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HOUSING AND CONSTRUCTION

HOUSING

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

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

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

The principal data are discussed below.

Census Dwellings

At each Census of Population and Housing, in addition to questions relating to personal particulars, there have been a number of questions relating to dwellings. For the 1986 Census, dwellings are classified into basic groups. An *occupied private dwelling* is defined as any habitation occupied by a household, that is, a group of people living together as a domestic unit or a person living alone, and can comprise the whole or only part of a structure. An *unoccupied private dwelling* is any habitable structure built specifically for private living purposes which is unoccupied at the time of the census. *Occupied caravans etc. in caravan parks* are treated as separated households, occupied boats in marinas are included in this dwellings classification. *Non-private dwellings* are defined as dwellings with accommodation which is not included in the previous classifications. These dwellings are classified according to their function and include schools, hotels, hospitals, gaols, nursing homes and other communal dwellings.

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

DWELLINGS, BY STATE: CENSUS YEARS

State or Territory	Census 30 June 1981		Census 30 June 1986		
	Occupied(a)	Unoccupied	Occupied(a)(b)	Caravans, etc.(c)	Unoccupied
New South Wales	1,669,594	153,251	1,817,392	21,916	174,467
Victoria	1,243,451	124,522	1,351,118	9,475	143,264
Queensland	703,964	83,366	838,122	27,310	94,714
South Australia	433,841	42,407	474,456	3,162	48,546
Western Australia	405,997	42,100	458,762	10,749	53,851
Tasmania	136,269	17,765	149,484	658	19,470
Northern Territory	29,563	2,368	39,779	3,456	3,639
Australian Capital Territory	68,740	3,963	79,363	368	5,588
Australia	4,691,419	469,742	5,208,476	77,094	543,539

(a) Includes non-private dwellings. (b) Excludes caravans, etc. in caravan parks. (c) Includes occupied caravans, tents, cabins, etc., in caravan parks and occupied boats in marinas.

1988 Housing Survey

In the period February to May 1988, a housing survey was conducted throughout Australia to collect information on a number of distinct topics relating to housing. The topics were:

- dwelling characteristics;
- nature of occupancy, housing costs and financial arrangements;
- moving expectations;
- previous housing arrangements; and
- ownership of other residential properties.

In addition, demographic and other characteristics of the occupants, such as sex, age and marital status were also collected, as was gross income.

The following table provides a summary of the Survey results.

HOUSING COSTS, 1988

	Owners		Government	Private	Other
	Purchasers		renters	renters	renters
NUMBER ('000)					
New South Wales	862.5	535.8	104.3	448.2	94.4
Victoria	664.3	475.6	49.4	272.6	66.5
Queensland	394.5	240.5	27.7	239.2	63.9
South Australia	220.3	144.9	56.7	78.7	26.1
Western Australia	206.1	161.0	33.8	96.8	39.1
Tasmania	67.9	46.5	14.6	24.1	6.7
Northern Territory	4.8	13.0	9.4	8.3	16.4
Australian Capital Territory	18.4	39.8	12.9	20.7	6.5
Australia	2,438.8	1,657.1	308.9	1,188.5	319.6
MEAN WEEKLY HOUSING COSTS (\$)					
New South Wales	15	139	47	100	51
Victoria	15	125	46	85	49
Queensland	13	119	48	76	38
South Australia	11	110	44	76	45
Western Australia	11	112	43	76	44
Tasmania	12	96	44	63	39
Northern Territory	17	131	66	109	47
Australian Capital Territory	14	136	53	105	60
Australia	14	126	46	88	46

HOUSING COSTS, 1988—continued

	Owners	Purchasers	Government renters	Private renters	Other renters
COSTS AS PROPORTION OF MEAN WEEKLY INCOME (%)					
New South Wales	3.5	20.3	18.9	23.6	14.3
Victoria	3.4	19.7	19.9	20.3	14.3
Queensland	3.4	20.4	18.3	20.2	8.5
South Australia	2.8	18.7	15.2	19.9	11.9
Western Australia	2.4	18.8	15.8	19.0	9.9
Tasmania	3.1	17.3	19.0	17.6	9.6
Northern Territory	2.9	18.7	14.3	19.7	7.9
Australian Capital Territory	2.3	15.7	16.4	18.3	12.4
Australia	3.3	19.7	17.5	21.3	11.6

Commonwealth and State Government Housing Assistance

A range of assistance programs has been developed to target assistance to households in the owner-occupied, public housing and private rental housing sectors. The Government provides funds for public housing, supported accommodation services, crises accommodation, mortgage and rent relief, home purchase loans and home purchase subsidies to individuals and families.

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

First Home Owners Scheme

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

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

INCOME LIMITS (\$)

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

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

**MAXIMUM ASSISTANCE AVAILABLE UNDER DIFFERENT OPTIONS
FOR HOMES ACQUIRED SINCE 26 MAY 1988
(\$)**

<i>Benefit options</i>	<i>No dependants</i>	<i>One dependant</i>	<i>Two or more dependants</i>
Option 1—			
Subsidy only	3,000	4,500	5,000
Option 2—			
Subsidy	n.a.	3,300	3,300
Lump sum		700	1,200
Option 3—			
Subsidy	n.a.	1,750	1,750
Lump sum		2,000	2,500

The subsidy is paid monthly, generally over five years, into an account with a financial institution. The lump sum is generally paid with the first monthly payment but can be made available earlier if required for deposit assistance or for settlement.

During the five year subsidy period applicants must confirm in writing each year that they continue to own and occupy the home. The subsidy will cease upon the sale of the home, but may recommence if a subsequent home is acquired within 12 months of the sale of the first home.

The following table sets out the operations of the scheme.

FIRST HOME OWNERS SCHEME: OPERATIONS

<i>State</i>	<i>Number of applications</i>		<i>Amount of benefit approval (\$'000)</i>	<i>Amount of benefit paid (\$'000)</i>
	<i>Received</i>	<i>Approved</i>		
1987-88				
New South Wales	15,765	14,928	60,470	62,824
Victoria	13,505	11,679	44,984	52,107
Queensland	10,590	8,912	35,773	39,408
South Australia	5,135	4,575	17,487	19,144
Western Australia	9,140	7,945	31,446	32,972
Tasmania	1,880	1,872	7,179	7,675
Northern Territory	228	195	736	1,093
Australian Capital Territory	1,862	1,639	6,553	6,691
Australia	58,105	51,745	204,628	221,914
1988-89				
New South Wales	11,463	10,238	39,442	52,051
Victoria	10,071	9,014	32,878	43,140
Queensland	7,099	6,443	23,888	30,583
South Australia	4,191	3,707	13,632	16,261
Western Australia	4,989	3,913	14,480	20,909
Tasmania	1,491	1,390	4,807	5,894
Northern Territory	168	180	599	878
Australian Capital Territory(a)	1,586	1,450	5,462	6,255
Australia	41,058	36,235	135,188	175,971
1 OCTOBER 1983 TO 30 JUNE 1989				
Australia	383,030	333,631	1,442,500	1,269,600

(a) ACT data include a large area of southern New South Wales handled by the FHOS office in Canberra.

1989 Commonwealth–State Housing Agreement—CSHA

At the 1989 Premiers' Conference the Commonwealth offered the States a new CSHA to commence operation on 1 July 1989. The offer is still being considered by the States (including for the first time the ACT). Features of the proposal are outlined below.

The Agreement would run for a 10 year period with triennial reviews. Commonwealth funds would be provided completely as grants and though States would be required to match Commonwealth funds on a dollar for dollar basis, one half of this matching could be met from the value of CSHA home loans. In addition, the grant matching requirement would be phased in over a four year period. Specific purpose programs would continue to be funded by the Commonwealth and, with the exception of the Mortgage and Rent Relief Scheme, no State matching would be required.

Grant funding would increase from \$700 million in 1988–89 to \$1,010.5 million in 1989–90, an increase of 44 per cent. The level of untied funding would show a similar order of increase—from \$530.6 million to \$777.2 million. Funds formerly provided under Loan Council Nomination arrangements are re-allocated on a more needs-related basis over the first three years of the Agreement. Funding for specific purpose programs will total \$233.1 million in 1989–90 comprising \$91 million for Aboriginals, \$48.7 million for pensioners, \$30.4 million for mortgage and rent relief, \$39 million for crisis accommodation and \$24 million for the Local Government and Community Housing Program.

The Agreement includes a joint Commonwealth–State planning process to ensure that priorities for all groups such as youth, people with disabilities, Aboriginals and the aged are met under public housing arrangements. Suitable arrangements will be introduced to ensure that there is national consistency in eligibility criteria and rent principles and a strengthening of the CSHA's position with respect to the security of tenure of public tenants, increased choice of assistance, and establishment of appeal mechanisms.

Home purchase assistance

The home purchase assistance provisions of the proposal are directed towards ensuring that CSHA funds are used in an effective and efficient way. Funds available for home purchase assistance comprise revolving funds arising from the operation of previous home purchase programs and State funds. The proposal will encourage States to draw on private sector funds and to on-lend to low to moderate income home buyers as such borrowing will not affect the State's Loan Council borrowing limits. Home purchase assistance programs which the States wish to count for CSHA matching purposes are to be approved by the Commonwealth. Eligibility conditions are set by each State, but loans can only be made to those who cannot obtain mortgage finance on the open market, or from other sources. Loan repayments are based on the borrower's income.

