within the Melbourne metropolitan area.

Rental charges for the year ended 30 June 1985 were \$145,258,177, against which \$47,889,345 was allowed in rent rebates to tenants on low incomes, including recipients of Commonwealth Government pensions and benefits.

HOUSING COMMISSION, DWELLING CONSTRUCTION, VICTORIA

Geographical distribution (a)	Houses and flat units					
	1979-80	1980-81	1981-82 (b)	1982-83 (b)	1983-84 (b)	1984-85 (b)
	COMPLETED					
Melbourne Statistical Division	427	r500	r724	r829	1,531	1,671
Remainder of Victoria	786	r668	r1,007	r1,098	1,314	811
Total	1,213	1,168	r1,731	r1,927	2,845	2,482
	UNDER CONTRACT AT END OF PERIOD (INCLUDES CONTRACTS LET, WORK NOT STARTED)					
Melbourne Statistical Division	563	510	228	764	686	n.a.
Remainder of Victoria	616	806	456	1,086	558	n.a.
Total	1,179	1,316	684	1,850	1,244	2,196

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

(b) Includes purchases.

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.

Detailed statistics concerning the operations of co-operative housing societies can be found in annual reports published by the Registrar of Co-operative Housing Societies.

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 1985, the Authority had three participating departments, Education, Technical and Further 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 Government determined in May 1985 that the ultimate objective of the rent revision is to be market rentals. A total of 2,218 residential units were directly managed by the Authority at 30 June, 1985.

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