

# **The Alternative Building Society- Starr-Bowkett Societies: function, growth and operation**

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The Building Society movement grew quickly after its introduction into the Australian colonies but was to collapse just as quickly in the 1890s in terms of financial stability and consumer confidence. The collapse of many Societies in the late 1880s and early 1890s combined with an ongoing distrust of Building Societies post-depression left a substantial gap in the financial sector. In most cases, this gap was filled by the relatively forgotten “alternative” Building Society, the Starr-Bowkett Society. This paper traces the growth of Starr-Bowkett Societies in the late nineteenth century and into the twentieth century in terms of their levels of membership, geographic dispersal and amount of loans. This information will be presented alongside those of the more common Building Society to show how the collapse of the Building Society movement provided for the growth of the Starr-Bowkett movement

The story of the rise, collapse and slow resuscitation of the building society movement in the late 19<sup>th</sup> century has been told many times and is relatively well-known. A mini-boom in the establishment of permanent building societies was experienced in the Australian colonies in the late 1840s and continued to grow in number, size and geographical range, especially during the period 1860-90 and particularly in Victoria. Until the 1880s building societies controlled the majority of residential financing in most colonies, yet there were differential patterns of society formation and importance across the colonies.<sup>1</sup> However, the growth and importance of building societies in the provision of housing finance was not to last.

The collapse of the land boom in the early nineties destroyed many societies and undermined public confidence in those that survived. Recovery was slow, and it was not until the late 1920s that the mortgage outstandings of permanent building societies regained the levels of the late 1880s.<sup>2</sup>

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<sup>1</sup> N. G. Butlin, *Investment in Australian Economic Development, 1861-1900*, Department of Economic History, ANU, Canberra, 1972, pp. 247-248.

<sup>2</sup> M. R. Hill, ‘Housing Finance Institutions’ in R.R. Hirst and R.H. Wallace *Studies in the Australian Capital Market*, Cheshire, Melbourne, 1964, pp. 105-6.

As the building societies either closed their doors and/or lost the confidence of the public there arose a need for an alternative form of finance particularly for those sectors of the population not favoured by the formal financial intermediaries and because of this need ‘following the decline of the permanent societies after 1890 the Starr-Bowkett societies made headway in most States.’<sup>3</sup> However, this shift into financing through the establishment of Starr-Bowkett societies in the latter decade of the nineteenth century and through to 1930 has not previously been investigated in terms of the growth of the societies and the extent of their provision of finance. Although Malcolm Hill in *Housing Finance in Australia*<sup>4</sup> provides an account of the growth of Starr-Bowkett societies in the post-WWII period and as quoted above acknowledges that Starr-Bowketts took over from the permanent building societies, his attitude that ‘a detailed description of their activities seems hardly justified’<sup>5</sup> reflects that of most authors and researchers in the field. In his review of the capital market Matthew Butlin argues ‘that the market was not merely rudimentary in 1900 but also inefficient as a mobiliser of savings’<sup>6</sup> This paper does not have the intention of attempting to suggest that Starr-Bowkett societies were predominant in the provision of finance, as Starr-Bowketts only ever financed a small proportion of the residential housing market. But as this paper will show, the timing of their growth in terms of number of societies and their geographic dispersion indicates a much larger impact on the housing market and the availability of finance in the post-boom years than has been recognised in the existing literature.

A review of the role of Starr-Bowkett societies in the later 19<sup>th</sup> and early 20<sup>th</sup> century in the provision of finance and level of influence in Australia’s process of economic development is also warranted by a number of convergent factors. The increasing focus on

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<sup>3</sup> Hill, p. 109.

<sup>4</sup> M.R.Hill, *Housing Finance in Australia*, Melbourne, Melbourne University Press, 1959.

<sup>5</sup> Hill, *Housing Finance Institutions*, p. 109.

<sup>6</sup> M.W. Butlin, ‘Capital Markets’ in R. Maddock and I. McLean, (eds) *The Australian Economy in the Long Run*, Melbourne, Cambridge University Press, 1987, p. 246.

and promotion of micro-finance networks was most recently illustrated by the awarding in 2006 of the Nobel Peace prize to Muhammad Yunus the founder of the Grameen Bank. In addition, the naming of 2005 as the United Nations International Year of Microcredit; the increasing use of ROSCAs (Rotating Savings and Credit Associations) and ASCRAs (Accumulating Savings and Credit Associations)<sup>7</sup> to provide financial intermediation in developing countries; and growing concerns about low rates of saving in developed countries<sup>8</sup> and decreasing levels of housing affordability<sup>9</sup> all give weight to the argument for a detailed examination of the original ROSCA, Starr-Bowkett societies.

This paper begins with a brief exposition of the history of Starr-Bowkett societies in Australia over the period 1860-1890, including an explanation of their system of operation, and then presents data on the early years of Starr-Bowkett society formation in the Australian colonies. From this point the comparative growth rates of Starr-Bowkett and permanent Building Societies post-1890 for New South Wales, Victoria, Queensland and Western Australia are presented along with information, where available, on the level of advances and geographic dispersal of Starr-Bowkett societies. What this paper does not attempt to do, is place society formation into more than a broad economic context so there is no discussion or analysis of the impact of changes in wages and/or rents or the cost of building materials on the process of society formation. The author realises that this lack of a detailed historical/economic context weakens any conclusions that can be drawn in this paper on the motivation for society formation.

A dearth of comparable information makes a detailed comparison across all colonies/states impossible at this stage. For example, no Starr-Bowkett societies were ever

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<sup>7</sup> One of the best expositions of the differences between these two forms of microfinance and their operations is provided by F.J.A. Bouman, 'Rotating and Accumulating Savings and credit Associations: A Development Perspective' *World development*, Vol. 23, no. 3, 1995, pp. 371-384.

<sup>8</sup> M. Schreiner and M. Sherraden, *Can the Poor Save? Savings and Asset Building in Individual Development*, Transaction Publishers, 2006.

<sup>9</sup> Reserve Bank of Australia, *Financial Stability Review*, September, 2006

formed in Tasmania although many permanent building societies traced their roots back to the terminating form.<sup>10</sup> In addition, the Registrar of Friendly Society reports contained in the South Australian Parliamentary Papers for the period under consideration do not include any mention of Starr-Bowkett societies even though the Port District Starr-Bowkett Building Society, No. 29 was formed in 1925,<sup>11</sup> Magpie Starr-Bowkett Society, No. 40 in 1947 and the Port Adelaide Post War Starr-Bowkett Building Society, No. 37 was formed in 1946.<sup>12</sup> These society numbers indicate that society formation was taking place in South Australia early in the 20<sup>th</sup> century if not the late 19<sup>th</sup> century as societies within groups were numbered so that once society No. 1 was fully subscribed, society No. 2 would be opened.

The tabled and printed registrar reports for NSW, Queensland, Victoria and Western Australia all include Starr-Bowkett societies but the information presented ranges from extremely detailed in the case of NSW to a sporadic mention in the case of Victoria. These tabled reports also exhibit inconsistency in the presentation of data: some include numbers of societies and members, others only members or society numbers, and in the case of Victoria prior to about 1908 some show neither.<sup>13</sup> A further constraint has been the lack of any information on Starr-Bowketts within the *Australasian Insurance and Banking Record*. Future research will concentrate on overcoming these deficiencies by expanding the range of information accessed, which will primarily involve accessing the full text of the Registrar Reports and including a sharper historical/economic context.

### **Ideological and Historical Beginnings**

Starr-Bowkett Societies are, in essence a form of terminating Building Society but differ from building societies and co-operative housing associations in that Starr-Bowketts do not borrow money to fund loans and do not charge nor pay interest. All monies subscribed to

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<sup>10</sup> Hill, 'Housing Finance in Australia', p. 174 and Butlin, p. 247.

<sup>11</sup> Hill, 'Housing Finance in Australia', p. 22.

<sup>12</sup> State Library of South Australia catalogue.

<sup>13</sup> These problems are also expressed by Hill, Housing Finance in Australia, p. 9.

the society are the only monies available for loan and it is this distinctive feature that gives Starr-Bowketts the appellation of the most pure form of co-operative finance.

