



Considerations for Progressive Social
Housing Delivery in NSW

For the NSW State Elections

from the

Association to Resource Co-operative
Housing (ARCH)

On behalf of the Co-operative Housing
Sector in NSW

About ARCH

The Association to Resource Co-operative Housing (ARCH) is the peak body for the co-operative housing sector in NSW and was established in June 1989. It is an important tenant-led body of member co-operatives from across NSW, funded by the NSW Department of Housing through the Office of Community Housing.

As a community based organisation that operates from the dynamic principles of community development, ARCH has worked effectively in building diverse and independent co-operative housing communities with a capacity for long term sustainability. Currently, this includes a sector with over 40% of members coming from Non English Speaking Backgrounds (NESB); 10% from ATSI backgrounds and 10% comprised of people with a disability. ARCH's primary focus over 15 years has been the development of a strong tenant-led, tenant managed social housing sector.

Our Vision

Our vision is to develop sustainable communities through the growth and strengthening of a voluntary tenant-led co-operative housing movement in NSW.

Our Values

People

ARCH supports people from diverse backgrounds, encouraging them to greater empowerment.

Housing

ARCH is progressive in our approach when ensuring members/tenants have access to safe, affordable and secure accommodation.

Sustainable Communities

ARCH promotes active participation by volunteer members and co-operation in the development of self-managing and sustainable communities.

Our Services

Our services have been developed to encourage greater tenant control. The work we do is to:

- ◆ Represent our members.
- ◆ Support and resource present and future members.
- ◆ Promote and advocate on behalf of the co-operative housing sector.
- ◆ Assist co-operatives to strengthen management competencies.
- ◆ Provide information and advice.
- ◆ Produce resource materials.
- ◆ Deliver training on key management competencies for co-operatives.
- ◆ Establish partnerships and linkages with other housing agents

Our Membership

ARCH's membership consists of 46 co-operative housing organisations based in all regions of the State.

A voice for the NSW co-operative housing sector

ARCH provides an effective voice for co-operative housing, founded on principles of democratic organisation, social justice and the empowerment of tenant values.

Tenant focused Training and Development of housing co-operatives

ARCH provides a tenant focussed training and resourcing program, responsive to sector needs, whilst at the same acting as a key interpreter of Government policies and accountability requirements .

ARCH's training has been developed to ensure all co-operatives acquire the relevant skills to enable them to operate their co-operative within the recognised and agreed standards of 'good practice' as specified within the National Community Housing Standard.

Background

Secure and appropriate housing critically underpins both individual and community wellbeing. In recent years, the strategic directions of housing assistance in NSW have been the subject of significant consideration and debate. Linkages to health, education and functioning societies are now understood to be closely tied to housing outcomes.

Reforms introduced to social housing provision since 1995 have achieved improvements in service delivery and cost effectiveness. In particular, there is recognition that if provision of public housing simply creates communities of vulnerability and reinforces existing experiences of powerlessness, then the government is failing to meet its obligations to those in need.

ARCH's Position on Social Housing

ARCH fully supports Shelter NSW position that, "*housing affordability has emerged as the major problem in both the homeownership and private rental property markets*" and that "*Significant numbers are now struggling to afford adequate housing*". ARCH further supports the key proposals put by Shelter NSW:

- ◆ That the incoming Government *initiate a State Housing Plan*
- ◆ That there be commitment to a goal of *doubling the social housing stock over 10 years*
- ◆ That the State Government *implements a comprehensive Affordable Housing Strategy* as recommended by the Ministerial Task Force on Affordable Housing.
- ◆ That legislation be strengthened to *secure private tenancies* against unfair actions
- ◆ That comprehensive Government strategies be developed to *alleviate homelessness*

The need for innovative housing assistance models is one part of a broader framework for achieving the regeneration of social housing. The co-operative housing model offers one such means of innovative housing provision. *ARCH's election position provides a rationale for the NSW Government to adopt a much stronger and more proactive position on co-operative housing development, with a broad range of models that empower tenants and allow the right to manage.*

As such, ARCH proposes an addendum of policy initiatives that specifically seek to empower the position of tenants in NSW through the model of co-operative housing.

