

Chapter 17

HOUSING AND CONSTRUCTION

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Chapter 17

HOUSING AND CONSTRUCTION

Housing and construction, throughout man's history, have provided important economic and social records of human endeavour. Buildings that have survived provide a record of civilization, of man's achievements and failures, of dreams and values. From the thousands who laboured on the great pyramids of Egypt to the more modest construction gangs of today, building has provided an existence, if not always a living, to a significant proportion of the population. And whether it has been a primitive stone hut, a mud brick house, a palace, or an apartment on the waterfront, the quality and style of man's dwelling units has pointed to the degree of comfort, well-being and wealth of the surrounding community. In short, the provision of housing and the activity of construction are signposts to the life of any community. In many respects the housing and construction industry provides a window through which to gaze upon the life and standards of social man.

17.1 HOUSING

Tasmanians, as do other Australians, place great importance upon home ownership. The 1986 census revealed that 71 per cent of Tasmanian households had either bought, or were in the process of buying, their own home. This compares with a figure of 63 per cent in Britain, 73 per cent in New Zealand and 52 per cent in Sweden.

Within Tasmania, municipalities with the highest proportions of owner-occupied dwellings include Beaconsfield with 85 per cent, Huon with 84 per cent and Sorell with 83 per cent. Municipalities with the lowest proportions were Waratah with 10 per cent, Zeehan with 32 per cent and Brighton with 41 per cent.

17.1.1 Housing Trends, 1930–1987

Prior to the Second World War the typical Tasmanian family lived in a single-storey weatherboard home consisting of five or six rooms, and situated on about a quarter-acre of land (1000 sq. metres).

This style continued relatively unchanged until the 1950s and 1960s when substantial changes in building techniques and architectural style occurred. The traditional timber-clad weatherboard home gradually gave way to a building with brick or brick veneer exterior walls. In



Launceston General Hospital extensions Photo: Examiner
1954–55, 75 per cent of all houses commenced were of weatherboard construction; twenty years later in 1974–75, this figure had dropped to 5 per cent.

Architecturally, this period saw the beginnings of a trend in urban areas towards the flat, apartment or 'home unit' in a block of such dwellings arranged in a courtyard or terrace fashion.

The 1970s brought further changes in lifestyles and housing patterns. Increased affluence, mobility and leisure time enabled many people to experiment with rural-residential living. This period saw the growth of a new feature, the 'five-acre block' situated within an hour's drive or less of a major population centre.

More recently Tasmania has shared in the world-wide fashion for the renovation of nineteenth century urban architecture for domestic use. As much of Tasmania's long-neglected domestic architectural heritage is of this period, the State has benefited greatly from this revitalisation of its Georgian and early Victorian buildings.

Brick and brick veneer continued to dominate residential construction with 81.7 per cent of commencements adopting this mode in 1986-87. This compares with 79.2 per cent at the time of the 1981 census.

17.1 CONSTRUCTION MATERIAL OF NEW HOUSES, TASMANIA, 1986-87

Cladding material	Number	Number as proportion of total (per cent)
Double brick, stone and concrete	152	5.7
Brick veneer	2016	76.0
Fibre cement	93	3.5
Timber	332	12.5
Steel	21	0.8
Aluminium	3	0.1
Other	30	1.1
Total	2647	100.0

A notable trend in housing construction over the last two years is that despite the continuing popularity of the traditional brick-veneer, tile-roofed house, an expanding interest has been shown in alternative designs. Steel framing and timber framing for houses are becoming increasingly competitive. Alternative roofing materials and internal finishes are other areas of increasing change and are indicative of a changing era in house design and requirements for future years.

17.2 ROOF MATERIAL OF NEW HOUSES, TASMANIA (Number)

Roof material	1983-84	1986-87
Terracotta and concrete tiles	1 255	825
Slate and concrete	1	3
Steel (a)	1 648	1 813
Aluminium (b)	3	1
Other (c)	10	5
Total	2917	2 647

(a) Includes pressed steel tiles.

(b) Includes aluminium tiles.

(c) Includes tiles of metals other than pressed steel or aluminium.

