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Building Society Speech notes

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2100  
321  
7/5/73.

MR. ADAMSON,  
MY LORD MAYOR,  
THE LEADER OF THE OPPOSITION,  
PARLIAMENTARY COLLEAGUES,  
LADIES AND GENTLEMEN.

1. THANK YOU FOR INVITING ME HERE THIS EVENING.
2. IT IS A NOTEWORTHY EVENT YOU ARE CELEBRATING -  
THE OCCASSION OF THE SOCIETY'S FUNDS HAVING  
PASSED THE \$50 MILLION MARK.
3. THIS EVENT SIGNIFIES THE STRENGTH OF THE SOCIETY  
AND ITS CONTINUING ABILITY TO PROVIDE HOUSING  
FINANCE IN THIS STATE AT MODERATE RATES OF INTEREST.

4. THE SOCIETY WAS FORMED IN EARLY 1900.
5. ITS FIRST \$25 MILLION IN ASSETS WAS ACHIEVED AFTER 70 YEARS OF OPERATION. THE SECOND \$25 MILLION HAS BEEN ACHIEVED OVER THE LAST 3 YEARS.
6. THE CO-OPERATIVE NATURE OF THE SOCIETY HAS MEANT THAT ITS MAIN CONCERN IS FOR THE WELL BEING OF BOTH SUBSCRIBING AND BORROWING MEMBERS, RATHER THAN TOWARDS PROFIT.
7. THE ONE AND A QUARTER PER CENT MARGIN BETWEEN THE RATE PAID TO LENDERS AND THAT PAID BY BORROWERS IS FURTHER REDUCED BECAUSE A BONUS IS PAID TO BOTH TYPES OF MEMBERS. FOR EXAMPLE, THE EFFECTIVE MARGIN IS PRESENTLY OF THE ORDER OF 0.92%.

8. THE CO-OPERATIVE BUILDING SOCIETY OF SOUTH AUSTRALIA, AND INDEED OTHER ADELAIDE SOCIETIES, DID NOT PUSH INTEREST RATES UP OVER THE LAST FEW YEARS, BUT HAVE MAINTAINED A STEADY 6% TO SUBSCRIBING MEMBERS.
9. BECAUSE OF THE INDUSTRY'S CONSISTENCY IN RATE APPLICATION IN SOUTH AUSTRALIA, IT HAS NOT SUFFERED THE REDUCTION IN MEMBERS' SUBSCRIPTIONS THAT HAS TENDED TO BE THE PATTERN OVER THE LAST MONTH IN THE EASTERN STATES.
10. SOUTH AUSTRALIA HAS ALWAYS REGARDED THE TRANSLATION OF PEOPLE'S SAVINGS TO FINANCE OTHERS TO BUY HOUSES AS A VITAL COMMUNITY SERVICE.

11. ONE OF THE INSTITUTIONS WHICH HAS DONE THIS WITH SPECTACULAR SUCCESS IS THE CO-OPERATIVE BUILDING SOCIETY, AND THERE IS NO DOUBT THAT ITS SUCCESS ATTESTS THE FACT THAT SOUTH AUSTRALIA HAS ACCEPTED THE SOCIETY AS ACHIEVING THIS OBJECT.
12. SINCE 1956, PART OF THE ARRANGEMENT BETWEEN THE COMMONWEALTH AND STATE FOR HOUSING FINANCE HAS PROVIDED THAT EACH STATE SHOULD HAVE A HOME BUILDERS' FUND, WITH THE BASIC PHILOSOPHY THAT MONEY IN THAT FUND SHOULD BE PROVIDED TO ASSIST PEOPLE TO BUY THEIR OWN HOUSES.
13. UNDER THE COMMONWEALTH-STATE HOUSING AGREEMENT SINCE 1956, AT LEAST 30% OF THE MONEY ALLOCATED AT LOAN COUNCIL TO THE COMMONWEALTH-STATE HOUSING AGREEMENT MUST BE ALLOCATED TO THE HOME BUILDERS' FUND.

