

HOUSING, BUILDING, AND CONSTRUCTION

GENERAL BACKGROUND

Dwelling construction in the Victorian building industry, 1959-60 to 1976-77

Categories of building

Building activity can be placed in three main categories: dwellings, commercial buildings, and buildings for community purposes, which together comprise 97.7 per cent of total building. The remaining 2.3 per cent includes buildings for miscellaneous purposes such as defence, rural needs, and benevolent homes. In Victoria in the eighteen years from 1959-60 to 1976-77, the total value of buildings completed rose from \$296m to \$1,617m.

The emphasis in activity has changed during this period. While dwellings comprise a similar percentage of total value in 1976-77 as in 1959-60 (64.2 per cent compared with 58.9 per cent), the percentage of value of commercial building (factories, shops, offices, etc.) has decreased from 29.6 per cent to 18.6 per cent, while buildings for community purposes (education, religion, health, hotels, etc.) have increased from 10.0 per cent in 1959-60 to 14.9 per cent in 1976-77.

During the period, dwellings decreased to 53 per cent of the total value in 1962-63, commercial building rose to a peak of 32 per cent in 1966-67, while building for community purposes peaked at 22 per cent in 1962-63 and declined to a low of 11 per cent in 1973-74.

Forms of dwelling

Dwellings are recorded statistically as "houses" and "other dwellings", the latter including blocks of flats, home units, villa units, etc. The number of houses completed annually has risen steadily from 24,160 in 1959-60 to 28,901 in 1976-77, although only 18,969 were completed in 1961-62. The number of "other dwellings" has risen substantially during the same period from 2,062 in 1959-60 to 8,924 in 1976-77, that is, from 7.9 per cent to 23.6 per cent of total dwellings with a peak of 38 per cent in 1968-69 when 13,775 "other dwellings" were completed. Dwelling completions recorded since June 1977 indicate a decline from these levels, to between 20,000 and 25,000 per year.

There is no statistical breakdown between the types of "other dwellings", but between 1965-66 and 1972-73 the Housing Commission built between 600 and 2,000 high rise flats per year. The bulk of the remainder of "other dwellings" built during the mid and late 1960s, included medium rise (i.e., up to four storeys) blocks of flats mostly located in inner suburban areas and close to railway stations and other facilities. Since that time, as inner areas have become more highly developed, suitable land less readily available, and the requirements of local councils more stringent, the trend has altered to building groups of single storey villa units in less central locations. Starting in the early 1960s, this building form gathered pace when the Strata Titles Act was passed in 1968. This enabled individual ownership of each dwelling in a group under separate title, and its popularity is shown by the number of plans that have been lodged under the Act to create separate titles—460 in 1968, increasing to 2,310 in 1977.

Location and ownership

From 1959-60 to 1972-73, the number of new dwellings completed in the Melbourne Statistical Division increased, but since then the trend has been reversed. In contrast, dwelling activity in the rest of the State, which had been relatively steady until 1972-73, has since increased from 7,777 in that year to 12,178 in 1976-77, or 32 per cent of total dwellings completed. Most dwellings are built for private ownership, the number built annually for government ownership being less than 15 per cent of the annual total.

Size and construction of houses

The size and type of house built in Victoria has changed over the years since 1959-60. Information provided by Victorian lending institutions shows that the average size of houses for which loans have been made has increased from 106 square metres for the period 1955-1960 to 127 square metres for the period 1970-1975. Detailed information has been collected by the Australian Bureau of Statistics since 1970-71, when the average floor area of a contract built brick veneer house completed was 131 square metres; it had risen to 147 square metres in 1976-77.

The main change in house building practice in the last eighteen years has been the increase in brick veneer construction. The proportion of such houses rose from 42.0 per cent in 1959-60 to 88.2 per cent in 1972-73, and in 1976-77 was 81.0 per cent. The increase has occurred mainly at the expense of timber clad homes which decreased from 41.3 per cent of total houses completed in 1959-60 to 4.1 per cent in 1976-77. Asbestos cement cladding has remained fairly constant at 5 to 10 per cent. Solid brick declined from 7.2 per cent of the total in 1959-60 to 1.9 per cent in 1966-67 and to 6.3 per cent in 1976-77.

Other changes in construction methods include the introduction of concrete floor slabs and the increased use of aluminium windows and plastic water and waste pipes. Local hardwood framing timber has been supplemented by locally grown softwood, and some metal framing systems have appeared. A trend is developing towards pre-fabrication of frame elements, primarily roof trusses, and more recently wall frame panels.

Complete fabrication of dwellings is not common in the private sector, except in remote locations where transport costs are high and labour scarce. Caravans are often used as permanent accommodation in such places, although they are not included in building statistics. Production of caravans in Australia has increased from 4,100 in 1959-60 to 33,600 in 1976-77 and tentative estimates by major producers put the percentage of new units intended for permanent accommodation as high as 30 per cent in 1974.

A significant feature of the mid-1970s has been the emergence of a new segment of the dwelling construction industry, namely, that specialising in alterations and additions to existing dwellings. The number of such jobs, valued at more than \$10,000, and for which a building permit was required, rose from 557 in 1973-74 to 3,780, valued at over \$63m, in 1976-77. These values quite markedly underestimate the real extent of the phenomenon, as a considerable number of jobs are valued at less than \$10,000 and for many others a building permit is not required.