17.1.2 Housing Stock

At 30 June 1987, Tasmanian residential dwelling stock totalled 171 472 homes, flats and units. This figure represents a 1.9 per cent increase in dwelling stock from the previous financial year. The State's total stocks increased by 9.7 per cent in the five years following the 1981 census, which showed the State to have had 153 363 dwellings of all types.

Outright private ownership of housing stocks runs at about 39 per cent of the total while the 1986 census revealed that 24.7 per cent of all of the State total. Construction activities resulted in occupied private dwellings were rented.

Governmental housing programs have had a 618 new dwellings. Recent policies have also accelerated significant impact on Tasmanian housing stocks. governmental spot purchasing of In 1985-86 total stocks under government ownership numbered 17 053, representing about 10 per pre-existing cent stocks in addition to those generated by construction programs, with 178 of these acquisitions in 1985-86.

17.3 FAMILIES AND DWELLINGS STRUCTURE, TASMANIA, 1986

Primary family composition	Separate house	Semi-detached house	Row/terrace house	Other medium density	Other dwelling (a)	Total
Single parent	7 315	247	70	1 094	257	8 983
Couple —						
Couple only	30 881	464	162	2 763	1 131	35 401
Couple and dependent children only	40 230	196	46	672	1 144	42 288
Other couple	21 905	87	24	266	420	22 702
Total couples	93 016	747	232	3 701	2 695	100 391
Related adults	5 855	149	34	645	194	6 877
Total families	106 186	1 143	336	5 440	3 146	116 251

(a) Includes not stated.

17.4 FAMILIES AND NATURE OF OCCUPANCY, TASMANIA, 1986

Primary family composition	Owned	Being purchased	Rented	Other (a)	Total (b)
Single parent	1 555	2 222	4 902	272	8 951
Couple —					
Couple only	19 012	8 884	5 901	1 463	35 260
Couple and dependent children only	9 906	22 502	8 449	1 351	42 208
Other couple	10 721	8 404	2 860	704	22 689
Total couples	39 639	39 790	17 210	3 518	100 157
Related adults	3 566	1 199	1 754	327	6 846
Total families	44 760	43 211	23 866	4 117	115 954

(a) Includes not stated.

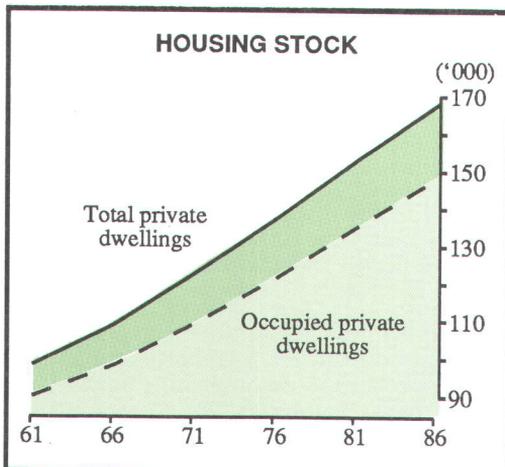
(b) Excludes 295 families in caravan parks.

Home purchase in Tasmania generally entitles the buyer to freehold title, unlike the long-term leases prevalent in other parts of the world.

The great majority of the population (91 per cent) live in single family households, each occupying separate houses.

Almost 55 per cent of single parent families live in rented accommodation. Two-thirds of these are living in accommodation provided by the Housing Department of Tasmania.

Almost 54 per cent of families comprising a couple only, own their residence. A further 25 per cent are purchasing their home. In contrast, most couples with dependent children are in the process of purchasing their residence (53.3 per cent), 23.5 per cent own their home and 20 per cent are renting. The Housing Department provides rental accommodation for 38.2 per cent of couples with dependent children. 51.5 per cent is provided by the private rental market and 10.2 per cent is provided by other government authorities.



17.1.3 Land Stocks

Over recent years the demand for land for use as building lots has exceeded the rate at which it is made available, resulting in much of the old stock being taken up. In urban centres throughout the State in the first nine months of 1986–87 the number of lots made available increased by 260 compared with the same period in 1985–86. Overall lot consumption continues to exceed the production rate and has resulted in much of the old stock being taken up.

