

I think the most interesting figures are those relating to the major trading banks which fell from 30 per cent. in 1949 to 14 per cent. in 1956, and, as I have said, the figures extend only to 1956. I have obtained from the Commonwealth Bureau of Census and Statistics the January, 1960, "Monthly Bulletin of Australian Banking Statistics". This gives details of bank advances as at December, 1959. An analysis shows that whereas, at the end of December, 1949, the banks had £73,702,000 invested in home building, or 16.9 per cent. of their total advances of over £450,000,000, at the end of December, they had £117,260,000 invested in home finance, or 12.5 per cent. of their total advances of approximately £940,000,000.

I do not place all of the blame on the banks for this trend as the banks are not getting all of the money that they should from the lending public because there are too many more attractive avenues for investment available to the public and banks are permitted to lend only a certain percentage of their total deposits. If they are not getting the deposits that they should, they cannot provide all of the money that they would like to provide for housing. I have said many times in this House that there is far too great a margin between the rates of interest offered to the public by finance companies and that which the banks are permitted to offer to lenders. If the Government took steps to close this gap, I am sure that more cheap money would be available for housing. I support the bill. I compliment the Government on the improvement it has achieved in the rate of home building over the past two years but I urge it to take such action as will divert more investment money to the various savings banks and also to look into the proposition of insurance indemnities to the co-operative housing societies.

Mr. WHITLAM (Werriwa) [9.1].—This bill provides money for the State governments for the final year of the 1956 housing agreement. According to an answer which the Minister for National Development (Senator Spooner) gave me yesterday, as recorded in "Hansard" at page 2606, there were, at 30th June last, 70,000 people waiting for housing commission and trust houses in Australia. According to an answer which

the Minister gave me some little time before, last financial year, 9,353 houses were provided by the housing commissions and trusts in Australia. Compared with 9,430 in the year before, and at the end of the last financial year, 70,000 people were waiting for housing commission accommodation. At this rate, it is quite obvious that it would take eight years to accommodate the present waiting applicants if no more were to apply and if allocations under the housing agreement or to the States were to be maintained at the present figure. Therefore, in view of the figures which the Minister himself has given, it is obvious that none of us can be quiet in our consciences concerning the operation of the housing arrangements between the Commonwealth and the States.

The honorable member for Henty (Mr. Fox) has made valiant efforts to secure statistics on this subject. I hope that if another agreement is made between the Commonwealth and the States there will be provision for an annual report to be made to this Parliament on the housing position under that agreement and that cumulative and comparative statistics will be provided. The only way in which honorable members can secure those statistics is by seeking out the annual reports of the State housing commissions and trusts. They are, in general, more behind the times than are this Parliament's annual reports. The only other way in which we can get the information is to put questions on the notice-paper to the Minister representing the Minister for National Development and it has taken me some ten weeks to secure the reply which I received yesterday on this point.

I mentioned that this is the last appropriation under the 1956 housing agreement. There is no certainty that there will be any agreement to replace it. In April, the housing ministers of the six States—one Australian Country Party, two Australian Labour Party and three Liberal Party—gathered and asked that they should receive, as early as possible, a draft of the new agreement. They also asked that, under the new agreement, there should be no increase in the 30 per cent. diversion of housing funds to co-operative building societies. A period of six and a half months has now elapsed and the housing Ministers of the States still have not received

the draft of any housing agreement to replace the one which will expire at the end of next June.

It is pretty plain that the Government itself has not made a decision on this matter. Leaving this matter long in abeyance is not the way to go about securing co-operation between the Commonwealth and the States. We do not want a repetition of the position which arose in 1956, when, just before the end of the 1945 agreement, the States were given the option of taking a proposal or leaving it. The proposal was called an agreement; it was nothing of the sort. The States were told, "You will get grants on these conditions or not at all". Let us hope that the Minister does not delay much longer in making his proposals. If he does, the housing commissions, which depend wholly on Commonwealth funds, and the co-operative societies which are depending increasingly on Commonwealth funds, will be unable to secure that continuity of planning which is necessary for economic housing development.

While I mention the forthcoming agreement, might I hope that the Minister will also, at last, give a favorable decision to the unanimous request of the Premiers at the April conference and previous conferences that the 1945 housing agreement houses should be made available for sale on as favorable conditions as have the houses under the 1956 agreement? More houses have been sold under the 1956 agreement in these last four years than have been sold under the 1945 agreement—18,000 under the more recent agreement and 15,000 under the earlier agreement. The reason for the disparity is not that the tenants or occupants of the 1945 housing agreement houses are not as eager to buy the houses as the occupants and tenants of the 1956 housing agreement houses, but that the earlier ones cannot afford it. They have to find too large a deposit before they can purchase the houses.

