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AUSTRALIAN NATIVES' ASSOCIATION

HOUSING – The A.N.A.'s Interest

By

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Chief President of A.N.A. in Victoria
1973-1974.

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(Treasurer and Director of A.N.A. in Victoria
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AUSTRALIAN NATIVES' ASSOCIATION

When the Australian Natives' Association was formed in 1871 it combined the advantages of a friendly society with those of a mutual improvement and national organisation. Its meetings were open to the public and dispensed with unnecessary formalities. It prohibited discussions on religious issues or questions of a "party political" nature so that its members would direct their attention to matters of national concern.

In its friendly society work the A.N.A. believes that, especially in the days of prosperity, it is paramount to provide against adversity or ill-health; and as a national organisation it aims to attract to its ranks, on an equal footing, those Australians who desire to exchange and express ideas regarding the welfare and advancement of their native land. It fosters a sincere love of country, encouragement of a high standard of life and living for all its citizens, the stimulation of Australian art, literature and science and the development of Australia's resources and industries in a scientific way and to the fullest extent. It believes that Australians should enjoy the highest ideals of social freedom and that Australia should be built into a powerful but peace-loving nation.

Probably there has never been a time when the Australian Natives' Association did not need new members. Most organisations seek to maintain an intake of new members and ensure that there is proper representation of the views of all age groups. However, the A.N.A. puts no barriers in the way so far as age is concerned and offers every encouragement to its members to interest themselves in, or better still actively participate in, the decision-making processes within its wide range of activities.

Right throughout the 110 years of its existence the A.N.A. has taken a keen interest in national questions — to the point where it is difficult, if not impossible, to put any definite limits on the scope of the A.N.A.'s work and interest. Because there are topics sufficient to be of interest to all, we appeal to A.N.A. members throughout the length and breadth of this great land of ours to involve themselves more positively now in national questions by participating in their local branches and so on — or by forming a branch in their locality if need be. We also appeal to others to join the Australian Natives' Association and make their own contribution, in their own way, at their own pace, to the advancement of their native land and the well-being of all members of its growing population. The A.N.A. has seen good times and bad, the rough and the smooth, but remains an organisation of thousands of ordinary Australians trying to advance Australia and the Australian people. A helping hand is always appreciated.

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*(See "Anapress" Dec. 1971 p. 30 and
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"The right of the individual Australian to own his own home was highly prized in the thinking of the Australian Natives' Association no less than in that of almost everybody else throughout the land." Housing under construction in a newly developing area at Chadstone, Victoria.

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SOME BACKGROUND

Housing is primarily the responsibility of the individual citizen in Australia. It is an issue which is bound up closely with the ideal of almost every Australian of having his own block of land and of building his house on it. The right of the individual Australian to own his own home was highly prized in the thinking of the Australian Natives' Association no less than in that of almost everybody else throughout the land.

Apartments, tenements, multi-unit dwellings and high-rise dwellings are far more common in European cities and in some cities of North America than they are in Australia. One factor in this, of course, is that Australia has more land in proportion to population than is the case in Europe or North America. Indeed the population density in industrially advanced Europe is far ahead of that of Asia, though many people incorrectly believe the reverse to be the case. Another factor is that Australia did not have the massive social problem of the European workers' sub-standard homes built during the nineteenth century, often by employers of labour, in proximity to textile mills, coal mines, iron foundries and the like. There the aspirations of home ownership for workers were all but non-existent — aims of that sort were for the middle class and upwards. This was in contradistinction to what was happening in Australia and in New Zealand from 1850 onwards when the gold rushes began. Some 70% of private dwellings in Australia and New Zealand are owned by their occupiers or are in the process of being bought by them — a proportion operative for many years now.

Local government does not come into the picture in Australia to any appreciable extent. One way and another the housing situation in Australia seems to have sorted itself out reasonably well up until the great economic depression of the 1930's. From that time onwards, however, in Australia the question of the provision of housing, as a public responsibility to some degree, came to the fore. This responsibility fell upon the various State Governments.

STATE HOUSING COMMISSIONS

The Housing Commission of Victoria came into being in 1938. In that State the Ministry of Housing has been extended until it now co-ordinates all the activities related to Government housing responsibilities, such as the Housing Commission, the Registry of Co-operative Housing Societies and Co-operative Societies, the Decentralised Industry Housing Authority, the Teacher Housing Authority and the Home Finance Trust.

The Housing Commission of New South Wales was established in 1942, principally for the provision of low cost housing to persons in the lower and average income group. The Queensland Housing Commission was inaugurated in 1945, at a time when there was an acute housing shortage as a result of World War II (1939-1945) and other factors. It has the power to build homes for sale or for rent.

The South Australian Housing Trust provides houses for families of limited means and builds for both rental and sale. It operates under the South Australian Housing Trust Act 1936-1973. Likewise there is the State Housing Commission of Western Australia and, in Tasmania, the Housing Division of the Department of Housing and Construction. In the Australian Capital Territory the Australian Government provides houses and flats for rental to persons on low income who live in or are employed in the A.C.T.

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Mention should also be made of certain legislation passed by the Australian Government. The Defence Service Homes Act 1918, which was formerly the War Service Homes Act 1918 provides that assistance be granted to persons who satisfy the eligibility conditions set out in the Act to enable them to acquire, on very favourable terms, a home which they will occupy as a residence. Those eligible for assistance under the Act include members of the Australian armed forces and nursing services enlisted or appointed for or engaged on active service outside Australia or on a ship of war during the 1914-1918 and 1939-1945 Wars and persons who served in warlike operations in Korea or Malaya or other defined areas under certain prescribed conditions. There is a Defence Service Homes Corporation under the direction of the Minister for Veterans Affairs. Up to 30th June, 1978 some 343,414 homes had been provided under the Act. 49,566 of these were for 1914-1918 servicemen, 286,631 for the 1939-1945 War and Korea, Malaysia, etc. and 7,217 for regulars and national servicemen.

HOUSING AGREEMENTS

Between 1945 and 1971 a series of Housing Agreements was entered into between the Australian Government and the State Governments. In 1971, for instance, the State Governments allocated loan funds for public housing purposes and were given some financial assistance in that the Australian Government made non-repayable interest-free grants under the States Grants (Housing) Act, 1971. This was followed by the 1973-1974 Housing Agreement under which the Australian Government assisted in the financing of housing programmes by the States and made Home Builders' Account loans through terminating building or co-operative housing societies or, in some States, approved lending authorities. These involved "needs tests" based on a percentage of average weekly earnings of Australian workers (as published by the Australian Statistician), to determine eligibility for housing authority dwellings or for home loans.

SOME EARLY A.N.A. MOVES

In the 1930's the A.N.A. saw housing as a social question which had close links with the physical and mental health and well-being of individuals within the Australian community. The A.N.A. was also aware that, in assessing the basic wage for the Australian worker, the Commonwealth Court of Conciliation and Arbitration (as it was known at that time) took account of the cost of renting a home — as part of its general philosophy that the needs of an average family should be kept in mind. It was interested in cost variations in a regimen of food, clothing, shelter and miscellaneous items necessary to maintain such a family in frugal comfort.

The A.N.A.'s view at that time was that housing schemes based on Government subsidies would never prove to be permanently satisfactory. The sensible answer was to organise things in such a way as to ensure that all members of the community, with a reasonable effort on their part, could provide themselves with proper housing out of their normal salary or wages.

