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THE VALUE OF HOUSING CO- OPERATIVES IN AUSTRALIA

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We commit this report with a view to it contributing to that fuss. Vale.

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EXECUTIVE SUMMARY

This report presents the findings of the first comprehensive analysis of the input into, and benefits of, Australia's affordable rental housing co-operatives (ARHCs). Nestled within the broader community housing sector, analysis of these housing co-operatives demonstrates that active tenant-member participation in stable and appropriate housing can generate a range of benefits above and beyond housing outcomes.

The methodology and its findings provide a basis for the expansion of the co-operative sector and have lessons for community housing more broadly. This Executive Summary presents an overview of the research findings and the resulting practice framework, then provides key insights from each of the report's 13 substantive chapters.

FINDINGS AT A GLANCE

THE COST AND WORK OF CO-OPERATIVES

We found that the costs of the co-operative sector are generally on par with other forms of community housing. We also found that greater co-operative participation in tenancy and property activities lowers overall CHP costs.

Co-operatives deliver additional benefits to their tenant-members, such as satisfaction, skills development, employment, education, social capital, and health. These are connected to how much tenant-members participate in their co-operatives.

These findings justify policy support for a diverse housing co-operative sector, due to the benefits delivered on a comparable cost basis.

BENEFITS OF HOUSING CO-OPERATIVES

Across the four states in the project, we found that tenant-members gain benefits from living and participating in rental housing co-operatives. These benefits include:

- Skills development.
- Employment and educational outcomes, as a result of that skills development.
- Satisfaction with housing stability, quality, and security.
- Greater social capital.
- Sense of health and wellbeing, including that of children.
- Sense of agency, empowerment, and voice.

DRIVERS OF BENEFICIAL OUTCOMES

Regardless of the location, spatial form, governance, or management type of the co-operatives, we identified two main factors that drive those beneficial outcomes.

1. PARTICIPATION

Co-operatives' unique requirement for active tenant-member participation is a vital driver of beneficial outcomes. In this study, participation refers to contributing to any of the seven identified suites of co-operative activities shown in Figure 1.

The more that a tenant-member participates in the running of their own co-operative, the more benefits they were found to report.

2. CO-OPERATIVISM

As member-based organisations, co-operatives are uniquely defined by their requirement for active participation amongst tenant-members. We refer to the activities and principles associated with being in a co-operative as "co-operativism". Co-operativism is characterised by:

- A commitment to the seven co-operative principles.¹
- The active desire to join and take part in a co-operative due to its co-operative values and principles (which may extend to co-operatives with a stated additional purpose such as housing a particular sociocultural cohort) and taking part in training when joining the co-operative.
- Participation.

We found that the higher the level of co-operativism, the greater the benefits to tenant-members. Tenant-members are also more likely to experience benefits if they are older or feel they are in good general or mental health. This has implications for broadening participation or other ways to enable outcomes for all tenant-members.

An important finding is that the drivers and benefits of living in a housing co-operative reinforce one another. For example, a sense of agency, empowerment and voice was identified as an outcome of participating in a housing co-operative; in turn, tenant-members that experience a sense of agency, empowerment, and voice from participating in their housing co-operative are more likely to continue to participate in the future.

1. International Cooperative Alliance (n.d.).

FIGURE 1. Co-operative cost-consequences framework



DIVERSITY IN THE SECTOR

Australia's rental housing co-operatives are diverse in their governance, management, location, and built forms. The extent of benefits experienced by tenant-members was not associated with any particular governance or management form. Tenant-members who live in co-operatives that have responsibility for more management activities could experience as many benefits as those who reside in co-operatives with less responsibility for management activities. This demonstrates what we call the "value of diversity", as there are many different types of governance and maintenance across co-operatives, with no single type affiliated with higher levels of benefits to tenant-members.

We did find four of what we termed "augmenting factors" - these are aspects of co-operative location, design, or form that were correlated with a range of better outcomes *on average*, but that were not as significant drivers as participation and co-operativism. These augmenting factors were firstly, whether the

co-operative's housing was clustered rather than dispersed and secondly, whether the co-operative had any shared spaces or shared facilities, such as office space, workshops, laundries, etc. Third, was whether the co-operative had an additional purpose such as catering to a particular demographic or household type, and fourth was whether the co-operative was in a metropolitan location.

However, while these augmenting factors were associated with better outcomes on average, we also found very good outcomes in co-operatives that did not have these augmenting factors. Hence, the key drivers are participation and co-operativism, and co-operatives thrive when these are present, regardless of the presence or absence of augmenting factors and regardless of their governance or management form.

We conclude that there is inherent value in a diverse sector and that co-operatives thrive when they are supported to be the best form of co-operative that they want to be.

