5. The way to enforce parental responsibility is, paradoxically, for all folk to indwell "intentional communities" (as they basically did before the Industrial Revolution) and to cease all welfare payments. Localities, reliant upon local (rather than national) economy, and out of pride in themselves, will then force (assist where necessary) parents to care for their children. Those who abandon their own progeny would find themselves relegated to some marginal niche, despised and outcast economically and socially throughout the planetwide federation of localities.

6. The way to terminate the black-market in drugs is simply to decriminalize them. What folk stuff in their bodily temple (or do sexually with consent in private) is no business of human law at all. Of course, if they steal, or drive under the influence of drugs or alcohol, then they should feel the full force of the law. Let marijuana, heroin, cocaine etc. flood through customs and be grown and consumed without restraint. Instead of a fat female marijuana plant fetching $5000, it may then fetch $5. All the waste of court time, police corruption (comparatively rare as it may be), and personal trauma (not to mention the pulping of forests, instead of hemp crops, for paper and fibre) would cease. Honest, tax-paying citizens would then no longer be demoralized at so much ubiquitous, unearned profiteering, beyond any possibility of effective policing. With no welfare state, and no black-market or possibility for graft, to prop up unproductive folk, they will have to work -- even if it is only building a cabin and vegetable garden on some marginal site which bears little or no site revenue. Many unemployed people would gladly do this but are prevented by land price. Folk happily occupied, concerned for their health (and with no Medicare) will have little inclination for drugs anyway. Those who do, especially heroin addicts, are likely to find themselves ejected from almost all localities; although there will always be a place for them to live as they will, growing and processing their own poppies etc; at some margin.

7. The problem of how to fix local rating for M.O.s disappears in a Site Revenue society, since the full annual rental value of every site is collected without variation or differential. If a site has M.O. zoning, just as if it has a fine view, an adjacent railway station or an oil well, then it may well command a higher annual rental-value on the free market. Similarly, if there is a drought, or commodity prices are low, then the relevant agricultural land will reflect low rental-values during that year. Roads, like other user-services, should not be funded out of the general rate revenue at all, but rather out of registration fees and fuel imposts.

8. The practical implementation of sustainable civilization may seem dreadfully complex. In fact, order, intelligence and decency are inherent in humanity and creation. It is only parasitic meddling by financiers and government which perverts the clear light. The simple and sovereign remedy is Site Revenue, but this will only work if the environmental and social backbones of permaculture and intentional communities are adopted simultaneously by a freewilled and enlightened citizenry. Little of this process can be orchestrated by bureaucrats or enabled by legislation: rather, in the urgency of Time, it is fused or eventuated by the One Spirit as all recognize the Intelligence and Identity behind Messiah and Lord.

Yours Sincerely,

David Spain.

P.O. Box 16
Nimbin 2480
18 Feb. '88

The Editor

Dear Sir:

Multiple Occupancy and Sustainable Civilization.

The release of State Environmental Planning Policy #15 and the current seasonal rash of police drug raids have again focussed the attention of local media upon "intentional communities", which usually settle rural land under multiple occupancy [M.O.] zoning. The following points must be made to put this discussion upon a rational, rather than a hysterical, basis:

1. There can be no necessary equation of intentional communities and M.O. with welfare-dependency, drug-addiction or perversion. Such settlements are and should be, in theory and in practice, equally attractive to idealistic, aged, handicapped, religious or simply sensible (socially and economically) folk.

2. No doubt, in these times of high unemployment, easy welfare and marijuana black-markets, the prospect of a comparatively-cheap, laid-back rural lifestyle will attract and encourage a "dope-dole" economy. This unfortunate outcome is, however, widely lamented within M.O.s themselves as destructive of group identity and individual integrity. The answer to these abuses is not to denigrate M.O.s but rather to enable full employment, to enforce parental responsibility and to end the black market in drugs.

3. In this over-governed world, with its growing consumption of limited raw resources, environmental ravage, increasing rich-poor gap and military madness, a new concept is needed: **sustainable civilization.** This concept can pollinate the flowering of the Commonwealth. It stands upon three legs: site revenue, intentional communities and permaculture. The first two are dealt with below. Permaculture is the widespread establishment of low-maintenance, high-yield networks of vegetation and fauna.

4. The way to enable full employment is to allow all folk equal access to the resources of Nature and to remove man-made (artificial) restrictions upon effort and initiative. This can be done, simply and solely, by terminating **"land monopoly"**, that is, the tenure of sites without fair recompense to the public. Since land (be it industrial, commercial, agricultural, extractive, or domestic) is in limited supply, and is essential to all human life and economic endeavour, so a community which grants individuals absolute tenure over particular sites can only remain sane when it collects in return the annual rental-value of each site (disregarding improvements) in return. Such **"site revenue"** is the sole logical and fair source of public finance: all taxes and imposts upon productivity should be removed. The result would be to make speculation in land impossible, to destroy land price, to encourage small-holdings and individual rather than corporate enterprise, to destroy interest rates and inflation and, ultimately, to vest political power locally rather than centrally. As one would expect, this reform meets heated opposition from the rich (including most media magnates), political parties across the spectrum, trade union leaders, lawyers, bureaucrats and all that motley crew of parasites upon social complexity.

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COORDINATION CO-OPERATIVE LTD, TUNTABLE FALLS

DRAFT SITES BYLAW.

PART A. DEFINITIONS.

"Approved Building:" means a building, of a communal, residential or industrial nature (sometimes individualized, sometimes collectivized), the construction of which is approved under these By-laws and is marked in solid black upon the Community Development Plan.

"Approved Site" is an area, bounded by the dimensions of an approved building plus its curtillage and edged in black upon the Community development Plan, the right to exclusive occupancy of which is granted to a shareholder (or a collective of them) under this By-law.

"Collectivized agricultural area" means an area, bounded in thick, broken dark green and marked as such upon the Community Development Plan, (sometimes created by excising communal agricultural areas with the approval of the Board, and sometimes by amalgamating personal agricultural areas under a plan of management lodged with and approved by the Board under this by-law).

Communal Agricultural Area: A communal area, upon the Commons, which is deemed arable, marked unbroken heavy dark green upon the Community Developmet Plan, and is set aside for productive agriculture upon the theme "give as inspired, take as you please".

"Communal areas" consist of all the land owned by the Society, including Wilderness reserves and exploitable forest, with the exception of approved sites and personal or collectivized agricultural areas. Where the area is arable, it is deemed a communal agricultural area.

Community Development Plan: means the Development Plan as approved by Lismore City Council under the Multiple Occupancy code and as further marked, for internal purposes, and maintained by the Board so as to present a true and accurate picture of all geographical features (whether sacred or mundane), wilderness reserves, exploitable forest, access routes, approved sites (whether communal, residential, industrial or agricultural) and utilities upon the Lands of Co-Ordination Co-Operative Ltd.

"Community routes " are all those access roads, tracks and footpaths marked thick red (in respect of vehicular major or trunk roads), broken thick red (branch or hamlet vehicular roads) and thin red (foot and barrow paths) upon the Community Development Plan.

Condemned weeds: means groundsel, scotch thistle, any sort of burr, crofton weed, inkweed (unless the ripening berries be picked for dye) and swamp dock.

"Curtillage" is a privatized buffer-zone immediately surrounding an approved building to a radius of twenty metres, or so far as the edge of any bordering community route, or so far as half-way to another approved site, whichever is the lesser, provided that the Board has not, in any particular instance, at the time of site approval, stipulated otherwise.

"Hamlet" means those geographical areas, supposedly inhabited by like-minded teams and bordered in dark green upon the Development Plan.

"Hamlet member" means a shareholder who has been granted a site within a hamlet, or the share-holding child of such a hamlet member.

Personal Agricultural Area: Means an area, usually within the residential zones, given over to farming by a single shareholder.

"Neglected": An agricultural area may be deemed neglected where, upon the opinion of the Board as advised by the Agriculture co-ordinator, it is not utilized, to an extent of at least 70%, for the growing of useful crops (whether for food, fodder, medicine or fibre) or where it is harbouring any condemned weeds, an excessive proportion of useless timber trees, or a volume of pests or botanical diseases unacceptable to the Agricultural co-ordinator.

"Neighbourhood:" means a potential or formative hamlet area, as bordered in broken purple upon the Community development Plan. Where the boundaries of two neighbourhoods are in dispute then the area in between, covered in hatched pink, is a No Man's Land.

"No Man's Land": An area in the residential zone, territorial domain over which is disputed between two or more hamlets and which is hatched in pink upon the Community Development Plan.

"Personal agricultural area" means an area, in the residential zone, granted to a individual shareholder for agricultural purposes.

"Privacy" means (except insofar as this by-law otherwise provides) the right to **(a)** exclude persons, including other shareholders and the Society, from visiting, entering or remaining in or upon an approved site, at any time **(b)** the right to exclude other shareholders and the Society from an approved personal or collectivized agricultural area during other than working hours.

"Reasonable" (as regards the extent of an approved personal or collectivized agricultural area) is a question of fact, to be decided (in the light of historical community precedent) by weighing the area being claimed against the area available to other site-holders, both adjacent to their approved sites and elsewhere, and by making such adjustments as are equitable in the light of that access, soil fertility, water supply and aspect enjoyed by the area being considered.

"Security of tenure:" means the permanent enjoyment of rights granted under this by-law without interference from the Society or other shareholders, except insofar as this by-law otherwise permits.

"Useless Timber Tree" means Sally Wattle ( ), Grey Ash ( ), ...

"Working Hours" means the period from 9 a.m. to 5 p.m. on Monday-Saturday inclusive.

PART B. GRANTING OF SITES.

1. The Board of Co-Ordination Co-Operative Ltd. may, in its discretion, and in accordance with the procedure laid down in Part C hereof, grant a site to a shareholder, or any number of them together, in the Society.

2. No site shall be granted to a non-shareholder in the Society.

3. Sites may be residential, agricultural or industrial in nature (sometimes they may be private, sometimes collectivized) and must be located in appropriate zones under the Community Development Plan.

4. Where a residential site is granted, the holder thereof shall be entitled to farm a reasonable area surrounding or adjacent to it, or elsewhere when no such reasonable adjacent area exists, upon the principle "harvest where s/he has sown". Where a residential site is held by a collective of shareholders, then they may farm an approved collective agricultural area, whether adjacent or elsewhere, of a size or quality proportionate to their numbers.

5. Where, by reason of its geographic position or late granting amidst already-developed areas, a residential site lacks a reasonable agricultural area immediately adjacent, then the Board may grant agricultural rights at another location.

6. No shareholder shall be exclusively granted two residential or industrial sites, but may be granted access rights over more than one site when they are held collectively with others.

7. Where a shareholder, holding a residential site, is granted an industrial site in addition, or an agricultural area which exceeds what is reasonable, then a site rental, not exceeding another annual levy, may be charged.

PART C. PROCEDURE FOR GRANTING OF SITE.

1. All applications for grant of a site shall be made in writing to the Society and shall contain such details as the Board may require from the applicant, including a copy of council-approveable plans for any structure to be erected.

2. Each application to develop a site shall be accompanied by such fee as is required by Lismore City Council.

3. Where an applicant is not yet a shareholder, a site (and share) will only be granted or transferred to that applicant when s/he has lived upon the land of the society for twelve months immediately following his/her formal introduction to the Society (except where the applicant is buying the right to occupy an established building and has the endorsement of two Tribal Meetings, in which case the period shall be four months).

4. No application shall be processed by the Board until it has been notified at one Tribal Meeting and then subsequently approved at another, with four day's agenda notice.

5. The Board shall ensure that any applicant for a site has been approved unanimously and in writing by settled members of the hamlet concerned.

PART D. RIGHTS OF SITE-HOLDERS.

1. A site-holder has the right to privacy in the enjoyment of an approved site, personal agricultural area or (in association with others as nominated) collectivized agricultural area, provided however that where a site-holder has refused a written request from the Board, delivered to the shop at least a week in advance, to attend a Board meeting, yet has failed to do so, then any two or more Board members shall have the right to attend the site of that site-holder to conduct the relevant business.

2. A site-holder shall have security of tenure over his/her site.

3. A site-holder shall have the right to veto the granting of a site to another shareholder within the hamlet area, but must justify this veto if it is shown that population density of shareholders within the hamlet is less than the average throughout the community, and may be over-ruled by the Board if it considers the justification unreasonable.

4. A site-holder shall have a veto, upon good reason stated, to the granting, occupation or rental of any site next or adjacent to his/her own site, even if in an adjoining hamlet.

5. A site-holder may veto, upon reasonable grounds, the renting of any hamlet building.

6. A site-holder may veto the presence, for more than one week, of any guest (other than a bona fide spouse or dependent child) invited by another hamlet member.

7. A site-holder shall have the right to sell his/her interest in the site for the value of improvements (material + labour) to or upon it.

8. Such valuation shall be made by the Current Replacement Cost method.

9. A site-holder may, subject to the site rentals by-law, rent his/her site to a person, at a rental and upon conditions acceptable to both the hamlet and to the Society, provided that approval shall not unreasonably be withheld.

10. A site-holder (in common with any shareholder) shall have the right to move freely across all communal areas (provided that, if the area be communal agriculture, no crops are damaged) and along all community paths, even if through private or collectivized agricultural areas, at any time.

11. A site-holder may retain domination of a neglected agricultural area upon annual payment of ten annual levies.

PART E. TRANSFER AND RENTAL OF SITES.

1. Any grant of a site is personal to the shareholder/s concerned and cannot be transferred or assigned, in whole or in part, except subject to this by-law and with the approval of the Board.

2. In considering applications for the transfer or rental of a site, priority shall be given to existing residents, then shareholders generally; provided, however, that if the hamlet reasonably and strongly feels some other candidate (who is willing in principle to become a shareholder) is preferable then such priority shall not be absolute.

3. No approval shall be given by the Board for the transfer or rental of any site unless (i) the opportunity is advertised upon the Society's shop notice board for one month before it is advertised anywhere else and that it is not at any time advertised through real estate agents; (ii) in the cas of a lease, its period shall be from month to month only.

PART F. RESUMPTION OF SITES.

1. The Society may resume an approved site where it is left without significant development after one year from the date of being granted.

2. The Society may, subject to this by-law, resume an approved site where full annual levies are not paid either by the shareholder to whom it has been granted or by their approved tenants, provided that upon any resumption compensation to the extent of Current Replacement Cost, in respect of all improvements to or upon the site, shall be paid to the dispossessed site-holder within two years (except in the event that such amount is not forthcoming from an acceptable fresh applicant, in which case the next-best compensation forthcoming shall be paid).

3. The Society may resume a personal or collectivized agricultural area where, in the opinion of the Board, it is neglected.

4. Where a shareholder claims, or has developed, an agricultural area which exceeds what is reasonable, the Society may resume any excess, provided there is inadequate appropriate agricultural land available elsewhere, but must pay compensation covering the material value of improvements.

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Second draft

Crystal Vale v. Tweed Shire Council

Land and Environment Court,

#104699 of 1987.

OPINION SUBMITTED ON BEHALF OF APPLICANT.

Re: Effect of Parramatta CC v. Peterson.[1]

In the instant appeal, the issue is **whether a monetary contribution**, required by the Respondent Council (under s.94 of the Environmental Planning and Assessment Act) as a condition of its consent approval for a Multiple Occupancy zoning, such contribution being for the purpose of "Rural Road Development", **is void for remoteness from the subject development.**

Consent authorities are empowered by s.94 to require payment of a monetary contribution where a development is "likely to require the provision of or increase the demand for public amenities and public services within the area". The question in this case is whether a contribution, extracted for rural roads anywhere in the shire, is "within the area".

A long series of cases establishes that such a levy, for rural roads generally, is of insufficient immediate connection to the proposed development, is not "within the area" and so fails for remoteness.

In Norlyn Investments v. Ballina S.C.[2] and Byrril Creek Hamlet v. Tweed S.C.[3] Assessor Riding rejected such a condition as lacking in a nexus to the proposed development. He cited with approval the judgement of Gibbs C.J. of the High Court in Cardwell S.C. v. King Ranch[4] to the effect that the condition must be reasonably required by the development, and he endorsed Assessor Nott in Pick v. Ballina S.C.[5] wherein it was held that if roads which might benefit from the condition are remote from the subject land then the imposition is unreasonable. In Ramsey & Ilepool v. Richmond River S.C.[6] Stein J. held that such a condition had no necessary relevance to the subject land and failed as too remote. He affirmed that the adoption, by a consent authority, of such a condition as A matter of blanket policy, disabled the authority from exercising its discretion in individual cases and was improper[7].

It appears that if the money is specifically "eartagged" for a rural road in the immediate locality then the necessary nexus can be established. In Hawkins v. Evans S.C.[8] and Coupe v. Mudgee S.C.[9] a condition requiring a monetary contribution to a future upgrading of the immediate access road was upheld. In Mylrea v. Nambucca S.C.[10] a contribution for upgrading of roads "giving access to the development" was upheld. In Young & Guest v. Nambucca S.C.[11] Assessor Andrews upheld a contribution of $3300 required to "benefit the road system on which the building was situated".

