

THE RISE AND FALL OF PUBLIC HOUSING IN AUSTRALIA

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ABSTRACT

Commonwealth Government engagement in housing was very limited until the war of 1939-45 when the conditions were ripe for its leadership. Reviewing the nation's social security system, Parliament concluded that housing was important in achieving a fairer society.

The Commonwealth Housing Commission (CHC) in the letter of transmittal accompanying its final report said:

We consider that a **dwelling of good standard and equipment is not only the need but the right of every citizen** – whether the dwelling is to be rented or purchased, no tenant or purchaser should be exploited for excessive profit (Emphasis in original) CHC 25 August 1944)

The CHC statement summarised the aspirations that had energised housing reformers as they responded to the privations of the previous half century. The Commonwealth's development of a public housing program was seen as a way of giving effect to the CHC's assertion.

This paper charts the departure from that lofty ambition since 1945 revealed as a series of episodes around the periodic Commonwealth State Housing Agreements (CSHAs) from 1945 to 2000.

Slum clearance and rehousing the displaced population was another important subject during the late Depression years. The identification of flats, terraces, and tenements, particularly in the inner city, as slums irrespective of how sound they were as housing stock was as much a moral judgment as a functional one. The claim that overcrowding in the slums would lead inevitably to alcoholism, crime and indecency, suggested that "morality is a question of square feet" (Spearritt 1974:65).

The Commonwealth proposed to create a public housing program under which households would be able to rent housing from a State housing authority as a matter of choice but low income households were expected to be a significant proportion of tenants. The original CSHA provided for the sale of houses although that the proportion would initially be very low.

The initial CSHA was signed in 1945. It was followed by Agreements in 1956, 1961, 1966, 1973, 1978, 1981, 1984, 1989, 1996, 1999, and 2003. The Commonwealth underestimated the difficulties of creating the capacity in the various State agencies to deliver the program and of getting the States to share its political and program ambitions. While all States were covered by the Agreement, some felt that the conditions were too onerous. Queensland initially refused to sign up on the grounds that sales of houses were not permitted. South Australia was unenthusiastic because it believed its own housing scheme was better. Both States eventually signed up to the CSHA. Tasmania signed up in 1945 but withdrew in 1950 because of the limitations on sale of houses, re-signing in 1956 when the conditions on sale of houses were relaxed

THE 1945 – 1956 CSHA THE PUBLIC HOUSING DREAM

The 1945 CSHA provided loan funds over 53 years on the condition that housing was directed, in the first instance, to meeting the accommodation needs of low income families, in particular for the provision of rental housing. The ambitions for public housing were far more modest than those of the CHC. In its first year of operation of the 1945 CSHA State housing authorities completed 4,028 houses which was 26.1% of all dwellings completed nationally, falling to 14.8% in the second year. The total number of dwellings completed annually increased nationally from 15,422 to 56,987 by 1949-50. The proportion of the total number of

completed dwellings annually that were public housing fell to 13.1% Table 1 (excluding the dwellings being built in South Australia which continued to remain outside the Agreement).

The Commonwealth was alarmed at the low level of slum clearance and by late 1948 was unhappy that the States were taking what they thought was an inordinate time to develop appropriate town planning systems. The Commonwealth was also frustrated by the States' inability to take measures to increase the production of building materials in spite of evidence that demand for materials was booming.

By the end of the first five years of the 1945 CSHA there was a large backlog of demand not only for dwellings but for other buildings and for alterations and additions that had not been carried out due to war time and post war building restrictions. It became evident too that the States had not maintained an appropriate level of investment in infrastructure. The small degree of 'excess capacity' in water supply and sewerage services had virtually disappeared leading to demands for services that States simply could not meet. The States sought Commonwealth help in meeting the demand for infrastructure only to be rebuffed, although much of the demand was due to the high level of immigration maintained by the Commonwealth.

The continuation of income taxation standardisation that had been introduced at the beginning of the war changed utterly the relative capacity of the States to raise the funds needed for investment in infrastructure. The standardisation shifted economic power to the Commonwealth at the expense of the States. The Commonwealth controlled the national and local level of investment in housing and infrastructure and the drivers of demand for them leaving the States with the responsibility for delivery. The shortage of rental housing and the length of the waiting list for public housing was seen as a failure by State authorities rather than the outcome of under-investment by the Commonwealth.