17.5 URBAN LAND STOCKS, TASMANIA, JULY 1986–MARCH 1987

Local government area	Lots developed	Lots consumed
Hobart	36	88
Glenorchy	218	151
Clarence	93	201
Kingborough	176	176
Brighton	67	103
Sorell	68	102
New Norfolk	39	52
Launceston	151	213
Beaconsfield	153	90
Westbury	187	115
George Town	12	28
Longford	24	44
Evandale	7	25
Burnie	30	85
Devonport	70	93
Penguin	18	32
Ulverstone	57	64
Wynyard	80	45
Total	1 486	1 707

Source: Commissioner for Town and Country Planning.

High development costs of new lots coming onto the market have resulted in substantial price increases over the past two years. A survey conducted by the Real Estate Institute of

Australia in March 1987, reported the median price of blocks sold in Hobart to be \$21 700. This relatively high price has affected the number of first home buyers choosing to build.

17.1.4 Planning

Forward planning is essential for the effective management of Tasmania's architectural resources, both currently as well as in the future. Such planning in the State has broadened in scope considerably in recent decades in order to meet this priority. City and urban planning has moved progressively away from being concerned mainly with the preservation of isolated historic features and the effective siting of noxious industries toward a more all-encompassing approach to the urban environment.

Preservation is, quite naturally, a priority in Tasmanian planning given the high proportion of Georgian and early Victorian architecture surviving in the State. Current planning facilitates this preservation by seeking to preserve the fabric of area life as opposed to simply maintaining isolated examples of particular architectural and historical merit. For example, the original character of Battery Point in Hobart is being preserved as a result of a special plan set up in 1972, which, by imposing legislative control, seeks to maintain the area in its original residential form.

Throughout Tasmania it has become mandatory for each municipality to direct urban development according to an overall planning scheme. To assist local municipalities in the provision of a scheme the Town and Country Planning Commission has produced a model scheme which can be adopted by those municipalities lacking specialised resources. By this, it is anticipated that some degree of uniformity can be ensured in Tasmanian planning. In addition, suburban planning developments have been important in Launceston, and both Scottsdale and Stanley have produced their own schemes.

The activities of the National Trust have had a significant effect on planning in Tasmania. The Trust has made a major contribution to an awareness of the historical importance of Tasmania's buildings and, although not a government body, often works with local councils to ensure the preservation of significant features. The Trust maintains a Register of Classified and Recorded Buildings, Places and Objects, and through the local councils the Trust seeks to enforce a preservation order should a classified building come under threat.

17.1.5 Housing Finance

The degree of availability and conditions under which housing finance can be obtained constitutes an essential factor determining the level of building activity at any one time. The levels of interest and the actual amount of funding held by lending institutions are inextricably linked with a multitude of shifting economic factors, and because of their volatility, interest rates and loan funds can be taken as accurate indicators of economic conditions generally.

17.6 HOUSING LOANS APPROVED, TASMANIA, 1986-87

Period	Home loans		Other dwellings	
	No.	Value (\$m)	No.	Value (\$m)
1986 —				
July	569	18.7	6	0.2
Aug.	481	16.1	10	0.3
Sept.	494	16.7	5	0.2
Oct.	588	21.1	14	1.7
Nov.	588	20.3	14	0.6
Dec.	557	20.4	25	1.9
1987 —				
Jan.	474	15.2	5	0.3
Feb.	519	17.9	8	0.6
Mar.	648	22.9	7	0.1
April	576	20.4	9	0.3
May	551	19.7	10	0.3
June	539	19.6	7	0.2

Loans for all types of housing during the 1986-87 period amounted to a total of \$235.5 million compared with \$213.2 million in 1985-86.

Home loans totalled \$229 million with the remainder being made up by money loaned for the purchase and construction of flats and units. This figure compares with a 1985-86 overall home loan total of some \$207.8 million, a 10 per cent increase. While the proportion of total loan funds granted for home construction remained stable at 97.2 per cent of the total, the figure represents a significant increase in the overall level of home construction in the State.

