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**Title:**

Keynote address to the National Housing Convention of the Housing Industry Association

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Mr,

My Lord Mayor,

Ladies and Gentlemen :

Thank you for inviting me here today. I was very pleased to accept your Association's invitation to speak here today because I have always regarded the business and activity of building houses for people as one of the most important and fundamental areas of concern for a State Parliamentary Leader. In fact, the housing 'buck', ultimately, stops at my desk. It may be handed across or cut up by the Australian Government - it may be recirculated or held back or lost in some corner of the public or private sectors - it may suffer unusual distortions in the hands of some planners and economists: but ultimately, when or if things go wrong, it lands on my desk, and often more as a mess of pottage than a dollar bill.

Now I think I should hurriedly say that I don't think that the State Government's ultimate and residual responsibilities in this area are a bad thing. What more fundamental need is there than housing? In fact, in our climate, there is no more fundamental need - food and clothing are simply equal.

The important thing about the housing industry is that it is just as basic to our late twentieth century society as it ever has been to any society at any time. Patterns of land division and usage, methods of construction and design, the long-established carpentry and masonry-related trades, the newly emergent techniques for mass produced or standardised housing components - each of these activities has a basic relationship to the methods of resource allocation which determine the quality of our society. Housing money regulates or effects a massive part of the economy. It is possible to build a city without cars, but there has never been a city without houses.

Now all this, of course, is to state the obvious to a group of housing industry professionals. It's just that it seems to me that such truisms need pondering on at present - when there is a significant level of soul-searching and re-examination occurring in the community at large.

Most sectors of the economy are at present somewhat strained, and it is inevitable that, in an economy such as ours the housing industry, being so fundamentally related to our overall health and development, should as it were, feel the pinch.

Now in all this, I should say that I hope this Convention is the last in which our concerns are largely economic uncertainty. How much better it would be if the industry could concentrate its wisdom, experience and imagination on the design and development problems of housing - areas that, in Australia by and large, are the creative province of a very small group of builders and architects.

And just to continue in this vein for a moment, before reverting to the more pressing problems and preoccupations of your industry, I would like to say that we cannot be proud of the quality of our housing design. For our first fifty or so years, Australian builders and settlers produced housing designs and land-use patterns that were very effectively and practically related to the climate, the landscape, the materials available and the prevailing economic situation. A great many of these houses still stand as monuments to the taste, restraint and expertise of early builders.

However, I do not think we can say today that the quality of housing in Australia achieves such high standards, such economies in materials, or such sympathy with the landscape and climate. There are, of course, many exceptions to this rule. Fine housing is designed and built throughout the country: in inner-city areas and suburbs; in clusters, rows and subdivisions. But overall, we massively waste in materials and labour and land by constantly refusing to give a wide enough choice, or by not understanding the nature of the options we have in social planning and life styles.

It is not enough of that. To return to the main matter at hand: the economic stability of the industry. At the moment the housing industry in Australia is running well below its capacity and may do so for some months more.

While the level of new dwelling approvals did rise quite substantially in March, on seasonally adjusted figures, to 11,328 units, against an average of 9,840 in the two previous months, the March quarter total was still a disappointing level, given Federal Governmental initiatives.

For the March quarter of 1975 in Australia as a whole, 27,196 dwellings were actually approved, which was down nearly 30% from the reasonable level of a year before.

Commencements in the latest quarter were 30,196, which was down 27% from Australia's 41,328 in the March quarter of 1974. South Australia's commencements, 3,040 in the latest three months and also rather light,

represented 10.1% of the Australian total, compared with this State's population share of only 9.1%.

Now these figures are beginning to reflect the expanded availability of Savings Bank and Building Society loan finance. They include, of course, the stimulation caused by the Australian Government's making certain classes of mortgage repayments tax deductible. Other action taken included extramonies provided for an increase in Savings Bank loans for housing, but the result here is that an unexpectedly large proportion of the funds have so far been used for the purchase of established houses and therefore it may take more time than hitherto expected for the demand for new housing to be affected.

Two other moves to stimulate or assist the industry have also recently been made by the Australian Government. The first is the forthcoming establishment of the Australian Housing Corporation. The Australian Government's intention is that the Corporation's first task will be to provide middle-range housing finance for those persons unable to qualify for other forms of housing financial assistance. The second case is the establishment of an Indicative Planning Council, and I would therefore like to spend some moments touching on the kind of planning improvement the Council will make nationally. The housing industry often asks why it so often seems to be the first affected (and sometimes the worst affected) by economic fluctuations, and accordingly it often appears cynical about its national role. But the fact is that its size has often meant that it is rapidly affected by economic change, downturn or heat-up. This is, I believe, the first thing Governments should concentrate on in economic planning: how to prevent this from happening.

