

ARCH Secondary Co-operative Project Report 1: Discussion Paper

Paul van Reyk Consultancy Services, January 2003

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Background

In 2002, ARCH contracted Paul van Reyk Consultancy Services to consult housing co-operative members of ARCH to:

- Determine members' resourcing and support needs to ensure members' management viability in both the short and long term.
- Propose strategies to address the needs identified in the report.

Among the main findings of the consultations and survey were the following:

- All co-operatives are experiencing difficulties in sustaining tenant participation in management.
- Strategies for co-operative financial sustainability are limited at present.
- Administration and accountability requirements present a significant barrier to tenant participation in management of co-operatives and a significant drain on co-operative resources.
- Co-operatives are having increasing difficulty in getting small maintenance jobs done.

In the light of these findings, a recommendation was made in the report that ARCH consider the establishment of a secondary co-operative to address some of the issues raised.

A secondary co-operative is defined here as a structure that is owned and managed by a group of co-operatives (housing, purchasing, producing etc) for the purposes of undertaking a defined range of administrative and organisational support tasks.

The study undertaken for ARCH suggested a number of roles a secondary co-operative could have in the sector in NSW:

- Carrying out technical inspections on behalf of co-operatives before they agree to take the premises on, and on-going technical support.
- Provision of some administrative and accountability services, taking some of the burden off individual co-operative members.
- A financial advisory arm (which may extend to a banking and investing arm)
- Developing a range of strategies for meeting low maintenance service needs of co-operatives – maintaining a data base/contractor pool, developing a skills bartering system within the co-operatives etc.

The study canvassed a number of means of funding a secondary co-operative:

- The program through which the primary co-operatives are funded
- Other sources external to the co-operatives themselves (grants or philanthropic donations etc.)
- Contributions from the primary co-operatives involved either on a fee for service basis or some kind of prescribed contribution.
- Revenue raised by the secondary co-operative through work it contracts for outside of the co-operatives.
- A combination of all of the above.

A further report was commissioned by ARCH to draw on Australian and international experience in order to consider possible models for the future of the New South Wales Co-operative Housing program. The parallel study was undertaken by the Australian Centre for Co-operative Research and Development (ACCORD). This study also identified secondary co-operatives as a key element of the success of the sector in the future.

Secondary organisations which provide services to co-operatives can play an important role in reducing the burden on volunteer co-operators.

In England, housing co-operatives are supported by a network of service providers which includes secondary co-operatives and housing associations. The importance of their role was highlighted in a recent review commissioned by the UK Confederation of Co-operative Housing (Lambert & Bliss, 2001). These organisations generally provide their services on a fee for service basis, with fees set at an amount based on the Housing Corporation's management and maintenance allowances (Lambert & Bliss, 2001: 16). Services include management of finances, rent collection and arrears, repairs and maintenance and administration of tenancies. They may also hold joint waiting lists for co-operatives that they work with, provide training and induction services and dispute resolution. Most co-operatives use service providers to perform the range of financial and administrative tasks associated with co-operative management, but preserve those tasks associated with the human institutions (eg. tenant selection and induction, disputes) for themselves.

The review of secondary service providers (Lambert & Bliss, 2001) found that, while services are provided on a fee for service basis, the most effective support organisations also provided proactive help. They saw their role as assisting co-operators to make the model work. Those organisations that had a commitment to co-operatives and the principles that underpin it were seen as providing a much better service (whether they were secondary co-operatives or housing associations with a co-op orientation). (ACCORD, 2001:35)

The present project aims to investigate the feasibility of secondary co-operatives in the NSW context through:

- (a) A literature review to establish potential models.
- (b) Implementation of a pilot secondary cooperative servicing a small number of cooperatives in specific functional areas.

The present report outlines the findings of the literature review.

Secondary Co-operatives – Overseas Models and Experience

This section canvasses a range of models of existing secondary co-operatives described in the literature and on the Internet. It has been supplemented through email contact with members of the secondary co-operatives described.

Not all the models canvassed are co-operatives in themselves, but all provide the kinds of functions envisaged for secondary co-operatives within the ARCH project.

The review is not intended to be exhaustive, but serves to further clarify the structures and activities that could be piloted in the NSW context.

United States of America

Urban Homesteading Assistance Board (UHAB)¹

The UHAB is a New York, New York based organization which assists residents to take control of distressed, neglected and abandoned buildings and to become co-operative home owners within these buildings. It takes written agreement of 60% of the current residents before an application can be made convert to a co-operative.

