

HOUSING, BUILDING, AND CONSTRUCTION

BUILDING CONSTRUCTION, 1979-80

The value of building work done in Victoria in 1979-80 was \$1.877m, an increase of 5 per cent over 1978-79. While this dollar value is higher than in previous years, it represents a reduction of activity in real terms of 4.5 per cent compared with 1978-79. 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 79 per cent of all building activity in 1979-80, with the balance of 21 per cent provided by public sector projects. This distribution is similar to that of the early 1970s. In the interim, the proportion of private activity rose to 86 per cent in 1973-74.

Victoria's share of all building work in Australia was 23 per cent, compared with 26 per cent in 1978-79. For Victoria, commercial building comprised 29 per cent of building activity; building for community purposes, 15 per cent; and housing, 53 per cent; the balance being in the miscellaneous category.

The direction and magnitude of activity in these groups during 1979-80 has not followed proportionally that of the previous year. Increased activity was apparent in the commercial sector, with office building up 31 per cent, compared with 1978-79, to comprise 9 per cent of total building activity in Victoria. Building for "other business" was up 16 per cent to 4 per cent of total building.

In the community sector, building for entertainment increased 49 per cent, to 4 per cent of activity and hotel building increased 45 per cent, to comprise 1 per cent of building activity.

Substantial declines were apparent in the building of health establishments, down 35 per cent to 3 per cent of activity, and for education, down 30 per cent, to comprise 6 per cent of all building in Victoria.

Activity on other classes of building defined in the statistics changed only marginally in 1979-80, compared with 1978-79. Of these, shops declined by 12 per cent to 6 per cent of activity, and factories declined by 7 per cent to 10 per cent of activity.

Dwelling construction declined 6 per cent in value to comprise 53 per cent of all building activity, compared with 54 per cent in the previous year. The number of dwellings completed was 26,940, a fall of 4 per cent. The average size of private sector, contract-built houses commenced in 1979-80, was 149 square metres, an increase of 8 square metres over the 1978-79 size, but the average commencement value was static in real value terms, although it increased from \$31,500 in 1978-79 to \$34,500 in 1979-80.

The public sector share of housing declined slightly from the previous year, to 3.5 per cent of the total dwelling programme. Domestic owner building activity also declined, but the value of alterations and additions to existing dwellings, valued at more than \$10,000, remained constant. This sector, which became solidly established in the early 1970s, has increased from 1 per cent of building activity in 1973-74, to 5 per cent of total building in 1979-80. This percentage underestimates the actual phenomenon as many jobs are valued at less than \$10,000, and others are not recorded if a building permit is not taken out.

COLLINS PLACE

Plans for the Collins Place project were officially released on 10 June 1970. Prior to this date, the ANZ Banking Group had acquired a number of sites bounded by Collins and Exhibition Streets and Flinders Lane with a view to building a single-rise development. However, the idea of an integrated development including a twin tower complex gradually evolved and the ANZ Banking Group joined with the Mainline Corporation and the AMP Society to complete the project.

Excavations on the site began in October 1972 and work was expected to be completed in 1976. In August 1974, the major contractor for the project, Mainline Corporation, was forced to withdraw from the development and the Fletcher Watts Group was appointed as construction manager and took over the 1.3 hectare site on 13 September 1974. At this time the project was basically completed to ground level. During its construction, the project was affected by strikes, both on-site and off-site, and repeated bad weather also added to the long delay in completion. The first of the two buildings (ANZ Tower) opened in September 1978 and the second main building (Collins Tower), which included the Wentworth Hotel, opened in May 1981.

The two 183 metre-high buildings which rise above the base buildings are set diagonally to the adjoining streets and between them create the Collins Street frontage. The ANZ Tower located at the corner of Collins and Exhibition Streets, is a 46 storey office tower which houses the world headquarters of the ANZ Banking Group as well as other commercial organisations. The adjoining Collins Tower has 2 levels of retail space, 33 floors of office space, and the top 17 floors are occupied by the Wentworth Hotel.

The Wentworth Hotel design incorporates an open cylindrical core (or atrium) which extends through all guest floors to a transparent skylit roof. Bronze-coloured mirrored galleries encircle the atrium and give access to the 377 guest rooms. The concept allows all rooms to have a panoramic view over Melbourne.

The architect of Collins Place saw the project as a great public space first, and a grouping of towers second. The major plaza of the Collins Place complex is known as the Great Space and in many ways is the key to the entire development. The main entry to the Great Space is off a covered plaza facing Collins Street through the narrow opening between the two towers. This level, and the lower level which is directly accessible from Exhibition Street and Flinders Lane, is flanked by a variety of shops, bistros, bars, and restaurants. In addition to the two shopping and entertainment levels the Great Space features one level of hotel ballroom and convention facilities and a top level includes a garden terrace restaurant which overlooks all the activities of the Great Space.

The Great Space is completely protected by a glazed, space-framed roof which covers the entire 0.4 hectare area. The roof is 6 stories high and 60 metres square and regulates light and climate. The area is serviced by 3 glass-sided lifts which also provide access to the 5 level car park which is located beneath Collins Place.