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In the instant case, however, it is a "general levy" which has been raised. It is submitted that the Council is now estopped from trying to make out that a local-specific levy was meant, or is now meant. Having formally stated a certain and precise legal position, by way of consent condition, the Respondent council cannot now chop and change its apparent and stated intention so as to try and squeeze it into legitimacy, however appropriate and easy doing so may have been for them at the consent stage.

In the instant case a problem has arisen, and this opinion is sought by the Assessor, following the recent decision of Stein J. in Parramatta CC v. Peterson[1]. In that case a proposed multiple-storey development would generate the need for many more car-parking spaces than it provided internally. The council imposed a s.94 condition that $1.25m be contributed for public car-parking, such funds to go towards a $6m high-rise council carpark 800 metres away. There were council carparks much closer.

Upon challenge that this expenditure was too remote, Stein J. held (inter alia) that the word "area" in s.94 means the local government area of the local council and not simply the immediate locality of the development site.

Even if Stein J. is correct in his definition of "area", one must beware of interpreting him as holding that if a development creates or adds to a need anywhere in a [local government] area, then a condition assuaging that need anywhere in the [local government] area is valid. s.94(1) must be read in cnjunction with s.94(2), which requires that any condition imposed by the consent authority pursuant to its s.94(1) study is "reasonable".

Stein J. does not spell this out clearly, however, having made his ruling about the meaning of "area" in s.94(1), he goes on to devote much of his judgement to the concept of "reasonableness" and "nexus". He held that the test of validity did not require an "identifiable nexus" and a "direct connection" to be proven between the proposed development and the public amenity on which the money (the subject of the condition) is to be spent. The condition, however, did have to relate "fairly and reasonably" to the subject development, so as to establish sufficient connection to satisfy the equity argument[12]. It was not necessary for the council to prove a direct geographical connection between the subject development and the proposed council carpark -- it was sufficient that the proposed carpark would serve the Parramatta Central Business District [CBD] as a whole.

The core case on planning nexi is Newbury D.C. v. Secretary of State for the Environment[12] (which, Stein J. in Parramatta formally adopted). This held that for a planning condition to be valid it must: **(i)** have a planning purpose; **(ii)** fairly and reasonably [not necessarily directly or exclusively] relate to the development; **(iii)** not be so unreasonable that no reasonable planning authority could have imposed it.

The Newbury doctrine was somewhat befuddled by Stein J.'s own Chief Judge, Cripps J., in BOMA v. Sydney City Council[7], wherein the requisite "fair and reasonable" relationship appeared to be extended to require a "direct" connection between the contribution and the development. Stein J. opposed this test as too strict and stated that a lesser test was enough -- it sufficed for the condition "fairly and reasonably" to relate to the development. He advanced, as reasons for distinguishing BOMA, "that Cripps J.

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may have had in mind a wider meaning of "direct" than may be usual"[13]. He supported this opinion by pointing out that Cripps J. had himself applied the wider test in Bullock v. Eurobodalla S.C.[14], wherein he followed St. George v. Manly M.C.[15], which held that a condition must be "capable of meeting the test that it reasonably relates to the development". However, hose it down though he might, Stein J. did not expressly overrule BOMA-- nor was he in a position to do so.

Even assuming that Stein J. in Parramatta was legally correct in narrowing the test laid down by Cripps J. in BOMA, at least a "fair and reasonable" relationship remains required between the condition and the development. Stein J. in Parramatta appears to hold that this "reasonable" nexus is established wherever a development creates a need anywhere in a [local government] area, and where the condition (monetary contribution) is for expenditure on assuaging that need anywhere in the [local government] area.

However, it is submitted that Parramatta should be distinguished from the instant appeal on the grounds that the local government area involved was a city, with a total administrative area of only 60 sq. km. and a CBD of about 1 sq. km. In such a tight, urban situation there is a much greater concentration of people and sharing of amenities than in a rural shire. In the Parramatta case, the actual expenditure (disputed though it was) was to be a mere 800 metres from the subject development. It was very consciously a major urban CBD which Stein J. dealt with in Parramatta as a whole, unified entity expressly, and by way of limitation, saying[15] "it is permissible, in the case of a regional or sub-regional centre, to adopt an integrated, cohesive approach".

By way of comparison, the administrative area of Tweed Shire Council is 1307 sq. km. and that of the largest NSW shire, Central Darling, is 51,395.12 sq. km. (Incidentally, the area of NSW is 801,340.88 sq. km.). If the ruling of Stein J. is to be extended to rural areas then expenditure may well be scores, if not hundreds, of kilometres away from a subject development. There is no way that such expenditure can be considered to be proximate enough to the development to provide a "fair and reasonable" (let alone a "direct") connection with or relevance to it.

It is submitted that Parramatta CC. v. Peterson turned upon its own peculiar facts and is clearly distinguishable from the established cases invalidating general levies, especially those for rural roads. Stein J. was only concerned with an inner city area and had no intention to make fresh law applying to extensive or rural areas. Significantly, he did not mention or overrule his own decision in Ramsey & Ilepool v. Richmond River S.C.[6], wherein he personally declared "no real nexus" was evident between a contribution to the "Shire road network generally" and the subject development. Indeed, he did not refer to any of that long series of cases cited above which invalidate general levies for rural roads.

Any extension of Parramatta CC v. Peterson, even if it is good law, should not be undertaken lightly. It would make a nonsense of that long string of cases and that established law requiring a reasonable nexus between the development and the expenditure. This "integrated, cohesive" approach may be fair in an urban CBD, but it is inequitable in a rural, and possibly even a suburban, situation. Such an extension is also entirely unnecessary: if rural

councils wish to levy funds for rural road development then all they need to do is to earmark the contribution, at the time of imposing it, to particular, relevant, local access roads.

Conclusion.

Parramatta CC v. Peterson should be distinguished from the established and settled law invalidating general levies for rural roads, on the grounds that it applies only in the Central Business District of a city.

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NOTES.

1. (1987) 61 LGRA 286.
2. L & E Court NSW #10387 of 1983.
3. #10402 of 1985.
4. 54 LGRA 110.
5. 10058 of 1985.
6. #10350 Land and Environment Court , July 1986.
7. See Cripps J. in Building Owners and Manager's Association of Australia Ltd. v. Sydney CC (1984) 53 LGRA 54.
8. #1687 of 1982.
9. #20465 of 1984.
10. #10052 of 1985.
11. #10579 of 1984.
12. [1981] AC 5787.
13. at pp. 296-297.
14. Land & Environment Court 26 Mar. 1984, unreported).
15. (1981) 3 APA 370.
16. at p.297.

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16 March 1988.

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Subdivision and Multiple Occupancy

Definition of Subdivision.

Subdivision is defined[1], inter alia, as including the division of land into parts 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.

Illegality of Unapproved Subdivision.

Subdivision without approval is forbidden[2] and is an offence[3]. Reflecting this, and the concern of all parties to negotiations which resulted in the 1980 Multiple Occupancy (MO) Local Planning Instruments, this is expressly so on MO properties[4].

Types of MO.

Multiple Occupancy of rural land is usually sought by three distinct types of group. These may be termed "Utopian", "Standard" and "Quasi" MOs. The first two types, albeit ranging along a wide spectrum, seek to fashion an "intentional community", however the third type has no such intent and is merely using the MO planning instrument to achieve a low-cost subdivision.

Utopian MOs.

"Utopian MO's" are intentional communities dedicated to total sharing, unison of thought, paramount group aims & spirit and co-ordinated activity[5]. Often they are motivated by religious, or idealistic, philosophies. These groups, whether fanatical or the inspired pioneers of social and philosophical development, probably only constitute 10% of MOs. They tend to be against any sort of internal division of territory, any deviance of individual behaviour from a strict code, or even private property. These communities do not contravene the subdivision laws but invariably receive no FHOS grants on the ground that settlers lack individual security of tenure[6].

Standard MOs.

By far the greatest number of MO properties, both approved and "underground/illegal", divide some or all internal territory formally amongst the settlers. This may be done by some form of lease, trust, unit trust or attatchment of rights to a particular share in a company or co-operative; or by manipulation of the Rules and By-Laws of the group[7]. Formal surveys of privatized areas may be made, or simple sketches drawn. A wide range of varying rights and duties can be written in, including removal of weeds, noise and spray control, procedures for transfer of rights and group decision-making, administration of commons etc.

This desire for privatized territory, wherein one feels secure physically and emotionally, reflects a deep human need and protects assets: so often desireable given the high price of land. It also reflects the traditional predication of our society upon isolated nuclear families. MO settlers with "rights" over defined patches tend to be able to surrender their shares as collateral for loans (from Building Societies rather than banks): something which a "Utopian" settler cannot do. Probably 80% of intentional communities have some sort of internal legal arrangement securing, to varying extents, territorial rights to individual settlers. It is for this reason alone that I term them "standard" MOs.

"Quasi"-MOs.

Where there is no genuine concern to forge a intentional community, yet MO zoning is granted, then the MO planning procedure has been abused. It is very difficult for a consent authority to distinguish between "Standard" and "Quasi" MOs. However, the following characteristics tend to indicate (albeit not conclusively) that participants are primarily interested in a cheap subdivision: (a) absence of group controls over new memberships or individual behaviour (b) absence of stated group aims and ideals, (c) small proportions of the land (or the worthless land) held in common (d) sale of holdings possible with private retention of capital gains, (e) presence of a professional developer. The more of these criteria are met, the more likely it is that the settlers have little genuine expectation of "living and working together", but is rather a mere aggregation of disparate individuals — not an intentional community at all.

Appropriate Structures for Non-Utopian MOs.

In Victoria and Queensland[8] a special form of land tenure exists which facilitates the desires of quasi-M.O.s, albeit by applying an [expensive] subdivisional procedure. This "cluster titles" legislation provides a sort of broad-acre strata-titling whereby some of the land is held in common and other blocks privately, whilst residents of the whole can be bound by mutual agreements (e.g. of an environmental and social nature). This method of tenure fills a niche in the market but tends to

perpetuate established patterns of nuclear familial separation and territorial fragmentation. It affords a comfortable stepping-sone towards the ideal of integrated "New Age" communities, especially where some idealistic, cohering theme is formally adopted and studiously respected.

In N.S.W., community titles legislation has only been mooted[9]. In the past, quasi-MO groups in that State have usually been structured as unit trusts or by tying particular company shares to surveyed patches, usually producing an illegal subdivision. In one case[10] a contorted legalism has been employed to try and provide territorial security for settlers whilst avoiding the anti-subdivision laws. This has been done by allowing the body corporate to lease land to non-shareholders (thereby divorcing shareholding from a territorial right), and by so-wording the leases as to make them, technically, for less than five years.

In N.S.W. the only clear way of legally structuring a "Standard" or "Quasi" M.O. is by strata titling, a procedure usually limited to buildings and both rare and expensive across broad acres, where it is opposed by the Department of Environment and Planning (DEP) as fragmenting rural land. Obtaining permission for strata-titling will probably require amendment to the Local Environment Plan, with approval of the DEP, before any Development Application can be lodged. Development cost approximates 60% of subdivision, internal roads being the responsibility of the community.

Danger of Internal Territorial Divisions.

Privatizing, and especially fencing, patches of territory tends to sit ill with a holistic, natural landscape, with the free-flow of folk and fauna, with group aims and identity and with the ideal of local self-management. Estrangement between individuals is geophysically formalized. It also effectively stymies much of that vibrant, organic (frenetic and distortive?) group interaction and adaptation which forcibly occurs under the pressures of a "Utopian" community.

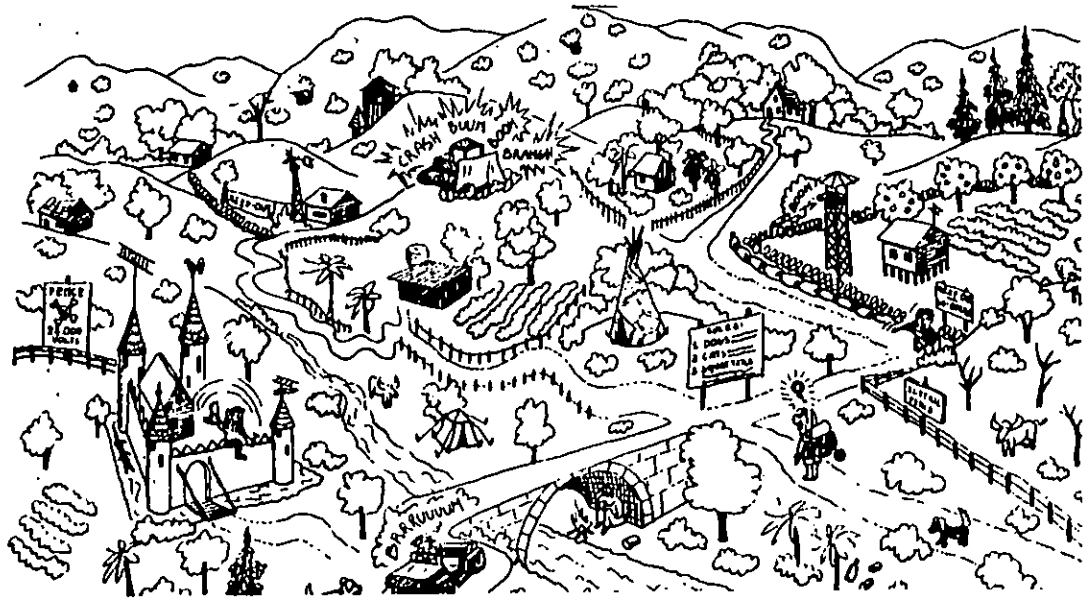
However, "Utopian" communities, too, often have problems and frequently (flawed with fragility) self-destruct as key individuals lose inspiration or a chasm opens up between the "dogmatic faithful" and the "heretics". It may well be that, in the long run, "Standard" MOs will achieve more stable and lasting benefits (socially and environmentally) than their "Utopian" confederates. Both types are constricted in their ability to achieve much, however, so long as the high price of land inhibits their growth and unemployment keeps them poor. These pathological conditions, along with many others, are largely due to land monopoly[11].

Modern Council Attitudes.

The various legal forms (e.g. unit trusts and company shares tied to surveyed patches) used in N.S.W. to structure "Standard" and "Quasi" MOs have, since being recognized[12], incurred the critical wrath of some councils which permit M.O. developments. Thus, Lismore C.C. now always demands to see internal deeds at the D.A. stage, and will refuse consent if any internal division is apparent. This council has pressured communities "mistakenly" granted MO zoning in the past (e.g. Billen Cliffs) to become strata titled. Inconsistently, elsewhere, "Standard" and even "Quasi" MOs remain unscathed: at Tweed S.C. they have, until recently, been approved in droves despite "illegal" internal "subdivision" deeds. All [non-strata] quasi-M.O.s, like the true communities, are still being denied FHOS grants, unless they grant settlers only sort-term leases [13]. The new SEPP#15[14], issued by the DEP to regulate MO statewide, appears set to prevent council approval of any MO granting legal rights to settlers over parts of the land. By its cl. 8(1) it requires council to scrutinize internal legal structures, and to ensure they are consistent with cl.2(c)(ii), which forbids the "granting of separate legal rights to parts of the land". It now takes a smart lawyer to protect settler's individual rights, but it seems nothing will now enable FHOS grants.

What Might Consitute a Subdivision?

Clearly the Quasi-MO arrangements, with their formal documents, surveys and defined rights approximating those of a fee simple owner, amount to a subdivision. Probably the "Standard" MOs do also, despite their radically different approach and spirit. This is unfortunate.



Even in the case of "Utopian" MO's, at a less formal level, there may exist mere "tribal" behaviour and habit, recognizing some degree of personal rights across a patch of communal territory. This is really no more than respecting one's neighbour, albeit out of the promptings of one's heart and mind, without any legally enforceable agreement. Is this a "dealing" amounting to a subdivision? There has been no litigation on this point. The only relevant case[15], a divided opinion of the WA full Supreme Court, held that work done on the ground, such as erection of fences, stone walls etc., did not of itself constitute a subdivision.

According to a Q.C.'s opinion[16] a "dealing" exists where there is any arrangement of affairs, even if not amounting to a legally enforceable contract. Thus, any MO amounts to a subdivision if it gives any member the least written, verbal or even tacit assurance as to any their exclusive right to occupy a dwelling or harvest an area. Arguably, the "land" could even be in public place. So should co-owners of property, or even citizens in the street, mutually and tacitly refrain from barging into each other as they walk around, or if a family observes privacy in their bedrooms and bathrooms, then they are effecting a subdivision. Such an outcome is ridiculous.

"Subdivision" v. Privacy?

A degree of private territorial allocation or distribution is essential to human society. Everyone needs some sense of privacy, security and space: these requirements are deep in the collective psyche and cannot all be declared illegal subdivisions. Where such assurances are aimed at promoting harmony within the land-sharing unit, and at furthering its viability as a coherent entity, then they are to the advantage of the civilization. An intentional community should not be bullied by outmoded, technical laws into abandoning its sense of wholeness, even if with comparatively informal internal territorial allocations, and instead entering upon the expense and complexity of formal subdivision.