The UHAB sees this as a self-help housing process that is a catalyst for leadership development and broader community change.

Since UHAB's training, technical assistance and services have been utilised in developing limited-equity, low-income co-operatives in 1,300 buildings housing 27,000 families in New York.

The work of UHAB of direct relevance to the current ARCH project covers two areas:

- Creation of and ongoing assistance to co-operatives. This is done through informing residents about tenant ownership options, and assisting them with the co-operative conversion process, which includes organizing a tenant association, negotiating a tenant purchase with the owner, obtaining financing, and planning and overseeing repair work. UHAB also offers ongoing assistance, including crisis intervention, loan packaging, and low-cost member services like group fire and liability insurance, a legal assistance plan, and computerized monthly bookkeeping.
- Training classes for tenants at all stages of the co-operative development process: those considering the option of tenant ownership, those in the process of becoming owners, and those living in established co-ops.

Co-operatives get member services by becoming members at a yearly cost of \$5 per apartment. There are also some fees associated with some of the services. More than 450 buildings are currently members of UHAB.

¹ UHAB can be found at www.uhab.org.us

UHAB's funding comes from a combination of government contracts, fees for service and grants and donations from banks, corporations and foundations in combinations that vary from building to building and program to program.

UHAB is run by an independent Board of Directors. UHAB describes this Board as self – perpetuating, that is, Board members elect other members.

Members do not vote or have anything more than an advisory voice in running UHAB. UHAB attempted a more co-operative model in the 1980's – Self help Works Consumer Co-operative – but found it hard to sustain the participation of leaders of local co-operatives in operating a citywide co-operative.

Madison Community Cooperative²

Madison Community Cooperative (MCC) was formed by a number of independent co-ops in 1968. MCC helps member houses to recruit new members, maintain their homes, and manage their finances. It also provides members with access to group advertising, a co-operative library, and financial and technical assistance for developing new co-ops. It also provides member education by sponsoring workshops in such areas as meeting facilitation, bicycle maintenance, and conflict resolution. The MCC community has 10 households all within a short distance of the University of Wisconsin campus.

Canada

CHF BC³

CHF BC was formed in 1982 by members of housing co-operatives in the Province of British Columbia (hence it is a State-wide organization) who wanted to expand the sector, share skills and information within the sector, represent co-operative housing to governments and the public, and promote the co-operative movement and co-operative principles. As of August 2001 (the latest date for which figures have been posted on the website) CHF BC had 187 members representing 9000 units of housing.

Membership fees for 2002-2003 are \$C2.80 per unit per month.

Member services or particular relevance to the ARCH project on secondary co-operatives are:

- The Co-op Housing Investment Pool (CHIP). Co-operatives choosing to be part of CHIP combine their funds as one large depositor with credit unions in British Columbia. Each co-operative retains its own account, which is identified as part of CHIP. Each co-operative retains day-to-day access to these funds. As a whole, however, the pooled funds are able to attract higher interest which then flows on as increased returns to each co-operative. Each co-operative's deposit is individually guaranteed to \$100,000 by the Credit Union Deposit Insurance Corporation of BC. Some credit unions require a minimum deposit. Over 100 co-operatives currently have pooled funds in CHIP accounts.

² MCC can be found at <http://mcc.studentorg.wisc.edu>

³ CHF BC can be found at www.chf.bc.ca

- The Bulk Purchase Program uses the combined buying power of many co-operatives to save money and guarantee a high level of quality and service. CHF BC handles the product research and price negotiations. Provider contracts are reviewed annually and renewed every three years through an open tender process. Co-operatives don't have to buy in bulk to get the bulk pricing. Currently (January 2003) members can purchase appliances, flooring and have their waste managed.
- The Legal Services Program sends members to workshops on legal issues and also has a register of lawyers experienced in co-operative legal issues who will provide services to members at discounted rates.
- The Community Housing Land Trust Foundation acquires, creates and preserves affordable housing.
- The Disability Trust helps people with disabilities who are unable to pay for their shares when joining a co-operative. The Trust helps by providing a loan with no fee or interest. Funds for the Trust come from donations and fund-raising.

