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FOURTH INTERIM REPORT

FROM THE

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SECURITY,

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ON SOCIAL HOUSING

(Appointed 12th November, 1941.)

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JOINT COMMITTEE ON SOCIAL SECURITY.

FOURTH INTERIM REPORT.

HOUSING IN AUSTRALIA.

INTRODUCTION.

1. The Committee has considered that for the purpose of facilitating reference to this unavoidably long report, it should be divided into the following three parts:—

- (1) Introduction and Recommendations.
- (2) General Survey of Housing, and
- (3) Appendices.

2. In recent years the public conscience has been awakened to the seriousness of the housing position in Australia which—having regard to the widespread and acute shortage of homes, chiefly for persons with low incomes, and to the deplorable conditions existing in slum areas in the large cities and in a number of country towns—constitutes a major social problem of nation-wide proportions. It is very doubtful whether in any instance in recent years housing activities in any State have anything like kept pace with current demands, and in none can it be said that arrears have been overtaken or any considerable approach made to a solution of this problem, which must necessarily envisage adequate and healthy housing conditions and living space for the whole of the Australian people. Without the provision of housing for all on such a scale we cannot hope to establish and maintain proper standards of public health, child welfare, and morality, which are prerequisites to the building up of a healthy, virile and great people. That our existing housing conditions fall far below such a standard is no longer a matter for speculation. The facts which follow are arresting and incontrovertible, and challenge our complacency as a nation in permitting the continuance of such conditions.

3. It is little consolation to know that a similar situation has existed—and in many cases still exists—in other parts of the world; for we must confess that Australia lags far behind several European countries which have tackled the problem on scientific lines, and through national undertakings have made substantial progress in providing modern hygienic homes for their people, particularly in the large centres of population and industry.

4. The extent of the problem may be judged from the estimated deficiency of more than 100,000 homes to meet Australian needs, and in addition, from the existence of about 50,000 sub-standard dwellings accommodating large numbers of men, women and children under slum conditions, in which disease and delinquency thrive, and which can only be described as a disgrace to any country. With the cessation during war-time of normal building operations these figures will be increased considerably resulting in a worsening of the position to the extent of more than 35,000 homes annually, after allowing for war-time housing of munitions and other war workers.

A NATIONAL HOUSING PLAN.

5. Although in the past housing has generally been regarded as the province of private enterprise, it is obvious that the return to be derived from low rental type cottages has been insufficient to induce such interests to undertake this class of house building to any considerable extent. Because of this, and also the extreme difficulty—in most States impossibility—of the worker being able to secure finance for a home at less than a 10 per cent. deposit even from Government or semi-Governmental authorities, the shortage of dwellings for low wage earners has been much more significant than for the more costly higher rental types in the provision of which private enterprise has, mainly, concentrated its activities. Indeed, there is ample evidence to indicate that the immediate needs of the nation would be met by an adequate supply of the former types.

6. The inheritance at this early stage of Australian development of such a serious dislocation of social and living conditions as a direct result of inadequate and low standard housing indicates a serious defect in housing policy in this country. It demonstrates either unreadiness or inability of existing housing authorities or private interests, to keep pace with normal housing demands or to make any provision for the cleaning out of slums and rehousing of their present occupants.

7. Stated briefly, it means that the underlying cause is to be found in our failure to undertake the national planning of housing on an adequate and systematic scale.

8. The housing problem in Australia has assumed such proportions and its ill effects are so far reaching that nothing short of national planning can hope to provide any appreciable approach to a solution. Clearly, the Commonwealth should accept responsibility for a National Housing Scheme including—

- (1) adequate provision for housing the people—particularly low wage earners—under hygienic conditions and in wholesome surroundings;
- (2) minimum family housing standards below which none should be permitted to fall;
- (3) formulation of and the means for executing a bold policy of slum clearance, reclamation and replanning of sub-standard areas, and rehousing of slum dwellers on terms within their capacity to pay; and
- (4) provision of adequate finance on terms and conditions which will permit of home ownership and economic rentals within the reach of low wage earners.

9. This task, involving planning and research on a major scale, and very large expenditure on new housing projects in all States, the Committee regards as of such importance as to justify immediate action by the Commonwealth Government. The magnitude of the task is such that would require for its successful execution resources which only the nation has at its disposal.

Conclusive evidence from expert witnesses establishes the fact that a period of from one to two years would be necessary to accomplish such planning which necessarily must envisage the adoption of uniform legislation by the Commonwealth and all States. In its Interim Report on the 24th September, 1941, the Committee recommended the appointment of a Housing Planning Authority for this purpose. We stress the great importance to the nation and to the Australian people of the acceptance by the Commonwealth of responsibility for planning a National Housing Scheme, and for the provision of the necessary finance to enable a home to be made available to every Australian family in hygienic and wholesome conditions, and on terms within the capacity of the family to purchase or occupy.

RECOMMENDATIONS.

11. We therefore recommend the immediate appointment by the Commonwealth of a Housing Planning Authority to undertake the planning of a National Housing Scheme in co-operation with State authorities, and to report to the Minister for Social Services from time to time with as little delay as possible (Para. 2-10, 12-14, 39, 41, 42 and 87). Such a national housing scheme to include:—

- (1) Principles of policy for a National Housing Scheme, planned in consultation with the States, and to be supervised by the Commonwealth but executed by the States under uniform legislation adopted by the Commonwealth and State Parliaments (Para. 5-9, 14, 16-18).
- (2) Setting up of housing standards covering types of dwellings and services, land area and accommodation limits (Para. 4, 8 (1) and 12 (A) 49 and Appendix "A" (15b)).
- (3) Provision of homes for persons on low incomes for (Para. 16, 56-71 and Appendix "A");
 - (a) Purchase with a deposit of 10 per cent. (Para. 61-63).
 - (b) Purchase without a deposit (Para. 64-67 and Appendix "A" (10, 35, 36)).
 - (c) Rental at an economic rental, which in our opinion should not exceed 15 per cent., or at most 20 per cent. of the basic wage (Para. 58-60 and Appendix "A" (23-25)); and
 - (d) Rental at a sub-economic rate, within the capacity of the tenant to pay having regard to family obligations and income (Para. 16, 56, 57, 70, 71 and Appendix "A" (18 and 26)).
- (4) Power, vested in a State Housing Authority, to condemn and order demolition, without compensation, of any sub-standard dwelling, and to acquire land for the purposes of rehousing, and to provide such housing for rental purposes (Para. 4, 14, 17, 34-37, 44, 48, 70-75 and Appendices "A" (15-17) and "B").
- (5) Power to require a local Government authority to survey housing conditions, including overcrowding, within its district, and to report upon all dwellings or residential areas below the specified minimum standard for home habitation (Para. 37, 44, 49, 70-75 and Appendix "A" (16)).
- (6) Provision for the discharge, at a low rate of interest, of onerous mortgages and for loans for the repair, alteration or extension of a dwelling house (Para. 68 and 69 and Appendix "A" (21, 22 and 32)).

- (7) Finance by the Commonwealth (Para. 10, 23-29, 38, 39 and 42 and Appendix "C") :—
- (a) At the lowest possible rate of interest but not exceeding $2\frac{1}{2}$ per cent., and under such conditions as will permit, towards the end of the war, of the continuous completion of homes to meet Australian requirements in the categories outlined in (3) above (Para. 20-23 and 42), or alternatively
 - (b) As a Government guarantee against loss of advances made by housing authorities, building societies or lending institutions, to persons acquiring a home on the rent-purchase basis with or without a deposit, and to pensioners, unemployed and persons in destitute circumstances at a sub-economic rental only (Para. 19, 22, 33, 41-44 and 46 and Appendix "A" (11, 33 and 37).
 - (c) Free of all charges, if necessary by way of subsidy, for rehousing purposes under an active slum clearance policy to be given continuous effect and in acknowledgment of, and as a national contribution towards the solution of the social problem of the slum (Para. 22, 33, 38, 39, 51 and 53)
- (8) Inquiry and research concerning :—
- (a) Methods of construction, costs and types of dwellings, mass production methods, and land values with the object of reducing the cost of homes especially for low wage-earners (Para. 54, 78 and 86) ; and
 - (b) The regional and scientific planning of areas for housing and industrial purposes with the object of establishing self-contained communities enjoying public utility, recreational, educational, health and social welfare services (Para. 3, 7, 12 (b) and 41).

GENERAL SURVEY OF HOUSING.

12. The existing failure to provide a solution of this grave problem in Australia may be attributed to many causes, among others being :—

- (a) Absence of town-planning and proper minimum building site and hygienic family housing standards in the early growth of our large cities ;
- (b) Lack of regional planning and satellite towns ;
- (c) Aggregation in sub-standard dwellings of large numbers of persons, chiefly with very low incomes ;
- (d) Failure of our educational and economic systems to prevent a large proportion of youths drifting to the unskilled labour market ;
- (e) Extortion of unduly high rental returns by unscrupulous landlords thus causing overcrowding ;
- (f) Limited finance and high interest rates, resulting in private enterprise being unwilling or unable to provide low rental dwellings ; and
- (g) Lack of uniform and concerted action by the States and the Commonwealth to deal effectively with the problem on a national scale.

13. Included in the proposals referred by the Commonwealth Government for investigation by the Committee at the outset of its inquiry was a "National Housing Scheme". Following this reference, and in pursuance of its inquiry, the Committee has examined numerous witnesses with expert knowledge of the housing situation in Australia, and has itself made inspections of housing conditions in all the capital cities. The voluminous evidence submitted dealt exhaustively with :—

- (a) The housing shortage ;
- (b) The slum problem ;
- (c) The ill effects of bad housing and overcrowding ;
- (d) The rental problem ;
- (e) Activities of the present State Housing Authorities ;
- (f) Ways and means of improving present conditions ; and
- (g) A National Housing Scheme.

14. No evidence has been so conclusive and convincing as that testifying to the seriousness of the housing shortage and the existence of appalling slum conditions, and affirming the need for the immediate planning of a National Housing Scheme financed by the Commonwealth and executed in co-operation with State instrumentalities under a uniform plan. Inspections made by the Committee have completely vindicated these views.

15. The purpose of this report is to present a survey of the housing situation in Australia, in support of the recommendation contained in the Committee's Interim Report of the 24th September, 1941, for the immediate planning of a National Housing Scheme, in consultation and co-operation with the States for introduction at the close of the war : and to outline proposals which in the opinion of the Committee justify adoption as essential features of any such scheme.

As appendices to the report are included :—

- (a) Summary of the powers and scope of existing Housing Authorities ;
- (b) Statement, based upon reports and evidence, of the existence and extent of slum areas, and the number and condition of sub-standard dwellings requiring demolition ; and
- (c) An estimate of the housing shortage and number of sub-standard dwellings in Australia, prepared at the request of the Committee by Mr. F. Oswald Barnett, M.Com., F.C.A. (Aust.), Member of the Housing Commission of Victoria.

