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MULTIPLE OCCUPANCY DEVELOPMENT



FEASIBILITY STUDY

BY THE

LAND COMMISSION OF NSW

JUNE 1984

2.4 Current Legal Constraints

2.4.1 The Local Government Act, 1919

Circular No. 44 issued by the then Planning and Environment Commission on 3rd July, 1980 sets out the policy for multiple occupancy projects.

Policy Four set out in Circular 44 provides that "Future Subdivision of any holding granted multiple occupancy status is prohibited as long as it retains that status". Where Councils have adopted M.O. and this policy has been incorporated into the L.E.P., the L.E.P. will state that the land upon which the multiple occupancy development is to be carried out must be and remain unsubdivided under the L.G. Act and the Strata Titles Act, 1973 so as to comprise a single parcel. Section 4 of the L.G. Act defines a subdivision to mean or refer to subdividing land into parts, inter alia, . . . (b) by any agreement dealing or instrument, inter vivos (other than a lease for a period not exceeding five years without option of renewal rendering different parts thereof immediately available for separate occupation or disposition. Section 327AA(2) of the L.G. Act provides that "land shall not be disposed of by way of . . . lease (other than a lease for a period not exceeding five years without option of renewal) unless the land is a lot or portion shown in a current plan". (For a definition of "current plan" see Section 327AA(1) of the L.G. Act).

In order to provide a security of tenure satisfactory for financing and F.H.O.S. purposes a lease (be it oral or written) for a lengthy term is not only highly desirable but probably necessary.

In passing it should also be noted that in order to attract the indefeasibility provisions of the Real Property Act any lease the term of which (including the term of any option for renewal) exceeds three years needs to be registered on the title deed for the M.O. lands. The necessity under the current law to register such leases would involve cluttering the title deed for the M.O. lands with a multiplicity of leases (as well as the expense of registering such Leases).

The current legal constraints imposed by the L.G. Act and the Real Property Act may be overcome by:

- (a) granting leases to provide exclusive occupation of a dwelling site for a term of shortly less than three years with a provision that the tenants on the expiration of the lease hold over as tenants from year to year; and
- (b) inserting in the objects of the M.O. body corporate a prohibition on the body corporate terminating the lease, subject to the qualifications referred to in paragraph 2.2.4. supra, whilstsoever the tenant remains a member of or is a shareholder in the body corporate (see George & Ors. v. The Lismore City Council and Sanior Pty. Limited - Land and Environment Court, 1983 unreported).

The deceptive means of overcoming the legal constraints may, however, be lost on an otherwise willing financier which faced with the short term shown on the face of the lease considers the risk involved in financing unwarranted.

For recommendations in relation to legislative change and reform see paragraph 2.1.3 supra.

2.4.2 The Companies (New South Wales) Code (C.C.)

Section 169 of the C.C. prohibits a person or corporation (other than a public company as defined in Section 164(1) of the C.C.) from issuing to the public, offering to the public for subscription or purchase, or inviting the public to subscribe for or purchase, any prescribed interest.

Section 170 of the C.C. permits a public company to issue or offer to the public . . . a prescribed interest provided that the Commission has registered a Prospectus for the issue under Division 1 of Part IV of the C.C.. Section 171 of the C.C. imposes a prohibition on the issue of a prescribed interest unless there is in existence an approved deed.

Section 176 of the C.C. grants to the Commission a power to grant exemptions (but only to a public company as defined by Section 164(1) of the C.C.) from complying with any or all of the provisions outlined above but subject to such terms and conditions as it may deem expedient to impose.

A "prescribed interest" is defined in Section 5 of the C.C. to mean inter alia any . . . interest, whether enforceable or not and whether actual, prospective or contingent in . . . any financial . . . scheme whether in New South Wales or elsewhere. It should be noted that the prohibitions relate not only to a company (other than a public company) but also to individuals.

The definition of "interests" has been widely interpreted by the Courts (see Australian Softwood Forests Pty. Ltd. v Attorney General for N.S.W. (1981) CLC 40,734) and has been interpreted to include such varied schemes as afforestation schemes, time sharing schemes and community pools.

To comply with the provisions of Division 6 of Part IV of the C.C. would involve a considerable amount of time and expense and would not be warranted in a M.O. project where the intent is to provide housing for "low income" earners at the lowest cost possible.

If the M.O. body corporate took the form of a public company (see below paragraph 2.5.6) an application could be made to the Commission for an exemption from the provisions of the Division under Section 176 of the C.C. The success of such an application is by no means guaranteed. As it would appear that the Crown is exempted from the provisions of the C.C. the Land Commission of N.S.W. should be the body issuing to, offering to issue to or inviting the public to subscribe in or become members of the M.O. project. (For recommendations on legislative change and reform see paragraph 2.1.6 supra).

2.5 The Legal Structures available within the current framework of the Law.

2.5.1 Tenancy-in-Common and/or joint tenancy ownership

These methods involve the holding of land in undivided individual shares, with the names of all holders appearing on the Title Deed. The two forms of holding vary, from a practical point of view, only in determining transmissibility on the death of a holder. If either of these methods were used a detailed agreement between the owners covering the issue raised in subsection 2.2 supra would be required.

The major disadvantage of these forms of holding are:

- (1) the land in toto cannot be mortgaged without the consent of all owners.
- (2) Whilst from a strictly legal point of view, an owner's interest can be mortgaged, from a practical viewpoint no financier would accept a part interest only as security for an advance.
- (3) Expenses and time delays occur when a new owner is purchasing an interest in the land as it is necessary to comply with conveyancing procedures for land generally.
- (4) The Title Deed becomes cluttered because of the volume and frequency of transactions.

These methods are only suggested in the event that the M.O. project involves an extremely limited number of persons (and dwellings).

The individual owners would qualify for grants under the F.H.O.S. provided that each owner obtained an exclusive right of occupancy to their own home from each of the other owners of the land.

2.5.2 Church

A Church could be established under the various Acts existing within New South Wales. Whilst this structure has considerable advantages participants would not be eligible to participate in the F.H.O.S., to a distribution of assets on a winding up, nor would the safeguards recommended in paragraphs 2.2.2, 2.2.3 and 2.2.4 be implemented.