Further references: *Building trends since 1945*, *Victorian Year Book* 1963, pp. 345-7; *Developments in building methods since 1945*, 1964, pp. 365-8; *Building materials*, 1966, pp. 324-7; *Redevelopment of the inner residential areas*, 1967, pp. 599-600; *Early building in Victoria*, 1968, pp. 598-600; *Housing for aged persons*, 1969, pp. 636-8; *Building trends in Melbourne since 1961*, 1970, pp. 614-6; *Bridges in Victoria*, 1971, pp. 592-4; *Division of Building Research*, C.S.I.R.O., 1972, pp. 308-11; *Metrication in the building and construction industry*, 1976, p. 302; *Historical introduction*, 1977, pp. 323-6; *The National Estate*, 1977, pp. 326-7; *Historic Buildings Preservation Council*, 1977, p. 328; *Victorian Urban Land Council*, 1977, pp. 328-9; *Residential Land Development Committee*, 1977, pp. 329-30; *Building and Development Approvals Committee*, 1977, p. 330; *Use of timber in the housing and construction industry*, 1978, pp. 279-81; *Dwelling construction in the Victorian building industry, 1959-60 to 1976-77*, 1979, pp. 259-61; *Building societies*, 1980, pp. 269-71; *Housing in Victoria during the 1970s*, 1981, pp. 263-5; *Centenary of St Paul's Anglican Cathedral, Melbourne*, 1981, pp. 266-7; *Centenary of the Royal Exhibition Building, Melbourne*, 1981, pp. 267-9; *Sacred Heart Cathedral, Bendigo*, 1981, pp. 269-70

BUILDING LEGISLATION

Supervision and control of building

The *Local Government Act* 1958 and the *Town and Country Planning Act* 1961 provide regulations for the uniform control of building and the preparation of planning schemes throughout Victoria.

Uniform Building Regulations

Under the *Local Government Act* 1958 the power to administer Uniform Building Regulations is vested in the councils of municipalities, except where provided under certain

clauses of the Regulations concerning Health Acts, Sewerage Regulations, and Water Supply Regulations, which are subject to the sanction of appropriate government authorities. These powers apply to all municipalities.

The Uniform Building Regulations define detailed provisions for building operations, and prescribe certain minimum standards which councils are bound to observe; however, councils have the power to insist on standards above those prescribed by these Regulations, provided these requirements are not unreasonable and do not cause undue hardship. If any doubt, difference, or dissatisfaction arises between any parties concerned, in respect of any Regulation, by-law, or decision by a council, they may appeal to a panel of referees, appointed pursuant to the provisions of the Act, for a decision which is final. These referees are empowered to modify or vary any Regulation or by-law, provided that a modification or variation might reasonably be made without detriment to the public interest.

Under the provisions of the Uniform Building Regulations, no building may be constructed, erected, placed in position, rebuilt, reconstructed, re-erected, replaced in position, altered, structurally altered, pulled down, or removed, unless it complies with the Local Government Act and Uniform Building Regulations, and is approved by a council. A written permit must be obtained from the council and a fee paid as prescribed in the Regulations. The council 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 it originally approved.

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

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 storage, etc. In the following tables, alterations and additions valued at \$10,000 and over to buildings other than dwellings are included in the values stated. With the exception of the table relating to building approvals, particulars of minor alterations and additions are excluded, and in all tables particulars of repairs and maintenance to buildings are excluded. Figures for houses exclude converted military huts, temporary dwellings, flats, and dwellings attached to other new buildings.

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

However, from the September quarter 1980, a new Building Activity Survey has replaced the Building Operations collection. The main features of the new survey are: (1) replacement of the previous complete enumeration of private sector jobs involving new house construction or alterations and additions valued at \$10,000 or more to houses by a sample survey; and (2) continuation of the complete quarterly enumeration of all other building jobs of \$10,000 and over, other than those outlined in (1) above.

As a result of this change the new survey only provides private sector house building activity data at the State level and it is now not possible to classify this 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 ownership at the time of commencement. Thus, building carried out directly by day labour or for government instrumentalities by private contractors, 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 person, 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 building approved in Victoria for the years 1976-77 to 1980-81:

VICTORIA—TOTAL VALUE OF BUILDING APPROVED
(\$'000)

Year	Houses and other dwellings (a)	Other new buildings (a)	Alterations and additions to buildings (b)	Total all buildings
1976-77	1,039,573	536,204	104,631	1,680,408
1977-78	913,392	696,376	111,070	1,720,838
1978-79	886,717	779,119	114,520	1,780,356
1979-80	980,924	749,582	113,769	1,844,275
1980-81	1,108,935	771,250	111,824	1,992,009

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

(b) Valued at \$2,000 to \$9,999.

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, completed, and 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 1976-77 to 1980-81. The figures include all alterations and additions valued at \$10,000 and over. Renovations and repairs are excluded.