Starr-Bowkett societies were the results of the energies, both literary and physical, of Dr Thomas Edward Bowkett.<sup>14</sup> Bowkett, a surgeon in London's East India dock, was involved in a range of radical and working-class movements of the time as a vocal supporter of trade unions, the Association for the Repeal of Taxes on Knowledge, a member of the Metropolitan Parliamentary Reform Association, a demonstrator against the further enclosure of Epping Forest and a promoter and operator of co-operative stores.<sup>15</sup> Yet, in devising his scheme Bowkett appears to have been driven by practical more than philosophical considerations. He argued that after 'twenty years of medical practice, and a longer period still of anxious enquiry into the causes of the degraded condition of the working man of England'<sup>16</sup> the only means by which 'every mechanic may work out his own emancipation; how he may obtain power which will enable him beneficially to influence the legislature of this country'<sup>17</sup> was by achieving economic power which in turn could only be achieved by "every mechanic" becoming a freeholder. It was this belief that led Bowkett to devise his scheme for a low subscription, interest-free 'building society that could be of real utility to working men'.<sup>18</sup>

Bowkett first aired his scheme in June and July 1843 at a series of lectures<sup>19</sup> and then published his lectures as "Freehold Property for mechanics.....". In this, the first of a series of publications, Bowkett set out the workings of a society 'which shall hold forth to the working

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<sup>14</sup> The only biographical information available on Bowkett is in S. Newens 'Thomas Edward Bowkett: Nineteenth Century Pioneer of the Working Class Movement in East London', *History Workshop Journal*, Issue 9, Spring 1980, pp. 143-8.

<sup>15</sup> Newens, 'Thomas Edward Bowkett', p. 143.

<sup>16</sup> T. E. Bowkett, *The Bane and the Antidote: or Bad and Good Associations*, W. Strange, London, 1850, p. ii.

<sup>17</sup> T. E. Bowkett, 'Freehold Property for Mechanics', *Notes of Lectures delivered by T. E. Bowkett at the Poplar Literary Institution, in June and July 1843; containing Instructions for the Formation of Societies, by means of which every mechanic in the country, receiving wages, however low in amount, may become a freeholder*, London, John Cleave, 1843, p. 10.

<sup>18</sup> Bowkett, *Bane and Antidote*, Preface.

<sup>19</sup> *The Northern Star and Leeds's General Advertiser*, August 19 1843; August 26 1843; September 2 1843; and September 9 1843.

man a strong inducement to provident habits, and which shall place within his reach a prospect of future independence.’<sup>20</sup> The basic mechanics of Bowkett’s societies, which at the time were called “Poplar Freehold Provident Societies”, was that 100 people would contribute  $9\frac{1}{2}$ d per week, providing the society with £205 16s 8d after a year of which £200 was available for the first ballot- the remainder being used to cover expenses of the Society. The successful subscriber once they had taken up the £200 loan would continue to pay their subscription fee as well as repay the loan at £20 per annum. The next “drawing of lots” would then occur earlier than 12 months later as the continued payment of subscriptions plus the £20 per annum repayments from the first loan increased the amount available to the Society for lending. By the fifth year two loans each year could be balloted for, three per year after 11 years of operation, with the first loan being paid off, and four per year after 15 years. At the end of the society each subscriber would possess freehold property of the value of £200, and also receive back their £62 in subscriptions.

Contemporary Starr-Bowkett Societies like the Newtown – Enmore Starr-Bowkett group still work along these principles. A current member would pay \$48 per share at the rate of 25cents per share per month, over 16 years, and each share held entitles the member to an interest free loan of \$100. A member holding 100 shares would therefore contribute \$25 monthly, be entitled to a loan of \$100,000 when drawn in the ballot and over 16 years would pay share subscriptions of \$4,800.<sup>21</sup> Once the requisite numbers of members have registered (usually about 499) these pooled savings are then used to make a loan, or more correctly an “Appropriation”, to members of the Society. Once all members have repaid their loans the Society is terminated under the Rules of the Society (which in turn are governed by State legislation) and members receive back the total of their subscriptions minus management

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<sup>20</sup> Bowkett, ‘Freehold Property for Mechanics’, p. 3.

<sup>21</sup> Starr Bowkett Statewide Co-operative Society Information Leaflet and Application Form, 2005.

charges. Any profit made by the society is also distributed amongst members according to the number of shares held.

The first so named Starr-Bowkett society was formed in London in 1862 and was the result of one Richard B. Starr altering Bowkett's original scheme so that the life of the societies was shortened; the subscription was raised to £10 per year; conditions were made more equal between members by reducing the proportion of subscriptions going into management fees for those members getting late appropriations; and increasing the share of any surplus at the termination of the society going to this same group. These changes made the societies more attractive to potential subscribers but alienated Bowkett from Starr and his Starr-Bowkett societies.<sup>22</sup> Despite Bowkett's good intentions the greatest impetus to the growth of the societies in England was Starr's capacity for promotion of the societies (and himself), which resulted in nearly 800 societies forming in England between 1874 and 1894.<sup>23</sup>

Starr's motivation for the amendment and promotion of Starr-Bowkett societies was not that he was ideologically driven but that he had successfully manipulated the situation so that he profited from the formation and expansion of each new society. Starr found a very profitable source of employment by obtaining a copyright on the amended rules and the various forms associated with a Starr-Bowkett Society; charging £5 for addressing any meeting on the manner in which to form a Starr-Bowkett Society; charging a fee of £25 for the appointment of a local solicitor as Secretary; £3 for the appointment of a surveyor; Starr owned the printing and stationery company that produced and distributed the rule books and forms and charged a commission of £3 or 12.5 per cent, whichever was the largest, for the

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<sup>22</sup> E. J. Cleary, *The Building Society Movement*, Elek Books, London, 1965, pp. 105 and 107.

<sup>23</sup> E.W. Brabrook, 'The Progress of Friendly Societies and Other Institutions Connected with the Friendly Societies Registry Office During the Ten years 1884-94', *Journal of the Royal Statistical Society*, Vol. 58, No. 2 (June 1895), p. 295. <http://www.jstor.org/> Accessed 31 January 2005.

supply of the rule books and forms; and then in 1881 founded the “Starr-Bowkett and General Insurance Company” from which all new societies had to insure their properties.<sup>24</sup>

Yet, all was not to proceed smoothly for Starr and his societies as the amendments that he had introduced, in particular the rule forcing members who did not wish to take up their appropriation to sell it to the Society. This innovation provided the less scrupulous with a cash-cow as the Society would then auction off the appropriation to the highest bidder, who then may on-sell always at a profit, again only to the Society with the result that many societies never made any advances. Hence the “lottery” or “gambling” label which has subsequently haunted Starr-Bowketts and was to lead the British government to ban balloting for the right to an advance or appropriation in 1894 legislation<sup>25</sup> which effectively halted the spread of Starr-Bowketts in England.

### **Patterns of growth to 1890**

It did not take long for the ideas of Bowkett and Starr to take root in the Australian colonies. In 1865 the 1<sup>st</sup> and 2<sup>nd</sup> Victoria Bowkett Mutual benefit Building and Investment Society and the 1<sup>st</sup> Carlton Bowkett Mutual Benefit Building and Investment Society were formed.<sup>26</sup> In these societies and the 2<sup>nd</sup> Carlton Bowkett formed in 1870, the rate of monthly payment was reported as 10s. per unsatisfied share and 42s. per satisfied share with a fully paid-up share value of £100.<sup>27</sup> This amount of 10s per month for each unsatisfied share need to be questioned as evidence from other Starr-Bowkett societies is that the rate was about 6d per share per week, which comes nowhere near the 10s per month. This may be a situation where sighting the full text of the Registrar’s reports will bring clarification. In the intervening period in New South Wales, in 1868, the Sydney Starr-Bowkett Benefit Building

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<sup>24</sup> S. J. Price, *Building Societies, their Origin and History*, Franey and Company, London, 1958, p. 154-155

<sup>25</sup> For a detailed explanation of the passing of the 1894 legislation refer Brabrook *op.cit.*.

<sup>26</sup> Statistics of the Colony of Victoria 1871, “Accumulation” *Papers Presented to Parliament- Legislative Assembly*, 1872, Vol. II, p. 13 and Statistics of the Colony of Victoria, 1873, “Accumulation” *Papers Presented to Parliament- Legislative Assembly*, 1874, Vol. II p. 14.

<sup>27</sup> Statistics of the Colony of Victoria 1871, p. 12.