It is possibly true that amongst the adoring devotion to Godhead in the Krishna Farm neither thought of nor law for rights of individual privacy and property is required, arises or prevails. But for most human community settlements (being as a whole less unified in heart, mind and spirit — or, as some might say, less brainwahed and fanatical) some written or strong verbal assurance of precise rights (and duties) is advisable to forestall confusion, manipulation or abuse. In the average MO situation, based though it may be essentially on trust and co-operation, there are clear advantages in formally assuring definite rights to settlers upon approved sites.

Interpersonal tangles can easily eventuate when friends fall out. Once Garden of Eden harmony is disturbed then thought and law alone provide order: so it is desirable for a community to provide clear rights for those its settlers who would spend and labour that they and their families might live and enrich the neighbourhood. Folk who build a home or plant an orchard invariably want some security to enjoy it. The territorial nature of man is genetic and ineradicable, expressing an inward compulsion in all animate beings to possess and defend territory.

"After almost half a century of the experiment with socialism, despite all threats amd despite all massacres, despite education and propaganda and appeals to patriotism, despite a police power and a political power ample, one would presume, to ensure conditioning of any being within its grasp, [Russia] finds itself today at the mercy of an evolutionary fact of life: that man is a territorial animal."[17]

New Policy Needed.

It is going too far to assert that any assurance of privacy, when folk share land, within an intentional community or generally, constitutes an illegal subdivision. If multiple occupancy, and the formation of intentional communities, is to thrive, then some more helpful, humane and realistic interpretation of the term "subdivision" is essential. What degree of formality, what innate intention, what legal effects, what degree of enforceability is therefore to be adopted as the line which divides a valuable, human allocation of space from a subdivision?

As a matter of policy, it is submitted that a subdivision should be deemed NOT to exist, despite an allocation of space or territory for dwelling in privacy and faming with security, whether the agreement exists in writing or is verbal only, and whether it is enforceable by law or only by equity[18], where the following requirements, or possibly even a majority of them, are satisfied:

(i) Group aims: The land-sharing group must have formal, primary aims of forging an intentional community. The existence of such aims will be evident from the emphasis given to common economic, social, philosophical, religious, environmental, educational and cultural concerns. Further evidence of such aims will be available if the group retains substantial rights, e.g. to veto leases, to scrutinize potential lessees and fix rents, to prohibit use of certain poisons or use of noisy machinery on certain days, to oversee earthworks and bulldozing, to prevent the keeping of dogs and cats or to require donation of certain funds or labour on a regular basis.

(ii) Restricted disposition: So as to protect the community's interest in controlling and defining its own identity, no absolute, separate rights of disposition over their interest is to be held by individuals to whom rights of security or privacy in particular spaces is granted; however there must be a guarantee that disposition will not be refused unreasonably;

(iii) Speculation impossible: So as to protect the community from selfish speculators, no opportunity is to exist for individuals to pocket "capital gains" made at the expense of, or by exploitation of, the group. Accordingly, the price receivable upon transfer of a settler's interest

must be limited to no more than the value of materials and labour capitalized upon the site. Such a value could be ascertained at any time by a qualified valuer.

(iv) No trespass laws: The laws of trespass should not operate to prevent freedom of access by settlers in that intentional community, across their group lands; however, one would reasonably expect internal by-laws to evolve rendering impolitic any abuse of this freedom, for instance its exercise at irregular hours, along other than established community paths or in bad faith: each person's home, garden etc. is his/her castle.

Conclusion.

The existence of these limited rights to individual privacy upon group-owned land is consistent with a predominant emphasis upon community or family values and a holistic feel for the landscape. There is no legitimate reason for castigating them as subdivisions. They should be expressly excluded from being interpreted as such by amendment to Clause 9 of DEP's draft SEPP #15 and by amendment to the Local Government Act.

NOTES.

1. Local Government Act, (NSW) s. 4.
2. e.g. N.S.W. Local Government Act 1919 s.323 and s.327AA(2). The same law exists in other states e.g. ss.3 & 34(1)b of the Qld. LGA.
3. s. 339 of the (NSW) Local Government Act.
4. DEP Circular #44 policy 4; adopted by local authorities e.g. Clause 15(2)(a)(ii) of Lismore City Council L.D.O. #40. This policy is retained in policy 10 of DEP's draft SEPP #15.
5. Academic studies include Marie Louise Berneri Journey Through Utopia Freedom Press (1982); Rosabeth Moss Kanter Commitment Community : Communes and Utopias in Sociological Perspective Harvard University Press (Cambridge Mass. 1972). Examples are the Hare Krishna, the Bhuddist Bodhi Farm near Nimbin and William Lane's "New Australia" experiment late last century [vide Gavin Souter A Peculiar People (The Australians in Paraquay) Angus and Robertson (Sydney 1968).
6. See my essay "Multiple Occupancy and the First Home Owner's Scheme" (RRTF, Nimbin 1987.)
7. See my essay "Legal Structures for Intentional Communities" (RRTF, Nimbin, 1987).
8. Vic.: Cluster Titles Act [# 8661 of 1974]. Qld.: Building Units and Group Titles Act.
9. By the (NSW) Land Titles Office.
10. The NSW-Government supported MO Pilot Project at Wadeville, near Nimbin. This legalistic contortion was declared viable in an opinion of James Glissan Q.C. dated 1.6.86.
11. See the writings of Henry George; 1987 Good Government magazine and the numerous pamphlets available from the Site Revenue Society, 1 Bird St; Herston 4006.
12. Following arousal of suspicions during a bout of entrepreneurial M.O. development in the early 1980's, by advice of N.A. Hemmings Q.C. to Lismore City Council.
13. See fn. 6 above and RRTF (Nimbin) Newsletter #8, Aug. 1987.
14. See my companion essay "MO and SEPP#15" (RRTF, Nimbin 1988) for a full overview of this document.
15. Lombardo v. Development Underwriting 1971 27 LGRA 456.
16. See fn. 12.
17. The Territorial Imperative.Robert Ardrey (Collins, London 1967) p. 116.
18. Under the High Trees principle [1947] 1 K.B. 130, adopted in Australia Rand v. Chris Building Co. (1957) VR 625.

David Spain BA.;LLB (Hons.).
Solicitor, Supreme Court of NSW;
February 1988.

COORDINATION CO-OPERATIVE LTD, TUNTABLE FALLS

DRAFT SITES BYLAW.

PART A. DEFINITIONS.

"Approved Building:" means a building, of a communal, residential or industrial nature (sometimes individualized, sometimes collectivized), the construction of which is approved under these By-laws and is marked in solid black upon the Community Development Plan.

"Approved Site" is an area, bounded by the dimensions of an approved building plus its curtillage and edged in black upon the Community development Plan, the right to exclusive occupancy of which is granted to a shareholder (or a collective of them) under this By-law.

"Collectivized agricultural area" means an area, bounded in thick, broken dark green and marked as such upon the Community Development Plan, (sometimes created by excising communal agricultural areas with the approval of the Board, and sometimes by amalgamating personal agricultural areas under a plan of management lodged with and approved by the Board under this by-law).

Communal Agricultural Area: A communal area, upon the Commons, which is deemed arable, marked unbroken heavy dark green upon the Community Developmet Plan, and is set aside for productive agriculture upon the theme "give as inspired, take as you please".

"Communal areas" consist of all the land owned by the Society, including Wilderness reserves and exploitable forest, with the exception of approved sites and personal or collectivized agricultural areas. Where the area is arable, it is deemed a communal agricultural area.

Community Development Plan: means the Development Plan as approved by Lismore City Council under the Multiple Occupancy code and as further marked, for internal purposes, and maintained by the Board so as to present a true and accurate picture of all geographical features (whether sacred or mundane), wilderness reserves, exploitable forest, access routes, approved sites (whether communal, residential, industrial or agricultural) and utilities upon the Lands of Co-Ordination Co-Operative Ltd.

"Community routes " are all those access roads, tracks and footpaths marked thick red (in respect of vehicular major or trunk roads), broken thick red (branch or hamlet vehicular roads) and thin red (foot and barrow paths) upon the Community Development Plan.

Condemned weeds: means groundsel, scotch thistle, any sort of burr, crofton weed, inkweed (unless the ripening berries be picked for dye) and swamp dock.

"Curtillage" is a privatized buffer-zone immediately surrounding an approved building to a radius of twenty metres, or so far as the edge of any bordering community route, or so far as half-way to another approved site, whichever is the lesser, provided that the Board has not, in any particular instance, at the time of site approval, stipulated otherwise.

"Hamlet" means those geographical areas, supposedly inhabited by like-minded teams and bordered in dark green upon the Development Plan.

"Hamlet member" means a shareholder who has been granted a site within a hamlet, or the share-holding child of such a hamlet member.

Personal Agricultural Area: Means an area, usually within the residential zones, given over to farming by a single shareholder.

"Neglected": An agricultural area may be deemed neglected where, upon the opinion of the Board as advised by the Agriculture co-ordinator, it is not utilized, to an extent of at least 70%, for the growing of useful crops (whether for food, fodder, medicine or fibre) or where it is harbouring any condemned weeds, an excessive proportion of useless timber trees, or a volume of pests or botanical diseases unacceptable to the Agricultural co-ordinator.

"Neighbourhood:" means a potential or formative hamlet area, as bordered in broken purple upon the Community development Plan. Where the boundaries of two neighbourhoods are in dispute then the area in between, covered in hatched pink, is a No Man's Land.

"No Man's Land": An area in the residential zone, territorial domain over which is disputed between two or more hamlets and which is hatched in pink upon the Community Development Plan.

"Personal agricultural area" means an area, in the residential zone, granted to a individual shareholder for agricultural purposes.

"Privacy" means (except insofar as this by-law otherwise provides) the right to **(a)** exclude persons, including other shareholders and the Society, from visiting, entering or remaining in or upon an approved site, at any time **(b)** the right to exclude other shareholders and the Society from an approved personal or collectivized agricultural area during other than working hours.

"Reasonable" (as regards the extent of an approved personal or collectivized agricultural area) is a question of fact, to be decided (in the light of historical community precedent) by weighing the area being claimed against the area available to other site-holders, both adjacent to their approved sites and elsewhere, and by making such adjustments as are equitable in the light of that access, soil fertility, water supply and aspect enjoyed by the area being considered.

"Security of tenure:" means the permanent enjoyment of rights granted under this by-law without interference from the Society or other shareholders, except insofar as this by-law otherwise permits.

"Useless Timber Tree" means Sally Wattle ( ), Grey Ash ( ), ...

"Working Hours" means the period from 9 a.m. to 5 p.m. on Monday-Saturday inclusive.

PART B. GRANTING OF SITES.

1. The Board of Co-Ordination Co-Operative Ltd. may, in its discretion, and in accordance with the procedure laid down in Part C hereof, grant a site to a shareholder, or any number of them together, in the Society.

2. No site shall be granted to a non-shareholder in the Society.

3. Sites may be residential, agricultural or industrial in nature (sometimes they may be private, sometimes collectivized) and must be located in appropriate zones under the Community Development Plan.

4. Where a residential site is granted, the holder thereof shall be entitled to farm a reasonable area surrounding or adjacent to it, or elsewhere when no such reasonable adjacent area exists, upon the principle "harvest where s/he has sown". Where a residential site is held by a collective of shareholders, then they may farm an approved collective agricultural area, whether adjacent or elsewhere, of a size or quality proportionate to their numbers.

5. Where, by reason of its geographic position or late granting amidst already-developed areas, a residential site lacks a reasonable agricultural area immediately adjacent, then the Board may grant agricultural rights at another location.

6. No shareholder shall be exclusively granted two residential or industrial sites, but may be granted access rights over more than one site when they are held collectively with others.

7. Where a shareholder, holding a residential site, is granted an industrial site in addition, or an agricultural area which exceeds what is reasonable, then a site rental, not exceeding another annual levy, may be charged.

PART C. PROCEDURE FOR GRANTING OF SITE.

1. All applications for grant of a site shall be made in writing to the Society and shall contain such details as the Board may require from the applicant, including a copy of council-approveable plans for any structure to be erected.

2. Each application to develop a site shall be accompanied by such fee as is required by Lismore City Council.

3. Where an applicant is not yet a shareholder, a site (and share) will only be granted or transferred to that applicant when s/he has lived upon the land of the society for twelve months immediately following his/her formal introduction to the Society (except where the applicant is buying the right to occupy an established building and has the endorsement of two Tribal Meetings, in which case the period shall be four months).

4. No application shall be processed by the Board until it has been notified at one Tribal Meeting and then subsequently approved at another, with four day's agenda notice.

5. The Board shall ensure that any applicant for a site has been approved unanimously and in writing by settled members of the hamlet concerned.

PART D. RIGHTS OF SITE-HOLDERS.

1. A site-holder has the right to privacy in the enjoyment of an approved site, personal agricultural area or (in association with others as nominated) collectivized agricultural area, provided however that where a site-holder has refused a written request from the Board, delivered to the shop at least a week in advance, to attend a Board meeting, yet has failed to do so, then any two or more Board members shall have the right to attend the site of that site-holder to conduct the relevant business.

2. A site-holder shall have security of tenure over his/her site.

3. A site-holder shall have the right to veto the granting of a site to another shareholder within the hamlet area, but must justify this veto if it is shown that population density of shareholders within the hamlet is less than the average throughout the community, and may be over-ruled by the Board if it considers the justification unreasonable.

4. A site-holder shall have a veto, upon good reason stated, to the granting, occupation or rental of any site next or adjacent to his/her own site, even if in an adjoining hamlet.

5. A site-holder may veto, upon reasonable grounds, the renting of any hamlet building.

6. A site-holder may veto the presence, for more than one week, of any guest (other than a bona fide spouse or dependent child) invited by another hamlet member.

7. A site-holder shall have the right to sell his/her interest in the site for the value of improvements (material + labour) to or upon it.

8. Such valuation shall be made by the Current Replacement Cost method.

9. A site-holder may, subject to the site rentals by-law, rent his/her site to a person, at a rental and upon conditions acceptable to both the hamlet and to the Society, provided that approval shall not unreasonably be withheld.

10. A site-holder (in common with any shareholder) shall have the right to move freely across all communal areas (provided that, if the area be communal agriculture, no crops are damaged) and along all community paths, even if through private or collectivized agricultural areas, at any time.

11. A site-holder may retain domination of a neglected agricultural area upon annual payment of ten annual levies.

PART E. TRANSFER AND RENTAL OF SITES.

1. Any grant of a site is personal to the shareholder/s concerned and cannot be transferred or assigned, in whole or in part, except subject to this by-law and with the approval of the Board.

2. In considering applications for the transfer or rental of a site, priority shall be given to existing residents, then shareholders generally; provided, however, that if the hamlet reasonably and strongly feels some other candidate (who is willing in principle to become a shareholder) is preferable then such priority shall not be absolute.

3. No approval shall be given by the Board for the transfer or rental of any site unless (i) the opportunity is advertised upon the Society's shop notice board for one month before it is advertised anywhere else and that it is not at any time advertised through real estate agents; (ii) in the cas of a lease, its period shall be from month to month only.

PART F. RESUMPTION OF SITES.

1. The Society may resume an approved site where it is left without significant development after one year from the date of being granted.

2. The Society may, subject to this by-law, resume an approved site where full annual levies are not paid either by the shareholder to whom it has been granted or by their approved tenants, provided that upon any resumption compensation to the extent of Current Replacement Cost, in respect of all improvements to or upon the site, shall be paid to the dispossessed site-holder within two years (except in the event that such amount is not forthcoming from an acceptable fresh applicant, in which case the next-best compensation forthcoming shall be paid).

3. The Society may resume a personal or collectivized agricultural area where, in the opinion of the Board, it is neglected.

4. Where a shareholder claims, or has developed, an agricultural area which exceeds what is reasonable, the Society may resume any excess, provided there is inadequate appropriate agricultural land available elsewhere, but must pay compensation covering the material value of improvements.

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STATE ENVIRONMENTAL PLANNING POLICY [SEPP] #15: AN OPINION.

©by David Spain, B.A. LL.B. (Hons.); Solicitor, Supreme Court of NSW.

Overview.

For a decade there have been three major legal tangles frustrating development of multiple occupancy [MO] communities. These have been:

(i) Protection of individual settlers without creating a subdivision[1]

(ii) Enabling settlers to get First Home Owner's Scheme grants[2]

(iii) Imposition by local councils of excessively onerous conditions upon Development Approvals[3].

After years of varying council practices, the failure of many councils to adopt an MO policy, lobbying by MO community groups such as the Rural Resettlement Task Force[4], meetings with bureaucrats and Ministerial promises, the issuing, by the Department of Environment and Planning, of a SEPP regulating MO was eagerly awaited.

