



Retirement of Directives & Guide to their Replacement

Retirement of Directives & Guide to their Replacement

In November 2012, the CEHL Board approved the Directives; containing the philosophy, structure and directions for Common Equity Co-operatives. They were designed to assist members to understand the roles, relationships and responsibilities of being part of the Program. All co-ops within the CEHL Program were required to abide by the Directive's provisions. Over time, the Directives became less equipped to respond to the increasingly complex external context and the changing nature of co-ops.

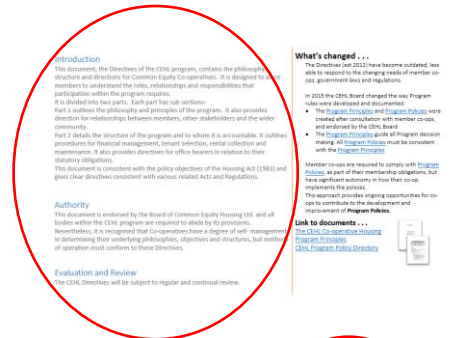
In 2016, the CEHL Board endorsed the Program Principles, with Program Policy being the way in which the Principles would be put into practice. Over the last three years the directives have been replaced with Program Policy, and as a result the Directives are now ready to be retired.

Program Policy sets the rules that all co-ops must abide by as members of the CEHL Housing Program. It provides a framework for decision-making within the Program, with a clear rationale and policy context. Program Policy is approved by the Board, based on the recommendation of the Policy Advisory Committee (PAC).

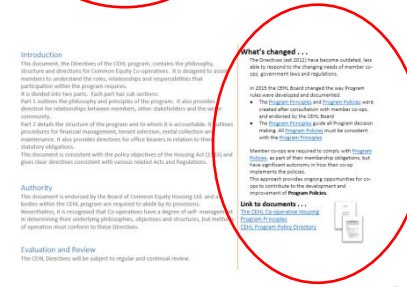
To assist co-ops with this change, and for members who are familiar with the Directives document, we have prepared this guide. The Directives have been edited with information on the replacement of each directive, and the location of the corresponding Program Policy or legislation.

How to use this document...

- This guide is broken into two sections all the way through.
- On the left hand side of the document you will find the original directives quoted from the Directives document.



- On the right hand side of the document you will find details on how the directives have been replaced and where you can find the relevant documents.
- At the bottom of each directive section you will find a list of all documents linked to their respective pages on the CEHL website or government legislation pages.



Notes...

- Now that the Directives have been retired, please ensure that your co-op disposes of any copies of the Directives that your co-op may have. Each co-op will also receive a hard copy version of this document for their records.
- For further information and support working with Program Policy and the retirement of the Directives, please contact the CEHL Program Development and Projects Team at peters@cehl.com.au or 03 9208 0859

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Introduction

This document, the Directives of the CEHL program, contains the philosophy, structure and directions for Common Equity Co-operatives. It is designed to assist members to understand the roles, relationships and responsibilities that participation within the program requires.

It is divided into two parts. Each part has sub sections:

Part 1 outlines the philosophy and principles of the program. It also provides direction for relationships between members, other stakeholders and the wider community.

Part 2 details the structure of the program and to whom it is accountable. It outlines procedures for financial management, tenant selection, rental collection and maintenance. It also provides directives for office bearers in relation to their statutory obligations.

This document is consistent with the policy objectives of the Housing Act (1983) and gives clear directives consistent with various related Acts and Regulations.

Authority

This document is endorsed by the Board of Common Equity Housing Ltd. and all bodies within the CEHL program are required to abide by its provisions.

Nevertheless, it is recognised that Co-operatives have a degree of self- management in determining their underlying philosophies, objectives and structures, but methods of operation must conform to these Directives.

Evaluation and Review

The CEHL Directives will be subject to regular and continual review.

What's changed . . .

The Directives (est.2012) have become outdated, less able to respond to the changing needs of member co-ops, government laws and regulations.

In 2015 the CEHL Board changed the way Program rules were developed and documented:

- The [Program Principles](#) and [Program Policies](#) were created after consultation with member co-ops, and endorsed by the CEHL Board
- The [Program Principles](#) guide all Program decision making. All [Program Policies](#) must be consistent with the [Program Principles](#)

Member co-ops are required to comply with [Program Policies](#), as part of their membership obligations, but have significant autonomy in how their co-op implements the policies.

This approach provides ongoing opportunities for co-ops to contribute to the development and improvement of **Program Policies**.

Link to documents . . .

[The CEHL Co-operative Housing Program Principles](#)
[CEHL Program Policy Directory](#)



Part 1 - Philosophy and Principles

1.1 Philosophy:

The CEHL program philosophy recognises that stable housing is fundamental to peoples' well-being. It follows the social justice principle that housing should be affordable, accessible, and sustainable. It also promotes co-operation and the sharing of responsibilities between individuals as a path to building communities. Members benefit in many ways from Co-operative participation. Members are required to share the values of individual responsibility, inclusiveness, democracy, equality, equity and solidarity. Participation also provides levels of accountability, confirming the structural integrity of the Program. This provides confidence for expansion and greater impact as a viable alternative housing model.

1.2 Aim:

The CEHL program aims to provide affordable and secure accommodation to those who wish to access co-operative housing.

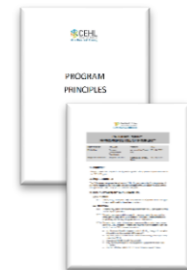
Refer to . . .

The [Program Principles](#) form the underlying philosophy and aims of the Program. They form the basis of all Program decision making, including [Program Policies](#).

The aims of these directives have now been replaced by the primary outcomes of the **Program Principles**.