The new 1949 Coalition Government seized the initiative on home ownership and did not see good housing as a right but did not make immediate changes to the CSHA. A major change occurred, however, in 1954, when Menzies, claiming he was responding to requests from State governments, said houses could be sold on terms.

As the 1945 CSHA came to its end the Commonwealth amended the Agreement to influence the type and location of houses to be built and the right to impose a ceiling on annual expenditure. By 1956 14.4% of the dwellings that had been completed nationally since the war were built as public housing, 85.4% of all dwellings built in the period were houses (Table 1). Of the public housing built 6.6% was sold, all houses. This had the effect of increasing the proportion of public housing units in the form of flats and the sale of houses in the 'best' locations, reducing the locational choices of subsequent generations of low income public housing applicants. Spooner, Minister with responsibility for housing, initially opposed the sale of public housing on the grounds that the Commonwealth should retain a stock of housing for rent because of the collapse of the traditional private rental market. He also argued that it was not 'fair' to sell to low income workers on advantageous terms because they 'had no culture of thrift or sense of community obligation'. He was implicitly arguing that to sell houses to low income households was unfair to the middle income class identified by Menzies as 'the forgotten people'. (A 4950 File C937 Cabinet Minute 7/8.1953).

While provision of public housing continued, the retention of rent controls had given little incentive to build rental accommodation. Some households turned to building their own homes. The growth in owner building was fuelled by the rapid increase in household formation following the war and was made feasible by the number of 'vacant allotments' from the 1920s land boom and pre-war premature subdivision and by the ease with which new subdivisions were approved in those areas that already had a significant 'spare capacity' in infrastructure. The rise in car ownership in the early post-war period also meant that suburban areas between the radial rail lines were now 'accessible'. Sydney, Melbourne, Brisbane, Perth had high levels of owner building whereas in Adelaide there was practically none. The proportion of houses built by owner builders declined after the 1960s as the supply of 'prematurely subdivided blocks' was reduced and the land development process was progressively corporatised. The level of owner building led to a rapid increase in the level of owner occupation.

THE 1956 – 1961 CSHA THE SWING TO HOME OWNERSHIP

Apart from making the purchase of public housing easier the Commonwealth took no special measures to promote owner occupation during the period of the 1945 CSHA. It continued the advantageous conditions that applied to owner occupiers *viz* no taxation of imputed rents, no taxation of capital gains and at different times allowed income taxation deductions on property rates.

Menzies claimed that his government had built more public housing than under the Chifley Labor government but fell short of the public housing targets recommended by the CHC. The further decline in public housing dates from 1956 when, without wide consultation with the States the Commonwealth amended the CSHA. It removed the immediate repayment requirement on the States and opened the way for tenants to buy their homes on more favourable terms. It also diverted an initial 20 per cent, subsequently 30 per cent, of Commonwealth funds for housing to a Home Builders Account (HBA) so homes could be bought by middle income earners – Menzies' 'forgotten people' (Brett 1992) - through building or co-operative societies or other approved institutions, dramatically reduced the level of resources available for the construction of public housing. The amendments coincided with the peak of public housing programs in South Australia which had energetically used them as part of its post war industrialisation and development policies and had a proportionately significantly stronger commitment for most of the first twenty years to public housing than the other States (Dingle 1999).

By the time of the 1956 CSHA 96,138 dwellings had been completed under the 1945 CSHA of which 6,383 houses had been sold. The Commonwealth argued in the 1956 CSHA that public housing standards should be lowered to maximise the number of houses being built by reducing bedroom sizes, lowering ceilings, etc. The Commonwealth did not make such suggestions in directing funds for house purchase through the Building Societies. The differential attitude to public rental housing and to private ownership was consistent with the views Menzies had expressed about the housing needs of the different groups in society. The 1956 CSHA saw a rapid increase in the sales of houses built under the 1945 CSHA. It also saw the allocation of funds for the construction of housing for servicemen built for the Commonwealth by the State housing authorities. The 1956 CSHA was followed by a reduction in the number of dwellings built for public housing compared with the last five years of the 1945 CSHA. The numbers of dwellings built under the HBA (funds 'diverted' to finance owner occupation) increased rapidly. The sale of houses built under the various CSHAs was equivalent to 68% of the total public housing dwellings built under the 1956-61 CSHA.