Rental housing assistance

The new arrangements proposed by the Commonwealth will require the establishment of a Rental Capital Account into which all Commonwealth and State grant funds must be paid. After deducting interest and principal payments to the Commonwealth and a general allowance (to be used for defined non-capital purposes) all funds must be applied to increasing the housing stock. In addition all income from sales of dwellings from the previous year must be placed in the Account.

States will continue to determine eligibility for rental housing with priority to those in most need. Under the proposal States will be required to charge tenants at least cost or market-related rents, with reduced (or rebated) rents available for those low income tenants unable to pay the full rent. Cost rents (where applied) are to reflect the cost of providing rental housing and under the proposal will include a notional interest charge for grants made from 1989–90 and onward. States will continue to determine their sales policy in relation to rental dwellings but all sales are to be at market value or replacement cost and on the basis of a cash transaction. Home purchase assistance funds can be used to finance the purchase of rental dwellings.

COMMONWEALTH-STATE HOUSING AGREEMENT: OUTCOMES FOR 1987-88

	<i>NSW</i>	<i>Vic.</i>	<i>Qld</i>	<i>SA</i>	<i>WA</i>	<i>Tas.</i>	<i>NT</i>	<i>Total</i>
Rental Housing Assistance—								
Commenced	2,676	1,888	1,774	926	1,406	440	355	9,465
Completed	3,299	2,031	1,095	603	1,634	539	500	9,701
Purchased	181	876	556	297	152	65	25	2,152
Sold	97	38	54	360	241	314	20	1,124
Total stock at 30 June	111,467	56,867	31,709	32,248	60,655	13,335	9,707	315,988
Households accommodated	10,809	8,686	6,032	6,292	8,432	2,151	3,137	45,539
Home Purchase Assistance								
Loans approved for—								
Construction	513	343	605	617	473	50	8	2,609
Purchase	2,371	1,900	2,965	1,015	1,642	857	271	11,021
Not specified	1,937	—	—	—	391	—	—	2,328
Total	4,821	2,243	3,570	1,632	2,506	907	279	15,958

COMMONWEALTH-STATE HOUSING AGREEMENT: DISTRIBUTION OF 1989-90
FEDERAL FUNDS (1988-89 FIGURES IN BRACKETS)
(\$'000)

<i>State</i>	<i>Untied</i>	<i>Rental Assistance for Pensioners</i>	<i>Rental Assistance for Aboriginals</i>	<i>Mortgage and Rent Relief</i>
New South Wales	244,874 (179,027)	18,520 (13,869)	17,777 (13,641)	10,646 (9,257)
Victoria	190,776 (135,989)	10,882 (8,794)	3,638 (3,417)	7,961 (6,949)
Queensland	92,592 (79,428)	9,644 (7,382)	25,228 (19,000)	5,142 (4,418)
South Australia	82,060 (52,053)	3,849 (2,819)	8,341 (6,391)	2,630 (2,302)
Western Australia	66,266 (48,502)	4,153 (3,268)	15,862 (12,121)	2,898 (2,471)
Tasmania	44,983 (20,952)	1,179 (845)	696 (696)	836 (742)
Northern Territory	55,701 (14,649)	523 (523)	19,458 (14,734)	291 (261)
Total	777,250 (530,600)	48,750 (37,500)	91,000 (70,000)	30,404 (26,400)

<i>State</i>	<i>Crisis Accommodation Program</i>	<i>Local Government and Community Housing Program</i>	<i>Total</i>
New South Wales	13,656 (6,835)	8,404 (5,596)	313,877 (228,225)
Victoria	10,212 (5,131)	6,284 (4,200)	229,753 (164,480)
Queensland	6,598 (3,262)	4,060 (2,671)	143,264 (116,161)
South Australia	3,372 (1,700)	2,075 (1,391)	102,327 (66,656)
Western Australia	3,717 (1,824)	2,288 (1,494)	95,184 (69,680)
Tasmania	1,072 (548)	660 (448)	49,426 (24,231)
Northern Territory	373 (200)	229 (200)	76,576 (30,567)
Total	39,000 (19,500)	24,000 (16,000)	1,010,404 (700,000)

Specific purpose programs

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

- (a) *Rental Assistance for Pensioners*—provides rental housing assistance to pensioners and beneficiaries including age or invalid pensioners, widows and supporting parents.

- (b) *Rental Assistance for Aborigines*—since 1979–80 the Federal Government has provided separately identified funding to the States for rental housing assistance for Aborigines through the CSHA. Between 1980 and 30 June 1988, 6,066 new dwellings have been provided in the six States and the Northern Territory under this program. This includes the upgrading of existing dwellings.
- (c) *Mortgage and Rent Relief Scheme*—provides assistance to households experiencing severe short term hardship in meeting private mortgage or rental payments. Rental assistance can also be used for bond money, relocation costs and housing advisory services.
- (d) *Crisis Accommodation Program (CAP)*—provides crisis accommodation dwellings for youth, women and the chronically homeless. It operates in close conjunction with the Supported Accommodation Assistance Program (SAAP) which provides recurrent funding for the delivery of crisis accommodation services.
- (e) *Local Government and Community Housing Program*—provides assistance to achieve the following objectives:
- encourage local government bodies and community groups to provide rental housing;
 - facilitate greater tenant management of rental housing;
 - respond to specific housing needs previously overlooked;
 - attract local government and non-government funds and other resources into the program;
 - involve local government and community groups in the identification of housing needs and the formulation of local housing policies.

Housing Loans Insurance Corporation

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

From November 1965, when the Corporation commenced operations, until the end of June 1989, 910,000 loans to the value of \$30,085 million had been insured.

Commonwealth–State Housing Agreement (Service Personnel)—CSHA(SP)

The disposal of surplus service personnel dwellings is the responsibility of the Minister for Defence Science and Personnel. The Minister announced on 11 May 1989 that the Commonwealth would renegotiate the CSHA(SP) with the States. New legislation is expected to be passed by Parliament early in 1990.

These new arrangements will enable a large number of ex CSHA(SP) houses to be transferred to public housing stock administered by State housing authorities.

Defence Service Homes (DSH) Scheme

Housing assistance

The DSH Scheme provides housing-related benefits to those who qualify through war or defence service.

Up until 30 June 1989, the Scheme was administered by the Defence Service Homes Corporation. As from 1 July 1989 the Corporation ceased to exist and the Scheme has become a sub-program of the Benefits' Program in the Department of Veterans' Affairs.

On 1 December 1988, the Westpac Banking Corporation bought the mortgages of the former DSH Corporation and took over the lending function, paying \$1.38 billion for the mortgage portfolio and a further \$100 million for the exclusive right to make DSH-subsidised loans. Until 19 December 1988, the Commonwealth provided housing loans at concessional rates. After that date, the Commonwealth paid an interest subsidy on first mortgage housing loans made to eligible people by Westpac, up to a maximum of \$25,000.

The subsidy represents the difference between a fixed concessional rate of 6.85 per cent per annum and the market rate.

The DSH Scheme also provides low-cost houseowner's insurance cover, concessional assistance for essential repairs, and assistance to veteran's widows who are experiencing financial hardship in paying for their rates, repairs, insurance and loan instalments.

Lending component

Since it began in 1919, the DSH Scheme has helped more than 435,000 eligible people to buy, build or complete their homes. Up to 19 December 1988, 3,111 Commonwealth-funded loans were settled by the former DSH Corporation. After that date, applications were for payment of subsidy on loans provided by Westpac.

Subsidy component

The saving in repayment instalments on a subsidised \$25,000 loan from Westpac compared with repayments at current market rates is about \$185 per month, which is equal to extra borrowing power of about \$13,000.

About 128,000 loans were transferred to Westpac. Applications for subsidy are being received at the rate of about 1,100 per month.

Insurance component

The DSH Insurance Scheme is run as a self-funding cooperative with no budget outlay. DSH insurance is available to the owners of homes which are the subject of a DSH interest subsidy. Insurance with the Scheme may be continued after repayment of the loan as long as the insured keeps the home. Premiums are below those generally available elsewhere, and 99 per cent of those eligible to take out DSH insurance do so.

Average sum insured at 30 June 1989 (\$)	82,333
Total sums insured at 30 June 1989 (\$ million)	14,412
Number of homes insured at 30 June 1989	175,044
Claims paid 1988-89—Number	22,709
—Amount (\$)	8,785,704
Premium income (\$)	10,457,905

State housing authorities

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

New South Wales—Department of Housing

The Department came into being with the enactment of the *Housing Act 1985* on 1 January 1986, which enabled the amalgamation of the Housing and Land Commissions of New South Wales and various housing related divisions of other departments. The Department's objective is the provision of services and activities, which will enable all sections of the community with housing needs to have secure, appropriate and affordable housing.

Advances from the Commonwealth Government have provided most of the Department's capital funds and by 30 June 1988 the balance outstanding was \$1,084,027,000. Other net funds of the Department at 30 June 1988 comprised: repayable advances from the State, \$650,671,000; public loans raised by the Department, \$373,204,000; grants from the Commonwealth Government, \$1,206,678,000; grants from the State, \$25,884,000; and accumulated surplus, \$129,387,000. In addition, the Department owed \$138,116,000 to creditors, mainly for purchase of land and work-in-progress. These funds were represented by fixed assets, \$3,584,150,000 (including \$63,172,000 owed by purchasers of homes); and current assets, \$138,866,000. In 1987-88, the Department's income was \$580,238,000 (including rent, \$298,648,000 and interest, \$4,341,000); expenditure was \$366,328,000 (interest, \$100,256,000).