Early in the 1930's the State Governments began to look carefully at their housing problems and the need to tackle them by way of providing funds from public sources. In Victoria a proposal came forward for the mass housing of Australians in tenements or flats to be built by the State Government. Criticism and resistance came quickly from the Australian Natives' Association. In Europe many people might choose to accept — or more than likely had to put up with — crowded housing conditions. That was their affair, and did not constitute grounds for some similar situation or standard to be brought to Australia. The social framework in Australia strongly encouraged home ownership. On 17 April, 1934, when the Commonwealth Court of Conciliation and Arbitration was convinced that the worst of the economic depression was over, it decided to make "a fresh start" on the assessment of the basic wage. In so doing it placed more stress upon the concept of the capacity of industry to pay particular wage rates as distinct from its earlier emphasis on the needs of an average family. It adopted a new index, known as the "C" Series Price Index, through which it could observe variations in the prices within a particular basket of goods — but still it had regard to the costs of housing. That aspect was not abandoned at all. There remained within the basic wage a broadly identifiable element for housing.

At its 1936 Annual Conference at Castlemaine the A.N.A. decided that a comprehensive look should be taken at housing problems by both the State Government and local government in Victoria.

A.N.A. CO-OPERATIVE HOUSING SOCIETIES

In the late 1930's the housing question was the subject of major interest and keen discussion in many of the branches of the Australian Natives' Association. Vocal opposition was maintained against the idea of mass housing projects under the aegis of the State Government. The A.N.A. members saw the Commonwealth Bank of Australia as one of the major sources from which low-interest finance should be made available to enable the average Australian to go about the purchase of his own home.

World War II intervened (1939-1945) and, because there were virtually no houses built for the last 3½ years of that period, the immediate post-war years saw an acute housing shortage right throughout Australia. In November of 1943 the National Questions Committee of the A.N.A. Board of Directors resolved that Directors W. Slater, M.L.C. and W. Ritchie inquire into housing problems and policy with a view to the A.N.A. presenting its policy to the Housing Commission in Victoria at some later date. At the A.N.A.'s Annual Conference in 1944 in Melbourne the Balwyn Branch sought that taxation and family allowances be adjusted so that there would exist a greater margin between the net income of single persons and those with family responsibilities, and also that interest-free loans of \$400 (£200), repayable over 10 years, be made available by the Australian Government to a couple upon their marriage. Conference adopted these proposals.

The A.N.A. Board of Directors, during 1944, had asked Director T.R. Davey to provide it with a report on the co-operative housing societies being operated by the Australian Natives' Association in New South Wales. After close consultation with the Board of Directors of the A.N.A. in N.S.W. a detailed report was given to the Victorian Board of Directors with the result that in November of 1945 the A.N.A. in Victoria decided to sponsor the formation of a Co-operative Housing Society. On 15 May, 1946 the No. 1 A.N.A. Co-operative Housing Society was registered. This was followed by the incorporation of No. 2 Society on 20 May, 1947 and No. 3 on 28 November, 1950. The finance for these three societies amounted to \$1,300,000 and was provided by the Trustees of the A.N.A. The demand for housing, and with it the demand for finance, remained strong for many years after World II, so the A.N.A. increased its interest in the co-operative housing field. A.N.A. Co-operative Housing Society No. 24 is the most recently formed unit in what is now quite a long series. The sources, apart from the A.N.A. Trustees, from which finance has been derived are the Commonwealth Bank (\$3.1 million), the Home Builders' Account (Commonwealth-State Housing Agreement) (\$2.75 million), Home Purchase Assistance Account (\$0.7 million), A.N.Z. Bank Ltd. (\$0.41 million) and the State Bank of Victoria (\$0.2 million). In addition to the foregoing co-operative housing societies administered from the Head Office of the A.N.A. in Melbourne, societies have been formed by the A.N.A. Metropolitan Committee, and by branches of the A.N.A. in Ballarat and Bendigo. A.N.A. Co-operative Housing Societies still operate in New South Wales.

In passing it is relevant to add here that, at the 1947 Conference of the A.N.A. in Victoria, the Merbein Branch successfully moved that the Board of Directors look at the desirability and practicability of the A.N.A. undertaking the insurance of fire, accident and general insurance risks, and "if satisfied that such a project could be satisfactorily carried out, to proceed immediately to establish the necessary organisation." The Board appointed its Treasurer, Mr. T.R. Davey and Vice-President Mr. R. Joseph as a committee of investigation. Following their favourable report, and a recommendation to the 1948 Annual Conference, the A.N.A. Insurance Co. Ltd. was registered on 16 July, 1948 with a nominal capital of \$200,000. The initial working capital of \$16,000 was provided from the Board's Management Fund. Operations commenced in January, 1949 with Mr. Lindsay Brooks as Manager and with many A.N.A. Branch Secretaries throughout Victoria as agents. Authorised Capital of the A.N.A. Insurance Co. Ltd. is now \$1 million and subscribed capital is \$375,000. This is an added and valuable service for members of the A.N.A. and is one which directly relates to the A.N.A. endeavours in the Co-operative housing area. In fact it is a complementary exercise.

Even twelve years after World War II, that is to say in 1957, the pressure was still on for housing finance. By way of example, A.N.A. Co-operative Housing Society No. 5 was inaugurated on 12 December, 1957 with \$100,000 finance provided through the Commonwealth Bank of Australia. By December, 1957, 800 persons had submitted applications for finance but, because of the limited amount available it was expected that only about 20 applicants could be accommodated.

The maximum loan per applicant would \$6,000, the term 30 years, the interest rate 5% p.a. and the Society was to lend up to 80% of valuation of the property involved. The Directors of the No. 5 Society were Messrs. G. Briggs, A. Clarey, T.R. Davey, V. Dimelow and G. Puncheon. (See "Anapress" December, 1957 page 6).

Four years later the demand was still keen and the A.N.A., as part of its idea that the co-operative housing concept should be acted upon more and more within the Australian community, urged action in this matter by way of articles in "Anapress", such as that in January, 1961 at page 27. There it said "Many thousands of people still without houses would not be in their present position if in the past they had joined a society and given the movement their full support. Because the A.N.A. thought this might have arisen in large measure from ignorance of what a Co-operative housing society was and how it operated the article went on to show how a society is formed, who may form one, who may join, what the borrowing arrangements are, how the society worked and so on.

By March, 1964 Society No. 11 had been formed. The demand for housing finance was still strong and, as reported in an item in "Anapress" of March, 1964 at page 6, the A.N.A. was endeavouring to organise finance so that two more Societies could be formed. The record shows that Society No. 12 was formed on 17 August, 1964 and No. 13 on 9 December, 1965. The A.N.A. had also been able to provide for its members Mortgage Protection Insurance policies which give cover on a member's life and are not to be confused with the Housing Loans Insurance Corporation arrangements which operated in conjunction with housing loans through the A.N.A. Co-operative Housing Societies. This gave the family unit an added security, as was explained to members through pamphlets, other advices and, of course, "Anapress" e.g. March, 1970 p. 13.

As time went by the older Societies ran their course and the winding up operations took place. No. 1 was wound up on 26 September, 1969, No. 2 on 31 May, 1976 (See "Anapress" of Sept. 1976, p. 3), No. 3 on 30 May, 1979 and No. 4 on 11 December, 1979. The Metropolitan Committee Society, formed on 4 July, 1956 has also run its course and winding up was completed on 12 March 1981.