Link to current documents . . .

[The CEHL Co-operative Housing Program Principles](#)
[CEHL Program Policy Directory](#)



1.3 Objectives:

- (a) The CEHL program will provide affordable rent and security of tenure by having members of the co-operatives self-manage their tenancies;
- (b) The program will maintain acceptable housing standards through effective and efficient maintenance;
- (c) CEHL will continue to provide a wider choice of community housing by promoting the Co-operative Program as a viable form of rental housing;
- (d) The program will work in partnership with governments and communities in developing housing that meets tenant and community needs;
- (e) The program will assist Co-operatives to achieve responsible self-management by providing adequate resources, training and professional advice on a continuous basis.
- (f) The Co-ops in this program will carry out its primary activity of managing and subletting affordable residential properties to their members under an appropriate tenancy agreement in an equitable and efficient manner;
- (g) The Co-ops will achieve their primary activity through the inclusion of members - people who meet the eligibility criteria as agreed by CEHL, the Housing Registrar and the Office of Housing;

What's changed . . .

The objectives stated in the Directives have been replaced, incorporated or updated to comply with:

- current regulations in the [Co-operatives National Law Application Act 2013](#) (CNL) (which was amended in 2015)
- [Program Principles](#)
- [Program Policies](#)

Refer to the following documents . . .

- (a) Program Principles - [Affordability and Financial Sustainability](#)
- (b) The purpose described in the Asset Policies, specifically the [Property Assets Maintenance Policy](#)
- (c) [Program Principles](#) - [Membership and Growth](#)
- (d) [Program Principles](#) - [Working Together](#)
- (e) [Program Principles](#) - [Member Support and Development](#)
- (f) Co-op primary activities are covered in the [CNL](#) requiring that the primary activities of the co-op be stated in the co-op rules. The [CERC/CEHL Agreement](#) (CCA) in Section 8 also states the *Obligations of the Co-op* and *Use of premises*.
- (g) [The Member Selection Program Policy](#): outlines the criteria and process for fair and equitable member selection
- (h) Co-ops working with CEHL to ensure compliance with [Performance Standards](#) as stated in the [CCA](#)

- (h) Co-ops will work with CEHL to ensure compliance with Performance Standards, as required for CEHL to function as a Registered Housing Agency.

Link to current documents . . .

[The CEHL Co-operative Housing Program Principles](#)

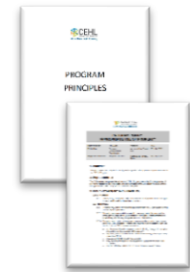
[Asset Maintenance Policy](#)

[CERC/CEHL Agreement](#)

[Member Selection Program Policy](#)

[Performance Standards](#)

[Co-operatives National Law Application Act 2013](#)



1.4 Consumer Control of the Program:

A core principle of co-operatives is that of consumer (member) control. This is achieved in the following ways:

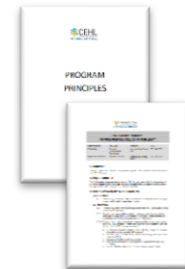
- (a) Co-operatives manage their own internal affairs through democratic processes;
- (b) Co-operatives are represented in all areas of the program. Co-op members participate in CEHL committees, regional associations, and the CERC Council. Members therefore, have opportunities for direct input into policy development and management of the program;
- (c) As shareholders in CEHL, Co-operatives elect five CEHL Directors, who must be Co-operative Members. They are complemented by 6 Technical Directors, chosen for their knowledge and experience in various relevant fields. The Board elects a Chairperson from the five Co-operative Directors.

Refer to the following documents . . .

- (a) The directive providing that **co-operatives manage their own internal affairs through democratic processes** is a requirement of the [CNL](#) and is also included in the [Program Principles - Participation](#)
- (b) **Co-operatives being represented in all areas of the Program** is referenced within the [Program Principles - Working Together](#). This right of membership, is also enshrined in the [CCA](#)
- (c) **The directive that co-operatives elect five CEHL Directors, who must be co-operative members** to the CEHL Board is enshrined within the [CEHL Constitution](#) Section 14, so does not need to be replicated in Program policy. The [Program Principle -Working Together](#), also reflects the Program commitment to a co-op-led Program

Link to current documents . . .

[The CEHL Co-operative Housing Program Principles](#)
[Co-operatives National Law Application Act 2013](#)
[CEHL Constitution](#)



1.5 Principle of Security of Tenure:

The CEHL program operates on a principle that all member/tenants have the right of security of tenure, provided they meet all obligations under the Co-operatives Act 1996 and their Tenancy Agreement.

Co-operatives must ensure security of tenure for their member/tenants as long as they meet conditions of membership and tenancy agreements. Security of tenure is also dependent on the viability of each Co-operative through its capacity to attract sufficient suitable tenants, participating and active members and maintain rental and maintenance accounts effectively.

A Co-operative must issue a Tenancy Agreement to its tenants in a form that is approved and provided by CEHL. This should be a periodic (open-ended) tenancy agreement. Should a Co-operative wish to offer a fixed-term tenancy, it must secure written approval from CEHL before doing so. CMC members (see below) are issued Tenancy Agreements by CEHL – which will usually be in the form of a periodic (open-ended) agreement

Refer to the following documents . . .

- [Program Principles - Security of Tenure](#)
- Program policy regarding new tenancy requirements can now be found in the [Establishing a Tenancy Program Policy](#)

Link to current documents . . .

[The CEHL Co-operative Housing Program Principles](#)

[Establishing a Tenancy Program Policy](#)



Part 2 – CEHL Co-operative Housing Program Structure

2.1 Definition:

The term “CEHL Program” refers to those organisations and individuals who are engaged in the day-to-day and long term operation and maintenance of residential rental properties self-managed by member/tenants of registered housing co-operatives.