Co-operative Housing Federation Toronto (CHFT)⁴

CHFT is a similar organisation to CHF BC and provides similar services to its members. These services include:

- Development assistance.
- Telephone advice on a range of legal and administrative issues.
- Meeting support – including chairing difficult meetings, help with elections, conflict resolution.
- Co-op Cost Cutters – a bulk purchasing program for appliances, computer systems and software, gas purchasing, maintenance supplies, paint, photocopiers.
- CHIP services through a credit union whereby member co-operatives earn extra interest on operating accounts and term deposits.
- Co-op Housing Bookstore.
- Legal service through partnership with specialists in co-operative housing law.
- 24 hour housing information line on which information on co-operatives is available in community languages and through which callers can be directed to co-operatives with open waiting lists. The information line receives more than 36,000 calls per year. Each month, about 45 co-operatives are listed on the information line.

CHFT is as a non-profit co-operative financed by member housing co-operatives. Each member co-operative appoints a delegate to the CHFT general members' meetings. These delegates elect the CHFT Board of Directors.

CHFT represents co-operatives in the Toronto and York regions of Canada and currently has membership from more than 160 co-operatives.

Canadian Coop Network (CanCoNet) and Cana Management Services

CanCoNet promotes itself as a [one-stop community for co-operatives, service organizations and people interested in joining a housing co-op](#).

⁴ CHFT can be found at www.coophousing.com.ca

CanCoNet operates the following services of relevance to this ARCH project:

- Membership recruitment services. CanCoNet will assist cooperatives in reviewing and re-designing their recruitment process.
- CanCoNet's website also provides a single point of entry for anyone wanting to apply to be a member of a co-operative, with a generic application form which an applicant completes, and which is then forwarded to CanCoNet members. Applicants can read about the member co-operatives through links from the site.
- CanCoNet also provides a web page design service for member co-operatives.

CanCoNet began its life as a web page design company of a member of a housing co-operative. It's expanded service came about through alignment and partnership with a co-operatives property management company Cana Management Associates.

Cana Management Services is a private company working exclusively with housing co-operatives which offers the following services to client co-operatives:

- Housing charge management - Income verification, housing charge assessments, housing charge payments, "late" and "returned cheque" notices, detailed arrears tracking and reporting, members' account histories.
- Financial management - Banking, deposits, bill payments, financial accounting and record-keeping, detailed monthly financial statements and reports, administrative support and assistance to the Treasurer and Committees.
- Maintenance management - Maintenance record-keeping and administrative support and assistance to the Maintenance Committee.
- Administrative management - Office staffing, detailed monthly written management reports to the Board, administrative support and assistance, audit preparation, annual reports to relevant authorities, tax matters, budget preparation and property insurance.

Every client is assigned a Co-ordinator who carries out a variety of contracted tasks and has overall responsibility for delivery of Cana's services. The Co-ordinator is a serves as the primary link between the client and other Cana specialists.

Fees for services are based on the requirements of each individual client. All funding comes for running the business comes from client fees.

United Kingdom

Radical Routes (RR)⁵

Radical Routes (RR) is a secondary cooperative providing cheap loans to housing cooperatives, worker cooperatives and to social centres. RR represents a national network of 40 or so member co-operatives.

RR sees itself as also providing mutual aid and support through its network and quarterly meetings. Skill-sharing that takes place both formally and informally within the network.

RR raises money for its cheap loans through an ethical investment arm. The loans have been traditionally given as top-up loans to housing co-operatives to bridge the gap between what they can raise themselves and from mainstream lenders, and the price of houses. RR charges a relatively low fixed interest rate, though this may not appear so low in the present context of a fall in the base rate of housing loans in the UK. Only cooperatives that are members of RR can apply for loans. Loan applications consist of financial information on the cooperative applying, the background and purpose of the loan and a business plan. This is all assessed initially by the "Finance Group" (6-10 volunteers specifically tasked to oversee the financial affairs of RR), who make a recommendation to the next quarterly gathering. The recommendation may include suggested changes and conditions. Any member cooperative can then raise questions or objection to the loan at the gathering. If consensus is reached the loan is agreed and the money is released once the conditions (e.g. security for the loan) are met.

RR also sees itself as being able to provide a collective voice on matters which impact on member co-operatives.

RR pays a member co-operative to handle the day-to-day financial work involved in running the network, but apart from this has no paid workers. Member co-operatives take on unpaid work commitments for the network as a condition of joining. Work done on this basis includes publicity, childcare, finance and training.

All member co-operatives pay a quarterly service payment from between £7 and £20 though some co-ops choose to pay more. There is also income through lending to co-operatives via the investment fund

RR is managed through quarterly 'gatherings' held in different parts of England, Wales and Scotland, where decisions affecting the network are taken. The member co-ops send a representative to the gathering. If you are going to object to a proposal you have to try and resolve difficulties over the phone first. At the gathering the agenda is gone through and objections discussed with 10 minutes are allotted to each proposal. If consensus cannot be obtained within that time the issue goes to a workshop. The workshop recommends a course of action. Member co-operatives must attend 3 quarterly gatherings in each year in order to sustain membership.