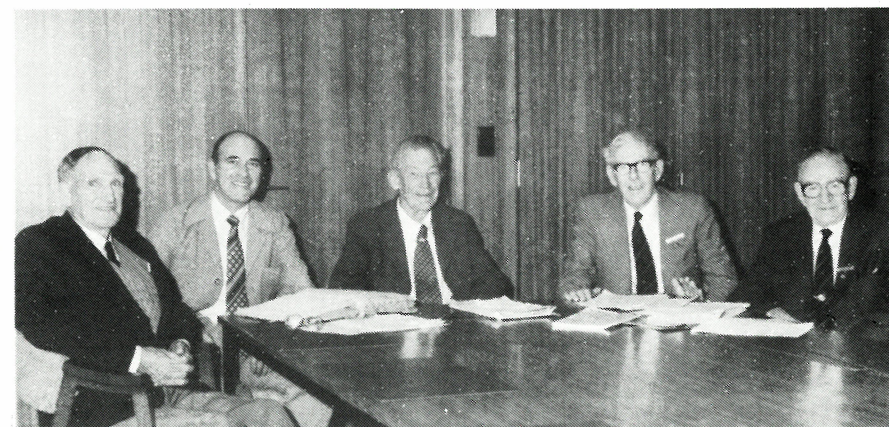
Each year the Annual Conference of the Australian Natives' Association is given detailed statistics concerning all of the A.N.A. Co-operative Housing Societies administered by Head Office, that is statistics of individual societies plus the overall position. In addition to this the Chief President makes a separate report to Conference each year on this matter. See, for instance, the Report of the Proceedings of the 1980 Conference at Bendigo at pps. 78-79 and 98-101. As at April, 1980 the net amount owed on mortgages by the A.N.A. Co-operative Housing Societies was \$3.137 million.

The Registered Office of those A.N.A. Co-operative Housing Societies administered by A.N.A. Head Office is at 28 Elizabeth Street, Melbourne, and the business address is the 9th Floor, A.N.A. House, 114 Albert Road, South Melbourne, Victoria, 3205. The Secretary of the A.N.A. Co-operative Housing Societies is Mr. Allan J. Bussey. He has held that office since December, 1977. The occupants of the office have been:—

December 1944	— February 1946	Mr. H.C. Munday
February 1946	— February 1953	Mr. D.D. North
February 1953	— September 1961	Mr. J.K. Buchanan
September 1961	— February 1963	Mr. T.A. Sporton
February 1963	— November 1968	Mr. W.E. Witton
November 1968	— November 1969	Mr. A.R. Myers
November 1969	— January 1970	Mr. W.E. Witton (Acting)
January 1970	— December 1977	Mr. D.W. Thomas
December 1977	— (to date)	Mr. A.J. Bussey

As a rule each of the co-operative housing societies has a governing body of five directors, elected by members of that particular society. Over the years members of the A.N.A. Board of Directors have occupied many of these positions. Because of this the sum total of information and experience regarding co-operative housing societies in the A.N.A. has tended to coalesce in and around the Board itself. In a way this has enabled the skills to be perpetuated and developed, although the Board itself has always been keen to have more and more rank and file membership participation in such decision making and administration.

Mention was made earlier of the co-operative housing societies established by the A.N.A. in New South Wales. These were in fact inaugurated before the Victorian A.N.A. co-operative housing societies were started in May of 1946. Some are still operative in New South Wales, at 306 Pitt Street, Sydney.



Meeting of Directors of Australian Natives' Association Co-operative Housing Society No. 7 at A.N.A. House, 114 Albert Road, South Melbourne, Victoria on 27 May, 1981. (This Society was formed on 7 March, 1960). Left to right: Director H.J. PEAGRAM; Secretary A.J. BUSSEY; Director T.R. DAVEY (Chairman); Director B.J. KELLEHER; Director L.J. YELLAND; Absent: Director E.W. PITTS.

THE A.N.A. PERMANENT BUILDING SOCIETY – VICTORIA

The Co-operative Housing Societies established by the A.N.A. are required under their rules to terminate on a fixed date or upon achieving their specified object. Permanent Building Societies, as the name implies, are not required to terminate in that way at all. There seemed to be a place for a Permanent Building Society within the A.N.A.'s already wide range of activities. Much critical thought and painstaking groundwork was put into this proposition in the period 1960 to 1964 with the result that the A.N.A. Permanent Building Society was formally registered in Victoria under the Building Societies Act 1958 on 20 July, 1964. It commenced its lending operations in April of 1965.

The detailed groundwork between 1960 and 1964 by the A.N.A. was mainly with the Victorian Government Statist and with officers of the Commonwealth Savings Bank of Australia. One of the principal difficulties which had to be overcome at that time was to establish a "stand-by amount" which would be available to pay depositors in the admittedly unlikely event that there should be a "run" on the new permanent building society. This "stand-by amount" was eventually negotiated with the Commonwealth Savings Bank for a fee but was later taken over by the A.N.A. Trustees after the A.N.A. P.B.S. had been operative for a few years.

The A.N.A. Permanent Building Society was motivated by the concept of a fair return to depositors and a reasonable rate of interest for the borrowers; but it also realised two further important propositions — that it nonetheless had to have very close regard to what was going on in the market place (of which it was a part) and that its potential to grow would, in the long run, depend significantly upon its ability to attract deposits from the general public.

The situation in 1966 was that the A.N.A. P.B.S. capital was derived from the A.N.A. Trustees (\$50,000), the Board of Directors and Branches (\$79,000), and some \$4,000 in deposits from the public. However, by 1970 the funds from public depositors were well on the increase and the Directors of the A.N.A. P.B.S. reported to the A.N.A.'s Annual Conference at Lakes Entrance in that year that they "could look forward to a period when we are controlling funds on behalf of our members well in excess of \$1 million." The \$1 million target was reached in 1972, and only one year after that the deposits and subscribed capital stood at \$2.53 million. The pressure for loans from the A.N.A. P.B.S. exceeded the funds which the Society had available, even though there was an increasing flow of deposits from the public and from the many branches of the A.N.A. The Directors were aware that the Society had done well in this regard but were concerned nevertheless that there was this continuing pressure for more loans from the A.N.A. membership itself. They therefore took a close comparative look at where they were placed within the building society movement in Victoria. There was steady growth there and the A.N.A. P.B.S. had every right to expect that it should be able to participate in that expanding market.

AN ENFORCED "MARK TIME" STAGE

The Board and the staff of the A.N.A. P.B.S. were eager to maintain the public confidence, the growth rate, the membership satisfaction and so on which had resulted from their efforts since 1964. This is evident from the reports to Annual Conference and items in "Anapress" (of Dec. 1971 p. 29, January 1973 p. 11 and Sept. 1973 p. 1-2). A policy of prudent management had been the rule all along. The Trustees and the A.N.A. P.B.S. were using the facilities of the Housing Loans Insurance Corporation (a Commonwealth Government-owned statutory body) to insure high-ratio loans, that is to say those loans above the normal level of 75% of the property valuation. This particular arrangement saved the borrowers the expense and trouble of undertaking the costlier second mortgage commitments in their endeavours to bridge any finance gaps. Indeed in 1968 the Directors decided that the Society would insure all of the loans (high-ratio or otherwise) with the Housing Loans Insurance Corporation as an added safeguard to the depositors' investments. By 1972 the A.N.A. Permanent Building Society was also an approved savings institution for the Commonwealth Home Savings Grant of \$1 for every \$3 saved over three years by eligible depositors who could become entitled to a maximum grant of \$750 subject to complying with certain conditions laid down by the Commonwealth Government.

The A.N.A. P.B.S. Directors saw that one of the reasons why the demand for loans was exceeding the availability of the Society's funds was bound up with the insistence by the Victorian Government Statist that the Trustees of the A.N.A. had to have certain amounts of negotiable securities set aside to be used as a "standby amount" to meet any possible call on the deposits made by the public with the A.N.A. P.B.S. From the outset in 1964 the Victorian Government Statist held the view that, because the A.N.A. P.B.S. was backed by the name of a friendly society, it called for a relationship establishing a much greater trust by the public than was the case with other building societies. Thus he required that the deposits which the A.N.A. P.B. Society received from the public be secured for repayment by a "standby amount" of 75% of such deposits. This was proportionately very much greater than the percentage adopted in the normal run of permanent building societies. An attempt to circumvent this difficulty (which was considered to be of doubtful legality) would have involved the A.N.A. Permanent Building Society giving a registered mortgage over the P.B.S.'s mortgages to the A.N.A. Trustees for such an amount as was required to establish from time to time any required liquidity. Due to very strong opposition by the Victorian Government Statist this possible solution was dropped.