2.5.3 The Co-Operative

Co-operatives in New South Wales are incorporated under the Co-operation Act. The principal disadvantage is that the Department of Co-operative Societies has an almost unlimited power to deny incorporation and, as a result, applications for incorporation take a lengthy period to process. The delay would be further aggravated when complex provisions (as would be necessary to give effect to the recommendations in paragraphs 2.2.2, 2.2.3 and 2.2.4 supra) are included in the proposed Co-Operative's Rules. Rarely does a group which proposes to enter into a M.O. project form prior to the land it wishes to purchase being "found".

Unless the time delays in having Co-Operatives incorporated can be shortened considerably, if this method is to be used it would be necessary for a member or members of the group to purchase the M.O. Land and subsequently transfer it to the Co-Operative when incorporated. Such an approach, of course, results in double stamp duty on the land transaction as well as additional legal costs.

Many people have a prejudice against being involved with a company as they see it as an exploitative tool of capitalism and not in harmony with a spirit of community. As a result there is an emotional commitment to use the form of legal structure which has the word co-operative in its name. In July 1983 the Department of Co-operative Societies published the following article in its brochure No. 1 in answer to the question: "What benefits does a registered co-operative society obtain?" "A registered co-operative society is not very much different to a company except that . . . it is subject to different restrictions. A co-operative society is subject to the same tax liability as a company operating under similar articles and principles. Registration as a society does not confer any more chance of success than any other form of registration or operation as an unregistered body."

Other disadvantages are as follows:

- (a) Each shareholder has only one vote despite the number of shares held. (This may be seen by some as an advantage.)
- (b) Whilst the Co-operative Rules can contain powers permitting the Co-operative to lease parts of the M.O. land to its members, those Rules could be amended by a Special Resolution of the members. This fact may prevent a member obtaining a F.H.O.S. grant from the D.H.C.
- (c) The Shares in the Co-operative remain at par value. Whilst this would not prevent a sale of the improvements erected upon the land, the possibility of the Co-operative repurchasing "the land" content of a proposed Vendor's equity and reselling the same to an incoming member to generate development or maintenance funds does not exist.
- (d) The formal approval of the Registrar of Co-operative Societies is necessary when amending Rules and such amendments must be within the limits of the Act.

Co-operatives, however, have many advantages including:-

- (a) Initial set up and subsequent ongoing costs are minimal.
- (b) If established as a Rural Co-operative the structure may be exempt from Land Tax which could be considerable saving for a large M.O. project.
- (c) The Co-operative has perpetual succession.

2.5.4 The Proprietary Company

The Proprietary Company is limited to a membership of fifty shareholders although two or more persons jointly buying a share or shares are considered to be a single shareholder. Generally a proprietary Company should not be considered unless the number of dwellings proposed to be erected upon the land is less than fifty.

The major advantages of a Company M.O. structure are:

- (a) A Company can be incorporated without lengthy delays. The use of a shelf company, in certain instances where time is of the essence, is warranted although considerable legal costs could subsequently be incurred in amending the Memorandum and Articles of Association to meet the recommendations set out in paragraphs 2.2.2., 2.2.3 and 2.2.5 supra.
- (b) A company allows a considerable degree of flexibility in internal organisation.
- (c) The ease of transferability of a shareholder's interest.
- (d) The company has perpetual succession.

The disadvantages of a proprietary company are:

- (a) The initial set up and ongoing costs including the filing of annual returns.
- (b) The Company is liable to pay Land Tax.
- (c) The Company is liable to pay Income Tax on any profits made by it, although this may not be an issue as the M.O. structure would not generally have a commercial aim.

2.5.5 The Company and Unit Trust

This structure involves a proprietary or public Company holding the M.O. Land as a trustee under a Unit Trust. Members of the M.O. community acquire a unit in the Unit Trust which per se permits them to exclusively occupy and erect a dwelling on a specified part of the land.

The Unit holders in the Trust elect the Board of Directors of the Trustee Company from their number and have the right to dismiss the Trustee if they so desire.

The major advantages of this structure are:

- (a) The ability to set up an operational structure in a short period of time. A Shelf Company can be acquired to act as Trustee and complex amendments to its Memorandum and Articles are not required.

- (b) Units can be sold at market price by a proposed Vendor or could be repurchased and sold by the Trust as the 'land content' component of a proposed Vendors equity in the M.O. land whilst allowing the proposed Vendor to sell improvements upon the land occupied by him. (See paragraph 2.2.2. supra).
- (c) Each unit holder has one vote for each unit held by him (with a restriction on the number of units which can be held by a person).
- (d) The Trust Deed may allow a procedure for simple and cost efficient means of making amendments to various of its sections.
- (e) The Trust Deed can be structured so as to prohibit the Trust Company selling or mortgaging the M.O. land in toto or terminating the unit holders' rights to exclusive occupation of dwellings without the unanimous (or some lesser majority) consent of all members.
- (f) The structure provides for the greatest flexibility of internal organisation.

The principle disadvantages of this structure are:

- (a) The initial set up and ongoing costs are more expensive than a co-operative or a proprietary company.
- (b) The Unit Trust must be for a fixed (albeit long) period in order not to infringe the rule against perpetuities. This is overcome by incorporating a further Unit Trust with identical objects and Unit holders prior to the expiration of the perpetuity period and transferring the M.O. land to that Trust. Alternatively M.O. Lands could be sold in toto and a distribution made to unit holders. This aspect could however create difficulties 70-80 years after to the establishment of each Trust.
- (c) The unit Trust would be liable for Land Tax.

If careful consideration is given in drafting the Unit Trust Deed, unit holders would be eligible for grants under the F.H.O.S.

2.5.6 The Public Company (Limited by guarantee or share capital)

These structures vary from Proprietary Companies insofar as there is no limitation as to the number of shareholders they can have. The Public Company is the only available entity which could legally deal in prescribed interests subject to compliance with the Provisions of Division 6 Part IV of the C.C. (see paragraph 2.4.2 supra).

The Public Company limited by guarantee (P.C.G) has no share capital and members are liable only to the extent of their guarantee. Profits, surpluses, assets etc are not available to the shareholders on a winding up. The P.C.G. per se is not recommended as a viable M.O. structure as any division of the assets of the P.C.G. into implicit shares (e.g. the exclusive right to occupy and build a dwelling on specified areas of the M.O. land) may be treated as a conversion to a Public Company limited by share capital (P.C.S).

With the exception of the lack of restriction on the number of members it may have and its ability to offer prescribed interests, a P.C.S. has advantages and disadvantages similar to those of a proprietary company but initial and ongoing costs are greater.