The permanent dwellings provided by the Department have been erected under the Commonwealth-State Housing Agreements or from State loans and grants. In 1987-88, 4,018 dwellings were purchased or completed for the Department.

1987-88 was the year of consolidation for the Department's services assisting home buyers, with the establishment of the Rental Property Trust which allowed the Department to direct private investors' funds to the development of more rental accommodation in the private sector, and the introduction of four major home finance programs aimed at providing home finance to a broader sector of the community.

Ready to Buy Program

During 1987-88 the Department's tenants were offered an opportunity to purchase their own home or a home of their choice in the public sector. Tenants buying through this program are eligible for a loan through the Department's Affordable Home Loan Program and special concessions, such as exemption from stamp duty. \$101.8 million was lent under the Affordable Program to 1,937 home buyers during 1987-88.

Affordable Home Loan Program

Low start loans are provided to low income earners to purchase their own homes on low deposit. Repayments are set at 27 per cent of income and increase by 6 per cent per annum. Payments can be varied if income declines through unexpected circumstances. The average income of these borrowers during the year was \$17,000 and the average loan was \$53,000. The average value of property purchased was \$64,000.

Premier Low Start Loans.

Premier Low Start Loans are aimed at moderate income earners unable to obtain sufficient finance from traditional lenders in the private sector. They are fixed interest loans which increase borrowing capacity to 50 per cent. Repayments are set at 27 per cent of income and increase 6 per cent per annum until the loan is paid off. During 1987-88 \$151.8 million was lent through this program, allowing 2,884 families to purchase their homes.

Mortgage Relief Scheme

This Scheme provides short term assistance in the form of an interest free loan to home buyers who, due to an unforeseen change in circumstances, are unable to meet their mortgage repayments. Assistance is provided to families with a gross income of less than \$27,600 per annum and whose total mortgage commitments do not exceed \$71,250. During the year 1987-88 541 applications were approved for assistance totalling \$2.9 million.

Victoria—Ministry of Housing and Construction

The Ministry's key objectives are:

- to facilitate the continuing access of all Victorians to affordable, adequate and appropriate housing;
- to deliver housing assistance programs in an effective, efficient and equitable manner;
- as the major design and construction authority for Government, to provide policy advice and architectural, engineering, design and supervision services to agencies in relation to their building programs; and
- to maintain a direct construction capability and provide construction policy advice to Government.

Thus, the Ministry of Housing and Construction is not only involved in the provision of public rental accommodation, but also in the provision of assistance to private tenants as well as potential homeowners. The Ministry also cooperates with community groups to provide emergency housing, and programs to assist the homeless. Since the merger with the Public Works Department in 1988-89, the Ministry of Housing and Construction also provides consultative services to Government as well as construction agencies in relation to their building programs.

During the 1988–89 financial year, a total of 2,343 units were constructed or purchased. The funding for these units was provided under the Commonwealth–State Housing Agreement, State funds, as well as Ministry funds. The Ministry's public rental stock was 59,300 as at 30 June 1989, of which 33,000 (or 56 per cent) was located in the metropolitan area. The number of tenants on reduced rents (rebates) totalled 45,983 representing 78 per cent of the State total.

The Ministry also provides assistance to households in the private rental sector, under the Bond and Relocation scheme. This scheme provides funds to individuals or households for security deposits (bonds) and removal expenses. Individual single applicants are eligible for a maximum loan of \$400 whilst families or groups may receive up to \$600. During the 1988–89 financial year, 6,769 households received assistance under this scheme averaging at \$394 per household.

Queensland—Queensland Housing Commission

During 1988–89 the Commission provided 6,447 dwelling units, bringing the total number under all schemes since the revival of housing construction in 1944–45 to 100,735. Of this number, 65,210 houses, or 64.7 per cent, were for home ownership, and 35,525, or 35.3 per cent, were for rental.

In the field of rental housing, the Commission administers, and acts as the constructing authority under, the Commonwealth–State Housing Agreements and States Grants (Housing) legislation. Operating under the provisions of the *State Housing Act 1945–1986*, the Commission, through its scheme of mortgage finance, makes advances for the construction of dwellings to eligible persons who own a suitable building site or to purchase a house and land package. In 1988–89 there were 4,144 dwellings completed through mortgage finance, making a total of 63,355 since the inception of the Commonwealth–State Housing Agreements in 1944–45. The Commission also has power to make advances, secured by mortgage, to firms for housing of employees. The Commission has power to sell houses under contract of sale conditions. Contract of sale agreements were made to purchase 47 of the Commission's houses during 1988–89.

South Australia—South Australian Housing Trust

The primary role of the Trust is to provide housing for those in need, and within their capacity to pay, and to do so in ways which contribute as far as possible to the social well-being and economic development of the State. The Trust aims to provide housing which is appropriate for the householders' needs, is of an acceptable and modern standard and is integrated within the surrounding environment.

The Trust also provides assistance to tenants renting privately through:

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

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

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

A total of 112,107 dwellings have been built, purchased or leased by the Trust since 1936.

Western Australia—State Housing Commission of Western Australia

The State Housing Commission, trading as Homeswest, constructs a variety of dwelling types for its rental and purchase programs. In addition, it constructs housing for other government departments and constructs and maintains houses for the Government Employees' Housing Authority, the Aboriginal Housing Board and community groups.

Homeswest is a major land developer in Western Australia and has the role of providing reasonably priced land to the first home buyer. As part of its development role Homeswest is promoting better use of land, e.g. through flexible lot sizes and consolidation of underutilised urban sites. It also enters into joint ventures with the private sector in land development, finance and housing construction.

At 30 June 1989, the Commission had provided under all schemes since 30 June 1944 a total of 81,906 units of accommodation throughout the State (including 12,046 units completed under the *Defence Services Homes Act 1918*). During the twelve months ended 30 June 1989, 1,503 units of accommodation were provided: 1,065 in the metropolitan area, 214 in country areas and 224 north of the 26th parallel.

Building societies are a major source of housing finance in Western Australia. At 30 June 1989, it was estimated that the assets of permanent and terminating societies were about \$2 billion. Currently there are 6 permanent building societies (4 active and 2 inactive) and 116 terminating building societies operating.

Tasmania—Housing Tasmania

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

There were 416 dwellings completed during 1988–89. The total number of dwellings constructed to 30 June 1989 was 24,753 of which 9,412 have either been sold or demolished.

There were 1,637 properties purchased, making a total dwelling stock of 16,978. Of these 14,463 are detached or semi-detached, 2,063 are elderly persons' units, 424 are multi-unit flats, and 28 are movable units.

Dwellings are allotted on a rental or purchase basis. Rental is now assessed at a proportion of household income. Tenants are able to buy their home if they wish.

Housing Schemes in Australian Territories

Northern Territory

The Northern Territory Housing Commission was established in 1959 and currently operates under authority of the *Housing Act 1982*. For administration purposes only, the Commission was amalgamated with other bodies to form the Department of Lands and Housing on 19 March 1987. However, the Commission still retains its autonomy under a single Commissioner.

Australian Capital Territory

The ACT Housing Trust provides houses, flats and aged persons' units for rental to persons on low incomes who live or are employed in the Australian Capital Territory. At 30 June 1989, the ACT Housing Trust controlled 7,801 houses and 4,175 flats (including aged persons' units) for rental purposes. Public rental houses are currently not available for purchase by tenants, but this policy is under review.

Summary of rental activities of government authorities

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

Year	NSW	Vic.(a)	Qld	SA	WA(b)	Tas.	NT(b)	ACT	Aust.
1986–87	258,200	117,958	r79,304	117,788	53,920	40,776	30,074	38,548	r736,568
1987–88	298,648	135,744	r87,653	140,219	r66,217	49,629	33,068	31,475	r842,653
1988–89	331,292	142,170	r97,874	161,910	71,217	44,536	33,779	34,582	r917,360

(a) Prior to 1983–84 figures relate to Housing Commission, prior to 1988–89 figures relate to Ministry of Housing and thereafter the Ministry of Housing and Construction. (b) Figures relate to Housing Commission only.

GOVERNMENT HOUSING AUTHORITIES: NUMBER OF TENANTS PAYING RENT

Year	NSW	Vic.(a)	Qld	SA(b)	WA(c)	Tas.(d)	NT(d)	ACT(d)	Aust.
1986-87	133,826	57,300	31,628	58,884	32,270	12,911	8,830	11,028	346,677
1987-88	109,958	60,300	r33,327	60,655	32,912	13,305	9,276	11,326	r331,059
1988-89	112,518	58,846	35,525	62,339	35,525	13,292	9,400	11,380	338,825

(a) Prior to 1983-84 figures relate to Housing Commission, prior to 1988-89 figures relate to Ministry of Housing and thereafter the Ministry of Housing and Construction. (b) Figures relate to dwelling stock, not tenants. (c) Figures relate to Housing Commission only. (d) Number of occupied dwellings at 30 June.

Advances to Home Purchasers

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

State and Territory authorities and agencies

New South Wales—State Bank of New South Wales

Stamp Duty Deferred Payment Scheme

In 1976 the State Government introduced a scheme by which first home buyers may be eligible for a deferment of the amount of stamp duty payable on their first home. The Stamp Duties Office determines, on behalf of the Treasury, the eligibility of applicants and properties and, if acceptable, approves of an advance being made for payment of stamp duty in accordance with the scheme. Arrangements are handled by the New South Wales Office of State Revenue and repayments are made through the State Bank. Applicants repay the advance over a period of five years by equal annual instalments. The advances are free of interest provided instalments are paid by the due date. To 30 June 1988, 231,159 applicants had taken advantage of the Deferred Payment Scheme to the extent of \$202.6 million. Balances outstanding as at 30 June 1988 totalled \$68.7 million.

