

## MEMORANDUM

### Information

24 October 2016

Memo number 10/2016

From: Program Team

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### Future Directions Project (FDP) Update

We committed to responding to you in October with clarity around what you can expect and according to what timelines. Due to significant changes in the FDP, this memo will also outline the reason for those changes.

Delays and uncertainty have been frustrating for Co-ops. While the FDP project will continue to evolve, any changes will be minimal and only occur if important to the project. We will better communicate any changes as they occur.

#### FDP Timelines

Timelines	FDP regions	Action
By Dec 31 <sup>st</sup> 2016	Pilot 1 region. Pilot 2 (Geelong) region.	CEHL will send a proposed Co-op Plan to the Co-ops.  CEHL will develop a Pilot Property Acquisitions Plan (a long-term plan for how CEHL will build and develop properties for the region) for Pilot 1 and Pilot 2.
By Feb 25 <sup>th</sup> 2017	Co-ops outside of the Pilot 1 and 2 regions who return a completed Workbook by the end of the year.  Those Co-ops who have returned a Workbook so far include: Canadian Place, Futures, Serenity, Southerners, Stockaders, Lakesdale, NASA, Thomson River, Wonthaggi Pioneers, Carinya, Seagull.  (please contact your Co-op Development Co-ordinator if you have sent in a Workbook and are not in the list above).	CEHL will send a proposed Co-op Plan to the Co-ops.
Feb – Jun 2017 (CEHL will send exact dates to the region in Dec 2016)	Linger Glen region.	CEHL will invite the FDP region to a launch + provide the Co-ops with an Infokit.

		At a later date, CEHL will invite the FDP region to a workshop + provide the Co-ops with a Workbook.
Feb – Jun 2017 (CEHL will send exact dates to the regions in Dec 2016)	Colac, Outer East Metro, Melton, Inner Urban, and the South East Metro regions.  Also Tarra and Warratraf Co-ops from the Morwell region.	CEHL will invite the FDP regions to a workshop + provide the Co-ops with a Workbook.
Commencing from Jan 2017	Co-ops who provide CEHL with their Workbook after the start of the new year 2017.	CEHL will return a Co-op Plan within 8-weeks of you providing CEHL with a Workbook.

**Note:**

- Please see the last page to find which region your Co-op is in.
- If you send an incomplete Workbook, the turnaround time will be extended.
- Those Co-ops not listed in the schedule will be provided with clear next steps by the end of March 2017. CEHL has a different approach for those Co-ops. Please contact your Co-op Development Co-ordinator for more information.

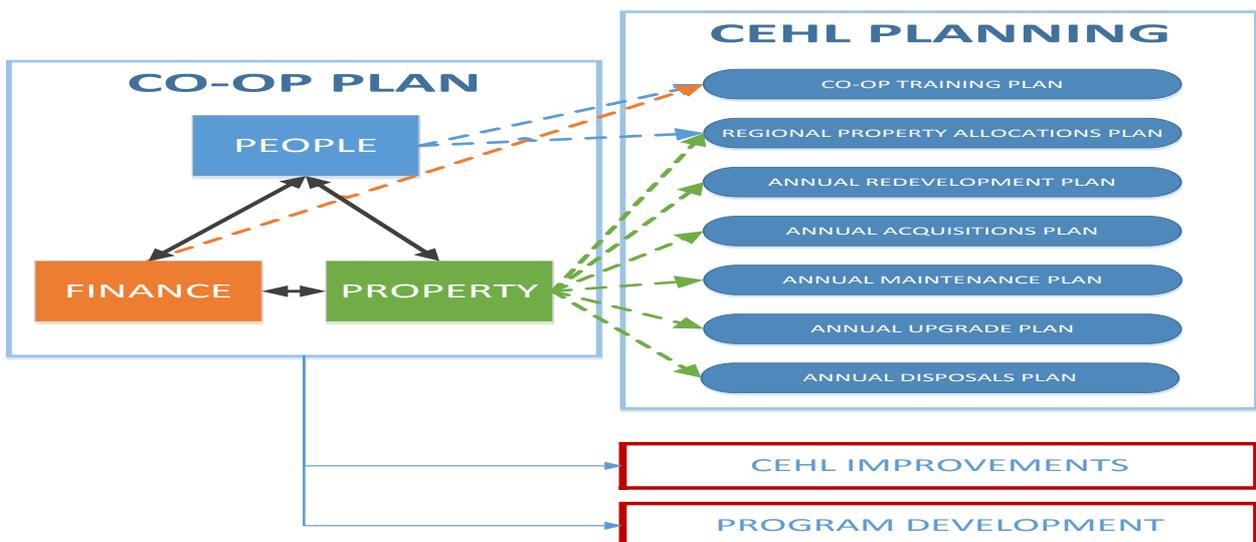
FDP timelines and updates will be posted on the CEHL website. This will include the length of any delays due to CEHL receiving many Workbooks at the same time.