2.5.7 A Public Company limited by Guarantee with a subsidiary Public Company limited by Share Capital

It is suggested that this structure may be suitable for M.O. Projects. The participants in the M.O. project would become members of the P.C.G. which would hold five ordinary shares and a number of redeemable preference shares equal to the number of dwellings to be erected on the M.O. land in a fully owned subsidiary P.C.S. As each participant becomes a member of the P.C.G. it would transfer to him a redeemable preference share in the P.C.S. which would entitle the member to exclusive occupation of a particular area of the M.O. land upon which a dwelling could be erected. In essence, the P.C.G. would act as the Administrative and Management entity whilst the P.C.S. would act as the land owning entity. When a member disposed of his equity in the M.O. Project the P.C.S. would be entitled to redeem the share and resell it to the incoming purchaser whilst allowing the proposed Vendor to receive market value for the improvements erected upon that area of the M.O. land exclusively occupied by him.

This structure would permit great flexibility although initial set up and ongoing costs would be considerably higher than any other possible structure considered. In addition, the complexities of the structure may cause anxieties for laypersons participating in the M.O. project.

It has been suggested that to offer or grant a membership in a P.C.G. does not amount to an offering or issuing of a prescribed interest within the meaning of Division 6 Part IV of the C.C. (see paragraph 2.4.2. supra) The same suggestion has been made in respect to the sale of the redeemable preference share in the P.C.S. to the member of the P.C.G. The former suggestion is probably correct although the Editors of the C.C.H. Australian Company Law & Practice (Volume 1; 19-020) state that the benefit which is to be received from the investment need not be a financial advantage - it may merely be Club membership benefits.

The subsequent suggestion, however, is in all probability not valid having regard to the expanded meaning of the term "the public" in the C.C. (see Section 5(4) of the C.C.). There is decided authority to the effect that the persons to whom an offer is made are members of a closed class (e.g. members of the P.C.G.) does not mean that the offer is not made to the public.

The Commission in NCSC Practice Note No. 321 has indicated that it will consider an offer to members of an association whose only nexus is that membership to involve an "offer or invitation to the public" in the sense that those expressions must now be construed.

Delays could be expected in creating this structure although such delays are likely to be less than in the case of incorporation of a co-operative.

This structure would have perpetual succession.

2.6 The Concept of the Proprietary Lease (P.L.)

No matter which M.O. land holding entity is decided upon, P.L.'s should be granted to members of the M.O. project to ensure that they are entitled exclusively to occupy at least the part of the M.O. Land upon which they may erect their dwelling. The use of a P.L. would ensure security of tenure, transferability of equity, equality of participants as well as enhance the prospects of a financier being willing to make advances to individual members. The P.L. would assist financiers taking security not only over the members shares in the M.O. land holding entity but also over the term of the P.L.

The P.L. should be structured so that it terminates immediately upon the member ceasing to hold shares in the M.O. land holding entity.

Constraints upon the term of the P.L. are considered in paragraph 2.4.1 supra.

The areas to be exclusively occupied by individual members should be capable of precise identification (by survey) in order to prevent "boundary" disputes and again to enhance the prospects of a member obtaining finance on his own equity.

A further advantage of the P.L. would be that in the event of the winding up of the M.O. land owning entity the P.L.'s would be protected from creditors of the M.O. entity for their duration. Creditors of a bankrupt member would have access to that members P.L.

The P.L. has the further advantage that members' obligations in relation to conduct and use of common and exclusive areas can be adequately incorporated into by-laws therein.

To ensure that dwelling construction is completed as soon as possible, it is suggested that the P.L. could contain a covenant on the part of the member to erect a dwelling within a certain limited period of time. This provision would also have the effect of discouraging "speculative" purchases.

Whilst the M.O. code requires that at least 66% of all adult persons residing on the land must "own" the land, to prevent speculation and profit making motives, penalties could be imposed on non resident owners. This could be achieved by providing in the P.L. that subsequent to completion of a dwelling the "Owner" thereof forfeits a 5% equity in the P.L. to the occupier of the dwelling to which the P.L. relates (or to the community in the event of there being no occupier) for each year the "Owner" is not in occupation of the dwelling. If an "Owner" subsequent to a period of non-occupation of less than twenty years again takes up occupation of the dwelling then conversely he could recoup a 5% equity for each subsequent year of occupation.

It has been suggested that the concept of the P.L. would be untenable where "expanded" or "communal" structures are built but this is not so. The M.O. land could be divided into "hamlet" areas which permit a certain number of dwellings to be erected in specified locations within that area.

Each owner of a dwelling by virtue of the P.L. would be granted the right in common with the other owners of dwellings within that hamlet area to occupy the balance of the hamlet area. The communal building incorporating kitchen, washing, living facilities etc, would then be erected upon the "common" part of the hamlet area.

2.7 The infrastructure of the M.O. Community

The infrastructure of the M.O. community should be left until the M.O. structure is being created and then only after consultation with the proposed participants in the M.O. project. The M.O. land could be divided into hamlet areas and common areas which are designated for use by all members. Within each hamlet areas could be designated for dwellings to be exclusively occupied and areas designated for use in common by members dwelling within that particular hamlet area to the exclusion of other members of the community. This concept allows for members having similar philosophies, interests or skills to reside within a particular area in close proximity to one and other. If each hamlet area is allowed autonomy in decision making processes affecting that area, then the possibility of disharmony due to conflicting ideologies is reduced. To ensure equality of the various hamlet areas, each area should be entitled to elect one of its number as a director of the M.O. Entity rather than all members en masse electing the Board of Directors. Residual powers must be vested in the M.O. entity (e.g. fire precautions, imposition of levies etc),.

2.8 Recommendations in relation to future Projects

Until there is specific legislation dealing with M.O. lands either "the Co-operative" structure or the "Company with Unit Trust" structure or the "P.C.G. with subsidiary P.C.S." structure could be used in future M.O. provided that such structures are augmented by the P.L. Similarly incorporation as an Association would need to be considered upon enactment of the proposed Associations Incorporation Act. The Proprietary Company could also be utilised with similar effect where the number of dwellings on the M.O. land will not exceed fifty.

Great care should be taken in drafting the documentation for the selected structure as the content of the documentation is more vital to the success or failure of the M.O. project than the particular legal structure adopted. The draftsman will need insights into the nature of the structure selected and the problems the community are likely to face.