THE NEED FOR NATIONAL PLANNING.

16. As will be observed from an examination of the powers and activities of housing authorities in Australia—see Appendix “ A ”—there is considerable disparity between the various legislative provisions, policies and conditions of finance of the States in relation to housing, although the several governmental and quasi-governmental housing authorities throughout the Commonwealth appear to follow certain common objectives—for example the limitation of specified loans to relatively low income classes and financing the purchase of a home on the rent-purchase system with a deposit (varying from 10 per cent. to 30 per cent.) on a mortgage security, and special concessions to unemployed persons in destitute circumstances. These have been introduced piecemeal and when closely examined it is found that the activities generally reveal a conspicuous absence of uniform policy and unified action and, within the States, an unnecessary amount of overlapping. Furthermore, important provisions such as the purchase of a home without a deposit by low wage earners ; concessional rentals for large families with low incomes ; homes for pensioners and slum clearance have been provided for only in isolated cases, and then only in a manner which is considered to be inadequate, taking into account the magnitude of the problem.

17. While authority exists in several States to deal with the slum problem, including the demolition of sub-standard dwellings, practically the only action taken in this direction has been in Victoria by the Housing Commission, and in New South Wales one block of 56 flats at Erskineville and 169 flats erected by the City Council ; and the Victorian Housing Commission readily recognizes that chiefly because of limited finance, it has been able to touch only the fringe of the problem.

18. The absence of uniform action casts no reflection on State instrumentalities whose policy invariably has been dictated by consideration of local conditions and the finance at their disposal.

BUILDING SOCIETIES.

19. As private or co-operative agencies in the housing field, Building Societies in New South Wales, as in Great Britain and Europe, have carried out a large proportion of home building, and their activities have assisted considerably in meeting the housing needs of certain sections of the community. Finance for their operations has been provided by Government and private banks and other lending institutions, and in certain circumstances special advances have been made under a Government guarantee against loss. It would appear that these societies must continue to take an important part in any future housing programme, particularly as they provide facilities for a large section of people whose incomes would not be included in the very low income groups of wage earners. An important feature of the activities of Building Societies is that only a relatively small proportion of their operations is dependent directly on Government finance or guarantees. The Societies, however, are largely dependent upon the availability of funds from Government and trading banks for continuance and expansion of their housing programme.

FINANCE.

20. The conditions under which finance has been, and to a limited extent is now, available for housing, while facilitating home ownership by those able to meet the economic return by cash payment or rent-purchase instalments have—together with the absence of uniform planning—been one of the chief factors militating against an adequate housing programme. The requirements, which generally might be described as conservative, of housing authorities and lending institutions, result in advances being made chiefly to persons able to commence home purchase with a substantial equity by way of deposit and exclude—except in the relatively few cases referred to in Appendix “ A ”, paragraphs 10, 35 and 36—those on low incomes or with heavy domestic responsibilities who are unable through such economic causes to supply a deposit. A similar position exists regarding homes for rental by low wage earners. As is already clearly demonstrated, the inevitable effect of this is that, firstly, homes are provided chiefly for persons in the middle and higher income groups ; secondly, that considerable numbers of low wage earners and those with large families or comparable obligations are compelled to resort to over-crowding or “ cheap ” rental dwellings which, in numerous cases, are sub-standard and unfit for human habitation, and thirdly, there is an increasing serious aggravation of the housing shortage and slum problem.

21. It is reliably calculated that under the interest rates generally applying to housing advances by housing authorities, interest charges amount to from one-half to two-thirds of the repayment instalments, while for advances made by other lending institutions the proportion is frequently much higher. In many cases of second mortgages and also contracts of sale—except those arranged by governmental or quasi-governmental authorities—the rate of interest is such that it is many years before the purchaser secures any worthwhile equity and consequently in the event of any adversity there is little inducement to continue the obligation.

22. It is of paramount importance, therefore, that an adequate supply of finance at a lower rate of interest than now is available for housing purposes—or preferably with no interest burden, if necessary by way of subsidy—be provided adequately to provide for the urgent housing needs of Australia. As it applies to slum clearance and rehousing, it would seem imperative that money must be provided either free of interest or by Government subsidy to meet the inescapable loss in giving effect to an aggressive and overdue programme of slum abolition and replanning of existing sub-standard areas.

COMMONWEALTH HOUSING ACT 1927–1928.

23. In introducing the *Commonwealth Housing Act 1927–1928* in the House of Representatives, the Honorable Dr. Earle Page, M.P., Commonwealth Treasurer, said:—

An outstanding feature of modern life is the recognition of the importance of housing in the domestic affairs of the nation. Society can be stabilized and contentment created only by the satisfaction of the intense desire of the individual to own and live in his own home. Much has been done by the Governments of Australia by their State schemes, not merely to enable individuals to purchase dwellings, but also greatly to encourage thrift. But no one can live in Australia without appreciating that there is a big, bare area as yet uncovered by existing schemes; and the Commonwealth Government has been impelled to attack the problem of housing with the desire to eliminate that bare area. It realizes that the existence of that bare area is due to lack of financial provision, and to the failure to use the full proportion of savings bank funds.

The Commonwealth Government thinks that a great deal more of the funds of the savings bank, which represent the individual savings of the people, should be used in providing homes, whether in towns or on farms, for the people themselves at low rates of interest. The success of the Commonwealth's Housing Scheme is dependent upon the co-operation of the State Savings Banks or other home-building authorities. It will be necessary for the State Parliaments to amend their laws to enable those authorities to comply with the conditions laid down by the Commonwealth.

24. The *Commonwealth Housing Act 1927–1928* defined the manner in which the Commonwealth Savings Bank, operating under the authority conferred by the *Commonwealth Bank Act 1911–1927*, may advance moneys to prescribed authorities for housing purposes. Advances may be made for the purchase or erection of dwelling houses and for the discharge of mortgages on dwelling houses subject to—

- (1) a maximum loan of £1,800 or 90 per cent. of the valuation of the property,
- (2) eligibility for such loans of persons earning up to £12 per week,
- (3) no loan being made to a person already owning a home, except for the purpose of discharging a mortgage on, or enlarging, a dwelling house of which he is the occupier,
- (4) occupancy of the dwelling house, by the person securing the loan, immediately on its purchase or erection.

25. An "authority" is defined as meaning a prescribed Commonwealth, Territorial, State or Municipal Authority, which administers a scheme for providing or assisting in providing dwelling houses.

26. The Commonwealth Housing Act gave power to the Treasurer, under the *Commonwealth Inscribed Stock Act 1911–1918*, or by means of the issue of Treasury Bills, to borrow a sum which, with other amounts available, will permit it to lend £20,000,000 for the purposes of the Act. Pending the borrowing of this amount, the Treasurer may advance moneys to the Savings Bank out of the Commonwealth Public Account.

27. Comparatively little activity has, up to the present, resulted from the passing of this Act, the total advances under the Act approved by the Savings Bank being—

	£
Government Savings Bank of New South Wales	925,000
State Bank of South Australia	240,000
Workers' Homes Board, Western Australia	100,000
Federal Capital Commission	170,000
	1,435,000

This money was advanced at the then market rates of interest.

28. It would appear that with the onset of the depression in 1929-30, the operation of the Act was largely suspended, and no action has since been taken to exercise the borrowing powers conferred by the Act, or to advance moneys to the Savings Bank for the purposes specified. Such action would enable the Act to be operated in full at any time.

29. While the sum stated (£20,000,000) would fall far short of the amount required to overtake the housing shortage that has now developed, it would, in the absence of other legislation, enable an initial move forward on a major scale as an instalment of a National Housing Scheme.

HOUSING IN GREAT BRITAIN.

30. For many years prior to 1914 the United Kingdom Government recognized the need for nation-wide housing activities and legislation existed to give effect to such a policy. Housing operations, however, were very limited.

31. *National Planning.*—Although greater in proportion to the population, a somewhat analogous position to that now existing in Australia was experienced in the United Kingdom in 1919 at the close of the last World War. It was found that the very serious shortage of homes to meet demands was accentuated by the suspension, during the war, of normal home construction, while there was also found to be very serious overcrowding and a slum problem of major proportions demanding immediate and courageous action. Public opinion was so awakened to the seriousness of the situation that the social aspects of housing were immediately recognized, as also was the fact that private enterprise acting under the stimulus of profit failed to supply adequate and suitable housing under healthy and wholesome conditions for the community.

32. Following the passing of the Housing Act of 1933, a revival in the building trade together with reduced building costs, lower interest rates and subsidies, brought about a marked increase in home construction by private enterprise which represented in the main the operations of building societies.

33. *Subsidizing of Housing Costs.*—To achieve this objective a policy of subsidizing the cost of housing schemes was decided on and given legislative authority. For some years this took the form of a subsidy to local Government authorities to the extent of the loss in excess of a normal rate of 1d. in the £1 on assessed annual value, and to private enterprise, including building societies of from 30 per cent. to 50 per cent. of interest and redemption charges, as well as straight-out subsidies towards building costs. After some experience of this the system was amended to provide for subsidy payment of £6 per year per house for twenty years to the local Government authorities, and later increased to £9 per year per house for 40 years, for dwellings completed at the 30th June, 1934. Subsequently the subsidy was reduced to £7 10s. for dwellings completed before the 30th September, 1937, these subsidies being supplemented by grants, equal to half the Government subsidy, by local Government authorities.

34. *Slum Clearance and Rehousing.*—By statute the local authorities were required to make a survey of housing conditions and to report upon slum areas and sub-standard dwellings. Under the Slum Clearance Act of 1930, in addition to having power to order demolition of houses found to be unfit for habitation, without the payment of compensation, local Government authorities were required to provide new dwellings in place of those demolished under this authority—a subsidy being paid by the Government to the local authority in such cases for each person displaced.

35. Homes provided by local authorities for rehousing slum dwellers are made available on a rental basis only, ownership being retained by the local authorities.

36. The policy of a general subsidy was abolished by the *Housing Act 1933*, which restricted the payment of future subsidies to local Government authorities for slum clearance and rehousing purposes; at that stage, it being considered that private enterprise was in a position to take a greater part in housing activities than it had during the immediate post-war period. It was estimated that the Government contribution by way of subsidized rehousing and rating under slum clearance alone would amount to £4,000,000 annually.

37. A feature with which the local Government authorities were seriously concerned was overcrowding, and in the Housing Act of 1935, which in addition to the 1930 Act conferred special powers for dealing with slums, the local authorities were given power to fix a minimum standard of housing per inmate. Under this authority surveys made of 90 per cent. of the dwellings in England and Wales by local Government authorities established that overcrowding existed in approximately 350,000 homes, while in another 500,000 living accommodation was used for sleeping purposes. Subsidies for slum clearance purposes were reduced in 1938 and a corresponding increase made in the grant to relieve overcrowding.