The CEHL Program consists of the following entities:

- (a) Common Equity Rental Housing Co-operatives (CERCs);
- (b) Community Managed Co-operatives (CMCs); and,
- (c) Common Equity Housing Limited (CEHL) its committees and other working groups set up as required.

2.2 CEHL Structure:

2.2.1 The Company

CEHL is a registered housing association and a not-for-profit company, limited by shares. It acts as the manager of the Co-operative Housing Program within the constraints of Corporations Law, its Funding Agreement with the Office of Housing, the Housing Act 1983, these directives and the policy directions of its Board of Directors.

Each member co-operative holds a single share in CEHL and has a single vote at any shareholder meetings, including the Annual General Meeting of the company. The CEHL Program receives both Commonwealth and State Government funds.

Refer to the following documents . . .

- The definition of the Program will be included in the Glossary of the [Program Principles](#)

- The structure of the company has not changed, details are provided here under the [Governance](#) section of the website
- Member co-op shareholdings and voting rights are stated in the [CEHL Constitution](#)

Link to current documents . . .

[The CEHL Co-operative Housing Program Principles](#)
[CEHL Governance](#)
[CEHL Constitution](#)



2.2.2 The Board of Common Equity

The Board will comprise 11 Directors – 5 elected by the Member Co-ops at the CEHL Annual General Meeting and 6 nominated by the Board and selected for their technical expertise (known as the Technical Directors).

2.2.3 The Policy Advisory Committee (PAC)

PAC is a subcommittee of the CEHL Board and consists of a number of members, determined by CEHL Board of Directors. Each Regional Association is entitled to nominate a PAC member. The Board will act to ensure all regions of the state are represented at PAC and may therefore appoint members from time to time where there is no regional association to nominate a representative.

The CEHL Board chooses one representative, who is the PAC Chairperson.

The CEHL Staff representative is chosen by the Managing Director.

PAC Members representing regional areas are elected or appointed for two years, CEHL Board representative and the staff representatives serve for a one year term.

Any PAC Member may be appointed for a second or subsequent term.

Refer to the following documents . . .

- The structure of the company has not changed, details are provided here under the [Governance](#) section of the website
- Requirements regarding Board composition can be found within the [CEHL Constitution](#)
- All information on the nature and structure of the Policy Advisory Committee (PAC) can be found within the [PAC Charter](#)

Link to current documents . . .

[CEHL Governance](#)

[CEHL Constitution](#)

[PAC Charter](#)



2.2.4 Regional Associations

Regional Associations are formed to represent the interests of Co-operatives that face challenges distinct to their communities. They are formed to facilitate more representative participation in the development and management of the CEHL Program.

2.2.5 CERC Council

The CERC Council is a discussion forum comprising of individual members and regional representatives. It is designed to give members a forum to discuss and debate policy and procedures and to promote the CEHL Program.

What's changed . . .

- As autonomous organisations, co-ops can form regional associations or interest groups as they wish. These groups may wish to engage with CEHL as a collective and CEHL may offer resources and support from time-to-time
- CEHL organises Regional Forums to enable co-ops and regional associations to share information about opportunities and challenges affecting co-ops and the CEHL Program. In terms of engagement within the Program, CEHL engages primarily with co-ops as members of the Program
- The CERC Council came to an end in or around 2007. More recently, Advisory Groups have been appointed by the CEHL Board to discuss and consult with members on key Program issues and topics

2.3 Co-operative Role and Structure:

2.3.1 Co-operative Roles

Each Co-operative must have, as its primary purpose, housing its members in long-term, secure, affordable housing.

Co-operatives are subject to but not limited by:

- The Co-operatives Act 1996;
- The Housing Act 1983;
- Rules and Policies of their Co-operative;
- Federal tax laws;
- Federal and State Equal Opportunity and Anti-Discrimination legislation;
- Residential Tenancies Act 1997;
- Occupational Health and Safety Legislation;
- Privacy Legislation;
- The CERC or CMC/CEHL Agreement (CCA) and other contractual arrangements including Tenancy Agreements;
- CEHL policies and agreements; and
- These Directives.

Refer to the following documents . . .

- Member co-operatives are subject to the [CNL](#), which requires co-ops to comply with a range of legislation and their co-op rules, developed as part of their registration. Co-ops are also subject to the terms stipulated within the [CCA](#), including the requirement to comply with [Program Principles](#) and [Policies](#) and relevant legislation and regulation

Co-operatives also share in the duties of managing the Program as a whole through:

- Participation on any Advisory Committee to CEHL (i.e., the PAC and/or Working Party);
- Participation in Regional Co-operative Associations;
- Participation on the Board of CEHL; and,
- Representation at CEHL's AGM.

- Co-op engagement with CEHL and the Program is addressed by the [Principle of Working Together](#). The Program offers opportunities to Program participants to influence the ongoing development of our Program, establishing clear purpose, goals and roles underpinned by co-operative principles

Link to current documents . . .

[CERC/CEHL Agreement](#)

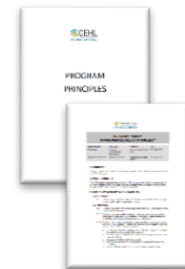
[Co-operatives National Law Application Act 2013](#)

[The Housing Act 2013](#)

[Residential tenancies Act 1997](#)

[Program Principles](#)

[Program Policies](#)



2.3.2 Boards of Directors

Co-operatives are managed by a Board of Directors, elected by members. The Board is responsible under the Co-operatives Act 1996, for the management and administration of the Co-operative. Co-operatives may also adopt a model whereby all members are Directors.