2.9 The Possible Legal relationship between the Land Commission of N.S.W. and the M.O. entity

To facilitate the establishment of M.O.'s the Land Commission could:

- (a) Acquire the land proposed to be used.
- (b) Be responsible, with the aid of appropriate consultants, for the preparation of the development application and negotiating with the Council and other necessary statutory bodies.
- (c) Review the costs of implementing the project prior to a final decision to proceed.

- (d) Establish the M.O. structure. In order to limit payments of stamp duty Landcom and the M.O. structure should enter contracts for:-
 - i) the sale of the land for a price determined by negotiation between Landcom and the M.O. entity; and
 - ii) Landcom to carry out works upon the M.O. land which it is agreed are Landcom's responsibility for a consideration agreed by negotiation between the parties.
- (e) Bear the risks association with the M.O. project until title transfer to the M.O. entity and the "works contract" is completed.
- (f) Develop the "invisible" structures (such as the M.O. structure and infrastructure, the P.L., training/operating instructions, rule books etc). The costs of developing the "invisible" structures could be incorporated into the "works" contract.

P. Hamelton



**N.S.W. GOVERNMENT
SUPPORTED
MULTIPLE OCCUPANCY
PILOT PROJECT**

N.S.W. GOVERNMENT SUPPORTED MULTIPLE OCCUPANCY PILOT PROJECT

THE PROJECT

The Rural Resettlement Task Force (R.R.T.F.) of Northern N.S.W. and the N.S.W. Department of Housing, following more than two years of endeavour and study are now able to proceed with the first co-operative land settlement project in N.S.W. to be provided with financial assistance by Government.

This project aims to pilot help for low income people, to form co-operative communities, develop rural property and construct housing according to their needs.

A carefully selected property suited to hamlet settlement and diverse agricultural use, and located within the alternative lifestyle region of Northern N.S.W., has been purchased. The proposed development has received Kyogle council's approval.

The eighty-six hectare property will be shared by twenty-eight households in a development which accords with the N.S.W. Multiple Occupancy planning code.

Funds for the development, including building materials for housing will be provided as soon as a co-operative of twenty-eight suitable households is formed. A maximum of \$1.28M is available, but funds will be drawn on only as required.



Looking east down the property



Looking west up the property

THE PROPERTY

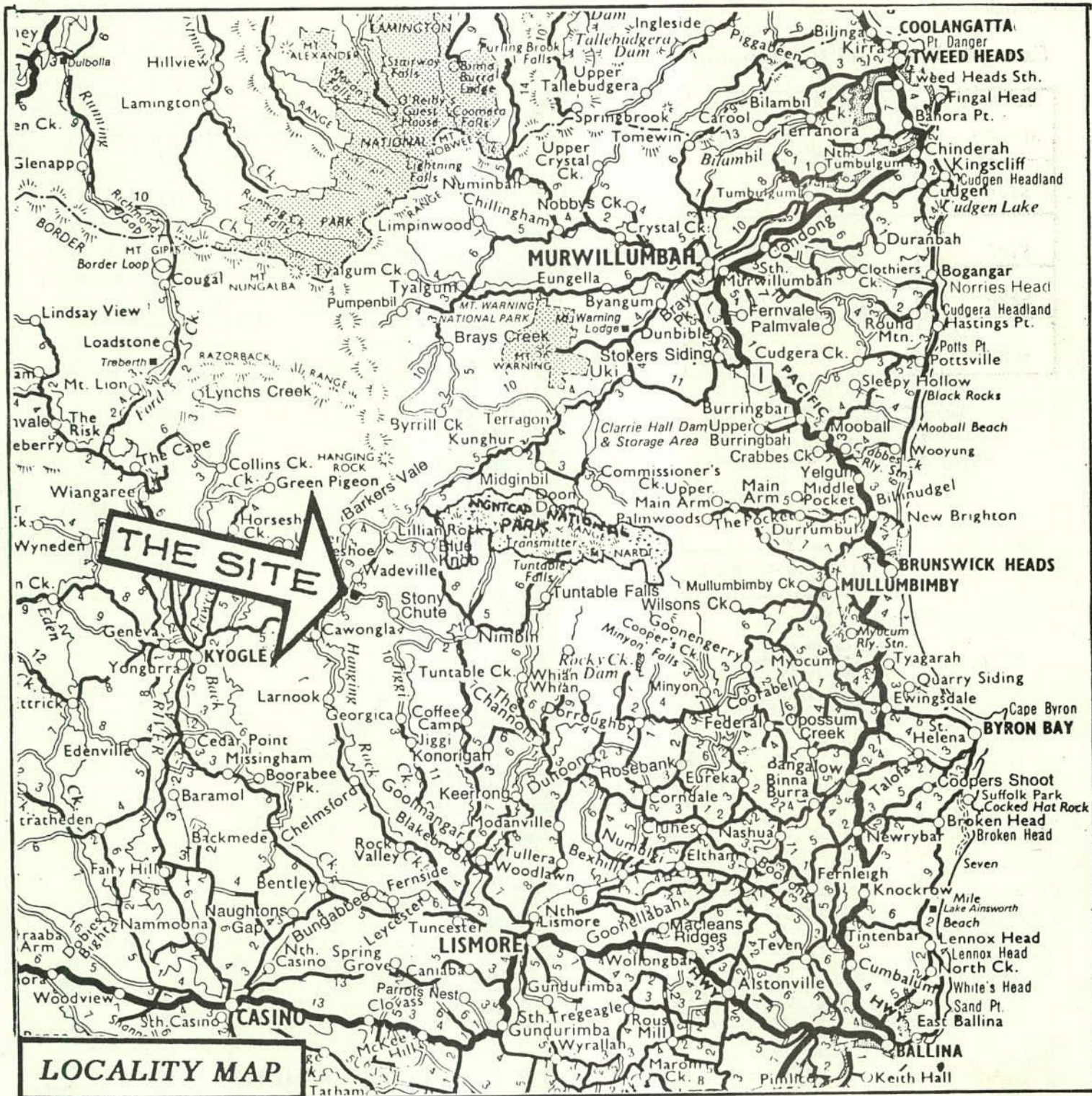
The property is situated at Wadeville, approximately 40 km from Lismore in Northern N.S.W. We refer to the Wadeville project as 'the co-operative', 'the land', or 'the community', until a name is agreed upon.