38. *Scope of Housing Activities.*—The foregoing provides ample evidence that for at least 25 years housing has been acknowledged in the United Kingdom as a National problem which has very important social aspects, and that not only has the Government provided very large sums of money to finance housing activities, but it has also incurred many million pounds liability as a contribution towards the provision of homes for those unfortunate persons who are unable to pay an economic rental or purchase price for their homes.

39. Some appreciation of the magnitude of the housing activities undertaken in Great Britain under such legislation up to 1939, may be gained from the estimate that the Government contribution towards the cost of about one and a half million homes exceeded £200,000,000 in addition to an annual liability which in 1939 approximated £22,000,000, and a local government annual liability of £5,000,000. These annual payments will commence to diminish after 1943. In this period considerably more than 3,000,000 homes were erected—nearly half being provided under Government subsidies while private enterprise was responsible for more than two-thirds, of which proportion only one-fifth were built with Government aid. Plans had developed so successfully that, at that period more than 300,000 new homes per year were being provided, approximately 80 per cent. of these being assessed at a rental of less than 10s. per week, and the remainder ranging from 10s. upwards with only a small percentage exceeding £1 per week. The present war has unfortunately resulted in serious curtailment of housing activities in Great Britain.

40. Rehousing, following slum demolition, accounted for nearly 300,000 new dwellings, these being provided at the rate of 6,000 per month.

HOUSING IN EUROPE.

41. Since the last world war a great deal of scientific and in many cases ingenious planning has been undertaken by European countries in an endeavour to meet the compelling need for housing that section of people on very low incomes, and considerable success has been achieved, notably in Sweden and Germany. In the housing policies of most, if not all European countries, the necessity for subsidizing in some form or other the cost of such housing has been recognized and substantial sums have been provided for this purpose. In the larger cities the need for dwellings at a low rental has been met generally by the provision of large numbers of apartment houses in a garden-city setting and equipped with modern community services, including laundries, bath-houses, gymnasiums and playgrounds, while in some centres in Sweden these apartments include electric refrigerators and hot water services. Electric washing machines and steam drying rooms being included in the community services.

42. *Sweden.*—In this country probably the most advanced regional town planning has taken place, covering about 100 self-contained settlements where modern dwellings in large numbers have been completed. Here the Government subsidy has at times amounted to as large as one third the cost of dwellings, the balance being available as a loan at 4 per cent. With a continuous lowering of interest rates new loans were available in 1939 at 3 per cent. on first mortgages and 3½ per cent. on second mortgages. Co-operative building societies have taken an active part in home construction and a continuous supply of money is made available for these activities. There are approximately 1,000 of these societies in Sweden providing apartment houses and detached dwellings which are available for rental or purchase. Special facilities are provided for families with children, the Government concessions amounting to 30 per cent. of rent for families with four children, 40 per cent. with families of five children and 60 per cent. with families of seven or more children. Detached type dwellings are prefabricated in sections to enable easy construction and on these a 90 per cent. advance representing the cost of materials is made, the balance of 10 per cent. being represented by the labour of the prospective home-owner who erects his own dwelling. Housing activities have succeeded in almost completely abolishing any slums which formerly existed there.

43. *Germany and Austria.*—Scientific planning and garden city development are features of workers' dwellings in Germany, where in Berlin and other large cities local Government bodies have stimulated the activities of Building and Co-operative Societies who have been granted concessions amounting to a subsidy on home building. Planning has been preceded by extensive research into building costs, material and designs, and considerable progress made in the development of modern homes and conveniences, including the mass production of whole kitchen units at an economic cost. A total of 3,000,000 dwellings were completed up to 1931, it being estimated that a further 1,000,000 homes were still required. Apartment buildings have been provided generally, with community services for each block of apartments, although an attempt has been made to induce workers to undertake the purchase of detached homes on small home garden sites suitable for producing the prime needs of the family. A somewhat similar, but less

44. *Holland*.—Under the Dutch Housing Act of 1901, power existed for dealing adequately with housing, including slum demolition and rehousing. One quarter of a million modern flats have been erected under conditions which provide homes and enable the occupants to pursue their normal farming pursuits. Co-operative Societies, consisting almost exclusively of tenants, are advanced 100 per cent. for the erection of apartment building, the societies accepting responsibility for managing the estates. Whatever slums may have existed have now disappeared.

45. In his Report on "Housing, Slum Clearance and Abatement of Overcrowding in England" in 1937, following an intensive survey of housing conditions and rehousing measures in operation in the United Kingdom and Europe, the Hon. E. S. B. Stevens, M.L.A., then Premier of New South Wales, summed up (*see* pages 18 and 19 of Report) the overseas housing situation as follows:—

In all European countries promotion of housing (for persons with small or moderate incomes) and slum clearance are recognized as essential Governmental and municipal functions—in fact, there has been a development of housing from a speculative business to a long-term public investment recognized as an essential public service. Private enterprise has been developed conjointly with community schemes and finance has been recognized as of fundamental importance.

The city corporation, the urban district authority, the county council—all are directly concerned as promoters, and sometimes as actual builders of new housing, and in each case the security for the Central Government. The losses and net costs of projects are in most cases shared by Government and local housing authorities on the grounds that the attendant social benefits derived from the better housing of the people more than compensate for the necessary demand upon revenue. Building societies, particularly in England, have played an important part in conjunction with private builder.

Under present economic conditions three main methods of providing satisfactory dwellings for the average working class family have been used—the provision of cheap and abundant money for housing, and the grant of some sort of subsidy to cover part of the annual cost and the provision of schemes through which home construction and home purchase can be facilitated. Most countries have adopted all three methods.

My observations abroad have impressed me deeply with the fact that in every enlightened and progressive country, housing, including slum clearance and the provision of dwellings for low paid workers, is recognized as a definite social service, administered for the national good and the contentment of the individual. A new housing technique has been evolved.

46. Prior to the last world war co-operative and public utility housing agencies had been very active in Europe in providing dwellings at a low rental. As elsewhere, however, building operations were almost completely suspended during 1914–18 and at the close of the war, in most European countries the problem was so acute that national planning and extensive research were undertaken and very considerable sums made available for housing projects. An attack was made on the problem of high building costs, so as to evolve dwelling houses of a type that would meet the demand of the low income groups. As already indicated, the plans most generally adopted were of the apartment dwelling type with modern communal services. Co-operative building societies took a major part in the erection of these housing projects, which are recognized as having achieved a very considerable measure of success. With few exceptions, however, European countries have not yet overtaken the housing shortage which, as elsewhere during the present world war, will probably be aggravated, leaving wide scope for further post-war housing activity.

HOUSING IN THE UNITED STATES OF AMERICA.

47. Like most other countries, America has in recent years been faced with an acute housing problem and various measures have been adopted in an endeavour to relieve the situation. There has been and still remains a very great shortage of homes, serious overcrowding exists and a considerable proportion of the population of the large cities live in sub-standard dwellings. It is estimated that from 1930 to 1939, 1,000,000 new dwellings were provided and some hundreds of thousands of sub-standard homes were demolished, while at that stage it was estimated that at least another 2,000,000 homes were needed to overtake the immediate shortage. The existence of overcrowding and sub-standard dwellings on a large scale was established by extensive surveys completed in 1936. Prior to 1938 it was stated by a Senate Committee on Education and Labour that the number of dwellings unfit for habitation and requiring demolition amounted to 5,663,000 while various authorities estimated that a total of 10,000,000 families needed to be properly housed. The stupendous proportions of the housing problem in America therefore are apparent. It must not be overlooked however, that these figures relate to the coloured as well as to the white population.

48. *Slums and Rehousing*.—Congress created the United States Housing Authority to deal with the slum problem and to provide rehousing. Finance is provided by way of loans and subsidies to local authority for this purpose, the loans being repayable over 60 years at from 3 per cent. to 3½ per cent. interest. Before this assistance is made available, however, complementary legislation must be passed by the State legislatures concerned and a local housing authority established, which must raise 10 per cent. of the cost of the rehousing plan and also contribute at least one fifth of that made by the Federal Housing Authority. Slum demolition must follow to the extent of the rehousing provided. Annual contributions may be made by the

United States Housing Authority up to $3\frac{1}{2}$ per cent. of the capital cost of the project, for the purpose of providing rehousing at rentals comparable to those of slum dwellings, or in other words, a sub-economic rental within the capacity of the rehoused tenant to pay. The principle of subsidizing the cost of slum clearance and rehousing has been recognized and firmly established.

49. *Housing Standards*.—Prior to the intervention of the Federal Authority into housing, action had been taken by local authorities to set up minimum housing standards in sanitation and safety and in New York City a policy of tax exemption for a period of 10 years and later increased to 20 years on new housing was introduced. Under this the exemption in many cases equalled up to one-third the capital cost. It remained, however, for the Federal Housing Administration to make any substantial progress in the setting up of housing standards and the development of housing on a national scale. Loans and grants are made to local housing authorities and agencies—including limited-dividend companies. Loans were up to 85 per cent. with interest at 4 per cent. and amortization over 30 years, the balance of 15 per cent. being provided by the applicant.

50. *The United States Housing Act (1937)*.—Under this Act, the United States Housing Authority was established for the purpose of carrying on a long-range comprehensive national programme to provide civilized housing with minimum standards of decency for families in the lower income categories, and creates a framework within which municipal, State and Federal Government agencies may function with the greatest efficiency possible. The Act proceeds from the assumption that low-rent housing for families of low income can only be achieved by means of Government subsidy and that this subsidization is a proper activity for the Government. Low income families are defined as "families who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe and sanitary dwellings for their use." A clear distinction is established between low-rent housing and slum clearance. The former includes all the various stages of financing, planning, land acquisition and other items involved in the construction of housing for families in the low income category. The latter is described as the activity which calls for the demolition of buildings in slum or blighted areas and the conversion of such condemned areas for public purposes such as parks, playgrounds.

51. *Finance*.—The United States Housing Authority is an independent corporate body of indefinite duration under the control of an administration appointed with the advice and consent of the Senate. The authority renders assistance to public housing bodies such as local authorities, in the form of loans and subsidies provided such agencies conform to the standards established by the federal corporation, the debts of which are guaranteed by the United States Government. Its special function is to provide finance and technical assistance to local authorities willing to undertake slum clearance and rehousing activities. Assistance takes two forms: a 60-year loan to the local authority equal to 90 per cent. of the cost of the project, and annual subsidies to bring the new houses within the reach of the lower paid workers. Loans are to be made at one-half per cent. above the "going federal rate", which is the interest rate on federal borrowings having a term of ten years or more. Thus the Federal Government subsidizes the deficit resulting from the difference between the high cost of financing and construction and the low income tenants' ability to pay. A clear distinction is made by the Government between the lending of money, and the annual permanent grants-in-aid to help bring the rents on completed projects within the capacity of persons of very small incomes who formerly lived in the slums. The capital loans are strictly repayable, the annual contributions—grants-in-aids to reduce rent—are not repayable. The operation of the grant-in-aid principle is well established by this Act in which emphasis is placed on local initiative for carrying out housing schemes.