Under section 218 (1) of the Co-operatives Act 1996 the Board may delegate some of its powers and functions to a director or a subcommittee.

2.3.3 Office Bearers

Individual directors take on portfolios or areas of responsibility such as maintenance, secretarial/administration and finance. Members are required to undertake support roles periodically, as part of their membership obligations. Regular turnover of directorships and roles is encouraged and provides greater monitoring and oversight of procedures. It is recommended that no more than one person from each household be a director or office bearer at any one time.

Directors are required to hold regular meetings and to provide an adequate forum for discussion of Co-operative business. Members are entitled to vote on all Co-operative proposals applying democratic principles.

Any Director or office-bearer whose rent is in arrears in excess of 21 days must stand down from the Board or from their role until their arrears are fully resolved.

Refer to the following documents . . .

- The Program cannot mandate the governance form of member co-operatives. Co-op requirements are contained within the [CNL](#)
- As autonomous organisations, co-ops are responsible for their own governance. The requirement for member co-ops to be legally registered as a co-op and continue to meet legal requirements of co-ops is included in the [CCA](#), so does not need to be replicated in Program Policy
- CEHL provides a range of best practice advice and resources to assist member co-ops manage their governance responsibilities, which can be found under the [Program Directory](#)
- Management of conflict of interest within co-ops is the co-ops responsibilities, as enforced by the [CNL](#) so is not included in [Program Policy](#) Resources on conflicts of interest can be found in the [Program Directory](#) under [Best Practice Guides](#).
- **Directors or office bearers being in more than 21 days in arrears** is an example of a conflict of interest that must be managed by the co-op. the [CNL](#) requires co-ops to manage conflicts of interest. CEHL does not have the authority to enforce changes on a co-op Board. A piece of work detailing the Program's Response to a Co-op's Conflict of Interest will be developed

Link to current documents . . .

[Co-operatives National Law Application Act 2013](#)

[Program Directory](#)

[Best Practice Guides](#)

[CERC/CEHL Agreement](#)

[Program Policy](#)



2.3.4 Sub Committees

As well as the Board of Directors, Co-operatives may choose to have a number of sub-committees. Examples would be:

- Finance
- Administration
- House Inspection
- Maintenance
- Policy Adoption
- Tenant Selection & Induction

2.3.5 Independent Directors

Co-operatives may from time to time decide to seek an independent director to assist in the running of the co-operative. This is permitted under the rules and the Co-operatives Act.

The following provisions will apply:

- The co-operative must agree at a Special General Meeting to seek an Independent Director. An Independent Director should be appointed to assist a co-operative in addressing specific issues. These issues should be identified in the minutes and in a written agreement signed by the co-operative and the Independent Director.
- Any Independent Director should be a member or a former member of another CEHL member co-operative. CEHL may approve an independent director who is not or has not been a member of a CEHL co-operative.
- Recommendations of Independent Directors may be sourced from CEHL, a regional body such as SWAC, Eureka or Voice, or from neighbouring co-operatives.
- The Independent Director must be elected by simple majority vote at a Special General Meeting.

Refer to the following documents . . .

- The Program cannot mandate the structure of committees, sub-committees, or directorships within co-ops. Any requirements of sub-committees can be found within the [CNL](#)
- CEHL provides a range of best practice advice and resources to assist member co-ops to manage their governance responsibilities, which can be found under the [Program Directory](#)

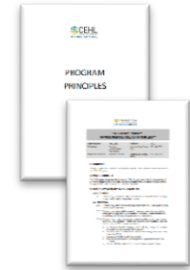
- The Independent Director is not made a member of the co-operative.
- An Independent Director should be appointed for a term of one year. Their role may be renewed for a second year subject to a vote by the co-operative.
- An Independent Director may not receive any payment for their role but should be reimbursed for costs incurred in accordance with the rules applying to all members.

Link to current documents . . .

[Co-operatives National Law](#)

[Application Act 2013](#)

[Program Directory](#)



2.4 Registration of Co-operatives:

2.4.1 Requirement to be registered

All CERCs and CMCs must be registered as Cooperatives under the Co-operatives Act 1996 by the Registrar of Co-operatives.

In order to be registered, a Co-operative must adopt a set of Rules that has been approved by the Registrar of Co-operatives. Rules cover all requirements of administering a Co-operative.

2.4.2 Establishing a Co-operative

To become a CEHL member co-operative, a group must have at least seven members although ideally it would be more. It is a program objective that all Co-operatives have at least 12 properties (and therefore members); Co-operatives with less than 12 are usually targeted for growth.

2.4.3 Induction of an Applicant Group into the CEHL Program

It is a condition of acceptance into the CEHL Program that applicant groups must undertake appropriate training and then demonstrate competence in financial management, record keeping and administrative processes. This is necessary to ensure the future viability of Co-operatives.

Applicant groups must prepare a submission, undergo training as necessary and be approved by the Board of CEHL as a fit and proper co-operative to be recognized, issued a share in the Company and be leased CEHL houses.

The assessment criteria by CEHL will include the following:

- (a) A demonstrated common bond amongst members. Geographical proximity is one necessary common bond; other examples may be culture or philosophy. If the membership of a Co-operative is not complete when it applies for funding, it must outline its plans to ensure that it will be able to maintain its common bond in the future;

Refer to the following documents . . .

