History of the building at 21-23 Smith Street Fitzroy

Jack Gilding, version 02, February 2025

Summary

The building was purchased in 1976 to support the activities of Walker* Press and associated anti-apartheid and land rights groups. In 1983 the control of the building was transferred to the Community Radio Federation which runs community radio station 3CR.

The building

21-23 Smith Street was probably first built as two 2-story terrace houses. It appears that shop fronts with upstairs rooms were added later. 23 Smith St had a Bushells Tea sign painted on the front door glass and "Rees Food Store" above the front window so it was a shop at some point. There were two small back yards each with garage opening onto the back lane.

Purchase of the building

The purchase of the building is closely tied to the history of Walker* Press which has been documented separately.

At the time the building came up for sale in 1976, Walker* Press was renting the building across the road at 20 Smith St Collingwood. Walker* Press had also rented the building at 23 Smith Street. 21 Smith Street had been rented out separately although we were on good terms with the tenants.

One day unannounced, a 'for sale' sign appeared on the building. I am not sure how the idea of buying the building arose, but Lyndon describes an early attempt to raise a bank loan which was not surprisingly rejected.

David Langridge, the real estate agent selling the building, told me he was under pressure from the owner to sell the building quickly and there were no other interested buyers. David said he went to the Commonwealth Bank and said he would move all his accounts unless we were given a loan.

Somehow we were introduced to Robert Wright, a solicitor with Williams Winter and Higgs who provided ongoing legal advice and helped us set up the legal structures.

As Walker* Press was run on an absolutely minimal financial basis and many of the people involved were on the dole, buying the building was a pretty implausible proposal. Aside from David's intervention with the bank several important contributions made it possible:

- Deirdre Mason had been employed as a teacher and had some capital.
- Tony Brown had some money from a compensation payment from when he had lost his sight.
- Peter Burgoyne[1] was a lecturer at Melbourne University and agreed to invest.

We would have to borrow money to help finance the purchase and repaying this loan would come from rent from Walker* Press, CARE, CAMAL and people living in the building. Our critique of one of the evils of capitalism was that landlords made money by paying off capital with rent income. So we decided that people who paid rent would acquire a stake in the building in proportion to the part of their rent that paid off the capital. This necessitated a legal structure that allowed flexibility in ownership shares.

Units were also issued to workers at Walker* Press, CARE and CAMAL reflecting capital paid off the building from the rent received from these organisations.

[1] From memory – cant find any documentation of his contribution.

This well-intentioned principle led to a proliferation of small unit holdings. This became a problem for CRF when they had to track down these people to re-purchase their units (particularly short-term residents in the building who had moved on.)

Robert's advice was to create a unit trust. Unit trusts have to have a trustee and for this we used a shelf-company that Williams Winter and Higgs had set up. It was called San Juliano Pty Ltd (SJ) because it had been intended to be used (but never was) in some aspect of the wine trade. We rather liked the name and decided not to change it.

Being experienced activists and submission writers, and armed with Robert's very official looking legal structures (San Juliano Pty Ltd and the 21-23 Smith Street Unit Trust) we were able to put a very formal looking proposal to the Commonwealth Bank (rather more impressive documentation than a local branch manager would normally expect).

The purchase arrangements

The deed establishing the 21-23 Smith St Unit Trust (with San Juliano Pty Ltd as the trustee) was signed on 27 September 1976.

The building was purchased for $62,000 ($64,000 with legal and stamp duty), supported by:

- capital investment of $26,500 through purchase of units
- an eight-year mortgage with the Commonwealth Bank for $30,000.
- a $10,000 interest only loan.

Communal living in an activist centre

The building as purchased was two separate terrace houses, each with shop fronts, and each with a kitchen and lounge area downstairs and three bedrooms upstairs.

One of our first moves was to create an opening in the party wall downstairs to allow access internally. The kitchen on the 23 Smith St side was used as part of the work premises, while the kitchen and lounge on the 21 Smith St side was used by the residents.

The architectural arrangement was never really ideal, there was no doorway separating living areas from work areas. This exacerbated the inevitable tension between activist working in the building (with all sorts of people knocking on the door or ringing the phone) a printing business (with noisy machines and smelly solvents), and people living in a shared house.

Some of the people working on the printing and activism lived in the building and some lived elsewhere. Although people living in the building were issued units in the unit trust there was no formal organisational arrangements that could address the inevitable tensions and it led to a bit of an 'us and them' dynamic.