52. It is noteworthy that 38 States have passed Housing Legislation to enable them to participate in the funds available from the Central Housing Authority. This follows closely on the system operating in the United Kingdom where authority for housing schemes is vested in the local governing bodies. A prominent feature of housing development in the United States has been the erection of very large blocks of apartment houses accommodating some hundreds of families in each. These are let at very low rentals compared with accommodation available elsewhere. Whilst many of these apartment houses are located close to slum areas they are not considered to constitute any potential slum danger.

HOUSING IN NEW ZEALAND.

53. Under the *Housing Survey Act 1935* a complete survey was made of housing conditions throughout New Zealand. In addition to a considerable shortage of housing, this revealed the existence of slum areas and large numbers of sub-standard dwellings which needed demolition. Incidentally, the survey disclosed that there were more than 90,000 persons directly or indirectly engaged in the building industry, representing approximately 14 per cent. of the total number

of employed persons. Following this survey liberalization of the conditions of the Housing Act of 1919 and the State Advances Corporation was decided upon and a Department of Housing created to undertake housing construction on a national scale for rental purposes only. Finance is provided from reserve bank credit, the object being "to create assets against reserve bank credit". At the 2nd May, 1941, 14,143 houses were completed or provided for, involving a liability of £18,500,000.

54. At the outset it was decided to make the greatest possible use of local materials and products and to standardize fittings and construction. The Institute of Architects prepared plans and a master specification covering all basic principles of construction. Concurrently some 300 individual plans were prepared, covering detached dwellings, semi-detached dwellings and flats from the bed-sitting room to three bedroom types. As far as possible, not more than one of a particular type of dwelling is erected in any one development scheme. A feature of the planning has been the development of individual elevations and types to suit land contours so as to avoid excessive excavation and foundations and other unnecessary expenditure. Rents range from 14s. to 30s. weekly, and in this regard it is stated officially that these rentals are about half those prevailing for similar accommodation from private landlords in Wellington.

55. While the chief objective of the New Zealand Housing Scheme has been the construction of detached dwellings, extensive flat construction has been undertaken in both Wellington and Auckland, these providing special features of town planning and totalling some hundreds of flats in each of these cities. The Government has undertaken the provision of adequate housing for the people on a national scale. Its activities are continuing as far as war conditions permit, and the Government has expressed its determination vigorously to pursue its housing policy.

THE HOUSING PROBLEM.

56. The housing problem in Australia resolves itself into two main sections—

- (1) *Economic*, or that which provides homes for workers in employment according to their means, either—
 - (a) at an economic rental,
 - (b) by purchase, on a rent-purchase basis with a deposit,
 - (c) by purchase—usually under contract of sale—with no deposit, or
 - (d) assistance in the purchase of a home by discharging onerous mortgages and loans for the repair, alteration or extension of a dwelling house.
- (2) *Sub-economic, including Slum Clearance and Rehousing*, providing for the demolition of sub-standard dwellings, replanning and rebuilding of former slum areas; reclamation of new areas and rehousing of former slum dwellers under hygienic conditions and wholesome surroundings at—
 - (a) an economic rental for those able to pay, and
 - (b) a sub-economic or concessional rental where the number of dependants or the smallness of family income, or both, make the payment of an economic rental impossible.

57. After carefully reviewing the situation in each State and the large volume of evidence of housing experts, social workers, and others competent to advise on the matter, it appears to the Committee that to be effective and to achieve the desired results, any National Housing Scheme must include the above provisions.

Economic Housing.

58. *Homes for Rental.*—As stated elsewhere in this report the predominant need is for cottages suitable for letting to, or purchase by, workers on a low range of income. The most outstanding examples of home building for rental purposes are provided by the South Australian Housing Trust and the Commonwealth Government at Canberra.

59. In South Australia the dwellings erected by the Housing Trust are available only for rental by low wage earners. The dwellings are of brick (semi-detached), and include three, four and five roomed types. The total number of cottages erected by the Trust is 930 in the Metropolitan Area, let at an average rental of 13s. 4d. per week, and 100 at Whyalla (245 miles from Adelaide), of four rooms and a sleep-out let at 16s. 6d. per week. Compared with these rentals, the average rental of all four or five roomed houses in South Australia is now approximately £1 per week. The cost of homes erected by the Trust is limited to £600, but the actual cost before the war was barely £500. Construction is carried out by a single contractor who is provided with full-time employment by the Trust. In Australia there is no other comprehensive scheme of providing homes for rental comparable with the low rentals of the South Australian scheme, which has been distinctly successful and has achieved the purpose for which it was constituted. A significant feature is that arrears of rent amount only to a negligible figure. It should be stated, however, that these cottages are let to selected tenants.

60. At Canberra, the policy of Government-owned dwellings assumed major proportions with the decision, nearly 20 years ago, to transfer the seat of Government in 1927 from Melbourne, and the consequential obligation on the Government of providing housing accommodation at the Federal Capital for the large number of public officers to be transferred to Canberra, and for workmen and other residents. There are at present 1,860 Government-owned cottages in Canberra. A high standard of design and construction is maintained with costs ranging from £700 upwards and rental assessed at 5.009 per cent. for brick, 5.5 per cent. for fibrolite and slightly under 6 per cent. for weatherboard dwellings, covering interest, insurance, sinking fund, maintenance and administration charges. In addition there are in two settlements some 200 temporary wooden dwellings of four and five rooms originally provided to accommodate workmen during the early development period. These are let at low rentals and will be demolished as the permanent development of the city proceeds. The extent of Government ownership of homes in the Federal Capital is illustrated by the fact that the total number of privately-owned homes—some of which were erected by the Government and later sold—amounts only to 420. Important factors contributing to this relatively small proportion of privately-owned dwellings are, no doubt, the non-existence of freehold land in the Australian Capital Territory, all land being under leasehold tenure with a 99 years lease for residential site leases, and Governmental rentals which are more favorable than those available from private enterprise. While building costs are now carrying heavy war-time loading, rentals for these Government-owned cottages compare favorably with those with similar accommodation in other capital cities.

61. *Homes for Purchase with Deposit.*—As will be observed from the activities of Australian housing authorities, the amount of advance which can be made for the purchase or erection of a home varies from 10 per cent. required by the Commonwealth Housing Act (Commonwealth Housing Ordinance, Canberra), the War Service Homes Commission (limited to ex-members of the fighting services and their dependants), the Workers' Homes Board, Western Australia, and the Agricultural Bank, Tasmania (Homes Act), and under certain special conditions including Government guarantees, by the Advances for Homes Branch Rural Bank and the Building Societies in New South Wales, to 15 per cent. by the Advances for Homes Department Savings Bank, South Australia and the Credit Foncier Housing Advances Department Savings Bank of Victoria (applicants income not to exceed £400 per annum), to 20 per cent. by the State Advances Corporation (workers' dwellings) Queensland and Building Societies in New South Wales (general conditions), to 25 per cent. by the Advances for Homes Department Rural Bank New South Wales (general conditions), and to 30 per cent. by the Credit Foncier Department Savings Bank of Victoria.

62. In addition there is a special provision in the Workers' Homes Act, Queensland, whereby a 95 per cent. advance can be made for a dwelling erected on leasehold land, the advance being covered by a Life Assurance Policy Security until a specified portion of the loan is repaid. A similar concession is made by the War Service Homes Commission, with the security in the form of a contract of sale, while in the Workers' Homes Act, Western Australia, a special provision exists for a deposit of £6 6s. for a home on leasehold land (*see* Appendix "A" (30)).

63. It can be said that although completely lacking uniformity of policy, the foregoing advances provide the great bulk of finance for home building or purchase by prospective home owners, a proportion of the money being provided by private financial institutions, particularly that utilized by building societies, although the major contribution is made from Government funds and State banking institutions. Notwithstanding this, there is an obvious need for uniformity of policy throughout the whole of the Commonwealth for assisting those persons who desire home ownership and who are able to provide a deposit of not more than 10 per cent. or perhaps even 5 per cent.

64. *Homes for Purchase without Deposit.*—Second only to the importance of homes for rental for low paid workers is the pressing need for a system of home purchase without a deposit. It is conclusively demonstrated that a large section of people with regular but low incomes are now unable to realize their desire for home ownership, for the reason that family obligations, illness or other domestic misfortunes make it impossible for them to accumulate the deposit usually required by housing or other lending institutions.

65. That it is practicable and financially sound to carry out such a scheme has been demonstrated by the Agricultural Bank of Tasmania which, under the Housing Improvement Act, has erected groups of homes in Launceston and Hobart for sale on a no-deposit rent-purchase basis. Care is taken in the selection of purchasers who, if they have proved satisfactory tenants for a period of six months, are given the opportunity of purchase. The success of this scheme in

66. The provision of homes on the no-deposit rent-purchase basis has also been made by the Housing of the Unemployed Trust administered by the Rural Bank of New South Wales. Homes built under this scheme are being purchased by instalments of 6s. or 7s. per week. As is implied, however, participation in this scheme is limited to unemployed persons and those in necessitous circumstances. Somewhat similar conditions apply in the case of homes for pensioners provided by the Agricultural Bank of Tasmania and the McNess Housing Trust of Western Australia, where benefits are limited, in the former case to pensioners and in the latter to pensioners, widows with dependants, deserted wives and children, and other deserving classes of people. Such schemes as these provide a most useful and necessary means for unemployed persons, pensioners and others with very limited financial resources securing a home, but it is our opinion that facilities to enable all persons with a regular income and unable to pay a deposit, to acquire a house on the no-deposit rent-purchase basis, should form an essential part of any National Housing Scheme.

67. While social ownership of housing has been advocated before the Committee, the consensus of evidence on the merits of home ownership may be summed up in the following statement of Mr. S. R. Adams, Chairman of the Board of Management of the Agricultural Bank of Tasmania, "There is a widespread desire on the part of the people to become home-owners".

68. *Assistance in Discharging a Mortgage.*—Although not a general provision, several of the housing authorities referred to in this report provide facilities for the discharge of a mortgage by a person who is occupying the dwelling on which the mortgage exists, and in a number of cases provision is made also for small loans up to a limit of approximately £300 for repairs to, or the improvement of, dwelling houses. The War Service Homes Commission has authority to discharge a mortgage, while the Commonwealth Housing Act makes provision for discharging a mortgage and a loan for enlarging a dwelling house.