- The Program will only offer a [CCA](#) to a legally registered co-op. The Program requirement that co-ops continue to meet the requirements of co-op registration is specified in the [CCA](#)
- CEHL has not inducted a new co-op into the Program for some time and does not have current information on how new co-ops could apply to join the Program
- CEHL is committed to putting together this information to provide to potential co-ops who may wish to join the Program
- Where an existing member Co-op seeks to negotiate a new [CCA](#), the CEHL Board will apply

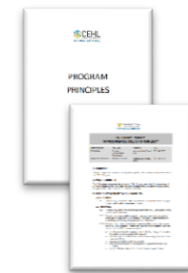
- (b) A demonstrated commitment to the principles and practice of co-operation;
- (c) A management structure that is democratic and complies with the provisions of the Co-operatives Act 1996; including legal structure and arrangements for financial management;
- (d) Decision-making processes which are democratic, effective, and accountable to their members;
- (e) A membership that conforms to tenant eligibility requirements;
- (f) Details of housing requirements and its plans for acquiring and managing properties;
- (g) Membership selection and training policies and procedures;
- (h) A demonstrated commitment to and provision for ongoing training of members, which must include information and understanding of the Performance Standards as determined by the Housing Registrar;
- (i) Procedures for monitoring and evaluation of the group's progress and development; and,
- (j) A demonstrated commitment to comply with the Performance Standards.

2.4.4 Eligibility to enter a CCA with CEHL

Upon incorporation and registration, a co-operative is allocated properties by CEHL under a CCA. CERCs then, in turn, sublet these properties to their members; under the CMC model CEHL functions as the landlord

the existing Program Framework to guide consideration of the request and the format of any [CCA](#) to be offered

Link to current documents . . .
[CERC/CEHL Agreement](#)



2.4.5 Co-operative Accountability

Co-operatives are accountable to:

- (a) The Registrar of Cooperatives – as defined by the Co-operatives Act 1996. The Registrar operates within the Department of Justice, Consumer and Business Affairs Division (CAV). The Registrar administers the Co-operatives Act 1996 and audits accounts and other information required for annual submission. Co-operative Boards must demonstrate their activities have been focused on maintaining correct leasing practices with eligible tenants/members. Directors and members must adhere to the Rules and Policies of the Co-operative, the Co-operatives Act 1996, the Residential Tenancies Act 1997, the CCA (or equivalent), these Directives, Office of Housing requirements and other contractual relationships;
- (b) The Housing Registrar, via CEHL – as defined by the Housing Act 1983. The Registrar operates within the Department of Treasury. The Registrar's role is to register, regulate and monitor registered housing agencies serving the needs of low-income tenants;
- (c) CEHL – for adhering to these Directives and CEHL Board Policies, and meeting their CCA obligations and the Performance Standards. CEHL may make enquiries in regard to these obligations.

Refer to the following documents . . .

- Co-operative accountabilities are found within the [CNL](#) and do not need to be replicated in [Program Policy](#)
- CEHL manages the accountability to the Housing Registrar on behalf of all member co-ops. Co-ops are required under **Clause 8.d** of the [CCA](#) to enable CEHL to meet all reporting and compliance requirements. Co-ops are accountable to the Program through outcomes set out in the Program Policies. The directives have now been replaced by [Program Policy](#)
- CEHL provides a range of best practice advice and resources to assist member co-ops manage their governance responsibilities, which can be found under the [Program Directory](#)

Link to current documents . . .

[Co-operatives National Law Application Act 2013](#)
[The Housing Registrar's Performance Standards for Registered CERC/CEHL Agreement](#)
[Program Directory](#)



2.4.6 Requirements of Accountability

The accounts of the Co-operative must be kept in accordance with the Co-operatives Act 1996 and all relevant tax legislation.

Quarterly financial and other information will be forwarded to CEHL to ensure financial accountability and compliance with Performance Standards.

The audited annual report, after acceptance at the Co-operative's AGM, must be forwarded to CAV. A copy of the Audited Financial Reports must be forwarded to CEHL within 28 days of lodgement at CAV.

2.4.7 Co-operative Properties to be leased to Co-operative Members

All Co-operative properties must be sublet to Co-operative members, except with the express written approval of CEHL.

Refer to the following documents . . .

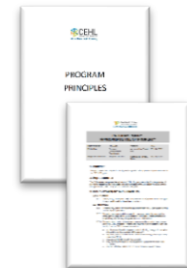
- Co-operative accountability to keep and maintain accurate financial accounts is not enforced by CEHL Program Policy. This is a requirement of the [CNL](#)
- The requirement for co-ops to provide their accepted annual report to CEHL and Consumer Affairs Victoria (CAV) is addressed by the [CCA](#), and by the [CNL](#) respectively. They do not need to be replicated in Program Policy
- The directive that co-ops only sublet to co-op members is set out within the [Establishing a Tenancy Program Policy](#)

Link to current documents . . .

[Co-operatives National Law Application Act 2013](#)

[The Housing Registrar's Performance Standards for Registered](#)

[Establishing a Tenancy Program Policy](#)



2.5 Obligations of Co-operative Membership:

Every Co-operative member shares responsibility in the running and management of their Co-operative.

Co-operatives exist through the activities of their members. Members undertake a range of roles that include:

- (a) Selecting and training new members and continued training of existing members;
- (b) Ensuring rent from member/tenants is collected and properly accounted for;
- (c) Making rent payments to CEHL on behalf of the Co-operative;
- (d) Arranging maintenance work, confirming work is completed satisfactorily;
- (e) Paying accounts;
- (f) Holding meetings, attending to correspondence, authorising and processing expenditure and keeping the minutes, registers, financial and other records of the Co-operative up to date;
- (g) Providing details of income and household composition within required timeframes;
- (h) Keeping all members informed of current CEHL Program policies and directives;
- (i) Providing all new tenants with a copy of the current 'Renting a home: A Guide for Tenants and Landlords' handbook issued by CAV;
- (j) Providing all members with the Co-operative's Rules and the current Policies and most recent annual report;
- (k) Providing all tenants with their current Tenancy Agreement;
- (l) Monitoring compliance of Active Membership as stated under s131 of the Co-operatives Act 1996, and dealing with inactivity. Ensure all members enter into a written Active Membership Agreement.