State Second Mortgage Loan Scheme

On 1 July 1981 the New South Wales Government introduced the State Second Mortgage Loan Scheme to provide second mortgages to assist eligible low to moderate income earning families to acquire their home. The interest rate charged is 12 per cent per annum or the notional rate payable on the first mortgage, whichever is the higher, and remains fixed for the term of the loan. The maximum loan is \$15,000 and loans are payable over 10 years. The scheme is financed from funds made available by various government instrumentalities and is administered by the State Bank of New South Wales. During the 1987-88 financial year 23 second mortgage loans were made, totalling \$134,224.

State Bank of New South Wales—other loans

The State Bank of New South Wales provides assistance to individuals for the erection or purchase of homes and for other approved purposes associated with homes. Advances are based on the bank's official valuation of the dwelling. The rate of interest on new long term loans for housing purposes as at July 1989 was 17.0 per cent per annum. In July 1989, a fixed-rate loan was introduced. The interest rate on this loan varies according

to market conditions at the time the Bank raises the underlying funds, and in July 1989 was 15.5 per cent per annum.

Victoria—Ministry of Housing and Construction

Home purchase loans granted during the 1988–89 financial year totalled 4,462. Of these, 355 were provided by the cooperative housing societies. These loans were provided through numerous schemes: Capital Indexed Loans (CAPIL)—424 loans; Indexed Repayment Loans (IRL)—436 loans; Home Opportunity Loans Scheme (HOLS)—3,011 loans; and HOLS Priority Loans—236 loans.

HOLS replaces CAPIL as the Ministry of Housing and Construction's standard lending instrument. This scheme is designed to help more Victorians achieve home ownership by utilising a fully indexed mortgage instrument base on a real rate of interest (currently 6.9 per cent). Repayments are set at between 25 per cent and 27 per cent of income.

The IRL joint venture with four major banks has continued with a total of 424 loan approvals in the 1988–89 financial year.

Queensland

Commission loan schemes are available to non-home owners to purchase or construct a home they intend to reside in. The schemes are:

Interest Subsidy Scheme This Scheme assists low income earners by subsidising interest charges and providing an affordable monthly payment at 25 per cent of gross income, adjusted whenever income changes. Most borrowers under this Scheme would not have the capacity to obtain finance from other lenders. The scheme is subject to a means test.

Second Loan Scheme May be available to borrowers eligible for an Interest Subsidy Loan and who are also eligible for the Commonwealth First Home Owners Scheme. This loan assists to bridge the deposit gap, and utilises the First Home Owners Scheme (FHOS) subsidy payout.

Flexible Term Loan This loan is intended as an alternative source of finance for borrowers not eligible for the Interest Subsidy Scheme or for those with sufficient income or savings to not need the protection of an Interest Subsidy Loan. 'Slow' and 'Quick' start options are offered with several term options also available. The scheme is subject to a maximum joint income limit.

South Australia—South Australia Housing Trust

Until August 1989, the Trust administered the Rental Purchase Scheme in conjunction with the State Bank. In 1988–89, a total of 138 Rental Purchase sales took place to give an overall total of 1,245 sales since the scheme's inception in 1983. In September 1989, the State government's *Homestart* scheme superseded the Rental Purchase scheme.

The Homestart loan program is a South Australian Government scheme designed to provide housing finance to people who are not currently home owners. It is aimed at low to moderate income earners. Early mortgage payments do not cover all the interest due. The unpaid interest is added to the outstanding loan balance and paid later as income and payments increase.

Minimum deposit is 5 per cent and up to 95 per cent of house valuation is available. Borrowers are required to contribute a minimum of \$1,000, plus pay the various legal and establishment fees. Payments are set at 25 per cent of the initial household income and increase every year in line with the CPI. The maximum term is initially 27 years.

Homestart is available to all South Australians, regardless of income. People do not need to be first home buyers but must be residing in the home they intend to buy and must not own any other residential property. There is no maximum house and land value limit.

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

Western Australia—State Housing Commission of Western Australia

The Commission administers four schemes to assist applicants achieve home ownership. These schemes are known as First Mortgage, Flexible Deposit, Shared Equity and Senior Citizens Loan Schemes. The maximum interest rate is maintained in relationship with the pre-April 1986 Commonwealth Bank interest mortgage rate and the repayment of the loan is on an income geared basis with an applicant not being expected to pay more than 25 per cent of assessed family income in repayments. The maximum repayment period is 30 years.

Under the schemes, the applicants are able to select an established home or build a new home of their choice. The maximum income limits vary with the location. A family with one child can have a maximum weekly income of \$435.80 in the metropolitan area, \$564.00 in remote areas and \$615.00 in the Kimberley region. These limits increase by \$22 for each additional child after the first, and \$28 for each additional child beyond the third.

Under the First Mortgage, Flexible Deposit and Shared Equity Schemes, the maximum value of house and land in the metropolitan area is \$75,000 if buying an established home or if building a new home. In non-metropolitan areas, the maximum value varies from \$65,000 in country areas to \$103,500 in the Kimberley region. Minimum deposit required is usually 5 per cent of valuation, although with the Flexible Deposit Scheme as little as \$500 can be paid as the deposit on a home.

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

Assistance through Terminating Building Societies is available to eligible applicants from the Loans Priority List under first mortgage conditions. Funds are not available for second mortgages. The interest rate on advances is 13.5 per cent and the maximum term is for 30 years. In the metropolitan area, the maximum income limit is \$435.80 per week plus an extra \$22 per week for each dependent child, and \$28 for each additional child beyond the third. The value of house and land cannot exceed \$75,000 and a 5 to 10 per cent deposit is required. In other areas around the State, maximum income limits vary between \$435.80 in country areas and \$615.00 in the Kimberley region and the maximum value of house and land varies from \$66,000 in country areas to \$103,500 in the Kimberley region.

Tasmanian Development Authority

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

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

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

The Authority has a Home Ownership Building Industry Scheme (HOBIS) whereby private builders are requested to tender for the construction of homes throughout the State for low to moderate income earners who could not otherwise afford to purchase a new home.

Total lending to both builders and first home buyers exceeds \$45 million since the introduction of HOBIS in 1987 and more than 400 brick veneer homes have been built and sold.

TASMANIAN DEVELOPMENT AUTHORITY, ADVANCES FOR HOUSING (a)

<i>Particulars</i>	<i>1983-84</i>	<i>1984-85</i>	<i>1985-86</i>	<i>1986-87</i>	<i>1987-88</i>	<i>1988-89</i>
Advances approved—						
Number	624	537	815	624	704	712
Value (\$'000)	18,030	17,437	28,390	24,790	29,423	33,237
Advances outstanding at 30 June (\$'000)	83,081	90,338	106,000	114,606	126,263	154,231

(a) Excludes advances to cooperative housing societies.

Northern Territory—Interest Subsidy Scheme

The Northern Territory Interest Subsidy Scheme was introduced on 1 December 1988. The previous loan scheme, the Northern Territory Home Purchase Assistance Scheme closed to new applications on that date.

The Subsidy Scheme provides a non-recoverable subsidy on a private sector loan to people in the \$300 to \$600 gross weekly earnings bracket.

There are eight levels of subsidy at which participants, depending on income, will commence under the scheme. The initial subsidy will be maintained for three years, at which time it will decrease to the next level, and annually thereafter.

The maximum subsidy is based on a \$55,000 loan and will be reduced proportionately on loans of lesser amounts. Eligibility criteria for the scheme are as follows:

- value of house-land package to be \$100,000 or less;
- applicants purchasing their first home in the Northern Territory who do not own another dwelling elsewhere in Australia; and
- intend to reside in the dwelling.

Northern Territory—Home Establishment Grant

The Home Establishment Grant of \$1,000 is available to all persons buying or building their first home in the Northern Territory. The value of house and land must not exceed \$100,000. The purpose of the grant is to assist home buyers defray those expenses incurred in purchasing their homes, for example loan establishment costs, legal fees, stamp duty and so on.

Northern Territory—Sales Scheme

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

Australian Capital Territory

The Commissioner for Housing operates an income-g geared loan scheme to assist people who are generally unable to afford finance in the private market. Loans to a maximum of \$70,000 over a maximum term of 30 years are available to purchase or erect dwellings in the Australian Capital Territory. The exact amount of loan granted and term of the loan are determined by the applicant's level of income and assets and the value of the property to be purchased. To qualify for a loan an applicant must:

- be a permanent resident of Australia and have lived or worked in the Australian Capital Territory for at least six months prior to loan approval;
- not have any interest whatsoever in real property located in the Australian Capital Territory or Queanbeyan other than the dwelling or the land upon which it is proposed to erect the dwelling;

- not previously have received government financial assistance in the form of a loan for the purchase or construction of a dwelling in the Australian Capital Territory or Queanbeyan.