The result is dreadfully disappointing. The SEPP does allow a slightly greater density of MO residences, and does provide a uniform policy, forcibly extending to all relevant Local Government areas, but the other salient frustrations remain inadequately addressed. Indeed, as regards two of them, there have been reversals which threaten to set back MO development by ten years.

SEPP#15 and Subdivision.

The aims and objectives of SEPP #15 are expressed in clause 2, and emphasise collective ownership of the land parcel and the pooling of resources. There is, however, a total failure to recognize any need for guarantees securing privacy and property rights for individual settlers. Quite the contrary -- cl.2(c)(ii) expressly disapproves of development which involves granting settlers "separate legal rights to part of the land".

Ironically, SEPP #15 titillates MO advocates by defining, in cl.5(1), a "home improvement area", which it indicates in cl.8(1)(c) is different to a "residential accomodation area" and to a "community use area". Neither of these is defined or again mentioned, and no rights are ascribed to settlers over any their "home improvement area". No explanation is given relating the "home improvement" and "residential accomodation" areas with the anti-privatisation provisions of cl.2(c)(ii).

Whilst MO advocates have always been happy to accept that settlers would possess a title which was less than fee simple, yet very few have been prepared to strip settlers of all legal rights to the land whatsoever. In 90% of MOs as currently exist, individual settlers have been assured (by way of internal deed or proprietary lease) of certain rights to privacy and property in and around their approved homesites. Due to anti-subdivision laws[5], many of these internal arrangements have now become generally recognized as technically illegal. They are, however, binding between the parties, and this meant that no other shareholder, or their body corporate, could evict one particular shareholder or strip him/her of property in fixtures such as house and orchard.

Now, however, by cl.8(1)(a), the council is required, at Development Application [DA] stage, to study "the means proposed for establishing land ownership [and] dwelling occupancy rights", with a view to "ensur[ing] the aims and objectives [e.g. as per cl.2(c)(ii)] of this policy are met". This indicates that if the internal deed provides any legal rights over parts of the land to settlers then the DA must be refused.

Thus, the only sort of MO which is officially sanctioned is the "Utopian" or "beehive" variety, the "tight commune" rather than the "loose co-operative", wherein the individual completely abandons all legal rights and surrenders to the whole (e.g. the Hare Krishna). Such a format may be ideologically pure, but is unattractive to 95% of would-be and existent MO settlers. It also sits poorly with the modern Chinese[6], and even Russian, emphasis upon free enterprise and individuality.

There is, however, a small mercy insofar as SEPP#15 probably does not destroy the equitable rights of settlers. This means that if the community did gang up on one settler and turf him/her out then an [expensive and bothersome] suit could be brought in equity[7] allowing the dispossessed settler to obtain the value of materials and labour s/he was forced to abandon upon the land.

SEPP #15 and FHOS Grants.

After years of privation and strenuous argument[2], the FHOS authorities have finally agreed upon a compromise whereby MO settlers could get FHOS grants provided they held a short-term (less than 5-year) lease over their homesite. Such leases would, of course, as a matter of community practice but not as of legal right, be renewed regularly. Now, however, this compromise is killed by SEPP #15, which forbids an individual settler to have any legal right to a part of the land.

SEPP #15 and Council Development Conditions.

Council Development Conditions have traditionally fallen into two categories, those requiring work to be done[8] (particularly by way of upgrading the immediate access road) and those requiring monetary donations[9]. Both these categories have been used to impose very arduous approval conditions upon MO DAs[3]. The SEPP does not address the first category at all, either by stipulating a ceiling upon access road-upgrading or by requiring the formative MO's contribution to be in any way geared proportionately to their actual user of the road (i.e., they can still be lumbered with the entire cost although many others benefit). There is no provision for compliance over time nor for "sweat equity" — i.e. provision by impoverished folk of labour input towards council requirements.

As a minor sweetener for this bitter pill, the Minister has made an order[10] limiting monetary levies for "services and community facilities" to $1950 per dwelling. Such monetary levies have ranged from $1500 (Byron Shire) through $1800 (Kyogle) and $2500 (Tweed) to $3500 (Lismore). It

is unclear whether this limitation applies to "general rural road" monetary levies [i.e. for the benefit of other than the immediate access road], however such a levy was disallowed as too remote, by the Land and Environment Court, in Byrril Creek Hamlet v. Tweed Shire Council[11]. Sadly, it remains clear, however, that payment of the entire sum levied can be demanded "upfront" by council before any building can legally commence, rather than be paid at the time of each building application. Thus, the entire community settlement may be hamstrung because a few members are still broke after buying their share.

Sundry Other Drawbacks.

There is no abrogation of the Owner-Builder's Act, insofar as it affects MOs. This Act requires applicants for an Owner-Builder's license to be owners, which of course MO settlers are not. They can only, therefore, get their homes erected by professional builders. This is the very opposite of what SEPP #15 purports to achieve[12].

MO is only made available in rural or non-urban zones[13], however this can work an injustice where (as frequently occurs) a large part of a property is zoned as environmental protection, e.g. as 7(d) scenic/escarpment. Whilst MO advocates would agree it is inappropriate to place houses in such an area, yet usually it would be available, to varying extents, as a visual buffer or as commons, for grazing or for water catchment. There should be provision for such protected zones, when included within the boundaries (and price!) of a property partially zoned appropriately for MO development, to be taken into account when assessing cl.9 density allowances. Indeed, such was the case with some (e.g. Lismore) draft LEPs — now, unfortunately, overruled by SEPP #15[14].

Living under SEPP#15.

The would-be MO community is probably stuck with SEPP #15 as law for years yet, especially if a Liberal government wins NSW next month. What, then, can be done to protect the investment, property, desires and rights of individual MO settlers despite it? Unfortunately, it is going to take smart lawyers to phrase and arrange it. I submit that this protection could be arranged either by providing them with a web of legal rights which are not "to parts of the land" or by stressing and enhancing their equitable rights under the High Trees principle[7].

As regards the first option, I have in mind rights, accorded by internal Deed or corporate Rules and exploiting the SEPP's own recognition of "residential accomodation" and "home use" areas, guaranteeing to individuals, within those areas:

(a) the right to occupy airspace within an approved building[15];

(b) the right to demolish or remove any materials from an approved building;

(c) the right to occupy airspace above a defined area to the exclusion of all other settlers, but not of the body corporate, provided that if this latter exercises its right to immediate and exclusive occupancy of one part of the land then it must do so to all parts and upon the unanimous vote of settlers;

(d) a contractual obligation between set- whereby all undertake to keep a certain dist ..e from each other's [dimensionless] "spot" if severally or jointly requested;

(e) rights to usufruct of produce arising from the sections of the land.

Conclusion.

SEPP #15 is an inadequate, poorly drafted and dissappointing document, which does far more harm than good to the prospects of MO in NSW. It is bound to take years to have amended satisfactorily. Indeed, the poverty of its ambit and drafting raises deeper questions: was it in fact designed to stall, deceive and cripple a lifestyle movement renowned for its independence and libertarian politics? The legal problems which preceded it largely persist unabated and fresh ones are created. Poor and idealistic folk, who cannot afford rural strata titling (subdivision), yet wish to form an intentional community whilst protecting themselves as individuals, will have to take care with their structuring and seek expert legal assistance.

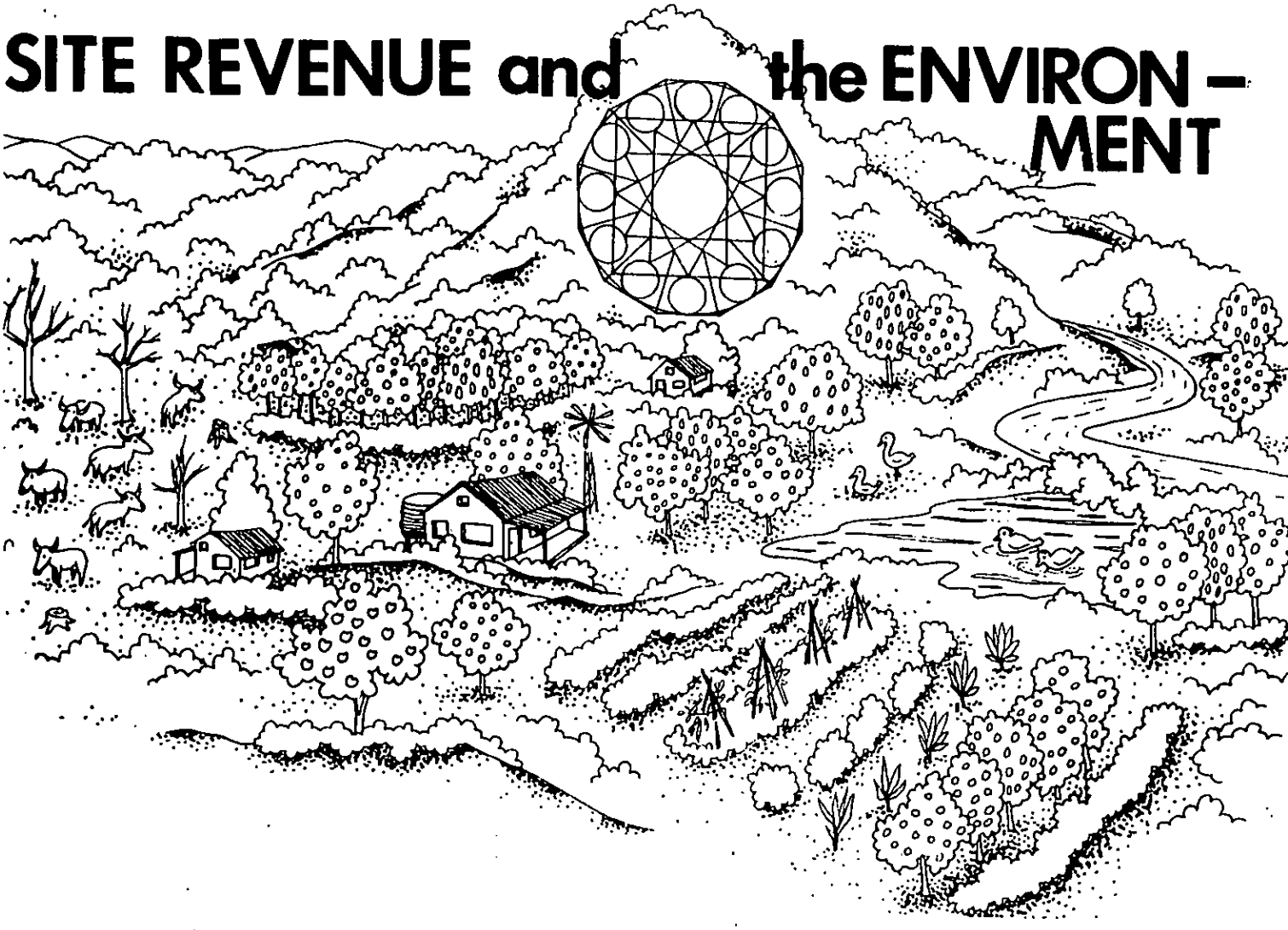
NOTES.

1. See my essays "Multiple Occupancy and Subdivision" and "Legal Structures for Intentional Communities" (RRTF, Nimbin, 1988).
2. See my essay "Multiple Occupancy and the First Home Owner's Scheme" (RRTF, Nimbin, 1988).
3. See my essay in Queensland Planner February 1987 p.10.
4. A full list of whose publications is available from the Secretary at PO Box 62, Nimbin 2480.
5. Local Government Act, (NSW) ss.4,323 and s.327AA(2). The same law exists in other states e.g. ss.3 & 34(1)b of the Qld. LGA.
6. See e.g. The New Look in China's Rural Areas Great Wall Books, Guoji Shudian, 1983.
7. See Central London Property v. High Trees House [1947] 1KB 130, whereby the owner of land was not permitted to resile from a position (of trust and investment upon his land) which he himself had caused to exist; and see Rand v. Chris Building Co (1957) VR 625 and W.J. Allen v. El Nasr (1972) 2 All E.R. 127, from which it is clear that a landowner cannot, in equity, simply take the benefit of fixtures created upon their land by others upon the basis and in the belief that they themselves would hold such benefit.
8. Under ss. 90 & 91 of the Environmental Planning and Assessment Act (NSW).
9. Ibid s. 94.
10. Under s. 94A Ibid., ref. DEP's publication on SEPP #15, p.4.
11. Unreported, #10402 of 1985.
12. E.G. by Cl. 2(b)(iii).
13. Cl. 7(1).
14. Clause 6.
15. See Re Lehrer &RPA (1961) SR (NSW) 365, wherein Jacobs J. held that a lease for more than five years of part of a building, as distinct from the soil, does not constitute a subdivision within the Local Government Act.

© David Spain,
P.O. Box 16,
Nimbin 2480.
Feb. 4 1988.

...oooOOOooo...

SITE REVENUE and the ENVIRONMENT



The Site Revenue Concept.

Land provides resources, vital locations and natural beauty: it is essential for the material, commercial and spiritual welfare of humanity. Yet the land was not made by humanity. Therefore absolute private ownership of land can have no legal or moral foundation: those who hold it do so under some degree of trust and responsibility, environmentally and economically, for the rest of society and the planet, both now and in the future. Fee simple tenure over sites provides extensive individual privacy and security, these rights being deviseable by will, and is desireable to promote effort, investment and family cohesion. However, in return for those rights being granted by the community, it is logically imperative (if any sort of economic sanity is to prevail) that site-holders pay to the community the annual rental-value of the site occupied.

Current Abuse of Land Tenure.

At present only a tiny fraction of the annual site-value is collected (usually by way of local rates). Public revenue is gathered, instead, by taxation of labour and transactions. The annual rental-value is, thus, allowed to accumulate and forms ever-increasing land price. Land is, accordingly, held unused for speculative motives, is often unavailable to the poor and is neglected rather than improved.

Site Revenue and Big Business.

Big Business, whether private or State, usually hides behind corporate veils, has material profit in the short term as its major goal, and is the enemy of the environment and the mass of humanity alike. Yet Big Business depends upon monopoly, and land monopoly is the mother of all monopolies since it parasitizes at the base of all productive effort. In a Site Revenue civilization resources could no longer be exploited cheaply for private gain, corporations would tend to disintegrate in favour of co-operatives and interest rates (hence the power of financial institutions) would collapse[1]. The demise of Big Business would enable a "Small is Beautiful"[2] society of local, independent owners (and co-operatives of them) -- folk who are not mere employees or "cogs in the machine", without personal interest and responsibility.

Land, instead, would tend to be held only in those quantities which a man or family can utilize productively. Such small units, careful of their resource and mindful of their children's needs, tend to care for and enrich the land ("improving the well") rather than to doctor and exploit it with artificial fertilizers ("improving the pump"). The very basis of power and capital, i.e. the land, would be distributed amongst the folk.

...2

War.

War (especially nuclear) wastes and damages the environment and is caused by nationalistic land-hunger, resource-grabbing and governmental direction of citizen disgruntlement away from home economic problems (e.g. boom & slump, unemployment, rich-poor gap) which are invariably occasioned by land monopoly[3]. Site Revenue prevents private profiteering out of raw resources, diminishes central government and national boundaries and founds economic stability upon rock. It is, therefore, the indicated remedy against war.

Creating Beautiful Environments.

Site Revenue encourages site-holders to improve and beautify their holding, whether it be urban or rural, by appropriate landscaping and conservation measures. Caring is natural to those with a real stake in their environments. Those who do care and improve their holding incur no extra revenue obligations, since the annual site value is calculated against the average, unimproved land of that locality[4]. Those who do not improve their sites will be less able to compete for tenants.

Creation of National Parks.

Site Revenue would force maximum utilization of holdings and would end tenure of sites for speculative reasons. This would release masses of land onto the market, especially at marginal locations (e.g. desert fringes). This land could be obtained cheaply by the community and dedicated as national parks (preferably with broad inter-linking swathes), or as local beauty-spots, which would bear no Site Revenue obligations.

Exploitation of Sites.

Critics sometimes allege that, when subjected to a Site Revenue system, rural landowners would respond by over-exploiting their land so as to pay, or be able to pay. This allegation is hypocritical and unfounded. It is the existing high price of land and interest rates (both of which are ended by Site Revenue) which already make landowners over-exploit their soil[5]. Moreover, in a Site Revenue society protective environmental laws would remain in force and enable community interference in any illicit mining (e.g. of topsoil), poisoning, timber-harvesting, clearing or erosion. Furthermore, the amount of Site Revenue payable is determined by market forces (not government edict) according to the average financial return possible from land in a locality. If there is a drought, bushfire, downturn in pertinent commodity prices etc. then the local market will reflect this with decreased annual site values. Usually, the amount due would be less than that extracted under present taxation systems.