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

Type of building	1976-77	1977-78	1978-79	1979-80	1980-81 (a)
Houses	867,801	777,175	705,489	777,009	887,186
Other dwellings	167,398	112,335	100,137	93,026	128,337
Alterations and additions to dwellings	78,440	97,922	86,406	101,226	138,796
Shops	59,426	91,130	106,857	116,434	102,481
Hotels, guest houses, etc.	11,411	10,848	19,377	26,202	30,240
Factories	126,890	135,186	159,955	149,714	258,799
Offices	130,306	94,573	87,851	165,440	166,130
Other business premises	41,824	59,354	77,300	75,891	112,483
Education	120,866	109,578	128,077	92,408	81,526
Religious	4,813	5,987	7,542	7,413	11,443
Health	63,685	77,278	78,554	38,972	47,654
Entertainment and recreation	30,298	68,085	41,745	60,664	44,961
Miscellaneous	30,704	52,087	110,083	56,927	69,046
Total	1,733,861	1,691,536	1,709,373	1,761,328	2,079,082

(a) New Building Activity Survey. See General concepts on page 251.

**VICTORIA—VALUE OF BUILDINGS COMPLETED:
CLASSIFIED BY TYPE
(\$'000)**

Type of building	1976-77	1977-78	1978-79	1979-80	1980-81 (a)
Houses	796,043	832,184	769,068	785,744	817,490
Other dwellings	177,775	157,315	111,773	110,680	115,633
Alterations and additions to dwellings	65,343	87,047	91,964	95,387	119,488
Shops	53,597	79,914	107,626	121,310	108,855
Hotels, guest houses, etc.	16,402	12,560	14,837	32,531	32,058
Factories	83,039	114,940	139,621	181,617	157,847
Offices	107,893	114,778	100,086	138,672	167,758
Other business premises	39,553	57,313	62,385	63,307	89,918
Education	126,422	94,202	153,839	113,265	107,722
Religious	7,278	7,357	8,764	5,674	10,159
Health	80,612	71,112	72,847	62,413	56,551
Entertainment and recreation	26,237	33,048	47,842	43,493	47,597
Miscellaneous	37,081	34,272	68,279	51,883	38,520
Total	1,617,273	1,696,045	1,748,931	1,805,977	1,869,596

(a) For footnote see table above.

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

Type of building	1976-77	1977-78	1978-79	1979-80	1980-81 (a)
Houses	853,456	820,914	759,990	785,371	896,783
Other dwellings	185,903	136,022	107,534	108,274	126,845
Alterations and additions to dwellings	72,860	93,322	90,742	99,206	134,666

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

Type of building	1976-77	1977-78	1978-79	1979-80	1980-81 (a)
Shops	66,329	82,172	112,330	108,794	122,093
Hotels, guest houses, etc.	13,442	11,780	18,645	28,956	34,542
Factories	106,179	128,519	177,999	183,393	200,171
Offices	118,498	128,074	117,648	166,434	185,098
Other business premises	44,023	55,662	66,238	83,322	116,302
Education	105,204	126,975	131,831	105,229	91,621
Religious	5,548	7,382	7,125	7,396	10,466
Health	59,686	75,389	88,277	62,368	65,793
Entertainment and recreation	35,980	36,182	51,268	76,590	62,507
Miscellaneous	40,457	51,568	58,037	62,026	98,858
Total	1,707,568	1,753,961	1,787,664	1,877,358	2,145,745

(a) For footnote see first table on page 253.

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

Type of building	1976-77	1977-78	1978-79	1979-80	1980-81 (a)
Houses	266,180	246,396	222,089	229,643	235,137
Other dwellings	58,196	40,287	37,557	32,502	42,972
Alterations and additions to dwellings	18,279	23,155	19,657	23,658	30,410
Shops	25,593	38,532	36,995	45,003	35,665
Hotels, guest houses, etc.	11,663	11,305	10,486	9,305	10,250
Factories	50,589	61,225	59,891	53,419	144,296
Offices	126,825	110,767	86,985	126,284	133,354
Other business premises	15,234	21,152	35,753	33,151	40,188
Education	67,959	57,659	56,890	46,154	43,703
Religious	1,829	1,790	2,199	2,480	3,344
Health	50,409	54,146	45,933	37,423	36,330
Entertainment and recreation	14,611	45,810	40,867	30,406	31,977
Miscellaneous	20,856	25,507	78,885	73,611	52,797
Total	728,225	737,731	734,185	743,039	840,423

(a) For footnote see first table on page 253.

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

The value of all building work remaining unfinished increased from \$1,444m at 30 June 1977 to \$1,496m at 30 June 1978, \$1,513m at 30 June 1979, increased to \$1,559m at 30 June 1980, and to \$1,838m at 30 June 1981.

Number of dwellings

The following tables show the number of houses and other dwellings (excluding conversions to other dwellings) commenced classified by geographical distribution and the number of houses and other dwellings commenced, completed, and under construction by ownership for the years 1976-77 to 1980-81, and the number of houses commenced, classified by material of outer walls for the years 1976-77 to 1980-81:

VICTORIA—NUMBER OF HOUSES AND
OTHER DWELLINGS COMMENCED:
GEOGRAPHICAL DISTRIBUTION

Year	Commenced	
	Houses	Other dwellings
MELBOURNE STATISTICAL DIVISION		
1976-77	18,623	6,139
1977-78	15,053	3,484
1978-79	13,370	2,790
1979-80	13,219	2,379
1980-81 (a)	13,078	2,747

VICTORIA—NUMBER OF HOUSES AND
OTHER DWELLINGS COMMENCED:
GEOGRAPHICAL DISTRIBUTION—*continued*

Year	Commenced	
	Houses	Other dwellings
REMAINDER OF VICTORIA		
1976-77	11,165	1,980
1977-78	9,245	1,578
1978-79	8,279	1,189
1979-80	8,734	1,612
1980-81 (a)	8,529	1,958
STATE TOTAL		
1976-77	29,788	8,119
1977-78	24,298	5,062
1978-79	21,649	3,979
1979-80	21,953	3,991
1980-81 (a)	21,607	4,705

(a) For footnote see first table on page 253.