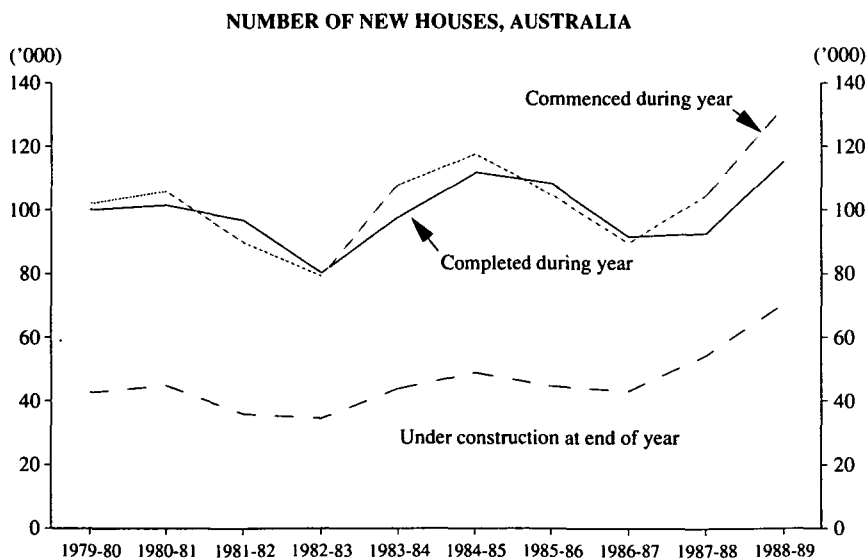
Interest rates vary but must not exceed the Commonwealth Savings Bank new home loans rate. The interest rate for new loans at 30 June 1989 was 13.5 per cent. Instalment repayments are geared to the applicant committing 25 per cent of income to total mortgage payments and instalment subsidies are repaid over the term of the loan or upon discharge. At 30 June 1989, 6,818 properties were under mortgage to the Commissioner for Housing. The Commissioner also administers 5,028 Commonwealth of Australia mortgages.

CONSTRUCTION

Building

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

Number of new houses



Note: Break in series from 1980-81 and 1981-82. (See explanation on pages 715-16 in Year Book No.71)

The following table provides a summary of the number of new houses approved, commenced, under construction and completed by type of ownership in each State and Territory for the year 1988-89.

NUMBER OF NEW HOUSES, 1988-89
(**'000**)

	<i>NSW</i>	<i>Vic.</i>	<i>Qld</i>	<i>SA</i>	<i>WA</i>	<i>Tas.</i>	<i>NT</i>	<i>ACT</i>	<i>Aust.</i>
Private Sector—									
Approved	35.3	35.9	30.6	7.5	19.2	2.7	0.6	1.9	133.6
Commenced	33.8	34.3	29.3	7.1	19.0	2.5	0.5	1.8	128.3
Under construction(a)	21.1	19.9	9.5	3.1	11.3	2.1	0.3	0.8	68.1
Completed	29.8	29.6	27.3	6.3	14.1	2.0	0.4	1.7	111.2
Public Sector—									
Approved	0.6	1.1	1.3	0.5	0.7	0.2	0.1	0.1	4.7
Commenced	0.6	0.9	1.1	0.4	0.7	0.2	0.1	0.1	4.1
Under construction(a)	0.4	0.5	0.5	0.3	0.4	0.1	0.1	0.1	2.3
Completed	0.6	0.9	0.9	0.4	0.5	0.2	0.5	0.1	4.2
Total—									
Approved	35.8	37.1	31.9	8.0	20.0	2.9	0.7	2.0	138.4
Commenced	34.4	35.2	30.4	7.6	19.7	2.7	0.6	1.9	132.4
Under construction(a)	21.5	20.4	10.0	3.4	11.7	2.1	0.4	0.9	70.4
Completed	30.4	30.5	28.2	6.7	14.7	2.3	0.9	1.8	115.4

(a) At end of period.

Number of new houses approved, by material of outer walls

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

The following table shows the number of new houses approved in each State and Territory during the year 1988-89, classified according to the material of their outer walls.

NUMBER OF NEW HOUSES APPROVED BY MATERIAL OF OUTER WALLS
AS A PROPORTION OF TOTAL STATE, 1988-89
(**per cent**)

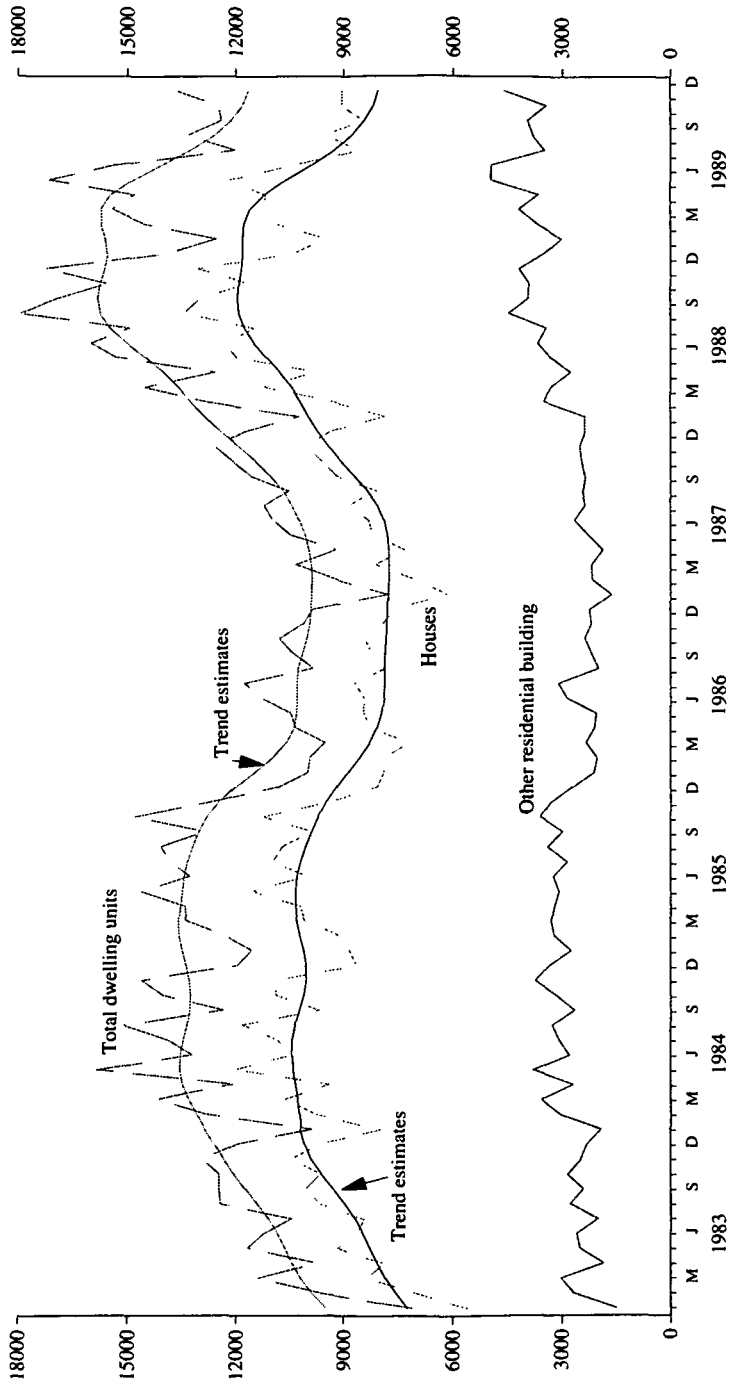
<i>Material of outer wall</i>	<i>NSW</i>	<i>Vic.</i>	<i>Qld</i>	<i>SA</i>	<i>WA</i>	<i>Tas.</i>	<i>NT</i>	<i>ACT</i>	<i>Aust.</i>
Double brick(a)	15.1	1.1	6.8	8.3	86.2	4.5	55.3	1.5	19.1
Brick veneer	71.6	62.9	78.2	68.1	5.0	77.8	3.4	89.4	61.1
Timber	5.9	5.0	7.3	1.0	2.5	12.9	2.4	0.5	5.3
Fibre cement	6.3	2.3	6.0	5.0	5.2	1.9	3.1	0.1	4.7
Other	1.1	1.1	1.7	0.4	1.1	2.9	35.9	0.4	1.4
Not stated	—	27.5	—	17.1	—	—	—	8.0	8.5

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

Number of dwelling units in new other residential building

The level of other residential building construction is highly variable and does not follow the regular pattern experienced in house construction. This can be explained partly by the generally larger size of other residential building construction jobs and also by the extent of speculative building of private flats, home units and similar other residential building projects.

NUMBER OF DWELLING UNITS APPROVED IN NEW RESIDENTIAL BUILDINGS
AUSTRALIA



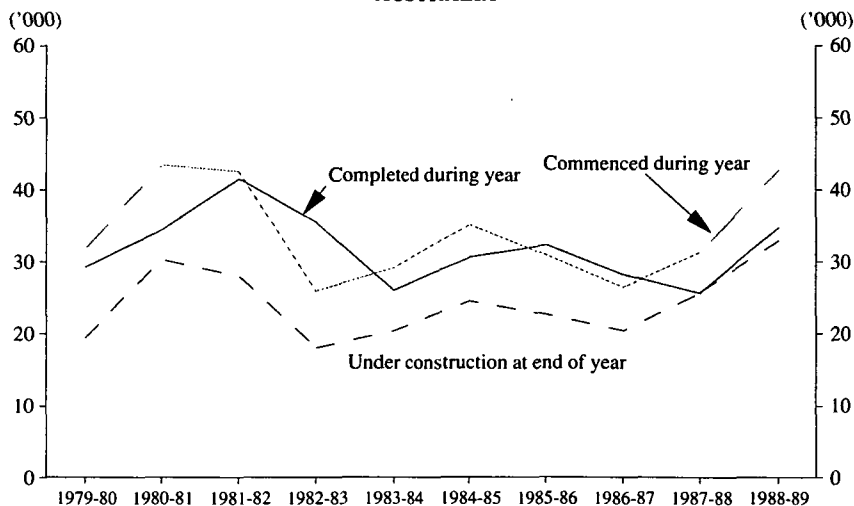
The following table shows the number of new dwelling units in other residential building approved, commenced, under construction and completed by type of ownership in each State and Territory for the year 1988-89.

