

**EXPLORING A REGIONAL STRUCTURE FOR SOUTH AUSTRALIA:  
THE NEXT STEPS**

**Presentation to the CHCSA Policy Forum Friday 15<sup>th</sup> of April 2005**

**By Mike Newbigin: Executive Officer Community Housing Coalition of WA**

**Introduction**

Firstly, I like to thank CHCSA for the invitation to come and speak with you today, it's only the second time I've managed to get to Adelaide to talk about what is going on in WA. Too often we all look east for experiences so I'm really please to have been offered the opportunity to cross boarders, time zones and culture gaps.

The topic for this discussion forum is "Exploring a regional structure for SA: The next steps" I understand that the structures are around infrastructure. So in looking at the combination of regional and infrastructure, I'm going to be discussing the experiences in developing regional and infrastructure.

It should be pointed out that Oscar Wilde said "experience is the name everyone gives to their mistakes", or to be sure you all understand my point, the sessions could either be called the "WA experience" or the "WA mistakes".

**WA and SA**

I thought I should start by giving a bit of an overview of community housing in Western Australia, and comparing it to South Australia.

**Comparison of community housing in Western Australia to South Australia<sup>1</sup>**

Number of dwellings managed by the organisation	WA		SA	
	No. of dwellings	No. of organisations	No. of dwellings	No. of organisations
200 or more dwellings	238	1	1,405	5
100 -199 dwellings	777	5	996	7
50 – 99 dwellings	760	11	229	3
20 – 49 dwellings	987	34	1,001	37
Less than 20 dwellings	1,282	202	781	67
<b>Total</b>	<b>4,044</b>	<b>253</b>	<b>4,412</b>	<b>119</b>

As you can see the sectors are not all that different in size (less than 10% difference in stock numbers), but significantly different in the absolute number of providers. There are a number of reasons for this. WA has 10 programs under community housing, including the Community Housing Program (CHP), Crisis Accommodation

<sup>1</sup> NHDDC (2005) Table 2.3.1 and 2.4.1

Program (CAP), Lodging House Program (LH), Community Disability Housing Program (CDHP) and the Joint Venture Housing Program (JV). South Australia, bless you, has only one, SACHA's community housing program.

Perhaps the three biggest differences (my pick for today – not necessarily definitive) are that WA has:

- more than twice the number of providers;
- about 56% of SA providers manage less than 20 units, while 80% of WA providers manage less than 20; and
- 72 of your 112 organisations were classified as Co-operative organisations<sup>2</sup>, while in WA there are only 9 functioning housing co-operatives left, they manage 88 properties.

### **Infrastructure**

Getting back to the topic - I'd like to clear up, probably more for my own benefit than anyone else's, what exactly are we talking about when we talk about infrastructure?

Unfortunately, I looked to the east for answers and, that august body the National Community Housing Forum, produced a paper back in 2001 on this very topic. They suggested that *"a[All] industries depend for their efficiency and effectiveness on an infrastructure of services that support the day-to-day business of providing goods and services."*<sup>3</sup> Further, they suggest infrastructure has three purposes:

- *"To ensure that the sector (and individual providers) is sustainable;*
- *To ensure that it is sustainable at an appropriate standard;*
- *To enable the sector to change in a sustainable way in response to new opportunities and demands."*<sup>4</sup>

Pulling this apart a little, for the purposes of the discussion today, the Forum argued the infrastructure that supports sustainability aims to ensure *"all the functions needed to undertake the core business of a community housing provider can be performed and the services needed to support these are available."*<sup>5</sup>

They pointed out that this type of infrastructure would include:

- *"skills and competencies;*
- *management advice and management systems;*
- *risk management in the public interest;*
- *the administration of grants and subsidies;..."*<sup>6</sup>

Way back in 2001, the NCHF suggested there seemed to be some pretty good reasons to take a close look at infrastructure, these included:

- *"A concern to provide infrastructure services better;*
- *A concern to deliver infrastructure services more effectively;*
- *A concern that the community housing business is changing and with it, resourcing needs are changing."*<sup>7</sup>

---

<sup>2</sup> NHDDC (2005) p 26

<sup>3</sup> NCHF (March 2001) p 2

<sup>4</sup> Ibid p 3

<sup>5</sup> Ibid

<sup>6</sup> Ibid

<sup>7</sup> Ibid p 8

So I think it is of great credit to the Council that a debate about infrastructure is taking place.