The planning processes that the States introduced in response to modernist notions and to Commonwealth pressures ignored the problems that were inherent in planned urban development in a situation where land was privately owned. These processes had no provision for the capture of planning gain nor could they require that land be brought into production when it was needed. The dilemma created, that simply secured large unearned increments for sitting owners, was not resolved. Sitting owners and those developers who could afford to assemble land holdings were placed in the position of dictating the pace, nature and direction of development of the city. The effect of the process was to significantly inflate 'costs' of development which, allied to the ability of major land owners to hold land off the market, ultimately led to inflation in house prices significantly above the underlying rate of inflation.

Owner builder activity continued at a high level during the early years of the 1956 CSHA contributing more dwellings to the stock of housing than those built under the CSHA. Owner building lifted the level of owner occupation by approximately 5.8% by 1961 which together with sales of public housing and houses built under the HBA resulted in the overall level of owner occupation of 70.3% found in the 1961 Census. The continued sale of the public housing stock built under the different CSHAs together with the HBA activity and the vigorous level of owner builder activity led to a small increase in owner occupation in the 1966 Census of 71.4%, the highest level achieved in the post-war period.

Prior to the introduction of uniform taxation the Commonwealth had little effect on home ownership rates. The moral benefits that home ownership allegedly conferred were identified by Menzies (Brett 1942) and others. Home owners were seen as "men of substance", pillars of the community, while renters were seen as feckless transients with no connection with the community and no desire to be engaged.

Corporatisation of Land Development

The corporatisation of land development and the development of large public housing estates were accompanied by rising expectations in the provision of services and facilities. It was cheaper to provide sealed pavements, kerbing and channelling, drainage and sewerage before houses were built on estates. Blocks could also be smaller. The reduction in block size occurred at a time of increasing demand for larger houses. This in turn led to demands for a change in building regulations to allow increases in site coverage. These 'efficiencies' reduced the degree of pioneering that households had to face. The estates were marketed as 'communities' and were seen as more 'modern'.

The States always were suspicious of the Commonwealth's motives. One occasion when the motives of a Commonwealth Minister were not as open as was claimed was in 1960 when Spooner argued that:

support to building societies and encouraging slum clearance under a new Agreement should also assist in attaining another Commonwealth objective – namely the limitation of the funds available to the States for the building of individual houses in suburban areas, thus also limiting the number of Agreement houses available for sale by the States at very low deposits.

and that:

From the point of view of city planning it also seems that the ideal slum clearance programme is one which allows for a dense development of dwellings in the city areas and thus avoids the further extension of metropolitan regions and the mounting costs of services.

concluding that:

to the extent that they (the States) can be encouraged to engage in slum clearance schemes, the number of separate houses they will be able to build in suburban areas will be reduced.

Claiming that:

the encouragement of slum clearance represents a method by which the Commonwealth may seek to avoid further reductions in the construction of dwellings for rental rather than for sale.

Spooner held the view that public housing tenants and those who had bought their homes from the State housing authorities were politically biased – that is, they were more likely to vote Labor. Without advising his Department he commissioned research through his Party's Federal Secretariat to determine the magnitude of the 'Labor bias' among voters in suburban marginal 'government electorates'. (AA A4940/1 File C3247).

The research was inconclusive but Spooner held to his view that the suburban areas were the natural heartland and province of conservative support and that it would be folly to make it easy under the CSHA for low income households to gain ownership of houses there. In Cabinet Submission 936 of 13 November 1960 Spooner observed that since 1945/46 about 15% of all dwellings completed had been financed by Commonwealth moneys. He claimed that the housing shortage no longer constituted a serious social problem.

He reported that high proportions of the houses built under the 1956 CSHA had been sold. The net gain of rental stock in some States was low. In Tasmania few of the houses built were not sold whereas the proportion sold in South Australia, which arguably had the best public housing program was easily the lowest. Spooner believed that houses funded through the Building Societies were of a higher quality than housing authority houses but this was code for pro suburban development on political grounds. Slum clearance which had been a strong motivation for public housing and planning assumed greater significance for Spooner who argued that while it was an important social objective which the Commonwealth should support it should not entail participation in the machinery of slum clearance schemes.