NUMBER OF DWELLING UNITS IN NEW OTHER RESIDENTIAL BUILDING 1988-89
(^{'000})

	<i>NSW</i>	<i>Vic.</i>	<i>Qld</i>	<i>SA</i>	<i>WA</i>	<i>Tas.</i>	<i>NT</i>	<i>ACT</i>	<i>Aust.</i>
Private Sector—									
Approved	14.1	2.7	13.5	2.1	6.8	0.9	0.1	0.7	40.8
Commenced	11.8	2.8	12.0	1.7	6.2	0.8	0.2	0.7	36.3
Under construction ^(a)	11.1	2.1	7.5	1.1	4.0	0.5	0.2	0.5	26.9
Completed	8.2	3.6	9.2	1.3	4.1	0.7	0.2	0.6	27.9
Public Sector—									
Approved	2.2	0.9	1.7	1.1	0.9	0.2	0.2	—	7.1
Commenced	2.0	0.7	1.6	1.0	0.7	0.2	0.1	—	6.2
Under construction ^(a)	3.0	0.6	1.2	0.5	0.5	0.1	0.1	0.1	6.0
Completed	2.6	0.8	1.1	1.1	0.6	0.2	0.1	0.3	6.8
Total—									
Approved	16.3	3.6	15.2	3.2	7.6	1.0	0.4	0.8	48.0
Commenced	13.8	3.5	13.6	2.7	6.9	1.0	0.3	0.7	42.6
Under construction ^(a)	14.1	2.6	8.7	1.6	4.5	0.5	0.3	0.6	32.9
Completed	10.9	4.4	10.3	2.4	4.6	0.9	0.3	0.9	34.7

(a) At end of period.

**NUMBER OF DWELLING UNITS IN NEW OTHER RESIDENTIAL BUILDINGS,
AUSTRALIA**



Value of buildings

The table below shows the value of all buildings approved, commenced, under construction, completed, work done and work yet to be done in Australia for the year 1988-89, according to the class of buildings. The classification of non-residential building by type of building is according to the function a building is intended to serve, as specified on building authorisations.

VALUE BY CLASS OF BUILDING, AUSTRALIA 1988-89
(\$ million)

<i>Class of building</i>	<i>Approved</i>	<i>Commenced</i>	<i>Under construction(a)</i>	<i>Completed</i>	<i>Work done (b)</i>	<i>Work yet to be done (a)</i>
New residential buildings—						
New houses	10,506.6	10,270.0	6,182.3	8,445.5	9,583.0	3,027.3
New other residential buildings	2,956.3	2,830.3	2,533.9	1,998.2	2,496.7	1,293.7
<i>Total new residential building</i>	<i>13,462.9</i>	<i>13,100.3</i>	<i>8,716.2</i>	<i>10,443.7</i>	<i>12,079.7</i>	<i>4,321.0</i>
<i>Alterations and additions to residential buildings(c)</i>	<i>1,859.1</i>	<i>1,775.4</i>	<i>1,063.3</i>	<i>1,588.3</i>	<i>1,771.2</i>	<i>437.6</i>
Non-residential building—						
Hotels, etc.	1,613.5	1,805.5	2,434.7	981.4	1,341.7	1,394.0
Shops	1,656.9	1,866.0	1,658.7	1,558.3	1,712.4	828.7
Factories	1,590.7	1,529.9	1,134.8	1,706.3	1,459.0	568.2
Offices	4,532.5	5,660.7	8,730.3	3,868.4	4,659.9	4,743.5
Other business premises	1,619.5	1,634.9	1,431.1	1,418.2	1,605.4	626.1
Educational	945.3	970.2	1,015.1	1,019.1	994.2	463.9
Religious	64.9	64.2	65.8	60.9	66.0	31.3
Health	511.4	464.4	1,078.6	555.0	578.7	448.3
Entertainment and recreational	593.9	651.6	732.8	709.0	555.1	371.3
Miscellaneous	405.5	504.7	1,600.7	446.7	620.4	276.5
<i>Total non-residential building(d)</i>	<i>13,534.1</i>	<i>15,152.3</i>	<i>19,882.6</i>	<i>12,323.2</i>	<i>13,592.8</i>	<i>9,751.7</i>
Total building	28,856.1	30,028.0	29,662.1	24,355.3	27,443.8	14,510.3

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

Constant prices

Estimates of the value of work done at average 1984-85 prices are presented in the following table. Constant price estimates measure changes in value after the direct effects of price changes have been eliminated.

VALUE OF BUILDING WORK DONE AT AVERAGE 1984-85 PRICES, AUSTRALIA
(\$ million)

<i>Year</i>	<i>New residential building</i>			<i>Alterations and additions to residential buildings</i>	<i>Non-residential building</i>	<i>Total building</i>
	<i>Houses</i>	<i>Other residential buildings</i>	<i>Total</i>			
1983-84	5,013.6	1,231.2	6,244.8	726.5	5,235.9	12,207.2
1984-85	5,665.3	1,400.2	7,065.5	842.7	6,107.6	14,015.8
1985-86	5,552.9	1,307.0	6,859.9	953.4	7,425.5	15,238.8
1986-87	4,808.2	1,116.2	5,924.4	951.9	8,045.3	14,921.6
1987-88	5,313.0	1,170.4	6,483.4	1,071.0	9,223.4	16,777.8
1988-89	6,689.2	1,781.7	8,470.9	1,223.7	9,629.1	19,323.7

Engineering Construction Survey

This section contains estimates of engineering construction activity in Australia by both public and private sector organisations.

These estimates together with results from the ABS Building Activity Survey provide a complete picture of building and construction activity in Australia.

Scope and coverage of the surveys

The ECS aims to measure the value of all engineering construction work undertaken in Australia. The cost of land and the value of building construction is excluded from the

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

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

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

The following tables show the value of engineering construction (ECS) activity by the private sector for sector of ownership and by the public sector for the year 1988-89.

VALUE OF ENGINEERING CONSTRUCTION ACTIVITY BY THE PRIVATE SECTOR 1988-89
(\$ million)

	<i>Commenced</i>	<i>Work done(a)</i>	<i>Work yet to be done(b)</i>
FOR THE PRIVATE SECTOR			
Roads, highways and subdivisions	776.0	903.5	610.1
Bridges	21.2	12.8	9.5
Railways	16.7	20.9	7.6
Harbours	29.6	25.7	14.3
Water storage and supply	59.2	63.3	2.1
Sewerage and drainage	52.5	62.2	4.6
Electricity generation, transmission and distribution	53.1	100.6	21.1
Pipelines	93.1	88.0	21.2
Recreation	177.4	202.7	30.7
Telecommunications	5.7	7.4	0.4
Heavy industry	1,167.1	1,296.2	525.6
Other	29.9	36.8	2.6
<i>Total</i>	<i>2,481.4</i>	<i>2,820.1</i>	<i>1,249.8</i>
FOR THE PUBLIC SECTOR			
Roads, highways and subdivisions	662.4	677.9	226.4
Bridges	117.1	76.4	74.9
Railways	28.9	39.6	20.9
Harbours	60.2	68.1	9.8
Water storage and supply	100.9	140.4	56.4
Sewerage and drainage	122.3	161.0	105.6
Electricity generation, transmission and distribution	285.8	396.0	371.5
Pipelines	69.6	38.3	32.1
Recreation	31.0	31.8	3.4
Telecommunications	4.2	6.4	1.4
Heavy industry	130.0	79.6	132.7
Other	1.9	4.7	0.5
<i>Total</i>	<i>1,614.3</i>	<i>1,720.1</i>	<i>1,035.7</i>
TOTAL			
Roads, highways and subdivisions	1,438.4	1,581.3	836.4
Bridges	138.3	89.3	84.4
Railways	45.6	60.4	28.5
Harbours	89.7	93.7	24.1
Water storage and supply	160.1	203.7	58.5
Sewerage and drainage	174.9	223.2	110.2
Electricity generation, transmission and distribution	338.9	496.6	392.7
Pipelines	162.7	126.3	53.3
Recreation	208.4	234.5	34.1
Telecommunications	9.8	13.8	1.9
Heavy industry	1,297.1	1,375.8	658.4
Other	31.8	41.5	3.0
Total	4,095.7	4,540.1	2,285.4

(a) During period. (b) At end of period.

VALUE OF ENGINEERING CONSTRUCTION ACTIVITY BY THE PUBLIC SECTOR 1988-89
 (\$ million)

	<i>Commenced</i>	<i>Work done(a)</i>	<i>Work yet to be done done(b)</i>
Roads, highways and subdivisions	1,807.0	1,240.7	1,056.4
Bridges	74.0	86.3	22.3
Railways	128.3	96.4	103.5
Harbours	19.5	23.0	9.8
Water storage and supply	330.5	353.0	413.9
Sewerage and drainage	339.9	342.9	216.8
Electricity generation, transmission and distribution	613.2	648.5	241.9
Pipelines	58.0	59.1	4.5
Recreation	70.6	67.5	13.9
Telecommunications	1,771.2	1,828.7	2.3
Heavy industry	2.1	8.3	2.7
Other	4.3	4.7	3.8
Total	5,218.7	4,759.0	2,091.8

(a) During period. (b) At end of period.