Refer to the following documents . . .

- Co-op accountabilities and the obligations of their members are found under the [CNL](#) and do not need to be replicated in Program Policy
- The co-op obligations of Program membership are outlined in the [CCA](#). These obligations include the requirement for member co-ops to implement [Program Policy](#) and for co-ops as landlord to comply with the [Residential Tenancies Act \(RTA\)](#)
- CEHL provides a range of best practice advice and resources to assist member co-ops manage their governance responsibilities, which can be found under the [Program Directory](#)
- CEHL provides a range of [Program Policy](#) and best practice advice and resources to assist member co-ops meet any landlord responsibilities. These can be found under the [Program Directory](#)
- The requirement to monitor compliance of Active Membership is set out in the [CNL](#). The extent of, and approach to active membership for co-ops within the CEHL Program, is further set out in the [Co-ops Developing Active Membership Requirements Program Policy](#)

Link to current documents . . .

[Member Selection Program Policy.](#)

[CERC/CEHL Agreement](#)

[Asset Maintenance Policy.](#)

[Household Rent Policy](#)

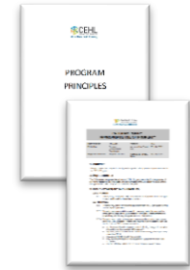
[CEHL Household Rent How to Guide.](#)

[The CEHL Co-operative Housing Program Principles](#)

[Residential Tenancies Act](#)

[The Co-operatives National Law Application Act 2013](#)

[Co-ops Developing Active Membership Requirements Program Policy](#)



2.5.1 Membership Process

To become a Co-operative member an applicant/ couple/ group must first be eligible for housing according to Office of Housing's "Housing Association" income criteria. Prospective members must attend an Information Session in order to submit an application to CEHL.

Members or Boards decide on membership of the Co-operative according to the Rules and Policies of the Co-operative and the Co-operatives Act 1996. Once a member is selected, they must complete an induction program within the first 12 months of membership.

Members are entitled:

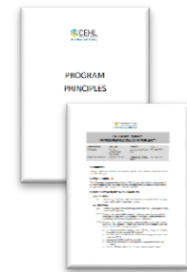
- to rent an available residential property from the Co-operative provided they meet all eligibility criteria;
- to have the Co-operative maintain the property to a reasonable standard;
- to vote at special general meetings; and,
- to share in the rights and obligations of membership.

Refer to the following documents . . .

- Member selection requirements are laid out within the [Member Selection Program Policy and Procedure](#)
- Member entitlements are found within your **Tenancy Agreement**, the [CNL](#), [CCA](#), [Program Principles](#), and [Program Policy](#)

Link to current documents . . .

[Member Selection Program Policy](#).
[Member Selection Procedure](#)
[CERC/CEHL Agreement](#)
[The Co-operatives National Law Application Act 2013](#)
[Program Policy](#)



2.5.2 Single and Joint Membership

Each household has one membership, either singly or jointly held, and each membership has one vote at special general meetings. A joint membership is defined as two adults in a married or de facto relationship.

2.5.3 Other Family Members seeking Membership

Partners, children or other relatives of Co-operative members residing in the one property do not automatically become Co-operative members at any stage. In the event of the death or incapacitation of a member/parent, or at any other time, they may seek Co-operative membership but must undergo the same selection process and meet income requirements and other selection criteria.

2.5.4 Expulsion of Members

Expulsion of members must be done in accordance with the provisions of the Co-operatives Act 1996, as a special resolution at an Extraordinary General Meeting of the Co-operative.

What's changed . . .

- The management of membership (including joint membership) is the responsibility of each co-op according to the [CNL](#). The [Program Response to the Ending of a Joint Membership Policy](#) sets out how the Program will respond to the ending of a joint membership
- Other family members seeking membership is now covered within the [Member Selection Program Policy and Procedure](#) and the [Death of a Tenant Program Policy](#)
- The process for ending a membership is explained in the [CNL](#)
- The Program response to the expulsion of members can be found within the [Program Response to a Co-op Member's Loss of Membership](#)

Link to current documents . . .

[Member Selection Program Policy](#)

[Member Selection Procedure](#)

[Death of a Tenant Program Policy](#)

[Program Response to the Ending of a](#)

[Joint Membership Policy](#)

[The Co-operatives National Law](#)

[Application Act 2013](#)

[Program Response to a Co-op Member's Loss of Membership](#)



2.5.5 Selection of Members

Co-operatives must follow the CEHL Member/Tenant Selection policy and procedures:

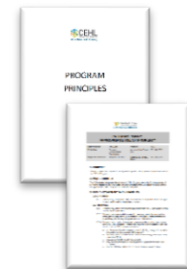
- When a co-operative is advised of a forthcoming vacancy, it must notify CEHL and request a list of eligible candidates. CEHL will provide a list of names from its referral list, conforming to any criteria specified by the Co-operative's own policy;
- If the Co-operative is unable to choose somebody from the initial list, it must explain why before a further list is provided;
- Where CEHL is unable to provide a list of eligible candidates, it will work with the Co-operative to agree alternative strategies for recruiting a new member;
- Any person over 18 years of age may apply for Co-operative housing;
- Selection of Member/Tenant principles are contained in the Member/Tenant Selection Policy, CEHL Board Bedroom Allocation Policy and the Co-operative's own Membership Criteria as defined by the Co-operative.