Back to the Forum paper, the Forum paper discussed management support as a 'core' resourcing service. However, what needs to be understood is something as broad as 'core resourcing' masks the reality that it is in fact a number of services, these include:

- "...provision of expert problem solving advice on one off technical issues of housing management that will continually be needed...";
- "...early intervention into an organisation at risk."; and
- "...specific short course training on specific management issues and/or specific management manuals to provide resources to organisations."<sup>8</sup>

### **Case study one Kimberley Community Management Services**

Back to the WA experience, and this one hopefully provides some insight into regional issues, government funding and roles.

Compared to other areas of Western Australia, community organisations in the Kimberley face particular locational disadvantages – sparse population to draw skilled committee members from, lack of infrastructure, rapid turnover of externally recruited professionals, large distances between towns and lack of locally available support services to name but a few.

To illustrate the fundamental problems I'll take the town of Kununurra, which is located in the East Kimberley. This town is located about 3,200 kms north of Perth and 1,000 kms from Broome however, it is less than 100 kms from the Northern Territory border. It has a population of about 5,000. People in Kununurra understandably want access to the same services as those in the metro area, such as playgroups, childcare, sporting clubs, welfare organisations etc. There are roughly 100 community organisations in and around Kununurra. With about 40% of the population being transient, this effectively means that there is a community group for about every 30 permanent residents. As you can imagine a lot of the same people are on lots of committees and in some cases AGM's have not been held for many years, in fact a lot of the staff of community organisations pretty much manage themselves.

In June 2001 a feasibility study was completed to look at models to address the issues faced by regional community organisations. The initiative for the study came from Kimberley-based staff in Federal and State government agencies that fund non-government community service organisations who identified a new and more strategic way to support the sector was needed, as the lack of capacity was perceived to be inhibiting its growth.

The feasibility study proposed a service model to address the management support needs. This model was based on the concept of a 'community broker' which builds on business/community partnerships and community capacity building. A 'community broker' is the link between non-profit community organisations that require management/development services and public and private sector organisations offering such services or resources. This may include:

- Linking local community organisations with funding and resources;
- Facilitating access to specialized management and administration services;

---

<sup>8</sup> NCHF (March 2001) p 14

- Developing regional information and support networks;
- Providing specialized advisory and training services to address specific organizational problems (the troubleshooting role); and
- Negotiating partnerships with public sector and private sector organisations.

KCMS, as it became known, established an office in Broome where it employed two staff and also had two Kununurra-based contract workers developing networks and undertaking specific projects.

Now KCMS was not incorporated, and CHCWA was chosen as the “lead agency” who had the responsibility for employment, grant acquittal, accounting etc.

After about three years of trying the Advisory Committee decided to end the project, one underlying reason was a key person was taking long service leave. The Advisory committee identified a few relevant issues, including:

- The culture of accountability (in government) making funding bodies nervous of taking risks on new ways of doing business;
- Funding bodies want outcomes from day one. Funding an organisation to establish its internal structures and processes was of no interest to anyone;
- Getting ongoing funding. Twelve months one-off funding seemed to be the limit. This lack of funding continuity created a further problem as, when staff were endeavouring to ‘sell the service’, they could provide no guarantees that the organisation would exist beyond the current funding. A question often put by community organisations, was “will you be here next year?”;
- Leveraging funding – too many funding bodies now expect community organisations to match their funding with real money, not in kind contributions. Part funders always wanted another funding body to put their money in first; and
- The lack of support from agencies with a mandate for community development within the region.

The staff saw a number of other underlying problems, these included:

- The use of an auspicing body meant there was a lack of ‘full blooded’ support from the Advisory Committee. At the end of the day, they could walk away as there was always some one else to sort the problems out; and
- A further issue was the extremely broad skill set required of the staff. The required skills included community development and business, managing information systems, financial modelling and selling the service. This meant, when available, the positions were hard to fill.

A further issue worth noting was that this particular piece of infrastructure shied away from taking on an advocacy role. This was due to two factors: firstly, the issue of whether any funding body would provide the resources for it to take on this function; and secondly, it was felt in the early stages it would have found the range of competing interests difficult, if not impossible, to manage.

However, without an advocacy role, the organisation was perceived as simply an attempt by the government bodies funding it of exerting additional control over community organisations.

## What are the lessons?

I think there are four lessons I would like to add to the discussions you are having today.

1. Organisations interested in linking in with regional infrastructure need to be sure the service is going to be around for the long haul;
2. Funding for the service must be sustainable and recognise the need to become established;
3. The service must be clear about what it can deliver and whether there are people capable of doing the job; and
4. The local support for the establishment of the service must be there.