The honorable member for Henty referred, as did the honorable member for Bass (Mr. Barnard), who commenced the debate on behalf of the Opposition, to the publication "Housing Situation", which was released by the Minister for National Development four years ago. It was estimated in that publication that if a certain housing production was achieved, then the

housing lag would be overcome in Australia within five years—that is, within twelve months from now. It is true that that rate has been achieved this year, and if it is maintained the back-log which the Minister estimated four years ago will have been overcome at the end of the five-year period with which he dealt.

Mr. Thompson.—Does that allow for immigration, too?

Mr. WHITLAM.—The estimate has not been completely borne out with respect to immigration. It was only an estimate there. It is surprising that the Minister or his department have not produced a subsequent report, or regular reports and estimates of the housing need. Similarly, the publication made no estimate of the need to replace over-age and sub-standard dwellings. It forecast that, at the end of this five-year period, there would be a terrific spurt in the housing need in Australia. In 1957, for instance, there were 121,000 persons who turned 21 years of age in Australia. It is estimated that in 1964 there will be 142,000 persons reaching the age of 21, and that in 1968 the number of persons turning 21 will be 200,000. It is quite clear that in the course of the decade upon which we are now embarked the number of persons who will be marrying in Australia in the course of a year will pretty well double. It is quite obvious that there will be a continuing need for housing to accommodate newly formed families.

In addition to this, there is an increasing need to replace over-age and sub-standard housing, and this is one of the functions of the housing commissions. These commissions perform two functions which no other instrumentalities in this country perform. The first is the provision of accommodation for people who cannot find a large deposit to purchase a house. There is very little housing being built by private persons for letting purposes, other than luxury or holiday letting.

Mr. Curtin.—Chevron houses.

Mr. WHITLAM.—Or, to take the example of the honorable member who has just resumed his seat, Wreast Point houses.

Mr. Curtin.—The same thing.

Mr. WHITLAM.—Much the same. Then there is the second function of the housing commissions. No authorities other than these commissions have replaced sub-standard or over-age housing. If we do not provide sufficient funds, by way of Commonwealth grants to the States, we will find that people will, in increasing numbers, be priced out of housing if they are of modest means or have many dependants, and over-age housing will never be replaced. The honorable member for Henty very properly referred to the fact that the housing commissions should provide housing for people of modest means. In fact, they do so. The State Housing Commission of Western Australia acknowledged this fact in its annual report for 1958-59, when it said—

The Commission's principal responsibility was the provision of low cost housing for persons of low and moderate means.

The Tasmanian Director of Housing said in his annual report for the year ended 30th June, 1959—

No one could be in more accord than I that much more loan monies should be available to assist private building, particularly assistance through co-operative building societies, but the fact is that private enterprise is not prepared to invest in house construction for rental or for sale on relatively low deposits. There is a substantial number of home-seekers with ability to provide a cash deposit to obtain an equity in a building if sources of finance were available to a greater extent; but there is also a proportion of the population in urgent need of housing and who, for various reasons, are unable to provide a deposit sufficient to finance the erection or purchase of a home.

The report of the Housing Commission of New South Wales of 30th June, 1959, makes a more detailed analysis of the financial situation of applicants. It is typical of the admittedly briefer analyses made by all the other housing commissions and the housing trust in recent years. The report stated—

Today, approximately 12 per cent. (of applicants) are ex-servicemen, 88 per cent. having been either too young or too old for war service. Approximately 67 per cent. are unskilled or semi-skilled tradesmen and many others are in employment where they have little hope of securing an income much in excess of that at present received. Not less than 15 per cent. are aged or invalid pensioners or only part-time employed and receive incomes of under £12 per week, nearly 8 per cent. earn between £12 and £14 per week and 55 per cent. between £15 and £19 per week.

~~I make the interpretation here that it is quite clear from the figures that two-thirds~~

or three-quarters of the applicants are in receipt of less than the average income, and, of course, applicants must have family responsibilities before they can succeed in obtaining housing. The report went on—

Approximately 87 per cent. are Australian born, 8 per cent. British migrants and 5 per cent. foreign migrants. It would seem that the great bulk of families applying to the Commission have little prospect of obtaining adequate housing unless assisted by the Housing Commission or some other instrumentality or organization in a position to make accommodation available at a rental or purchase price they can afford. The increase in outstanding applications over the year is due no doubt to the reduction in the Commission's construction programme during recent years, the fact that because of inadequate family income applicants cannot obtain assistance elsewhere and apparently because other factors, particularly increasing land costs, are placing greater difficulties in the way of families with young children arranging the erection of their own homes.