VICTORIA—NUMBER OF HOUSES AND OTHER
DWELLINGS: CLASSIFIED BY OWNERSHIP

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)			
COMMENCED						
1976-77	3,273	18,512	8,740	7,382	34,634	37,907
1977-78	2,082	15,456	7,300	4,522	27,278	29,360
1978-79	1,756	15,445	5,212	3,215	23,872	25,628
1979-80	1,230	15,574	5,570	3,570	24,714	25,944
1980-81(c)	1,684	14,270	6,770	3,909	24,950	26,630
COMPLETED						
1976-77	2,929	19,452	7,234	8,210	34,896	37,825
1977-78	2,886	16,901	7,294	6,408	30,603	33,489
1978-79	1,962	15,659	6,314	4,024	25,997	27,959
1979-80	1,566	15,968	5,726	3,680	25,374	26,940
1980-81 (c)	1,416	14,690	6,020	3,776	24,490	25,900
UNDER CONSTRUCTION (I.E., UNFINISHED) AT END OF PERIOD						
1976-77	2,240	6,876	8,923	5,441	21,240	23,480
1977-78	1,403	5,222	8,630	3,430	17,282	18,685
1978-79	1,195	5,029	7,028	2,345	14,402	15,597
1979-80	860	4,365	6,668	2,171	13,204	14,064
1980-81 (c)	1,170	4,650	5,490	2,525	12,670	13,840

(a) See definitions on page 251.

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

(c) For footnote see first table on page 253.

VICTORIA—NUMBER OF HOUSES COMMENCED:
CLASSIFIED BY MATERIAL OF OUTER WALLS

Year	Brick, concrete, and stone	Brick veneer	Wood	Asbestos-cement	Other and not stated	Total
COMMENCED						
1976-77	2,015	23,802	1,476	2,329	166	29,788
1977-78	1,458	19,447	1,469	1,773	151	24,298
1978-79	1,541	17,695	1,131	1,199	83	21,649
1979-80	1,839	17,714	966	1,372	62	21,953
1980-81(a)	1,978	16,007	1,067	940	1,615	21,607

(a) For footnote see first table on page 253.

GOVERNMENT BUILDING AUTHORITIES

Commonwealth Government

General

Commonwealth Government activities in the housing field have, in the main, included the provision of money to State Governments under various agreements; financial assistance to defence (and eligible ex-service) personnel in the erection and purchase of homes; assistance to young married couples under the Homes Savings Grant Act; the operations of the Housing Loans Insurance Corporation; assistance in the provision of accommodation for the aged; and the provision of homes in the Territories.

Commonwealth Government-State Housing Agreements 1945-1981

There have been several Commonwealth-State Housing Agreements since the Second World War, namely, in 1945, 1956, 1961, 1966, 1973, 1978, and 1981. In addition, the *States Grants (Housing) Act 1971* made provision for payment of a housing grant to the States amounting to \$5.5m annually and the *Housing Assistance Act 1973* authorised special advances to States of \$6.55m in 1972-73 for rental housing.

1978 Housing Agreement

This Agreement between the Commonwealth and the six States (excluding the Northern Territory) operated for a three year term ending 30 June 1981. Commonwealth advances to the States were repayable over 53 years at an annual interest rate of 4.5 per cent for Home Purchase Assistance and 5 per cent for Rental Housing Assistance. The allocation of advances to these two programmes each financial year was 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 was to be allocated to that State's Home Purchase Assistance Account. Funds available in the Home Purchase Assistance Account are used principally to make loans to terminating building or co-operative housing societies and approved State lending authorities for lending to home purchasers. The annual interest rate charged by a State to societies and approved lending authorities was not to be 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 was reached, and thereafter varying with movements in the long-term bond rate. Eligibility conditions were set by the State, ensuring that loans are only made to those who cannot obtain mortgage finance on the open market. Provision was 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 were used principally for the provision of rental housing by State housing authorities but could 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 determined eligibility for rental housing ensuring that assistance was directed to those most in need. The level of rent was also fixed by each State having regard to a policy of generally relating rents to those on the open market. Rental rebates were granted to those tenants who could not afford to pay the rent fixed. Each State determined its own policy on sales of rental dwellings but all sales were to be at market value or replacement cost and on the basis of a cash transaction. Home purchase assistance funds could be used to finance the purchase of rental dwellings.

Commonwealth-State Housing Agreement (Servicemen) 1972

On expiration of the 1956-66 Housing Agreement on 30 June 1971, a separate agreement was entered into between the Commonwealth and States for the erection of dwellings for servicemen and capital improvements to dwellings built for servicemen under all Housing Agreements.

Commonwealth-Northern Territory Housing Agreement

On 11 March 1980, the Commonwealth and the Northern Territory formally entered into an agreement for the provision of rental housing assistance and home purchase assistance during the two financial years commencing on 1 July 1979. The principles and

objectives established under the 1978 Commonwealth-State Housing Agreement are written into the Northern Territory Agreement and provisions made for policies and practices are substantially the same.