### Case study two the FOHCOL worker project<sup>9</sup>

In 1999, as part of a doctoral thesis, Toby Adams described the co-op sector as the "fallen angels of community housing". At the time of writing, Adams suggested that the attitude towards co-ops was 'reflective of ... a wider socio-economic paradigm; in which collective responsibility and communal sharing, has once again given way to individualism, corporatism and managerialism.'

In Australia, NSW is the only state with a peak resourcing agency specifically for Housing Co-operatives, this organisation is Association to Resource Co-operative Housing (ARCH).

The Association to Resource Co-operative Housing (ARCH) continues to enjoy the support of the NSW government whilst in WA, the Federation of Housing Collectives (FOHCOL), the peak representative body of the housing co-ops was de-funded in June 1999.

In March 2003 CHCWA and FOHCOL embarked on an evaluation aimed at assessing the satisfaction of the co-op sector with the support provided by CHCWA since FOHCOL had been de-funded.

The response indicated that the major impact of the change was the loss of formalized contact between the organisations, and that the resourcing of co-ops had been somewhat inconsistent. However, more positively it was noted that the change had also encouraged a greater sense of self-reliance within the co-op sector.

The following recommendations were made by the Review Committee:

That for a period of twelve months CHCWA allocates sufficient resources to:

- a. Identify the feasibility and mechanism to allow the co-op sector to fund its own worker;
- b. Facilitate discussions within and with the co-op sector to identify the key tasks for the position; and
- c. If feasible and accepted by stakeholders, to assist the co-op sector to implement the strategy.

The first stage was designed to collect information about the current (and potential) resources within the co-op sector, and involved the use of a comprehensive questionnaire.

The rationale for looking at resources as a starting point was that it would be easier to describe the role and responsibilities of a worker with the knowledge of whether that worker could be funded on either a full or part-time basis, and more significantly,

---

<sup>9</sup> CHCWA (2004)

whether there were sufficient resources within the sector to suggest the worker would have a role to play in the development of new projects.

What has actually occurred is that when individual co-ops received copies of the questionnaire, some responded and were keen to see the project progress. Others withdrew from the process, or raised the questions that it was anticipated the second stage would address and have delayed returning their responses until these questions have been more fully explored.

The responses from the co-op sector indicated that there are people with very differing levels of knowledge in relation to current housing policy and the history of the co-op sector in Western Australia. These differing levels of interest/knowledge were a reflection of people's years of involvement, but were seen as evidence of the need to ensure that information is widely circulated and discussed.

What happened was the discussions became bogged down as the co-op sector wrestled itself to the ground on issues of "how much is it going to cost?" and "what is the worker going to do?" The point being, the co-op sector created its own catch 22. That being, you can't know what the person is going to do without knowing how much time they have to do it. Once this process started it became impossible to focus discussion on either of the questions without one part of the sector feeling disenfranchised.

### **What were the lessons?**

Discussions of this kind are often complex and too easily become bogged down in process. The essence of the project was to look at what resources were available and to determine the best way to use these, individual co-ops recognised they would be expected to contribute. The more co-ops engaged the cheaper it was for everyone. Some co-ops acknowledged that the use of pooled resources to fund the position was 'logical', however, it was also suggested that the worker might 'look for ways of generating funds to pay for the position'. I'd caution on going down this track as it is likely to mean the worker is 'chasing their tail' to make sure, one the one hand, they are delivering results, while at the same time making sure there was enough money in the bank to cover their wages. It is a situation most people won't tolerate for long.

This debate can be very difficult for the reason that anything, which is going to redirect financial resources from one area to another, is bound to be contentious. Making progress will require leadership and skill. So my suggestion is to be aware that these issues will need to be dealt with at some point, and to work out in advance how this bridge is going to be crossed. I fear, without being acutely aware of this, the process will end up subject to the "danana" principle (Do Absolutely Nothing Anywhere Near Anybody).

### **Other WA experiences**

In WA, our experiences have not all been mistakes. Over the last decade we have developed a regional housing association (RHA) structure (I've brought a few copies of the review paper for anyone interested).

One of the primary motivators for this development was the so called "consolidation agenda". The RHA's reported<sup>10</sup> that consolidation had not occurred due to a number of factors including:

- Smaller providers are reluctant to hand over the stock due to loss of income and power;

---

<sup>10</sup> CHCWA (2004)

- RHA's are reluctant to take on the stock as it is often in poor condition and no maintenance funds are available;
- Poor management has a range of other problems including low rent levels, under occupancy, which results in a lengthy process to make the project viable; and
- Funding for support often creates major complications.