Reasons advanced for this sudden trend include the lack of reasonably priced land for new building near established services, the desire to retain existing social links, and the ready availability of new and specialised products and expertise to give a home an individual atmosphere.

The Victorian Housing Commission during the 1940s and 1950s established a programme of pre-fabrication using concrete panels; this has been used mainly for medium and high-rise public dwelling projects, as well as for detached houses.

Building industry and the labour force

The total number of builders actively engaged in new building construction in Victoria increased between 1968 and 1974 by approximately 23 per cent and has since declined by approximately 6 per cent in 1977. Statistics do not reveal the number of builders specialising in dwellings, but there is a clear pre-eminence of large project house builders. As shown in the following table, 47.4 per cent of contract built houses were completed by only 5.7 per cent of all builders active in house building in Victoria during the June quarter 1977.

**VICTORIA—CONTRACT BUILT HOUSES: PERCENTAGE OF
BUILDERS AND HOUSES
COMPLETED BY SIZE (NUMBER) GROUP: JUNE QUARTER 1977**

Particulars	Number of houses completed per builder							Total
	Less than 5	5-9	10-19	20-29	30-39	40-49	50 and over	
Percentage of builders	89.4	4.8	3.4	1.0	0.4	0.3	0.6	100.0
Percentage of houses completed	43.0	9.6	13.6	7.4	4.1	4.5	17.8	100.0

A marked trend in recent years has been the increase in owner-builder activity. In 1971-72, the number of owner-built houses completed was 3,139 (or 12.2 per cent of total houses completed), whereas in 1976-77 it was 7,234 (or 25.0 per cent of total houses completed). It has been suggested that this has been partly due to the introduction of legislation requiring the builder to provide additional guarantees of his work and that this has led some unregistered builders to encourage a prospective owner to take out a permit in his own name so that the actual builder avoids liability under the Act. However, the level of owner-builder activity, during the period reviewed, may have been somewhat overstated as a result of the ABS definitions of owner-built houses, as those houses erected by an owner (other than a recognised builder) or under his direction without the services of a contractor responsible for the whole job. This definition, coupled with the practice of allowing owner-builders to have up to two houses under construction per quarter, may have led to some speculative builders being classified as owner-builders. Evidence of possible overstatement in the level of owner-builder activity is provided by an industry survey, which estimated the proportion of houses constructed by individual persons for their own occupation, at between 10.0 and 13.0 per cent of houses completed in 1977.

The number of persons working on dwelling construction fluctuates widely, but indicates a generally increasing level of manpower until 1968-69 since when, apart from an increase from 1971-72 to 1973-74, there has been a general decline. At the end of 1976-77, there were 15,600 persons working on dwellings other than owner-built houses, compared with 25,300 at the end of 1973-74 and 19,500 at the end of 1959-60.

During the period under review there has been an increase in the number of contractors in the whole building industry and a trend to sub-contract rather than employ wages labour. Wages labour is engaged mainly in general building construction, and almost all the activities in dwelling construction, other than high-rise flats, are carried out by independent tradesmen who sub-contract to the builder.

Over the past few years complaints have consistently been raised, particularly by house builders, of the shortage of reliable, skilled tradesmen, even during times of high general unemployment. According to information supplied by the Industrial Training Commission, the number of apprentices and probationers under the building trades classification has risen from 4,940 in 1960 to 8,412 in 1977. Apprentices comprised 13 per cent of all persons recorded as working on building jobs at the end of June 1960, 18 per cent at the end of June 1974, and 25 per cent by the end of June 1977.

Finance for dwelling construction

The bulk of loan finance for new home building since 1959-60 has been provided by savings banks which provided 39 per cent of new home loans approved in Australia in 1976-77. Building societies approvals represented 30 per cent in 1976-77. Trading banks and finance companies contributed 14 per cent and 9 per cent, respectively, while government sources provided 5 per cent. The remaining 3 per cent came from life assurance offices, credit unions, and private individuals.

Further references: *Building trends since 1945, Victorian Year Book 1963*, pp. 345-7; *Developments in building methods since 1945, 1964*, pp. 365-8; *Building materials, 1966*, pp. 324-7; *Redevelopment of the inner residential areas, 1967*, pp. 599-600; *Early building in Victoria, 1968*, pp. 598-600; *Housing for aged persons, 1969*, pp. 636-8; *Building trends in Melbourne since 1961, 1970*, pp. 614-6; *Bridges in Victoria, 1971*, pp. 592-4; *Division of Building Research, C.S.I.R.O., 1972*, pp. 308-11; *Metrication in the building and construction industry, 1976*, p. 302; *Historical introduction, 1977*, pp. 323-6; *The National Estate, 1977*, pp. 326-7; *Historic Buildings Preservation*

Council, 1977, p. 328; Victorian Urban Land Council, 1977, pp. 328-9; Residential Land Development Committee, 1977, pp. 329-30; Building and Development Approvals Committee, 1977, p. 330; Use of timber in the housing and construction industry, 1978, pp. 279-81

BUILDING LEGISLATION

Supervision and control of building

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

Uniform Building Regulations

Under the *Local Government Act 1958* the power to administer Uniform Building Regulations is vested in the councils of municipalities, except where provided under certain clauses of the Regulations concerning Health Acts, Sewerage Regulations, and Water Supply Regulations, which are subject to the sanction of appropriate government authorities. These powers apply to all municipalities.

