



## The Abel Tasman Village Association Limited

(Incorporated in N.S.W.)

All correspondence to:  
9 PEARCE STREET,  
ERMINGTON, N.S.W. 2115

Mr. R. Derksen  
Consul-General of the Netherlands  
Bondi Junction NSW

Lane Cove, 27th March 1991

Dear Mr. Derksen,

Further to our discussion with the Ambassador, Mr. H. Bast, on Thursday the 21st March, 1991, I would like to make a short resume which may assist during the visit of the Secretary of State, Mr. Simons during his visit to Sydney

- A** The total assets of the Abel Tasman Village as shown on the Balance Sheet as at the 31st December, 1990 was \$A 726.000.- The assets include the land, donations and interest free loans.
- B** The land was originally purchased for \$A 350.000.- It is fully owned by the A.T.V. and is unencumbered. The part of the land upon which the hostels will be constructed has been valued by the Australian Valuation Office as having a market value of \$A 550.000.- as at 13th July, 1990.
- C** The Federal Government has undertaken to subsidise the construction of the hostel accomodation to the extent of \$A 1.200.000.- The hostel units will accomodate 40 people of whom 8 will be financially disadvantaged persons. In our self care units we will construct a sufficient number of two bedroom units to accomodate 48 persons. (Aanleuningwoningen). For your information, one of the condition of the proposed grant from the Federal Government reads as follows: "The organisation shall admit as residents only those persons who identify with the Dutch-speaking community."
- D** Westpac Banking Corporation has indicated that it would be willing to make \$A 3.000.000.- available as bridging finance: however, Westpac will require interest of approximately 18½% per annum.
- E** To help in defraying the cost of constructing the hostel units, we are negotiating with the State Government of NSW. for some kind of financial assistance. This could take the form of either improved bridging finance, lower interest, exemption from Stamp Duty etc.
- F** To be able to obtain the final approval of the Federal Department of Community Services & Health, it would greatly assist us if we obtained a loan on the basis of the "Kreditverlening 6.3". The attached copies explain the source of this credit which would have to be granted from Holland. On present indications we believe that a loan of an amount, not exceeding \$A 600.000.-, will be sufficient from commencement of constructions.
- G** At present, we are unable to call for tenders until we can prove to the Federal Department of Community Services & Health that we will have available sufficient finance to pay for the construction of our complete village.
- H** Once the village is completed and fully occupied, it will be fully selfsupporting. We say this on the strength of the experience with the Juliana Village, that has now been in succesfull operation for 10 years.

Fully documented dossiers are available to substantiate all the above information. These can be forwarded on request.

We hope that the above details will assist you in your discussions with Mr. Simons.

On behalf of the Abel Tasman Village Association Ltd:  
Yours sincerely,

Herbert Frank (Director Fundraising.)



Practical assistance at home  
and in the community

Mr A F Kool  
Chairman  
Abel Tasman Village Association  
2 Illawarra Street  
MOSMAN NSW 2088

29 May, 1991.

Dear Mr Kool,

Re: OFFER OF ASSISTANCE - HOSTEL & CARE PROGRAM

Further to our recent discussions I am writing to confirm the details of the conditional offer of assistance to your Hostel proposal under this Program.

The details of the financial component of the assistance are -

Loan Funds (up to) (at State Bank Reference Rate)	\$ 1,107,000.00
Loan Establishment Fees	\$ 20,000.00 (max.)

While the specific details of this offer will be confirmed in the relevant legal agreements (to be forwarded), preliminary advice is as follows -

- A: The offer is conditional, and subject to Ministerial and Treasury approvals as required under the Act, and;
- B: The loan funds are provided subject to the following -
- (i) the incremental draw-down of funds will be geared against the adequate progress of the hostel development, and the availability of security with respect to funds advanced, and;
  - (ii) the loan will be the subject of a legal agreement with your organisation.
  - (iii) the loan must be repaid within 12 months of project completion.
- C: The Loan Establishment Fee is a grant, geared against any bank fees raised in the establishment of commercial loans to service the hostel project.