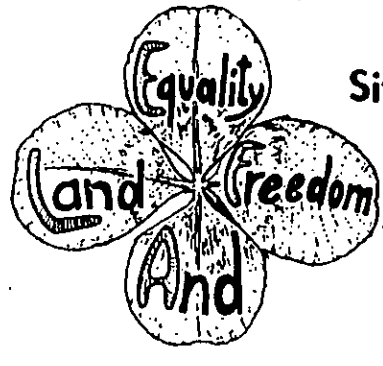
Finally, a site-holder who degrades his land would eventually find it failing to provide adequate income for the annual revenue requirements (which would reflect general landforms locally and be assessed according to the previous, unexpoited, legitimate status of the site). Such a site-holder would eventually lose greatly, for the degraded site could not be transfered for the value of its improvements.

Site Revenue and the Green Movement.

The Green movement, disliking the environmental exploitation of both capitalism and communism (more accurately termed "State capitalism"), tends to have no clear comprehension as to how Land Monopoly alone simply occasions and enables both these systems. Whilst tolerably united and rational as regards preservation of natural ecosystems, its members tend to lack a coherent economic overview and to uncritically acquiesce in an involuntary (State-imposed) socialism or an insubstantial, theoretical Utopian libertarianism as regards economic and social matters. Site Revenue holds the vital solution enabling preservation of the natural environment and preventing its exploitation for the benefit of a few[6]. Here lies the simple key to a sustainable civilization of humanity in harmony with nature.

Notes.

1. See SRS essay "Site Revenue and Interest Rates".
2. Read E.F. Schumacher Small is Beautiful (Abacus).
3. Various SRS essays are available on the relationship between Land Monopoly and economic ills.
4. See SRS essay "The Assessment of Annual Site Value".
5. See article on demise of the Australian family farm, Weekend Australian January 16-17 1988.
6. See Shirley-Anne Hardy The Land Question (Watt Chapman, 1982).



Site Revenue Society
1 Bird St;
Herston 4006
tel. (07) 2527231.

RURAL RESETTLEMENT TASK FORCE- MULTIPLE OCCUPANCY LAND ASSESSMENT FORM

Property Owner. . . . . Shire. . . . . .

Address. . . . . Council rates =$. . . .

Asking price =$. . . . . Valuer Generals Land Value in 19.. =$.

Encumberances (reserve roads, easements, leases. . . . . .

# of acres=. . . (x .405)=. . . ha ha or % forest =. . . . . .

ha or % pasture =. . . . . ha or % weeds =. . . . . .

SERVICES

240 v power? . . . . . Telephone? . . . . . .

School bus run? . . . . Mail service? . . . .

Nearest village of . . . . . = . . . : km gravel + ...km sealed

" town/city " . . . . . = ... " " + ... " "

CLIMATE

Annual Rainfall =. . . "(x 24.5) = ... mm % variability =. . . . .

Lowest winter temp. = ... High summer temp. = ...

WATER

Dams/bores:(size, quality, catchment area, weeds, algae, gravity feed). . .

. . . . . .

Tanks (size, water source). . . . . .

Creeks (permanent, swimming holes, gravity feed, quality). . . . . .

. . . . . .

PASTURES

Pasture species. . . . . .

Noxious weeds + feral animals. . . . . .

Stock capacity =. . . . . Area suitable for tractor cultivation=. . . . .

Condition of boundary fences. . . . . .

" " internal " . . . . . .

Soil, present use, agricultural assessment . . . . . .

. . . . . .

FORESTS

Archaelogical, wilderness or aboriginal significance. . . . . .

Forest types/species. . . . . .

Firewood available. . . . . Posts/stumps . . . . . .

Fire risk/problems. . . . . .

INTERNAL ROADS

Road condition. . . . . .

Proximity of roadbase/gravel . . . . . Creek crossings. . . . . .

Upgrading + problems. . . . . .

Property access. . . . . .

NEIGHBOURS

Sympathetic or hostile. . . . . .

. . . . . .

Grounds for objection (eg. views, noise, fire risk, access). . . . . .

. . . . . .

Council opinion. . . . . .

LAND FORM

Flat, flood prone, undulating, steep?. . . . . .

Aspect/hours of winter sun. . . . . .

Visual assessment. . . . . .

Suitability for M.O. . . . . .

FIXTURES + PLANT

Houses. . . . . .

Sheds, bales. . . . . .

Fruit trees, windbreaks, woodlots. . . . . .

Plant (eg. tractor, pump). . . . . .

. . . . . Cost of Plant=. . . . . .

M.O. COSTS + SHARE PRICE

of hamlet areas =. . . . # of nuclear family house sites =. . . .

Cost of land + plant =$

" " Council charges =$

" " on site improvements =$

" " office, legal + stamp duty =$

" " interest, LandCom expenses etc =$_____

TOTAL =$

# of shares = ... Price per share=$. . . . . .

FURTHER STUDY

Required for: . . . . . .

. . . . . .

OTHER COMMENTS

. . . . . .

. . . . . .

. . . . . .

. . . . . .

. . . . . .

. . . .

(Date) (Assessed by)

RURAL RESETTLEMENT TASK FORCE- MULTIPLE OCCUPANCY LAND ASSESSMENT FORM

Property Owner. . . . . Shire. . . . . .

Address. . . . . Council rates =$. . . .
Asking price =$. . . . . Valuer Generals Land Value in 19.. =$.

Encumberances (reserve roads, easements, leases. . . . . .

# of acres=. . . (x .405)=. . . ha ha or % forest =. . . . . .
ha or % pasture =. . . . . ha or % weeds =. . . . . .

SERVICES

240 v power? . . . . . Telephone? . . . . . .
School bus run? . . . . Mail service? . . . .
Nearest village of . . . . . = ... km gravel + ...km sealed
" town/city " . . . . . = ... " " + ... " "

CLIMATE

Annual Rainfall =. . . " (x 24.5) = ... mm % variability =. . . . .

Lowest winter temp. = ... High summer temp. = ...

WATER

Dams/bores:(size, quality, catchment area, weeds, algae, gravity feed). . .

. . . . . .

Tanks (size, water source). . . . . .

Creeks (permanent, swimming holes, gravity feed, quality). . . . . .

. . . . . .

PASTURES

Pasture species. . . . . .

Noxious weeds + feral animals. . . . . .

Stock capacity =. . . . . Area suitable for tractor cultivation=. . . . .

Condition of boundary fences. . . . . .

" " internal " . . . . . .

Soil, present use, agricultural assessment . . . . . .

. . . . . .

FORESTS

Archaelogical, wilderness or aboriginal significance. . . . . .

Forest types/species. . . . . .

Firewood available. . . . . Posts/stumps . . . . . .

Fire risk/problems. . . . . .

INTERNAL ROADS

Road condition. . . . . .

Proximity of roadbase/gravel . . . . . Creek crossings. . . . . .

Upgrading + problems. . . . . .

Property access. . . . . .

NEIGHBOURS

Sympathetic or hostile. . . . .

. . . .

Grounds for objection (eg. views, noise, fire risk, access). . . . . . .

. . . .

Council opinion. . . . .

LAND FORM

Flat, flood prone, undulating, steep?. . . . .

Aspect/hours of winter sun. . . . .

Visual assessment. . . . .

Suitability for M.O. . . . .

FIXTURES + PLANT

Houses. . . . .

Sheds, bales. . . . .

Fruit trees, windbreaks, woodlots. . . . .

Plant (eg. tractor, pump). . . . .

. . . . Cost of Plant=. . . . .

M.O. COSTS + SHARE PRICE

of hamlet areas =. . . .   # of nuclear family house sites =. . . .

Cost of land + plant		=$
" "	Council charges	=$
" "	on site improvements	=$
" "	office, legal + stamp duty	=$
" "	interest, LandCom expenses etc	=$
	TOTAL	=$

# of shares = ...   Price per share=$. . . . . . .

FURTHER STUDY

Required for: . . . .

. . . .

OTHER COMMENTS

. . . .

. . . .

. . . .

. . . .

. . . .

. . . .
(Date)   (Assessed by)

RURAL RESETTLEMENT TASK FORCE- MULTIPLE OCCUPANCY LAND ASSESSMENT FORM

Property Owner. . . . . Shire. . . . . .

Address. . . . . Council rates =$. . . .
Asking price =$. . . . . Valuer Generals Land Value in 19.. =$.

Encumberances (reserve roads, easements, leases. . . . . .

# of acres=. . . (x .405)=. . . ha ha or % forest =. . . . . .
ha or % pasture =. . . . . ha or % weeds =. . . . . .

SERVICES

240 v power? . . . . . Telephone? . . . . . .
School bus run? . . . . Mail service? . . . .
Nearest village of . . . . . = ... km gravel + ...km sealed
" town/city " . . . . . = ... " " + ... " "

CLIMATE

Annual Rainfall =. . . "(x 24.5) = ... mm % variability =. . . . .

Lowest winter temp. = ... High summer temp. = ...

WATER

Dams/bores:(size, quality, catchment area, weeds, algae, gravity feed). . .

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Creeks (permanent, swimming holes, gravity feed, quality). . . . . .

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Pasture species. . . . . .

Noxious weeds + feral animals. . . . . .

Stock capacity =. . . . . Area suitable for tractor cultivation=. . . . .

Condition of boundary fences. . . . . .

" " internal " . . . . . .

Soil, present use, agricultural assessment . . . . . .

. . . . . .

FORESTS

Archaelogical, wilderness or aboriginal significance. . . . . .

Forest types/species. . . . . .

Firewood available. . . . . Posts/stumps . . . . . .

Fire risk/problems. . . . . .

INTERNAL ROADS

Road condition. . . . . .

Proximity of roadbase/gravel . . . . . Creek crossings. . . . . .

Upgrading + problems. . . . . .

Property access. . . . . .

NEIGHBOURS

Sympathetic or hostile. . . . .

. . . .

Grounds for objection (eg. views, noise, fire risk, access). . . . . . .

. . . .

Council opinion. . . . .

LAND FORM

Flat, flood prone, undulating, steep?. . . . .

Aspect/hours of winter sun. . . . .

Visual assessment. . . . .

Suitability for M.O. . . . .

FIXTURES + PLANT

Houses. . . . .

Sheds, bales. . . . .

Fruit trees, windbreaks, woodlots. . . . .

Plant (eg. tractor, pump). . . . .

. . . . Cost of Plant=. . . . .

M.O. COSTS + SHARE PRICE

of hamlet areas =. . . . # of nuclear family house sites =. . . .

Cost of land + plant =$
" " Council charges =$
" " on site improvements =$
" " office, legal + stamp duty =$
" " interest, LandCom expenses etc =$
TOTAL =$

# of shares = ... Price per share=$. . . . . . .

FURTHER STUDY

Required for: . . . .

. . . .

OTHER COMMENTS

. . . .

. . . .

. . . .

. . . .

. . . .

. . . . (Date) . . . . (Assessed by)

No. 111

1981-82

PARLIAMENT OF NEW SOUTH WALES

REPORT

OF THE

REGISTRAR OF CO-OPERATIVE SOCIETIES

FOR THE

YEAR ENDED 30 JUNE, 1981

Ordered to be printed, 18 *March*, 1982

BY AUTHORITY
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REGISTRY OF CO-OPERATIVE SOCIETIES

ANNUAL REPORT

For the Year ended 30th June, 1981

1 Oxford Street,
DARLINGHURST

Box A283, P.O., Sydney South
N.S.W. 2000

D. A. HORTON
Registrar
26 February, 1982

CO-OPERATIVE SOCIETIES

REPORT OF THE REGISTRAR FOR THE YEAR ENDED 30th JUNE, 1981

Presented to Parliament pursuant to the provisions of Section 123 of the Co-operation Act, 1923

ADMINISTRATION OF THE CO-OPERATION ACT, 1923

YEAR UNDER REVIEW

Following the pattern of recent past years, nearly all societies registered during the year (other than co-operative housing societies), were of the community advancement type. A total of 21 societies of this type gained registration in addition to two trading societies. Included in the above total were a society formed to provide child care facilities for children of Chinese descent, two societies for the provision of services respectively, to Portuguese and Vietnamese ethnic groups, and three societies for the advancement of Aborigines. The two trading societies were formed respectively for the operation of a hire car service and for the provision of insurance brokerage facilities.

Of interest was the registration of the Domestic Animal Birth Control Co-operative Ltd, which is concerned with domestic animal welfare, including the control of stray domestic animals.

The co-operative retail trading industry saw the failure of another large old established retail store, the Kurri Kurri Co-operative Society Ltd, with the appointment thereto of an administrator followed by winding up on my certificate. Newcastle Regional Co-operative Ltd to which I referred at length in my previous Report as then under administration was also ordered to be wound up on my certificate. As will be seen from Table 7, Co-operative retail stores during 1979–80 collectively sustained a net loss of $567,982, which was more than twice the aggregate net loss for the previous year.

Drought conditions during the year and consequent shortage of livestock adversely affected the trading results of societies which operate abattoirs. As will be seen from Table 6, societies in this group suffered an aggregate net loss of $1.6 million for 1979–80, compared to an aggregate net surplus of $2 million for the previous year. Two of them were forced to cease trading. One, the Manning Co-operative Meat Society Ltd, requested me to appoint an Administrator, which appointment took effect on 26th June, 1981. The other society, the Grafton Abattoir Co-operative Ltd, found itself in a position due to the factors mentioned where it had no option but to sell its business to a Victoria based company.

In the last Report I mentioned the youth employment co-operative societies development programme which is assisted by a State Government allocation of $3 million during the three year period ending in November, 1981. At the time of writing this Report the number of such societies registered under the Co-operation Act had increased to nine.

Information on the building of project homes during the year appears later in this Report. Their construction was financed partly from a proportion of Commonwealth advances totalling $21.9 million to the Home Purchase Assistance Account, established under the Commonwealth/State Housing Agreement for low interest loans to eligible purchasers of these homes and partly from a portion, exceeding $4 million, of surplus interest earned by the Rental Bond Board from the investment of rental bonds required to be lodged with the Board by lessors of rented premises under the provisions of the Landlord and Tenant (Rental Bonds) Act, 1977. All interest received by the Board is deposited in the Rental Bond Account from which is deducted the Board's operating expenses. That Act allows the net surplus in that account to be used to provide a Rental Advisory Service and to be applied for, or in connection with, housing. However, from the commencement of the State Supplementary Housing Loans Scheme from 1st July, 1981, not all surplus interest earned by the Rental Bond Board will be available for project home purchase assistance, but with funding from other sources, a significant portion will be applied to the abovementioned scheme. The State Supplementary Housing Loans Scheme is intended to provide second mortgage loans at first mortgage rates of interest to assist eligible home finance borrowers to meet higher housing costs. This initiative is administered by the State Bank of New South Wales (formerly Rural Bank of New South Wales).

Restructuring of groups of terminating building societies into co-operative housing societies commenced in April, 1981, and this change of society organizational structure is dealt with in depth later in this Report. Throughout this Report I have referred to these societies as co-operative housing societies.

Some of my senior officers and I attended the Annual Conference at Ballina of the Co-operative Housing Societies Association of New South Wales Ltd (formerly the Association of Co-operative Building Societies of New South Wales Ltd). Senior officers also attended instructional seminars in Sydney, Dubbo, Coffs Harbour and Wagga Wagga for the purpose of explaining to administrations of co-operative housing societies, the effects of the restructuring mentioned earlier. At these gatherings matters of common interest to the Department and societies were also traversed.

Together with some of my officers I attended the Annual Conference of the Co-operative Federation of New South Wales Ltd, which again provided an opportunity for discussions on matters affecting societies.

The Directorate of Housing, which was established during 1978–79 as a unit of the Department of Housing and Co-operatives, was disbanded during the year.

LEGISLATION

On 6th April, 1981, assent was given to the Co-operation (Amendment) Act, 1981, which related to the restructuring of terminating building societies into Co-operative housing societies. Consequential amendments were made to the Permanent Building Societies Act, 1967, Government Guarantees Act, 1934, and the Housing Indemnities Act, 1962.

REGULATIONS

Co-operatives Regulation 30A was made to fix the total amount at $5,000 which may be paid by a society from the account of a deceased member on production of a certificate under section 122, of the Stamp Duties Act.

Regulations 79 and 79A were amended to increase the maximum advance by a co-operative housing society subject to an indemnity to $30,000.

Regulation 86 was amended to correct the spelling of the name of a person mentioned in the schedule to that Regulation as competent to act as a valuer of land for the purposes of section 18A (2) (b) of the Co-operation Act.

ORDERS

Under sections 47 (5D), 47 (14A), 47 (14B), 66 (5A), 66 (5) and 66 (9A) of the Act, the Minister fixed maximum rates of dividend and interest payable by a building society registered under the Co-operation Act or mentioned in the Second schedule to that Act by orders published in the Gazettes of 11th August and 19th December, 1980, and 20th February and 30th March, 1981. The rates so fixed for the year ended 30th June, 1981, are summarized as under.

Shares or Deposits Withdrawable at any time—The maximum rate remained unchanged at 8 per cent per annum.

Shares or Deposits for No Fixed Term but in respect of which 30 days Notice of Withdrawal must be given (Minimum investment $500).—

8.5 per cent per annum to 10th August, 1980.
9.0 per cent per annum from 11th August, 1980.
10.25 per cent per annum from 19th December, 1980.
11.00 per cent per annum from 30th March, 1981.