Later in its report the commission said—

Examination of the applications for housing lodged with the Commission shows that the great proportion of applicants, because of low incomes and/or age, physical incapacity and other factors, have little hope of obtaining improved accommodation unless it be through the Commission or a similar organization in a position to make dwellings available on a low deposits and easy instalments or at low rentals.

Now I deal with the conditions upon which applicants may purchase homes from the housing commissions. In New South Wales and Western Australia they can do so after making deposits of £50. In Victoria the deposit is £100, in South Australia £200, in Queensland £250, while in Tasmania no deposit at all is required.

Mr. Curtin.—There is a Labour Government in Tasmania.

Mr. WHITLAM.—That is so. In the two States in which either no deposit or the smallest of deposits is required there are Labour governments. In Western Australia, the other State in which a deposit of only £50 is required, there was a Labour government at the time when the arrangement was made under which houses could be bought on that small deposit. The interest rate is 4½ per cent. in Victoria and Tasmania, 4¾ per cent. in New South Wales, 5 per cent. in South Australia and 5½ per cent. in Western Australia and Queensland. The repayment period is 40 years in South Australia, 53 years in Tasmania and 45 years in the other States.

interpolation that these figures show that not less than four-fifths

It is quite plain that apart from the War Service Homes Division one cannot secure accommodation at such low interest rates or over so long a period. Further, not even from the War Service Homes Division can one secure accommodation on such small deposits. It is obvious that a very large segment of our population can hope to rent or purchase premises only through the housing commissions and the housing trust, which the Commonwealth finances.

How are we meeting the need? I pointed out that 9,353 houses were made available last year, and that at the end of the year 70,000 people were waiting for housing commission or trust accommodation. The advances to the States for the purposes of the housing commissions and trust this year will be less than they were in 1951-52. In years subsequent to that year the amount of advances rose, but this year we will see the smallest amount, with the exception of that of last year, made available to the States for the erection of housing commission or trust houses since 1951-52. In all categories the numbers of houses erected last year by the housing commissions and trust were smaller than in the previous year, and the proportion of houses erected by the commissions and trusts showed an even steeper decline.

Last year 10,000 more houses and flats were erected in Australia as a whole, but the number of houses which were completed under the agreement by the housing commissions and trust fell from 9,430 to 9,353. The number commenced showed an even greater decline from 9,966 to 9,181. The position in each year was comparable. Of the funds made available under the Loan (Housing) Act of last year and that of the year before, 70 per cent. went to the housing commissions and trusts. The amount of money made available was practically the same. The number of houses erected and commenced fell significantly in total, and fell much more in proportion to the total housing activity in Australia.

Mr. Stokes.—Would the increase in wages have had anything to do with it?

Mr. WHITLAM.—Yes, and so would the increase in the cost of acquiring land and the increase in the cost of materials. The honorable member is quite correct.

The experience of every State housing commission and trust, the experience of the Commonwealth's own War Service Homes Division, and the experience of the Commonwealth in its own Territories, where it carries out directly itself the construction of houses, is that wages have risen, the cost of materials has risen and, above all, the cost of land has risen. Inevitably, if you make available only the same number of pounds, you will get fewer houses. Accordingly, the two kinds of housing which this source of funds and no other source provides—housing for those on modest incomes and replacement housing—are becoming less and less available and therefore more and more difficult to obtain.

I now come to the second feature of the housing agreement funds—diversions to building societies. Here, I quote the New South Wales figures, because they are the only complete figures made available by building societies over the years. New South Wales was the first State in which co-operative building societies were founded, and it is the only State for which one can obtain cumulative and comparative figures with respect to construction and funds. In New South Wales in 1959-60, 6,000 houses were built by building societies. In 1953-54 and in previous years before building societies received Commonwealth assistance, there were always more houses than that constructed by building societies. In 1950-51, for instance, half as many again as were built last financial year were built in New South Wales by the building societies.

These societies are depending more and more on the Commonwealth's grants for their funds. Last financial year was the first year in which the co-operative building societies in New South Wales had at their disposal more funds than they had before this Government came into office. Before this Government took office, they were receiving £12,015,000 a year from private sources, mainly the banks and the insurance companies. Before the present Commonwealth and State Housing Agreement came into force, the amount available to the building societies had dropped to about £6,627,000. The amount gradually rose as the 1956 agreement benefited the societies, and last financial year they received £13,545,000. But the amount

which they received in 1959-60 from private sources was still only about two-thirds as much in terms of pounds—that is the nominal value, not the actual value—as was received from private sources before this Government came into office. As I have already said, in 1949-50, the building societies in New South Wales received £12,015,000 from private sources.