Society Nos. 1, 2 and 3 were formed.<sup>28</sup> It is interesting point to note that that the first Victorian societies did not include Starr in their title whereas after 1868 all future societies bore the Starr-Bowkett title except for in Queensland where they were known as Bowkett Benefit Building societies until 1907. It can be inferred from this that the original groups of societies more closely followed the framework espoused by Bowkett, that is no option for the sale of appropriations, rather than that of Starr, although this cannot be substantiated without being able to view the Rule Books of the various societies, of which very few are in existence. The adoption of the Starr-Bowkett model over the pure Bowkett model would have been a reflection of the pressures on societies to compete for members against the permanent building societies, which were a more attractive prospect for investors and those wishing to acquire a mortgage as soon as possible.

Up to 1890 records detailing the growth of Starr-Bowkett societies in Victoria are very sparse with only six societies appearing in the Registrar of Friendly Societies although the 1891 report suggests that more were in existence prior to 1890.<sup>29</sup> In contrast the records show that by 1888, 74 building societies were registered in Victoria with 22,312 members and annual advances of £4,381,330.<sup>30</sup> In New South Wales building society formation was slower with only 43 societies forming by 1886 with fourteen of these forming in 1886-87 alone and over 70% being located in country areas.<sup>31</sup> In New South Wales prior to 1890, 13 Starr-Bowketts were formed and were nearly evenly split between Sydney and the country towns. Three societies were formed in Dubbo (1870 and 1873); four in Bathurst (1870, 1874, 1880 and 1887); and one each in Mudgee (1880) and Orange (1884); and four more in Sydney (1877, 1880 and 1889).<sup>32</sup> Queensland also experienced a rapid rate of growth in building

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<sup>28</sup> Butlin, *op.cit.*, p. 250.

<sup>29</sup> Report of the Registrar of Friendly Societies, Victoria, 1891, *Papers Presented to Parliament- Legislative Assembly*, Second Session, 1892-93, Vol. V, (no. 92), p. 3.

<sup>30</sup> Victorian Year Books, 1876-1888.

<sup>31</sup> Butlin, *op.cit.*, pp. 249-50.

<sup>32</sup> Butlin, *op. cit.*, pp. 250-53.

society formation with 15 societies forming between 1863-1890<sup>33</sup> the oldest being the Rockhampton Permanent Mutual Benefit and Building Society which was established in 1863<sup>34</sup> with the others located in Maryborough, Toowoomba, Bundaberg, Charters Towers, Ipswich, Gympie and Brisbane. The same pattern of building society growth dominating in country centres is again perceived but in the case of Queensland this growth was not mirrored by Starr-Bowkett society formation as the first was not formed in Queensland until 1891.

### A new financial landscape

These rates of growth were not to continue as the Land Boom and the building societies both collapsed after 1888 leading the economy into depression. Charts 1 and 2 clearly illustrate the sudden decline in the number of building societies in Victoria and New South Wales with Chart 2 also including the growth pattern of Starr-Bowkett societies.

**Chart 1**



Source: *Victorian Year Book*, 1880/81-1938, "Accumulation" and *Statistics of the Colony of Victoria, 1871-86, Papers Presented to Parliament- Legislative Assembly, 1872-87*.

<sup>33</sup> Report of the Registrar of Friendly Societies, Building Societies, and Trade Unions, 1894-95, *Queensland Journals of Legislative Council* 1895, Vol. XLV Part I, p 44

<sup>34</sup> Butlin, *op.cit*, p. 253.

This is not the place to detail the reasons for the collapse in the building society movement as it has been covered in depth elsewhere, notably by Butlin in *Investment in Australian Economic Growth*<sup>35</sup> and Boehm in *Prosperity and Depression in Australia*.<sup>36</sup> Hopefully it will suffice for now to echo Hill's assessment that the most important reason for their decline 'was their loss of public confidence.'<sup>37</sup> Advances by building societies also traced out a downward spiral with outstanding advances across all states totalling less than £3m in 1893.<sup>38</sup> This was only about a quarter of the total 20 years earlier and substantially less than the £4.3m recorded in Victoria alone in 1888.

As stated earlier there are no detailed and consistent statistics on Starr-Bowkett society formation for Victoria prior to about 1907. However, what information is available presents quite a remarkable picture when placed next to the decline in building societies evident in Chart 1. As the Premier Permanent Building, Land and Investment Association, the General Mutual Building and Investment Society and the Fourth Industrial Building Society were being wound up in 1889, 1890 and 1891 respectively the First Sunny South Starr-Bowkett Building Society and the Yarra Yarra Starr-Bowkett Building Society were being established in 1890.<sup>39</sup> More surprising however is the fact that 15 more Starr-Bowkett Societies were to be formed in 1891 including the Australian, Pioneer, Eureka, Extended and Port Phillip Starr-Bowkett societies. Regrettably the names of these societies provide little guidance on the geographic dispersal of the 17 societies formed in 1890-91 and the Registrar's report provides no further information- not even the names of the other ten societies formed alongside those named above.

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<sup>35</sup> Butlin, *op. cit.*, pp. 257-266 and 424-432.

<sup>36</sup> E.A. Boehm, *Prosperity and Depression in Australia, 1887-1897*, Oxford, Clarendon Press, 1971, pp. 245-270.

<sup>37</sup> Hill, 'Housing Finance in Australia', p. 11.

<sup>38</sup> Hill, 'Housing Finance in Australia', p. 13.

<sup>39</sup> Report of the Registrar of Friendly Societies, Victoria, 1891, *Papers Presented to Parliament- Legislative Assembly*, Second Session, 1892-93, Vol. V, (no. 92), p. 3.

The formation of these 17 societies was the largest total number of societies formed in any one year in Victoria since 1874 and represented a substantial transferral of money between types of societies with one Starr-Bowkett society showing receipts of £13,000 in 1891 alone.<sup>40</sup> This movement and the reasons for it did not go unnoticed at the time:

This large number of Starr-Bowkett societies having been formed during a period without exception the most disastrous the Building Societies in Victoria have ever passed through, the question arises whether there is other than an accidental connexion between the two events, and it seems probable that there is. The stoppage of the Premier Permanent Building, Land, and Investment Association at the end of 1889, ....., as well as the winding up by instrument of several other Building Societies, must have produced a distrust of the system upon which the existing societies were based, and disposed persons to speculate in the Starr-Bowkett societies rather than to deposit money or take up shares in the established societies...<sup>41</sup>

The Registrar even went so far as to suggest that the flight of money into the Starr-Bowkett societies in 1890 and 1891 ‘must have tended to weaken the existing societies and to help to bring on the crisis which occurred at the end of the year.’<sup>42</sup> Without further information on the exact amounts transferred to the new societies and their rates of growth in terms of membership and advances, which information is not available in the tabled Registrar’s reports, the validity of this statement cannot be assessed. But this movement of funds and allegiance to the Starr-Bowkett model was not a just a knee-jerk reaction on the part of investors with the result that they return to the permanent model once conditions improved. In 1905 the registrar was to report that 150 Building Societies had been formed in Victoria over the period 1874-1905 of which 45 were still operating and 12 of these were Starr-Bowkett societies.<sup>43</sup>

This dominance by Starr-Bowkett societies in terms of society formation was to continue in the twentieth century. The 17 Starr-Bowkett societies formed in 1890-91 were apparently sufficient to satisfy finance needs of Victoria’s population during the depression of the 1890s

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<sup>40</sup> Report of the Registrar of Friendly Societies, Victoria, 1891, p. 4.

<sup>41</sup> Report of the Registrar of Friendly Societies, Victoria, 1891, p. 4.

<sup>42</sup> Report of the Registrar of Friendly Societies, Victoria, 1891, p. 4.

<sup>43</sup> Report of the Registrar of Friendly Societies, Victoria, 1905, *Papers Presented to Parliament- Legislative Assembly*, 1906, Vol. II, (no. 32), pp. 4-5.

as no more societies of any type were formed between 1892 and 1898 whereas one building society was dissolved and the society formed in 1898 was extremely short lived. The arrival of the twentieth century was to witness another surge of Starr-Bowkett formation with seven forming between 1901-03 and then at least one a year until 1910 whilst at least seven building societies were struck off the register on the basis of being “extinct”.<sup>44</sup> This rate of Starr-Bowkett formation in the early years of the 20<sup>th</sup> century was sufficient to prompt the Registrar to state that it is ‘not easy to account for this somewhat large increase in the growth of Building Societies on the Starr-Bowkett principle, while none others are being established.’ The only answer to this question that the Registrar was able to suggest was that the ‘element of gambling which attends the right to obtain loans’ may have increased the popularity of the Starr-Bowkett model.<sup>45</sup> This statement and the Registrar’s subsequent comments on the English legislation of 1874 which outlawed the practice of balloting for precedence in the granting of an advance suggests that the Victorian Starr-Bowkett societies operated more on the Starr rather than Bowkett model of society operation.