The praiseworthy motives behind this financially conservative approach by the Victorian Government Statist were appreciated, and still are for that matter, in this year 1981. However, they were also open to another false construction, a misinterpretation in fact, namely that some adverse reason must exist as to why this high 75% figure was being applied to the A.N.A. P.B.S. as distinct from the general run of organisations which he was prepared to register under the Building Societies Act 1958. This point was raised by the A.N.A. P.B.S. but there

was no change forthcoming in the 75% figure; and the degree of rigidity with which this policy was applied became irksome, and eventually, stifling. Further representations were made to the Statist seeking a less conservative approach on this question of "standby amounts" — but in March, 1973 he still indicated his unwillingness to alter his policy.

The simple facts were that the reasonable expectations for growth rate, in accordance with that of the market generally, were not being experienced by the A.N.A. P.B.S. The Trustees advised the Board of the A.N.A. P.B.S. that they had reached the limit of the negotiable securities available to them for setting aside as a "standby amount" equal to 75% of public deposits with the A.N.A. P.B.S. The unfortunate backwash of this was that the A.N.A. P.B.S. had to restrict the amount of public deposits to the level then held — it was galling to have to refuse to accept deposits from the public after working so hard to interest people to invest with the A.N.A. P.B.S.

PARTICULAR JUDGEMENT OF A COMPLEX SITUATION

This denial of reasonable participation in the mainstream growth of the permanent building societies in Victoria prompted the Australian Natives' Association to commit its case to writing. The whole point at issue turned upon the question of what constituted a sufficient degree of financial conservatism, given the situation that the A.N.A. P.B.S. Board had no intention of departing from its long established policy of careful, prudent management. The "standby amount" of 75% of public deposits was simply based on a particular judgement as to the broad future trends of the Australian economy — a complex situation to be sure — but a judgement nonetheless, and one which had attached to it the weights which particular individuals or organisations might, in varying degree, give to numerous, conflicting arguments.

The A.N.A. P.B.S. realised that, if prices tend to rise then people may draw on their deposits to keep more cash in their pockets, or that people's habits may change in that they will make payments through separate cheque accounts and not use their cash deposits, or that there will be a greatly differing experience according to whether "on call" deposits or "time" deposits are concerned. It also considered that, for many years, banks had adopted a figure of 10%, or thereabouts, of their deposits as an amount sufficient to ensure that adequate protection was given to public deposits against any illiquidity. It noted that in the U.S.A. the legal cash ratios held by the banks for demand deposits were 12%, 17½% or sometimes 20% depending upon geographic location, but only 5% for time deposits.

The rationale for the 75% figure with which the A.N.A. P.B.S. was being saddled looked more and more untenable as time went by. Fortunately the Victorian Government Statist reconsidered the whole situation and agreed to relax his hitherto stringent and rigidly applied policy. This was welcome news to the A.N.A. P.B.S., which quickly resumed its growth pattern. Just prior to the relaxation of the policy of the Victorian Government Statist the A.N.A. P.B.S. had been engaged in the irksome task of refining the structure of the public deposits which it held to ensure that they were spread over the greatest possible number of individual depositors. It was pleased to be able to shift away from exercises of that character to something more useful.

The steady progress has gone along since then, and by April 1979 the capital of the A.N.A. P.B.S. was at the maximum required level of \$2 million. Deposits stood at \$10.79 million and assets at \$12.95 million. Probably the most exciting growth period for the A.N.A. P.B.S. was the time when the deposits doubled from \$926,000 in 1972 to \$2,103,000 in April, 1973. The following table is of interest as a record of the increasing degree to which the general public has given its support to the A.N.A. P.B.S.:—

AS AT 30 APRIL	CAPITAL SUBSCRIBED BY A.N.A. TRUSTEES \$	DEPOSITS \$
1966	50,000	83,000
1967	50,000	154,000
1968	70,000	317,000
1969	90,000	428,000
1970	120,000	596,000
1971	160,000	772,000
1972	190,000	926,000
1973	430,000	2,103,000
1974	480,000	2,375,000
1975	630,000	3,096,000
1976	1,070,000	5,330,000
1977	1,485,000	7,415,000
1978	1,700,000	8,226,000
1979	2,000,000	10,796,000
1980	2,000,000	11,002,000
1981	2,000,000	11,939,000

The A.N.A. Trustees gave their wholehearted support to the A.N.A. P.B.S. by providing the initial capital necessary to maintain subscribed capital at one-fifth of deposits right up to the required maximum of \$2 million. (See also "Anapress" of June, 1978, p. 24). This has enabled the success story of the A.N.A. P.B.S. to continue. The A.N.A. Trustees are the sole shareholders in the A.N.A. Permanent Building Society. The activities of the A.N.A. P.B.S. are of direct concern to them for additional reasons, however — what occurs there by way of current interest rates, variations to those rates, the demand for loans and so on can have a close

bearing upon the first mortgage loan operations of the Trustees themselves. The Trustees drew attention to this salient point in their Report to the 1980 Annual Conference of the A.N.A. in Bendigo. (See Report of Conference Proceedings, 1980 at page 75).

In reporting to the 1980 A.N.A. Annual Conference the A.N.A. P.B.S. Board mentioned that an extension of the Society's business could take place through the acceptance of deposits at approved branches of the A.N.A. The report to the 1981 Annual Conference said that procedures for deposits and withdrawals were now being tried out at certain branches, in addition to the facilities available at the A.N.A. Service Bureaux. There were 24 locations accepting deposits and at 5 of these locations withdrawal arrangements were also in operation. The A.N.A. P.B.S. hoped to extend these arrangements further during 1981. Some more details of the A.N.A. P.B.S. activities and statistical and financial information may be obtained from the A.N.A.'s Annual Conference Reports of Proceedings, e.g. the 1980 Conference Report at pps. 79-80 and pps. 102-103 plus, of course, the Annual Reports of the Australian Natives' Association Permanent Building Society itself.

The A.N.A. P.B.S. is a member of the Australian Association of Permanent Building Societies. It is also a participant in the Home Interest-Subsidy Scheme for Single-Income Families which was introduced by the Victorian Government, effective from 2 June, 1980. Under that Scheme subsidised interest rates enable single-income families to buy a home from the private sector of the economy with finance provided by a permanent building society. At the time of its introduction the test of a maximum income of \$300 per week was being applied. A scale of commencing interest rates ranging from 7½% up to 10½%, in ½% intervals, was applied at points along the salary range of from \$230 (or less) per week up to the \$300 per week maximum.

Since the inception of the A.N.A. Permanent Building Society in Victoria the following have been on its Board of Directors:—

Name	Appointed	Term Ended	Period In Office
Mr. G.A. Abberton	July 1964	August 1971	7 years 1 month
Mr. T.R. Davey *	July 1964	August 1970	6 years 1 month
Mr. C.C.D. Martin *	July 1964	August 1970	6 years 1 month
Mr. J.E. Menadue *	July 1964	April 1978	13 years 9 months
Mr. H.J. Peagram	July 1964	—	17 years (to date)
Mr. H.T. Shannon	July 1964	March 1966	1 year 8 months
Mr. E.W. Pitts	July 1964	December 1973	9 years 5 months
Mr. R.A. Clarey	August 1966	May 1972	5 years 9 months
Mr. F.E. Capuano †	August 1970	—	11 years (to date)
Mr. V.G. Wright	August 1970	February 1978	7 years 6 months
Mr. B.J. Kelleher †*	May 1972	—	9 years (to date)
Mr. H.A. Patterson	April 1974	August 1975	1 year 4 months
Mr. W.G. Smallman	April 1974	June 1977	3 years 2 months

Mr. E.W. Pitts *	September 1975	March 1981	5 years 6 months
Mrs. I.V. Meagher	April 1977	—	4 years (to date)
Mr. R.A. Storey	April 1978	—	3 years (to date)
Mr. W.A. Cuddihy	April 1978	—	3 years (to date)
Mr. B. Armstrong	April 1981	—	5 months (to date)

* Has held the office of Chairman of the Board of A.N.A. P.B.S.