The land is 86 ha. (215 acres) of mainly pastured sloping terrain, ranging in altitude from 130m to 230m above sea level with a predominantly North-Easterly aspect, divided by three main gullies running from West to East into Websters Creek, a permanent water-course. There is also a permanent spring-fed creek on the Northern border.

Vegetation consists of areas of eucalyptus regrowth, native hoop-pines and silky oaks with rain forest remnants and regrowth in moist gullies. Land most suitable for dairy pasture and agriculture is located predominantly along the Northern boundary with areas suitable for a variety of agricultural pursuits throughout.

A distributor road will service a number of areas suitable for building sites (see site plan). Following consultation with soil and water authorities a large capacity dam has been proposed for domestic, agricultural and fire fighting purposes.

Mains electricity (N.R.E.) is currently connected to the proposed community workshop and the existing house.



FINANCIAL AND MANAGEMENT ARRANGEMENTS

The costs involved in this pilot project and the constraints on currently available financial assistance require the co-operative to have an average household income of not less than \$190 per week. To enable some single-parent pensioners, and possibly a few single people with incomes below this figure to join, it is intended to attract households with considerably higher incomes than the required average \$190 per week. Older, possibly retired couples may also make up a component, broadening the mix of the community and possibly providing incomes for other members in return for house construction labour. Single adult households and retired couples will enable the community to grow in number as time passes, without exceeding the planning code's limit.

Repayments

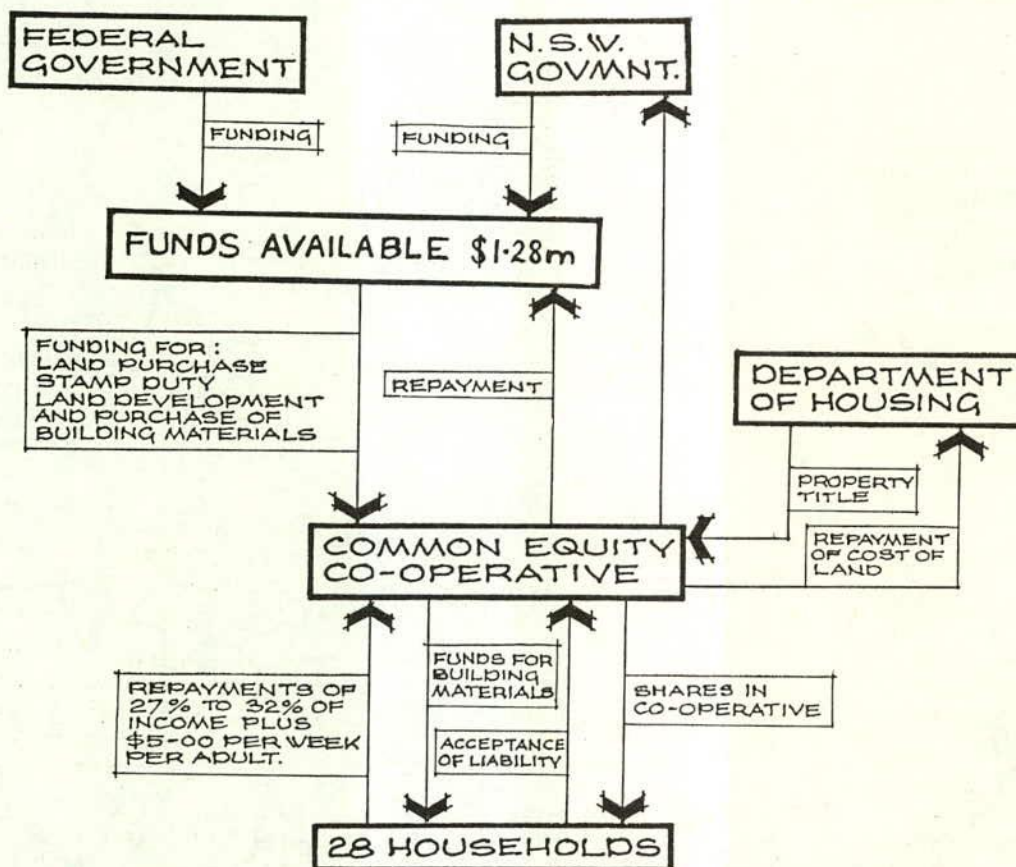
Households will jointly share the total liabilities and assets of the community with shares and repayment responsibilities varying according to the amount of funds drawn by each household for building materials.

Except for those on the higher income levels, repayments will generally be limited to 27% of household income, but in some cases will be allowed to reach a maximum of 32%. It is expected that repayments will rise by 6% each year, consistent with the anticipated rise of incomes.

Funding and approval for the project includes specialist advice and an information support and skills acquisition programme. The co-operative member's skills will be utilized wherever possible to minimize the community's need to draw on funds for these purposes.

Example Loan and Repayments Table

Household Income p.w.	Additional Loans Available for Building Materials	Minimum Total Weekly Repayments			
		Year 1	Year 2	Year 3	Year 4
\$140	\$5,000	\$37.80	\$40.10	\$42.50	\$45.00
\$190	\$16,000	\$51.30	\$54.40	\$57.60	\$61.10
\$220	\$22,780	\$59.40	\$63.00	\$66.70	\$70.70
\$350	\$51,575	\$94.50	\$100.20	\$106.20	\$112.60



FUNDING AND REPAYMENT FLOW DIAGRAM

Project Management

The initial management committee structure has been set up to administer the establishment of the community which will be a 'common equity co-operative'. This committee will be composed of two representatives of the Department of Housing, an executive member of the R.R.T.F., two members of the intended co-operative and a co-op development officer. The co-operative members will participate in the decision making processes, which will aim for consensus.

Community and land development decisions will be subject to Department of Housing approval. All expenditure of funds will be properly accounted for and audited books will be kept for the Department.

An additional amount of about \$5.00 per week will be paid by each adult to the co-operative for management and general expenses.

A \$500.00 initial payment per household will be required upon acceptance into the co-operative. Acceptance will need the approval of other co-operative members following a 'live-in' period of not less than three months.

During the 'live-in' period a non-refundable licence-to-occupy fee of \$10.00 per week per adult is required. Upon joining, the total fees paid will be deducted from the \$500.00 initial payment.

It may be that a condition of membership will be to arrange the automatic transfer of funds from social security or pension incomes to the co-op's account.