Funding for other dwellings rose by 24 per cent over the same period, from \$5.4 million in 1985-86 to \$6.7 million in 1986-87, or 2.8 per cent of total funds loaned.

Finance for the construction and purchase of housing is available from a number of sources in Tasmania, but the major share is provided by savings banks. During the 1986-87 period, \$74.8 million in housing loans were obtained from this source.

17.7 VALUE OF APPROVED HOUSING LOANS, TASMANIA, 1986-87

Source of loan	(\$m)
Savings banks	174.8
Trading banks	18.6
Building societies	n.p.
Other	n.p.
Total	248.2

Savings banks are a highly attractive source of finance due to their interest rates being among the lowest of all major lenders, but only in cases where a first mortgage is being sought. Savings banks generally lend only a certain proportion of their own valuation of the property, but this is not a wholly inflexible policy. Priority for loans is usually given to established customers depending upon the availability of funds at the time of application.

Trading banks, responsible for lending \$18.6 million in 1986-87, specialise in providing short-term finance and personal loans. They make housing loans to established clients, and often provide short-term funds for bridging loans to settle purchases prior to alternative finance becoming available.

Home finance is the major function of building societies and most lending is secured by first mortgage. This specialisation allows them to operate on a low margin. Recently, building societies have been permitted to lend on an unsecured basis. Building societies, together with other institutions such as co-operative housing societies, loaned a total of \$54.8 million over the 1986-87 period.

Co-operative housing societies provide loans to buyers in the lower income groups. These societies receive their funds from the Government, insurance companies or banks. They are subject to the control of the Registrar of Co-operative Housing Societies, and their rates are among the lowest available, but their funds are generally limited. When the loans in such a society are paid up, it will then terminate its activities.

Finance companies provide finance for housing which is both short term and more expensive. Occasionally used for supplementary borrowings on second mortgages, loans from this source can have the advantage of a higher loan ratio, up to 95 per cent of valuation, than is standard.

17.1.6 Housing Assistance

The Tasmanian Housing Department is the authority through which the State Government

exercises responsibility for public housing in Tasmania. The Department provides and manages suitable accommodation for people who are unable to obtain and maintain occupation of private housing. It also, where appropriate, provides subsidies to private tenants.

The Housing Department takes a direct role in the provision of housing for these people. Since 1953 the Department has concentrated principally upon the construction and maintenance of its housing stocks, and has left government provision of low cost loans for private home builders and buyers to other government agencies.

Some years ago the Department moved away from creating large broadacre housing subdivisions. Instead, it has pursued a policy of constructing small-scale infill developments and spot purchasing established houses in older suburbs. These infill developments serve to integrate public housing developments with the surrounding community facilities and services. Spot purchasing allows housing to be made available in specific areas of need. A significant infill development was completed during 1987. This development, in Amy Street Moonah, contains 76 homes and has been very well received.

In 1987 the existing Home Purchase Scheme was extended mainly to increase the income eligibility levels for families with dependent children from \$270 per week to \$500 per week. For those without dependent children the income eligibility level remains at \$270 per week.

During 1986-87 the number of applications received for rental assistance from the Department increased by approximately 8 per cent or 316, whilst those who received accommodation fell by 6 per cent or 120. Total applications on hand, however, fell from 3860 to 3677, a reduction of approximately 4.7 per cent.

During the year the Department purchased 80 development sites, totalling 24 hectares, for infill housing and medium density projects throughout the State. Additionally, 276 developed building blocks were purchased for the construction of Department homes at a cost of \$4 137 770.

During the year 107 dwellings were purchased: 56 houses and units in the south, 26 in the north and 25 in the north west.

Over the 1986-87 period the Department commenced 520 buildings: 204 by the Department's workforce, and 316 by private contractors. Completed dwellings totalled 568. Of these, 160 were constructed by departmental employees and 408 by private contractors.