AN EMERGING PRACTICE FRAMEWORK

The centrality of co-operativism in achieving and building on the benefits for tenant-members is illustrated in the Practice Framework shown in Figure 2. Based on the research findings, the Framework:

- Demonstrates, at a high level, what goes into the running of a co-operative (inputs and activities), as well as the resulting immediate and longer term, higher-level outcomes.
- Foregrounds the importance of equitable participation.
- Reflects an understanding that the sector thrives on a diversity of management and governance models, which is valued by tenant-members who have chosen to live in a specific co-operative. This diversity takes a central and core position in the Framework.

In addition to simply taking part in diverse management and governance activities, the practices of *equitable* participation and co-operativism shape the benefits and outcomes experienced by tenant-members. In short, it is *how* things are done, not just *what* is done, that matters. We discuss the details of equitable participation in the body of the report.

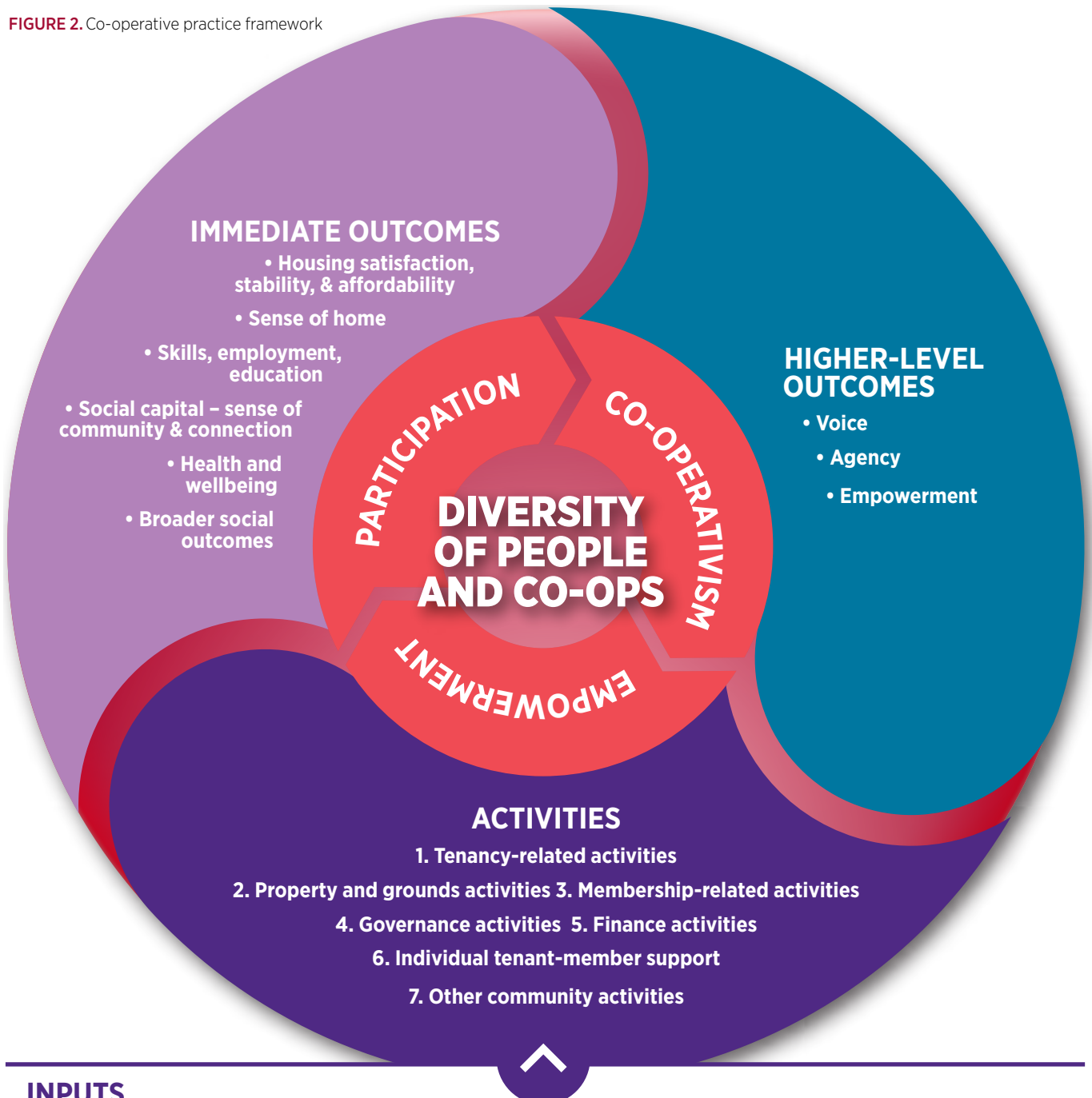
Overall, the implications of the research are that:

- **Co-operatives should be designed and supported to function well, regardless of their type.**
- **A range of types should be supported.**

When co-operatives are supported to function well, they generate extensive benefits above and beyond stable and affordable housing. Arguably, these benefits are not likely to be widely experienced in other forms of social housing, where participation and co-operativism are not necessarily core components.