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

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

Further reference: Urban renewal, *Victorian Year Book 1976*, pp. 303-4

BUILDING DEVELOPMENT IN THE CITY OF MELBOURNE, 1977

The number of applications for permits to construct new buildings or to carry out major alterations to existing buildings increased to 1,144 (1976: 1,056), and the stated cost increased from \$34.3m to \$79.1m.

The following list, supplied by the City of Melbourne, shows major buildings under construction at 30 September 1977:

Owner	Location	Stated cost (a) (\$m)
Ansett Transport Industries Ltd.	1-13 Therry Street	11.0
Australian Mutual Provident Society	17-65 Collins Street	250.0
Collins Wales Pty. Ltd.	360-74 Collins Street	35.0
Methodist Church Trust	15-21 Jones Lane	2.0
State Savings Bank of Victoria	65 Elizabeth Street	48.0
Victorian Government (Stages a and c)	Victorian Arts Centre	7.0

(a) It should be noted that the stated cost is at the approval stage and completed costs will be significantly greater due to rapidly increasing building costs.

BUILDING STATISTICS

General concepts

The statistics in the following pages deal only with the construction of buildings, as distinct from other construction such as railways, bridges, earthworks, water storage, etc.

In the following tables, alterations and additions valued at \$10,000 and over to buildings other than dwellings are included in the values stated. With the exception of the table relating to building approvals, particulars of minor alterations and additions are excluded, and in all tables particulars of renovations and repairs to buildings are excluded, because of the difficulty in obtaining complete lists of persons who undertake such operations. Figures for houses exclude converted military huts, temporary dwellings, flats, and dwellings attached to other new buildings.

Since the September quarter 1945, a quarterly collection of statistics of building operations has been undertaken, comprising the activities of all private contractors and government authorities engaged in the erection of new buildings, and owner-builders who erect buildings without the services of a contractor responsible for the whole job.

The bases of the collection are building permits issued by local government authorities, and contracts let or day labour work authorised by Commonwealth, State, semi-government, and local government authorities. As a complete list of government authorities and building contractors is maintained, details shown in the following tables embrace all local government areas. However, details for building approvals and owner-builders cover only those areas subject to building control by local government authorities, and up to 1 December 1972 exclude some rural areas not subject to permit issues.

The following definitions of terms used in the succeeding tables are necessary for an understanding of the data presented:

Building approvals. These comprise private permits issued by local government authorities together with contracts let or day labour work authorised by Commonwealth, State, semi-government, and local government authorities.

Private or government. Building is classified as private or government according to ownership at the time of commencement. Thus, building carried out directly by day labour or for government instrumentalities by private contractors, even though for subsequent sale, is classed as government. Building carried out by private contractors for private ownership, or which is financed or supervised by government instrumentalities but erected for a specified person, is classed as private.

Owner-built. A building actually erected or being erected by the owner or under the owner's direction, without the services of a contractor who is responsible for the whole job.

Commenced. A building is regarded as having been commenced when work on foundations has begun. Because of the difficulty of defining the exact point that this represents in building operations, interpretations made by informants may not be entirely uniform.

Completed. A building is regarded as having been completed when the building contractor has fulfilled the terms of the contract or, in the case of owner-built houses, when the house is either completed or substantially completed and occupied (the value shown in this case is that of the owner-built house as a finished project). As with commencements, the interpretation placed on this definition by informants may not be entirely uniform.

Under construction (i.e., unfinished). Irrespective of when commenced, and regardless of whether or not work has actually proceeded at all times, once a building has been commenced it continues to be shown in the tables as under construction (i.e., unfinished) until completed. Buildings on which work has been permanently abandoned are excluded.

Numbers. The numbers of houses, flats, and shops with dwellings attached, represent the number of separate dwelling units. Each flat in a block of flats is counted as a separate dwelling unit.

Values. All values shown exclude the value of the land and represent the estimated value of the buildings on completion.

Statistical tables

Building approvals

The following table shows the value of private and government building approved in Victoria for the years 1972-73 to 1976-77:

**VICTORIA—VALUE OF PRIVATE AND GOVERNMENT
BUILDING APPROVED
(\$'000)**

Year	Houses and other dwellings	Other new buildings	Alterations and additions to buildings	Total all buildings
1972-73	591,119	496,083	(a)73,409	1,160,611
1973-74	671,901	483,805	(b)59,252	1,214,958
1974-75	618,268	470,566	(b)76,113	1,164,947
1975-76	960,489	512,816	(b)103,082	1,576,387
1976-77	1,039,573	536,204	(b)104,631	1,680,408

(a) Valued at less than \$10,000.

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

In normal circumstances, information concerning building approvals is a primary indicator of building trends and gives some indication of the effect of varying economic conditions on the building industry. However, a complete comparison of buildings approved cannot be made against buildings commenced, since the relationship is affected by (1) some intended buildings never being begun, and new building plans being re-submitted, (2) estimated values recorded for building approvals being affected by rising costs resulting from delays in the commencement of buildings, and (3) as previously mentioned, building permits issued up to 1 December 1972 not embracing the whole of Victoria.

Value of building jobs

As with building approvals, increases in the value of buildings commenced, completed, and under construction, and in the value of work done during a period are not wholly attributable to increased building activity, but are partly the result of an almost continuous rise in the cost of building. It should also be realised that, in any period, where there are appreciable increases in the value of buildings commenced for industrial, commercial, business, health, etc., purposes, this movement could be misinterpreted to some extent, as these buildings may include the commencement of large scale projects, the completion of which may be spread over several years.