17.8 HOUSING DEPARTMENT TASMANIA, NET DWELLING STOCKS, 30 JUNE 1987

Type of dwelling	Dwellings	
	Constructed	Acquired
Houses	12 025	867
Elderly persons' units	2 335	-
Villas	1 427	218
Multi-unit flats	360	93
Total	16 147	1 178

Defence Service Homes Scheme

The Defence Service Homes Scheme is a Commonwealth scheme that has the aim of assisting certain former and serving members of the Australian Defence Forces to acquire a home by providing long-term loans at concessional rates of interest. The Scheme, introduced in 1919 following the enactment of the *War Service Homes Act 1918*, also can provide assistance to the widow, and in some cases the mother, of a deceased eligible person or the wife of an eligible person who is temporarily or permanently insane. Generally, assistance is available to a person who has served during specified times and/or at specified places.

The dwelling must be the intended usual residence and no other home must be currently owned. The Scheme is administered by the Defence Service Homes Corporation whose affairs are conducted and controlled by the Secretary of the Department of Veterans' Affairs.

During 1986-87 the Defence Service Homes Corporation granted 123 loans to Tasmanians. Of this total, 35 were for the construction of homes, 4 were utilised for the purchase of new homes, 81 for the purchase of established homes and 3 for the enlargement of existing homes. Capital expenditure for the year was \$2.9 million and loan repayments totalled almost \$2.5 million.

17.9 DEFENCE SERVICE HOME LOANS, TASMANIA

Loans	1985-86	1986-87
No. granted for —		
Construction of homes	43	35
Purchase of homes	105	85
Enlargements to existing homes	4	3
Total	152	123
Capital expenditure (\$'000)	3 499	2 876

The First Home Owners Scheme

This Scheme was introduced in October 1983 by the Commonwealth Department of Housing and Construction to assist low to moderate income home buyers to acquire their first home. The benefit is payable for any new or established house, home unit, flat or any other type of fixed dwelling in the city or the country provided that it is intended as the applicant's principal place of residence. Applicants must continue to own and occupy the dwelling to maintain eligibility for the subsidy over a five-year period.

The amount of benefit is determined on the basis of income, family status, number of dependent children and payment option. Currently, families with two or more dependent children may qualify for the full benefit of \$6 000 if their income does not exceed \$26 000. Assistance is reduced in proportion to the amount by which income exceeds \$26 000 and ceases altogether at \$34 000. For sole applicants without children the maximum benefit of \$4 000 is payable if income is less than \$11 500. Proportional assistance ceases for sole applicants when income exceeds \$15 500.

Benefits may be taken either as a monthly subsidy spread over five years, or as one of two initial lump sum payment options with a reduced monthly subsidy. These payment alternatives provide flexibility for applicants by increasing borrowing capacity or providing an initial lump sum to help bridge the deposit gap while still providing repayment assistance during the first five years of ownership.

In 1986-87, 43 186 new applications were approved Australia-wide, 1 432 in Tasmania. The benefits paid in the State totalled \$6.7 million; 34 per cent of these approved applicants had two or more dependent children, 25 per cent of applicants had one dependent child and 41 per cent had no dependents.

Just under 23 per cent, or 328, of approvals were for homes located in the Hobart area with the remaining 77 per cent scattered throughout the State. Most of the approvals were for existing dwellings (1 284) while 98 were for owner-builders and 50 were for applicants engaging a building contractor.

The First Home Owners Scheme has been a valuable stimulus to housing industry activity and is widely acknowledged to have contributed significantly to the level of dwelling commencements since its inception.

The Tasmanian Development Authority

The Tasmanian Development Authority is responsible for the administration of funds made available under the *Home Purchase Assistance*

Act 1978. It offers two schemes which are designed to provide financial assistance to Tasmanians seeking to buy or build their first home, and thereby further stimulate the State's construction industry. Both these schemes operate in conjunction with co-operative housing societies.

The first scheme, the Home Build Plan, is intended to benefit those on low incomes who want to build their first home. People applying for these low interest loans are required to either own, or be in the process of purchasing, a suitable block of land. Priority in allocating loans is determined, like the First Home Owners Scheme, in accordance with an income test. Priority in allocating loans will go to those applicants whose gross weekly salaries do not exceed \$450-\$500. If there is a second income in the family, then the combined total should not exceed \$650 per week.