Shares or Deposits Invested for Fixed Nominated Periods (Minimum Investment: $5,000)—

(a) Received by a Society before 1st June, 1980, and still held at 1st July, 1980—

(i) for a period of not less than 3 months but less than 6 months; the maximum rate remained unchanged throughout the year at 9 per cent per annum:

(ii) for a period of not less than 6 months but less than 12 months; the maximum rate remained unchanged throughout the year at 9.75 per cent per annum;

(iii) for a fixed period of not less than 12 months; the maximum rate remained unchanged throughout the year at 10.5 per cent per annum.

N.B. The rate of dividend or interest on term investments received before 1st June, 1980, fluctuates only in accordance with movements in the rates on investments withdrawable at any time.

(b) Received by a Society after 1st June, 1980 (The minimum investment of $5,000 was reduced to $2,000 from 19th December, 1980—

(i) for a period of not less than 3 months, but less than 6 months—

9.00 per cent per annum to 18th December, 1980.

10.25 per cent per annum from 19th December, 1980.

11.50 per cent per annum from 30th March, 1981;

(ii) for a period of not less than 6 months, but less than 12 months—

9.75 per cent per annum to 18th December, 1980.

10.75 per cent per annum from 19th December, 1980.

12.00 per cent per annum from 30th March, 1981.

(iii) for a period of not less than 12 months—

10.50 per cent per annum to 18th December, 1980.

11.50 per cent per annum from 19th December, 1980.

12.00 per cent per annum from 24th February, 1981, for investments of at least $2,000, but less than $10,000.

12.5 per cent per annum from 24th February, 1981, for investments of at least $10,000.

13.00 per cent per annum from 30th March, 1981, for investments of at least $10,000.

CO-OPERATIVE EDUCATION

During the year the Co-operative Federation of New South Wales Ltd formulated a programme for the systematic training of directors, management and staff of co-operative societies following a series of failures of societies including some large and long established ones. The Federation took the view that lack of professional training and knowledge at board and management levels had been a major contributing factor to these failures.

The Federation applied to the Commonwealth Government for a subsidy to develop this programme under the Manpower Development Scheme of the Department of Employment and Youth Affairs. A yearly grant of up to $30,000 was approved, which permitted the appointment by the Federation of a Training Officer and the conduct of a number of training seminars.

ADVISORY COUNCIL

The Council, which is constituted under section 114 of the Co-operation Act, met in Sydney on three occasions during the year.

At the beginning of the year the Council consisted of myself as Chairman, and Messrs P. Crook, W. Fotheringham, W. Kricker, M. Mead, A. Mockler, D. J. Morey and A. O'Neill. It was reconstituted for a period of two years from 1st January, 1981, and currently consists of myself as Chairman, and Ms A. Fitzpatrick, Messrs W. Fotheringham, J. Herring, M. Mead, A. J. Mockler, D. J. Morey, A. O'Neill and D. Spain. Mr Herring replaced Mr Crook who had served on the Council for nearly six years. I would like to record my appreciation for the valuable contribution by Mr Crook during his period of office and of the services rendered by other Council members during the year. Ms A. Fitzpatrick replaced Mr Kricker, who is no longer associated with the co-operative movement in this State. Mr Spain was appointed to fill a vacancy which existed at the time the Council was reconstituted.

Council considered and made recommendations on a number of matters including a proposal that a rural society, registered under the Co-operation Act, transfer its registration to the Companies Act, 1961. The Council gave approval for a liquidator to be paid fees in excess of the approved scale of fees periodically fixed pursuant to section 92B of the Co-operation Act, in consideration of excessive work in connection with a liquidation. Recommendations were made in respect of proposed alterations to sections 52 and 54 of the Co-operation Act with a view to amalgamating and clarifying the sections which relate to the refund of share capital. Council also recommended that the Minister approve a transfer of engagements, pursuant to section 64 (2) of one rural society to another and that two societies be empowered to hold more than the prescribed one-fifth of the shareholding in another society pursuant to section 47 (10) (c) of the Co-operation Act.

Council also considered and approved a proposal pursuant to section 47AA whereby a society may make a bonus issue of shares to its members resulting from a revaluation of society assets. There was also a proposal approved pursuant to section 66AA. (This section permits the board of a society to require its members to lend money to a society for a maximum period of five years and, where a relevant proposal allows, to deduct the amount required to be lent to a society from moneys due to members in respect of their dealings with the society.) There were eleven proposals under section 47A to a total value of $2,094,100. (Under this section a society may issue to members additional share capital out of money due to members in respect of their dealings with a society.)

CO-OPERATIVE HOUSING SOCIETIES ADVISORY COMMITTEE

The Committee was formerly known as the Co-operative Building Societies Advisory Committee. Its name was changed consequent upon the conversion of terminating building societies into co-operative housing societies. At the commencement of the year the Committee consisted of the Registrar (Chairman), and Messrs F. E. Amey, W. C. Bignell, W. D. Ford, M.B.E., W. C. J. Hill, M.B.E., E. D., E. J. McMahon, O.B.E., D. J. O'dell, M.B.E., and E. K. Williams.

On 7th January, 1981, Mr B. C. Stewart, LL.B., was appointed to the vacancy on the Committee caused by the death, in June, 1980, of the late Mr E. N. McFarlane.

The Committee was reconstituted in April, 1981, all incumbent members except one being re-appointed. Mr R. Magin replaced Mr O'dell who had served on the Committee for two years. I would like to express my appreciation for the valuable contribution by Mr O'dell during that period, and of the services of other Committee members during the year.

The Committee met on seventeen occasions during the year and, as in previous years, the principal statutory functions performed by it were:

(a) recommendations for the issue of guarantees in respect of borrowings by co-operative housing societies. During the year recommendations were made covering borrowings totalling $14.1 million;

(b) recommendations regarding the issue of indemnities to co-operative housing societies. Two hundred and eighty-nine applications for indemnities creating a contingent liability on the part of the Treasurer of $642,138 were recommended during the year. Since the scheme was introduced in 1937 indemnities totalling 56 260 have been granted covering loans of $280 million and involving a contingent liability of $23.6 million on the part of the Treasurer: and

(c) approvals of newly-formed co-operative housing societies to commence advertising.

LOAN REQUEST LISTS

The Loan Request List system for applicants for housing loans at concessional interest rates made available from Commonwealth/State Housing Agreement funds has, on the whole, operated quite successfully.

Entry to the List depends on an applicant meeting the definition of "a low income earner". Essential criteria relating to the year under review and at the time of making this Report are:

(a) an applicant must represent a family group which would include a sole parent with at least one dependent child or an engaged couple whose marriage is imminent;

(b) the average weekly income of the main breadwinner must not have exceeded $250 (currently $300), which may be increased by $10 per week for each dependent child under 18 years of age. (During July, 1981, a maximum permissible family income of $400 was applied in the case of two-income families);

(c) the maximum housing loan available was $30,000 (currently $35,000 with provision for up to $40,000 in cases of extremely needy families), for a home of modest construction of a value not exceeding $36,000 for a cottage and $42,000 for a Strata Title dwelling excluding the value of the land content (currently $40,000 and $46,000 respectively);

(d) the rate of interest on such a loan is 5 per cent per annum, 6 per cent per annum or 7 per cent per annum depending upon an applicant's income, plus a monthly management fee of 5.5 cents per $100 of advance;

(e) such a loan must not be used to discharge an existing mortgage except in exceptional circumstances as approved by the Co-operative Housing Societies Advisory Committee; and

(f) dwellings tendered as security for such a loan must be on residential blocks in residential areas.

Applicants for loans on the Loan Request List are divided into three degrees of need and as funds become available, loans are offered first to those with the greatest need. It has, however, become necessary to introduce a "deferred" category into which are placed eligible applicants who would not be in a financial position to proceed with a loan if so invited.

CO-OPERATIVE HOUSING SOCIETY FINANCE 1980–81

Co-operative housing societies (other than Starr-Bowkett Societies) received the following funds:

	$ million	$ million
Repayment guaranteed by the State ..		13.5
Repayment not guaranteed by the State—		
(a) State Superannuation Board ..	31.2	
(b) Rental Bond Board	4.2	35.4
From the Home Purchase Assistance Account through the agency of the Rural Bank (now the State Bank) of New South Wales for spending during 1980–81		56.7
		105.6

Not included in the foregoing table is an amount of $3.4 million made available from the Home Purchase Assistance Account to the Rural Bank (now State Bank) for direct lending in certain country centres where it is not appropriate to release the money through co-operative housing societies.

The following summary shows the sources of finance negotiated subject to Government guarantee since the commencement of the co-operative housing society scheme in 1937:

	Up to 30th June, 1979	During 1979–80	During 1980–81
	$	$	$
Commonwealth Savings Bank of Australia .. Commonwealth Trading Bank of Australia ..	257,476,000	2,900,000	4,100,000
Rural Bank (now State Bank) of New South South Wales	1,500,000	....	1,270,000
Private Banks—			
Australia and New Zealand Banking Group Limited	7,301,000	....	....
Australia and New Zealand Savings Bank Limited	27,285,000	200,000	....
Bank of New South Wales	21,545,000	....	....
Bank of New South Wales Savings Bank Limited	70,000,650	3,700,000	200,000
Bank of New Zealand	400,000	....	....
Commercial Bank of Australia Limited ..	1,070,000	....	....
Commercial Savings Bank of Australia Limited	8,058,000	600,000	200,000
C.B.C. Savings Bank Limited	30,712,000	1,600,000	1,600,000
Commercial Banking Company of Sydney Limited	1,322,000	....	....
National Bank of Australasia Limited ..	1,750,000	....	....
National Bank Savings Bank Limited ..	3,350,000	600,000	....
Life and Fire Insurance Companies	98,887,080	3,400,000	100,000
Friendly Societies	4,820,000	....	....
Others	70,840,000	4,000,000	6,000,000
$	606,316,730	17,000,000	13,470,000
Total to 30th June, 1981 .. .. $			636,786,730

Funds received by co-operative housing societies, which were the subject of Government guarantees during the year under review, decreased by $3.5 million when compared with funds received during the previous year.

The following charts depict the sources and relative values of housing funds available to co-operative housing societies from the various groups of lending bodies. Home Purchase Assistance Account funds do not include amounts allocated for direct lending of these funds by the Rural Bank.

CHART 1

The sources of funds totalling $105.6 million made available during the year ended 30th June, 1981.

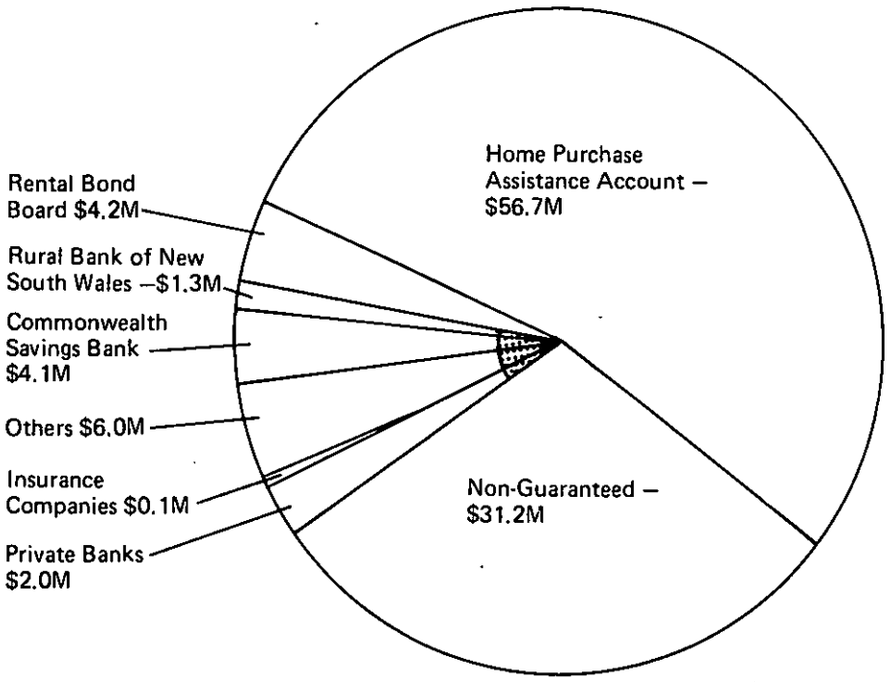
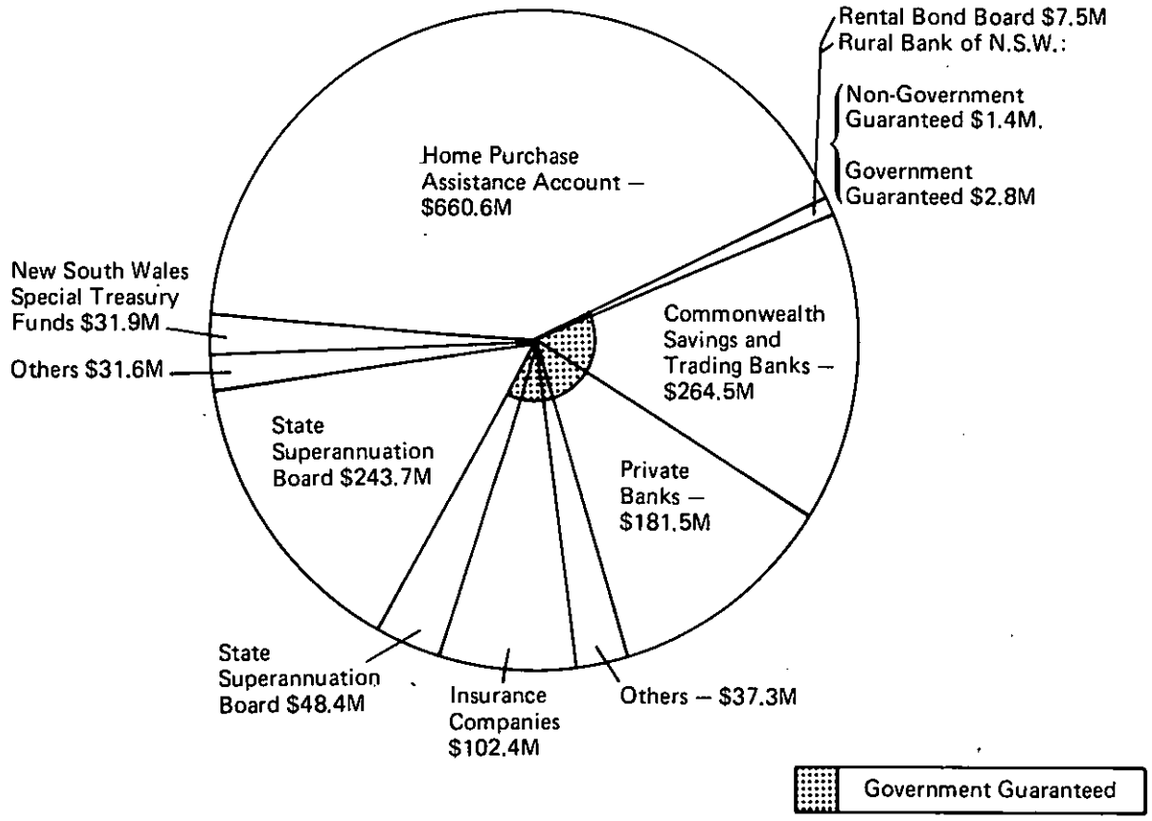


CHART 2

The sources of funds totalling $1613.6 million made available to co-operative housing societies from their inception in 1937 to 30th June, 1981 (includes guaranteed and non-guaranteed finance).



RESTRUCTURING OF TERMINATING BUILDING SOCIETIES

In last year's Report I mentioned that I would cover in more depth, this year, the matter of the restructuring of terminating building societies.

Several years ago a committee was set up to examine the feasibility of restructuring the terminating building society movement. The committee consisted of departmental officers and representatives of the Association of Co-operative Building Societies of New South Wales Limited. The State Bank, being the agent for disbursement to societies of Commonwealth/State Housing Agreement funds, was also represented on the committee.

It was obvious to the committee that the existing structure was outdated and unsuitable for continued operation. The main causes for concern were the numerous separate terminating building societies operating from the one address, but with a common secretarial and board administration. The existing system was unwieldy in that it called for the setting up of separate societies as new allocations of funds were received from lending institutions. These allocations from guaranteed lenders were generally in the vicinity of $200,000 and provided sufficient funds for about seven borrowers per separate society.

To some extent the existing system had been modified by the "series" concept which was primarily used in societies financed with Commonwealth/State Housing Agreement funds. Under the "series" arrangement several allocations from the one lender were separately accounted for in a particular society's accounts and this avoided, to some extent, the need to register a new society whenever a new allocation of funds was given to a society from the same source. The "series" approach only went part way in resolving the problem for, as the societies were of a terminating nature, there was a limit to the number of series that could be formed. Further, a new series could only be added to a society where the same lender was involved.