THE 1961 – 1966 CSHA THE TRIUMPH OF HOME OWNERSHIP

Menzies made much of his commitment to the notion of home ownership and he claimed the credit for the level of 71.4% reached in 1966, a remarkable increase over the level of 53.4% recorded in the 1947 Census. Much of the increase was due to the level of owner building and the aggressive sell-off of public housing by the States. Another large component of the increase in owner occupation was due to the massive uptake by returned servicemen exercising their rights under the War Service Homes Act 1918-1962 which was of a similar order as those purchasing CSHA houses.

In response to an emerging crisis Spooner argued that there was a general view that there were insufficient funds available on reasonable terms to finance new homes or the purchase of old ones. He pointed out that

savings banks were the traditional sources of housing loans on about 15% of new homes and said it was not correct to blame the difficulties of home seekers in raising deposits entirely on their failure to save.

Between 1953/54 and 1961/63 average national income per head increased by 30% but average cost of land and house had increased by over 50%”(AA A5819 Cabinet Submission 541) .

He did not acknowledge that the inflation in land costs was largely due to the way the provision of servicing had changed over the period but commented that:

...we would all like to see an increase in the number of dwellings financed from private sources and a decrease in those built by State housing authorities under the CSHA.

Spoooner argued that funds provided to the States by the Commonwealth gave them considerable advantage over private developers. He rewrote history saying that the States had retreated from the original object of the CSHA which was to build homes for rental, failing to acknowledge that it was under his Ministry that the Commonwealth had forced the States to sell houses in pursuit of the Commonwealth's determination to raise the level of owner occupation. He was concerned that the kudos for State housing authorities went to the States when the Commonwealth provided the funds.

The 1961 CSHA was due to terminate in mid 1966. Bury, the new Minister for Housing, proposed an aggressive approach designed to further constrain State housing authorities and to shift the decision making of housing programs to more direct Commonwealth control the discussion of housing issues was interrupted because of Menzies' retirement on 29/1/1966. Harold Holt was elected Prime Minister and appointed Senator AJM Rankin Minister for Housing – the first woman to be appointed as a Minister in the Australian government. The Holt Ministry decided that the CSHA should be extended to 1971 and that requests from the States for financial assistance for slum clearance be refused. Rankin felt that the inner city land the slums occupied was too valuable for low income housing favouring medium density housing for higher income households with the proceeds of sale of the sites to be used for low income housing in outer suburbs. Rankin negotiated a new CSHA to 30/6/1971 that included a requirement that Service housing be of a higher standard than public housing and that HBA loans should be made available for rural housing. Cabinet agreed that she might be able to respond to requests for support for aged persons' housing.

By the mid 1950s government housing authorities were including the construction of flats in their housing programs. In 1956-57 flats were 4.2% of all dwellings completed in Australia but by the end of the 1956 CSHA over 20 percent of all dwellings completed in the period 1956-73 were flats. Changes in the strata titling of flats in the early 1960s gave a fillip to private flat construction in the major cities. By 1971-72 28% of dwellings built nationally were flats, presaging a significant change in the form of the cities. The shift in form of public housing began shortly after the 1956 CSHA. In 1957-58 flats built for government ownership were 29% of all flats completed that year. By the end of the 1956 CSHA government authorities had increased their completions more than threefold although their total annual completion of all flats built had fallen to 7.7%. Rankin was concerned over what she saw was an under-researched development in the changing form of Australian cities. She complained about exaggerated ill-informed comment and sought permission and resources to commission surveys to be better informed about the impact of flat living on households. Treasury, PM&C and the PSB were united in their opposition to the notion that research based evidence might be a useful contribution to the development of housing policy.

The turbulence in the Gorton Government led to a change in Prime Minister on 10/3/1971 when W McMahon became Prime Minister. The new Government was faced with a situation in which it had agreed, allegedly with the support of State governments, not to replace the CSHA when it expired in 1971 believing that the housing situation was now 'normalised'.