All society formation was to nearly halt in Victoria after 1910 with the Registrar reporting in 1921 that ‘Six years have elapsed since a new Building Society was established in Victoria’<sup>46</sup> and this situation continued as a similar report was given in 1926 along with the information that the Thrift Permanent Building Society and the Geelong Starr-Bowkett Building Society, both of which had registered in 1923, had been struck off the register as they had not commenced operations ‘presumably from lack of support’.<sup>47</sup>

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<sup>44</sup> Report of the Registrar of Friendly Societies, Victoria, 1910, *Papers Presented to Parliament- Legislative Assembly*, 1911, Vol. II, (no. 28), p. 5.

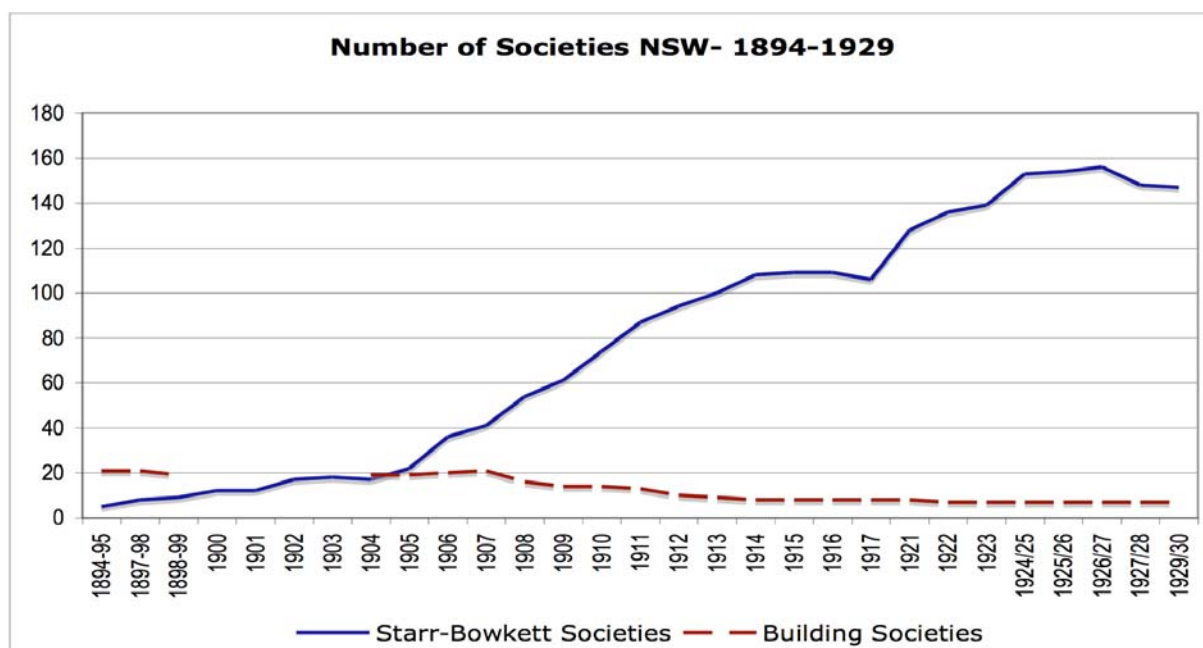
<sup>45</sup> Report of the Registrar of Friendly Societies, Victoria, 1903, *Papers Presented to Parliament- Legislative Assembly*, 1904, Vol. II, (no. 21), pp. 3-4.

<sup>46</sup> Report of the Registrar of Friendly Societies, Victoria, 1921, *Papers Presented to Parliament- Legislative Assembly*, 1922, Vol. II, (no. 22), p. 3.

<sup>47</sup> Report of the Registrar of Friendly Societies, Victoria, 1926, *Papers Presented to Parliament- Legislative Assembly*, 1927, Vol. II, (no. 22), p. 4.

A much clearer picture of Starr-Bowkett formation and geographic dispersal can be drawn for New South Wales because of the comparatively greater amount of information contained in the tabled Registrar reports for NSW. This information is summarised in Charts 2 and 3 which both clearly demonstrate the decline of building societies post 1890 in terms of number of societies and level of advances and the concurrent surge in Starr-Bowkett formation.

**Chart 2**



Source: *NSW Official Year Books*, 1895-1930, Reports of the Registrar of Friendly Societies 1902-20 and Reports of the Registrar of Cooperative Societies, 1823-1830, *NSW Parliamentary Papers*, various years.

The relative survival rates of the two types of society are clearly evident when consideration is given to the fact that between 1848 and 1904, 148 Building Societies were formed in New South Wales, in 1905 only 41 of these were still in existence but only 19 of these were still submitting returns and the remainder were assumed to be extinct. In comparison between 1868 and 1904, 40 Starr-Bowkett societies were registered, 19 of which were still registered and submitting returns and the majority of the other 21 had come to the

end of their life and were liquidated accordingly.<sup>48</sup> Like his Victorian counterpart the NSW Registrar was to draw the link between and bemoan the impact of the collapse of the Land Boom on the permanent society model.

The events of these years appear to have exercised a profound and unfortunate influence upon the subsequent development of building societies in New South Wales (and) to it can be attributed the decay in the extent of building society operations during the next ten years, and the gradual decline of the permanent form of society.<sup>49</sup>

Unlike Victoria where all society formation ceased in the 1890s in New South Wales Starr-Bowkett societies continued to expand in number and their spread throughout the state with the majority of societies being formed in the country areas. The information in Table 1 highlights the rates of growth in Starr-Bowkett formation and also the societies geographic spread throughout the state up to the turn of the century.

**Table 1**  
**Starr-Bowkett Societies NSW- 1890-1900<sup>50</sup>**

Year of Registration	Name of Society
1891	Mudgee Starr-Bowkett Benefit Building Society No. 2
1893	No. 8 Sydney Starr-Bowkett Benefit Building Society
	Forbes Starr-Bowkett No. 1
1894	No. 5 Bathurst Starr-Bowkett Benefit Building Society
1895	No. 1 Cowra Starr-Bowkett Benefit Building Society
	Orange Starr-Bowkett Society, No. 2
1896	Wellington Starr-Bowkett Building Society
	No. 9 Sydney Starr-Bowkett Benefit Building Society
1898	Broken Hill Starr-Bowkett Society No. 15
	Leichhardt, Petersham and Annandale Starr-Bowkett Society No. 1
1899	Silver City Starr-Bowkett Society
1900	Barrier Starr-Bowkett Society, No. 2

Four aspects of society formation are evident from this table. Firstly, the extension of societies to Forbes, Wellington and Cowra, and secondly the establishment of further societies at Mudgee, Orange and Bathurst, with the latter town boasting the formation of the No. 5 society in 1894. Thirdly, is the degree of society formation in Broken Hill in the 1890s

<sup>48</sup> Report of the Registrar of Friendly Societies, New South Wales, 1903-04, *NSW Parliamentary Papers*, Vol. III, 2<sup>nd</sup> session, 1905, pp 6-8.

<sup>49</sup> Report of the Registrar of Co-operatives, NSW 1924, *NSW Parliamentary Papers*, 1924, p. 13.

<sup>50</sup> Butlin, *op.cit.*, pp. 250-53.

with three societies, Silver City, Barrier No. 2 and Broken Hill No. 15 forming in the last two years of the century giving some indication of the rates of growth in population and the overall economy in this outback town. One surprising aspect is the fact that 14 Starr-Bowkett societies had, based on this numbering, been formed in Broken Hill prior to 1898, indicating quite a remarkable level of demand for housing finance by the population of Broken Hill.<sup>51</sup> The fourth aspect of note is the formation of the Leichhardt, Petersham and Annandale Starr-Bowkett society which is the first Sydney-based society to be formed outside of the Sydney Starr-Bowkett group and heralded the start of a remarkable rate of growth in Sydney suburban Starr-Bowkett societies.