† Has held the office of Deputy Chairman of the Board, following a resolution of the Board of Directors of the A.N.A. P.B.S. on 25 June, 1980

The Registered Office of the A.N.A. Permanent Building Society was at 28 Elizabeth Street, Melbourne between 1964 and August, 1980. In August, 1980 the A.N.A. P.B. Society Board decided that the Registered Office would, from August, 1980 be on the 9th Floor, A.N.A. House, 114 Albert road, South Melbourne, Vic., 3205. The Secretary of the A.N.A. P.B.S. is Mr. J.A. Munro. He has held that office since February, 1977. The occupants of the office of A.N.A. P.B.S. Secretary have been:—

July 1964 — Feb. 1977	Mr. G.F. Simpson, F.C.I.S., A.A.S.A.
Feb. 1977 — (to date)	Mr. J.A. Munro, F.I.H.I.A., A.A.I.M.

The Office of Manager of the A.N.A. Permanent Building Society has been held as indicated:—

Feb. 1965 — Sept. 1970	Mr. D. Thomas
Sept. 1970 — March 1971	Mr. M. Durand
March 1971 — June 1976	Mr. O. Penry
June 1976 — March 1981	Mr. M. O'Connor
March 1981 — (to date)	Mr. B. Brown

THE A.N.A. PERMANENT BUILDING SOCIETY — SOUTH AUSTRALIA

The Australian Natives' Association (S.A.) Permanent Building Society was established in 1969. Steady progress was made and by 1977 the total assets of the Society exceeded \$1.66 million. Whilst the overall growth pattern has been favourable there have been times when the demand for housing loans has slackened off considerably, reflecting a general trend of lowered building activity in South Australia.

The progress has been relatively slow in recent years. At present the interest rates are 9¼% p.a. at call and 11% p.a. for a 12 months term deposit. The competition from banking institutions and from the semi-government loan market is becoming more intense now and the term deposit rates in South Australia are, in some cases, up as high as 13% p.a.

At present negotiations are in progress for the Australian Natives' Association (S.A.) Permanent Building Society to amplify its operations through some thirty or so chemist shops. This will assist in market penetration. It is a move with expansion in mind, no less than was observed to be the case at the Victorian A.N.A.'s Annual Conference of 1981 at Hamilton — where Conference recommended to the A.N.A. P.B. Society in that State "that it implement, to the greatest practicable extent, its declared policy of establishing decentralised withdrawal facilities."

At the 1980 Annual Meeting of the A.N.A. (South Australia) P.B.S. held on 27 June, 1980 in the A.N.A. Building, 45 Flinders Street, Adelaide the Directors reported that "The depressed state of the Building Industry has had a marked effect on housing loan applications. Demand has been light; however there did appear to be more general enquiries towards the latter part of the year."

Interest paid to members and depositors for the year was \$155,905. The Directors are Messrs. L.W. Barrow, O.B.E., F.I.H.I.A., J.P. Chairman; A.K. Claridge, C. Eng., F.I. Prod. E., A.P.I.A.; H.H. Coulls; D.B. McLead, L.L.B.; G.E. Taylor, R.E.I.V. (Aust.), F.R.E.I., J.P.; and E.J. Hamilton, F.C.I.V. Manager is Mr. N.R. Caust, A.A.S.A., J.P., and Secretary is Mr. B. Baulderstone.

THE A.N.A. TRUSTEES

Mention was made earlier of the Trustees of the Australian Natives' Association in Victoria and the strong financial support which they gave from the very outset to the A.N.A. Co-operative Housing Societies and to the A.N.A. Permanent Building Society when it was formed in 1964. The A.N.A. Trustees have subscribed the \$2,000,000 share capital for the A.N.A. Permanent Building Society.

However, the A.N.A. Trustees (Messrs. H.J. Peagram, B.J. Kelleher and L.D. Brooks) have an interest in housing over and above the foregoing. The A.N.A. Trustees make finance available for first-mortgage loans on housing under rates and conditions which are consistent with the rates and conditions operative within the A.N.A. Permanent Building Society sphere. As at 30 April, 1981 the Trustees had first-mortgage loans in operation totalling some \$8,200,000. The A.N.A. Trustees have been involved in such operations for many years now. Predominantly these involve dwelling houses, but not exclusively. Only recently, for instance, the Trustees made arrangements with an "outside" organisation for the financing of the construction of a \$700,000 retirement village in Croydon, Victoria. This comprised 3 double and 18 single self-contained units and was opened in April of 1981.

An indication of the scope of the A.N.A. Trustees' operations in this area can be seen from the information below which relates to the amount of finance out on first-mortgage loan:—

30 April, 1981	\$8.20 Million
30 June, 1980	\$6.89 "
30 June, 1979	\$6.94 "
31 May, 1978	\$8.36 "
31 May, 1977	\$8.46 "
31 May, 1976	\$6.12 "
31 May, 1975	\$6.03 "
31 May, 1974	\$5.90 "
31 May, 1973	\$5.78 "
31 May, 1972	\$5.15 "
31 May, 1971	\$4.68 "
31 May, 1970	\$4.05 "
30 June, 1965	\$2.08 "
30 June, 1964	\$1.93 "
30 June, 1958	\$1.84 "

THE A.N.A. FEDERAL COUNCIL — A NEW INTEREST?

When the A.N.A. Federal Council met in Sydney, N.S.W. in December, 1978 one of the numerous matters it looked at was the idea of the A.N.A. having more Permanent Building Societies. On the motion of the N.S.W. A.N.A., seconded by the South Australian A.N.A., the Federal Council recommended "that the A.N.A. in each State keep under continuous review the possibility of establishing (where not already so established) an A.N.A. Permanent Building Society as an added service to members of the Australian Natives' Association." (See Report of Proceedings of Federal Council, 1978 at p. 19).

The A.N.A. Federal Executive meeting in Bendigo, Victoria on 19 March, 1980 reviewed the matter, as did a subsequent Federal Executive meeting at Hamilton, Victoria on 18 March, 1981. There, discussions took place on the practicability of establishing agency arrangements or subsidiaries for the A.N.A. P.B. Societies in Victoria and/or South Australia within those States or Territories where no A.N.A. Permanent Building Society existed. The South Australian A.N.A. raised the matter and was supported by the A.N.A. in Victoria. It was resolved "that this matter be proceeded with, and that the General Secretaries consult as to further details and critically examine what has been tried, or is being tried, by other permanent building societies in Australia in relation to such agency or subsidiary arrangements."

It was of interest to note these moves coming from the A.N.A. Federal Council and the A.N.A. Federal Executive. In a sense they broke new ground. Housing was primarily a matter for the State Governments as was mentioned earlier when dealing with the Housing Commissions, etc.; and, possibly for this reason, the A.N.A. Federal Council had not involved itself to any great extent beforehand in the detailed question of housing, housing finance and related matters. Nevertheless, there were items dealing with housing which had been raised by way of the recent Interstate Notes in "Anapress" from time to time, e.g. from South Australia in 1978, p. 15 and March 1979 p. 26 and by N.S.W. in September 1978 p. 21 and March 1979 p. 28.