69. It appears to the Committee that such provisions should be included in any National Housing Scheme for Australia. Experience has shown, and this is confirmed in evidence, that many persons undertake the liability of home purchase under conditions which, when domestic responsibilities increase or sickness or other misfortunes overtake the family, are found to be extremely onerous and impossible of fulfilment. In many such cases forfeiture of the home and a return to a rental proposition is the inevitable result. By making available, at reasonable rates of interest, monies for the discharge of onerous mortgages a very real benefit is conferred on families so situated, because it enables them to reduce their regular commitments and to retain the pride and benefit of home ownership. A somewhat similar situation arises when persons purchasing a home are faced with the necessity of enlarging the accommodation required for the members of their own family or their dependants. In such circumstances, a loan at a reasonable rate of interest for the purpose of enlarging a dwelling house confers material benefit upon the whole family.

Sub-economic Housing, including Slum Clearance and Rehousing.

70. Although no complete survey has been made either of the capital city or country areas in any State, the partial surveys made of Sydney, Melbourne and Adelaide and of certain country towns in Victoria, supply reliable data as to the extent of sub-standard housing in those States where it is estimated there are approximately 46,000 sub-standard dwellings unfit for human habitation. These are made up of 30,000 in New South Wales, 10,000 in Victoria and 6,000 in South Australia. While little reliable information is available concerning the extent of slum areas and sub-standard houses in Queensland, Tasmania and Western Australia, evidence submitted to the Committee and inspections of housing conditions in Brisbane, Hobart and Perth have convinced us of the existence of considerable numbers of sub-standard dwelling houses in each of these cities. It was found also that serious overcrowding existed. It may therefore be estimated conservatively that throughout the Commonwealth the number of sub-standard houses unfit for human habitation and needing to be demolished is not less than 50,000. In Perth the greatest problem is overcrowding.

71. The dire effect on the unfortunate inhabitants of the slum—on adults and children alike—of its living conditions and environment are so well known and acknowledged that we feel it unnecessary to restate them in detail. Slums are at once recognized as a prime cause of disease, crime and economic wastage, and a lowering of personal and civic standards. We can never hope to eradicate tuberculosis while permitting sub-standard houses without proper ventilation and sunlight, and invaded by dampness to remain, or prevent child delinquency while narrow slum streets provide the only playground for children already housed in overcrowded, insanitary and unhygienic dwellings. Nor can we begin to raise the morale and self respect of the inhabitants of slum areas while the slum psychology and environment exists. Only by providing them with healthy housing conditions and adequate living areas can we restore these Australians to proper living standards and wholesome family life.

JUVENILE DELINQUENCY.

72. Mention must be made of what is perhaps the most far-reaching inheritance of slums, juvenile delinquency. In the slums children are born into conditions which allow them only the remotest chance of surviving their environment. Compared with children in homes of proper standards and human values, their future is prejudiced before they are born. The great density of population—and overcrowding is perhaps not in itself the most serious of slum problems—inevitably results in the absence of a proper segregation of the sexes among children and adolescents and, as a natural sequence, low moral standards and a coarseness of character which, if it does not bring early trouble in the life of the child, is the first characteristic of the street larrakin and first offender from which, in such an environment, it is a short distance to crime and gaol. Unfortunately, as statistics demonstrate, these tendencies find all too frequent expression in the child of school age.

73. Isolated surveys only of the causes of delinquency among children have been made. In the report of the Victorian Housing Investigation and Slum Abolition Board (1936-37) it is stated that a survey of 22 Children's Courts in the Metropolitan Area of Melbourne for the six months ending 31st December, 1932, disclosed that the percentage of delinquents from the—

Inner (congested) areas was 6.66 per 10,000 inhabitants.

Outer areas was 2.07 per 10,000 inhabitants.

Or approximately three to one.

A survey of the Castlemaine Reformatory Prison for the twelve months ending the 28th February, 1933, disclosed that—

Inner areas provided 1.76 per 10,000 inhabitants and

Outer areas provided .35 per 10,000 inhabitants.

Or approximately five to one.

Further investigation at this reformatory disclosed that four years later many of the prisoners, following their discharge, had again been admitted to gaol, the percentages being—

From inner areas 61.9 of those discharged were re-admitted.

From outer areas 38.5 of those discharged were re-admitted.

The report states—"It is not surprising that the inner areas provide proportionately from three to five times more juvenile delinquents than the outer areas or that the youthful delinquent who on his discharge returns to inner areas, has a 60 per cent. greater risk of being returned to gaol than he who returns to an outer area."

74. A statement on "Juvenile Delinquency" by Mr. D. E. Rose, M.A., B.Ec., of the Department of Labour and Social Services, New South Wales, presented in evidence included—

In proportion to population the inner industrial municipalities of Sydney produce two-and-a-half times as many delinquents as the outer municipalities and four times as many as the country areas. There is a close connexion between the distribution of poverty, unemployment and delinquency.

The delinquents are most frequent in relatively impoverished homes. Fifty-two per cent. of delinquents' fathers were casual or semi-skilled workers, and 24 per cent. were dependent. Delinquents tend to come from very large families, the average number of children was 5.7. This still further reduces the economic status of the family and makes the mother's task of providing supervision and moral training extremely difficult. The effect of these unfavorable conditions in the home is shown by the fact that 59 per cent. of the total delinquent group had run away from home. This exposed them to intensified environmental pressure. Of a control group of non-delinquents from the same inner areas only 8 per cent. had run away from home.

The average age at the first offence was 11.4 years. Fifty per cent. committed their first offence at between the ages of ten and thirteen years.

The delinquent child is the inevitable product of the combination of environmental pressure and individual weakness. Stated in its simplest terms, the problem of prevention is the problem of building socially acceptable patterns of behaviour into the child's habitual modes of thought and action. "Habit formation is always the crux, alike in the making and in the unmaking of the youthful misdemeanour." (Burt.)

75. This is all contributed to or aggravated by the vermin infested, insanitary and unhygienic conditions of slum dwellings, the cumulative effect of which is to jettison in the slum child the development of mind and body and moral standards along lines which alone can make him a useful and respected member of the community at large. While it must be remembered that within the slums there are to be found many who retain their self-respect and whose homes are a model of cleanliness and industry in spite of great economic handicaps, too frequently insobriety, and immorality stalk the streets and dominate the homes, while underfed and underclothed children are commonplace.

HOUSING FOR WAR WORKERS.

76. Notwithstanding the aggravation of the housing shortage resulting from the cessation, during the existing crisis, of the normal building programme, it is necessary and proper that for

77. It is appropriate, also, that as is now the case, use should be made of existing State organizations, such as the Housing Commission in Victoria and similar bodies in other States, in providing such accommodation. But careful consideration of the type and cost of dwelling and the locations in which they are erected is important if post-war repercussions are to be avoided or kept within reasonable limits. It appears to the Committee that except at permanently settled centres of industry, the selection of types of dwellings capable of removal to other localities would be the most desirable policy to pursue in accommodating any aggregation of war workers.

MODERN METHODS OF HOUSING.

78. During our inquiry we have been much impressed by the possibilities that exist for improved housing by the application of modern technique, new types of materials and mass production methods to building construction. The building trade is among the most conservative of the trades, many of its methods now employed having been followed for centuries past. We believe that there is scope for the exercise of more imagination by architects and contractors and that by the adoption of more modern methods, considerable saving can be attained in the cost of building.

79. Evidence brought before the Committee indicated that plans for the development of new and scientific designs and methods of construction of dwelling houses were well advanced at the beginning of the present war. These were being developed in a manner that leads us to believe considerable reduction in costs would result, both from the form of planning and the mass production methods contemplated. There can be no doubt that such developments in housing technique would produce beneficial results to the community at large and particularly for low wage earners who remain in the greatest need of adequate housing conditions.

80. We therefore suggest that there should be inquiry or research into this aspect of housing with a view to lowering costs and increasing the quality of construction.

HOUSING AS WORKS PROJECT AND ECONOMIC PLANNING.

81. We again stress the very great importance of adequate steps being taken in advance to complete the planning of a National Housing Scheme as a works project for introduction at the close of the war, or when the man-power now engaged in the defence of Australia becomes available for re-employment in civil occupations. It has been reliably estimated that a housing programme on the scale outlined in this Report would provide employment directly and indirectly for 25 per cent. of the labour that will be released from wartime activities.

82. We wish to lay emphasis on one further point which, in our opinion, has an important bearing on the formulation of any comprehensive scheme of housing.

83. If planning of housing on a large scale is to achieve successful results, it must form part of a general scheme for the post war economic development of the country. Any scheme which leaves out of account the manner in which the occupants of new centres of housing, be they satellite towns or slum renovations, are to earn their livelihood will obviously fail. For instance, it is clearly necessary that some general decision be reached as to the extent the activities of our population should be concentrated on secondary, rather than on primary industries. If the latter, then it is obvious that, apart from slum reclamation, much of the building recommended in this report should be carried out in rural rather than in urban districts.

84. If, as seems possible and desirable, the industrialization of the country which has developed as a result of the war is to be continued or even increased, it will mean that building must be multiplied in existing metropolitan and urban districts, and that new urban districts will have to be created. This will entail not only the selection of the sites for the new peacetime industries, but also the choice of type of industries of which the development is desirable. The problem is one of bringing the population to the best sites where new industries can be set on foot, rather than bringing the new industries to the existing centres of population.

85. Australia to-day suffers from the fact that half the population is concentrated in a few metropolitan centres. It will be for the lasting benefit of Australia from the health, military and economic standpoints, if a better distribution of her population can be achieved in the future.

86. The problem of housing is inextricably bound up with the future economic development of the country. It is therefore essential that in its broad aspects it should be treated as part, and an important part, of the problem of reconstruction and economic development of Australia after the war.

CONCLUSION.

87. It is our considered opinion that adoption of the recommendation contained in paragraph 11 of this report is essential in the best interests of the Australian people, having regard to the serious proportions of the housing problem in Australia as well as to its far reaching social and economic implications. By so doing the Commonwealth would—although belatedly—follow the lead of most civilized countries in recognizing a national responsibility for housing the people adequately as a necessary community service.

APPRECIATION.

88. We desire to place on record the valuable assistance rendered to the Committee by the various Housing Authorities and witnesses, and particularly by Mr. F. Oswald Barnett of Melbourne.

H. C. BARNARD, Chairman.
W. J. COOPER, Deputy Chairman.
J. J. ARNOLD, Member.
MAURICE BLACKBURN, Member.
J. A. PERKINS, Member.
R. S. RYAN, Member.

20th May, 1942.