⁵ Radical Routes can be found at www.radicalroutes.org.uk

RR sources expertise and skills for the advisory and other support it provides almost exclusively from within the co-operative members.

CDS Co-operatives⁶

CDS provides the full range of support services needed to establish housing co-operatives and the services that client housing co-operatives require to enable them to manage their businesses successfully. This includes:

- Project development and financing (both bidding for social housing grant and raising private sector mortgage finance).
- Development administration.
- Financial services (rent collection and accounting, budgeting, computerised accounting and book keeping services, production of management accounts, preparation of annual accounts for audit, treasury management, and long-term financial planning).
- Housing management services (tenancy management, letting of void property, rent charge notifications, rent arrears management, management of any noise, nuisance and harassment cases).
- Maintenance services (response repairs, gas safety inspection and certification and management of planned maintenance programmes).
- Governance support and advice (rules, working of committees, election procedures, and compliance with statutory regulatory requirements).
- Education and training services (training for new co-operatives, refresher courses and regular training oriented conferences).
- Administrative support (record keeping, maintenance of tenant files, maintenance of statutory records).

Work on new projects and development administration costs are paid for by an administrative fee that is included in the costs applied for from funding sources such as grant bodies and government authorities.

Other services are paid for by fees to client primary co-operatives. Management services are charged at a per unit cost and maintenance as a % of actual costs.

CDS finds it difficult to provide efficient services within costs that are reasonable for client co-operatives. CDS services to client co-operatives operate at a deficit and are supported by other, non-earned, income (such as interest on reserves and capital receipts from properties developed by us and sold under the Right to Buy and shared ownership arrangements).

CDS believes it is not yet of sufficient size to carry the overheads necessary to operate an efficient, regulated, secondary service agency business. CDS currently manages just under 3,000 units and considers that, for long term viability, it needs to manage not less than 5,000 units in order to cost-effectively spread the necessary central overheads our type of organisation carries.

⁶ Information on CDS was sourced through email contact with David Rodgers, Executive Officer of CDS

CDS Co-operatives is a member controlled, bona fide, co-operative business. It is constituted as a co-operative society, registered with limited liability. Membership costs £5 and is open to any co-operative using, or interested in using, CDS services and to individuals who are not members of client co-operatives but who wish to contribute their skills and expertise to our work.

CDS is governed by an elected Board of Management. The Board has 15 members, 7 of whom are elected from geographical constituencies, 3 from constituencies representing the different types of co-operatives for which CDS provides services and 5 individual members elected on the basis of the expertise they contribute to the governance of our organisation.

CDS is committed to equality of opportunity in employment, so all employment opportunities within CDS and the services it provides are open to any applicant and the person with the best combination of skills and experience is appointed to the post, irrespective of the source of their application. CDS does not give preference to applications from member co-operatives.

Sweden⁷

Sweden has a highly developed co-operative housing sector. As early as 1925, the Tenants' Association of Stockholm organized a co-operative society and a national federation which was instrumental in developing co-operative housing in the rest of the country.

Each co-operative is owned by a tenant-owner co-operative (TOC). These TOCs may become members of two regional organisational structures, the HSBs (tenants savings and building societies) or the Riksbyggen (originally established by building unions post World War II as a way of creating opportunities for employment for union members). These secondary bodies provide technical assistance to TOCs, organise new construction and recruit new members for TOCs. All HSBs (which are regional bodies) join to form a national federation of HSBs which sets policies and administers the savings bank. The Riksbyggen also as a national structure but does not operate a bank.

⁷ Information on the 'Swedish model' is taken from Skelton, I (2002) Supporting Identity and Social Needs. The many faces of co-op housing.

Secondary Co-operatives – Australian Models and Proposals

Alliance of Cooperative Housing Organisations (ACHO)⁸

ACHO is the parallel body in Queensland to ARCH in NSW. ACHO has been investigating the possibility of establishing a secondary co-operative.