Note that the levels of financial assistance may be revised at the Program's discretion if income or expenditures vary significantly from the current estimates.

Further information will be provided when the legal agreements are forwarded.

Your written acceptance of the above (as relevant) would be appreciated.

I look forward to your earliest reply.

Yours sincerely

A handwritten signature in black ink, appearing to read "W. E. McDonald". The signature is written in a cursive style with a large loop at the end.

W McDONALD  
Director  
Hostel & Care Program

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ESTIMATED INCOME STATEMENT  
(future residents and grants)

24 Self-contained Units

Depending on size and position in the village,  
proposed interest free loans from future  
residents vary between \$126,000 and \$132,000

Total \$3,120,000

40 Hostel Units

Proposed interest free loans from future residents

26 at \$60000 each

\$1,560,000

5 larger units at \$60,000 to \$90,000 each

\$ 403,000

1 respite unit

\$ 0

8 units for financially disadvantage people

\$ 0

Total \$1,963,000

Department of Community Services and Health  
Grant

Total \$1,243,200

TOTAL ESTIMATED RECEIVABLES

24 self-contained units

\$3,120,000

40 hostel units

\$1,963,000

Grant

\$1,243,200

TOTAL \$6,326,000

STAND BY FACILITY

The method of payment by the future occupants of the Abel Tasman Village is proposed to be similar to the one employed during the construction of the Juliana Village, as set out on page 13 of the A.T.V. booklet (enclosure No 1).

At the time of construction the Juliana <sup>VILLAGE</sup> had a stand-by facility provided by Westpac. This facility was never called upon as all the future occupants of the Juliana Village were able to meet their commitments to the J.V. as they fell due. A number of these people had to sell their homes, free up other investments, or had to make temporary arrangements with their banks. In 1980 all this could be done without a great deal of trouble.

The present economic outlook makes us less confident than we were in 1980. The real estate market is slow moving at present, and prices are depressed. Finance is very expensive and credit is harder to come by. We have a number of people interested in taking up residence in the Abel Tasman Village. Most of these people will have to sell their homes or liquidate other investments. The uncertainties referred to above make it necessary for us to request a Stand-by facility at a low or no interest cost, to be available from commencement of construction to a date six months after the date of the Certificate of compliance from Bankstown City Council.

This facility is proposed to have a ceiling of five million dollars. This amount would cover every foreseeable contingency and would be a strong encouragement for definite commitment by early participants. This would be of great benefit to the success of the project.

Without the facility as requested, the cost of finance, if available, may well be such that low cost and viability become vulnerable.

For example: Assume that the amount of \$60,000 for a hostel unit needs to be carried for a period of nine months, which is about half the projected time of construction. The cost of this kind of finance would be around 20% p.a., an additional cost of \$9,000. An increase of this magnitude would put such a unit outside the reach of a number of potential residents.

With the facility as requested, we would be very confident that the project would be completed successfully, that potential residents would be prepared to enter into firm commitments during the construction period, and that the village would be self-supporting within six months of completion.

The extent of the use of the facility may well turn out to be relatively limited but prudence requires us to have it available.

## LOW COST FINANCE FOR POTENTIAL RESIDENTS

We seek the assistance of Government especially for those in the Dutch Community who have their homes in the Western area of Sydney, from Blacktown to the Blue Mountains.

The present economic situation and the sale price of their homes disadvantages this particular group as compared with those in most other areas of Sydney.

For example, a house in St. Marys may be sold for \$125,000, where a similar house in Sutherland may be sold for \$180,000 to \$190,000.

This is also relevant in the Wollongong and Newcastle areas.

It is these people who are in need of provision of bridging loans at a low interest.

We also have a number of people living in rental houses, Public and Private, who even though they are in need of the services that will be provided by the Abel Tasman Village, ~~at~~ are unable to raise the required funds.

The Federation of Netherlands Societies, Social Welfare Committee, and the Abel Tasman Village Association Ltd request that this need for low cost finance be addressed.