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

Loan funds advanced (up to and including 1980-81)	\$1,199,633,000
Allocations from State Loan funds <i>States Grants (Housing) Act 1971 (1971-72 and 1972-73)</i>	\$74,000,000
Loan funds allocated to the Housing Commission, Victoria (up to and including 1980-81)	\$844,265,000
Loan funds allocated to Home Purchase Assistance Account (up to and including 1980-81)	\$429,368,000
Supplementary advances made by Commonwealth Government for housing for defence forces, 1 July 1956 to 30 June 1971	\$24,558,182
Drawings from Home Purchase Assistance Account by Co-operative Terminating Housing Societies (up to and including 1979-80)	\$493,472,227
Dwellings completed by Housing Commission, Victoria (up to and including 1979-80)	86,633
Dwellings completed or purchased under Home Builders' Accounts (up to and including 1979-80)	46,275
<i>Commonwealth-State Housing Agreement (Servicemen) 1 July 1971 to 30 June 1980</i>	
Commonwealth Government advances—	
construction	\$14,594,088
improvements	\$7,893,171
Dwellings completed by Housing Commission, Victoria—	
construction	731
improvements	2,608
<i>Housing Assistance Act 1973</i>	
Commonwealth Government advances allocated to Housing Commission, Victoria (1972-73)	\$1,500,000

1981 Housing Agreement

A new Housing Agreement was negotiated in 1981 under which the Commonwealth will continue payments to the States and the Northern Territory for housing assistance programmes for persons in need. The Agreement will run for five years from 1 July 1981, continuing the following two programmes:

- (1) Home purchase assistance programme, which assists those persons wishing to buy or build a home, but who are unable to obtain mortgage finance through the private market or from other sources; and
- (2) rental housing assistance programme, for those who cannot afford suitable accommodation for themselves.

The provisions of the 1981 Housing Agreement, which is Schedule 1 to the *Housing Assistance Act 1981*, broadly correspond with those of the 1978 housing legislation. However, there are some basic differences:

- (1) The Commonwealth has guaranteed a minimum level of funding of \$200m for each year of the Agreement. Additional funding for each year is to be determined in the Budget context. Total funding for 1981-82 is \$262.2m: \$146m in loans (advances) and the remainder as grants of which \$32m is allocated for pensioners, \$34.2m for Aborigines, and a further \$50m is "untied" assistance.
- (2) All assistance, including non-repayable grants allocated for Pensioners and Aborigines and untied grants are now subject to the terms of the Agreement. (For past arrangements applying to this form of rental housing assistance see "Rental Assistance to Pensioners Scheme" on page 259.)

- (3) The Northern Territory is now included with the six States in the one Agreement.
- (4) An interest rate of 4.5 per cent per year applies to all loans (advances).
- (5) The maximum interest rate charged by a State to a lending authority under the home purchase assistance programme now varies with the Commonwealth Savings Bank rate for housing loans.
- (6) Each State is to decide on the allocation of untied funds between home purchase and rental housing assistance programmes.
- (7) A policy of uniform rental rebates is to be developed by the Commonwealth and the States and a policy of progressive movement to full market rents is to apply.
- (8) States grants for Aboriginal housing previously administered by the Department of Aboriginal Affairs are incorporated with Housing Agreement grants allocated for Aboriginals after 30 June 1981.

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.

VICTORIA—DEFENCE SERVICE HOMES SCHEME: OPERATIONS

Year	Number of loans granted for—				Total	Capital expenditure during year	Capital receipts during year	Number of loan accounts at 30 June
	Home construction	Purchase of new homes	Purchase of previously occupied homes	Enlargement of existing homes				
1976-77	644	157	641	1	1,443	\$'000 21,874	\$'000 20,758	52,887
1977-78	622	156	707	1	1,486	22,417	19,076	51,693
1978-79	382	118	537	5	1,042	14,980	20,670	50,192
1979-80	335	123	645	8	1,111	15,835	21,865	48,090
1980-81	357	108	825	19	1,309	22,334	22,475	46,591

Home Savings Grant Scheme

The purpose of the Home Savings Grant Scheme is to assist persons to buy or build their first homes. The scheme also aims at increasing the proportion of total savings available for housing by encouraging persons to save with those institutions that provide the bulk of housing finance. The scheme was introduced in 1964 and subsequently replaced by a new scheme which applies to persons who contract to build or buy their first homes on or after 1 January 1977.

The present scheme enables a wide range of persons to qualify for a grant towards their first home. Married, single, widowed, or divorced persons may qualify. To be eligible, they are required to have reached eighteen years of age, unless married or engaged, at the contract date. A grant may be made towards a new or established house, home unit, or flat. The grant is \$1 for each \$3 of acceptable savings held at the contract date.

The acceptable forms of savings are savings bank deposits, deposits with trading banks (but not cheque accounts), deposits and shares with permanent building societies, deposits with credit unions, and payments made in connection with the acquisition of the land or home or the construction of the home, on or before the contract date. For persons who contracted to build or buy their first home on or after 1 October 1980, Australian Savings Bonds held as Inscribed Stock or for safe custody in the name of a bank are also an acceptable form of savings.