Construction Industry Survey

The Construction Industry Survey is a sample survey of private sector construction establishments and of public sector enterprises engaged in construction and repair and maintenance activities. The most recent survey was conducted in respect of 1988-89. For further details see *Year Book* No. 70.

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

Building Research Activity

The recently formed CSIRO Division of Building, Construction and Engineering continues as the main government funded building research body in Australia.

Staffed by some 200 researchers and technologists of international standing, their laboratories in Melbourne and Sydney contain the most extensive range of modern testing equipment in Australia. Close links are also maintained with leading overseas researchers and their specialist laboratories.

The work of the Division covers residential, non-residential, and engineering construction including all aspects of design, maintenance, construction, and planning. In addition to its research activities, it provides major support of national regulatory and standardisation processes, appraisal and testing of products, and a wide range of consulting services.

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ABS Publications

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Housing Costs of Income Units, Australia, Preliminary Results (4117.0)

Building Approvals, Australia (8731.0)

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Building Activity, Australia (8752.0)

Engineering Construction Survey, Australia (8762.0)

Construction Industry Survey: Private Sector Construction Establishments, Details of Operation, States and Territories, 1984-85 (8772.0-8772.8)

Public Sector Construction Activity Survey, 1984-85 (8775.0)

Construction Activity at Constant Prices, Australia (8782.0)

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

Booklets of unpublished tables are available on request from the Income and Housing sub-section of the ABS:

Housing Costs and Occupancy

Housing Finance of Purchasers

Housing History and Intentions

Dwelling Characteristics of Households

Housing Costs (for each State and Territory)

Other Publications

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

ENDANGERED SPECIES IN AUSTRALIA

(This special article has been contributed by the Australian National Parks and Wildlife Service)

Characteristics of the Australian flora and fauna

The plants and animals of terrestrial Australia are very different from those of other continents. Australia's origins in Gondwana and long isolation from the rest of the world have allowed the evolution of many groups not found in other countries, or uncommon elsewhere. Obvious examples include the eucalypts which dominate much of the landscape, and the wide variety of marsupials. Australia and New Guinea form a distinct biogeographic region.

The marine plants and animals, on the other hand, show many similarities to those of nearby oceans and shores. Because of Australia's size and location there are a great number of marine species in Australian seas.

The flora and fauna of Australia and its external territories are characterised by high natural diversity, high endemism (species that occur nowhere else) and particular susceptibility to extinctions and declines.

High natural diversity

For example there are:

- at least 18,000 species of vascular plants and over 12,000 species of non-vascular plants (mosses, algae, lichens, fungi);
- about 850 species of birds;
- about 700 species of reptiles, including approximately 300 species of skinks; the reptile fauna of Australian deserts is the richest in the world;
- about 54,000 known species of insects, with at least as many species remaining to be identified and described; and
- about 3,600 species of fish and tens of thousands of species of molluscs; the flora and fauna of Australian coastal waters being among the most species-rich and diverse on earth.

High endemism

- about 33 per cent of genera and 85 per cent of species of vascular plants are endemic;
- all the living species of monotremes (platypus and echidnas) are found only in Australia and New Guinea;
- 89 per cent of marsupials and 73 per cent of other mammals are endemic;
- about 70 per cent of bird species are endemic;
- 88 per cent of reptiles and 94 per cent of frogs occur nowhere else; the Pygopodidae (legless lizard family) is confined to Australia and New Guinea;
- the inland aquatic fauna has a very high level of species endemism; and
- there is a very high degree of endemism in the marine flora and fauna of the southern coast of Australia.

Susceptibility to extinctions and declines

Since European settlement began, just over 200 years ago, 18 species of mammals and about 100 species of vascular plants have become extinct. Currently about 40 species of mammals and many hundreds of species of plants are threatened with extinction. These figures are the worst in the world.

In relation to susceptibility to extinction, Australia has suffered rates of extinction more like those of small islands, than those of other continents.

Extinction and endangered species in Australia

Extinction is a natural evolutionary process. Nowadays, however, most extinctions are caused by humans. The most obvious difference between natural evolutionary extinctions and those induced by people is the rate. The current rate is much higher than the background natural rate and will increase further unless action is taken now.

Australia unfortunately provides too many striking examples of an increased rate of extinction since the arrival of Europeans. In only 200 years, 18 species of endemic mammals have become extinct (7 per cent of the total). This is half of all the mammal species that have become extinct worldwide in historical times.

About 100 species of vascular plants, 0.8 per cent of the total, have become extinct, the overwhelming majority having occurred in areas cleared for farming. Of the plant species presumed extinct in Western Australia (1.4 per cent of the State's flora), 90 per cent occurred in the agricultural lands of the south-west corner of the State. It is likely that some species of plants disappeared before they could be collected and named by scientists. These data compare unfavourably with only 27 extinct plant species in the whole of Europe (0.2 per cent), 39 in southern Africa (0.2 per cent) and 74 in continental USA (0.4 per cent).

An endangered species is one that could become extinct in the wild in 10 to 20 years, if nothing is done to protect it. Recent reviews suggest that about 40 species of mammals (16 per cent of living species) are threatened with extinction and that 209 species (1.4 per cent) of vascular plants are endangered with a further 784 species (5.2 per cent) being vulnerable.

The national figures for extinct and threatened species, shocking though they are, do not indicate the extent to which local diversity has been lost in large areas of the country. Many species are clinging to existence in small areas and may not be classified as threatened nationally, even though they are no longer found throughout their former range.

On a regional basis, extinctions have been much higher in some areas than in others. In the deserts, for example, 33 per cent of the mammal species are extinct and 90 per cent of all mammal species with an adult body weight between 35 grams and 5,500 grams are either extinct or endangered. The number of endangered plants is highest in the agricultural areas of the south-east and south-west, the east coast and in the rainforests of north Queensland. Victoria alone recognises 400 plant species as being 'at risk', compared with the national figure of 209 species classified as endangered.

Extinction continues. The extinct mammals, for example, did not all disappear last century. Recent studies have shown that most extinctions have occurred in the past 40 to 50 years. The ranges of many species continue to shrink.

Causes of extinction

Several processes have led to species becoming extinct or endangered. Often because extinctions happened some time ago and were not studied at the time, the exact reason for the loss of a particular species is not known. In many cases there were probably several compounding reasons. Some accepted reasons for species extinctions are shown below.

Habitat destruction

Clearing of habitat for agriculture and urban or other developments is a major cause of extinctions in Australia. Most species cannot exist outside a natural or semi-natural ecosystem. Besides broadscale clearing, fragmentation of habitat can lead to the loss of species from habitat remnants. This occurs when the remnants are too small to support a viable population, when a population disappears from a remnant because of a local event (e.g. a fire) and the species cannot re-invade across farmland, or when the remnant supports a plant population but not its pollinator.

Habitat change and degradation

Among the most obvious causes are changed fire regimes, salination, drainage, erosion, grazing by introduced herbivores (both domestic and feral) and the presence of environmental weeds (both from outside Australia and from other parts of Australia). Probably the least understood of these relate to fire. Most Australian plants and animals are well adapted to survive fire. However, in many parts of Australia there have been major changes between fire regimes resulting from Aboriginal land management practices and those followed by Europeans. It is these changed fire regimes (fire frequency, intensity, season, pattern, size) that have led to species disappearing. The management of some endangered species, for example the ground parrot, involves the application of appropriate fire regimes.

Introduced animals

Australia has a large number of introduced mammals and birds, an introduced frog and a few introduced invertebrates that have caused, or have the potential to cause, extinction of native species. Introduced herbivores that have become feral and caused significant environmental degradation include rabbits, goats, cattle, buffalo, pigs, donkeys and camels. Introduced rats and mice are also common in some areas. Feral honey bees are now widespread in Australia. Cane toads have recently spread from Queensland into the Northern Territory. Two exotic predators, cats and European red foxes, are now abundant and recent studies have shown that foxes are implicated in the disappearance of remnant populations of endangered mammals and may be affecting ground-dwelling birds such as the malleefowl. The presence of exotic species can lead to changed competitive relationships to the detriment of native species.

Introduced plants

Environmental weeds have replaced and are replacing native plants over wide areas. Examples include the invasion of exotic grasses into many areas of remnant vegetation in south-west Australia, the invasion of the annual herb *Carrichtera annua* over much of the Nullarbor Plain, the replacement of river gums with Athel trees (*Tamarix aphylla*) in river courses in central Australia, the spread of *Mimosa pigra* shrub into many tropical wetlands, the choking of some swamps by the floating fern *Salvinia* and the invasion of the boneseed shrub (*Chrysanthemoides monilifera*) into large areas of south-east Australia. Introduced plants, including Australian plants from other parts of the continent, both displace native plants and eliminate native animal species not adapted to using them for food or shelter.

Direct exploitation

No vertebrate species are thought to have become extinct solely because of hunting in Australia, but hunting, fishing and collecting for trade have the potential to cause extinctions of rare or localised species. The uncontrolled collection of plants for the wildflower trade or for horticulture also has the potential to cause extinctions.