Transfer to Community Radio Federation

By the early 1980s Walker* Press had dissolved and much of the activism had died or moved elsewhere. As described by Lyndon, people eventually got burnt out by the voluntary poverty and constant activism. It was clear that the building no longer met its original purpose.

About the same time the Community Radio Federation (CRF) was looking for a more permanent home, having outgrown their rented factory in Collingwood. Again it is hard now to say how the idea of transferring the building to CRF came about but it had a number of advantages:

- It would provide security of tenure for 3CR.
- The CRF supported many of the causes for which the building was originally set up to support.
- People who owned units in the unit trust could opt to leave them in the trust, reducing the capital that CRF would have to find.
- Transferring the legal structure meant that building did not need to be sold – ownership remained with the Trust and the Trustee.

It was also necessary to engage in significant building work to create studio space at the rear of the building and this all had to be planned and documented as part of the transfer.

Opposition to the transfer to CRF

Despite the advantages of this proposal, there was a vocal group within CRF who opposed the transfer. The main arguments against the proposal were that:

- 3CR had an existing lease in Collingwood that ran for another 3 ½ years and a move would require subletting this.
- 21-23 Smith St was too small and unsuitable.
- Renovating and moving would be a big effort and a diversion.
- CRF supporters would invest in the building but it would be owned by SJ not by CRF.

Negotiations around the transfer

The process of negotiation between SJ and CRF was drawn out and frustrating. Contributing factors to this were:

- Opposition by some people within the CRF (see previous section).
- In order to address the opposition, CRF had to plan and cost renovations so that the total cost of the transfer would be known before a final commitment was made.
- At some point during the negotiations, the planned renovations changed from putting studios in rooms in the existing building to demolishing the garages and building a new studio block at the rear of the building.
- SJ had operated on a break-even basis. Once both organisational and residential tenants started moving out, the trust started losing money.
- The fact that Walker* Press had ceased operating and much of the activism had dissipated. This meant the people remaining were burnt out and eager to extricate themselves from the legal liabilities.

Discussions on the transfer started at the end of February 1983 and the CRF committee decided in principle to go ahead with the transfer on 23 March 1983. On this basis it was initially planned that the transfer would take place on 30 April. On 2 May 1983 the SJ directors requested a refundable bond from CRF as a contingency against the transfer not taking place.

Due to ongoing delays and uncertainty as to whether the transfer would eventually happen SJ wrote to CRF 25 August 1983 saying that the building would be offered for public auction, with 3CR initially having a right to purchase up until 9 September 1983, but that the sale would be unencumbered after that.

The transfer agreement was finally signed on 1 September 1983 and the official opening of the renovated building took place on 12 August 1984.

The legal agreements

Three agreements were signed on 1 September 1983:

- An overall agreement (I will call this the head agreement) of which drafts of the other two agreements were included as Schedules.
- A Lease from San Juliano Pty Ltd (as trustee) to the Community Radio Federation for an initial term of 7 years with an option for 14 further terms of five years at a rental of one dollar per year.
- A Building Agreement for San Juliano Pty Ltd to carry our building works to modify the building and add studios at the rear. The Building Agreement included plans and specifications for the work and a budget of $21,196 or agreed additional sums if these were available. The work was to be supervised by a Project Management Committee of five persons, three nominated by SJ and two by CRF.

The head agreement made the following provisions:

- Deirdre Mason and Jack Gilding to remain directors of SJ for at least 60 days.

- Lyndon Shea, Tony Brown and John Van Dalfsen to resign as directors.
- Nancy Atkin, Geoff Barbour and Alison Somerville to become directors of SJ.
- $44,602 of units were to be redeemed by the Trustee and converted to a mortgage to be repaid with interest to various unit holders incrementally between 31 March 1984 and 31 December 1988. (This presumably reflected unit holdings that the owner did not want to leave in the Trust indefinitely for the benefit of 3CR.) [Annexure 2 to Schedule 5 of the head agreement.]
- Bonus shares of 35 units per 100 were issued to existing unit holders (other than those covered by the mortgage described above) to reflect the increased value of the property at the point of transfer.
- At least $24,000 of new investment in units (from 3CR supporters) to be lodged before settlement.
- Nominated liabilities of the Trust to be discharged before settlement ($4,000 plus interest to Anthony Staunton and a loan and overdraft from the National Australia Bank.
- CRF would pay $10,500 per annum (plus any CPI adjustments) to the Trustee. After allowances for operating expenses of the Trust and any interest owing, the balance of the CRF contribution would be applied to the purchase of units in the Trust in the name of CRF.