Please go to [www.cehl.com.au](http://www.cehl.com.au) and click on 'Future Directions Project' under the heading 'Special Projects' on the home page.

If your Co-op is to be significantly affected by FDP changes, CEHL will send your Co-op secretary such information by post.

**FDP significant changes**

FDP will shift away from only responding to Co-op needs individually. Instead, FDP will be a Program-wide system that captures Co-op needs and also feeds them into: CEHL plans; CEHL improvements; and Program development. This is shown in the diagram below. This will enable CEHL to use limited resources to deliver a better and more consistent service across the Program.



Your Co-op Plan will continue to set out your Co-op's needs for the next 10 years. It will help your Co-op to make better and more informed decisions. It will importantly serve as the key tool by which the Co-op can identify the range of resources required from CEHL.

## **Co-op and CEHL planning cycles**

### Co-op Plan yearly refresh:

Your Co-op Plan will be refreshed every year to capture any small updates that can inform CEHL's planning. At the same time, those Co-ops who do not have a Co-op Plan will be given a chance to complete one.

### Co-op Plan review:

After a number of years (yet to be defined), CEHL and your Co-op will together carry out a review of your Co-op Plan. You will have a chance to confirm your Co-op needs and include any big changes. Your Co-op Plan will always be looking 10 years ahead.

### CEHL regional planning:

CEHL will develop its plans region by region. They will be informed by the Co-op Plans in the region. Each region's planning cycle will be spaced out from each other to ensure that they are manageable. The timing of these cycles is yet to be defined.

CEHL is currently determining CEHL and Co-op planning cycles, and will communicate this to Co-ops by the end of March 2017.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'N. Foxworthy'.

Nicola Foxworthy  
Program Director  
Common Equity Housing Ltd.

## Further Information

INITIAL FDP EXPECTATION AND PREVIOUS PRACTICE	CHANGE
That the FDP process would resolve 'urgent' issues with immediacy.	<p>The Co-op Plan is a long-term planning document. It will make sure that 'urgent' issues are reduced or prevented.</p> <p>Any 'urgent' matters requiring an immediate response will be managed by existing Co-op, CEHL, and Program, policies and procedures.</p>
The FDP focus was mostly on the properties.	<p>The FDP process now has a greater focus on:</p> <ul style="list-style-type: none"> <li>- the members' ability to carry out the Co-op duties;</li> <li>- the Co-op's ability to carry out its landlord duties (for CERCs); and</li> <li>- the Co-op's management of its finances.</li> </ul>
CEHL 'replaced' properties using money 'owed' to Co-ops, from the sale of a property that the Co-op had handed back to CEHL.	<p>'Replacing' Co-op properties with money 'owed' from a sale was not an effective way of meeting the needs of the Co-ops. Often the value of properties had increased since the sale, or the timing did not suit the Co-op, resulting in the purchase of a less than ideal property for the Co-op.</p> <p>CEHL can better maximise opportunities by working with a pool of handed back properties in a region. The money from sold properties will remain in the region.</p> <p>CEHL will develop strategies to meet the Co-op's requested future mix of properties over time. Timing will depend on the Program's needs.</p> <p>CEHL will address any pre-existing obligations made to Co-ops by prioritising them when allocating properties (as part of a Property Allocations Plan - see below for further information).</p>
New property developments and purchases were allocated to Co-ops without a clear and consistent approach.	<p>CEHL expects to develop a Property Allocation Policy by the first PAC consultation cycle at the beginning of next year, which will clearly define how properties will be allocated to the Co-ops.</p> <p>Properties will be allocated to Co-ops who have an agreed Co-op Plan. It is likely that allocations will be based on the following:</p> <ul style="list-style-type: none"> <li>- outstanding obligations CEHL has made to the Co-op;</li> <li>- Co-op urgent need to increase rental income;</li> <li>- Co-op urgent need to increase membership;</li> <li>- allocation will enable increased utilisation of land/property;</li> <li>- Co-op has handed back vacant and CEHL low rated property;</li> <li>- Member has agreed to move out of CEHL low rated property within 12 months;</li> <li>- the length of time since the last allocation</li> </ul>
Properties were allocated to Co-ops who were not performing to minimum Program requirements, in order to assist them.	<p>Allocating properties to Co-ops that are not meeting minimum Program requirements has been found to make existing issues worse.</p> <p>CEHL and the Co-op will together work on addressing those issues before any properties are allocated.</p>