Mr. Curtin.—Under which government?

Mr. WHITLAM.—The Chifley Government and the McGirr Government. Last financial year, the building societies received £8,085,000 from private sources. So the co-operative building societies are coming to depend more and more on government sources for their funds. They are spending government money instead of money provided out of bank deposits. In fact, if it were not for the government banks, the building societies would be receiving still less. At 30th June, 1960, the building societies in New South Wales had £98,000,000 on loan from the banks. Of this amount, £27,800,000 came from the Commonwealth Trading Bank and £46,200,000 from the Commonwealth Savings Bank. So 76 per cent. of the money which the building societies had borrowed from the banks came from the two Commonwealth banks. The Bank of New South Wales provided about £8,900,000 and the rest of the banks provided a negligible amount.

The claim is often made that if you divert money from the housing commissions to the co-operative building society movement you will obtain more houses, but that is not in fact the case. You will obtain more expensive houses, but you will not obtain more houses. Honorable members know that last financial year and the year before, 70 per cent. of the amount made available under the housing agreement in New South Wales was spent on housing commission houses and 30 per cent. on co-operative building society houses. But of the houses which were built by the two kinds of institutions which receive money under the agreement—the Housing Commission and the co-operative building societies—74 per cent. were built by the commission and 26 per cent. by the building societies. We get better value, in the sense that we have less overhead, and we get more houses from

the housing commissions than we get from the building societies.

I am not to be understood to be criticizing the building societies in any way. They play a very valuable and necessary part in housing the community, but they house people who are better able to house themselves than are those people who are housed by the housing commissions. And the co-operative building societies are now spending government funds, because this Government—the Commonwealth Government—which has power under the Australian Constitution to guide the investment policies of insurance companies and banks, has allowed those organizations to divert their funds to other forms of more profitable investment. So, because the investment policy of those institutions has gone astray, with this Government's acquiescence or encouragement, the Government has had to divert public funds—moneys raised by taxes—to co-operative building societies and away from housing commissions.

I come now to the third feature of the current Commonwealth and State Housing Agreement, which will expire next June; that is service housing. There is no need for the Commonwealth to provide money to enable the State housing commissions to provide service housing. The fact that the Commonwealth does so is an endorsement of the efficiency of the housing commissions of the States. If the Commonwealth did not think that the housing commissions were able to erect economically buildings of satisfactory standard it would not give them the funds to build houses for married members of the forces. In the first year of the current housing agreement, the money provided for service dwellings represented 3.7 per cent. of the total amount. In the current financial year, it will represent only 2.7 per cent. of the total. This is despite the fact that last financial year the number of servicemen seeking married quarters exceeded the number to whom married quarters were allocated. In the face of that deficiency, the allocation for service dwellings this financial year is smaller than that made last financial year.

In dealing with this matter, Sir, I quote figures which I received in answers to questions directed to the three service Ministers which I had put on notice. These figures are illuminating. Last financial year, 1,425

Army personnel were allotted married quarters. At the end of the financial year, 1,903 were still waiting. In respect of the Navy, the figures were 757 and 722, and in respect of the Air Force, they were 998 and 1,509. It is quite clear that with respect to a field in which the Commonwealth decides under this agreement how many houses will be built for people who are the Commonwealth's responsibility, and the responsibility of nobody else, this Government is falling down on the job.

I would hope that not much longer will pass before the Government will announce its plans for continuing Commonwealth assistance for housing. The Commonwealth should accept in this country the same function as the United States Federal Government accepts in that country. It is significant that the policies of both retiring Vice-President Nixon and President-elect Kennedy advocated a continuance and an enlargement of federal responsibility for housing in the United States. We should accept it in Australia as well. The means are at our hand. In 1945, 1955 and 1956, the Commonwealth made what were called agreements with the States—to be more accurate, in 1956 it made grants to the States—for the purposes of housing. Under those grants, the only present means of housing people of modest means are provided. Under those grants, the only means hitherto provided in this country for replacing over-age and sub-standard housing have been provided. The need for housing people of modest means and of replacing sub-standard housing has not diminished; it is increasing. The Australian Federal Government should accept the same responsibility as the United States Federal Government has accepted and will now increasingly accept.