Co-operatives and their tenant-members thrive when they are supported to be the best co-operative they want to be.

FIGURE 2. Co-operative practice framework



INPUTS

ENABLING ENVIRONMENT

- Government policies
- CHP culture
- CHP & contractor policies
- Co-op policies
- Appropriate housing stock
- Training and educational support

POSSIBLE AUGMENTING FACTORS

- Co-located homes
- Shared facilities
- Additional purpose
- Metropolitan location

TANGIBLE CHP INPUTS

- CHP Salaries and Time
- CHP Financial Resources

TANGIBLE CO-OP INPUTS

- Co-op financial resources
- Co-op tenant-members' time (participation)

CO-OPERATIVISM

- Co-op tenant-members' time (participation)
- Commitment to the co-op principles
- Preference to live in a co-op

1. BACKGROUND AND CONTEXT

Australia's contemporary housing landscape is dominated by private home ownership, private rental, and social rental housing. However, another option exists alongside those forms and offers opportunities for residents to have a say over their housing without having to enter into potentially unworkable levels of debt. Alongside affordability, the option also offers long term stable, safe, secure, and dignified housing for a growing number of Australians.

That option is the housing co-operative sector, which in some countries provides significant numbers of rented or owned, high quality, and well-maintained housing for large parts of the population. As member-based organisations, housing co-operatives have been associated with individual and broader benefits beyond satisfying housing needs, like having more and stronger social connections and a greater sense of neighbourhood, individual skills development, and educational or employment outcomes.²

Co-operatives are uniquely defined by the active participation of their members through the 'one member, one vote' principle, which ensures all members can have a say in the governance and operations of their co-operative. The central role of tenant-members in organisational matters makes living in a co-operative a fundamentally different rental experience to private, public, or community

rental housing in Australia, and one that, we believe, warrants greater attention and support.

This report documents the research process and outcomes of the first national study of the Australian rental housing co-operative (ARHC) sector. The ARHC sector is a small sector, relative to other forms of social housing, but it is long-lasting. This persistence signifies a need for investigation into the model's appeal, operations, and benefits. As this report shows, the uniqueness of the housing co-operative form is highly valued by tenant-members who enjoy outcomes that, arguably, may not be as widely apparent in other forms of housing. It is an opportune time to consider the value of ARHCs for being part of a solution to Australia's worsening housing problems.

Australia's rental housing co-operatives can provide housing stability, security, safety, and a sense of home and community to people on very low to moderate incomes. Alongside middle Australia, this can include people who are more vulnerable to homelessness such as older Australians, single parents and carers, people living with disability, people who identify as LGBTQIA+ or are members of queer communities, and CALD communities seeking support for and among their language and culture. The sector also includes Aboriginal housing co-operatives that enable high levels of cultural authority, control, and autonomy for community. Policy and decision makers will benefit from understanding what this sector offers, in terms of providing dignified housing

for people who want to contribute to their own housing and to their co-operative in the myriad ways that different co-operatives enable.

To date, there has been no national coverage of the nature, scale, or benefits of the sector, or of the strategies that can help co-operatives to grow and thrive. This report begins to address this gap, presenting the findings from a nationally funded research project into the benefits of Australia's rental housing co-operatives. It also presents an expanded methodology for framing and assessing housing outcomes, which we believe will be of relevance and interest to the housing co-operative sector internationally, and community and social housing more broadly, as outcomes that extend beyond those satisfying immediate housing needs come to be better understood, prioritised, and valued.

2. THE CO-OPERATIVE SECTOR AND REPORT COVERAGE

This project was funded by the Australian Research Council and the research partners, which are Community Housing Providers (CHPs) that are members of the Australian Co-operative Housing Alliance (ACHA). Those partners are Common Equity Housing Ltd (Victoria), Common Equity Housing South Australia, Common Equity New South Wales, Co-operation Housing (Western Australia), and United Housing Co-operative Ltd (Victoria).

2. See Crabtree et al (2019) for a review of international and national literature.

The project scope and report findings refer to the co-operatives that are affiliated with those partners, capturing 164 of Australia's 184 ARHCs. This equates to about 90% of the sector. See [Sector coverage in this report](#) for full details regarding the project scope.