Shares and Housing

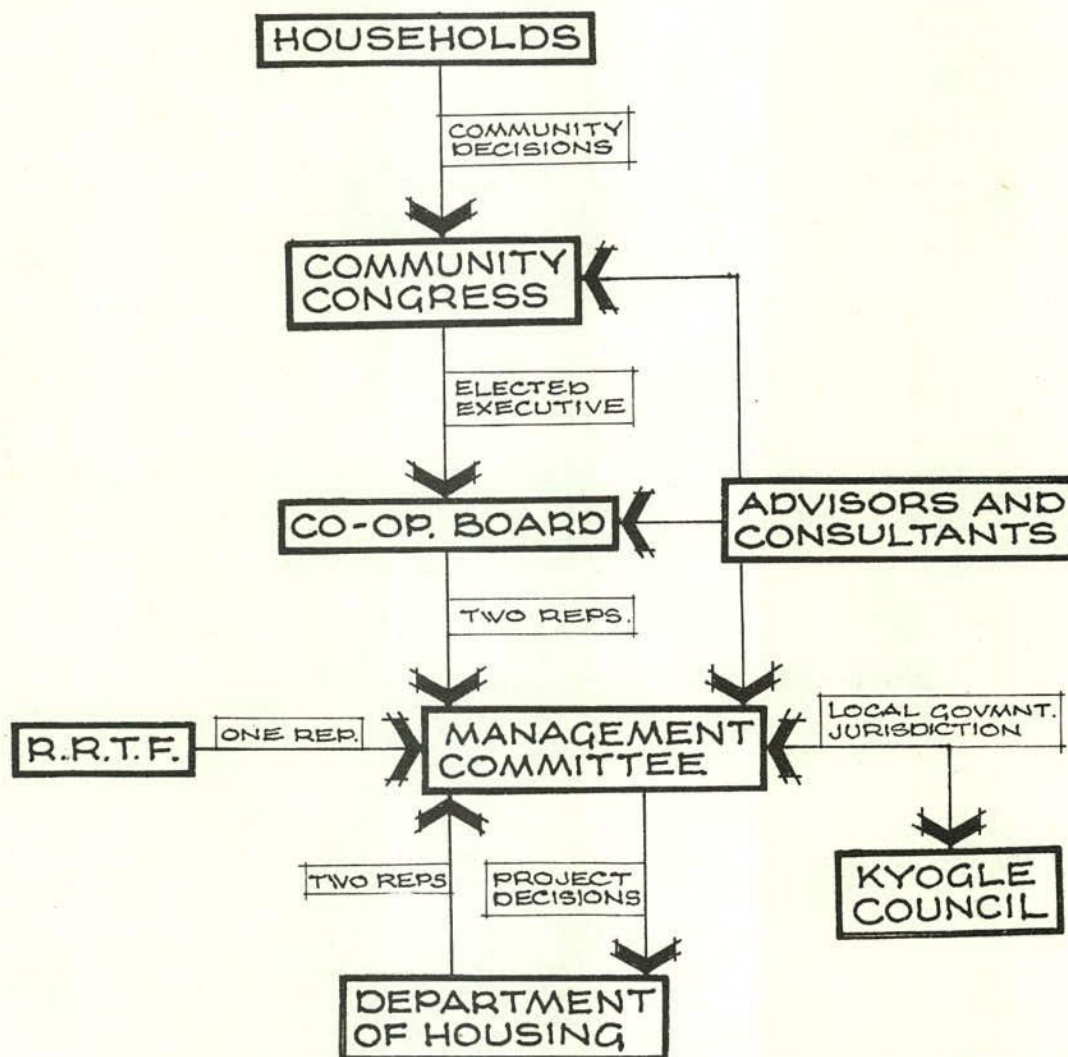
Each household may take loans, and will hold shares, to the value of one twenty-eighth of the assets of the co-operative, excluding assets in housing stock.

Each household will in addition hold shares to the value of housing stock for which they have, provided materials, by way of drawing additional loans if required, and/or contributed construction labour.

Each household will be entitled to occupy one house for which they have provided materials and/or labour.

Architectural and building advice will be available as required, to assist households in designing and constructing homes of their choosing.

Following three years of membership, anyone choosing to leave would be entitled to receive cash reimbursement for the required return of their shares to the co-operative. Reimbursement will be equivalent to any equity which they have contributed through their share of the loan repayments, plus the value added to housing by their labour.



PROPOSED MANAGEMENT FLOW DIAGRAM

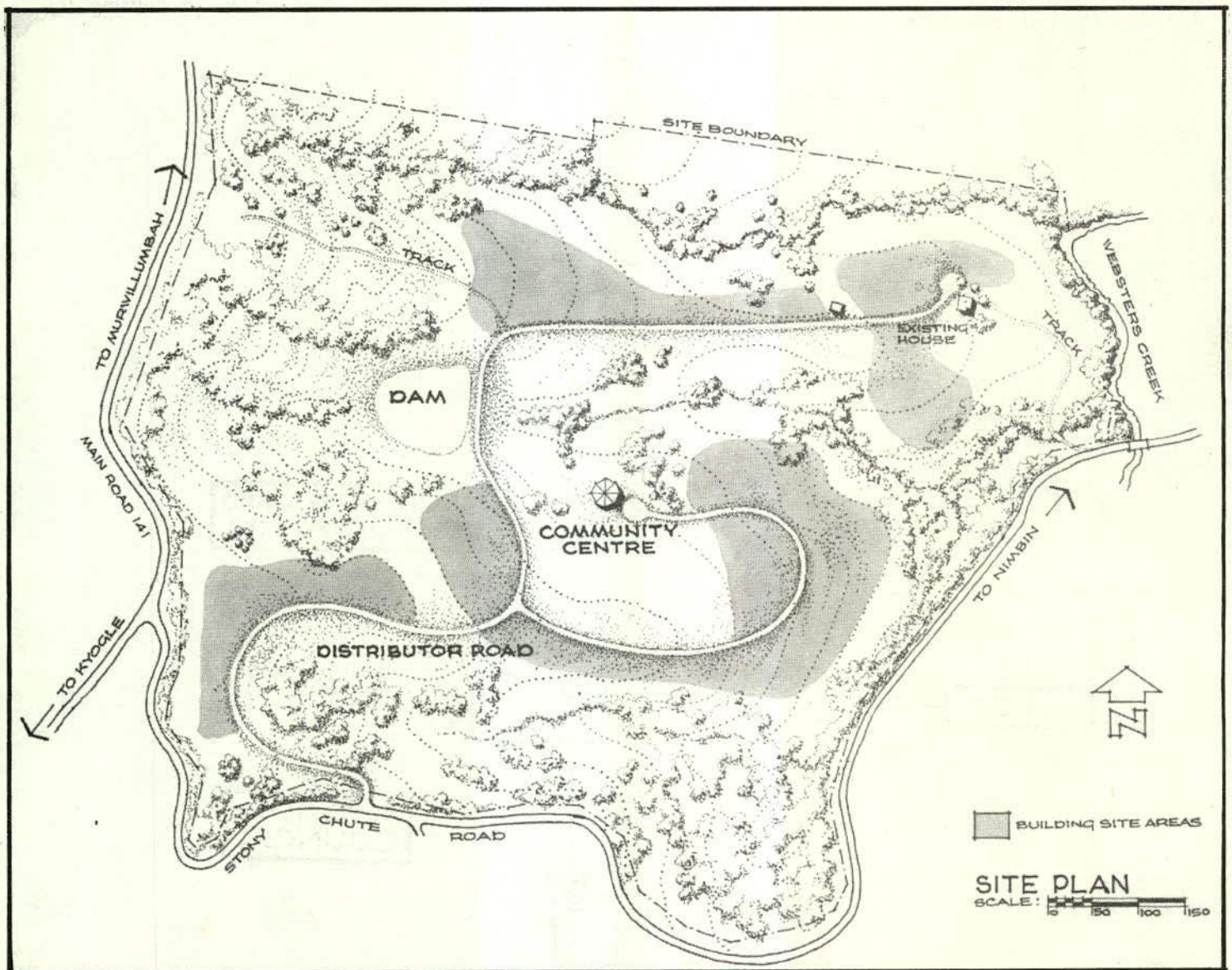
THE INTENTION OF THOSE CURRENTLY INTERESTED IS TO:

THE COMMUNITY

We are looking for 28 households of caring people committed to establishing a sustainable co-operative community, living in harmony with the environment and each other, incorporating a cross-section of manual skills and possessing a willingness to work. We have at our disposal a team of expert consultants to assist with land development, building design and technology, and development of the legal, management and community structures.

A S.L.E.C. (Sustainable Lifestyles Education Collective) course will be organised to start as soon as 20-24 people are on the land. The course is designed to provide general and specific information support and to develop decision-making and other community skills.

- A. Use the land for permaculture/biodynamic or organic food production on a common, hamlet or individual basis. Private use of community land or buildings for income-producing activities may be negotiated with the community according to agreed guidelines, and with an appropriate return to the community.
- B. Use building methods that are environmentally sound, resource-conserving, low cost and requiring minimum expertise. Earth construction is preferred for these reasons.
- C. Use solar and renewable energy whenever possible, although limited access to mains electricity is available.
- D. For environmental and safety reasons, ban cats and dogs (with the exception of guide dogs), fire arms and hazardous chemicals from the property.
- E. Invite visitors and children to participate in meetings providing they behave in conformity with the meeting.



WADEVILLE PROJECT - STATEMENT OF INTENT

This statement is for those interested in the Wadeville/Department of Housing project and those who wish to be more seriously involved in it.

I wish to participate in the proposed common equity co-operative which has guaranteed availability of government funding up to 1.28 million dollars. It is my understanding that:

We will be responsible for mortgage repayments firstly as households in proportion to funds drawn upon and secondly as members of the community for the total of funds drawn.

We will attend community meetings whenever possible and strive for better communications and consensus decision-making on matters of importance which arise.

We intend to start building a community centre and to perform other community work on the property as soon as possible, and to commit ourselves to undertake this responsibility.

We will endeavour to build a community which is, environmentally conscious and free from harmful influences, and a growth base for all individuals.

No participant is to be involved or have any connection with illegal narcotics or any drug harmful to themselves or the community.

I understand this statement to have no legal binding of any description. The purpose of this statement is to indicate the commitment and responsibility that I the under-signed shall undertake, given agreeable circumstances in the future and is in preparation for a more formal commitment at a later stage.

.....
Date

.....
Signature of Applicant

WADEVILLE PROJECT - STATEMENT OF INTENT

This statement is for those interested in the Wadeville/Department of Housing project and those who wish to be more seriously involved in it.

I wish to participate in the proposed common equity co-operative which has guaranteed availability of government funding up to 1.28 million dollars. It is my understanding that:

We will be responsible for mortgage repayments firstly as households in proportion to funds drawn upon and secondly as members of the community for the total of funds drawn.

We will attend community meetings whenever possible and strive for better communications and consensus decision-making on matters of importance which arise.

We intend to start building a community centre and to perform other community work on the property as soon as possible, and to commit ourselves to undertake this responsibility.

We will endeavour to build a community which is, environmentally conscious and free from harmful influences, and a growth base for all individuals.

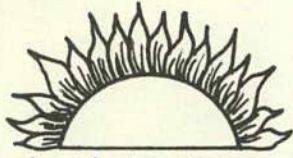
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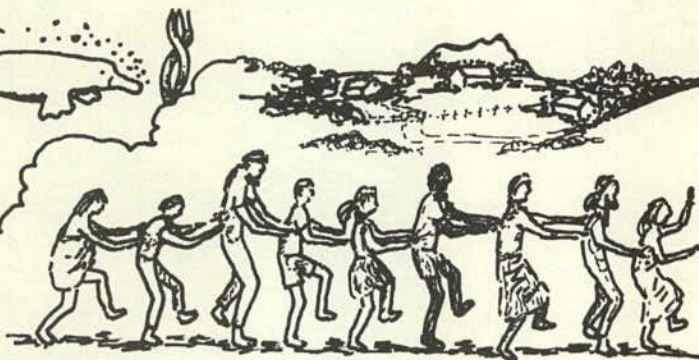
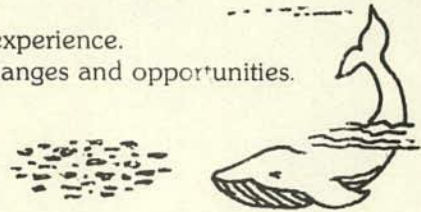
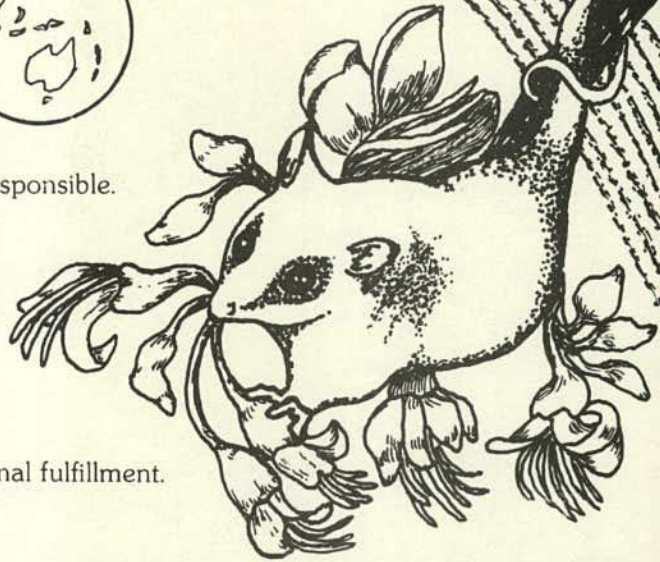
NEW AGE CONSTITUTION