The following tables show the value of all buildings commenced, completed, and the value of work done during the period in Victoria, according to the type of building, for the years 1973-74 to 1976-77. The figures include all alterations and additions valued at \$10,000 and over to buildings other than dwellings. Renovations and repairs are excluded.

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

Type of building	1973-74	1974-75	1975-76	1976-77
Houses	523,977	510,952	726,099	867,801
Other dwellings	131,505	101,970	137,873	167,398
Shops	49,415	34,672	61,266	59,426
Hotels, guest houses, etc.	14,524	11,194	11,949	11,411
Factories	119,372	78,275	75,367	126,890
Offices	102,277	92,256	56,887	130,306
Other business premises	35,309	34,362	36,322	41,824
Educational	113,592	105,169	77,224	120,866
Religious	2,839	5,518	5,491	4,813
Health	29,226	51,435	42,503	63,685
Entertainment and recreation	14,227	15,007	34,228	30,298
Miscellaneous	23,015	14,131	43,424	30,704
Total	1,159,278	1,054,941	1,308,633	1,655,422

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

Type of building	1973-74	1974-75	1975-76	1976-77
Houses	419,669	511,546	610,160	796,043
Other dwellings	101,311	129,749	129,924	177,775
Shops	37,237	54,506	49,335	53,597
Hotels, guest houses, etc.	10,327	24,344	11,292	16,402
Factories	94,048	100,479	92,067	83,039
Offices	131,418	87,014	171,339	107,893
Other business premises	21,094	35,792	35,584	39,553
Educational	50,092	89,578	141,455	126,422
Religious	2,222	3,120	4,905	7,278
Health	12,324	19,484	41,946	80,612
Entertainment and recreation	9,749	11,888	25,341	26,237
Miscellaneous	11,824	21,702	23,412	37,081
Total	901,315	1,089,203	1,336,760	1,551,932

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

Type of building	1973-74	1974-75	1975-76	1976-77
Houses	480,637	516,322	683,949	853,456
Other dwellings	123,014	121,049	146,391	185,903
Shops	49,032	50,163	50,520	66,329
Hotels, guest houses, etc.	20,567	16,257	16,404	13,442
Factories	110,324	96,370	83,643	106,179
Offices	128,554	134,761	119,532	118,498
Other business premises	29,686	39,356	38,089	44,023
Educational	73,700	130,705	129,005	105,204
Religious	2,440	5,011	5,450	5,548
Health	23,801	38,100	64,655	59,686
Entertainment and recreation	12,635	15,329	28,024	35,980
Miscellaneous	18,709	20,204	29,565	40,457
Total	1,073,099	1,183,627	1,395,227	1,634,705

(a) Includes alterations and additions of \$10,000 and over to buildings other than dwellings.

NOTE: This table includes partly estimated values for owner-built constructions where actual value of work done during the period was not available.

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

The value of all building work remaining unfinished increased from \$1,276,361,000 at 30 June 1976 to \$1,444,038,000 at 30 June 1977.

Number of dwellings

The following tables show the number of houses and individual flat units (excluding conversions to flats) commenced, completed, and under construction, classified by geographical distribution and ownership for the years 1973-74 to 1976-77, and the number of houses classified by material of outer walls, commenced, completed, and under construction. Because of the new concepts used at the Census of 30 June 1966 for the delineation of the boundaries of the Melbourne Statistical Division (see page 173), figures other than "State total", subsequent to 30 June 1966, are not comparable with those of earlier years.

VICTORIA—NUMBER OF HOUSES AND OTHER DWELLINGS: GEOGRAPHICAL DISTRIBUTION

Year	Commenced		Completed		Under construction (i.e., unfinished at end of period)	
	Houses	Other dwellings	Houses	Other dwellings	Houses	Other dwellings
MELBOURNE STATISTICAL DIVISION						
1973-74	21,188	9,780	19,626	8,287	12,497	8,844
1974-75	15,302	5,783	18,307	8,527	9,163	5,576
1975-76	18,598	6,167	16,833	6,179	10,478	5,413
1976-77	18,623	6,139	18,705	6,942	10,012	4,447
REMAINDER OF VICTORIA						
1973-74	9,264	2,362	7,441	1,767	6,482	1,836
1974-75	8,916	1,655	8,595	1,913	6,615	1,540
1975-76	9,836	1,892	9,302	1,995	6,903	1,411
1976-77	11,165	1,980	10,196	1,982	7,626	1,395
STATE TOTAL						
1973-74	30,452	12,142	27,067	10,054	18,979	10,680
1974-75	24,218	7,438	26,902	10,440	15,778	7,116
1975-76	28,434	8,059	26,135	8,174	17,381	6,824
1976-77	29,788	8,119	28,901	8,924	17,638	5,842

VICTORIA—ESTIMATED VALUE OF JOBS UNDER CONSTRUCTION AT END OF PERIOD (a): CLASSIFIED BY TYPE (\$'000)

Type of building	1973-74	1974-75	1975-76	1976-77
Houses	186,587	184,431	238,952	266,180
Other dwellings	69,495	59,747	67,198	58,196
Shops	26,030	15,972	26,662	25,593
Hotels, guest houses, etc.	19,031	16,274	12,952	11,663
Factories	43,854	32,895	28,881	50,589
Offices	151,702	145,150	102,786	126,825
Other business premises	16,200	15,565	16,767	15,234
Educational	80,559	72,628	39,574	67,959
Religious	1,483	3,122	2,320	1,829
Health	36,444	52,719	36,826	50,409
Entertainment and recreation	5,469	6,619	15,685	14,611
Miscellaneous	15,668	9,838	28,556	20,856
Total	652,522	614,960	617,159	709,944

(a) Includes alterations and additions of \$10,000 and above to buildings other than dwellings.