A lot of effort and thought goes into attempts to solve housing problems nowadays, and this includes attempts to properly define and pose what the problem happens to be. Thus we see reports such as the July, 1980 Report on Multi-Unit Dwelling Developments in Australia — where an examination is made of trends in multi-unit dwellings, such as flats, villa units, town houses and condominium-type developments, to assess supply and demand and help both the building industry and the government authorities with their planning and construction targets, etc. This is an Australian Government (rather than a State Government) Report.

GREEN PAPER ON HOUSING IN VICTORIA, ETC.

In November, 1980 the State Government of Victoria indicated that it would be issuing a Green Paper on Housing. Comment on this important paper would be sought from members of the community, from organisations which had views on housing, and so on. It was some 40 years since the State Government in Victoria had taken such a close look at housing and the fundamental concepts and political philosophy behind it. The Minister of Housing was hoping to receive comments on the Green Paper by 26 June, 1981. Later, the Government of Victoria would prepare a White Paper on Housing which will set out the policy and direction which the Government decided should be taken in the light of what had come from the Green Paper. The Minister anticipated that the White Paper would be presented to the State Parliament of Victoria in September, 1981.

At the meeting of the Board of Directors of the A.N.A. in Victoria on 26 November, 1980 the foregoing was discussed and it was decided to obtain copies of the Green Paper for perusal as soon as possible. As it happened members of the Board were unable to acquire copies before February of 1981.

Volume 1 of the Green Paper on Housing comprises 92 pages and the Government, accepting that it does not have a monopoly of either wisdom or experience, seems to have set out to encourage community involvement, win community trust and approach the complex topic of housing with the idea that there are people and organisations who may in fact be capable of making a rational contribution during the first half of 1981 before the White Paper is prepared. None of the options or

proposals within the Green Paper can be considered as binding upon the Government. People and organisations, hopefully will make a significant input to this exercise on the pros and cons of investment of public monies into housing, on the manner and degree of such investment, whether it is for rental or for home purchase, what classes of citizens should have an entitlement to housing at public expense, should there be any interest subsidies and if so to whom? It will be recalled that the A.N.A. Permanent Building Society decided to be a participant in the Home Interest-Subsidy Scheme for Single-Income Families introduced with effect from 2 June, 1980 by the Victorian Government. Where do other categories fit into this problem — like the homeless poor, homeless youth, the itinerant worker, the unemployed, aged persons, persons fleeing from unbearable domestic situations and so on.

A wide range of problems, choices and situations is presented when the spotlight is put on to housing. The Green Paper seems to be touching on most of these and sets out possible options to consider in relation to specific problem situations. It is said (page viii) that "home ownership is a choice rather than a need" and so therefore any assistance there should be aimed at ensuring that people ultimately assume full responsibility for their own purchase. Mention is then made of "people unable or not wanting to obtain home ownership" and the assistance which should be accorded them. Should the renters, generally speaking, be given equivalent treatment to home purchasers — perhaps to the point where they are then under no incentive to get up and go towards purchasing their own home? If the purchaser achieves secure private space and his own indoor and outdoor environment is that not simply the result of his own efforts and thus not a factor to be got across to the renter in any "equalising arrangement"?



"Home ownership is generally a sound investment and provides a means for families to accumulate real wealth." Here a sunroom is being added to an existing property and members of the family lend a hand.

The Green Paper states (page 15) "Home ownership is generally a sound investment and provides a means for families to accumulate real wealth. Many argue that a society of home owners is likely to be a stable society. Owner-occupancy brings other social benefits: owner-occupiers usually put a good deal of time and effort into maintaining and improving their house and garden. The national housing stock and the physical environment are thus maintained and enhanced at small cost to the community as a whole." This is the sort of proposition which the Australian Natives' Association was advocating back in the 1930's.

As was mentioned earlier the Green Paper stated (on page viii) that "home ownership is a choice rather than a need." This may well be so, but considerable care needs to be taken to keep in mind that rental also can quickly become a matter of choice if the tenant is able to escape the reality of paying market rentals and have his situation subsidised by the community; and the community means, by and large, the average wage-earner.

It may therefore be reasonable for the community to look very closely indeed at those cases in which it is prepared to subsidise any rental arrangement. By definition a tenant on or above average weekly earnings would need to demonstrate some compelling circumstance if claims for his rental subsidy at the community's expense were to be seriously entertained. Where does one draw the line? Are the so-called poverty lines used by the Institute of Applied Economic and Social Research at the University of Melbourne a reasonable yardstick? — being based on the methods and assumptions of the Commission of Inquiry into Poverty and explained in its first main report "Poverty in Australia", issued in April, 1975. Its latest table issued on 11 March 1981 lists various poverty lines based on seasonally adjusted average weekly earnings of \$277.70 per week for the December, 1980 Quarter. These indicate that in a family unit where the head is in the workforce and has a wife and 2 children to support and has to meet all costs, including housing, there is a poverty line of \$156.90 per week; the married couple with 4 children has a poverty line of \$202.10 per week; the married couple without children \$111.70; the married couple with one child \$134.30.

On one hand, of course, debate may concentrate upon the so-called poverty lines used by the Institute of Applied Economic and Social Research at the University of Melbourne, but there is no reason to suppose that the matter begins and ends with the criteria which that Institute might see fit to adopt as a base. Where do its so-called poverty lines fit in then with the notions of the Conciliation and Arbitration Commission in this day and age? The Conciliation and Arbitration Commission, in addition to its numerous interests in the Australian industrial relations field, fixes a figure for a national minimum wage for adult workers and this was set early in May, 1981 at \$144.90 per week or \$7,555 per year (approx.). Is it reasonable, given the past involvement of the Conciliation and Arbitration Commission in this area, to presume that this figure should be seen as applicable to the needs of the married worker with a wife and 2 children to support? Is this the appropriate level at which tapered tests for a subsidy on State housing rents should begin, and, if not, why not?

Relevant to all this is a recent report by the Victorian State Department of Planning titled "Residential Land in Melbourne" and referred to in an item in the Melbourne "Age" of 21 April, 1981 at page 3. There it was indicated that, in 1980, home buyers in Melbourne required 2.9 years of average weekly adult male earnings to buy an average priced dwelling and land, whereas back in 1974 some 4.2 year's earnings were required. This was a very significant drop. If that did not ease the demand on the State Housing Commission for rental accommodation one would be sorely tempted to look urgently for the reasons why. In Sydney, however, the situation was that in 1980 the home buyer required 4.9 year's earnings in 1980 compared with 4.6 year's earnings in 1974.

The question arises of whether or not market rentals should be charged. It would be perhaps difficult to argue that those with the ability to pay the market rates should be sheltered from these and be subsidised from the public purse. What of the tenant who commenced renting when his income was in the lower or "needy" range but who has advanced to now be an "un-needy" tenant well able to take his chance on the normal rental market — but reluctant to do so because he is sheltered from such a rental market and is being subsidised by the average community wage-earner?

Is there really a "special problem of Melbourne" in that its public rental stock of housing "appears to represent the poorest supply of any State capital"? — one third of Adelaide's and one half that of Perth's. Is the real problem perhaps reducible to unduly favourable rental arrangements in Adelaide and Perth and nothing whatsoever to do with Melbourne? If it then costs a further \$120 million per annum to construct more rental properties from the Victorian public purse what field is to lose or miss out in the allocation of that State's financial resources?

Mention is made (page 88) of a possible increasing role for local government in housing issues. Why should this be, at this late stage? What new circumstance has arisen to justify involving local government? And so the debate goes on . . . but out of it all it is hoped that progress will be made, people will be better off so far as their housing arrangements are concerned, and so will Australia as a nation.

ALIGNING GREATEST NEED TO PRIORITY OF ACCESS — A COMMUNITY PROBLEM

It is perhaps relevant to include here some points which were given mention in the Commission of Inquiry into Poverty of which the Chairman was Professor Ronald F. Henderson. The First Main Report came out in April, 1975 and on pages 164 and 165 thereof reference is made to the fact that the Commission of Inquiry had "received substantial evidence of the stigma and disadvantages of life in big housing commission estates." There were socio-economic disadvantages, there was reduced personal autonomy, dignity and independence to be considered as a potential if not an actual problem or problems, and an inadequate environment.