3. METHOD, APPROACH, AND GOVERNANCE

This report documents research that is generating the first data on Australia's affordable rental housing co-operatives, creating the first evidence base of their work and benefits. The research involves a new, comprehensive methodology designed to look at what goes into the running of a co-operative (financial costs and tenant-member participation in the running of the co-operative) and what benefits these investments generate for tenant-members and the community.

The project builds on a previous *cost-consequences analysis* developed for the community housing sector by AHURI-funded research by Pawson et al. (hereon, 'the AHURI study'),³ extending that model to allow for the input of residents in driving housing outcomes as co-operative tenant-members. Additionally, the project extended the AHURI study's method to include a broader suite of activities and a broader range of outcomes, both of which are driven by the member-based nature of co-operatives. The **additional activities we included are finance, governance, and membership-related activities**, while the **additional benefits we identified were health and wellbeing; skills acquisition; empowerment, agency, and voice; and, wider economic and social benefits**.

This is set out in Figure 1, which shows the range of stakeholders who perform

the various activities associated with co-operative management, alongside the seven suites of management activities that those individuals might perform and the possible resultant outcomes for themselves and others, regardless of who performed the activities. Unlike *cost benefit analysis*, a *cost consequences framework* does not directly tie each outcome to the cost of inputs. A *cost consequences* approach recognises that inputs and activities may, in reality, be connected to more than one outcome, so a specific cost cannot be accurately attributed to an individual outcome, although a total cost against all outcomes can be calculated.

To ensure a full capture of all activities and outcomes, seven research tools were developed in collaboration with the research partners:

1. CHP or RHC (rental housing co-operative) salary expenditure worksheet.
2. Co-operatives' statements of accounts/ audits.
3. A short co-operative survey.
4. Annual calendar of co-operative activities.
5. Co-operative time use survey.
6. Tenant-member survey.
7. In-depth tenant-member interview.

The full details of the tools and how they were developed and administered are provided in the accompanying Technical Report. These tools generated large quantitative and qualitative datasets. How this data was treated, including the statistical analyses applied, is also detailed in the Technical Report. One central purpose of the Technical Report is to enable our approach to be replicated in future studies and surveys of the sector, to begin to build a

more robust evidence base on the outcomes arising through housing co-operative models in Australia and internationally. To ensure the robustness and appropriateness of the method, the project was guided by a Steering Committee comprising members from each of the partner CHPs and tenant-members from co-operatives across the four states and from within each housing co-operative type (see [Typology of ARHC regulation and governance](#)). The Steering Committee provided input into core elements of research design, including the type and content of the research tools.

The broader membership of the housing co-operative sector also had opportunities to provide feedback on project aims and design. This occurred at regional meetings, the partners' Annual General Meetings, and sector conferences, at all of which the team provided updates on the project. Steering committee and project staff also co-presented at state and national conferences.

The project also benefited from the insights from an International Advisory Group who provided input and feedback from the United Kingdom and Norway.

4. LOCATIONS AND KEY STATISTICS OF SURVEY RESPONDENTS

The time use survey and member survey included co-operatives and tenant-members from all four study states (NSW, SA, Vic, and WA) and across low, medium, and high IRSAD⁴ locations in both metropolitan and regional areas. This reflects and captures the diversity of the sector, possibly with a slight over-representation of metropolitan co-operatives. Tenant-members from metropolitan co-operatives comprised 67.6% of survey respondents but comprise a slightly lower 63.1% of the entire sector included in the project scope.

3. Pawson et al (2015), Pawson et al (2014).

4. Index of Relative Socio-economic Advantage and Disadvantage

Respondents to the tenant-member survey tended to be older, female, in good general and mental health as self-reported, and in a formal role within their co-operative, such as chairperson, treasurer, etc. Current gaps in the sector's demographic data mean we were unable to assess the representativeness of the respondents' demographics, which flags an opportunity and need for future data gathering in the sector.

Roughly two-thirds of survey respondents were born in Australia, slightly lower than the 70.9% national figure. Outside of Australia, the most common places of birth amongst respondents were the UK or England, Philippines, or Aotearoa/New Zealand. The most common type of respondent household was a single household without children; typically, an older woman. Single adults with children were the second most common household.

The respondents reflect stable households, with roughly half saying they had been in their current co-operative home or the sector at large for 10 years or more (46% and 55%, respectively). Nearly half had previously lived mainly in private rental housing.

Lastly, the survey respondents displayed a high degree of what we term "co-operativism", which we explain further below. This was seen in most respondents reporting that they actively sought to live in a co-operative and that their sense of the importance of the seven co-operative principles has increased since moving into their co-operative. These factors were found to be significantly correlated with a range of beneficial outcomes that we explain below in this Executive Summary and in [Chapter 6. Empowerment and agency: The importance of co-operativism](#).