THE 1966 – 1973 CSHA TOWARD WELFARE HOUSING

During the period of both the 1961 and 1966 CSAs the Commonwealth had repeatedly made the point in internal discussions that the Programs pursued State priorities and that there should be greater input by the Commonwealth. Discussion also focussed on how to define households who needed help finding adequate accommodation. The original CSHA had seen housing pursued in terms of equity and of rights and the early programs were seen as addressing the needs of all members of the community. Developing the capacity directly to deliver accommodation to the groups as part of its welfare agenda also gave the Commonwealth a

greater ability to control the housing agenda. The first of these initiatives had been under the Aged and Disabled Persons Homes Act of 1954 under which grants were made available to non-profit organisations and local governing bodies for providing homes for aged or disabled persons. The Program was administered by the Department of Social Security and the subsidies available were limited. The focus on the accommodation needs of special groups also had the benefit of changing the balance of Commonwealth–State relations increasingly in the Commonwealth’s direction.

By 1971 approximately 40% of the houses built under the CSHA had been sold (IC 1993). One consequence of this was that State authorities developed housing on the fringe of the cities. Low income households were increasingly forced into outer locations where job opportunities were few and transport costs high.

Initially the Commonwealth’s public housing program had a broad and inclusive remit limited only by the level of resources allocated to each State and to the imagination of the State housing authorities responding to the housing needs of different groups in their communities. The waning Commonwealth support for public housing was accompanied by growing advocacy by groups seeking resources for the housing needs of special interest groups. This fracturing of the general welfare task led to the emergence within the Commonwealth administration of special sections that inevitably led to greater intrusion in the management of the States’ housing programs. The nature of Commonwealth–State relations was being changed with each incursion by the Commonwealth in managing the accommodation needs of the different ‘welfare’ groups.

The planning systems, developed by the States as conditions attached to CSHA funding, were unable to moderate the price of residential land. Rising expectations over the range and quality of urban services provided to residential areas exacerbated the increased demand for housing. While it was widely recognised that the Commonwealth’s immigration programs were significant causes of the growth pressures on cities it was deaf to State and local government requests for funds to help finance the provision of urban services needed by the increased population. State government and local authorities responded by charging developers’ levies for the provision of urban services and was a cause of an immediate and continuing pressure on property prices in both existing and new areas.

THE 1973 – 1978 CSHA ATTEMPTED RESUSCITATION OF PUBLIC HOUSING

Early in 1973 the Whitlam government sought to limit the sale of public housing stock and build up the level of public rental dwellings. Its efforts were largely ineffectual, because of resistance from several States. The 1973 CSHA was quickly negotiated as a ‘stop-gap’ measure to maintain programs and give time for the Commonwealth to develop a more nuanced Agreement. It significantly increased the targeting of public housing to low income households in a bid to improve ‘efficiency’. It also formally limited the sale to tenants of new houses to 30% of the annual additions to stock. The total sale of houses from both the 1945 and 1973 CSHAs was equivalent to 62.9% of the dwellings built under the 1973 CSHA. The 18,837 houses built under the HBA were equivalent to 43.2% of the dwellings built under the CSHA. This was a further reduction in the development of a substantial stock of public housing. The proportion of dwellings built as houses continued to fall under the 1973 CSHA. The process of changing the form of Australian cities was speeding up as was the proportion of publicly owned dwellings as flats.

The cost and price of housing continued to be a source of social and political concern. Over the period 1969-1973 the number of years’ average earnings required to buy a house site increased substantially. In Sydney it increased from 1.7 to 2.7 years while in Melbourne it grew from 1.2 to 1.8 years.

The proportion of owner occupied houses remained high but fewer than one in six flats were owned by occupiers. Of the dwellings built in the period of the 1973 CSHA 6.3% were for public housing. The shortage of public housing to meet demand was exacerbated when a further 27,404 publicly owned houses were sold and the proportion of the housing stock in public ownership continued to fall. Public housing ‘waiting lists’ increased. The proportion of dwellings built as ‘flats’ or other forms of higher density housing continued to increase during this period to reach 26.5% of all dwelling completions.

THE 1978 – 1981 CSHA MAKE THE POOR PAY MORE FOR THEIR HOUSING

In introducing fundamental changes to the CSHA in 1978 the Commonwealth Coalition government continued targeting those in most need and insisted that States introduce market related rents instead of the historic rents they had previously employed with rental rebates for needy tenants. The proportion of tenants needing such subsidy rose dramatically as the tenants were increasingly households of multiple disadvantage. The initiative was designed to reduce pressure on the Commonwealth Budget. The Commonwealth's position appeared to be ambiguous: on the one hand it seemed anxious to give the States back responsibility and power over housing for low income households but without giving them the resources required, the other it was determined to retain control over national economic policy including interest rates which influenced the supply, cost and access to housing. The 1978 CSHA gave States a little more latitude in the types of housing that could be covered but also introduced the matching Commonwealth grants. The States were in no position to reject the initiatives but they further limited States' capacity to invest in infrastructure. The most significant change was the introduction of market related rents that ultimately stigmatised housing provided by the State housing authorities and forced many of them into technical insolvency.