The maximum grants are \$667 and \$1,333 for homes acquired in 1977 and 1978, respectively. From 1 January 1979, grants of up to \$2,000 became payable for three years savings ending on the contract date. However, persons with shorter savings periods of one or two years may continue to qualify for the lower maximum grants of \$667 and \$1,333.

Persons who contracted to build or buy their home on or after 1 October 1980 and who are eligible for a grant, may also be eligible for a Family Bonus. A Family Bonus of \$500 is payable for families with one dependent child and \$1,000 for families with two or more dependent children at their contract date. A dependent child includes a student aged 16 to 25.

A qualifying limit applies to the value of the home, including the land, for persons entering into their contracts after 24 May 1979. The limit is \$35,000-\$40,000 for contracts up to 18 August 1980; for contracts dated 19 August 1980 to 30 September 1980 the limit is \$45,000-\$55,000, and for contracts dated from 1 October 1980 the limit is \$60,000-\$70,000. The grant reduces progressively within these limits, cutting out completely at the upper limit. A full grant, depending on the amount saved, is payable for homes valued at, or less than, the lower value limit of the relevant value limit range.

VICTORIA—OPERATIONS: HOMES SAVINGS GRANT ACT 1976 (a)

Year	Applications received	Applications approved	Grants approved	Average grant
			\$'000	\$
1 Jan 1977- 30 June 1977	3,495	2,603	1,714	658
1977-78	16,932	14,780	11,219	759
1978-79	16,172	13,790	15,562	1,128
1979-80	12,418	13,650	18,037	1,321
1980-81	14,348	12,752	18,081	1,418

(a) This table does not include grants under the 1964 legislation.

Transitory flats for migrants

A scheme to provide fully furnished flats for occupation by newly arrived migrant families for a maximum of six months was introduced in 1967. At 30 June 1981, there were 378 flats in use of which 104 were located in the Melbourne metropolitan area.

Rental Assistance to Pensioners Scheme

From 1 July 1978, grants were provided to the States for 3 years to 30 June 1981 under Part III of the *Housing Assistance Act 1978*. The scheme allowed the States to provide rental housing assistance for other persons in need as well as pensioners defined in the Act. In 1979-80 and 1980-81, grants were separately allocated to pensioners, Aboriginals, and "other persons in need". Grants may be used for purposes other than construction of housing, e.g., leasing from the private sector. To 30 June 1981, grant payments for pensioners in Victoria totalled \$34,603,000. The number of units provided to 30 June 1980 amounted to 1,889 with a further 280 units nominated in 1980-81.

In 1979-80, 44 dwellings were provided for Aboriginals from the \$2,000,000 grant allocated to this category. A further 54 dwellings were nominated in 1980-81, when the grant totalled \$2,100,000.

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. An amendment to the Act in 1977 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 and commercial housing propositions are also insurable. During 1980-81, 11,762 loans for \$414m were insured in Victoria. Comparable figures for 1979-80 were 12,721 loans for \$391m.

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

Victorian Government

Ministry of Housing

On 5 December 1972, the Victorian Parliament set up a Ministry of Housing in Victoria to co-ordinate all Victorian Government housing activities. The authorities within the Ministry of Housing are the Housing Commission, the Registry of Co-operative Housing Societies and Co-operative Societies, the Home Finance Trust, the Decentralized Industry Housing Authority, and the Teacher Housing Authority. Details of each of these authorities are provided in the following notes.

Housing Commission

Victoria's population at 30 June 1980 was approximately 3,887,000 persons, more than 370,000 of whom were living in Housing Commission houses and flats.

The Commission, since its inception in 1938, has provided modern, low-rental accommodation, for families on limited incomes and pensioners who formerly had to live in the sub-standard dwellings of depressed areas.

Over the years, special projects have been developed for the housing of the aged. In addition to the normal types of accommodation provided for elderly persons, the Commission in 1976 introduced the "Granny Flat" designed to be erected in a householder's backyard for occupancy by pensioner parents and others in special need.

The Commission in recent years has laid greater stress on quality and variety in housing and, to this end, has generally stopped building houses. Instead, the Ministry is approaching private builders to supply house and land "packages" and contracts for houses to be built to contractors' individual designs.

Greater emphasis has also been directed towards the provision, in collaboration with the local municipalities, and other government departments, of community facilities including schools and pre-schools. An example of this co-operation is at Broadmeadows, where on-going negotiations commenced two years ago have resulted in the early establishment of the Bethel Primary School, Broadmeadows Leisure Centre, and the Westmeadows landscaping programme on land owned by the Council, the Commission, and the Education Department.

Aware that Victorians are used to the concept of an individual home on its own block of land, the Commission has encouraged home ownership. Of the 91,706 dwellings completed to 30 June 1981, the Commission had sold 50,015 in total throughout Victoria.

During 1980-81, the Ministry introduced three new schemes to assist home buyers. These are: (1) an interest subsidy scheme for persons who obtain private finance, (2) a low-interest first mortgage to enable clients to buy a home from the private sector, and (3) a low-interest second mortgage of up to \$20,000 through the Home Finance Trust.