5. THE COST AND WORK OF CO-OPERATIVES

We assessed costs of running co-operatives in two ways: (1) in terms of CHP or Rental Housing Co-operative (RHC) costs alone; and (2) with tenant-member time and financial expenditure of the co-operatives themselves also factored in.

Overall, we found that the direct costs of co-operative housing are comparable to other forms of community housing. When tenant-members' time is factored in, the inputs into housing co-operatives increase relative to other forms of community housing. However, the inputted time brings additional benefits to the sector. These additional benefits for tenant-members, generated through living and participating in their housing co-operatives, provide a strong effectiveness argument for supporting the sector.

We found that:

- Statistically, co-operatives with high levels of tenant-member participation in management activities correlate with lower CHP expenditure.
- Compared to other forms of community housing, co-operatives deliver additional benefits to their tenant-members, such as satisfaction, skills development, employment, education, social capital, and health. These are connected with the time inputs of tenant-members.

We argue that there is an inherent "value in diversity"; that is, tenant-members' desire to live in a housing co-operative demonstrates there is an inherent value perceived in this form and in a variety of iterations of it. Due to the additional benefits that housing co-operatives deliver to tenant-members and their communities, we claim that **housing co-operatives represent better value for money than other forms of community housing**.

6. THE IMPORTANCE OF CO-OPERATIVISM

Our research establishes that co-operativism is significantly correlated with a range of beneficial outcomes. We define co-operativism as consisting of: an active desire to join a co-operative and participation in training and on-boarding; commitment to the seven co-operative principles; and, participation. As participation was found to be such a substantial dimension of co-operativism, we discuss in the following section and its own chapter.

Key findings:

- **Importance of actively preferring to live in a co-operative** – Tenant-members who wanted to join their particular co-operative or to join a co-operative more generally, showed higher levels of participation than respondents who did not have a preference for living in a co-operative (over other forms of community housing). This difference was statistically significant. Tenant-members who were then trained when joining their co-operative, also participated more. These findings are notable, because we found that participation is a fundamental driver of a range of beneficial outcomes for tenant-members.
- **Importance of co-operative principles** – Co-operative members who report strong commitment to the co-operative principles (as developed by the International Co-operative Alliance), report higher health and wellbeing outcomes.

7. PARTICIPATION: CO-OPERATIVISM IN PRACTICE

Housing co-operatives are uniquely defined by their requirement for active participation and this requirement is a core part of co-operativism. We found that active participation in their co-operative is a key driver of beneficial outcomes for tenant-members.

We found that equitable and effective participation is a vital driver of a suite of outcomes and benefits. We found that:

- Tenant-members who participate more are more satisfied with their co-operative.
- Tenant-members who participate more report greater skills development.
- The more hours that tenant-members contribute to their co-operative, the higher their social capital score.
- There is a significant positive correlation between holding a specific role in a co-op and having an increased likelihood of higher levels of social capital.
- Tenant-members who feel there is an equitable distribution of work in their co-op are more satisfied with their co-operative.

Further, we found that participation was driven by two core factors. Tenant-members were more likely to participate if:

- They wanted to join their specific co-op or a co-op generally, rather than not having a preference for living in a housing co-operative.
- They were trained when they joined their co-operative, particularly if both their co-op and their CHP played a role in that training.

The requirement for participation is vital to co-operative functionality, but to bring individual benefits it must be structured equitably, such that tenant-members are not overburdened or subject to unrealistic or unworkable expectations. Several factors help to establish and maintain equitable participation, and these bring benefits through

the sharing of workloads, spreading benefits to more members, bringing different individuals' knowledge into play, and countering dominance by individual personalities or overwork of individual tenant-members. We found that:

- Tenant-members can perceive conflicts between the co-operatives' requirement for participation and the unpaid and technically voluntary nature of that participation, which needs to happen alongside other life and/or work commitments.
- Equitable participation matters, rather than equal participation. Focusing on equity means that participation needs to be flexible, reflecting the diversity of the co-operatives and their changes over time.

Ultimately, alongside the numerous benefits to participation, we found there is an absolute need for participation to be doable, flexible, equitable, and context specific. It cannot be unilaterally enforced, uniform, or transactional.

8. CONNECTION: THE SIGNIFICANCE AND IMPLICATIONS OF SOCIAL CAPITAL

Social capital is produced through networks of reciprocity, mutuality, and trust. We found that social capital among tenant-members is supported by four key enabling factors, namely:

- Living in co-located dwellings.
- Tenant-member health.
- Direct participation in co-operative activities.
- A sense of autonomy and empowerment in the co-operative.