The combined effect of the 1973 and 1978 CSHAs changed the Commonwealth's housing initiative from focusing on public housing to focusing on welfare housing. The dismantling process started by Menzies was almost complete. Under the 1978 CSHA the annual completion of dwellings built by the States as public housing fell to 6.2% of all dwellings built. The number of public houses sold continued at a high rate being equivalent to more than a quarter (26.4%) of the public housing built. Almost a quarter of the dwellings built nationally were flats continuing the rapid change in the form of the city. The Commonwealth allocation under the 1978 CSHA for welfare housing fell 17.5% in its first year and a further 21% in its second representing a real decline of 45%. One of the effects of the 1978 CSHA was to greatly reinforce the process of stigmatisation of the tenants of public housing estates. The Commonwealth further undermined the public housing program in 1979 by earmarking \$100million of the \$260million funds advanced to the States for the CSHA to be applied as 'grants to cover pensioners, aboriginals and other specially needy categories of persons'. The requirement under the Agreement that States match the Commonwealth together with the diversion of funds from the general pool for public housing to provide accommodation for special groups reduced public housing completions.

THE 1981 – 1984 CSHA FALSE PROMISE

In the first two years of the 1981 CSHA the annual construction of dwellings built by the States fell. The reduced importance of public housing was highlighted by the abolition of the Department of Housing and Construction. Its welfare housing functions were shifted to the Department of Social Security in 1982 signalling the end of the Commonwealth's experiment with public housing and the designation of housing as a welfare concern.

The situation for the States was now worse. They were relentlessly pushed in two directions simultaneously. On the one hand Commonwealth funds allocated for public housing were cut while on the other the growth of Commonwealth rental assistance programs shifted the focus away from public housing and pushed the States under increasing levels of Commonwealth control. By 1981-82 the Commonwealth was paying the States a little over 8% of the funds they had been paying in 1974-75. This was a catastrophic decline which brought the State housing authorities close to collapse. The new emphasis on housing as welfare was accompanied in 1982 by the creation of two focussed housing welfare housing programs: the first on crisis accommodation for families and the second a program for special accommodation for elderly, disabled and handicapped people. Rent subsidies for private renters were also introduced and tax rebates on mortgage interest charges for owner occupiers were reintroduced.

Hawke promised to increase the proportion of public housing to 10% of the stock. His election as Prime Minister in 1983 saw a significant increase in the number of dwellings built under the CSHA. The sale of houses built under the various CSHAs however continued at a high rate. In the first two years of the 1981 Agreement the number of dwellings built under the CSHA fell as the total national number of houses and the number of 'other dwellings' (including flats) built stalled. The CSHA accounted for 6.8% of the total number of dwellings built but in the same period the number of houses sold was equivalent to 13.2% of the dwellings built.

THE 1984 – 1989 CSHA RESIDUAL WELFARE HOUSING

Hawke's promise was honoured handsomely in the last year of the 1981 Agreement and first two years of the 1984 Agreement but within a couple of years the enthusiasm for public housing faded. The 10% target was never met. In reducing its support for public housing the 1984 CSHA endorsed the shift in focus introduced by the Fraser government and further segmented the provision of welfare housing by introducing a number of rental housing programs for groups such as pensioners, Aboriginal households and those needing crisis accommodation. These initiatives further transformed the housing program to one focused on 'welfare housing' and then to 'residual social' housing.

The 1984 CSHA also provided for the introduction of mortgage assistance for owner occupiers in difficulty and rent assistance for those in private rental housing. The Agreement gave States the right to decide the proportion of untied funds to be allocated to home purchase assistance and to rental housing assistance but States were required to match the funds from their own resources. After an early increase in the number of dwellings built under the CSHA the number of dwellings built under it fell and the sale of houses built under earlier CSHAs continued at a high rate. The proportion of new dwellings built as flats continued with more than a quarter of all completions in that form of accommodation.