The Commonwealth also makes available funds to the Commission for the purchase or construction of homes for Aboriginal families. The number of houses provided specifically for Aboriginals is 332 to 30 June 1981.

In addition, under the Commonwealth-State Housing Agreement of 1978, a total of 61 houses have been allocated on a rental basis for Aboriginal families.

The Ministry of Housing prepared a two volume Green Paper on Housing. Volume I, a summary document was released in November 1980. Volume II, containing detailed background material, was completed in early 1981. A White Paper on Housing was due to be tabled in Parliament in December 1981.

The *Urban Renewal Act* 1970 provides for renewal procedures designed to ensure that urban areas can be rehabilitated through a system of co-ordinated research and consultation, which joins the interests and skills of the persons of the area, the councils, and the relevant State authorities.

Neighbourhood stabilisation and revitalisation is also achieved with a variety of housing stock initiatives and redevelopment programmes including renovation and infill programmes in areas of publicly owned property (e.g., Emerald Hill Estate), spot purchase and renovation of houses, general housing studies in co-operation with local government, and investigations relating to infill development and upgrading of the public housing stock. A comprehensive article on this topic can be found on pages 303-4 of the *Victorian Year Book* 1976.

VICTORIA—HOUSING COMMISSION: DWELLING CONSTRUCTION

Geographical distribution (a)	Houses and flat units				
	1976-77	1977-78	1978-79	1979-80	1980-81
COMPLETED					
Melbourne Statistical Division	1,167	986	783	427	521
Remainder of Victoria	1,365	1,552	1,051	786	647
Total	2,532	2,538	1,834	1,213	1,168

VICTORIA—HOUSING COMMISSION: DWELLING CONSTRUCTION—*continued*

Geographical distribution (a)	Houses and flat units				
	1976-77	1977-78	1978-79	1979-80	1980-81
UNDER CONTRACT AT END OF PERIOD (INCLUDES CONTRACTS LET, WORK NOT STARTED)					
Melbourne Statistical Division	832	868	606	563	510
Remainder of Victoria	1,525	1,179	847	616	806
Total	2,357	2,047	1,453	1,179	1,316

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

VICTORIA—HOUSING COMMISSION: REVENUE, EXPENDITURE, ETC.
(\$'000)

Particulars	1976-77	1977-78	1978-79	1979-80	1980-81
REVENUE					
Rentals	45,840	48,384	53,819	54,441	57,042
Gross surplus—house sales	17,246	15,978	11,665	8,227	5,297
Interest—					
House sales (net)	3,407	4,167	4,428	4,163	3,698
Sundry	3,923	3,524	2,364	3,795	5,787
Miscellaneous	2,103	1,751	1,532	1,695	2,491
Total revenue	72,519	73,804	73,808	72,321	74,315
EXPENDITURE					
Interest—less amounts capitalised and applied to house sales	13,799	14,627	15,280	15,696	15,760
Loan redemption—					
Commonwealth Government—					
State Agreement	2,832	2,988	3,257	3,410	3,759
Contribution to National Debt Sinking Fund	23	25	16	19	17
Redemption of debentures and debenture Loan Sinking Fund contribution	7	7	7	7	7
Administration—					
General	4,120	6,523	5,200	6,583	7,703
House and land sales	2,284	2,484	2,129	2,264	2,429
Rates—less amount capitalised	7,415	7,742	8,523	9,679	10,581
Provision for accrued maintenance	13,315	13,170	14,504	17,053	17,946
Provision for irrecoverable rents	99	74	161	393	486
Communal services—flats and garden maintenance	3,072	3,760	4,080	4,527	5,217
House purchasers' Death Benefit Fund appropriation	503	443	432	476	493
Transfer to House and Land Sales Reserve Suspense Accounts	13,021	12,494	Cr. 2,969	Cr. 2,758	Cr. 2,887
Maintenance and repairs on houses sold	553	669	638	686	623
Other	2,324	2,632	3,257	3,375	4,283
Total expenditure	63,367	67,638	54,515	61,410	66,417
Operating surplus	9,152	6,166	19,293	10,911	7,898
Fixed assets at 30 June	560,702	611,196	650,987	694,444	748,512
Loan indebtedness at 30 June (a)—					
Government advances	756,801	826,647	880,528	902,904	894,852
Debenture issues	400	400	1,400	2,570	3,641
Death Benefit Fund Advances	7,388	7,388	7,388	8,697	9,823

(a) Excludes subsidies from State Loan Fund for slum reclamation.

Further reference: Report of the Board of Inquiry into certain land purchases by the Housing Commission, *Victorian Year Book* 1979, pp. 272-3*Registry of Co-operative Housing Societies and Co-operative 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 Government-State Housing Agreements.