Moreover, we found that the relationships between social capital, enabling factors, and benefits are not necessarily linear, but mutually reinforcing. There also appears to be a feedback loop between social capital and

co-operative functionality, such that tenant-members who think their co-operative is performing well tend to have higher levels of social capital.

Social capital is one of the core components of the 'soft infrastructure' of co-operatives that enhances both the positive functioning of co-operatives and a range of benefits for tenant-members. We found that social capital is significantly correlated with the other core components of the soft infrastructure that make co-operatives work well, namely co-operativism, including a desire to live in a co-operative, as well as participation in the running of the co-operative.

9. THE VALUE OF DIVERSITY

Housing co-operatives vary in their level of management and governance responsibilities, tenant-member make-up, size, location, spatial form, and provision of shared spaces such as offices, laundries, and others. In addition to their unifying primary purpose of providing affordable homes to people on low to moderate incomes, some co-operatives have an additional component to that purpose. That could be to house people from a particular cultural background or household type, address environmental concerns, house artists, etc. as decided by the co-operative.

Value and beneficial outcomes were found across all the different types of co-operatives. Generally, co-operatives that are co-located, that have shared facilities, that are in metropolitan locations, and have an additional purpose tended to report better outcomes. However, this pattern was not uniform. We also found beneficial outcomes in co-operatives that are not co-located, or not in metropolitan areas, or that do not have an additional purpose. **All forms of co-operatives were found to have value – there is no single “right” way to be a co-operative.**

10. HOUSING OUTCOMES: SENSE OF HOME, AFFORDABILITY, STABILITY, SAFETY, AND QUALITY

Sense of home – the majority (86%) of tenant-members surveyed feel very much or somewhat at home in their co-operative. Tenure security, being able to make changes to their dwelling, sense of community, sense of support, having a say, and being able to age in place, are all part of what makes a co-operative feel like home. Conflicts with other tenant-members, tension with their CHP, poor maintenance, and a lack of voice were mentioned when people said their co-op did not feel like home.

Affordability – 82% of tenant-members surveyed were satisfied with the affordability of their homes. Affordability was frequently mentioned by participants and was deeply connected to feelings of stability and security.

Housing satisfaction – is statistically driven by older age, better general health, and better mental health. Statistically, people who participate more, are more satisfied.

Co-operativism matters – people who want to live in a co-operative, or their co-op specifically, are more satisfied with their housing than people who had no preference for a housing co-op over other forms of social housing.

11. SKILLS, EMPLOYMENT, EDUCATION, HEALTH AND WELLBEING, AND BROADER SOCIAL OUTCOMES

Skill outcomes – Participating in their co-operative correlates with tenant-members' skills development. We found that skills development in turn correlates with better employment and education outcomes.

Employment outcomes – There are positive connections between tenant-members' skills development and employment outcomes.

Tenant-members that report developing skills through participating in their co-operative also tend to report better employment outcomes and see the skills developed through participating in their co-operative as transferable to many workplaces.

Educational outcomes – there are positive connections between tenant-members' skills development and educational outcomes. Tenant-members that report developing skills through participating in their co-operative also tend to report better employment outcomes. Many respondents referred to their ability to undertake further education due to their housing stability in their co-operative. Often, education occurred alongside other obligations such as caring duties, and this balancing act was seen as possible only because of living in a co-operative.

Health and happiness outcomes – Statistically, there are correlations between self-reported health outcomes and respondents' sense of the importance of the co-operative principles.

→ *Health*, as a reported benefit of living in a co-operative, was found to be statistically driven by several aspects of social capital. Driving factors were whether tenant-members felt that people in their co-op look out for each other, their sense of community, and their sense of their co-op as a good place to live.

→ *Happiness* as a reported benefit of living in a co-operative was also found to be statistically driven by several aspects of social capital. As with health, these included whether tenant-members felt that people in their co-op look out for each other, their sense of community, and their sense of their co-operative as a good place to live. Additionally, happiness as a reported outcome was driven by whether tenant-members felt that people in the co-operative can be trusted, and if their co-operative was a good place to retire or grow old.

Broader social, environmental, or political outcomes – Some co-operatives are heavily involved in their broader community, cultural group, or industry sector (e.g., artists, cultural groups). Many individuals flagged that they are actively involved in broader social or community efforts due to living in their co-operative. Many co-operatives have adopted aspects of environmentally sensitive housing or would like to. Some co-operative tenant-members see housing co-operatives as a basis for broader housing reform, foregrounding equitable housing as essential societal infrastructure. The socially and community-oriented nature of co-operatives was also seen as a basis for broader social justice.