Home Build interest rates are fixed for the first year of the loan at a rate of 10 per cent. After the first year the rate charged will vary according to the conditions of the Commonwealth-State Housing Agreement. Generally these rates are expected to remain considerably lower than ruling market rates. Repayments are set according to income and usually amount to about one-quarter of gross pre-tax earnings.

Certain restrictions are placed on the size and value of homes to be built under this scheme. Firstly, size is limited to 120 square metres, the value of the block of land upon which it is built should not exceed \$18 000 in city areas, and the total value of the house and block together should not exceed \$65 000. Additionally, a block size limit of two hectares is placed on homes financed under the Home Build scheme.

Like the Home Build Plan, the Authority's Home Buy Plan is financed in cooperation with the co-operative housing societies. Priority for these loans is directed towards those with dependent children.

In order to qualify for a Home Buy loan the applicant or applicants must meet an income test. The gross weekly income test for the principal applicant is \$450 per week. Where there is a second income, then it should not exceed \$650 per week. An assessment may be made of the applicant's assets to determine eligibility. However, personal effects are not regarded as assets for the purpose of the assessment. Interest rates, although subject to periodic review in the light of the applicant's financial position, will be lower than market rates.

17.10 TASMANIAN DEVELOPMENT AUTHORITY, ADVANCES FOR HOUSING AT 30 JUNE (a)

Particulars	1985-86	1986-87
Advances approved —		
Number	733	565
Value (\$'m)	26.0	22.7
Total advances outstanding at 30 June		
Number	6 600	6 300
Value (\$m)	106.0	114.5

(a) Excludes advances to co-operative housing societies.

17.2 CONSTRUCTION

by *The Master Builders' Association of Tasmania*

Between 1985 and 1987 there was a marked decrease in new dwelling construction throughout Tasmania, reflecting a national trend. There was an 11 per cent decrease in the number of new dwelling unit approvals during 1986-87 from the previous year, and a 17 per cent decline from the 1984-85 figure. Commencements in 1986-87 were over 12 per cent below both 1985-86 and 1984-85 figures. In contrast, commercial building activity has shown significant improvement since 1985, with many private sector projects commencing and employment levels increasing.

Housing Construction

Changes in the political, economic and financial sectors between 1984 and 1987 have played an important role in determining the new housing market in Tasmania.

For instance, the Commonwealth Government's capital gains tax and abolition of negative gearing for rental development prompted a rise in rents and lack of new building for rental purposes. The impact of the move, to end negative gearing of rental property investment after 17 July 1985, was however, lessened by the introduction of a 4 per cent depreciation allowance for new income-producing dwellings, including extensions, alterations and improvements. Nevertheless, many projects due to commence in the next two years were still under threat as the withdrawal of tax incentives over the long term resulted in projects which were previously viable being shelved. This, in turn, resulted in a downturn in building activity and, consequently, in employment.

In addition, following a dramatic fall in the value of the Australian dollar, there was little scope for a reduction in interest rates. Despite the Commonwealth Government partially deregulating savings bank home loan interest rates from the previous 13.5 per cent maximum rate, in April 1986, falling savings bank deposits led to increased interest rates. During 1985-86, Tasmania's average monthly loan repayment rose some 36 per cent and the average loan size grew by 11 per cent, the highest averages of all Australian capital cities. This was in spite of Hobart's house prices rising by only 2 per cent during that year. The rising cost of land also contributed to a fall in new home constructions.

The Commonwealth Government maintained its high interest policy to support the Australian dollar in early 1986. Within the housing industry this resulted in the biggest downturn in private dwelling approvals for the previous two years. March 1986 approvals were 40 per cent below approvals for March 1985.

The decision to de-regulate the 13.5 per cent ceiling on home loan interest rate of the major banks in April 1986, was an attempt by the Commonwealth Government to arrest the decline in the housing industry, but it also meant that savings banks were committed to lending some \$6 billion over the next financial year in order to get a \$120 million interest rate subsidy proposed by the Commonwealth Government. Although the lifting of the ceiling rate increased the level of housing lending over the year, most of the money seemed to be lent for the purchase of established dwellings and refurbishing of houses rather than providing the employment stimulus of new-home building. The removal of the 13.5 per cent ceiling also sent mortgage interest rates soaring, reaching a high of 17.5 per cent for new home loans from savings banks for non-bank customers.