INITIAL FDP EXPECTATION AND PREVIOUS PRACTICE	CHANGE
<p>FDP actions in the Co-op Plan were: immediate; short-term; long-term; or ongoing.</p>	<p>CEHL is currently revising the use of specific timeframes in FDP Co-op Plans, as it was found that many actions are dependent on other activities that do not have set timelines.</p> <p>CEHL will instead look at fitting Co-op Plan actions in to CEHL planning cycles.</p> <p>No item in the Co-op Plans will be 'immediate', as the Co-op Plan is a 10-year planning tool.</p>

### Reference - Co-ops in each FDP region

FDP regions	Co-ops
<b>Pilot 1 (Northern Metro)</b>	Access, Dwellers, Liberty, Nell Street, St Euphrasias, Sun, Wattletree
<b>Pilot 2 (Geelong)</b>	Bayside, Bell Grove, Bellarine, Binders, Central City, Corio, Eastern View, Geelong West, Kakadu, Larrakeyah, Osborne, Phoenix, Riverland, Swan, Tee Pee, Western Heights
<b>Eureka</b>	Canadian Place, Futures, Serenity, Southern Cross, Southerners, Stockaders, Victory
<b>Mildura</b>	Oasis City, Sunraysia
<b>Colac</b>	Colac, Coladjin
<b>Goldfields</b>	Aegis, Central Vic, Dragon City, Eyrie, Forest Creek, Fountain, Ithaca, Pyrenees, Rainbow 8, Young Achievers
<b>Shepparton</b>	Fruit City, Goulburn Valley, Ky, Solar City
<b>Northern Alliance</b>	Northern Alliance (CMC)
<b>Morwell</b>	Lakesdale, Maryvale, Morwell, NASA, Tarra, Thomson River, Traralgon United, Valley, Warratraf, Wirn Wirn Dook, Wonthaggi Pioneers, Woorayl
<b>Outer East Metro</b>	AFE, Impact, Larc, Ranges, Sherbrooke, Start Polish, Vic Pol
<b>Between 2 Bays</b>	Carinya, Dolphin, Dromana, Mangroves, Seagull, Ti Tree
<b>Melton</b>	Advance, Colonials, Jacksons Creek, MCISG, NWK, Satellite, Sun Valley, Thoroughbreds, Werribee, Wyndham
<b>Inner Urban</b>	Carringbush, Cut Paw Paw, Diamond Valley (CMC), Earth, FKN, Harmony, Keilor, Merri, Opcola, Stockbridge, St Josephs
<b>South East Metro</b>	As Salam, Castle, CERC 13, Cranny, Endeavour, Entity, Tamils
<b>Linger Glen</b>	Glenworth, Linger Longer
<b>Other</b>	Kavanagh Crt, South West, Veronica Village (CMC), Wilsons Road (CMC), Dandenong Harmony (CMC), Lakewood (CMC)