APPENDIX A.

POWERS AND SCOPE OF EXISTING HOUSING AUTHORITIES.

1. The following summary of housing legislation in Australia indicates the scope of the various housing authorities in each State and the conditions under which finance is provided for housing projects.

NEW SOUTH WALES.

2. Recent legislation goes far towards the complete consolidation, in the *New South Wales Housing Act 194* of the undermentioned housing authorities which, up to the present, have functioned in that State. The new Act is devised for slum abolition and authorises the creation of a Housing Commission, since appointed, which will also take over the powers, authorities, duties and functions of Government housing agency measures. Among such measures are the *Housing for Unemployed Act 1934-1937*; the *Housing Improvement Act 1936-1937*; the Building Relief Agency and the Housing Agency, all of which were formerly administered by the Rural Bank of New South Wales.

3. The *Housing for Unemployed Act 1934-1937* is further amended to provide for the appointment of an advisory committee consisting of the Minister for Labour and Industry as Chairman, and eight members appointed by the Governor. The duty of the Committee will be to consider proposals for the housing of the unemployed, as may be referred to it by the Housing Commission and furnish reports thereon.

4. The Housing Commission is required within six months after this consideration to furnish to the Minister a report on the steps that are necessary in order to co-relate and co-ordinate the activities of the co-operative building societies, and the activities of the Rural Bank of New South Wales in relation to the re-erection of dwellings or the provision of financial assistance for that purpose, and on the activities of the Housing Commission of New South Wales.

THE RURAL BANK OF NEW SOUTH WALES.

5. *Advances for Homes Department.*—Advances are made to persons not owning a dwelling other than that for which the loan is required; to erect, enlarge or purchase a dwelling, or to discharge a mortgage. The maximum advance is £1,200 or an amount not exceeding 75 per cent. of the valuation. Repayments cover a period of 30 years for brick, and 20 years for timber dwellings, with interest at 4½ per cent.

6. *Special scheme for low wage categories.*—Advances up to a total amount of £700 or 90 per cent. of the value of land and dwelling are made to persons with an income of up to £5 per week, and for higher incomes, in special cases where heavy family obligations exist. Advances are made for the purpose of the erection of moderately priced dwellings to persons who would otherwise be unable to obtain a home. Interest is at 4½ per cent. and repayments are for the same period as advances under the Homes Department. In special cases a further 5 per cent. advance may be approved from Government funds.

7. *Government Agencies administered by the Rural Bank.*—This scheme was initiated in 1932 to relieve unemployment in the building and allied trades. Advances are made available for—

- (1) General repairs, improvements and additions to private property.
- (2) Erection of small homes in rural areas at a maximum cost of £300.
- (3) Extensions and improvements to business and factory premises up to £500.
- (4) Erection, renovation or extension of public halls or places of a public and civic character up to £1,500.
- (5) Improvements, renovations or additions to pastoral and agricultural associations showgrounds.

Repayments are over periods up to fifteen years with interest at 3 per cent.

8. *Housing Agency.*—This administers the assets of the former Government Housing Board. Advances have been made to allow existing borrowers to carry out necessary repairs and improvements and have essential services connected on their properties.

9. *Home Building Scheme.*—Agency grants and loans from Government funds to supplement advances under the Advances for Homes Department of the Rural Bank. Advances up to a maximum of £200 are repayable over ten years.

10. *Housing for Unemployed Trust.*—This was established in 1934 to assist unemployed and other necessitous persons to provide cheap homes or to obtain building materials for persons willing to erect their own homes, preference being given to large families. The Trust has power to lease land and to let, sell or erect a dwelling. Funds are provided by the Government without deposit. Repayments are from 6s. to 8s. per week with interest at 2 per cent. The cost of houses under this scheme approximates £325.

CO-OPERATIVE BUILDING SOCIETIES.

11. Introduced to assist persons on middle or lower-middle class incomes (very few below £5 per week) to acquire homes. The objective was to encourage co-operative building. Special provision was made for "terminating building societies" to be terminated when all shares had been taken up and external liabilities had been met. Funds are secured from Bank, Insurance Companies and other private sources, under Government guarantee for the repayment of loans. Under this scheme persons taking out shares according to the amount they borrow accept collective responsibility for borrowings of fellow members. Societies are supervised by the Government. Funds are borrowed in bulk by Societies under Government guarantee and parcelled out to individual members. Advances are made for periods of from 14 to 28 years with interest varying from 4¼ per cent. to 4¾ per cent. The maximum advance is £900 or normally 80 per cent. of valuation. In special cases 90 per cent. advance is made under Government guarantee against loss.

VICTORIA.

STATE SAVINGS BANK.

12. *Credit Foncier Department.*—Credit foncier loans secured by first mortgages are granted on freehold land or land which can be made freehold for the purpose of erecting dwellings and shops. No restrictions are placed on borrowers. Advances are made up to £1,000 or 75 per cent. of the Bank's valuation with interest at 4¼ per cent. and repayment over a period of ten years with right of renewal. Principal and interest repayments for new loans amount to £1 10s. per quarter for each £100 borrowed. Under these conditions the loan is completely repaid in 29¼ years.

APPENDIX A—*continued.*

13. *Credit Foncier Housing Advances.*—Credit Foncier Housing Advances are made to persons not owning a home and whose income does not exceed £400 a year, for the building of a home. The maximum advance is £900 for timber and £1,000 for a brick, stone or concrete structure, or not exceeding 90 per cent. of the Bank's valuation, with interest at 4½ per cent. and repayments over a period of 28 years. Repayments of principal and interest equal 10s. 6d. per month per £100 of advance. Repayments and interest rates are subject to review after 10 and 20 years. In determining the amount of advance allowance is made for the estimated liability for street construction, sewerage and similar services. Dwellings must be to a Bank design, the fee of £8 for plans, specifications and supervision being charged.

14. Due to war conditions including curtailment of the building industry, and in order to conserve funds for war purposes, housing advances made by the Bank have now been considerably restricted.

VICTORIAN HOUSING COMMISSION.

15. The powers of the Commission are defined under the *Slum Clearance and Housing Act 1938* and include—

- (a) Improvements to existing housing conditions.
- (b) Determination of minimum standards with which new houses must comply.
- (c) Reclamation of insanitary areas.
- (d) Provision of houses for persons of limited means.
- (e) Zoning, i.e., the division of Municipal districts into residential and other areas, and obtaining advice of buildings which might be erected in those areas.

16. The Commission has adopted the policy of utilizing, where available, crown land for its initial housing schemes. In addition to various areas of crown land made available, it has secured portions of other sites considered desirable, in outer suburbs adjacent to schools and shopping facilities and connected by transport to areas in which reclamation operations are to be carried out.

17. The Commission's operations have so far been confined to slum clearance and rehousing. Houses are erected for rental purposes only and are made available chiefly to persons whose homes have been demolished as unfit for habitation. The Commission is authorized to borrow up to £2,000,000 by the issue of debentures guaranteed by the State Government. In one locality three bedroom type homes of approximately one thousand square feet floor space cost £747 inclusive of the land. Costs are now estimated to have risen 10 per cent.

18. The Commission has instituted a scheme of sub-economic rentals under which for every 1s. drop in the family income below £4 per week a reduction of 3d. per week is made in the rent until the family income reaches £2 per week, out of which a maximum of 8s. rent is charged. A further concession is granted in the case of large families with limited incomes.

QUEENSLAND.

STATE ADVANCES CORPORATION.

19. *Workers' Dwellings.*—Advances up to 80 per cent. of the valuation of land and dwelling are made for home building to persons whose income does not exceed £750 per annum and who have suitable building land. The Corporation prepares plans and specifications and charges 2 per cent. to 4 per cent. for this service, including the calling of tenders and supervision. The maximum advance is £1,000 for timber dwellings and £1,250 for brick or concrete or 80 per cent. of the value of land and dwelling but the actual maximum advances have been £625, and £725 for remote parts of the State. Repayments cover a period of 20 years with interest at 4 per cent.

20. *Workers' Homes Act 1919–1934.*—Advances under this Act up to £600 are made to persons with an income not exceeding £260 who agree to use the home exclusively for themselves and who do not already possess land. Homes are erected on crown lands converted to "perpetual lease tenure". Homes are sold at cost under a contract of sale. The lease may be converted to freehold or discharge of the full amount of indebtedness. A deposit of 5 per cent. is required and repayments over 25 years include principle, interest, fire insurance, maintenance and land rent at 3 per cent. The purchaser must take out a life assurance policy sufficient to pay the full amount of the unpaid purchase money to the corporation in the event of his death. Exemption from this provision may be made on account of medical unfitness or to persons whose ages render the premium payment a hardship.

21. *Building Revival Scheme (1932).*—This was introduced to relieve unemployment and to assist the building industry. Advances up to £300 may be made to the owner of a dwelling for general repairs, alterations, additions or other improvements to his residence, and to the Trustee of Schools of Arts and Halls, the cost of construction of which has been raised wholly or in part by public subscription, and buildings erected on land owned by or vested in any agricultural or horticultural societies or Trustees of any such society. Repayments cover a period of not exceeding ten years with interest at 4 per cent.

22. *State Housing Relief Legislation.*—This enables borrowers experiencing hardship by the funding of all arrears of housing schemes (except the building revival scheme) and the extension of the terms of mortgages (20 years, workers' dwellings) and of all contracts for sale (25 years, workers' homes), by a period of ten years, with a consequential reduction in monthly payments.

SOUTH AUSTRALIA.

THE SOUTH AUSTRALIAN HOUSING TRUST.

23. This was constituted by Act of Parliament (1936–1937) for the purpose of providing homes at a maximum cost of £500 each, including land, roads, footpaths, fences, sewerage, lighting and water services, for letting purposes only. To be eligible under this Act the total weekly income of the applicant and his family must not exceed 8½ times the daily living wage amounting to 14s. per day. Operations of the Trust are financed by borrowing, either directly or through the State. The total rental is not to exceed 8 per cent. of the actual cost of houses in a group. Until the outbreak of war, housing costs were well below the maximum figure of £500, but the maximum has now been raised to £600.

24. The Building Sites must be such that the land available is cheap, in reasonable proximity to one or more industrial centres, not subject to inundation or inherent faults, close to transport (with cheap fares) and schools, and within reach of essential services, and uniformly level to keep cost of footpaths at a minimum.

APPENDIX A—continued.

25. The dwellings constructed by the Trust are of the semi-detached type with a minimum area of land per dwelling of 4,000 square feet. The range of weekly rentals charged by the Trust in June, 1940, was for house of three rooms and sleep-out, 11s. 6d. to 13s. per week; house of 4 rooms and sleep-out, 12s. 6d. to 14s. per week; house of 5 rooms and sleep-out, 13s. 6d. to 15s. per week. By comparison, the average weekly rental for 4 and 5 roomed houses in the metropolitan area of South Australia for the June quarter 1940, was 20s. .048d. per week.