July 1987 saw the first signs of a fall in home interest rates with the Tasmania Bank setting the lead by cutting 0.75 per cent off its rates to 14.75 per cent for new home loans up to \$35 000. Current trends indicate that consumer confidence will slowly but surely increase, as will new-home building.

Commercial Construction

Commercial building activity began to improve significantly from September 1985 and seemed to remain constant for 1985-86, and throughout 1986-87. Total employment levels in the commercial building industry remained stable during the September quarter of 1985-86 with a significant increase of 5.8 per cent in off-site employment, indicating some gearing-up in

preparation for future building activity. The sharp rise in activity was largely due to private sector projects, the majority of which were in Hobart and Launceston in the hotel, office and retail sectors. Public sector building remained largely unchanged between 1985 and 1987 with major state projects including Stage 2 of the Launceston General Hospital (\$36.5 million), and the police headquarters in Hobart (\$30 million).

The amount of vacant office space in Hobart has been relatively low over past years. Consequently, increased demand during 1986-87 prompted the construction of offices at 175 Collins St (\$4.5 million) and 54 Victoria St (\$4.5 million), as well as the Executive Building in Murray Street, worth \$15 million.

The north-west of the State experienced a marked decline in commercial activity, the only major projects being public sector building in Stage 2.B. of the Mersey General Hospital (\$6.4 million) and Stage 1B of the Burnie technical College (\$7.3 million).

The end of the 1986-87 financial year saw the completion of Tasmania's largest project in recent years, the construction of the Sheraton International Hotel (\$45 million).

The past two years have also seen a decrease in industrial disputes on Tasmanian construction sites, a feature viewed by the industry itself as both rewarding and encouraging.

An increase in private sector developments, particularly in hotel and holiday resorts, is indicated for 1988. The most notable is the \$35 million International Hotel planned for Launceston, and Japanese interest in the proposed \$40 million holiday resorts in the north and the north-west of the State.

The industrial sector is also planning capital development in 1986. Aberfoyle Ltd is planning a major milling facility for its Hellyer mine and expansion is also proposed at the Huon Forest Products Pulp Mill, the E.Z. Company at Risdon, Comalco's Aluminium plant, Burnie's Tioxide plant, and APPM's plants at Longreach and Wesley Vale.

17.2.1 Building Commencements

During 1986-87 total new residential commencements in all areas of the State amounted to 3 450. This represents a decrease of 12 per cent from the previous year's figure of 3 880, and is 16 per cent below the 1984-85 figure of 4 010 commencements.

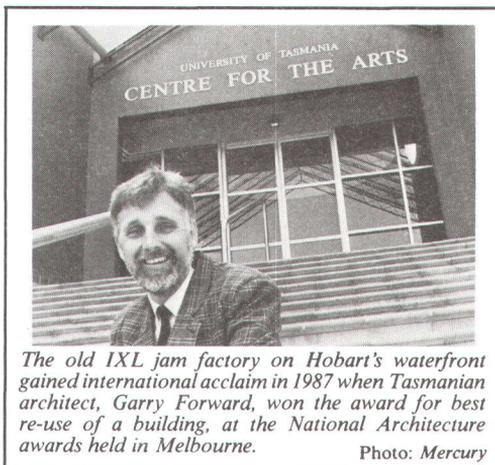
17.11 BUILDING COMMENCEMENTS, TASMANIA

<i>New dwelling units</i>	1985-86	1986-87
Private sector	3 280	2 870
Public sector	602	583

Regionally the commencements were spread fairly evenly in relation to population density. The statistical division of Greater Hobart had 39 per cent of all commencements, with 51 per cent of the State total in the Greater Hobart Southern region as a whole. All areas of the State experienced the decline in the number of residential commencements. However, the north-west and western regions were the hardest hit with a 24 per cent decrease from the number commenced during 1985-86.