The services being investigated for secondary co-operative provision include:

- Raising finance to expand the co-operative housing sector.
- Improving financial management of member co-operatives through centralised provision of long-term asset management. This could involve a common accounting system and financial reporting system, a common bookkeeper and a common auditor.
- Centralised reporting procedures.
- Shared long term maintenance through a joint investment strategy aimed at developing long-term maintenance reserves.
- Reducing operating costs for member co-operatives through bulk buying (ie. insurance) and standardised procedures.
- Co-ordination of skill sharing and co-operative education.
- A common access point and co-operative induction process.
- A housing co-operative incubation service for new community housing organisations.
- The co-ordination of support services to tenants in co-operative housing.
- Joint insurance.
- A coordinated long-term asset management strategy.
- Standardised property portfolios.
- A common Tradespersons' List.
- Shared core policies and procedures.
- A common conflict resolution process.
- A Cooperative Induction Strategy to ensure all the new cooperative members receive quality training and information.

⁸ Information on ACHO was sourced from Key issues in building *Secondary Cooperatives in Queensland. Alliance of Cooperative Housing Organisations (ACHO)*, Margi O'Connell Hood, Community Housing Conference 2002, and from emails with Margi O'Connell Hood.

Twenty-five cooperative members are now working in four workgroups on these areas. Elected ACHO delegates from each cooperative continue to meet to supervise the coordination and monitor the work. In 2002 co-operatives that are member of ACHO agreed to incorporate as a company-limited-by-guarantee.

It is propose that funding for ACHO will come initially from savings from economies of scale and eventually members purchasing services. There will be no membership fee, and members will be able to nominate the services they want to pay for.

As at the time of writing this Discussion Paper, the development of the secondary co-operative awaits further discussion.

Federation of Housing Collectives (FOHCOL)⁹

FOHCOL is the West Australian parallel to ARCH. It is a registered co-operative. FOHCOL no longer receives any government funding and so is fully funded by membership fees. Established co-operatives pay 3% (plus GST) of their annual income in fees, emerging co-operatives pay a nominal fee of \$15. FOHCOL employs 2 staff members for 4 hours a week each, but volunteers from member co-operatives also play a significant part in the work of FOHCOL.

Member co-operatives pool their insurance policies and FOHCOL finds an insurer and negotiates a rate. All claims are made by and paid to FOHCOL on behalf of the co-operatives. FOHCOL estimates that the saving is in the order of 10%-20%.

FOHCOL has established a maintenance trust by pooling member co-operative's long term maintenance provision. It currently holds approximately \$400,000. The main purpose is to generate better returns on invested funds. Small loans have been made from the fund to assist individual co-operatives.

FOHCOL has organised 2 computer upgrades through Lotteries Grants, the most recent in 2001 for almost \$17,000, benefiting 10 Co-ops and FOHCOL itself.

FOHCOL is currently doing a technology project to standardise accounting. FOHCOL has negotiated a standing arrangement with a local auditor to give a cheaper rate for co-operatives.

As well as providing ongoing support to existing co-ops FOHCOL also provides assistance to emerging co-operatives.

⁹ Information on FOHCOL was sourced from Margi O'Connell Hood's paper footnoted above; from the FOHCOL website <http://www.vianet.net.au/~fohcol/>. and from email discussion with Ryan Barter of FOHCOL

COMHOUSE¹⁰

This is the major maintenance co-operative in South Australia.

Comhouse Co-operative Limited was constituted as a Co-operative at Law in 1996 and registered as a Co-operative in 1997. Comhouse was established to provide member community housing organisations with a long-term asset management service through a community managed fund. It is managed by:

- 2 delegates from member cooperatives.
- 2 Department delegates.
- 4 Association delegates.

Its objectives are to:

- Run a cost effective service, which is well managed and optimises the use of available funds in the long term.
- Maximise member's ability to meet their long-term maintenance requirements while retaining their opportunity for input into decision making.
- Assist organisations to implement principles and practices of sound asset management.
- Where possible give consideration to ethical investment products, Australian owned and produced goods and services, and energy efficient alternatives.
- To respond to and keep pace with relevant policy changes in the sector
- To capture economies of scale through collective purchasing power.

Membership is open to all community housing organisations in the state. Active membership is defined as payment of the maintenance levy. Shares are \$1 each and members must sign the Comhouse contract, which includes:

- Inspection.
- 5 year no draw down period.
- Agreement to develop asset management plans and budgets with members during that period.
- All properties must be included.
- Community housing organisations use their reserves to do any major maintenance during that period.

When a community housing organisation joins Comhouse it is entitled to have all its properties inspected. This service is free during the 5 year no draw period. If a community housing association chooses to join Comhouse after that period, it must cover the future inspection costs.