12. CHALLENGES

The research has identified a series of challenges in rental co-operative housing that can risk the positive benefits and outcomes that tenant-members experience in the sector. It has also identified pathways to managing or ameliorating these risks. The report focuses on five key risks:

INEQUITABLE PARTICIPATION

The most widespread challenge reported by was inequity in participation. This was where tenant-members' levels of participation and relative work contributions to the co-operative were felt to be unworkable or unjust. Given the significance of participation in driving the benefits documented, this is a primary issue to be addressed.

MAINTAINING HEALTHY RELATIONSHIPS

Co-operatives can be impacted by problematic or domineering personalities, or by unproductive interpersonal skills and dynamics. In some instances, this impacts tenant-members' sense of stability, wellbeing, and/or safety.

AGEING IN CO-OPERATIVES

Some participants identified the overall ageing of the housing co-operative demographic as a challenge for maintaining suitable dwellings into the future. Ageing was seen to bring mixed effects for participation: some felt older tenant-members can contribute more due to lower employment requirements, while others saw the reduced participation of frail-aged tenant-members as an emerging challenge.

CO-OPERATIVE-CHP RELATIONS

Some participants in co-operatives that are in partnership with a CHP saw challenges in that relationship. These related primarily to communications, perceived power imbalances, delays or other issues with maintenance, and potentially incompatible member screening processes or tensions with centralised community housing waiting lists.

CO-OPERATIVES IN THE POLICY LANDSCAPE

Some tenant-members reported that co-operatives are not well understood in the broader community housing landscape and that consequently, policy settings are not appropriate for co-operatives. Many respondents felt that the increasing housing affordability crisis and lengthy wait times for social housing, mean that people are applying to live in a housing co-op without understanding the model or being able to meet the requirement for participation. Given the centrality of effective and equitable participation in both co-operative functionality and in delivering benefits to tenant-members, this is a significant issue.

13. RECOMMENDATIONS FOR THRIVING CO-OPERATIVES

Based on our research, we recommend that appropriately supported co-operatives have a part to play in a diversified housing landscape, as their focus on member participation engenders a sense of agency, voice, and community and skills development that translate into significant benefits. A housing co-operative may not be for everyone, but it can be a transformational and life-changing option for those people it suits. One important conclusion of this project is that housing co-operatives present a viable option within a more diversified housing landscape.

Further, while our research has focused on housing co-operatives, the lessons regarding the impact of increased resident voice, agency and empowerment also have implications for community and social housing more broadly.

Below we identify seven key themes for the sector and policy and decision makers more broadly to consider and that can support a stronger co-operative housing sector. Each of these themes encompasses a series of targeted recommendations that might be taken up to strengthen the sector. This list is not exhaustive but highlights what we consider to be the key issues emerging from the research.

THE VALUE OF DIVERSITY AMONGST HOUSING CO-OPERATIVE MODELS

There is no single “right” way to be a housing co-operative. Our research shows that the benefits accrued to tenant-members are achieved through all housing co-operative types. Governance and management models vary, and these are negotiated formally and democratically by members, often overseen by a CHP. We recommend that:

→ The sector continues to collaborate to build a strong evidence base about the value of housing co-operatives, and the diversity of types.

One invaluable source of knowledge, as experts in their own housing, are tenant-members. With this understanding, we suggest that:

→ CHPs collaboratively and systematically draw on the knowledge and expertise of tenant-members in running thriving co-operatives, to continue to build institutional knowledge and the evidence base referred to above.

→ The sector works to continually include the lived experience of tenant-members in policy discussion forums and roundtables.

To enable diversity, we also recommend that:

→ CHPs develop clear and explicit mechanisms so that co-operatives can change their level of responsibility for the range of management activities required to run a co-operative, enabling co-operatives to delegate responsibility for some tasks to a supportive CHP; such changes may be desired as the needs of tenant-members in that co-operative change over time.

CHP, STATE, AND INDUSTRY SUPPORT FOR A DIVERSE SECTOR

Housing co-operatives play a substantial role in many other countries; however, Australia's rental housing co-operatives are not currently as visible in national and state housing policy frameworks. The lack of understanding on the part of policy and decision-makers about what housing co-operatives offer compared to other forms of social housing, is a challenge for building the sector.

We recommend:

- The development of a policy framework that is cognisant of the dual role of housing co-operatives as member-based organisations and affordable housing vehicles, in order to more efficiently support the sector and maximise benefits not only for tenant-members but also the broader community.
- Understanding of co-operatives, tenant-members' dual roles, and the benefits of co-operatives be built amongst policymakers, and allied sectors such as insurance, planning, development, finance, and residential tenancy regulation and mediation.