During 1986-87 building commencements in Tasmania were valued at almost \$370 million, a decrease of \$10 million on the figure for 1985-86.

The total value of residential construction commenced was just over \$170 million, of which private commencements totalled over \$144 million and public housing commencements \$26 million. \$180 million were spent on non-residential construction commencements throughout the State while a further \$18 million worth of alterations and additions to residential buildings were commenced.



The old IXL jam factory on Hobart's waterfront gained international acclaim in 1987 when Tasmanian architect, Garry Forward, won the award for best re-use of a building, at the National Architecture awards held in Melbourne.

Photo: Mercury

17.2.2 Engineering Construction

In 1986-87 almost \$294 million were spent on new engineering construction projects in Tasmania. Construction for the purpose of electricity generation, transmission and distribution dominated, accounting for 35 per cent of total work commenced. The main projects were the Pieman, Anthony and King power developments.

Construction of new roads, highways and subdivisions also featured during the year with 30 per cent of the total spent in this area. In addition, a further \$61.5 million was spent on

17.12 VALUE (a) OF BUILDING COMMENCED, TASMANIA (\$m)

<i>Type of building</i>	<i>Private Sector</i>		<i>Public Sector</i>		<i>Total</i>	
	1985-86	1986-87	1985-86	1986-87	1985-86	1986-87
New houses	127.6	117.1	17.3	15.1	144.9	132.2
Other new residential buildings	29.0	27.9	8.7	10.6	37.7	38.4
Total new residential building	156.6	144.9	26.0	25.7	182.6	170.6
Alterations and additions to residential building	4.6	17.3	0.5	0.9	15.1	18.2
Hotels etc.	41.4	5.2	0.1	-	41.5	5.2
Shops	27.5	30.5	-	0.4	27.5	30.9
Factories	5.7	14.1	0.3	4.2	6.0	18.3
Offices	35.2	9.1	6.0	4.1	41.2	13.2
Other business premises	7.5	6.8	2.0	11.0	9.6	17.9
Educational	2.7	4.5	14.3	25.9	17.0	30.4
Religious	2.1	1.9	-	-	2.1	1.9
Health	3.1	7.3	3.9	42.9	7.0	50.1
Entertainment and recreational	3.5	3.3	8.9	3.5	12.5	6.8
Miscellaneous	2.7	3.4	15.0	2.7	17.6	6.1
Total non-residential building	131.3	85.9	50.5	94.7	181.8	180.6
Total all building	302.6	248.1	77.0	121.4	379.6	369.5

(a) Value when completed.

road projects begun prior to 1986-87, including the construction of the Davey Street extension in Hobart, the completion of the Burnie expressway, and continued work on the multi-million dollar road development at Mornington.

17.13 ENGINEERING CONSTRUCTION, TASMANIA, 1986-87 (\$m)

Project	Stage of construction		
	Com-menced	Work done	Work yet to be done
Roads, highways and subdivisions	89.1	61.5	20.0
Bridges	8.1	0.7	0.8
Railways and tramways	-	-	-
Harbours	3.4	2.3	2.5
Water storage and supply	8.4	5.6	0.9
Sewerage and drainage	11.9	12.2	3.6
Electricity generation, transmission and distribution	101.5	-	340.0
Pipelines (other than water)	0.3	0.4	0.1
Recreation	5.1	6.4	0.5
Telecommunications	37.0	37.6	-
Heavy industry, oil, gas	0.4	0.2	-
Heavy industry, coal	12.1	-	0.1
Heavy industry, bauxite, alumina	0.3	0.3	0.1
Heavy industry, other minerals	5.6	2.0	0.8
Heavy industry, other	9.5	4.1	0.6
Other	1.0	0.6	-
Total	293.7	133.7	370.0



Road construction work on the Tasman Highway at Mornington.

Photo: Mercury

A further \$370 million worth of work was still to be carried out on various projects at the end of

June 1987, of which 92 per cent was in the area of electricity generation, transmission and distribution.

17.3 REFERENCES

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