It's not win or lose, but creative process
It's not you or me but us.
It's not right or wrong but appropriate.
It's not leaving our mess for others to clean up but being responsible.
It's not love of power but power of love.
It's not master or servant but joy in service.
It's not what we can get out but what we can put in.
It's not heads in the sky but feet on the ground.
It's not escaping but improving.
It's not avoiding but facing.
It's not analysing but knowing.
It's not being dependent but recognising inter-dependency
It's not working for rewards but being rewarded from personal fulfillment.
It's not acting out of fear but coming from true power.
It's not judging by quantity but discerning true quality.
It's not seeking sympathy but living in empathy.
It's not stimulating the ego and emotions of self and others but demonstrating a standard of excellence.
It's not motivating by guilt but creating a vision for others to aspire to.
It's not perceiving oneself as a child of sin but as a child of love.
It's not defending position but helping others to find theirs.
It's not being in competition with others but dipping into the treasure trove of self.
It's not seeing with eyes of young or old but perceiving in ageless wisdom.
It's not being the victim of an unkind universe but as a delighted recipient of experience.
It's not complaining of endless problems but celebrating unending chances, changes and opportunities.
It's not offering our words but demonstrating our fruits.
It's no longer perceiving limitations as prisons but as walls to expand.
It's not owning but recognising our trusteeship.
It's not perceiving illusion but recognising truth.
It's not being man or woman but expressing a quality.
It's not believing that poverty and lack are virtues but knowing that prosperity should be universal.
It's a time of maturity in which we truly know that whatever we do to others ultimately happens to us.

It's a time of aspiring towards greater balance – for peace
It's a time of aspiring towards greater balance – for health
It's a time of aspiring towards greater balance – for relationships
It's a time of aspiring towards greater balance – for wholeness
It's a time of aspiring towards greater balance – for economics
It's a time of aspiring towards greater balance – for politics
It's a time of aspiring towards greater balance – for all of us

It's not for us to hold onto the past – let it die
It's time to stand before the world and say –
'HERE IS THE NEW AGE'



Answers to Questions We Have Been Asked

1. How will the Multiple Occupancy settlement be organised?

- a. The establishment of the Multiple occupancy will be organised by the co-op, using a consensus decision-making process with assistance from employed advisors and the approval of the management committee.
- b. Once established the community will manage its own affairs according to the co-operative society's rules and using a consensus decision-making process.

2. What will be the size of the community?

Approval for 28 households has been obtained with a maximum total population of 86 people. However, it is intended that the initial community will leave room for expansion to this figure.

3. How much land do you get for yourself?

Because the Wadeville pilot project will be common equity co-operative, all land will be owned in common and each shareholder will have the right to build and occupy a house.

4. What will be the income source of the co-operative?

Cash for repayment of loans for land purchase and development, community development and housing will be supplied by household repayments at between 27% and 32% of household incomes. (See table of examples).

In the long term: Cottage industries, (crafts, home-made food products), surplus agricultural produce and the provision of services to the surrounding neighbourhood.

5. What livestock are permitted?

The issue of livestock will be determined at a later date, although there are some guidelines relating to permaculture/biodynamic land use, as mentioned earlier.

6. What is the access to schooling?

- a. 'Day-Star' Rudolf Steiner school ...4km
- b. Barkersvale school (primary) ...7km
- c. Nimbin Community school (primary)...12km
- d. Nimbin Public school
(secondary and primary) ...12km
- e. Kyogle school (second. & primary) ...18km
- f. Lismore city has a full range of schools
from primary to college (buses) ...40km
- g. A school on the community may be considered.
There are CYSS schemes in Kyogle & Lismore.

7. How may I join the project and how will it begin?

Providing you are eligible for a Home Purchase Assistance Account, ie. income not exceeding:

\$360 p.w. for single income family
\$440 p.w. for two income family
\$250 p.w. for single unmarried.

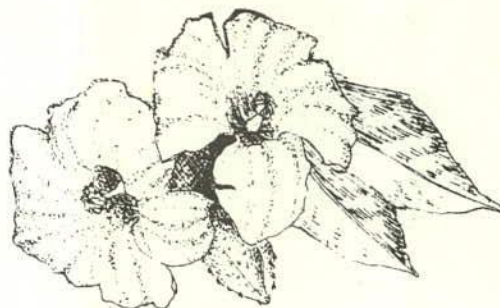
Please complete a Statement of Intent form (see attached), one per adult applicant and mail it to:

Rural Resettlement Task Force
Nimbin Neighbourhood Centre
NIMBIN N.S.W. 2480

Marked Attention: D. Leggett

An applicant survey form will then be sent to you for further details.

Should you wish to attend a workshop on the project and meet other applicants, the first opportunity will be at the Down-to-Earth confest to be held at Glen Lyon Reserve, Daylesford, Victoria on 23 - 26 January '87.



Arrangements are being made to permit temporary settlement of up to 14 households, on the site at Wadeville, beginning in March '87.

This group will live together for three months before determining who will form the co-operative. Others will be invited to join upon completion of a similar live-in period.

During the initial three months the group will renovate the existing house for their community facilities for cooking, washing, meetings, office etc. They will be provided with an information and skills aquisition course and will develop, with assistance, the co-operative structure and rules to be later ratified by the whole co-operative when fully subscribed.

It is estimated that the co-operative will be filled and financed by about the middle of 1987 so that development works can be completed and house construction begun during the 1987 'dry' season, from June to December.