Summary of Recommendations

ARCH's recommendations are summarised as follows:

Recommendation 1: Expand Co-operative Housing

That the NSW Government make a firm political and program commitment to growing the co-operative housing sector in NSW by at least 100 dwellings per annum

Recommendation 2: Re-new title and equity options for Co-operative Housing

That the NSW Government commits itself to re-structuring the title and equity options between the Government and co-operatives to provide a range of flexible options

Recommendation 3: Develop a Co-operative Housing Strategy with a Range of Models

That the State Government develop a Co-operative Housing Strategy that re-establishes the NSW Co-operative Housing Program as a clearly demarcated sub-program within Community Housing, defining a range of available models within the program

Recommendation 4: Support for Tenants' Right to Manage social housing

That the NSW Government consider greater management rights to social housing tenants and adopts a policy that supports tenants' "right to manage" as an option with financial assistance to form tenant managed housing co-operatives

Context

For public policy makers, there is general recognition that, in order to realise economic, institutional, and democratic improvements in Australian life for all people, government must find new ways to work in genuine partnership with local groups and other government departments, to facilitate self determined and locally viable solutions to social, economic and environmental problems. The diversity of these local problems suggests that a 'one size fits all' approach is not effective. Further, the interconnectedness of societal problems necessitates integrated solutions, rather than the 'silo approach' of traditional government service provision. Finally, pro-active strategies for community regeneration may be viewed as a preventative, rather than a reactive approach to social problems. There is considerable evidence that prevention is more cost effective than reaction in relation to public service provision (Bright, 2001).

Whilst the NSW Department of Housing recognises the need for diverse approaches that work to build sustainable communities and achieve cost effectiveness, greater opportunities could be invested in co-operative housing development as an adjunct to an affordable housing strategy. In this regard, *models that divest some level of equity with tenant bodies, such as co-operatives, as partial shareholders could be implemented to accrue both social and economic advantages that the current housing system is currently not availing itself of.*

Across Australia, shifts in housing policy and funding frameworks have led to the development of a number of innovative housing assistance models in recent years that help demonstrate the positive social and economic outcomes which may be achieved where tenants are actively involved in regenerating their community, and where local services are designed to respond to community needs.

Redevelopment projects in MacPherson Court, ACT and Port Phillip, Victoria are suggestive of the cost effectiveness of integrated public and private housing developments in urban areas with high land values. Community housing projects in Adelaide and Port Melbourne have shown that design approaches that are responsive to user needs are important in enhancing the wellbeing of tenants with special needs.

The NSW Co-operative Housing sector has also been proactive in providing culturally appropriate and responsive solutions to high needs migrant populations, the aged and people with disabilities. The examples of Lac Viet and Van Lang Housing Co-operatives in Cabramatta, the Haven Co and Care and Co Housing Co-ops for people with disabilities in Newtown and Minto, the Hope Faith and Love Tongan project in Botany, The Tamil Senior Citizens co-op in Enfield and the Twin Towns Housing Co-op for over 55 year olds, illustrate excellent solutions to specific needs targets.

A number of these projects illustrate the range of non-shelter benefits which may emerge from effective housing provision, including community enterprise and employment opportunities, safer and more socially integrated neighbourhoods,

improved private amenities, and productive collaborations with local government and, at times, the private sector.

A Model that Empowers Tenants

In 2001 ARCH undertook key research on Co-operative Housing (Accord: 2001). This work highlighted that:

- ◆ **Co-operatives are human institutions. Investment in co-operatives makes sense if the objective is to address the need of prospective tenants to build social networks, to build their own capacity, and to integrate within their communities. One of the key roles of the co-operative housing program should be to address social exclusion and to facilitate improvement in the personal and social circumstances of tenants.**
- ◆ **Capacity built through co-operative formation can be extended to non-housing objectives. Co-operative housing should be seen as playing a role in broader community development.**
- ◆ **Co-operatives have been very successful in addressing social exclusion where they have brought together common language/cultural communities, or communities with a shared experience (eg. disability). Co-operative housing can play an important role in addressing the need for socially supportive housing amongst groups who wish to live together and who might otherwise be marginalised.**
- ◆ **Co-operatives work best where they encompass a mix of skills and (generally) incomes. They have been successful at enabling people who cannot afford to buy their own homes to achieve some of the benefits of ownership. Co-operative programs can be most effectively used in a way that combines broader housing affordability objectives with addressing the needs of potential public housing tenants.**

The following recommendations are made on behalf of the Co-operative Housing sector to the State Government with consideration of the value of Co-operative Housing development to the broad social housing assistance objectives:

Recommendation 1: Expand Co-op Housing

That the NSW Government make a firm political and program commitment to growing the co-operative housing sector in NSW by at least 100 dwellings per annum, in recognition of the fact the co-operative sector has demonstrated its capacity to deliver outcomes in line with social and economic objectives for social housing assistance. The co-operative program should be aimed at long term, secure, affordable housing and this should be reflected in the tenancy agreements.

