



**Community Housing Council SA  
Issues and Options Paper**

**Infrastructure Issues and Options  
for Community Housing:  
Towards a Pilot Project**

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# Infrastructure Issues and Options for Community Housing: Towards a Pilot Project

## EXECUTIVE SUMMARY

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Communities Housing structures are enjoying greater support in many countries around the world, as governments consider new ways to fund and support social housing services to meet the needs of their communities. The Community Housing sector in South Australia has been a leader in an Australian context, and achieved steady growth in recent years. The sector is well positioned to play an enhanced role in meeting goals of both the **State Strategic Plan** and the **Housing Plan for South Australia**. Community Housing is a form of housing delivery that can synthesise goals specifically related to housing with others committed to social inclusion and community capacity building.

However, the long-term capacity of Community Housing providers to play this larger role in part depends on the suite of infrastructure services that provide support to their essential work of housing provision.

This paper considers a range of issues and options relating to the provision of infrastructure services to the Community Housing sector in SA. 'Infrastructure' in this sense are seen as all those facilities and services which exist, in one form or another, to support the operations of Community Housing Organisations (CHOs) as housing providers. Therefore they are taken to include such things as; facilities and equipment, CHO management services, or other services in areas such as asset management and maintenance, education and training, or CHO support and development.

The paper notes that a number of such infrastructure services already exist in SA, for example, the work of Comhouse as a service provider of maintenance and asset management services. It is suggested, at the outset, that any consideration of change or improvement in the provision of infrastructure services in SA needs to take a range of factors into account, including:

- The current suite of services
- The particular attributes and strengths of Community Housing
- The historical development and current make-up of the sector in SA
- Current strategic needs and priorities of the sector
- Funding constraints
- And legislative requirements

The paper identifies two key areas of longer-term risk where changes in infrastructure provision and/or capacity are seen to be potentially significant. The first concerns the management capacity and viability of small volunteer-managed CHOs. The second concerns management capacity within large CHOs, particularly in light of some of the current strategic directions emerging for the sector.

In light of these risks, the paper highlights two areas of infrastructure services for potential change and improvement.

- More systematic availability within the sector of **CHO management services**, offered by **Service Provider Organisations** (SPOs) in key areas of CHO management and administration, including: finance, rent and tenancy management
- Improved provision of **CHO community development services**, being support provided to volunteer managers and/or members of CHOs, to assist them to develop and improve their skills, group cohesion and sense of purpose and direction as loci of community development

In Section 6 (p. 7), the paper presents research on the provision of similar sorts of infrastructure services with other Community Housing sectors, both within Australia and overseas. The general picture emerges that infrastructure services, including the availability of affordable management services to smaller, volunteer managed CHOs, are regarded as important to long-term CHO health and viability, and sector diversity, in many jurisdictions.

Recent research in this area undertaken in the UK suggest that, where a larger housing organisation is offering management services and support to smaller housing co-operatives; the best results are gained when the larger organisation has a strong commitment to and understanding of co-operative values and ethos.

In Section 8 (p. 11), the paper discusses a number of the main options for possible changes or improvement in the nature and delivery of infrastructure services in SA, focusing on the two main areas noted above. In both areas, there are variables to consider in terms of which, or what kinds of, organisations might take on a new or changed role as SPOs within the sector. Some larger CHOs are obvious candidates (and indeed some are already taking on this role now). However there are other options to consider, including perhaps the CHCSA itself, or new 'secondary' NGOs created for the purpose, with CHO support, as occurred with the formation of Comhouse. Private sector providers are also an option to consider.

The other area of variability lies in the spread or scope of services such organisations might provide. Would it be better, for instance, to have multiple SPOs, operating within a number of designated regions; or perhaps a single organisation offering management-type services to all co-ops, or all smaller CHOs?

On the basis of the research conducted, and considering how changes or improvements to infrastructure might be undertaken in a South Australian context, the paper then identified seven options for specific change. The options considered are not mutually inclusive, and any more fully worked out model for change might incorporate elements of a number of the options discussed. In the main paper, points for and against each option are considered. They are:

- *Development of a single NGO service provider for the whole sector or major sub-sectors.*  
This option proposes that there could be one or two, secondary-level, non-government, non-profit SPOs, offering 'core' CHO management services to smaller CHOs across the State. Use of these services by smaller CHOs would generally be voluntary. The SPO could be one body servicing all smaller CHOs, or perhaps there might be two SPOs servicing smaller co-ops and associations as separate 'sub-sectors'. It remains an open question whether this role/s might be carried out by an existing CHO, the peak body, or a new organisation established for the purpose.