The following table, compiled from annual reports published by the Registrar of Co-operative Housing Societies, provides particulars relating to the operations of societies at 30 June for each of the years 1977 to 1981:

**VICTORIA—OPERATIONS OF CO-OPERATIVE HOUSING SOCIETIES
AT 30 JUNE**

Particulars	Unit	1977	1978	1979	1980	1981
Societies registered	number	1,864	1,898	2,062	2,026	2,040
Members registered	number	52,240	52,108	52,401	50,680	48,506
Shares subscribed	number	4,311,597	4,818,435	5,251,845	5,501,288	5,634,186
Nominal share capital	\$m	431	482	525	550	563
Advances approved	number	43,768	43,384	42,701	41,362	39,458
Advances approved	\$m	425	476	536	544	559
Government guarantees executed	number	925	965	1,020	988	988
Government guarantees executed	\$m	201	221	243	251	258
Indemnities given and subsisting	number	5,857	5,968	6,171	6,042	6,644
Indemnities subsisting	\$'000	6,245	7,263	8,063	8,733	9,904
Housing loan funds paid into Home Builders' Account	\$m	253	283	308	325	338
Dwelling houses completed to date (a)	number	90,756	93,936	97,092	99,155	101,055
Dwelling houses in course of erection (a)	number	838	789	1,056	977	668

(a) Includes residential flats.

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 Victorian Government, 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 1981 and subsisting totalled 2,198 on the security of first mortgages, and 3,864 on second mortgages, the amounts involved being \$21.5m and \$18.4m, respectively. Corresponding information for 1980 was 2,432 on the security of first mortgages, 3,251 on second mortgages, and the amounts involved were \$23.4m and \$15.5m, respectively.

Further reference: *Victorian Year Book 1967*, p. 618

Approved housing institutions

The *Home Finance Act 1962* empowers the Victorian Government Treasurer, *inter alia*, to guarantee, in certain circumstances, the repayment of part of a housing loan made by an approved institution on the security of a first mortgage.

The Treasurer's guarantee covers that portion of a loan which exceeds the institution's loan limit, whether statutory or under the terms of a trust, or where there is no such limit, the guarantee applies to the amount of loan in excess of 60 per cent of the valuation of the security. Guarantees are available under the Act for loans up to 95 per cent of the value of the security.

At 30 June 1981, there were six approved institutions. Guarantees given by the Treasurer and subsisting totalled 104, the amount involved being \$193,337.

Further reference: *Victorian Year Book 1967*, p. 619

Decentralized Industry Housing Authority

The Decentralized Industry Housing Authority is a statutory authority, established by an Act of the Victorian Parliament in 1973. Its charter is to provide housing assistance to approved decentralised secondary industries established outside an 80 kilometre radius of the Melbourne G.P.O., and their key personnel. Housing loans are made on a first mortgage basis to enable eligible persons to purchase or build residential accommodation in the towns where they are employed.

An amendment to the legislation in 1975 gave the Authority powers to grant housing assistance to persons employed in public administration who are transferred to country locations. The total value of loans approved through the Authority to 30 June 1981 exceeded \$23.2m.

Teacher Housing Authority

The Teacher Housing Authority was created as a statutory authority by an Act of the Victorian Parliament on 22 December 1970. Its objectives are to provide suitable housing accommodation for teachers and to improve existing housing conditions in respect of the accommodation provided by the Authority.

There are five members of the Authority, representing the Ministries of Housing, Education, Treasury, the teacher organisations, and the building industry.

The Authority has a stock of over 2,150 houses and flats spread throughout the country areas of Victoria, with a total value of over \$52m. The Authority has the power to fix its own rents. The average rent charged in respect of residences is approximately \$26 per week.

Its capital works programme allows for an expenditure of \$3m for the purchase and construction of new housing. Existing houses are being upgraded, while maintenance intensive houses are being replaced with minimum maintenance stock. The location of new housing is determined by the Education Department's Residence Selection Committee.

State Bank

The State Bank grants loans to eligible persons to build, purchase, or improve homes upon such terms and subject to such covenants and conditions as are prescribed or are fixed by the Bank's commissioners.

Loans are made from the Savings Bank and Credit Foncier Departments. Particulars for the years 1976-77 to 1980-81 can be found in Chapter 21 of this *Year Book*.

Other Victorian authorities

Victorian Government authorities (other than those providing rental housing under Housing Agreements) such as the Public Works Department, the State Electricity Commission, the Victorian Railways, the State Rivers and Water Supply Commission, etc., from time to time provide the necessary land and finance for the erection of dwellings for employees of those departments. The rentals charged are fixed according to the salaries of the officers occupying the dwellings. The dwellings erected by these authorities do not come under the control of the Housing Commission.

Other lenders

Details of all loans made to home purchasers are not available. However, particulars of the value of loans approved by major institutions to individuals for the construction or purchase of dwellings in Victoria for owner occupation are shown for the period ending June 1981. A dwelling is classified as either a house or other dwelling. Examples of other dwellings are flats, home units, semi-detached cottages, villa units, town houses, etc. The amounts shown are loans approved, as distinct from actual payments, and do not include loans approved to institutions, public authorities, corporate bodies, or to persons constructing or purchasing homes for resale or for investment purposes.

Further reference: Rural Finance and Settlement Commission, *Victorian Year Book 1978*, p. 293

**VICTORIA—HOUSING FINANCE STATISTICS: LOANS
APPROVED BY MAJOR INSTITUTIONS TO
INDIVIDUALS FOR THE CONSTRUCTION OR
PURCHASE OF DWELLINGS, 1981
(\$'000)**

Institution	Loan approvals 12 months ending 30 June—
Savings banks	1,014,927
Trading banks	152,594
Permanent building societies	489,301
Terminating building societies	38,040
Finance companies	56,385
Government	83,508
Other	52,766
Total	1,887,521

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