NOTE: This table includes partly estimated values for owner-built constructions where actual value of work under construction at the end of the period was not available.

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

Year	Number of houses and other dwellings erected for —					Total houses and other dwellings
	Government ownership	Private ownership (a)			Total houses and other dwellings	
		Houses		Other dwellings		
		Total dwellings (a)	By contractors			
COMMENCED						
1973-74	2,295	23,910	4,980	11,409	40,299	42,594
1974-75	3,593	15,662	5,440	6,961	28,063	31,656
1975-76	2,270	18,860	7,645	7,718	34,223	36,493
1976-77	3,273	18,512	8,740	7,382	34,634	37,907

HOUSING, BUILDING, AND CONSTRUCTION

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

Year	Number of houses and other dwellings erected for					Total houses and other dwellings	
	Government ownership	Private ownership (a)					
		Total dwellings (a)	Houses		Other dwellings		Total houses and other dwellings
			By contractors	By owner-builders			
COMPLETED							
1973-74	1,519	22,330	3,937	9,335	35,602	37,121	
1974-75	3,487	20,092	4,113	9,650	33,855	37,342	
1975-76	3,243	17,712	5,630	7,724	31,066	34,309	
1976-77	2,929	19,452	7,234	8,210	34,896	37,825	
UNDER CONSTRUCTION (I.E., UNFINISHED) AT END OF PERIOD							
1973-74	2,890	11,813	5,104	9,852	26,769	29,659	
1974-75	2,951	6,980	6,334	6,629	19,943	22,894	
1975-76	1,898	7,908	7,953	6,446	22,307	24,205	
1976-77	2,240	6,876	8,923	5,441	21,240	23,480	

(a) See definitions on page 262.

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

Year	Brick, concrete, and stone	Brick veneer	Wood	Asbestos-cement	Other	Total
COMMENCED						
1973-74	1,236	26,153	847	2,135	81	30,452
1974-75	1,283	19,954	800	2,075	106	24,218
1975-76	1,708	23,304	1,077	2,230	115	28,434
1976-77	2,015	23,802	1,476	2,329	166	29,788
COMPLETED						
1973-74	858	23,471	701	1,966	71	27,067
1974-75	1,046	23,146	676	1,935	99	26,902
1975-76	1,228	21,840	841	2,101	125	26,135
1976-77	1,833	23,418	1,196	2,312	142	28,901
UNDER CONSTRUCTION (I.E., UNFINISHED) AT END OF PERIOD						
1973-74	1,103	15,573	564	1,702	37	18,979
1974-75	1,276	12,011	636	1,798	57	15,778
1975-76	1,751	12,866	861	1,856	47	17,381
1976-77	1,907	12,787	1,087	1,799	58	17,638

GOVERNMENT BUILDING AUTHORITIES

Commonwealth Government

General

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

Commonwealth Government-State Housing Agreements 1945-1973

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

1973-1974 Housing Agreement

Under this agreement advances were made by the Commonwealth Government to the States for public housing for the five years from 1 July 1973. The rate of interest payable on all advances was 4 per cent for allocation to State Housing Authorities and 4.5 per cent for allocations to the States' Home Builders' Accounts for lending to eligible prospective home owners.

Sales of family dwellings financed with funds made available to State Housing Authorities and completed in the five years commencing 1 January 1974 were limited to 30 per cent of the total, except in Tasmania where 50 per cent and 40 per cent were permitted, respectively, in the first two years. The remainder were to be added to the stock of dwellings for rental to eligible families. Eligibility was limited by a needs test whereby the income of the main bread-winner was not to exceed 85 per cent of the quarterly seasonally adjusted average weekly earnings plus \$2 per each child beyond the second. A needs test of 95 per cent of the quarterly seasonally adjusted average weekly earnings plus \$2 for each child beyond the second applied to establish eligibility for assistance when persons sought Home Builders' Account loans.

Commonwealth-State Housing Agreement (Servicemen) 1972

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

Operations under the Commonwealth-State Housing Agreements in Victoria to 30 June 1977 are summarised as follows:

Loan funds advanced	\$930,239,000
Allocations from State Loan funds <i>States Grants (Housing) Act 1971</i>	\$74,000,000
Loan funds allocated to the Housing Commission, Victoria	\$751,314,000
Loan funds allocated to Home Builders' Accounts	\$252,925,000
Supplementary advances made by Commonwealth Government for housing for defence forces, 1 July 1956 to 30 June 1971	\$24,558,182
Drawings from Home Builders' Accounts by Co-operative Terminating Housing Societies	\$372,335,027
Dwellings completed by Housing Commission, Victoria	81,283
Dwellings completed or purchased under Home Builders' Accounts	38,026

Commonwealth-State Housing Agreement (Servicemen) 1 July 1971 to 30 June 1977

Commonwealth Government advances—construction	\$14,061,890
—improvements	\$6,279,021
Dwellings completed by Housing Commission, Victoria—construction	659
—improvements	1,698

Housing Assistance Act 1973

Commonwealth Government advances allocated to Housing Commission, Victoria	\$1,500,000
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Defence Service Homes (formerly War Service Homes)

The *Defence Service Homes Act 1918* makes provision for assistance to be granted to persons who satisfy the eligibility conditions set out in the Act, to enable them to acquire on concessional terms a soundly constructed home that they would occupy as a residence.