The Local Government and Community Housing Program initiated in 1984 was designed to assist local governments, community groups and other non-governmental organisations to provide low cost housing. Few local governments were enthusiastic about such opportunities because they lacked the funds needed. Community groups also lacked the necessary resources so did not pursue the opportunity to provide such housing. Although hailed as a progressive step, Commonwealth support was at a level considerably lower than its rhetoric. Between 1984 and 1992 the program received about 1.8% of the funds available under the CSHA. It was transformed into a Community Housing Program in 1993 and the level of funding increased substantially but not enough to make up for the fall in Commonwealth support for public housing generally.

In vacating the field of direct housing provision the Commonwealth government was pandering to a variety of 'community interest' groups. This was parallel to the initiatives it had taken in delivery of various welfare services. It was also increasingly responsive to the arguments made by private sector interests to reduce housing standards and building regulations. The Commonwealth's approach to public housing was increasingly seen narrowly as one of welfare. This in turn meant the Commonwealth could increasingly become directly responsible for managing housing, progressively sidelining the States.

THE 1989 – 1996 CSHA THE CHARADE OR GOING THROUGH THE MOTIONS

By the end of the 1989 CSHA the level of public housing was only slightly more than half the level it had been at its start and was about 5.1% of dwellings completed that year. It was the lowest it had been for fifty years at a time when the need for low income housing was greater than ever. The fall in public housing in the last year of the CSHA occurred when the private sector production of accommodation was also near its lowest for a decade.

THE 1996 -1999 CSHA

The 1996 CSHA gave expression to claims that all the people who lived in public housing were not poor and that all the poor did not live in public housing, and that it was more appropriate to focus housing support for individual low income households rather than building a stock of public housing. The Howard Commonwealth government took office in 1996 and energetically set about undoing the housing and other urban initiatives of the Hawke and Keating governments. Throughout the period of the 1996 CSHA funds were cut. The number of dwellings built under the CSHA in this period was less than in the first four years of the first CSHA – 20,364 in 1996-1999 compared with 22,858 in 1945-1949. Transferring the public housing funding to resource so called rent subsidies to low income households meant that they were simply forced into the arms of private suppliers of rental housing from whom they could expect no nuanced understanding of their needs. The number of 'homeless' increased. The proponents of the policy of subsidising rents of low income households did not recognise that they were actually recreating the social conditions that had led originally to the demands for a public housing program. The pursuit of 'efficiency' in welfare housing also led to demands for increasing accountability meaning the States were required to set targets and monitor progress in

achieving them. This provided yet another way for the Commonwealth to gain control over the States while maintaining the fiction of separateness and individuality

THE 1999 – 2003 CSHA WANTON DISREGARD

The 1999 CSHA focussed on crude assessments of the housing 'needs' of poor and vulnerable households and marked the end of the approach taken by the CHC to give low income households security of tenure. The net effect of the public housing programs over 55 years was that 4.5% of the stock of occupied private dwellings found in the 2001 census was managed as rental housing by State or Territory Housing Authorities. Of the 317,171 dwellings rented by Housing Authorities fewer than half (46.9%) were houses. The stock of public rental accommodation included 2.8% of all houses, 9.7% of all flats and 12.1% of semi-detached, row or terrace houses. Public tenants were accommodated in housing at higher density than the general population. In spite of the long term support the level of owner occupation was down to 65.5%. Traditional houses had an owner occupation level of 76.4% compared with 42.7% for semi-detached, row, terrace or townhouses and 25.7% for flats.

CONCLUSION

The 'housing problem' that had manifested itself during the 1930s and 1940s was evident in all Australian States to varying degree. It had become clear to influential political and social leaders that the only way to resolve the problem was to develop a national approach. The creation of the CHC in 1943 to advise the Commonwealth, and through it the States, on the nature of demand for accommodation and how it should be met was the first step in charting a comprehensive policy and program for the housing of the population. The Commonwealth was not setting out to replace private ownership of dwellings but wanted to provide security of tenure and choice to those who did not want or who could not afford to own a dwelling.