- *Improved access for smaller CHOs to for-profit SPOs*  
This option proposes that arrangements might be made to ensure better, more reliable access for smaller CHOs to private sector service providers; for example, the Community Business Bureau is one possible provider that has been mentioned.
- *Multiple SPOs available to CHOs within a competitive framework*  
This option proposes that there could be multiple SPO providers available to CHOs to choose from, possibly including both NGO/non-profit and for-profit, operating within a competitive environment.
- *A regionalised / networking distribution of SPOs*  
This option proposes a mainly regional approach, with access for smaller CHOs to an SPO operating within their particular region. Such an arrangement favours existing larger CHOs with sufficient internal capacity and operating within an appropriately sized geographic area. However, other options might include: smaller CHOs, well placed geographically, with the potential and willingness to 'up-scale' into the SPO role, or newly established 'secondary level' NGOs jointly controlled by CHOs within a geographic area. This model might also be more of a mixed arrangement, with some networks operating on the basis of a shared interest, rather than a geographic area.
- *Infrastructure arrangements for co-ops focused exclusively on CHO management services (versus a wider group/sector renewal focus)*  
This point raises an allied question about changes in infrastructure arrangements, relevant to the needs and viability of co-ops in particular. Should the focus here be mainly (or exclusively) on affordable access to CHO management services; or should it also include efforts to improve the community development services side as well?
- *Consolidation of the sector into larger CHOs employing federal structures*  
This option proposes a process of consolidation of CHOs into larger bodies, either association or co-op, but with the use of 'federal' legal structures to enable continued limited autonomy for smaller groups within the larger entity. In simple terms the model proposes consolidation of property ownership, control and some management functions within larger community housing entities, but with the use of localised or interest-based area associations that elect their own area committees to take on some management and decision-making functions at that level.
- *Improved access for smaller CHOs to appropriate CHO management software*  
This may be seen as a separate area of infrastructure provision and work, that could happen in parallel with any or all of other activities contemplated in this paper.

*A (Provisional) Preferred Option:*

Having considered the range of issues involved, in Section 9 (p. 15) we state our *provisional* support for the development of infrastructure in the form of sector-wide availability of affordable CHO management services on a regional / network basis. However, this position remains open to change, given that these issues must be fully considered and/or trialed by Government and the sector together, before any significant changes are implemented.

Our preferred regional / network model proposes the establishment of SPOs mainly operating within and servicing geographic regions, with boundaries set so that each region contains a sufficient pool of potential smaller CHO 'customers'. However, where a case

can be made for it, this could also accommodate similar SPO-CHO 'networks' based on a common interest, rather than geographic area.

We see the prime candidates for the role of SPO as being existing larger CHOs, although we do not rule out the formation of new secondary-level NGO structures within a particular area or network, if that were the strong desire of the CHOs involved. The identification and selection of these regional CHO/SPOs could be an opportunity for some minor consolidation; but also for a more defined, rational structure of larger CHO areas of operation.

Within these geographic regions, and other potential networks, we believe there should be a strong focus on support for, and renewal of smaller CHO's internal capacities, skills and directions, where that is required. We see this as an on-going process best supported by the CHCSA, and as happening in two main ways: facilitation of networking, skill and resource sharing between CHOs within a region or network; and direct support to individual CHOs, particularly co-ops, to renew and rebuild internal culture and capacity, and more effectively manage internal problems.

We see that the SPOs' suite of CHO management services would be taken up on a voluntary basis, according to individual CHO needs, and set down in written agreements between SPO and client CHO. We favour a fee-for-service funding arrangement, with two caveats:

- Smaller CHOs must have sufficient funds available within their regular funding to be able to purchase the services required. Where those funds are not used for the purchase of services, they can become available as 'incentive' funds for voluntary management activity, to be saved and expended on an agreed range of housing improvements, particularly in the area of environmental retro-fitting.
- CHOs moving into the SPO role may require some initial up-front funding support, in order to establish the capacity to provide the range of services required.

We believe this model has a number of potential positive features in addressing the risks identified above, in a complementary manner, for smaller and larger CHOs; and as an exercise in capacity building to meet the long-term needs and opportunities of the sector. We also see it as an arrangement that could fit very well with the strategic directions being considered for social housing as a whole in SA, under the Housing Plan for SA. Here, as we understand it to date, there is strong consideration being given to regionalised delivery of social housing services, through 'Housing Services SA' service centres.

Finally, in Section 10, the paper argues the need for a pilot project to further research the issues and options raised.

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