EFFECTIVE MULTI-SCALAR GOVERNANCE

The ARHC sector represents a unique and diverse organisational landscape comprising varying relationships between co-operatives, CHPs, and the State, including co-operatives that are themselves CHPs. This brings with it a unique set of challenges for coordination and communication. We recommend:

- (Re)establishment of clear and accessible communication between co-operatives and CHPs, including more opportunities for face-to-face and regional meetings.
- Co-ordination and resource sharing at regional level should be explored and supported.
- Co-operatives should continually address internal communication processes to ensure smooth functioning – e.g. clear, professional, and equitable communication channels must exist between members; an appropriate balance between pre- and in-meeting discussion, which will vary between co-operatives; a balance between face to face and online formats that is appropriate to their tenant-members; and conflict resolution processes and training.

ENHANCING ENVIRONMENTAL PERFORMANCE AND ACCESSIBILITY OF CURRENT HOUSING STOCK

Many co-operatives spoke of their desire to enact environmental concerns, especially with regards to adopting solar and increasing the thermal performance of homes. With this in mind, we recommend:

- Establish a potential for leveraging collective purchasing power for energy efficient technologies (solar, insulation etc.) into the sector.
- Identify appropriate finance or grants to support environmental strategies across the sector.

With an ageing population tenant-members also raised concerns about ageing in place and accessibility. With this in mind, we recommend to:

- Identify appropriate strategies to improve the accessibility of properties for people with diverse abilities and for tenant-members to be able to age in place.

SELECTION, TRAINING, AND ONBOARDING OF TENANT-MEMBERS

Tenant selection - Our research shows that co-operatives need to be able to identify and select prospective tenant-members who are willing and able to participate. We recommend that:

- Mechanisms be explored for filtering centralised waiting lists, to build applicants' awareness of the nature and requirements of co-operatives and enable de-selection of this option if appropriate.

Training - Our research shows that quality training for tenant-members is important for a well-functioning co-operative and tenant-members reported the particular benefits of face to face training. Based on this, we recommend:

- Training should be conducted face to face, with co-operatives playing a role in this.
- Training be used as part of the tenant-member selection process, as co-operatives need to have the ability to filter and select tenant-members through training.

Onboarding - Following appropriate training and selection, our research identified a number of ways that new tenant-members can be supported to participate in their co-operatives and for co-operatives to be able to retain their functionality and integrity through this. We recommend:

- In addition to training in basic co-operative responsibilities, training in conflict resolution, dealing with difficult personalities, maintaining professionalism, and codes of conduct are required. This is also suggested for established tenant-members.
- A probationary period on new tenancies or staged membership to provide mechanisms for terminating memberships and tenancies if needed.

Where possible, opportunities for co-operatives to train and learn from each other should be supported.

BUILDING EQUITABLE PARTICIPATION AND EFFECTIVE GOVERNANCE

As seen throughout the report, equitable and effective participation is a vital driver of a suite of outcomes and benefits. Several factors help to establish and maintain effective governance and equitable participation. One central factor has been discussed in the section on 'tenant selection' above. Tenant-members also identified that the following practices work in supporting equitable participation:

- Rotation of roles – formal roles and positions should have clearly stipulated and enforced periods of occupancy and rotation between tenant-members.
- Leave provisions – these should be clearly defined in co-operative policies and upheld as part of formal roles such that tenant-members.
- Addressing reasons for non-participation: people can feel unsure or overwhelmed, so training as discussed above helps, as does supporting tenant-members as they enter new roles.
- Social events and activities should be supported as these can relieve the sense of 'work' and build community.
- Streamlining meetings and making them enjoyable: when tenant-members enjoy taking part in co-operative activities they are more likely to participate. Co-operatives can learn from each other about how to make meetings functional and enjoyable. In our interviews, we found co-operatives often use food and shared meals as a key way to make meetings more enjoyable events that mix work and socialisation.

ONGOING DOCUMENTATION OF THE BENEFITS OF HOUSING CO-OPERATIVES

This research measures the effectiveness of housing co-operatives by building on earlier work by AHURI that focused on the broader community housing sector. We have identified a range of beneficial outcomes for tenant-members with some directly linked to tenant-members own participation. To continue to build this evidence base, we recommend that the sector:

- Continues to monitor the overall effectiveness of the sector through a similar framework. We have endeavoured to make our data collection and analysis as robust and replicable as possible so that a longitudinal evidence base can be prepared.
- Advocates for affordable rental housing co-operatives data that is routinely collected as part of the National Social Housing Survey, to be made available to the co-operative sector. This would involve identification of rental co-operatives at the time of data collection and collation, and communication of results separately from the rest of the community housing sector. This would enable comparative analysis to the rest of the community housing sector.

We also suggest that:

- Our framework may have relevance for the social housing sector more broadly in that it centres tenant-members contributions to their housing, and identifies resulting outcomes that have the power to re-frame tenant relationships with their social landlords.



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