The restructuring committee determined that the most appropriate approach to follow was to try and merge as many societies as possible, with a common administration, into the one single society and to allow for that society to receive future allocations of funds to the group irrespective of the lending body involved. Changes had to be made to the guarantee arrangements and to the legislation in order to achieve this. Firstly, the societies would need to abandon their terminating concept and become ongoing in nature. Accordingly, it was decided to amend the Co-operation Act by removing reference to terminating building societies completely, and introducing in their stead co-operative housing societies. The amending legislation, the Co-operation (Amendment) Act, 1981, also made provision for the amalgamation of most existing societies within a group, i.e., all societies operating from the same registered office were to amalgamate provided the lender to a society was one of the following:

(i) a lender whose loan has been the subject of a guarantee by the Treasurer;

(ii) the Rural Bank (now State Bank) acting as agent for the Government; or

(iii) the Rental Bond Board.

In effect, all Government funded or guaranteed societies within a group would merge.

In respect of the latter two "Government" funded categories, the lenders would simply continue to take an equitable charge over those assets of the society represented by the society's loans to borrowers made from such lenders' funds, i.e., over the mortgages of the individual borrowers of such funds.

In respect of the first category, a form of Government guarantee in favour of the lenders was published in the Government Gazette, replacing all existing guarantees. This document (the "three-party agreement") also charged the society's assets, represented by loans of such guaranteed lenders' funds, in favour of the Treasurer. In short, instead of there being an equitable charge in favour of a lender and a Government guarantee also in favour of the lender, there was simply a guarantee in favour of the lender and a charge in favour of the Treasurer. The guarantee was also limited to any arrears of repayments due, at a particular time, from a society to a lender.

As a consequence of the above, all lenders under (i), (ii) and (iii) lost the right to appoint a receiver in the event of default and, instead, provision was made for the Registrar to appoint an administrator.

In addition to providing for the amalgamation of all Government funded or guaranteed societies within a group, the amending Act also made provision for other terminating building (co-operative housing) societies within a group to be amalgamated provided such societies had the same non-guaranteed lender. The security arrangement of taking an equitable charge did not need to change in this situation as the same lending institution would be involved.

The Act also made provision for a standard set of rules, as published in the Gazette, to be the rules of the amalgamated society from the date of restructuring. The effect of this was that the amalgamations could be put into effect without the need to convene meetings of members. The Act required a meeting of members of the amalgamated society to be held, nonetheless, within three months of restructuring.

Terminating building society groups began restructuring in April, 1981, in most cases, as their financial years ended, and restructuring has continued progressively thereafter. By 1st September, 1981, some 2 179 separate societies had amalgamated to form 150 new societies. These societies are spread over 89 separate groups. All society groups are expected to have restructured by 30th June, 1982. The meeting of the restructured society, required to be held three months after restructuring, virtually replaced the annual meetings of the amalgamating societies, as the societies have ceased to exist as separate entities.

Prior to the commencement of restructuring representatives of the restructuring committee visited the major lenders to societies for the purpose of explaining what was involved and how lenders would be affected. All lenders were supplied with copies of the proposed three party agreement, and discussions were held with any lender desirous of having changes incorporated into the document. In addition, five instructional seminars were held throughout the State (two in Sydney and one each at Dubbo, Coffs Harbour and Wagga Wagga), for the purpose of giving the majority of societies throughout New South Wales the opportunity of participating in discussions on the effects of restructuring. Explanatory circulars also issued to all societies and lending institutions.

Quite clearly, the restructuring exercise was the most significant change undertaken by the co-operative housing society movement since its inception. It was particularly pleasing to observe the representatives of the Government and the Association (now known as the Co-operative Housing Societies Association of New South Wales Ltd) working as a team with the single aim of streamlining the operations of societies, to the ultimate benefit of borrowers.

NON-TERMINATING BUILDING SOCIETIES

As at 30th June, 1981, there were 24 of these societies registered, of which 17 were carrying on business.

Nearly all of these societies now operate on a small scale with funds provided from an institutional source or sources where the societies' rules impose certain membership restrictions.

At the time of writing only one of them could qualify for registration under the Permanent Building Societies Act, should it elect to do so.

CANTERBURY BUILDING SOCIETY LIMITED

Over the past two years certain action has been in train concerning the affairs of the Canterbury Building Society Limited, a non-terminating building society which, on 7th August, 1981, transferred its engagements to the St George Building Society Ltd. The background to this matter is as follows:

In March, 1979, the then Minister approved of the delegation to Mr R. Baker, one of my Deputies, of authority to hold an Inquiry into the working and financial condition of the Canterbury Building Society Limited pursuant to the provisions of section 118 (9) of the Co-operation Act. A Departmental inspector was authorized to report on the affairs of the society.

Following receipt of the report, the Deputy Registrar set down dates for questioning the society's Secretary and Chairman for the purposes of the Inquiry. Legal submissions were made on behalf of the society resulting in an application by it to the Supreme Court for relief including declarations as to the invalidity of Mr Baker's appointment and of his right to inquire into the society's affairs to the extent proposed by him. On 17th August, 1979, Mr Justice Sheppard confirmed that Mr Baker had been properly appointed and that the scope of the Inquiry was not to be restricted, as envisaged by the society. It was held, however, that the report of the Inspector was to be made available to the society.

The Inquiry then proceeded and, at the conclusion thereof Mr Baker advised that he had formed the view he should certify that, in the interests of members and creditors of the society, it should transfer its engagements. He communicated this to the society and advised his intention to seek the necessary consent and approval to direct the society to transfer its engagements.

The Deputy Registrar found that his Inquiry had revealed a number of shortcomings concerning the operations of the society, but one matter in particular had given him most cause for concern. A loan had been made to a company which had as two of its directors, persons who were also directors of the society. It is possible for such a loan to be made by a society. However, the loan in question was a "special loan," for the purposes of the Act and because the society's lending was not significant, the making of the loan resulted in "special loans" for the year exceeding the maximum percentage allowed by the Act. Further, the loan was not repaid on the due date and interest payments were also late in being paid. Whilst the loan was adequately secured and ultimately repaid, Mr Baker formed the view that by the company not meeting payments when due, the two directors concerned had placed the interests of the company above those of the society of which they were also directors. The two directors concerned were Messrs R. E. Parry and E. R. McCormac.

Mr Baker gave the society notice of his intention to proceed to seek the necessary consent to issue a certificate with the ultimate view to directing a transfer of engagements.

The society itself then initiated its own action with the view to voluntarily transferring its engagements. These arrangements did not proceed to finality. The society suffered an outflow of funds and found itself with liquidity problems. The difficulty was primarily as a result of withdrawals by large investors and the possibility of this occurring had been brought to the society's notice previously by the Deputy Registrar when advising the society of reasons why a transfer of engagements was to be directed. The society's Chairman, Mr Parry, after bringing the society's liquidity position to the notice of the Department and discussing the issue with Mr Baker, formally requested that the society be directed to transfer its engagements.

On 29th July, 1981, after obtaining the necessary consent of the Governor to certify that the society should transfer its engagements, and with the approval of the Minister, Mr Baker directed the Canterbury Building Society Limited to transfer its engagements to the St George Building Society Ltd and this was effected on 7th August, 1981. The latter society had agreed to a request from Mr Baker to accept the transfer of engagements.

HOUSING INDEMNITIES ACT, 1962

An outline of the general principles underlying the operation of this Act has been given in earlier reports.

No applications under the Act were received during the year under review nor during the previous year.

During the year the maximum loan figure for indemnity purposes was increased from $27,500 to $30,000.

VALUATIONS AND CONSTRUCTION INSPECTIONS

Officers of the Valuation Branch of the Department made a total of 3 985 inspections during the year, relative to:

(a) 2 515 official inspections of dwellings being constructed by approved "project" and/or speculative builders for the purpose of ensuring that construction complies with the "Acceptable Standards of Construction". A further 1 136 inspections were carried out by private valuers acting on behalf of the Department in country areas.

(b) 1 322 valuations of properties accepted or proposed to be accepted as security by co-operative housing societies and/or permanent building societies.

(c) 133 oversight inspections of the work of valuers holding approval in terms of section 18A of the Co-operation Act, 1923 and/or section 13 of the Permanent Building Societies Act, 1967, involving visits to 14 country centres.

(d) 15 feasibility studies and reports to the Property Advisory Management Committee, relative to Government excess land holdings.

PROJECT HOUSING SCHEME

The Co-operative Housing Societies Project Homes Scheme has continued with the approval of 58 projects, finance for which totalled $21,367,500 compared to $20,310,000 last financial year. Additionally, 7 projects were approved in principle.

There were two sources of funds involved; the Home Purchase Assistance Account and surplus earnings available from the Rental Bond Board, which together provided finance for a total of 722 homes.

The following Table sets out the amounts allocated to the various areas:

Area	Home purchase assistance account	Rental Bond Board funds
	$	$
Sydney Metropolitan	9,465,000	3,755,000
Newcastle	360,000	180,000
Wollongong	600,000	302,500
Albury	930,000	....
Bathurst	660,000	....
Berridale	120,000	....
Coolamon	120,000	....
Corowa	180,000	....
Deniliquin	*165,000	....
Dubbo	275,000	....
Finley	180,000	....
Goulburn	25,000	....
Holbrook	360,000	....
Moss Vale	210,000	....
Orange	1,200,000	....
Queanbeyan	630,000	....
Tamworth	360,000	....
Thirlmere (Picton Area)	300,000	....
Wagga Wagga	990,000	....
	*$17,130,000	$4,237,500

* Includes $165,000 allocated to Deniliquin project and later withdrawn at the request of the builder due to unforeseen difficulties.

The scheme has continued to gain recognition, with the Victoria Ministry for Housing, establishing its own Project Housing Scheme in that State. Advantages such as minimum overheads passed on to the purchaser, the quality of construction maintained by the oversight of Department valuers or in country areas by private valuers acting on behalf of the Department, and discounted selling prices negotiated with licensed building companies to offer substantial cost benefits to the purchasers have all contributed to the success of the scheme.

All homes are sold to low income earners who satisfy the Home Purchase Assistance Account criteria with the determination of the most needy applicants made by the co-operative housing society administering a particular project. Deposits made on the purchase of the homes are required to be lodged in trust with the Rental Bond Board to ensure the return of the purchaser's deposit should the sale not proceed.

VALUERS

A total of 307 valuers, registered in terms of the Valuers Registration Act, 1975, are currently operating for co-operative housing societies and/or permanent building societies throughout New South Wales, with 140 valuers relying on prescribed qualifications and 167 holding the Registrar's approval. Of the 167 approved valuers, 83 have prescribed qualifications.

The work of these valuers has generally been found to be satisfactory, with valuations realistic in respect to loans secured. However, the incidences of defective reports or departures from prescribed requirements indicate a need for constant review. Of the 133 oversight inspections carried out 17 were instigated by complaints from societies relating to the actions of valuers, 5 were related to doubtful valuation assessments where high ratio government loans were involved and the remaining 111 were random check inspections instigated by the Department.

INSPECTOR/ASSESSORS

Five persons have been approved by the Registrar to inspect and assess work done on buildings in the course of construction, relative to the actions of permanent building societies and co-operative housing societies. Such inspections have to be undertaken in conjunction with a valuer, approved to carry out the valuation of the proposed dwelling for the permanent building society or co-operative housing society.

PROSECUTIONS

Section 76 (2) of the Act, allows societies three months after the end of their financial years to lodge prescribed annual returns. Section 121A, *inter alia*, empowers the Registrar to authorize extensions of time for lodgment of such returns beyond this statutory period.

In recent years an increasing number of societies have sought my approval to extend the period for lodgment or have lodged their returns out of time without such approval having been given.

Extension approvals are granted only in cases where exceptional circumstances exist to warrant the exercise of the discretion. In normal circumstances, the period of three months allowed by the Act is an adequate period of time for annual returns to be transmitted.

The Co-operation Act provides for a maximum daily penalty, not exceeding ten dollars ($10) for every day a breach of section 76 (2) continues. A default penalty is also provided for.

The following details relate to societies which were proceeded against during the year for failing to lodge annual returns:

Society	Result
A.B.C. Co-op Cheese Society Ltd	Fined $60 plus $12 court costs.
Antique Arms Collectors of Aust. Co-op. Ltd.	Fined $100 plus $11.50 court costs (financial year ended 31st December, 1979).
Antique Arms Collectors of Aust. Co-op. Ltd	Fined $80 plus $11.50 court costs (financial year ended 31st December, 1980).
Aust.-Hellenic Brotherhood Cultural Co-op. Ltd	Fined $85 plus $13.50 court costs.
Bankstown Businessmen's Club Co-op. Ltd	Fined $100 plus $13.00 court costs.
Bannockburn Co-op. Ltd.	Fined $50 plus $11.50 court costs.
Belmont Bowling Club Co-op. Ltd	Fined $20 plus $11.50 court costs.
Blayney Farmers Co-op. Ltd	Fined $200 plus $13.00 court costs.
Bondi Icebergs Club Co-op. Ltd	Fined $200 plus $13.00 court costs.
Bonnyrigg & Cecil Park Rural Co-op. Ltd	Fined $20.80 plus $13.50 court costs.
Briars Ski Club Co-op. Ltd	Fined $57 plus $13.50 court costs.
Brookton Co-op. Ltd	Fined $80 plus $12 court costs.
Bush Co-op. Ltd	Fined $200 plus $13 court costs.
Community Radio Albury Wodonga Co-op. Ltd	Fined $157 plus $13.50 court costs.
Condong Infield Haulage Co-op. Ltd	Fined $30 plus $11.50 court costs.
Coonabarabran Golf Club Co-op. Ltd	Fined $87 plus $13.50 court costs.
Co-op. Trading Stores Ltd	Fined $34 plus $11.50 court costs.
Cronulla Alpine Lodge Co-op. Ltd	Fined $50 plus $12 court costs.
Curban Farmers Co-op. Ltd	Fined $100 plus $13 court costs.
Dorrigo Memorial R.S.L. Club Co-op. Ltd	Fined $50 plus $11.50 court costs.
Edgeroi Farmers Co-op. Ltd	Fined $30 plus $11.50 court costs.

Society	Result
Ethnic Child Care Co-op. Ltd	Section 556A of the Crimes Act applied. No penalty was imposed.
Far South Coast Co-op. Factories Association Ltd	Fined $157 plus $13.50 court costs.
Gilgandra Farmers Co-op. Ltd	Fined $30 plus $11.50 court costs.
Griffith Co-op. Cannery Ltd	Fined $58 plus $13.50 court costs.
Griffith Golf Club Co-op. Ltd	Fined $84 plus $11.50 court costs.
Gular Farmers Co-op. Ltd	Fined $100 plus $12 court costs.
Gwydir Big Leather Water Users Co-op. Ltd	Fined $10 plus $11.50 court costs.
Hellenic Advancement Council Co-op. Ltd.	Fined $58 plus $13.50 court costs.
Hornsby Multilist Co-op. Ltd	Fined $80 plus $13 court costs.
Horsley Park Protection Co-op. Ltd	Fined $65 plus $13.50 court costs.
Hybrid Maize Seed Co-op. Ltd	Fined $66 plus $11.50 court costs.
Kangaroo Valley Perennial Rye Grass Seed Growers Co-op. Ltd.	Fined $100 plus $13 court costs.
Knockshannoch Ski Club Co-op. Ltd	Fined $99.75 plus $11.50 court costs.
Leather Barrel Lodge Co-op. Ltd	Fined $133 plus $11.50 court costs.
Macquarie Pre-School Co-op. Ltd	Fined $50 plus $11.50 court costs.
Munjarra Co-op. Ski Club Ltd	Fined $170 plus $11.50 court costs.
New England Filmmakers Co-op. Ltd	Fined $200 plus $13 court costs.
Newcastle Gliding Club Co-op. Ltd	Fined $127 plus $13.50 court costs.
Pacific Growers Rural Co-op. Society Ltd	Fined $246 plus $11.50 court costs.
Pittwater & Western Shores Co-op. Ltd.	Fined $157 plus $13.50 court costs.
Red & White Star Cabs Co-op. Ltd	Fined $208 plus $13.50 court costs.
Rock Creek Ski Club Co-op. Ltd	Fined $68.50 plus $11.50 court costs.
Silent Grove Rural Co-op. Ltd	Section 556A of the Crimes Act applied. No penalty was imposed.
Snowy River Ski Club Co-op. Ltd	Fined $140 plus $11.50 court costs (financial year ended 31st December, 1979).
Snowy River Ski Club Co-op. Ltd	Fined $200 plus $11.50 court costs (financial year ended 31st December, 1980).
Southern Media Co-op. Ltd	Fined $66 plus $13.50 court costs.
Sydney Jazz Club Co-op. Ltd	Fined $20 plus $11.50 court costs.
Ullr Ski Lodge Co-op. Ltd	Fined $50 plus $11.50 court costs.
Urban Co-op. Multi Home Units No. 1 Ltd	Fined $50 plus $11.50 court costs.
West Maitland Co-op. Baking Ltd	Fined $157 plus $13.50 court costs.
Western Wool Co-op. Ltd	Fined $115 plus $11.50 court costs.