It is generally recognised that social capital is generated through local action and participation. Housing co-operatives offer one model of housing that empowers tenant members, and build community support networks. Co-operative housing also provides examples of where social capital facilitates economic capital – many housing co-operatives have a capacity to accumulate surpluses that could form a basis for shared equity in the asset.

A key incentive for social housing tenants interested in this model may be their capacity to benefit from this economic capital. *The State Government can play a more proactive role in developing solutions that will give members the incentive of some equity in co-operative assets, and where co-operatives will be able to generate a direct improvement in the economic well being of their members, and provide a gateway to shared ownership of assets.*

Recommendation 2: Re-new title and equity options for Co-operative Housing

That the NSW Government commits itself to re-structuring the title and equity options between the Government and co-operatives to provide a range of flexible options that:

- ◆ *Encourage the growth of the co-operative sector.*
- ◆ *Enhance the viability and sustainability of existing co-operatives.*

The success of co-operative housing is in building communities of local support, with adequate infrastructure, and developing the skills and confidence of participants. Most importantly, the capacity of co-operative housing initiatives to build a sense of real commitment to the tenant community in specific cases, offers insights that may be used by Government *to develop a variety of models of tenant participation and control under a range of structures.*

Recommendation 3: Develop a Co-operative Housing Strategy with a Range of Models

That the State Government develop a Co-operative Housing Strategy that re-establishes the NSW Co-operative Housing Program a clearly demarcated sub-program within Community Housing, defining a range of available models within the program to best ensure effective use of surplus funds in line with the commitments that have been made by Government to date.

It is recognised that co-operative ownership and control of housing is not necessarily the most appropriate response in all housing environments. None-the-less, *there is scope for greater support of tenants right to manage.* To this end ARCH recommends:

Recommendation 4: Support for Tenants' Right to Manage

That the NSW Government consider greater management rights to social housing tenants and adopts a policy that supports tenants' "right to manage" as an option with financial support to form tenant managed housing co-operatives that acknowledge tenants as key stakeholders, with a capacity to determine the key decisions impacting on their housing and home environment.

The achievement of greater control by tenants of public housing estates should be one of the objectives of the co-operative housing program. It should be acknowledged that this will not necessarily result in full tenant management, but there should be support for the creation of tenant organisations, and a framework that allows this process to go as far as tenants are willing to be able to take it.

In the UK, regulations facilitate social housing tenants' "Right to Manage" using tenant management organisations as an identified vehicle for social housing reform. Tenants of local authorities in England and Wales may, under the Housing (Right to Manage) Regulations 1994, take over the management of their homes from their local authorities. There a Tenant Empowerment Grant Programme has been established to help fund the setting up of tenant management organisations.

The introduction of a "tenant participation compact" could also ensure that services delivered by all social housing providers offer the best possible value for residents, allowing for better services and better quality of life outcomes.

Conclusion

ARCH looks to all parties giving greater consideration to the potential role housing co-operatives can play in NSW. The sector is currently very small (less than 5% of Community Housing). However in countries (such as Canada, Holland, France, Germany, Sweden, Norway, the UK and Eastern European countries) that have engaged in progressive and innovative social housing programs that aim at genuinely empowering tenants, co-operative housing has featured far more prominently and has played a major role in alleviating housing poverty whilst engaging tenants in secure, long term options that impact on their capacity for re-integration into communities and for an important contribution to social housing development.

- ◆ We are asking that parties focus on outcomes that will provide greater empowerment of tenants, the ultimate recipients of policy objectives.
- ◆ We are asking parties to consider co-operative housing as a viable model for achieving social justice goals.
- ◆ We are asking parties to put co-operative housing onto the social housing reform agenda for progressive social housing delivery in NSW.

For feedback on your views, please respond to: archnsw@arch.asn.au