The first ten years of the 20<sup>th</sup> century witnessed a remarkable rate of Starr-Bowkett formation with numbers increasing from 12 in 1900 to 61 in 1909 with the majority of new societies being established in Sydney with large and long-lived Starr-Bowkett groups forming in this period. The Newtown-Enmore, St. George, Burwood and Paddington groups were all established and with the Leichhardt group noted above were to establish up to five societies each by 1910. Table 2 below presents those Starr-Bowkett societies formed 1900-1910 and clearly shows the growth of the societies not just in terms of numbers but also the predominance of society formation in Sydney as of the 67 Starr-Bowketts registered in this period 43 were located in Sydney.

**Table 2<sup>52</sup>**

**Starr-Bowkett Societies: NSW Registrations 1900–1910**

<b>Year</b>	<b>No. of Societies</b>	<b>New Societies Registered</b>
1900	12	Barrier Starr-Bowkett Society No. 2
1901	12	Leichhardt, Petersham and Annandale Starr-Bowkett Society, No. 2
1902	17	Sydney Starr-Bowkett Permanent Benefit Building Society Manly Starr-Bowkett Building Society No. 1

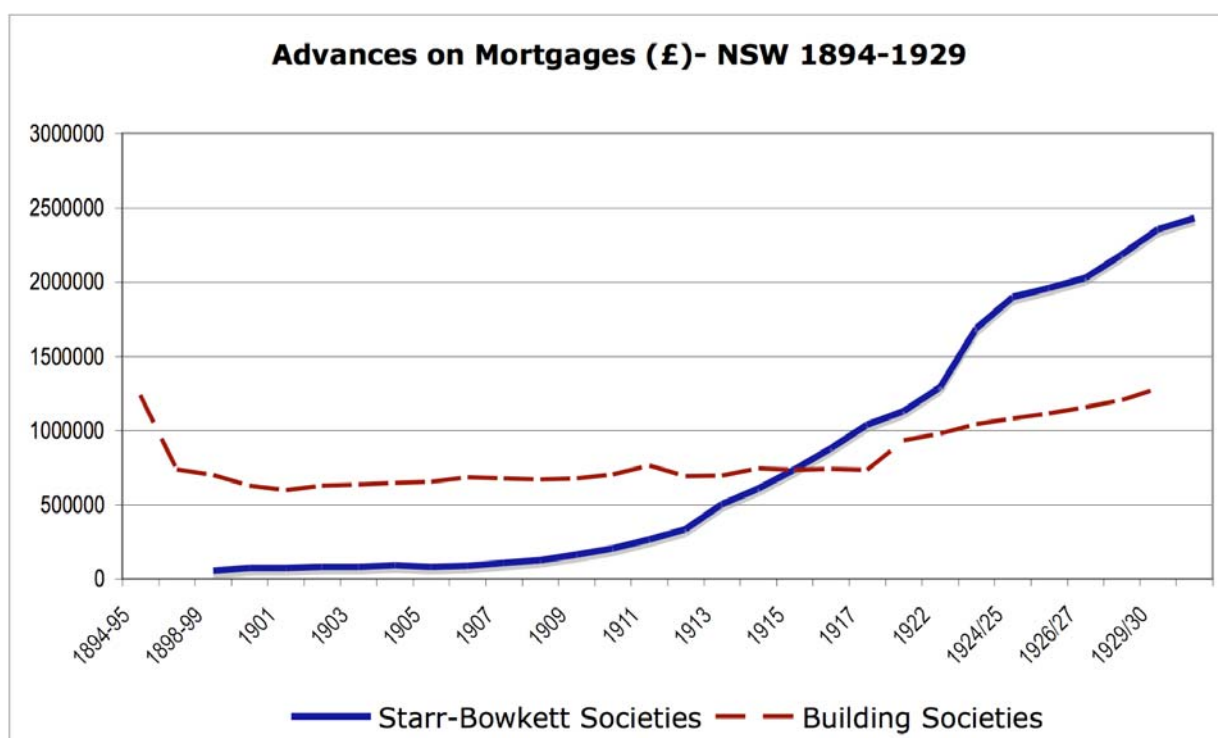
<sup>51</sup> Butlin does not list these other fourteen societies so it can be inferred that these societies were registered in Victoria and the deficiencies of the tabled Victorian records has to date precluded any further information on these earlier societies being collated and presented.

<sup>52</sup> Report of the Registrar of Friendly Societies, NSW, 1910, *New South Wales Joint Volume of Parliamentary Papers*, Vol. IV 1912, p. 42.

<b>Year</b>	<b>No. of Societies</b>	<b>New Societies Registered</b>
		Parramatta Starr-Bowkett Building Society
1903	18	No. 3 Orange Starr-Bowkett Building Society Newcastle District Starr-Bowkett Society No. 1 No. 2 Wellington Starr-Bowkett Building Society
1904	17	Newtown and Enmore Starr-Bowkett Building Society Leichhardt, Petersham and Annandale Starr-Bowkett Society, No. 3 Burwood Starr-Bowkett Building Society
1905	22	Paddington, Woollahra and Waverley Starr-Bowkett Building Society South Coast Alternate Starr-Bowkett Building Society Ashfield District Starr-Bowkett Building Society St George Starr-Bowkett Ballot and Sale Society Balmain and Rozelle Starr-Bowkett Building Society Northern Suburbs Starr-Bowkett Building Society No. 1 North Sydney Starr-Bowkett Building Society
1906	36	Newtown and Enmore Starr-Bowkett Building Society No. 2 Central Suburbs Starr-Bowkett Building Society 1 <sup>st</sup> section Central Suburbs Starr-Bowkett Building Society 2 <sup>nd</sup> section Auburn Starr-Bowkett Building Society Hornsby Shire Starr-Bowkett Building Society Lithgow Starr-Bowkett Building Society Lang Starr-Bowkett Building Society Newcastle Starr-Bowkett Building Society No. 2
1907	41	Tamworth Starr-Bowkett Building Society Manly Starr-Bowkett Building Society No. 2 No. 1 Inverell Starr-Bowkett Building Society Central Starr-Bowkett Building Society Sturt Starr-Bowkett Building Society Newtown and Enmore Starr-Bowkett Building Society No. 3 Silver City Starr-Bowkett Building Society
1908	54	Balmain and Rozelle Starr-Bowkett Building Society no. 2 South Broken Hill Starr-Bowkett Building Society Kurri Kurri Starr-Bowkett Building Society No. 1 Stanmore and Petersham Starr-Bowkett Building Society Paddington, Woollahra and Waverley Starr-Bowkett Building Society No.2 Parramatta and Granville District Starr-Bowkett Building Society Bathurst Starr-Bowkett Building Society no. 7 Glen Innes Starr-Bowkett Building Society No. 1
1909	61	Newtown and Enmore Starr-Bowkett Building Society No. 4 St George Starr-Bowkett Ballot and Sale Building Society No. 2 South Coast Alternate Starr-Bowkett Building Society No. 1 Ryde Starr-Bowkett Building Society Coonamble Starr-Bowkett Building Society Mosman and Neutral Bay Starr-Bowkett Building Society No. 1 Leichhardt, Petersham and Annandale Starr-Bowkett Society, No. 4 Epping District Starr-Bowkett Building Society
1910	74	Paddington, Woollahra and Waverley Starr-Bowkett Building Society No.2 Tamworth Starr-Bowkett Building Society No. 2 North Sydney Starr-Bowkett Building Society No. 2 Maitland District Starr-Bowkett Building Society No. 1 Newcastle District Starr-Bowkett Building Society no. 3 Campsie District Starr-Bowkett Building Society No. 1 St George Starr-Bowkett Ballot and Sale Building Society No. 3 Rose Bay, Double Bay and Watson's Bay Starr-Bowkett Building Society Wagga Wagga Starr-Bowkett Building Society Newtown and Enmore Starr-Bowkett Building Society No. 5 Willoughby, Chatswood and Northern District Starr-Bowkett Building Society Sydney Permanent Starr-Bowkett Building Society Gunnedah Starr-Bowkett Building Society No. 1

The rate of growth witnessed in 1900-1910 was to continue until 1925 when Starr-Bowketts reached their pre-WWII peak of 156 registered societies. In comparison only two permanent Building Societies were registered in NSW in the period 1888-1926, one in Bourke in 1891 and Cowra in 1906, both of which failed within a brief period. In 1926 there were only seven permanent Building Societies registered in NSW and the youngest of these had been formed in 1888.<sup>53</sup> Not only did Starr-Bowketts dominate in NSW in terms of society formation but were to quickly overwhelm the permanent societies in terms of the amount and growth in advances on mortgages as is clearly evident in Chart 3.