What's changed . . .

- The process for member selection is explained in the [Member Selection Program Policy and Procedure](#)

Link to current documents . . .

[Member Selection Program Policy](#)
[Member Selection Procedure](#)



2.5.6 Unhoused Members

People may be made unhoused members in the following circumstances:

- Where an identified property is being constructed or purchased and the unhoused member will be occupying it. In this case, the unhoused member must be selected via the CEHL selection policy & procedure (see 2.5.5 above);
- Where a member has ceased to be housed in a co-operative property but wishes to remain a member and actively participate in running the co-operative. This is subject to the co-operative's agreement.

2.5.7 Advocates acting on behalf of Members

Where a co-operative member requires an advocate to be able to sustain a co-operative membership, they may nominate a person to act on their behalf.

What's changed . . .

- Requirements and information regarding unhoused members are covered by the [Property Allocations to Unhoused Members Program Policy](#)
- Co-op interaction with member advocates is a co-op responsibility according to the [CNL](#) and not included in **Program Policy**. Member co-ops could request CEHL develop best practice advice around this topic, if required in the future

Link to current documents . . .

[Property Allocations to unhoused Members](#)



2.5.8 Conflict of Interest

Any potential conflict of interest by a Co-operative member must be declared. A conflict of interest arises where a member, a relative or a friend has either a personal involvement in a situation or may obtain financial benefit, gain or suffer loss from a situation.

2.5.9 Evictions

All evictions must comply with the Residential Tenancies Act 1997. Evictions should only occur where there are serious grounds, for example rent arrears and/or a series of Breaches of the Tenancy Agreement.

Eviction can also occur when membership is cancelled for non-participation in Co-operative activities, under section 131 of the Co-operatives Act 1996.

In either of the above cases, eviction must be supported by a VCAT Order of Possession and carried out in accordance with the Residential Tenancies Act 1997

What's changed . . .

- Co-op requirements regarding conflict of interest are included within the [CNL](#)
- Resources on conflicts of interest can be found within the [Program Directory](#) on the CEHL website under Best Practice Guides. Further work detailing the Program Response to a Co-op's Conflict of Interest will be developed
- Evictions and ending tenancies is now covered with the [Ending a Tenancy Program Policy and Procedure](#)

Link to current documents . . .

[The Co-operatives National Law](#)

[Application Act 2013](#)

[Ending a Tenancy \(Landlord Initiated\) Program Policy](#)

[Ending a Tenancy \(Tenant Initiated\) Program Policy](#)

[Ending a Tenancy \(Landlord Initiated\) Procedure](#)

[Ending a Tenancy \(Tenant Initiated\) Procedure](#)



2.6 Membership Criteria:

The Housing Registrar insists that all Co-operatives must have a clear set of criteria for selecting new member/tenants which considers applicants fairly and equally and adheres to the Performance Standards.

This will be different and distinct from the Bedroom Allocation Policy and income eligibility criteria; however it must clearly state the target membership of the Co-operative. In some cases, this may have already been agreed upon in the founding of the Co-operative.

Co-operatives must draft a set of criteria which clearly identifies the target membership, taking into consideration the spirit of the Co-operative. For example, a Co-operative may decide their aim is to provide affordable community based housing for:

- lower income single parents/families
- people from within the local area

The Equal Opportunity Act 1995 (Vic) and the Human Rights and Equal Opportunity Commission Act 1984 (Commonwealth) and their amendments apply to Co-operatives. Co-operatives cannot discriminate or treat people less favourably because of certain attributes such as race, gender, age, beliefs or disability.

There are some exceptions under the above Acts, for example ethnic specific groups, to allow these groups to maintain their special character.

Co-operatives must submit a copy of their key selection criteria to CEHL.

Refer to the following documents . . .

- Co-op membership is detailed within the [CNL](#) and by individual co-op registered rules
- The Housing Registrar requires the Program to have a clear set of eligibility criteria for the provision of housing to eligible tenants. This criteria is embedded within the Program and is implemented through the [Member Selection Program Policy](#)
- Co-ops cannot discriminate or treat people less favourably because of certain attributes such as race, gender, age, beliefs or disability, this is detailed within the [CNL](#) and other Federal anti-discrimination legislation.

Link to current documents . . .

[The Housing Registrar's Performance Standards for Registered Housing Associations](#)
[The Co-operatives National Law Application Act 2013](#)
[Member Selection Program Policy](#)



2.7 Membership & Tenancies:

2.7.1 Re-housing Existing Members

The purpose of re-housing existing member/tenants is to make more effective use of Co-operative housing stock and to recognise changing needs of members.

If a Co-operative member considers that their residence no longer meets their housing requirements (e.g. as a result of children leaving home, or additional children), that member may request a transfer to more suitable accommodation (see PAC policy on Transfers).

What's changed . . .

- Re-housing existing members is now covered within the [Transfer Policies](#) and the [Property Allocation to Unhoused Members Policy](#)

Link to current documents . . .

[Transfer to VicWide Program Policy](#)

[Transfer Applications by Current](#)

[Program Participants Program Policy](#)

[Transfer Applications by Current](#)

[Program Participants Program Policy:](#)

[Internal Tenancy Transfer Policy](#)

[Internal Tenancy Transfer Procedure](#)

[Property Allocation to Unhoused Members Policy](#)



2.7.2 Leave for Members

Members may apply to the Board of their Co-operative for leave of absence. Such applications must be considered in terms of Co-operative rules, a Co-operative Policy or the recommended PAC Policy.

2.7.3 Sub-Letting of Houses

It is a requirement that tenant/ members reside in the house they rent from the Co-operative. Members may not sub-let their Co-operative Property – except where special approval has been granted by the Co-operative Board of Directors and accompanied by written approval from CEHL.