INSPECTIONS OF SOCIETIES' AFFAIRS

The accounts and affairs of 1 100 societies were inspected and reported upon during the year.

Inspections were undertaken in both metropolitan and country districts. The following table indicates the range of inspections made:

TABLE 1

Type of society	Metropolitan	Country	Total
Building—			
Co-operative Housing	880	184	1 064
Non-terminating	..	..	..
Trading	8	12	20
Community Advancement	..	8	8
Rural	1	7	8
	889	211	1 100

In addition, a system of monthly returns from non-terminating building societies, which was introduced during the year ended 30th June, 1970, has proved of considerable value in the general oversight of societies.

REGISTRATIONS

Table 2 shows the number of new societies registered during the years 1979–80 and 1980–81 and the number of societies on the register at the end of the respective years. The table shows that the total number of building societies on the register decreased by eighteen and the number of other types of societies increased by four, during the year ended 30th June, 1981.

Table 3 shows the number of rules and documents registered during the years 1979–80 and 1980–81.

Table 4 shows the number of charges registered during the years 1979–80 and 1980–81.

A summary of new co-operative societies registered during the year is as follows:

Type of Society	Number of Societies
Community Advancement Societies—	
Alternative Lifestyle	1
Aboriginal Advancement	3
Barristers' Services	2
Community Aid	9
Employment	1
Ethnic Group	2
Model Engineering	1
Preservation Society	1
Training/Seminar Centre	1
	21
Trading Societies—	
Hire Car Operation	1
Insurance Brokerage	1
	2
Total number of societies registered	23

STATISTICAL REVIEW FOR THE YEAR ENDED 30th JUNE, 1980

The statistics of the operations of societies are furnished in five categories as under:

Rural production (including allied services)—Table 6.

Other commercial services (including retail stores)—Table 7.

Finance societies (including building societies other than permanent building societies registered under the Permanent Building Societies Act and co-operative housing societies)—Table 8.

Community Services—Table 9.

Administrative Societies—Table 10.

The total business transacted by co-operative societies for the year ended 30th June, 1980, was $1,470,505,278, an increase of $254,214,940 on that of the previous year. Detailed tabulation of the statistics of societies included in each division are published on the following pages of this Report.

DETAILS OF CO-OPERATIVE ACTIVITY FOR THE YEAR ENDED 30th JUNE, 1980

Primary Industry (including allied services)

The aggregate results of societies engaged in primary industry including the growing, processing, packaging and marketing of primary produce for the year ended 30th June, 1980, are shown in Table 6.

The total turnover of these societies was $914 million, an increase over the previous year's result of $218 million. The societies catered for a total membership of 108 943.

Other Commercial Services

Statistics covering this classification are shown in Table 7. This table covers general wholesalers, home construction and trade or special equipment suppliers, taxi operators, and retail stores. Comments on the adverse trading results experienced by retail stores have been made earlier in this Report under the heading "Year Under Review".

During the year ended 30th June, 1980, the number of societies within this classification decreased by four and membership declined by 70 733. Nearly the whole of this fall in membership occurred in the co-operative retail trading industry. As mentioned in the "Year Under Review", this industry sustained an aggregate net loss for the year of $567,982. This was $366,637 more than the previous year's loss.

Finance

Statistics relating to societies engaged in the finance industry are shown in Table 8. This includes co-operative housing societies, non-terminating building societies, building societies registered under the Building and Co-operative Societies Act, 1901, Starr-Bowkett societies and investment societies.

As at 30th June, 1980, there were 3 257 co-operative housing societies on the register as compared with 3 269 at the end of the previous year. Loans made during the year totalled $107.3 million.

Loans made by non-terminating building societies, building societies registered under the Building and Co-operative Societies Act, 1901, and Starr-Bowkett societies totalled $120.7 million, an increase of $12.8 million on the previous year.

There was no change in the number of investment societies on the register.

Community Services

Statistics relating to co-operative societies providing community services are shown in Table 9. This group includes community housing schemes, community halls and centres, kindergartens, theatres, clubs, hospitals and miscellaneous activities.

Within the community service group licensed and other clubs are the most significant group. As at 30th June, 1980, there were 253 clubs on the register with a total membership of 213 182. Their total turnover was $105.8 million out of which a surplus of $5.6 million was earned.

The increase in the number of miscellaneous societies was due primarily to the formation of community advancement societies.

Administrative Societies

Societies falling within this classification are associations of various kinds which provide administrative or promotional services to member societies. Associations of co-operative housing societies form the largest group within this classification.

Details relating to administrative societies are shown in Table 10.

TABLE 2

Details of Registration

Type of society	New societies registered during the year ended 30th June		Societies on the register at 30th June	
	1980	1981	1980	1981
Building—				
Starr Bowkett	1	....	71	71
Terminating (Co-op. Housing)	67	34	3 274	3 257*
Non-terminating	....	....	25	24
	68	34	3 370	3 352
Other—				
Rural	....	....	163	157
Trading	4	1	154	150
Community Settlement	....	....	3	3
Community Advancement	20	22	466	482
Investment	....	....	3	3
Associations	....	....	42	40
Unions	....	....	1	1
Total Other	24	23	832	836
Total All Societies	92	57	4 202	4 188

* During the year, 2 153 co-operative housing societies (terminating building societies) were restructured and amalgamated into 153 co-operative housing societies. The former societies which amalgamated had not been struck off the register as at 30th June, 1981.

TABLE 3

Registration of Rules and Documents

	1979–80	1980–81
Alterations of Rules	1 643	1 602
Special Resolutions (other than rules)	2 029	488
Changes of Registered Office	329	270
Dissolutions	47	57
Strike Offs	23	11
Change of Name	9	16
Transfer of Engagements	..	..
Liquidations	22	49
Amalgamations	..	..

TABLE 4

Registration of Charges

	1979–80	1980–81
Equitable Mortgages	100	55
Variation of Registered Mortgages	42	21
Discharges of Mortgages	46	78
Bills of Sale	3	1

TABLE 5

Classification	Rural Production	Other Commercial	Finance	Community Services	Administrative	Total
Number of Members—						
1979–1980	108 943	345 174	282 105	236 154	5 313	977 689
1978–1979	*109 359*	*415 907*	*244 507*	*234 293*	*5 065*	*1 009 131*
	$	$	$	$	$	$
Total Assets—						
1979–1980	405,505,209	71,530,201	1,219,985,913	103,587,289	6,873,747	1,807,482,359
1978–1979	*367,011,890*	*71,614,957*	*1,099,323,355*	*92,595,764*	*5,787,561*	*1,636,332,826*
	$	$	$	$	$	$
Turnover—						
1979–1980	914,461,019	204,512,040	228,017,784	117,460,149	6,054,286	1,470,505,278
1978–1979	*696,017,882*	*197,917,161*	*210,043,657*	*105,904,234*	*6 '07,404*	*1,216,290,338*

TABLE 6

Primary Production (including Allied Services)

Classification	No. of societies		No. of members	Liabilities		Assets	Operations for year			
	Reg'd	Making returns		Members' funds	External		Turnover	Net surplus	Dividend	Bonus or rebate.
				$	$	$	$	$	$	$
GROWING, ASSEMBLING, PROCESSING OF PRIMARY PRODUCTS (WITH OR WITHOUT MARKETING)										
Co-operative Farms	4	4	112	500,472	1,285,738	1,786,210	358,629	(−) 108,435	..	..
Dairy Industry	29	28	31 179	43,290,105	45,060,235	88,350,340	274,117,196	6,582,627	1,517,189	2,410,634
Meat and Livestock	13	13	7 661	12,724,596	8,426,234	21,150,830	49,932,172	(−) 1,629,602	134,938	72,820
Fish	20	20	1 864	2,905,649	3,602,990	6,508,639	28,096,401	782,566	93,722	469,844
Fruit and Vegetables	21	19	26 297	5,550,862	39,726,236	45,277,098	74,959,722	801,958	256,153	622,963
Rice	1	1	2 291	5,842,239	108,620,518	114,462,757	166,384,454	7,007,782	271,043	5,939,921
Sugar	1	1	553	5,285,798	19,380,567	24,666,365	45,579,216	3,512,590		
Cotton	1	1	217	4,988,064	50,520,109	55,508,173	67,068,735	1,974,449	153,591	1,583,638
Miscellaneous	10	9	1 122	317,902	433,235	751,137	1,167,513	(−) 26,262	4,143	..
1979–80	100	96	71 296	81,405,687	277,055,862	358,461,549	707,664,038	18,897,673	2,430,779	11,099,820
1978–79	*102*	*98*	*71 616*	*72,817,050*	*257,826,356*	*330,643,406*	*564,725,287*	*16,536,921*	*2,457,598*	*10,979,344*
MARKETING ONLY OF PRIMARY PRODUCE—										
Dairy Produce	1	1	11 132	8,293,715	14,596,176	22,889,891	105,287,588	1,530,543	220,506	....
Wool	3	3	22 824	4,665,667	9,820,863	14,486,530	80,882,850	1,228,211	3,274	6,289
Fruit and Vegetables	8	5	2 301	36,210	139,830	176,040	1,380,368	5,958	1,787	10,389
1979–80	12	9	36 257	12,995,592	24,556,869	37,552,461	187,550,806	2,764,712	225,567	16,678
1978–79	*14*	*9*	*36 245*	*10,529,386*	*16,731,066*	*27,260,452*	*111,074,196*	*734,602*	*238,502*	*24,015*
AGRICULTURAL SERVICES—										
1979–80	48	44	1 390	3,491,485	5,999,714	9,491,199	19,246,175	617,668	....	446,777
1978–79	*49*	*46*	*1 498*	*3,243,745*	*5,864,287*	*9,108,032*	*20,218,399*	*335,986*	*3,279*	*61,885*
TOTAL TABLE 6—										
1979–80	160	149	108 943	97,892,764	307,612,445	405,505,209	914,461,019	22,280,053	2,656,346	11,563,275
1978–79	*165*	*153*	*109 359*	*86,590,181*	*280,421,709*	*367,011,890*	*696,017,882*	*17,607,509*	*2,699,379*	*11,065,244*

TABLE 7

Other Commercial Services

	No. of societies		No. of Members	Liabilities		Assets	Operations for year			
	Reg'd	Making returns		Members' funds	External		Turnover	Net surplus	Dividend	Bonus or rebate
				$	$	$	$	$	$	$
GENERAL WHOLESALERS—										
1979–80	7	7	758	1,258,172	4,860,725	6,118,897	40,046,627	557,761	73,443	480,333
1978–79	*7*	*7*	*656*	*817,372*	*4,598,531*	*5,415,903*	*39,770,095*	*556,808*	*63,333*	*449,562*
RETAIL STORES—										
1979–80	61	52	333 918	23,463,332	20,930,591	44,393,923	105,752,693	(–) 567,982	193,032	1,160,224
1978–79	*64*	*53*	*405,237*	*28,401,435*	*19,977,748*	*47,977,748*	*106,626,692*	(–) *201,345*	*733,463*	*1,235,559*
HOME CONSTRUCTION—										
1979–80	4	3	61	273,731	104,626	378,357	35,260	3,660	669	....
1978–79	*5*	*4*	*163*	*271,007*	*133,242*	*404,249*	*37,273*	(–) *4,532*	*638*	....
TRADE OR SPECIAL EQUIPMENT SUPPLIERS—										
Taxi Operators	38	35	4 101	2,009,216	5,713,542	7,722,758	20,753,232	80,879	9,360	54,955
Miscellaneous	30	27	6 336	6,788,569	6,127,697	12,916,266	37,924,228	1,442,656	582,523	752,958
1979–80	68	62	10 437	8,797,785	11,841,239	20,639,024	58,677,460	1,523,535	591,883	807,913
1978–79	*68*	*60*	*9 851*	*7,749,014*	*10,068,043*	*17,817,057*	*51,483,101*	*1,164,811*	*543,624*	*497,757*
TOTAL TABLE 7—										
1979–80	140	124	345 174	33,793,020	37,737,181	71,530,201	204,512,040	1,516,974	859,027	2,448,470
1978–79	*144*	*124*	*415,907*	*37,238,828*	*34,376,129*	*71,614,957*	*197,917,161*	*1,515,742*	*1,341,058*	*2,182,878*

TABLE 8

Finance

Classifications	No. of societies		No. of members	Loans to members	Total assets	Loans made during year
	Reg'd	Making returns				
				$	$	$
Co-operative Housing Societies ..	3 257	3 269	63 000(E)	727,970,000	732,744,000	107,311,234
Non-terminating Building Societies ..	24	17	6 844	32,399,031	37,244,629	6,121,980
Building Societies (under 1901 Act) ..	5	5	194 731	313,253,899	420,980,913	111,181,909
Starr-Bowkett Societies	68	50	17 383	24,255,171	28,835,133	3,402,661
Total—						
1979–80	3 354	3 341	281 958	1,097,878,101	1,219,804,675	228,017,784
1978–79	*3 371*	*3 286*	*244 350*	*998,746,183*	*1,099,142,404*	*210,034,657*
Investment Societies—						
1979–80	3	3	147	..	181,238	..
1978–79	3	3	157	..	180,951	..

(E) Estimate.

SOURCE:
Terminating Building (Co-operative Housing) Societies—Australian Bureau of Statistics.

Other Societies—Registry of Co-operative Societies.

TABLE 9

Community Services

Classification	No. of societies		No. of members	Liabilities		Assets	Turnover	Net surplus
	Reg'd	Making returns		Members' funds	external			
				$	$	$	$	$
COMMUNITY HOUSING SCHEMES— Home Apartments and Buildings—								
1979–80	4	2	62	555,735	24,597	580,332	60,157	(–) 19,941
1978–79	*4*	*2*	*62*	*576,959*	*13,592*	*590,551*	*60,432*	*4,899*
COMMUNITY HALLS AND CENTRES (including Kindergartens and Theatres)—								
1979–80	54	47	9 245	2,290,954	408,071	2,699,025	1,351,862	218,274
1978–79	*50*	*44*	*12 895*	*1,895,359*	*262,889*	*2,158,248*	*1,030,731*	*165,805*
LICENSED CLUBS—								
1979–80	158	153	200 039	62,318,646	18,888,770	81,207,416	103,335,909	5,112,707
1978–79	*158*	*154*	*194 417*	*57,453,745*	*16,287,947*	*73,741,692*	*93,565,396*	*5,510,506*
OTHER CLUBS—								
1979–80	95	91	13 143	5,254,779	1,682,209	6,936,988	2,448,038	441,505
1978–79	*93*	*88*	*12 546*	*4,603,459*	*1,745,558*	*6,349,017*	*2,062,385*	*384,429*
CO-OPERATIVE HOSPITALS—								
1979–80	2	2	402	1,683,831	188,300	1,872,131	1,535,721	162,706
1978–79	*2*	*2*	*398*	*983,601*	*201,809*	*1,185,410*	*1,335,551*	*107,183*
ABORIGINAL WELFARE—								
1979–80	22	16	921	3,175,615	525,432	3,701,047	1,618,101	278,142
1978–79	*19*	*18*	*1 340*	*2,895,052*	*312,052*	*3,207,104*	1,796,635	*373,938*
MISCELLANEOUS—								
1979–80	113	94	12 342	4,228,593	2,361,757	6,590,350	7,110,361	447,739
1978–79	*102*	*92*	*12 635*	*3,714,208*	*1,649,534*	*5,363,742*	*6,053,104*	*358,027*
TOTAL TABLE 9—								
1979–80	448	405	236 154	79,508,153	24,079,136	103,587,289	117,460,149	6,641,132
1978–79	*428*	*400*	*234 293*	*72,122,383*	*20,473,381*	*92,595,764*	*105,904,234*	*6,904,787*

TABLE 10

Administrative Societies

Classification	No. of societies		No. of members	Assets	Operations for year	
	Reg'd	Making returns			Turnover	Net surplus
				$	$	$
CO-OPERATIVE FEDERATION—						
1979–80	1	1	106	319,386	120,527	(−) 8,135
1978–79	*1*	*1*	*91*	*71,942*	*54,911*	*235*
CO-OPERATIVE HOUSING SOCIETIES ASSOCIATIONS—						
State Association	1	1	3 733	50,019	120,380	16,944
Other	33	31	1 299	6,422,757	5,752,759	125,871
1979–80	34	32	5 032	6,472,776	5,873,139	142.815
1978–79	*34*	*32*	*4 922*	*5,643,566*	*6,296,156*	*230,833*
MISCELLANEOUS—						
1979–80	5	5	175	81,585	60,620	(−) 718
1978–79	*5*	*5*	*52*	*72,053*	*56,337*	*12,845*
TOTAL TABLE 10—						
1979–1980	40	38	5 313	6,873,747	6,054,286	133,962
1978–79	*40*	*38*	*5 065*	*5,787,561*	*6,407,404*	*243,913*