VICTORIA—DEFENCE SERVICE HOMES SCHEME: OPERATIONS

Year	Homes provided during year				Total homes provided (a)	Annual expenditure (\$'000)	Instalments paid (b) (\$'000)	Loans repaid
	By creation	By purchase	By discharge of mortgage	Total				
1972-73	339	1,414	420	2,173	91,308	18,750	27,771	2,592
1973-74	174	1,683	388	2,245	93,553	25,469	29,489	2,794
1974-75	237	1,429	506	2,172	95,725	28,801	27,247	2,155
1975-76	307	1,302	489	2,098	97,823	31,971	33,724	2,790
1976-77	231	694	435	1,360	99,183	21,607	19,110	2,713

(a) Excludes Commonwealth State Housing Agreement Loans.

(b) Includes excess instalments payments.

Home Savings Grant Scheme

The purpose of the Home Savings Grant Scheme is to assist people to buy or build their first homes. The scheme also aims at increasing the proportion of total savings available for housing by encouraging people to save with those institutions that provide the bulk of housing finance. The scheme was introduced in 1964 and subsequently replaced by a new scheme which applies to persons who contract to build or buy their first homes on or after 1 January 1977, in respect of acceptable savings from 1 January 1976.

The new scheme provides larger grants to a wider range of home seekers and removes restrictions that applied under the old scheme. Features of the new scheme include:

- (1) Removal of the age limit, the value limit on homes, the requirement of marriage, and the requirement of three years' residence for migrants; and
- (2) an increase in the maximum grant from \$750 to \$2,000 for three years of savings, and payment of grants of up to \$667 and \$1,333 for completed savings periods of one and two years, respectively.

A grant is not payable where the applicant or his spouse, or any other person with an interest in the home, has previously owned another home. (Legislation giving effect to the new scheme was passed by the Commonwealth Parliament on 7 December 1976).

VICTORIA—HOME SAVINGS GRANT SCHEME: OPERATIONS

Year	Applications received	Applications approved	Grants approved	Average granted (a)
	number	number	\$'000	\$
1972-73	17,375	15,309	8,338	545
1973-74	14,644	13,659	8,707	637
1974-75	6,165	5,814	3,770	648
1975-76	2,311	2,043	1,311	642
1976-77	4,882	3,442	2,257	656

(a) The maximum grant was raised from \$500 to \$750 in respect of homes acquired on or after 16 August 1972.

Transitory Flats for Migrants

A scheme to provide fully furnished flats for occupation by newly arrived migrant families for a maximum of six months was introduced in 1967. At 30 June 1977, there were 378 flats in use of which 104 were located in Melbourne.

Dwellings for Pensioners Scheme

This scheme is directed towards single eligible pensioners living alone in unsuitable private accommodation and paying too high a proportion of their pensions in rent. Commonwealth Government assistance under this scheme was introduced to supplement the States' existing efforts in this field. To 30 June 1977, \$14,090,000 had been allocated and paid to Victoria and 76 schemes to provide 1,360 dwellings had been approved or completed. The scheme is to be replaced by a new and expanded rental assistance to pensioners scheme commencing 1 July 1978.

Housing Loans Insurance Corporation

The Housing Loans Insurance Corporation was established by the *Housing Loans Insurance Act 1965-1973* to insure approved lenders against losses arising from the making of housing loans. The main purpose of the activities of the Corporation is to assist people to borrow, as a single loan, the money they need, and can afford to repay to obtain a home. An amendment to the Act in 1977 broadened the scope of the Corporation's activities and in addition to loans for the purchase or construction of homes for owner occupancy, loans for the purchase of vacant land and commercial housing propositions are also insurable. During 1976-77, 4,857 loans for \$116.7m were insured in Victoria. Comparable figures for 1975-76 were 7,121 loans for \$155.8m.

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

Victorian Government

Ministry of Housing

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

Housing Commission

Victoria's population at 30 June 1977 was approximately 3,781,500 persons, more than 347,300 of whom were living in Housing Commission houses and flats.

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

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

The Commission in recent years has laid greater stress on quality and variety in housing and, to this end, has included in its building programmes different forms of housing, house and land "packages", and contracts for houses to be built to contractors' individual designs on Commission land.

Greater emphasis has also been directed towards the provision, in collaboration with the local municipalities, and other government departments, of community facilities including schools and pre-schools. An example of this co-operation is the Birralee Estate at Wodonga, where negotiations which commenced some four years ago have now culminated in the completion by the Education Department of the first two stages of the Wodonga West High School and the Melrose Primary School, and the first stage of the Council's indoor sports stadium — all on Commission land.

Aware that Victorians are used to the concept of an individual home on its own block of land, the Commission has encouraged home ownership. Of the 84,323 dwellings completed to 30 June 1977, the Commission had sold 25,984 in the Melbourne Statistical Division and 18,286 in the rest of Victoria.

The Commonwealth also makes available funds to the Commission for the purchase or construction of homes for Aboriginal families. Twenty houses were handed over during 1976-77, bringing to 294 the number of houses provided specifically for Aborigines.