**Chart 3**



Source: *NSW Official Year Books*, 1895-1930, Reports of the Registrar of Friendly Societies 1902-20 and Reports of the Registrar of Cooperative Societies, 1823-1830, *NSW Parliamentary Papers*, various years.

The permanent societies were able to maintain their dominance of the mortgage market until 1915 when the level of advances by Starr-Bowkett societies overtook that of the permanent form. However the rates of growth in advances by Starr-Bowketts was remarkable exhibiting nearly a 90% increase in the three years 1903-07, whereas advances by permanent

<sup>53</sup> Report of the Registrar of Co-operatives, NSW 1926, *NSW Parliamentary Papers*, 1927, Vol. II, p. 14.

societies increased over the same period by only 4.5%.<sup>54</sup> Between 1907-10 Starr-Bowketts experienced a 105% increase in advances<sup>55</sup> and then a further increase of 160% 1911-16 with WWI slowing down this rate of growth. In comparison, the permanent societies could only boast increases of 14% and 2.5% respectively but were to experience faster rates of growth in the post-war period to the extent that by 1925 they were responsible for nearly a third of all loans made by NSW societies.<sup>56</sup> The importance of the Starr-Bowkett model in the provision of finance over the permanent building societies is clearly seen in the fact that in 1915 Starr-Bowketts topped £1m in advances whereas it took the permanent societies until 1923 to again reach this level of advances which they had initially attained prior to 1890.

Between 1911 and 1930, 120 Starr-Bowkett societies were established in New South Wales and these societies exhibited the same pattern of distribution as those established prior to 1910 with Sydney being able to claim 73 of the new societies. However, these numbers hide a shift within the pattern of society formation as over the period 1925-30, 18 societies were formed, 13 of which were established outside Sydney and suburbs. The region around Newcastle was to exhibit the majority of Starr-Bowkett society formation with societies forming in Maitland, Cessnock, Kurri Kurri and three in Newcastle itself.<sup>57</sup> Throughout the period under review there does not appear to have been much variation in the subscription rate across societies or time with shares costing 6d per week for each unsatisfied share and the average advance ranged from £260-280. Starr-Bowkett formation in NSW after 1925 was to slow due to the general slow down in economic activity after 1926 and the continued malaise of the Great Depression and the government's post-depression promotion of the co-operative building society model that operated in Mudgee (which incidentally had started as a Starr-

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<sup>54</sup> Report of the Registrar of Friendly Societies, NSW 1908, *NSW Parliamentary Papers*, 1908, Vol. IV, p. 23.

<sup>55</sup> Report of the Registrar of Friendly Societies, NSW 1910, *NSW Parliamentary Papers*, 1911-12, Vol. IV, p. 27.

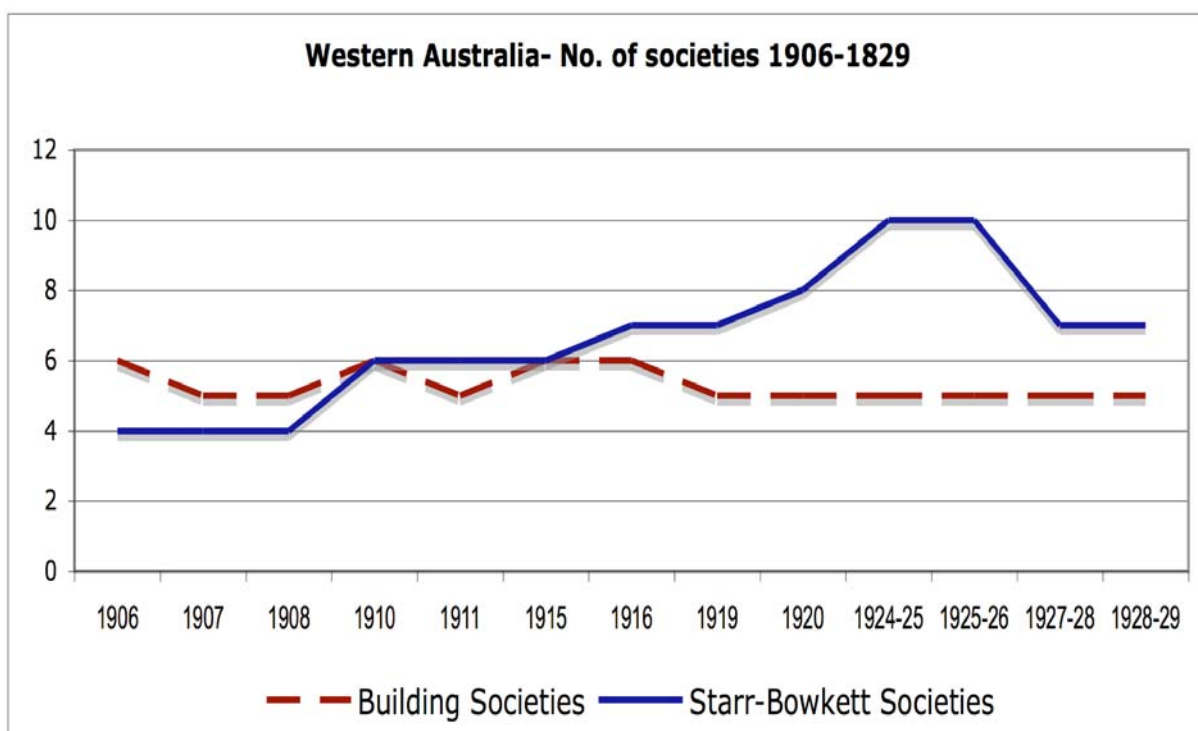
<sup>56</sup> Report of the Registrar of Friendly Societies, NSW 1910, *NSW Parliamentary Papers*, 1911-12, Vol. IV, p. 41 and Report of the Deputy-Registrar of Co-operatives, NSW 1925, *NSW Parliamentary Papers*, 1926, p. 8.

<sup>57</sup> Report of the Registrar of Co-operatives, NSW 1930, *NSW Parliamentary Papers*, 1930-33, pp. 18-19.

Bowkett society) under the *Housing Improvement Act 1936*. This form of co-operative building society borrowed money early in their life, under government guarantee eventually which enabled them to speed up the rate of appropriations thereby overcoming one of the greatest arguments against Starr-Bowketts, that is the length of time that it can take to receive an appropriation.

In Western Australia, Starr-Bowkett societies were also to dominate in terms of society formation and numbers but not in the level of advances as illustrated in Charts 4 and 5. The first Starr-Bowkett society in WA, the Western Starr-Bowkett Building Society was formed in 1891 and was located in Perth and was followed in 1898 by the Perth Co-operative Starr-Bowkett Society.<sup>58</sup>

**Chart 4**



Source: *Western Australia Year Books*, 1904 and Reports of the Registrar of Friendly Societies, 1905-1930, *Minutes and Votes and Proceedings of the Parliament*, various years.