All this was being put on the line "for the simple gain of a reduced rent." These were among the issues which caused the Australian Natives' Association in the 1930's to be vocal in its criticism and strong in its resistance to the whole notion of mass tenement housing.

In looking at assistance for house purchasers the Report (page 170 et seq) recommended that banks and building societies "include the wife's earnings as income and accept the family's undertaking as to her expected working life when they are deciding on loans." It suggested means-tested subsidy schemes using Reserve Bank funds especially for people whose incomes were below the poverty line or less than 20% above it. The Report at page 174 remarks that "Single parent families wholly reliant on the pension are the group which will probably require the most assistance to become home-owners", but, as pensions are adjusted upwards in line with the movement in average weekly earnings, "even single-parent families are likely to be able to repay a loan fully if they are given some assistance in the early years."

The Report touched on some home truths when it said (page 164) "The first principle in the provision of assistance to low income people is that the assistance must be linked to the person and not to the house. This is because people's circumstances change and houses have a long life, so that if the assistance is linked to the house in the form of a subsidised rental after ten or twenty years there are likely to be a great many people no longer poor occupying the subsidised housing." Thus many poor people may be forced to go without assistance and this has indeed happened in Australia, according to the Report. In presenting statistics regarding the number of "poor income adults" renting housing commission homes in Australia the Report indicated (page 164) that, of the total of 183,000 housing authority tenants in a national income survey, 51,000 were classified as "poor" before they took up the housing. The stark fact therefore was that 132,000, or 72%, of the housing commission rented dwellings were occupied by people with incomes more than 20% over the poverty line. How then could this situation be accepted unquestioningly when, from other statistical sources, it was known that 86,000 families and individuals with incomes below the poverty line and a total of 146,000 with incomes less than 20% above the poverty line were thus having to make their own housing rental arrangements on the private market? There was no denying that this situation posed a very serious question of priorities in access to the resources being provided at the expense of the community, which is, to generalise, none other than the average Australian wage-earner or taxpayer.

A RESPONSE TO THE GREEN PAPER

When the A.N.A. Board of Directors met on 27 May, 1981 it was able to consider the question of the Green Paper on Housing, the nature of its response and whether or not this response might be made in some formal submission to the Minister. It had before it a paper prepared several weeks earlier by one of its Directors. Since the Green Paper was seeking a response by 26 June, 1981 the Board felt that, initially, it should submit an answer to the Minister setting out broadly where the A.N.A. stood on the housing question. This paper would be based generally upon the following thoughts:

The Australian Natives' Association sees housing as a basic matter which is linked closely with the physical and mental health and economic well being of the individuals in the Australian community.

It espouses the widespread aspiration within the Australian community of the family having its own home. It sees this development as contributing towards a more stable society, and as contributing to a better class of home within the national stock of houses and at what is almost certainly a lesser cost to the Australian community. The owner-occupier probably will be prepared to put much of his own time and effort into home maintenance and improvement. In general terms at least the same cannot be said of the renter and the rented property.

Historically, the provision of housing has been the responsibility of the individual citizen within the Australian community. The provision of accommodation at public expense for rental or purchase arose as an issue in the late 1930's prior to the formation of the State Housing commissions. At that time the Australian Natives' Association took a keen interest in the question, in Victoria especially. It opposed the general idea that the State should provide mass tenement housing, seeing it not only as contrary to the general idea of families having their own individual houses and land, but as a move that could create its own social problems and be seen as a backward step.

Then, and still now, the A.N.A. holds the view that housing schemes based on Government subsidies will not prove permanently satisfactory in the Australian situation. The better way is to create an economic and social climate wherein all members of the community, given some reasonable effort on their own part, can provide themselves with proper housing from their normal salary or wages, etc. It also stresses that further support for co-operative housing finance should be given through the Commonwealth Bank, the State Savings Bank, the Commonwealth-State Housing Agreements and other sources. The Australian Natives' Association has inaugurated 24 A.N.A. Co-operative Housing societies in Victoria since 1946 and has its own Permanent Building Society, established in Victoria in 1964.



"Historically, the provision of housing has been the responsibility of the individual citizen within the Australian community." A society of home-owners is likely to be a more stable society. Young children in the front garden of their newly-built home.

The A.N.A. does not generally favour the idea that the State Government should provide, by public investment, properties for rental to any great extent. It realises that there is a need for some such public housing for itinerant workers perhaps, for homeless youth, for people fleeing from intolerable domestic situations, for people with large families who for one reason or another have been unable to obtain their own home. It believes however that, *prima facie*, the market rental concept should be applied to such State-built or State purchased properties unless some particularly compelling circumstances can be shown to exist, e.g. a pensioner on low income, temporary unemployment, rental in excess of approx. 25% of gross income and so on. As soon as the compelling circumstances depart the full market rate rental should be re-applied. Generally the A.N.A. sees no valid reason why the average Australian should be called upon to subsidise the rental of any person other than one in the group coming within the "compelling circumstances" situations. If some citizens make the conscious choice to rent properties instead of making the personal exertion of purchasing their own home (as is the generality in Australia) then there seems to be no reason why they should not move out and attend to their choice on the ordinary private property rental market. No doubt some would much prefer that the State did this for them, and then, if at all possible, at rentals which were subsidised by the Australian community, which is to say the average Australian.

The Australian Natives' Association has considered this matter and again holds firmly to the view that primarily the provision of Housing by the State Government should be with owner-purchase in mind rather than rental.

AN EPILOGUE — BY RAY DAVEY

It may be of interest to recall my personal experience of the purchase of a block of ground at Moorabbin 50 feet by 170 feet in 1923 for \$300 (£150). The road was not made and of course there was no gas or sewerage available. I had to pay to have electricity laid on.

I paid a builder \$1,500 (£750) to build for me a two bedroomed wooden house with a tiled roof. It was about 7 years before the road was made and sewerage was put through. These services were paid for by the instalment system set up by the Local Government Authorities.

To finance the building of my first home I obtained a Credit Foncier loan from the State Savings Bank of Victoria for \$1,300 (£650) repayable at the rate of 3% principal and 6% interest.

My salary at the date of the purchase of the block of land was \$11 (£5.10.0) per week or approximately \$572 (£286) per annum. A relative lent me on 2nd mortgage \$300 (£150) repayable on the same terms as the Credit Foncier loan. The Credit Foncier loan was paid off when I sold my house in 1934 after purchasing a 3 bedroomed brick house in Surrey Hills.

My experience as a single young man in 1923, and 12 months later marriage, and then later still the birth of 2 sons, gave me a very valuable insight into the problems of housing young people under the Credit Foncier system, of which the Co-operative Housing is only a slight variation. Times, however, have very radically changed since the days when furniture, wireless, and a car were only purchased when cash was available.

Lodge dues for the Sick and Funeral fund, Doctor and Chemist or Dispensary were payable only per quarter. The Hospital Fund was not introduced until 1932.

No government bonuses or assistance of any kind was even thought about.

At the initial public meeting called for the purpose of forming the first Australian Natives' Association Co-operative Housing Society No. 1 Limited there were present at the Board Room (then at 28 Elizabeth Street, Melbourne) at least 80 prospective home purchasers seeking loans. Many questions were answered, but it was very evident that few of those present understood how the Credit Foncier system worked out. To many it seemed incredible that the small payment of principal included in their monthly instalment would eventually discharge the principal sum advanced.