As a result it is often an easier path for RHA's to take on limited management functions on behalf of other groups. This appears, on balance, to be a much happier arrangement for all parties and builds the relationships over time.

### **Overseas**

I'd briefly like to switch from WA to the UK, for another perspective. During the late 1980s and early 1990s, as a result of shrinking government support, the UK experienced a sharp decline in the number of support organisations specifically for housing co-operatives. Subsequently, a number of housing associations started providing services for housing co-ops.<sup>11</sup>

Lambert and Bliss describe a number of benefits associated with a central organisation taking on property management roles and highlight some very important issues. They report that where a housing association approach providing services to co-ops as an 'add-on' to their main function of being a housing association this may be problematic. However, where the housing association has approached working with co-ops as an end in itself, and with a desire to help co-ops thrive, the relationship has worked well. They also observe that relationships between co-ops and service provider rely "*on the service provider playing an active role to ensure the best performance of the co-op, at the same time as leaving the ultimate control to the co-ops themselves*"

I've listed the conclusions contained within the Lambert and Bliss paper, because of their value in providing some further guidance:

1. *"Successful service providers give co-ops as much autonomy as possible and are conscious of the importance of protecting this autonomy in their working relationships with co-ops.*
2. *Housing associations that provide services to co-ops need to recognize their autonomy within the organisation structure. This means having a co-op specific support structure. It also means ensuring that all co-op members are clearly aware that it is the co-op who is the landlord and not the service provider.*
3. *Successful relations depend on the service provider enabling the co-op to determine the nature of the relationship and decide how and what services are to be provided.*
4. *It is rare that a co-op will change service provider once a relationship has began. Therefore the quality of service provision needs to be guaranteed by other means than through a simple consumer relationship.*
5. *In practice, the quality of service provision to housing co-ops is guaranteed partly through the dedicated commitment of the service provider, and partly through representation on the governing body of the service provider."*

---

<sup>11</sup> Lambert & Bliss (2001)

Where the service providers were set up by the co-ops themselves, there is the greatest sense of control by the co-ops. However, where housing associations have co-op specific support services, the quality of those services are broadly the same as those provided by “dedicated” service providers.”<sup>12</sup>

### **Back to infrastructure**

In wrapping up, I'd like to go back to the Forum's discussion paper, I mentioned earlier, they suggested a few questions that need to be answered:<sup>13</sup>

- what infrastructure is needed?
- what should it achieve?
- what currently exists? and
- how should it be delivered?

As a starting point for your discussions and deliberations for the rest of today I would suggest that you consider the infrastructure principles developed by the Forum, these were:

- *“Community housing provision cannot be sustained, nor can it be at a standard or responsiveness needed, without an infrastructure of services that supports the day to day business of non-government providers;*
- *Community housing infrastructure is a whole system and therefore must be developed coherently;*
- *The purpose of infrastructure should be clear;*
- *It should support the quality of services;*
- *It should be linked to a current policy framework;*
- *It should be linked to a long-term vision and political commitments;*
- *Infrastructure should support service provision and growth that reflects the client focus philosophy and tenant participation of community housing.”<sup>14</sup>*

Thank you

---

<sup>12</sup> Lambert & Bliss (2001)

<sup>13</sup> NCHF (March 2001) p 2

<sup>14</sup> NCHF (March 2001) p 4

## References

ACCORD, (2003). *Co-operative housing – seen to be part of the solution to Canada's housing crisis*. Available:

[http://www.accord.org.au/social/infobriefs/canadian\\_housing\\_crisis.html](http://www.accord.org.au/social/infobriefs/canadian_housing_crisis.html)

Adams, T. (1999). *Planning, politics and power: A geographical critique of the community housing sector in Perth*. Unpublished doctoral dissertation, University of Western Australia, Perth, Western Australia.

Anned Consulting. (1996). *The growth of co-operative housing in Western Australia: Toward an Independent Future*. Federation of Housing Collectives Western Australia

Community Housing Coalition of WA CHCWA (March 2004) *Review of the RHA Agenda*

Community Housing Coalition of WA CHCWA (2004) *The future of co-op housing in Western Australia. A discussion document*

Lambert, B., & Bliss, N. (2001). *Providing Services to Housing Co-operatives*. Confederation of Co-operative Housing. England

National Community Housing Forum (March 2001) *Infrastructure for a community housing system Discussion Series Paper No. 4*

National Housing Data Development Committee – NHDDC (2005) Unpublished draft *Community Housing Data Collection, 2003-04 Results for the trial collection of unit record level dwelling and organisation data*