Although not as deficient as the tabled reports from the Victorian Registrar of Friendly Societies those of the Western Australian registrar do not meet the standards set by their NSW

<sup>58</sup> Report of Proceedings by the Registrar of Friendly Societies, 1905, *Western Australia Minutes and Votes and Proceedings of Parliament*, 1906, Vol. II, (no. 31) p. 13.

counterpart in terms of the extent of information presented. The Western Australian reports do include a list of the societies registered and their dates of registration but do not show the location of the societies and the available information appears deficient in terms of not containing all of the possible societies. The information in Table 3 compiles all of the societies listed in the various registrar reports from 1901 to 1930. What is quite noticeable is that there is no mention of the Metropolitan No.1, United Nos. 1 and 2, Empire Nos. 1 to 3, National Nos. 1 to 4 and so forth. There is nothing in the legislation under which Starr-Bowkettts were registered in Western Australia, the *Benefit Building Societies Act 1863* and *Building Societies Act 1920* to indicate that societies formed in WA would follow a different numbering pattern to that followed elsewhere. It is also illogical to assume that a group of societies would be able to get to register a second, third or subsequent society when the first had either not survived or even been registered. Without viewing the full reports of the Registrar as against just the tabled reports from which this information has been drawn this anomaly will have to remain just that. If the information provided is taken at face value then

**Table 3<sup>59</sup>**  
**Starr-Bowkett Societies registered: WA 1891-1930**

Year of Registration	Name of Society
1891	Western Starr-Bowkett Building Society
1898	Perth Co-operative Starr-Bowkett Society, No. 1
1902	Metropolitan Starr-Bowkett Society, No. 2
1905	United Starr-Bowkett Society, No. 3
1907	Fremantle Starr-Bowkett Society No. 1
	Subiaco Starr-Bowkett Society, No. 1
1909	Empire Starr-Bowkett Society, No. 4
1915	The National Starr-Bowkett Society No. 5
1919	The Royal Starr-Bowkett Society, No. 6
1920	The Standard Starr-Bowkett Society, No. 7
	The Union Starr-Bowkett Society, No. 8
	The Mutual Starr-Bowkett Society, No. 9
	The Subiaco and Suburban Starr-Bowkett Society

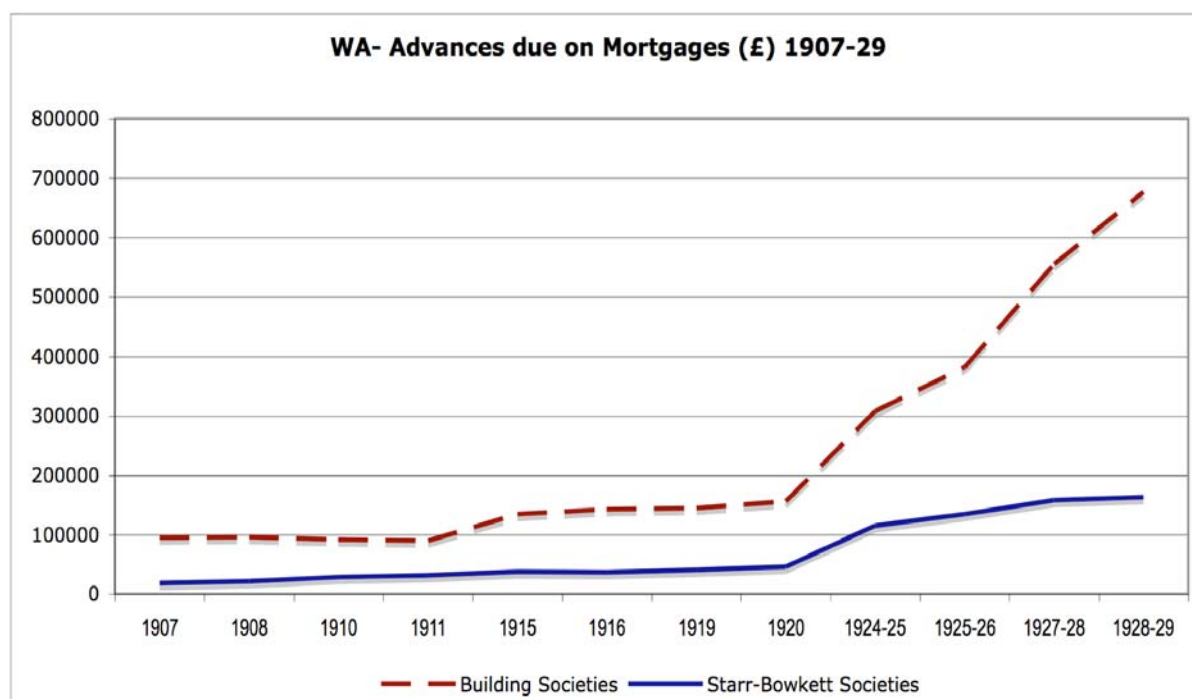
we can assert that society formation in Western Australia followed the pattern observed in NSW of substantial growth in the first decade of the 20<sup>th</sup> century a slower rate between 1910-

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<sup>59</sup> Reports of the Registrar of Friendly Societies, 1905, 1912, 1921, 1926, *Minutes and Votes and Proceedings of the Parliament*, various years

1920 and then a surge in the early post-war period. In contrast, the permanent societies fell in terms of number of societies and then remained stable at four societies until 1930. It must be remarked here that the permanent societies still registered in 1930 were all relatively long-lived with the youngest having been registered in 1895 and the oldest in 1862. In addition, of the three permanent societies registered in 1889-90 none was to survive into the twentieth century as functioning societies although two remained on the register until 1921 but were not in operation in all of this time. This is a similar pattern to that already perceived in NSW and Victoria in the same period: the collapse of the permanent model and concurrent rise in Starr-Bowkett societies. Although Starr-Bowketts dominated in terms of society numbers and formation they lagged significantly behind the permanent societies in terms of advances made as shown in Chart 5.

**Chart 5**



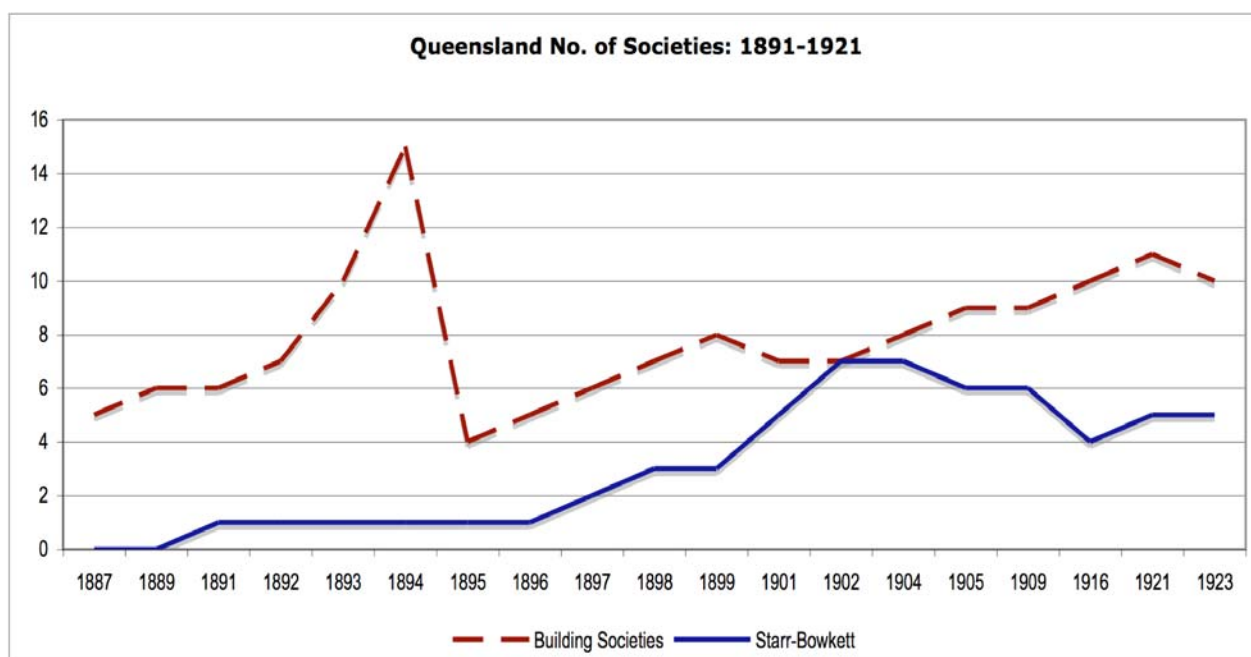
*Source: Western Australia Year Books, 1904 and Reports of the Registrar of Friendly Societies, 1905-1930, Minutes and Votes and Proceedings of the Parliament, various years.*

This predominance by the permanent societies may be explained by the much larger size of the permanent societies in terms of number of investing members, the number of borrowers

and the larger average size of advances made as against those for Starr-Bowkett societies. For example, throughout the period under review permanent societies could declare from three to six times the number of borrowers than under the Starr-Bowkett model and except in 1907 and 1915 had higher average levels of advances. Together these factors imply that although Starr-Bowketts may have been more visible in terms of number of societies and perhaps even geographic dispersal they did not have the impact on the Western Australian economy that was perceived in New South Wales over the same period. Yet this is not meant to imply that Starr-Bowketts did not have role in WA's economic development but that a closer investigation of the history of Starr-Bowketts in Western Australia is required before a true evaluation can be presented.