What's changed . . .

- Leave of Absence from co-op activities is a co-op matter detailed within the [CNL](#) and the co-op's registered rules
- Leave of Occupancy is covered by the [Leave of Occupancy Program Policy](#)
- Sub-letting of houses is now covered by the [Appropriate Use of Property Program Policy](#)

Link to current documents . . .

[The Co-operatives National Law Application Act 2013](#)
[Leave of Occupancy Program Policy](#)
[Appropriate Use of Property Policy](#)



2.7.4 Expulsion or cancellation of Membership

Any cancellation of membership or expulsion from the Co-operative must comply with the relevant provisions of the Cooperatives Act 1996, Part 6.

2.7.5 Property Hand-backs

A Co-operative may apply to hand back a property at any time and the Board of CEHL will consider the request, in terms of CCA Clause 22.

2.7.6 Rent Arrears

Co-operatives shall have a Rent Arrears Policy that describes actions to be taken when rent arrears occur. Both the CCA and recommended PAC Policy contain more detailed clauses on this matter.

2.7.7 Breaches of the CCA

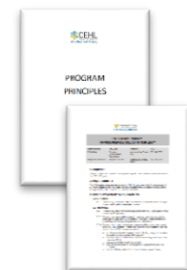
Co-operatives may be issued a Breach of Duty Notice by CEHL under the CCA Clause 13. Co-operatives are required to rectify the Breach within 28 days of the Notice.

What's changed . . .

- The process for ending a membership is detailed within the [CNL](#)
- Handback of Properties is covered by the [CCA](#). The [Asset Management Program Policy](#) and Future Directions Plans (FDP) will provide context for when handbacks are needed
- Management of Rent Arrears is covered within the [Rent Arrears Program Policy](#)
- Breach of Duty is covered within the [CCA](#)

Link to current documents . . .

[The Co-operatives National Law Application Act 2013](#)
[CERC/CEHL Agreement](#)
[Rent Arrears Program Policy](#)



2.7.8 Breaches of Residential Tenancies Act 1997

Co-operatives may issue Breach of Duty Notices to member/tenants who have failed to comply with the requirements of the Residential Tenancies Act 1997 or other relevant Acts.

Co-operatives, as landlords, may also receive Breach of Duty Notices from their member/ tenants. Co-operatives are at all times required to act within the spirit and intentions of the Act and must work to remedy agreed breaches within the timelines defined in the Act.

2.7.9 Registers

Co-operatives must keep all Registers (in particular the membership register) required by the Co-operatives Act 1996.

2.7.10 Tenant funded works

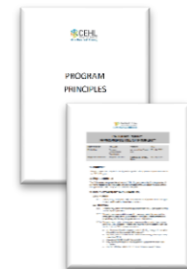
Tenants may seek approval from their Board of Directors to make improvements to their property. The Board should consider such requests in terms of their own Maintenance Policy and Procedures (or in its absence, the Recommended PAC Policy). All such works must be approved by CEHL and completed to a professional standard.

What's changed . . .

- Breaches of the RTA is covered within the [Breach of Duty Program Policy](#)
- The requirement for co-ops to keep Registers is detailed within the [CNL](#)
- CEHL does not have a specific policy on Tenant Funded Works. Current **Asset Policies** explain the Tenant Funded Works process to co-ops. Further information can be found within the [Request Guidelines Additions, Alterations And Modifications](#)

Link to current documents . . .

[CERC/CEHL Agreement](#)
[Breach of Duty \(by Tenant\) Program Policy](#)
[The Co-operatives National Law Application Act 2013](#)
[Request Guidelines Additions, Alterations And Modifications](#)



2.7.11 Rent Policy

All Co-operatives will apply the Rent Policy & Procedures as approved by the CEHL Board, the Office of Housing and the Housing Registrar.

2.7.12 Reimbursements

Where members incur legitimate expenses on behalf of their co-operative, they may claim a reimbursement. Any payments are subject to the following guidelines:

- The expense must have been authorised by the co-operative, or be a reasonable claim to bring retrospectively;
- The amount claimed must be a reasonable reflection of the actual cost;
- All claims must be supported by receipts and/or invoices;
- All telephone expense claims must be supported by a log of calls and, where possible, an itemised bill. Where a member uses a pre-paid phone, the co-operative should agree an amount per call to be paid.
- Where a member has co-operative equipment, e.g. a computer, at home, the co-operative may agree a small payment towards their power bill to reflect the additional cost.

Co-operatives should agree a policy on reimbursements and review it as required.

What's changed . . .

- The rent policy can now be found within the [Household Rent Program Policy](#) and the [Household Rent How to Guide 2019-2020](#)
- Where members incur legitimate expenses on behalf of their co-operative, members may claim a reimbursement directly with the co-op. Member reimbursements are a co-op matter and are outside the scope of CEHL policy.

Link to current documents . . .

[Household Rent Policy](#).
[Household Rent How to Guide](#)



2.7.13 Maintenance of Properties

Co-operatives must maintain all their properties as required by the RTA, and in a similar condition to when the property was first allocated by CEHL, fair wear and tear excepted. CEHL will issue an Asset Inspection Report periodically to guide Co-operatives in their maintenance obligations.

Where co-operatives wish to carry out improvements to properties which are over and above the obligations of the Residential Tenancies Act 1997, they must secure written approval from CEHL before any work is carried out.

What's changed . . .

- The maintenance of properties is covered by the [CCA](#) as well as the suite of [Asset Policies](#)

Link to current documents . . .

[CERC/CEHL Agreement](#)

[Asset Policies](#)