It is not just rises and falls which make operations in the housing industry more difficult, it is also the sudden changes in direction. Obviously, one of the answers is better planning, and hence the Indicative Planning Council. Hitherto there has been very little assessment on a National basis, year by year, of the country's housing requirements. And one major way to achieve economic stability for the industry is to assess the requirements related to population increases and their distribution.

The health of the housing industry is closely related to State and Federal Government policies conditioning the supply of labour, materials and finance. This is where I have great hopes for the working committees of the Council.

Its inaugural meeting was held in Canberra on February 21, and I am pleased to announce that the first State working committee to meet was South Australia's. It was brought together by Mr. Johnson and Ministers of my own State Cabinet, Don Hopgood and Glen Broomhill, on Thursday of last week.

The basic task of the Committee is to determine the desirable and feasible levels of home building activity for the ensuing three years. This is a continuing problem, the answers to which might be simple enough to formulate but they are far less simple to convert to operational reality. The task involves constantly assessing in each year, successively, the desirable level of activity three years ahead. The results of the findings of the various State working committees will, I believe, enable planning by the Council to establish a more stable level of home building activity not subject to major fluctuation. It will assist in attaining optimum output from available resources, and will also examine the priorities in welfare housing. To assist builders and developers in their forward planning, the committee and Council will broadly examine areas of future housing needs and probable rates of growth. This in turn will aid manufacturing suppliers in planning future investment in plant for production of building materials. A similar result should be achieved by those responsible for planning the training of skilled labour in the building trade, while the production of data that will indicate the volume of housing finance required to satisfy expectant needs will be another advantage.

In short, the Committees' tasks will be to advise the Government of the economic and social consequences of aiming for different levels of housing construction, and of the feasibility of achieving these levels. The actual selections of desirable levels and the political consequences of that selection, must of course, remain the responsibility of the Government of the day.

Further, the Council will, I believe, undertake these important tasks not only for the cities, but also for regional and rural housing areas. It should not only be a matter of grand national totals. The individual locality also has a specific housing requirement.

There is no short term solution to the basic problems of the housing industry. Too many years of inaction have passed for a rapid planning and administrative solution to be found. The scape-goat for any economic dislocation in this community is the Government of the day. I do not intend to be partisan, but I do not believe that the housing industry

can be split-off and treated separately from the total economy, and if regulation is needed then the housing industry must expect to share some slow down - but not to suffer disproportionately.

In fact, you may remember that in 1973 building approvals boomed extraordinarily, and it is against those unusually high levels that today's figures should be seen.

There is, of course, one other area of action that has taken place in South Australia as a result of Australian Government action and which has immediate bearing on the stability of the housing industry. This is, of course, the Land Commission. In the medium term this too will assist in enabling your industry effectively to plan in South Australia.

Eventually this will occur throughout Australia, for other States, I believe, cannot remain in an ostrich-like heads-buried position, as land prices threaten to bury them and their electorates totally. A nation which places such a high degree of importance on private house ownership will not look kindly or long on Governments which allow rampant land speculation. In the case of the building industry, the wide level of price fluctuation has often made it very difficult for the builder to easily price his product. By increasing stability in the area of land prices, the Land Commission is assisting in the stabilising of a major variable factor in the building industry.

Finally, might I close by saying that from time to time I see arising Australia, and especially among members of your industry, two hoary old myths, one that says the A.L.P. does not believe in home ownership, and the other that says the Party wants to take over your industry. What nonsense on both counts: the fact is that my Government is primarily concerned with social effect: that is, its aim is to achieve proper housing for all sections of the community in ways that maximise social and community values and interaction. The private developer and builder has had, and continues to have, a central role in that process.

The real task before us then is a creative one. Both the public and private sectors of the industry need to continue their close co-operation and involvement in order firstly to achieve proper forward planning objectives and stability, and secondly, to develop methods, refine skills and discover new options in the provision of a wide variety of housing styles and standards - from high density to low - so that our urban communities can become more stable, attractive and enjoyable places in which to live.

KEYNOTE ADDRESS BY THE PREMIER OF SOUTH AUSTRALIA, DON DUNSTAN, TO THE  
NATIONAL HOUSING CONVENTION OF THE HOUSING INDUSTRY ASSOCIATION. 8.5.75

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