The *Urban Renewal Act 1970* provides for renewal procedures designed to ensure that urban areas can be rehabilitated through a system of co-ordinated research and consultation, which joins the interest and skills of the people of the area, the councils, and the relevant State authorities. The procedures start with an invitation from the Council to the Urban Renewal Authority to discuss the uses of renewal with regard to the borough, city, or shire. If these discussions are satisfactory to the municipal council a liaison committee is formed, comprising members of the council and members of the Commission

(in its capacity as an Urban Renewal Authority) to pursue the question of the possible use of renewal pertaining to specific areas within the municipality.

Urban renewal is one of the most significant spheres the Commission has entered during the last five years. A comprehensive article on this topic appears on pages 303-4 of the *Victorian Year Book* 1976.

VICTORIA—HOUSING COMMISSION: DWELLING CONSTRUCTION

Geographical distribution (a)	Houses and flat units				
	1972-73	1973-74	1974-75	1975-76	1976-77
COMPLETED					
Melbourne Statistical Division	1,326	889	1,820	1,200	1,167
Remainder of Victoria	660	558	1,196	1,715	1,365
State Total	1,986	1,447	3,016	2,915	2,532
UNDER CONTRACT AT END OF PERIOD (INCLUDES CONTRACTS LET, WORK NOT STARTED)					
Melbourne Statistical Division	1,707	1,896	1,363	1,191	832
Remainder of Victoria	1,307	1,571	1,860	1,444	1,525
State Total	3,014	3,467	3,223	2,635	2,357

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

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

Particulars	1972-73	1973-74	1974-75	1975-76	1976-77
REVENUE					
Rentals	21,629	25,487	30,350	39,927	45,840
Gross surplus—house sales	3,065	6,392	10,139	10,529	17,246
Interest—					
House sales (net)	2,042	2,053	2,300	2,792	3,407
Sundry	649	2,429	2,906	2,005	3,923
Miscellaneous	585	513	954	2,216	2,103
Total revenue	27,971	36,874	46,649	57,469	72,519
EXPENDITURE					
Interest—less amounts capitalised and applied to house sales	9,636	11,365	12,742	13,875	13,799
Loan redemption—					
Commonwealth Government—State Agreement	2,434	2,460	2,603	2,753	2,832
Contribution to National Debt Sinking Fund	18	23	29	22	23
Redemption of debentures and debenture Loan Sinking Fund contribution	7	7	7	7	7
Administration—					
General	1,674	1,872	2,491	3,238	4,120
House and land sales	1,101	1,323	1,648	1,879	2,284
Rates—less amount capitalised	3,735	4,467	5,815	6,971	7,415
Provision for accrued maintenance	3,356	3,678	5,964	9,720	13,315
Provision for irrecoverable rents	128	75	56	67	99
Communal services—flats and garden maintenance	1,377	1,783	2,439	2,800	3,072
House purchasers' Death Benefit Fund appropriation	452	452	461	468	503
Transfer to House and Land Sales Reserve Suspense Accounts	1,034	3,234	6,802	7,349	13,021
Maintenance and repairs on houses sold	228	269	437	500	553
Other	939	1,168	1,956	2,147	2,324
Total expenditure	26,118	32,176	43,450	51,796	63,367
Operating surplus	1,852	4,698	3,199	5,673	9,152

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

Particulars	1972-73	1973-74	1974-75	1975-76	1976-77
Fixed assets at 30 June	377,295	413,677	492,274	535,232	560,702
Loan indebtedness at 30 June (a)—					
Government advances	500,934	538,574	605,776	684,646	756,801
Debenture issues	400	400	400	400	400
Death Benefit Fund Advances	5,128	5,338	4,853	5,946	7,388

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

Registry of Co-operative Housing Societies and Co-operative Societies

The *Co-operative Housing Societies Act 1958* empowers societies to raise money on loan for the purposes of making advances to their members to erect houses; to purchase houses (within certain age limits); to meet street making and sewerage installation charges; to undertake additional permanent improvements to a dwelling acquired through a society; to maintain and keep the house in proper repair; and to purchase a residential flat on the security of a stratum title.

Until 30 June 1956, co-operative housing societies were entirely dependent on institutional finance for their funds, but since 1956 they have received a portion of Victoria's housing loan allocation under the Commonwealth Government-State Housing Agreements.

The following table, compiled from annual reports published by the Registrar of Co-operative Housing Societies, provides particulars relating to the operations of societies at 30 June for each of the years 1973 to 1977:

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

Particulars	Unit	1973	1974	1975	1976	1977
Societies registered	number	1,481	1,640	1,687	1,817	1,864
Members registered	number	53,395	54,581	54,125	53,108	52,240
Shares subscribed	number	3,238,762	3,410,941	3,716,949	4,066,333	4,311,597
Nominal share capital	\$m	323	341	373	406	431
Advances approved	number	44,039	45,341	58,185	44,943	43,768
Advances approved	\$m	307	330	418	391	425
Government guarantees executed	number	863	906	927	940	925
Government guarantees executed	\$m	201	210	214	219	201
Indemnities given and subsisting	number	3,854	4,403	4,940	5,099	5,857
Indemnities subsisting	\$'000	2,319	2,995	3,992	4,785	6,245
Housing loan funds paid into Home Builders' Account	\$m	141	157	195	224	253
Dwelling houses completed to date (a)	number	76,989	80,559	84,726	87,846	90,756
Dwelling houses in course of erection (a)	number	908	1,509	1,267	931	838

(a) Includes residential flats.