Queensland presents another interesting scenario but one which is more complex than is suggested by Chart 6 which implies a clear pattern of dominance for the permanent society model over the Bowkett model. The Land Boom came late to Queensland as the majority of building society formation was to occur in the 1890s rather than in the 1880s. One point that must be reiterated here is that in Queensland all bar those societies formed in Cairns were termed Bowkett Benefit Building societies rather than the more usual Starr-Bowkett building society. It is difficult to account for this difference in nomenclature between states and even within Queensland as there is nothing in the *Building Societies Act 1886* that would preclude any of the changes made by Starr notably the sale by auction of appropriations. As noted earlier a comparison of Rule Books of the differently named societies may clarify this situation.

Chart 6



Source: Reports of the Registrar of Friendly Societies, Building Societies and Trade Unions, Queensland, 1895-1922, *Journals of the Legislative Council*, various years.

When considering the growth patterns of Bowkett societies in Queensland it is necessary to look behind the raw numbers. Three permanent societies were formed in 1887 and one in 1889 although the latter, located in Gympie was declared “virtually defunct” by 1900.<sup>60</sup> The great boost in permanent building society formation seen in 1893 and 1894 was to quickly burst with all of the societies formed in these years classified “existence doubtful” by the Registrar in 1895.<sup>61</sup> Of the four permanent societies formed 1897-99 three were to remain registered into the 1920s but only one, the Darling Downs Permanent, conducted any business of note. If these three societies are removed from the numbers then the rate of formation of permanent societies is not substantially greater than that of Bowkett societies.

Another aspect that is worth considering if true figures for society formation are to be obtained, is how close in operation to the Bowkett model were those societies operating under

<sup>60</sup> Report of the Registrar of Friendly Societies, Building Societies and Trade Unions, Queensland, 1900, *Journals of the Legislative Council*, 1900 Vol. LI, part 2, p. 50.

<sup>61</sup> Report of the Registrar of Friendly Societies, Building Societies and Trade Unions, Queensland, 1895, *Journal of the Legislative Council*, 1895, Vol. XLV part 1, p. 17.

the title “Mutual Benefit Building Society”. These societies, which were located in Ipswich followed the numbering system of Starr-Bowketts, exhibited similar levels of shareholding and advances to, and did not have interest payments recorded in their published balance sheets all in the manner of Starr-Bowkett societies. The exclusion of these societies from the numbers of non-Bowkett building societies changes the situation significantly as between 1901 and 1922 six of these Mutual Benefit societies were formed. At this point these societies have been included amongst the permanent societies as there is no indication in the registrar reports that these were terminating societies. Again, further investigation is required.

Leaving aside these considerations for the time being Starr-Bowkett formation in Queensland was significantly slower than in the more populous states and even than in Western Australia. Only nine Starr-Bowketts in total are shown in the Registrars reports for Queensland 1890-1925. Two (the First and No. 2 Queensland Bowkett Benefit Building Society) were to combine in 1920 and another, the No. 6 Queensland Bowkett Benefit Building Society, was to give notice of dissolution within seven years of registration.

**Table 4<sup>62</sup>**  
**Starr-Bowkett Societies registered: Queensland 1891-1920**

Year of Registration	Name of Society
1891	The First Queensland Bowkett Benefit Building Society
1897	The No. 2 Queensland Bowkett Benefit Building Society
1898	The No. 3 Queensland Bowkett Benefit Building Society
1900	The No. 4 Queensland Bowkett Benefit Building Society
1902	The No. 6 Queensland Bowkett Benefit Building Society
	The No. 1 Warwick Bowkett Benefit Building Society
1906	Cairns Starr-Bowkett Building Society
1910	No. 7 Queensland Bowkett Benefit Building Society
1919	No. 2 Cairns Starr-Bowkett Building Society
1920	No. 8 Queensland Bowkett Benefit Building Society
	No. 1 Rockhampton Bowkett Benefit Building Society

Table 4 presents those societies noted within the Registrar’s reports but as with the Western Australian reports they must be seen as deficient as why the Nos 3, 4 and 5 are not recorded

<sup>62</sup> Reports of the Registrar of Friendly Societies, Building Societies and Trade Unions, Queensland, 1895-1922, *Journals of the Legislative Council*, various years.

in the reports after 1903 when the Queensland Government Gazette for 1903 contains balance sheets for these societies.<sup>63</sup> In addition, the No. 5 society does not appear in any of the lists of registered societies. An answer to this quandary may lie within the complete Registrar reports but it is another inconsistency within the available information that makes a detailed analysis difficult. The inclusion of these three missing societies increases the rate of society formation in the first decade of the twentieth century. If these societies were not included because they failed within the first few years of formation, it does not explain the non-recording of their appearance in the reports after their initial registration, but would provide an insight into the state of the financial market in Queensland in the early 20<sup>th</sup> century.

What the information contained within the reports does tell us is that the majority of Starr-Bowkett societies were located in Brisbane as all of the numbered societies carrying the title “Queensland Bowkett Benefit Building Society” were listed as being based in Brisbane and the spread of societies outside of the Brisbane area was very slight. Even though the reports do contain a column labelled mortgages the information is inconsistent and unclear. For instance, the First Bowkett society is recorded as having £8,357 in mortgage assets in 1905, £5,189 in 1910, £3,123 in 1916 and in combination with No. 2 Bowkett society £7,384 in 1921.<sup>64</sup> Unlike the NSW reports, which clearly state that the totals provided are advances made in the year, or the Victorian records which provide figures on total advances made since registration there is no such indication in the Queensland reports. These figures for the First Bowkett must be annual advances, which correlates with the scanty information provided on the size of mortgages for the other Bowkett societies except for No. 7 which recorded mortgages of £20,184 in 1916 and £32,154 in 1921 but in that same year is also recorded as

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<sup>63</sup> Queensland Government Gazette, Vol. LXXXI, July-December 1903.

<sup>64</sup> Reports of the Registrar of Friendly Societies, Building Societies and Trade Unions, Queensland, 1895-1922, *Journals of the Legislative Council*, various years.

having registered for dissolution in August 1921.<sup>65</sup> Such a level of mortgages does not fit with the pattern of a Starr-Bowkett society when close to dissolution as the norm was for the society to be wound up once all loans were repaid, hence no mortgages would be held by the society. Overall, the picture in Queensland is not a rosey one for Starr-Bowkett societies with few of the recorded societies being as successful as those in the other states. This may be a reflection of the manner in which the societies were constituted or of the inability of Bowkett societies to establish in the high-growth areas of Toowoomba and Ipswich due to competition from the long-established permanent societies located in the former town and the Mutual Benefit societies in the latter. Whatever is the true case here, it will hopefully be revealed by examining the full Registrar reports alongside any archival material relating to some of these societies. A situation that is relevant for all the states where Starr-Bowkett societies operated.

### **Concluding remarks**

Although this paper has presented little more than a description of the concurrent growth patterns of building and Starr-Bowkett societies in the late 19<sup>th</sup> and early decades of the 20<sup>th</sup> centuries it has achieved a number of important objectives. The information presented, although patchy in parts has shown that a clear relationship existed between the decline in the building society movement with the collapse of the 1880s Land Boom and the growth of Starr-Bowkett societies. This link has not been examined previously and is an important link to draw and examine as the growth rate of Starr-Bowketts and the pattern of their distribution can reveal a great deal especially about the level of demand for housing finance. Without a greater amount of data, especially on the level of advances by societies, at this stage it can only be conjectured as to what would have been the impact on Australia's rate of economic growth if Starr-Bowketts had not grown to take the place of the permanent

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<sup>65</sup> Report of the Registrar of Friendly Societies, Building Societies and Industrial and Provident Societies, Queensland, 1916 *Parliamentary Papers*, 1916-17, Vol. III, p. 30 and Report of the Registrar of Friendly Societies, Building Societies and Industrial and Provident Societies, Queensland, 1921 *Parliamentary Papers*, 1921, Vol. II, p. 26.

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societies. Possibly the greatest achievement of this paper is that it has clearly shown the gaps existing in the information currently at hand and therefore has revealed the direction that must be taken by future research. This direction is firstly to the complete reports of the various state Registrars and secondly, to any archival material that may shed some light on the operations of the many Starr-Bowkett societies that comprised a not insubstantial part of Australia's financial landscape.