

**Submission
No 104**

OPTIONS FOR ESSENTIAL WORKER HOUSING IN NEW SOUTH WALES

Organisation: Business Council of Co-Operatives and Mutuals

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Essential Worker Housing

Submission to the NSW Legislative Assembly Select Committee on Essential Worker Housing

Introduction

The Business Council of Co-operatives and Mutuals (BCCM) welcomes the opportunity to make this submission to the NSW Legislative Assembly inquiry into essential worker housing.

The BCCM is the national peak body representing the co-operative and mutual enterprise movement across all sectors of the economy including agriculture, banking, insurance, housing, retail, small business buying groups, health, energy and social care. In New South Wales, co-ops and mutuals have a combined turnover of \$15.7bn and have 11.8 million memberships including more than 20,000 SMEs. BCCM's NSW-based membership includes mutual banks (e.g. Police Bank) and housing co-operatives (Common Equity NSW) with a direct interest in meeting the housing needs of essential workers.

Co-ops and mutuals are businesses that are owned and democratically controlled by members, who can be consumers, producers (SMEs), workers or a community of interest. They exist to deliver benefits to members and the community, rather than seeking to maximise profits to shareholders.

Response to Terms of Reference

Our response focuses primarily on the role of co-operatives and mutuals in relation to 1(b)(ii) and 1(b)(iv) of the Terms of Reference.

The underlying corporate purpose of co-ops and mutuals (member benefit) means they seek to innovate according to emerging member needs rather than what will maximise profits to shareholders. The efforts of co-ops and mutuals can therefore align closely with government housing policy objectives across the whole spectrum of the housing system, including the need to house essential workers close to the communities where they work.

Indeed, co-ops and mutuals have a long history as a vehicle that Australians have utilised to address barriers to meeting their housing needs and aspirations. To take just two examples:

- Building societies are a form of financial co-operative that first emerged in the 1800s to help Australians finance home construction – a mutual solution to accessing credit that wasn't otherwise available. Over time the various forms of financial co-operative have matured into mutual banks and continue to innovate to meet new member needs.
- Rental housing co-operatives were promoted and grew in the 1980s and 1990s as a tenant-centred model of social housing. Recent University of Western Sydney [research](#) has affirmed the benefits of tenant control delivered by co-operative housing.

Today, the co-operative and mutual movement is exploring new ways to meet the current housing affordability challenge for Australians, including essential workers. The BCCM has adopted a national housing strategy that focuses on:

- Facilitating new and innovative mutual financing of housing
- Growth of housing co-operatives

As documented in the 2023 [Barriers to Institutional Investment, Finance and Innovation](#) report by the National Housing Supply and Affordability Council, with the right policy settings, regulatory systems and financial structures there is a realistic and early prospect of establishing significant new housing asset classes including shared and limited equity that can reduce the barrier to secure and affordable housing for many Australians.

One of the innovative mutual financing solutions to emerge in New South Wales is the shared equity model for essential workers that has been developed by Police Bank and HOPE, both members of the BCCM. This model supports a broad range of essential workers in both the public and private sectors. **The BCCM supports the submission and recommendations to this inquiry made by Police Bank and HOPE.**

About the BCCM

The BCCM is the national industry peak body for co-operatives and mutuals, working with governments, regulators and policymakers to ensure the Australian economic landscape is fully able to benefit from a competitive co-op and mutual movement.

Through its member co-ops and mutuals, the BCCM represents 12.8 million individuals and 60,000 businesses.

The BCCM has supported new co-operatives and mutuals to form in a range of sectors and is a member of the International Co-operative Alliance (ICA) with access to world-wide networks.

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