The Commonwealth increasingly came to dominate the States after 1950 as the relative economic power between it and the States shifted. Housing was one area where the Commonwealth could assert its will. It had no real competition in the field of owner occupied housing and it could ignore complaints from the States about their difficulties trying to cope with urbanisation and the consequent housing problems including as a result of the high level of migration. Policy directed at increasing owner occupation shifted the focus from the States to the Commonwealth which could claim that it was responsible for ensuring that an increasing proportion of households attained 'a home of their own'.

Table 1: Summary housing statistics Australia 1945- 2000. Numbers Completed, CSHA Houses Sold

Year	CSHA Public	CSHA Service	CSHA HBA	1945 CSHA Houses sold	1956 CSHA Houses sold	Owner Builder	Total Houses completed	Total Flats completed	Total dwellings completed
1945-46	4028						15376	46	15422
1946-47	4873						32607	319	32926
1947-48	6427			109			43457	768	44271
1948-49	7530			78			51339	1345	55684
1949-50	7438			231			55493	1494	56987
1950-51	7877			763			67580	1684	69297
1951-52	8783			930		25988	77976	2006	80119
1952-53	10264			863		29497	77330	2627	80208
1953-54	12683			520		29454	75398	2180	77578
1954-55	14318			294		28826	79838	2272	82110
1955-56	11917			2595		26541	75536	2968	78504
1956-57	9196	467h	1067h	3161	2902	21820	65540	2898	68436
1957-58	9179	867h	2419h	2104	5017	21615	71179	3406	74585
1958-59	9317	752h	2993h	1731	4848	23238	78797	5361	84158
1959-60	8793	560h	3603h	1620	5273	20799	81630	8391	90021
1960-61	8353	506	3535h	1638	4868	19601	80775	13690	94465
1961-62			4451h		6161*	16303	74044	12219	86263
1962-63	10210d	676h	4877h		6015	13417	75796	11951	87747
1963-64	10153d	853d	4019h		4800***	11713	81114	15619	96733
1964-65					6143h	11044	84484	28167	112651
1965-66	10936d	1095d	4455d		6179h	10959	81096	31670	112766
1966-67	10870d	1070d	4635d	1448	5521h	10807	81960	29932	111892
1967-68	10371d	868d	5417d	1211	5617h	11052	85756	34414	120170
1968-69	9670d	1176d	4646d	1118	3867h	11734	91546	39141	130687
1969-70	10762d	917d	4679d		5829h	11914	97524	44688	142212
1970-71	12793d	1012d	5062d	1535	5062h	11272	95431	45972	141403
1971-72	11130d	1051d	4098d	1089	5498h	11892	102953	39801	142754
1972-73	8012d	494d	4823	990	4184h	13768	107318	41826	149144
1973-74						14783	104908	45120od	150028
1974-75	9371d	533d	4289d		5789d	14461	96972	44123od	141095
1975-76	11066d	923d	3832d		6586d	16334	99900R	32100od	132026
1976-77	8532d	582d	2998d		6047d	20539	110400R	34400od	144788
1977-78	8953d	473d	3162d		3901d	21008	100100R	28800od	128936
1978-79	8771	380	na		2643	18254	93100	24100od	117134
1979-80	7550	61	na		2193	19787	100100	29200od	129270
1980-81	7946		na		1461	20840	101500	34400od	135880
1981-82	7101		na		1519	22740			138310
1982-83	7959		na		908	20800	79900	35400	115660
1983-84	10715d		na		977	22450	97700	25900	123770
1984-85	13200e		na			26640	111600	30500	142370
1985-86	12215				1395				140480
1986-87	9701				1220		91500	28200	119690
1987-88	9701				1124		92600	25600	118200
1988-89	11000R						115400R	34700R	150100R
1989-90	12500R		4619		3680		117700R	42100R	159800R
1990-91	11500R						98800R	28900R	127700R
1991-92	9700R						99900R	32800R	132700R
1992-93	11100R						115300R	41000R	156300
1993-94	na						122243	46125	168268
1994-95	7700						120725	47228	167953
1995-96	6863						94049	40953	135002
1996-97	6012						83427	35552	118979
1997-98	4441						94264	36675	130939
1998	4647						98614	39405	138019
1999	5264						99525	39902	139427
2000	4025						110735	48014	158749
2001	3744						86131	36499	122630

Source: ABS Year books covering the period 1945 to 2001.

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