26. A supplementary scheme designed to re-house slum dwellers and others unable to afford the above rentals provided that weekly rentals were not to exceed 10s. per week and the total cost of dwellings not more than £350. This scheme was dependent upon gifts of land or money but as none have been received the scheme has not been proceeded with.

THE STATE SAVINGS BANK.

27. *Advances for Homes Department.*—Advances may be made to persons with an annual income not in excess of £450, for the purpose of erecting or acquiring homes by purchase for personal occupancy. Applicants must not already be the owners of any other dwelling. The maximum advance is £700 or $\frac{6}{7}$ ths of the value of house and land. The period of repayment is 42 years for brick, stone or concrete dwellings or 20 years for wood or iron dwellings, with interest at 5 per cent.

28. Under an alternative scheme dwellings and land may be sold by the Bank for a deposit of £25 under contract for sale. After payment of one-seventh of the purchase price, the Bank will execute a mortgage in favour of the Bank in respect of the balance owing and will approve a transfer of the land. In addition the Bank has power to purchase a home for letting to the widow or widowed mother of a returned soldier.

29. *Housing Loan Guarantees.*—By Act of Parliament in 1941, the State Government authorized, in certain cases, the guarantee of margins of advance above 70 per cent. to 90 per cent. of valuation to assist people with limited capital to acquire homes of their own. The maximum advance is £1,000, the rate of interest 5 per cent., with a penalty rate for late payment. An applicant must not already be the owner of a home and must declare his intention to reside in the dwelling for which the advance is made.

WESTERN AUSTRALIA.

WORKERS' HOMES BOARD.

30. *Workers Homes Act.*—Under Part 3 of the Workers' Homes Act, the Board may erect homes on leasehold land at a minimum deposit of £5, plus £1 6s. fees, making a total outlay for the lessee of £6 6s. Fees for the preparation of plans and supervision of the building, together with interest and progress payments are capitalized in the total cost of the dwelling. Security, in this case, is in the form of a perpetual crown lease. Repayments are made over 35 years for a brick dwelling and 25 years for a wooden dwelling, and include interest, principal, rates and taxes, fire insurance and land rent at 3 per cent. per annum of the capital value of the land. The land is subject to reappraisal every 20 years. After repayment of the capital cost of the improvements the land may be converted to freehold at the previously appraised value for rental purposes.

31. Under the freehold section of the Act (Part 4) the applicants provide their own land and advances are made by the Board up to a limit of £800 or 90 per cent. of the valuation. A charge of 1 per cent. for plans and specifications and $\frac{1}{2}$ per cent. of the tendered price for supervision is made. The Board has power to accept the land as sufficient equity for an advance without further deposit being required. The benefits of this section of the Act are limited to persons with an income not exceeding £400 per annum and who do not own a dwelling house. Repayments are over a period of 35 years for brick dwellings and 25 years for wooden dwellings with interest from 5 per cent. to 6 per cent.

32. A small loans scheme was introduced in 1933 for the purpose of creating employment and enabling repairs and renovations and additions to be made to properties. The maximum advance is £300 repayable over fifteen years with interest at 5 per cent.

33. *McNess Housing Trust (1930)*; was introduced to assist old-age and invalid pensioners with families, widows and deserted wives with families and other deserving persons, who are unable to acquire a home or pay rent in the normal way. The Trust is administered by the Workers' Homes Board. Funds are provided from the McNess bequests, grants from the Lotteries Commission and appropriations by Parliament from the Commonwealth unemployment grant, interest free. Properties purchased or erected by the Trust are occupied on a repayment basis of 5s. per week and others are occupied on a free life-tenure basis without payment. Under a later section, municipalities or roads boards cannot strike rates on the property and the only expenses for which the occupants are liable is for domestic purposes such as water and electric light, &c. The Trust has power to cancel the free life-tenure or the purchase agreement should the circumstances justify such action.

TASMANIA.

AGRICULTURAL BANK OF TASMANIA.

34. *Housing Section—Homes Act.*—Under this Act advances may be made to persons with limited incomes to provide homes for themselves and dependants on terms within their means. The Act gives power—

- (1) To acquire land for building subdivision and the erection of dwellings.
- (2) Deposits on dwellings on rent-purchase conditions with a small or nominal deposit.
- (3) Make advances to approved applicants for the erection of homes on their own land or land selected for the purpose. Eligibility for the advance is limited to persons whose income does not exceed £500 if he has three or more dependants or £400 in any other cases, or who receives not more than £25 a year as income from property.

A deposit of 10 per cent. of the cost of house and land is required, the maximum advance being £1,500. Repayments are over a period of 42 years for a brick dwelling and 30 years for a wooden dwelling with interest at the rate of $5\frac{1}{2}$ per cent. or 5 per cent. if payment is made within fourteen days. A fee of $2\frac{1}{2}$ per cent. of the contract price is made for plans and specifications and supervision.

35. *Housing Improvement Act 1938*, provides for a limited Government guarantee to approved financial institutions covering advances to approved applicants for the building of homes without deposit.

APPENDIX A—*continued.*

36. *Homes for Unemployed and Casual Workers Act*, makes provision for advances to unemployed and casual workers for the provision of a home on a rent-purchase basis with no deposit. Interest is at 4 per cent. and repayments including principal, interest, rates and taxes and insurance amount to 16s. per week for one particular lot of twelve five-roomed brick houses. This low rental is made possible by Government subsidy towards the cost of the homes.

37. Recent authority was granted for the provision of homes (semi-detached three-roomed dwellings) which it is intended to let to old-age pensioners for a rental not exceeding 8s. per week. A Government subsidy towards the cost of these homes permits this low rental.

COMMONWEALTH

WAR SERVICE HOMES COMMISSION.

38. Assistance is given to Australian sailors and soldiers and their families and dependants to acquire homes. This is given under two forms: either by the sale (under contract of sale) of homes acquired or erected by the Commission on the rent-purchase system, or by loans, on the security of a mortgage over the land and dwelling to erect, purchase or complete a dwelling, or to discharge a mortgage. After payments of 20 per cent. of the cost of house and land being purchased under contract of sale, a transfer of land may be obtained and a mortgage executed. The statutory limit of a loan under the Act is £950. Where the security given is by way of a mortgage a minimum deposit is 10 per cent. of the capital cost or valuation, whichever is the lesser. Where the security is by way of contract of sale under the rent-purchase system the deposit required does not exceed 5 per cent. of the capital cost of valuation.

39. Advances are repayable by equal monthly instalments of interest and principal, the maximum term of repayment being 50 years in the case of a widow or widowed mother of an Australian sailor or soldier and 45 years in all other cases. Interest is at 4 per cent. The Commission has followed the policy of letting houses on a tenancy basis pending their disposal by sale. Where an eligible purchaser is not available, disposal on the open market may be effected.

APPENDIX B.

SLUM AREAS AND SUB-STANDARD DWELLINGS.

1. The following references from Reports of Housing Surveys and evidence before the Committee presents a fairly reliable picture of the extent of slum areas and the condition of large numbers of sub-standard dwelling houses in New South Wales, Victoria and South Australia and gives some appreciation, based on evidence submitted and inspections made, of the extent of sub-standard housing in Queensland, Tasmania and Western Australia.

NEW SOUTH WALES.

2. The Report of the Housing Conditions Investigation Committee 1936, states that a detailed inspection was made of Woolloomooloo and Erskineville together with parts of Newtown and Alexandria. The Report goes on to say—

“That Woolloomooloo Area No. 1 contains approximately 76 acres.

That definite congestion exists, particularly along part of the waterfront and in the three-storied terraces.

That the majority of the buildings which are used purely for residential purposes are at least 60 to 80 years old, very dilapidated and generally in a very bad state of repair. The characteristics are such as are usually associated with squalid, overcrowded insanitary conditions.

Woolloomooloo Area No. 2.—The conditions in this area are unsatisfactory and very similar to those described above in Woolloomooloo Area No. 1. The area readily lends itself to treatment as a residential area and is ideally situated for this purpose.

Erskineville and environs—

(1) That the housing conditions throughout the Erskineville municipality necessitate special action for relief.

(2) That most of the houses are definitely unfit for occupation and should be demolished.

From our general review of the position within the metropolitan area, we estimate from information furnished by various municipalities that about 2,000 acres in the aggregate require treatment for relief of the present unsatisfactory housing conditions.

From these investigations we are satisfied that there are seriously congested areas within the city and the adjacent municipalities necessitating urgent consideration by the Government. We have, therefore, furnished the Architectural Traffic and Planning Sub-Committee with detailed information in regard to Woolloomooloo and Erskineville to facilitate the work of that Sub-Committee in arriving at some idea of the costs likely to be involved.”

3. A report on the redesign of Erskineville was submitted.

An approximate estimate of the gross costs of the scheme proposed is set out hereunder:—

	£
(1) Area west of Illawarra Railway Line—(including residential, shopping and industrial sections). Estimated cost of resumption and rebuilding	1,426,000
(2) Area east of Illawarra railway line—(including residential and industrial areas). Estimated cost of resumption and rebuilding	688,000
(3) Miscellaneous costs	396,000
	2,510,000

APPENDIX B—continued.

4. The Report of the Housing Improvement Board of New South Wales 1937 states—

"It will be noted that the Sydney Municipal Council is the only local authority in the State which has undertaken housing operations, limited though these have been. The financial losses incurred have so influenced the Council that it is understood it has no further desire to undertake rehousing schemes. Figures supplied by Council indicate that the net losses to 31st December, 1936, total £56,228 on a capital expenditure of £138,728."

A total of 169 flats was erected by the Council.

"It must be remembered that there are at least 30,000 homes in the City of Sydney and immediately adjacent municipalities which were built many years before there was any health control or supervision of building activities. They have long outlived their usefulness. Their existence, together with the manner in which they have been densely crowded on almost every available square foot of land forms a major housing problem so far as Sydney is concerned. This problem must be faced, because it is almost an axiom that a slum district eventually spreads and engulfs adjoining areas. Unchecked, the blight can spread with a rapidity that oftentimes astonishes.

"It should also be noted that similar conditions exist in Newcastle, Wollongong and several country centres.

We emphasize in regard to the 30,000 houses previously mentioned that the majority are without dampcourse, are badly ventilated, lack adequate sunlight and open space, and contribute nothing to the comfort or well being of the unfortunate tenants."

VICTORIA.

5. A survey was made by the Housing Investigation and Slum Abolition Board in 1936-37, covering the inner suburbs of Melbourne (within 5 miles of the General Post Office) and certain country towns.