The tables of monthly instalments of the No. 1 Society were based upon repayment of Principal and Interest over a 25 year life of the Society; but all the loans were repaid after 23 years and 5 months. On a personal note you will appreciate the very great thrill and pleasure I experienced as liquidator of No. 1 Society in being able to present, to those who had borrowed from the No. 1 A.N.A. Society, their Certificates of Title to their homes free and unencumbered together with a small refund cheque of the surplus funds (see photo).



Pictured at the liquidation of No. 1 Co-operative Housing Society are from left: Mr. G.F. Simpson, General Secretary A.N.A.; Director T.R. Davey, Liquidator; Mr. W. Jungwirth, Registrar of Co-operative Housing Societies; Mr. H. A. Patterson, Chief President A.N.A.; and Mr. W.E. Witton, Secretary A.N.A. Co-operative Housing Societies. (See "Anapress" Dec. 1968 pps. 1,4).

Subsequent A.N.A. Co-operative Housing Societies have been based upon a 32 year life, but it is interesting to recall that No. 2 and No. 3 Societies ran for 29 years, No. 4 27 years and the A.N.A. Metropolitan Committee Society 24 years.

Various resolutions on the Housing problem had been carried by the A.N.A. Annual Conferences over a period of years but there did not appear to be any acceptable proposals put forward by the A.N.A. other than those for increased Federal Grants to the War Service Homes Department and increased appropriations to the Credit Foncier Department of the State Savings Bank. Borrowers from these sources were kept waiting for years.

It was not until August 1944 when I was in Sydney in the course of my employment that I was able to see how the New South Wales branch of the Australian Natives' Association was successfully managing its Co-operative Housing Societies. This was a great surprise to me because the daily Press in Victoria had for some time been issuing warnings against the introduction of Co-operative Housing Societies into Victoria. The suggestion was made that the members of a Co-operative Society who regularly paid their contributions would not be able to get their Certificates of Title to their homes until all those members who were in arrears had paid up in full and where losses had resulted from forced mortgagees' sales had been made up by the financial members. I admit I was impressed by these points because of experiences with mortgages in 1932 and a year or two later during the great economic depression.

It was soon proved to me that such dire circumstances had not arisen in the Sydney Co-operatives. As a result of my report concerning the Sydney situation the Victorian Board of the A.N.A. decided to form the first A.N.A. Co-operative Society in Victoria but there were some considerable delays in registering Co-operative Societies due, it was believed, to the first Registrar being afraid that the Victorian Government would be faced with very large losses by the defaults of some borrowers. Eventually after Parliamentary complaints the Premier transferred the Registrar to another Department. Thereafter Co-operative Societies were quickly registered.

The A.N.A. Co-operative Society No. 1 was registered on 15th May 1946 and I think it was generally admitted that few of the first Directors of this Society and our staff had had any experience with home building finances. I had many years employment with a large and well known firm of solicitors but I did not qualify as a solicitor. It was some ten years before most of the early legal problems concerning Co-operative Housing Societies and their members were sorted out. A very great debt of gratitude was due to Mr. K. G. McIntyre OBE MA LLB of Box Hill for his sound advice in these legal difficulties over a long period.

We can report that we have experienced a few cases of severe arrears. These cases have been dealt with by the Directors or the Secretary by face to face discussion with the member, and sometimes his spouse. In some acute cases the member will not call or cannot be contacted by phone, and a Director or the Secretary have had to visit the member in his home. Rarely do these visits fail.

The number of Co-operative Society homes sold by a mortgagee's sale in the whole of Victoria have been estimated by one expert as a few thousandths of one per cent. How wrong were the daily Press forebodings previously referred to!!

A few years ago the Housing Loans Insurance Corporation reported that the cause of arrears in the main were marriage breakdown, drink and gambling. I agree with that opinion. Perhaps to be up to date we may find that drugs may become another cause.

At a recent meeting of Co-operative Housing Societies a comment was made: "One wonders, if more low cost housing was available, would we save on some costs in other directions, for example the Family Court, Juvenile Institutions and a host of other Welfare Organisations." Maybe the idea should be given serious consideration.

The 50,000th Co-operative Society house in Victoria was built at Altona and was financed by an A.N.A. Co-operative Society. On the basis of the Registrar's financial report it is estimated that during 1981 the number of houses financed and completed by Co-operative Housing Societies in Victoria will pass 100,000.

Some statistics as at December 1980 of where the money came from to finance Co-operative Housing should be of interest. The total aggregate of lenders' funds made available to Co-operative Housing Societies in Victoria is approximately \$742 million. The principal amounts were through the Commonwealth State Housing Agreement (including the Revolving fund) \$475.4 million, the Commonwealth Bank of Australia \$81.6 million, the State Savings Bank of Victoria \$57.1 million and Private Trading and Savings Banks \$98 million.

During the year ended 31.12.1980 it was noticeable that no advances were made by the Australian and New Zealand Savings Bank Ltd., Bank of New South Wales Savings Bank Ltd. or the Commercial Bank of Australia Ltd.

The present maximum advance, current since 1976, is \$25,000 and members now have the opportunity to borrow a further \$5000 on 2nd mortgage over the term of their 1st mortgage from the Home Finance Trust administered by the Registry.

Improvements to the Home Savings Grant Scheme were announced in November 1980 by the Hon. D. T. McVeigh MP the Minister of the Commonwealth Housing and Construction portfolio. This new scheme now makes available a family bonus to people with dependent children. Eligible people with one dependent child will get \$500 bonus while with two or more children will get an extra \$1000. This means that a basic \$2,000 grant and bonus can now be worth up to \$3000 to first home buyers.

With the winding up of five of our Co-operative Housing Societies very successfully completed and our staff well experienced in this method of home building finance the A.N.A. looks forward to rendering further service to our members by providing the money to enable them to purchase their first home.

Some Other Publications:—

- "The A.N.A. — Its Aims and Influence on the Australian Scene"
by Bryan J. Kelleher. (Also published in "Anapress" of March,
1963 at pps. 5-10). (1963)
- "A.N.A. — Some Background Notes for Chairmen" by Bryan
J. Kelleher and Bruce C. Kelleher. (1970)
- ISBN 0 9599842 1 6 "The Mineral Springs Spa Waters of Australia
— A Plea for their Development" by J.E.
Menadue. (1972)
- ISBN 0 9599842 2 4 "Afforestation — Australia-Wide Plan
Needed" by Bryan J. Kelleher. (1978)
- ISBN 0 9599842 3 2 "A.N.A. — A Forum To Advance Australia"
by Bryan J. Kelleher. (1980)
- ISBN 0 9599842 4 0 "Australian Art, Literature and Science —
The A.N.A.'s Interest" by Bryan J. Kelleher. (1979)
- ISBN 0 9599842 5 9 "Federation and Constitutional Reform —
The A.N.A.'s Interest" by Bryan J. Kelleher. (1981)
- ISBN 0 9599842 6 7 "Salination and Desalination — Some A.N.A.
Thoughts on the Twin Problems" by Bryan
J. Kelleher and Les J. Crofts. (1981)
- ISBN 0 9599842 7 5 "Housing — The A.N.A.'s Interest" by Bryan
J. Kelleher and T. Ray Davey. (1981)

An A.N.A. Bibliography has been incorporated in the Report of Proceedings of the Australian Natives' Association's Annual Conferences in Victoria in recent years, for example at pages 118 and 119 of the 1980 Conference Report and at pages 130 and 131 of the 1981 Conference Report.

The A.N.A. journal "Anapress" has been issued in Melbourne since 1948. In the issue of September, 1978 pps. 27-30 is an Index of subjects covered in "Anapress" between 1948 and 1978. In the issue of June, 1972 at pps. 16-17 is an Index of source material relevant to the A.N.A. In the issue of December, 1971 at pps. 22-29 is a Branch Index covering items of interest to the individual A.N.A. Branches in the period 1948 to 1971.

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