Interactions of causes

A combination of factors, rather than a single factor, may finally tip the scales against some species. For example, the smaller wallabies are more vulnerable to predation when fire opens up their habitat or when populations are fragmented by habitat clearing or degradation. Remnant populations of mammals in deserts or on farmland may be affected by predators such as foxes, when rabbits become abundant enabling fox numbers to build up.

Conservation of endangered species

Because most Australian species are found nowhere else, Australians have a special responsibility to conserve them. In addition, Australia has a responsibility to conserve the many species that are shared with other countries. The best known examples of shared species are probably the migratory wading birds that breed in Siberia and other places in the northern hemisphere and spend the northern winter in Australia.

Many marine species that are distributed throughout parts of South-East Asia and the Pacific also occur in Australia. Some of these have been over-exploited outside Australian waters and Australia offers the best chance for their long-term conservation. Examples include mangrove trees, marine turtles, dugong, saltwater crocodiles and trochus shells.

The high standard of living, relatively low human population, strong economy and stable political situation make it possible for Australians to conserve species without many of the problems faced by other countries.

All Australian governments have adopted the World Conservation Strategy developed by the World Conservation Union(IUCN) in 1980. A National Conservation Strategy has been developed (1983) and endorsed by the Commonwealth, Western Australia, South Australia, New South Wales and the Northern Territory. Two States have prepared State Conservation Strategies.

The objectives of the National Conservation Strategy for Australia are to:

- maintain essential ecological processes and life-support systems;
- preserve genetic diversity;
- ensure the sustainable utilisation of species and ecosystems; and
- maintain and enhance environmental qualities.

Each of these four objectives depends on the maintenance of biological diversity, that is, the conservation of the species of plants, animals and micro-organisms of the world.

The European settlement and development of Australia, while providing considerable economic benefits, has come at a cost to the flora and fauna. Past land use decisions resulted in massive habitat destruction and degradation and consequent loss of species. These processes are continuing. Conserving threatened species will obviously cost money now. Integrating conservation objectives with land use decision-making is essential if these endangering processes are to be reversed. Conservation also makes good economic sense in the long term.

There are many reasons for the conservation of species.

The first is that compassion demands their preservation. Compassion develops from the view that other species have a right to exist; the needs and desires of humans should not be the only basis for ethical decisions.

The second reason is based on aesthetic and cultural values. Species should be preserved because of their beauty, symbolic value or intrinsic interest. Kangaroos and other larger mammals, wildflowers of striking beauty and butterflies of iridescent hue appeal automatically to most members of our society and we would feel a loss if they and the wild places they live in disappeared. The extinction of species reduces the richness of potential human experience.

The third is based on the economic benefits of biodiversity. Plants, animals and micro-organisms provide all our food, and many of our medicines and drugs, as well as renewable resources such as fuel, building materials, paper and leather. They are an essential resource for developing biological control of pests and diseases. The unique Australian flora and fauna, and the scenery they help create, also attract tourists.

So far only a minute proportion of the economic potential of Australian plants and animals has been realised. An example of this potential is the eucalypts now planted as cash crops throughout the subtropics of the world. Many other biological resources, including species considered 'useless' today, will be found to have new values in the future. Clearly, extinctions reduce our future options.

The fourth reason is that other species are vital components of ecosystems that provide us with indispensable free services—the life support systems of our planet. Other species

Blackboy and wildflowers in WA



Wildflowers





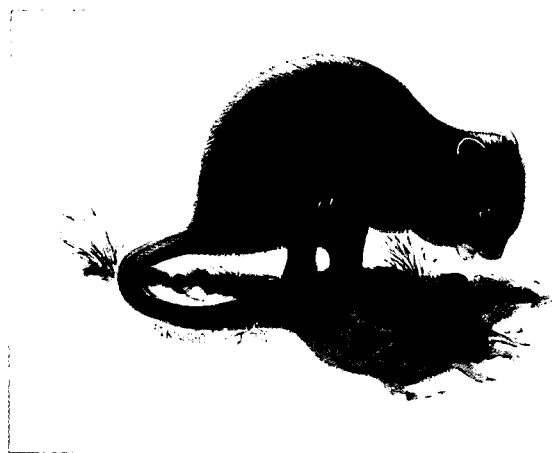
Northern Hairy-nosed Wombat



Golden shouldered Parrot



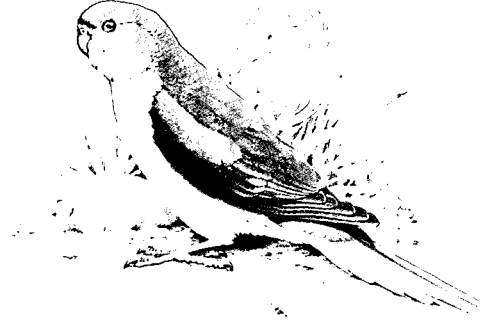
Banded Hare-Wallaby



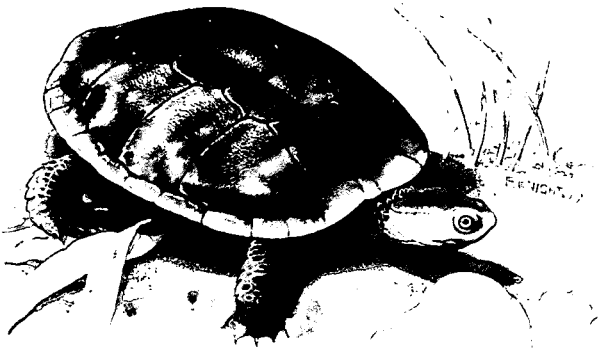
Brush-tailed Bettong



Noisy Scrub bird



Orange-bellied Parrot



Western Swamp Turtle



Thylacine — presumed extinct



Koala

Numbat



provide the oxygen we breathe, maintain the quality of the atmosphere, control and ameliorate the climate, regulate fresh water supplies, generate and maintain the topsoil, dispose of wastes, generate and recycle nutrients, control pests and diseases, pollinate crops and provide a genetic store from which we can benefit in the future. The contribution of the rarer species to the provision of life-support systems is poorly understood. However, some rarer species may be important in the recovery processes following ecosystem disturbance. Change in the future is inevitable and likely to be rapid. Today's rare plant and animal species may become tomorrow's keystone species as conditions change.

In addition to the above reasons, many Australians wish to conserve the plants and animals of their country because of pride in their natural heritage.

It is also important to maintain the full range of genetic diversity within individual species. Small populations lose genetic diversity over time. Without genetic variability a species cannot evolve or adapt to changing environments, and it is vulnerable to new conditions such as climatic change or new diseases. Adequate levels of genetic diversity can only be maintained if species are conserved as viable populations in the wild—zoos and botanic gardens can assist this process, not replace it. The rapidly developing techniques of the new science of biotechnology also depend on genetic diversity.

Responsibility for endangered species conservation

The conservation of endangered species is the responsibility of all levels of government and the wider community.

The States, through their constitutional responsibility for land use and management, are the major participants, and States and Territories have passed some legislation relating to wildlife conservation.

Over the past few years the Commonwealth Government has taken a number of initiatives in endangered species conservation, firstly through Australian participation in international treaties, especially the Convention on Trade in Endangered Species (CITES), and then via financial assistance to the States and other organisations involved in endangered species conservation. National coordination has been through the Council of Nature Conservation Ministers (CONCOM).

In 1988 the Commonwealth Minister for the Arts, Sport, the Environment, Tourism and Territories established an Endangered Species Advisory Committee (ESAC) with the following objectives:

- to develop a national strategy that will seek to conserve endangered wildlife (plants and animals) and their habitats and prevent further species becoming endangered. The strategy will provide a guide for all policy and decision makers, and the public, on matters relating to endangered species;
- to promote management practices that ensure the recovery of endangered species and ensure that no further species become endangered;
- to provide a national forum for the discussion of relevant matters; and
- to provide advice to the Commonwealth Minister for the Arts, Sport, the Environment, Tourism and Territories.

The Endangered Species Advisory Committee comprises representatives from the Commonwealth Government, CONCOM, non-government organisations involved in conservation, scientific/research institutions and the rural community.

In July 1989 the Prime Minister announced the establishment of an Endangered Species Unit within the Australian National Parks and Wildlife Service. The Endangered Species Program was allocated \$2 million for each of the first two years of a ten year program. The Endangered Species Unit provides technical and secretariat support to the ESAC.

Hope for the future

The trend towards increasing rates of extinction can be reversed and recent positive initiatives and actions have occurred.

Some national parks and other conservation reserves have been declared primarily to protect certain endangered species. For example, in New South Wales the Queanbeyan Nature Reserve protects the endangered button wrinkle wort daisy, *Rutidosis leptorhynchoides*. In Western Australia the recently declared beekeepers Road Nature Reserve protects the endangered hidden beard-heath, *Leucopogon obtectus* and the new Babakin Nature Reserve protects the endangered underground orchid, *Rhizanthella gardneri*.

The population decline of many endangered species has been reversed by the application of research results. Animal species rescued from the brink of extinction include the numbat, northern hairy-nosed wombat, noisy scrub-bird, Lord Howe Island woodhen and the orange-bellied parrot. Research into important factors like fire and the impact of introduced animals has led to improved management regimes.

Special legislation for endangered species has already been enacted in Victoria and is proposed for New South Wales. Endangered plants legislation has been passed in Western Australia.

Australians now need to make a commitment to further develop these initiatives so as to maintain our rich and diverse wildlife heritage.