¹⁰ Information on Comhouse was sourced from Cockram, N, in National Community Housing Forum. Discussion Series Paper No. 7 December 2002 and from Margi O'Connell Hood's paper footnoted above.

At the end of the 5-year period Comhouse covers the major maintenance costs and planning in consultation with its members. Major maintenance is defined in the funding agreement between each CHO and SACHA (Comhouse has a secondary agreement with SACHA). Comhouse estimates major maintenance costs to be approximately \$1000 per year per house. Administration is met by a 5% levy on membership levies and any surplus returned to the maintenance fund. Comhouse had 73 members as of 2002, 60% of all community housing organisations in South Australia, and collected \$644,368 in membership levies last financial year. Assets in reserve were \$3.85mill. \$1.5 mill of this was an establishment grant from the State.

In a paper presented to the National Community Housing Forum in 2002, Nick Cockram, Manager of Comhouse addressed the concern housing associations may have about handing over autonomy in managing some of its functions to a secondary body like Comhouse.

From the perspective of Comhouse, it is important to make two points in relation to this perception. Firstly, passing on the control of an organisation's asset maintenance to an asset maintenance body does not put an organisation at risk of losing control of other parts of its business. Comhouse does not have the authority (or the time!) to broaden its control. In fact, membership with Comhouse may actually enhance an organisation's capacity to conduct other parts of its business by freeing up time and energy previously invested in managing maintenance issues.

Secondly, as noted above, Comhouse - as a cooperative - is concerned with the common good of its members. At times, representing the interests of the sector as a whole may in fact involve making decisions that are at odds with the interests of an individual provider. A tension between individual needs and collective needs, and between organisational viability and long-term sector viability, invariably exists and must be managed as best as possible. For individual providers this may be a very real risk that needs to be weighed up with the benefits that a system-wide structure can offer.¹¹

SWISH

The South West Inner Sydney Housing Cooperative Limited (SWISH) is a housing association that is registered under the Co-operatives Act and provided affordable community based rental housing for people in housing need and on low incomes.

SWISH also provides a tenancy and property management service for a number of small housing organisations. The services are provided on a fee-for-service basis.

¹¹ Cockram, N, in National Community Housing Forum. Discussion Series Paper No. 7 December 2002

Some Inner Sydney cooperatives have entered into agreements with SWISH to provide specified services, and others are at present in negotiation with SWISH.

Services available include the following:

- Management of waiting list.
- Allocations.
- Property management including day to day maintenance; property inspections.
- Rent management including recording of rent and other deposits; distribution of statements and receipts; rent arrears remind; Tribunal applications where necessary.
- Financial management including preparation of income and expenditure statements; bank reconciliations; completion of BAS (GST) returns; preparation of books for audit; assisting in the completion of OCH returns; assisting in drawing up annual budgets

Summary and Issues for Discussion

It is clear that there are a number of successful models of secondary structures providing a range of support and services to housing co-operatives. This report has looked at successful secondaries in the USA, Canada, UK and Australia.

Characteristically, these structures combine the advisory, training, policy development and lobbying functions of ARCH as well as a range of member benefits or direct services. That is, many of them, if viewed from an Australian perspective, would be seen as a combination of a peak body (as State or National levels) and a secondary co-operative.

In terms of member benefits that are provided over and above what ARCH currently provides, the most common are:

- Pooled investment of funds, both to maximise returns for individual co-operatives and to provide loans for maintenance or development work.
- Access to low cost services, appliances, and household products through bulk purchasing or pooling. The latter in particular reaps benefits in areas such as insurance and auditing costs. Some also provide access to reduced cost expertise in legal and other financial areas.

Others provide specific tenancy management services, though this is rare. Others also provide a 'one-stop-shop' for individuals looking to rent in co-operatives, though in each case accepting the applicant remains the prerogative of the co-operative(s) to whom application has been made.

All secondaries charge a membership fee but this is not an overall service charge. In most cases, member co-operatives pay fees for specific services either to the secondary where it provides it (such as training) or to the professional or organisation brokered by the secondary. Advisory functions of the secondaries do tend to be free of direct charge, however.

Purchase of services from/through the secondaries is not a necessary condition of membership of the secondaries. Members can choose only to access the advisory and policy benefits.

While some secondaries provide or are working towards standardised accounting, tenancy management and other practices, member co-operatives remain autonomous and can choose not to adopt these.

All secondaries investigated (except Radical Routes, a UK based secondary) are managed by a Board most often elected through the membership. All secondaries hold membership meetings at which policy, services and strategies are discussed and voted on.