Home Finance Trust

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

The number of loans granted by the Trust to 30 June 1977 and subsisting totalled 2,941 on the security of first mortgages, and 642 on second mortgages, the amounts involved being \$26.4m and \$2.2m, respectively.

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

Approved housing institutions

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

The Treasurer's guarantee covers that portion of a loan which exceeds the institution's loan limit, whether statutory or under the terms of a trust, or where there is no such limit,

the guarantee applies to the amount of loan in excess of 60 per cent of the valuation of the security. Guarantees are available under the Act for loans up to 95 per cent of the value of the security.

At 30 June 1977, there were six approved institutions. Guarantees given by the Treasurer and subsisting totalled 96, the amount involved being \$158,102.

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

Decentralized Industry Housing Authority

The Decentralized Industry Housing Authority is a statutory authority, established by an Act of the Victorian Parliament on 19 April 1973. Its charter is to provide housing assistance to approved decentralised secondary industries established outside an 80 kilometre radius of the Melbourne G.P.O., and their key personnel. Housing loans are made on a first mortgage basis to enable eligible persons to purchase or build residential accommodation in the towns where they are employed.

An amendment to the legislation in 1975 gave the Authority powers to grant housing assistance to persons employed in public administration who are transferred to country locations. The total value of loans approved to 31 December 1977 exceeded \$9.7m.

Teacher Housing Authority

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

The Authority has a stock of over 2,000 houses with a total value of over \$40m spread throughout the country areas of the State. The average rent charged in respect of the houses is approximately \$19 per week.

An amendment to the legislation on 7 December 1976 gave the Authority the power to fix its own rents. It also increased the membership of the Authority by two to a total of five by inclusion of a teacher union representative and a person experienced in the building industry. Other members represent the Minister of Housing, the Minister of Education, and the Treasurer.

Its Capital Works Programme has expanded over recent years. Expenditure for new housing for 1976-77 exceeded \$3m and 300 houses have been provided since its inception. As well, 150 single teacher flats, either site-built or transportable, have been provided during this time.

Report of the Board of Inquiry into certain land purchases by the Housing Commission

This Report was presented to the Governor in Council and placed before both Houses of Parliament in March 1978.

Sir Gregory Gowans, Q.C., former Judge of the Supreme Court of Victoria, was constituted and appointed by Order in Council, made on 9 August 1977, and amended on 22 November 1977, and further amended on 24 January 1978, to be a Board for the purpose of inquiring into and reporting upon Housing Commission land purchases in accordance with the terms of reference in the first mentioned order.

The terms of reference were:

(1) "All aspects of and matters arising from the land purchases by the Housing Commission at Pakenham, Sunbury and Melton in the years 1973 and 1974, and the proposed development of the land so purchased, and in particular to report in each case;

(a) whether any person was guilty of any impropriety, breach of law or duty, negligence or act of dishonesty in relation thereto;

(b) whether any person gave or gained improper advantage or improperly disclosed or misused confidential information;

(c) whether the valuation, or valuations, preceding the purchase was or were properly made and based;

(d) whether the price paid was fair and reasonable.

(2) Whether the procedures and methods employed and the practices observed in relation to the purchase of land by the Housing Commission are adequate or whether any or what

new procedures, methods and practices should be introduced and adopted in relation thereto."

Findings and commentaries thereon appear between pages 15-169 of the Report and the recommendations are set out on pages 170-93 under the following headings: (1) General; (2) Excess profits; (3) Compulsory acquisition; (4) *Development Areas Act 1973*; (5) Employment of agents; (6) Investigation of land; (7) Notification to planning authorities; (8) Effect of zoning; (9) Valuation safeguard; (10) Negotiations for purchase; (11) Submission for approval of purchase; (12) Purchasing authority; and (13) Criminal proceedings.

Upon publication, the Report was debated in Parliament and commented upon in the media.

State Savings Bank of Victoria

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

Loans are made from the Savings Bank and Credit Foncier Departments. Particulars for the years 1972-73 to 1976-77 can be found in Chapter 21.

Other Victorian authorities

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

Other lenders

Details of all loans made to home purchasers are not available. However, particulars of the value of loans approved by major institutions to individuals for the construction or purchase of dwellings in Victoria for owner occupation are shown for the twelve months ending June 1977. A dwelling is classified as either a house or other dwelling. Examples of other dwellings are flats, home units, semi-detached cottages, villa units, town houses, etc. The amounts shown are loans approved, as distinct from actual payments, and do not include loans approved to institutions, public authorities, corporate bodies, or to persons constructing or purchasing homes for resale or for investment purposes.

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

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

Institution	Loan approvals 12 months ending June 1977
Savings banks	498,478
Trading banks	115,340
Permanent building societies	224,947
Terminating building societies	40,308
Finance companies	82,118
Government	85,422
Other	20,341
Total	1,066,954

NOTE. Permanent finance figures for new homes in Victoria, as shown in previous Year Books, are not available for the years after 1974-75 due to a change in collection scope.

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Building approvals (monthly) (8701.2)

Building approvals by local government areas (annual) (8703.2)

Building approvals by local government areas (quarterly) (8702.2)

Building operations (quarterly) (8705.2)

Building operations: number of new houses and other dwellings: preliminary estimates
(quarterly) (8704.2)

Mortgages of real estate lodged for registration (quarterly) (5601.2)

Central Office

Building approvals (monthly) (8702.0)

Building statistics (quarterly) (8705.0)