14. ALL STATES OF AUSTRALIA, WITH THE EXCEPTION OF SOUTH AUSTRALIA, HAVE ALLOCATED 30% OF THE COMMONWEALTH-STATE MONIES TO THE HOME BUILDERS' FUNDS. IN SOUTH AUSTRALIA THE PROPORTION HAS BEEN HIGHER.
15. IN FACT, LAST YEAR, MY GOVERNMENT ALLOCATED NEARLY 53% TO THE HOME BUILDERS' FUND WHICH, THROUGH VARIOUS INSTITUTIONS INCLUDING OF COURSE THE STATE BANK, HELPED PEOPLE TO BUY THEIR OWN HOUSES.
16. SINCE THE HOME BUILDERS' FUND WAS ESTABLISHED IN 1956 THE CO-OPERATIVE BUILDING SOCIETY HAS BEEN ABLE TO BORROW SOME \$13,000,000 THROUGH THIS FUND AND THIS IS THE GREATEST SINGLE AMOUNT FOR A CO-OPERATIVE SOCIETY IN THIS STATE.

17. ANOTHER MEASURE OF THE TRUST WHICH THE SOUTH AUSTRALIAN GOVERNMENT HAS SHOWN IN THE SOCIETY HAS BEEN THE FACT THAT DEPOSITS WITH THE CO-OPERATIVE BUILDING SOCIETY ARE ACCEPTED IN SOUTH AUSTRALIA AS TRUSTEE SECURITIES.
18. IT IS TRUE THAT THERE HAVE BEEN SOME CRITICISMS RECENTLY OF PERMANENT BUILDING SOCIETIES IN AUSTRALIA AND WHETHER JUSTIFIED OR NOT THESE CRITICISMS HAVE BEEN MADE ON TWO MAIN GROUNDS.
19. THE FIRST IS THAT THEY LEND TO PEOPLE WHO HAVE NO REAL NEED TO GET RELATIVELY LOW INTEREST LOANS TO BUY HOUSES, AND SECONDLY THAT SOME PERMANENT BUILDING SOCIETIES HAVE BEEN BORROWING SHORT AND LENDING LONG; THE CLASSIC WAY TO GET INTO FINANCIAL TROUBLE.

20. I AM VERY GLAD THAT THE CO-OPERATIVE BUILDING SOCIETY IN SOUTH AUSTRALIA CANNOT BE CRITICIZED ON EITHER GROUND.
21. THE SOCIETY HAS ALWAYS SOUGHT FIRST TO HELP ITS OWN DEPOSITORS AND THEN TO HELP OTHERS WITH THE SIZE OF LOAN NECESSARY TO BUY A FAMILY DWELLING.
22. ON THE SECOND CRITICISM, THE CO-OPERATIVE BUILDING SOCIETY HAS SHOWN, THROUGH ITS LONG HISTORY, THAT IT UNDERSTANDS THE USE OF FUNDS AND HAS ALWAYS MADE SURE THAT IT WAS IN A SITUATION TO HANDLE ANY FINANCIAL EMERGENCY.
23. TO MOST FAMILIES, THE PURCHASE OF A HOUSE IS THE BIGGEST SINGLE TRANSACTION IN THEIR LIVES.

24. VERY FEW PEOPLE CAN EVER ACCUMULATE THE CAPITAL TO PURCHASE A HOUSE FOR CASH AND THEREFORE HAVE TO LOOK TO INSTITUTIONS LIKE THE CO-OPERATIVE BUILDING SOCIETY TO MAKE THE SIZE OF LOAN AT A SENSIBLE RATE OF INTEREST TO ENABLE THEM TO FINANCE THIS TRANSACTION.

25. THE CO-OPERATIVE BUILDING SOCIETY HAS STOOD THE TEST OF TIME, AND WHATEVER THE SITUATION IN THE FUTURE, THE NECESSITY TO TRANSLATE PEOPLES' SAVINGS INTO GOOD SECURITY OFFERED BY THOSE WHO WISH TO BUY A HOUSE WILL REMAIN, AND I AM SURE THE CO-OPERATIVE BUILDING SOCIETY WILL PLAY ITS PART IN THIS AREA.

26. CONGRATULATIONS, ONCE AGAIN, TO THE CO-OPERATIVE BUILDING SOCIETY.

THANK YOU.