6. The survey of the metropolitan area disclosed that out of 7,330 houses visited, the number was found to be—

(1) In good habitable condition	1,056
(2) Unfit for habitation without extensive repairs being made	3,138
(3) Unfit for habitation and incapable of being made fit	3,046
(4) Without bathrooms	2,066
(5) Without washing facilities	3,285
(6) Without kitchen sinks	5,553
The number of persons occupying houses unfit for human habitation	10,006

7. The survey of the country district was confined to Newtown and Chilwell, Geelong West, Shepparton and Mildura. Slum conditions were prevalent in all four towns.

8. In one town the local council reported that there were approximately 150 dwellings in which two or more families reside and, of these, 28 house at least 66 families consisting of 184 adults and 81 children. Four families live in tin sheds on their own land. There are 69 river bank huts which house 121 adults and 77 children. A census made by the municipality describes 32 of these camps as tin huts, constructed mostly of kerosene tins, six are described as tents, four as bag shelters, one as a bag hut and the balance are of sundry structure.

9. At another town there are 225 dwellings of the river shack and humpy type, constructed mainly of timber frame covered with bags, these accommodate approximately 1,000 people of whom half are children. In both towns these huts are without floors and the areas are subject to rivers flooding. No regular system of sanitation has been provided by either council. In one instance a girl fifteen years of age, was confined on the grass adjoining one of these river shacks.

10. Since its appointment the Victorian Housing Commission has issued 1,286 demolition orders (1,060 metropolitan and 326 country) and 2,059 repair orders (1,493 metropolitan and 566 country). The Commission's rehousing programme has so far included the erection of 1,144 homes in the metropolitan area and 136 in country towns. Of these, 186 houses have been designed to accommodate families with seven children or more. All told, accommodation has been provided for 1,004 families, including 2,250 children, at a cost of £1,210,000. In evidence before the Committee. Mr. F. Oswald Barnett, member of the Victorian Housing Commission stated that there were probably at least another 10,000 houses in Victoria still to be demolished.

SOUTH AUSTRALIA.

11. The Building Act Inquiry Committee made a survey of substandard housing conditions in the metropolitan area of Adelaide and in its Third Report (October, 1941) states as follows:—

"Number of dwelling houses inspected and classified	7,454
Up to standard	584
Sub-standard—	
(i) By reason of structural condition, bad state of repair or lack of amenities	4,616
N.B.—More than half of these houses could not be made to conform to modern standards of health and domestic comfort by any expenditure commensurate with their type or situation.	
(ii) Unfit for habitation and demolition necessary	2,254
Total sub-standard houses	6,870
Without usable bathroom	3,267
Without wash-houses	5,405
Without kitchen sink	6,524
Total number of inhabitants in sub-standard houses	26,298
Of these, children under fifteen years	7,629
Total number of inhabitants in dwellings where demolition necessary	9,326
Of these, children under fifteen years	3,290

"As has been pointed out, the sub-standard houses classified by the Committee are not the whole of the sub-standard houses to be found in the district surveyed. Large parts of the metropolitan area where reasonably good housing conditions prevail were completely excluded from the survey although isolated sub-standard houses and small groups of sub-standard houses are known to exist."

APPENDIX B—*continued.*

TASMANIA.

12. The Report of the Committee appointed by the Hobart City Council (1941) states—
 "The members of your Committee are unanimous in the opinion that the acuteness of the housing problem lies in the lack of healthy and sanitary houses at a reasonable rent for persons under the basic wage and for parents with large families. The problem of housing for parents with children is exceedingly difficult, and it is pleasing to note that this is one of the features to which the Housing Commission in Victoria devotes special attention. While a large percentage of parents would appreciate improved housing conditions, the greatest benefit would be derived by the children, and families should be given substantial preference in any allocation of tenants to new dwellings. Unless this is done, the benefits of free education and free medical services are seriously retarded.
 It is quite evident that private enterprise will never effect any permanent or even temporary improvement in the surroundings of these people, and as is the case in other States, the work will therefore fall on some public body such as a Housing Commission.
 The provision of decent places for this section of the community is a national question that requires a solution which cannot be regarded as a business proposition; but rather as one which is just as necessary as free education or free medical services. Inquiries made at a number of dwellings in two of the areas indicated that the average weekly family income was only £3 13s. 9d., but as some of the residents were away hop picking at the time, this figure may be subject to some variation.
 Any scheme, to be successful, must provide for some new houses near the centre of the city and for others to be built further out, where land is cheaper.
 The removal of slum areas within the city presents a more costly undertaking. In the first area, it is estimated that the Authority will have to pay up to £12,000 for land resumption. New roads, water and sewerage services will cost £6,000, making a total of £24,000. On this land, under the new law, only 40 new buildings could be erected."
13. In evidence before the Committee, the Lord Mayor of Hobart (Alderman J. Soundy) stated—
 "Upon investigation, it became obvious that many of the old portions of Hobart had not been planned properly, and many buildings had been built without regard to health or convenience, and the areas will need replanning to make the best use of the land, and in order to provide air, space and healthy surroundings. . . . the elimination of slum areas and sub-standard homes generally, and their replacement with modern houses at rentals within the reach of working people, is a national question. . . . many of the low-rent houses in Hobart are sub-standard. Hobart is the second oldest city in the Commonwealth and whilst it has beautiful surroundings, it is not well planned."
14. The Committee inspected a number of slum areas in Hobart and was convinced of the existence of numerous dwellings of very low standard quite unfit for habitation.

QUEENSLAND.

15. Ample evidence was available in Brisbane of the existence of sub-standard dwellings, including a large number of shacks on the outskirts of the city, where living conditions were far below the standards usually required by health and local government authorities; although it could not be said that as yet extensive slum areas had developed, the elements which go to make up the slum were in evidence.
16. Within close proximity to the centre of the city inspections were made of dwellings house in which very serious overcrowding existed. The Brisbane City Council has no record of any survey of housing conditions in Brisbane.

WESTERN AUSTRALIA.

17. While Perth is probably more favorably situated in relation to housing than any other capital city and there has been no serious development of slum areas, there are many sub-standard dwellings and potential slums.
18. An expert witness, in urging that greater powers for dealing with housing be granted to local government authorities in Western Australia, stated—
 "Every city has its blighted areas. We are developing one in Perth very rapidly now. These blighted areas would not appear if we had powers which enabled us to insist that owners of buildings keep their places up to a minimum standard. We have no actual slum areas in Perth but we have potential slums."
19. The Secretary, Workers' Homes Board, stated that his Board had been unable to attend to 300 applications from pensioners and necessitous cases and, referring to the housing conditions, said—
 "Some of the conditions have been really appalling and they still are."
 The Chairman, Workers' Homes Board, in evidence stated "The Board has no power to demolish slum houses. The slum problem is not very pressing."
20. Another representative witness stated—"I could show you, even in Perth, rows of houses that should be pulled down so that decent houses might be erected on the land."
21. Conclusive evidence was submitted indicating the existence of overcrowding on a large scale due to the housing shortage in Perth and suburbs, estimated at from 2,000 to 3,000 homes.
 There is no available record of any survey of housing conditions in Perth.

APPENDIX C.

THE HOUSING SHORTAGE.

While it is not possible to secure definite figures as to the actual housing shortage, at the request of the Committee, an investigation was undertaken by Mr. F. Oswald Barnett, M.Com., F.C.A.(Aust.), member of the Victorian Housing Commission, who has submitted the following estimates:—

- "1. It occurred to me that in normal times there would be some reasonably definite relationship between the number of marriages and the number of new dwellings and that this ascertained relationship may be used as a

APPENDIX C—*continued.*

1927-1928-1929, because the first of these years was one of the most prosperous years of the twenties, and the next two years revealed the signs of the coming depression. Taking then, the relationship disclosed in these three years as the standard, I have applied it for the twelve years 1928 to 1939, stopping then because of the enormous increase in the number of marriages owing to war.

This method is by no means to be taken as absolute, but simply as a guide. Mr. Colin Clark, Director and Government Statistician of Queensland, has compiled a formula of his own, which is based on the assumption that "A house or flat is required by every married woman and by 93.5 per cent. of the unmarried women and widows over the age of 40". Where data has been made available, the housing shortage has been estimated on this formula also.

2.—

TABLE SHOWING ESTIMATED HOUSE SHORTAGE.

	Marriage-dwellings formula.		Mr. Clark's formula.
Victoria (1939)	41,845	(1933)	25,166
New South Wales— Sydney (1939)	36,789		
State		(1933)	45,407
South Australia (1939)	15,940	(1941)	17,413
South Australia—Government Statist (1939)	15,500		
Queensland (1939)	8,197	(1938)	10,000

No reliable figures are available for Western Australia and Tasmania.

3.—

SUMMARY OF ESTIMATED HOUSING SHORTAGE.

From the above table I am of opinion it is reasonable to estimate that the housing shortage in the various States is approximately as follows:—

Victoria	40,000
New South Wales	45,000
South Australia	17,000
Queensland	10,000
	112,000

The shortage of 112,000 houses indicates that people are double-banking.

My estimates are based on the 1939 figures, and I should say that the position is worse now. The best that we could hope for is that it has remained static. Certainly it has not improved.

Mr. Colin Clark's estimate for the whole of Australia in 1933 was 89,000. As the years immediately following the Census (30th June, 1933) were "depression" years, I think the estimate submitted by me is not unreasonable.

4. To this estimated house shortage must be added the number of houses that are unfit for human habitation and must be demolished.

In Victoria this is estimated at	10,000
In New South Wales	30,000
In South Australia	6,000
A total of	46,000

5. No figures are available for Western Australia and Tasmania. It is evident that a building programme that would remove the housing shortage and rehouse slum-dwellers, must envisage the building of approximately 150,000 houses in the Commonwealth. It must be remembered that this is in addition to the demand for current housing, a demand that for many years private enterprise has not met.

6. The restriction at present placed upon the building of dwellings will, when it is lifted, mean greatly increased demand for dwellings. For each year that the embargo is retained, the shortage will increase by at least 35,000. There must also be taken into account the probability of the needs of migrants, particularly from Great Britain and the United States of America.

7. We build on the average 35,000 houses per year in the Commonwealth. During the depression years the average was 33,000 houses. If the war lasts for another two years the shortage will probably increase by 70,000 houses. Allowing for slum demolition, 46,000 houses and current housing demand 35,000 per year, I estimate that for the period of eight years we shall be required to build 50,000 houses a year in order to meet the demand.

8. To eliminate slums, extinguish the housing shortage, and to meet current needs, will mean a building programme of approximately 1,000 dwellings per week for this eight years. This is just one-sixth of what England did in her attempt to abolish slums and to rehouse the slum dweller after the Great War, and is therefore when judged from the point of view of comparative populations, a task well within our capacity."