

**Australian Housing Researcher's Conference
18-20 February 2015, Hobart, Australia**

Rethinking social housing (e⁶)

efficiency - effectiveness - equity - economy - environment - evaluation

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**Sustainable
Built Environment**
National Research Centre



**Sustainable
Built Environment**
National Research Centre

- » **A nation-wide collaborative research centre**
- » **Industry, government and research partners**
- » **Applied research and industry outreach across 3 integrated themes**

Program 1 - Greening the Built Environment

Program 2 - Creating Innovation & Safety Cultures

Program 3 - Productivity through Procurement

Mission: To be a world-class research and knowledge broker in sustainable infrastructure and building design, construction and management



Collaborative Research through Australia's SBEnrc

**QUT / CSIRO
Construction Research Alliance**

1996



2001



CRC Construction Innovation
BUILDING OUR FUTURE



2009

2010



2015



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MASTER BUILDERS



Rethinking social housing: the team

Project partners:

- WA Housing
- National Affordable Housing Consortium Qld
- Griffith University – Urban Research Program
- Curtin University Sustainability Program

Other Project Steering Group participants :

- Owen Donald - Independent Chairperson
- Access Housing WA
- Andre Brits – Logan City
- Sonia Keep – Common Ground Brisbane
- Gary Adsett – Y-Care, Logan

Motivation:

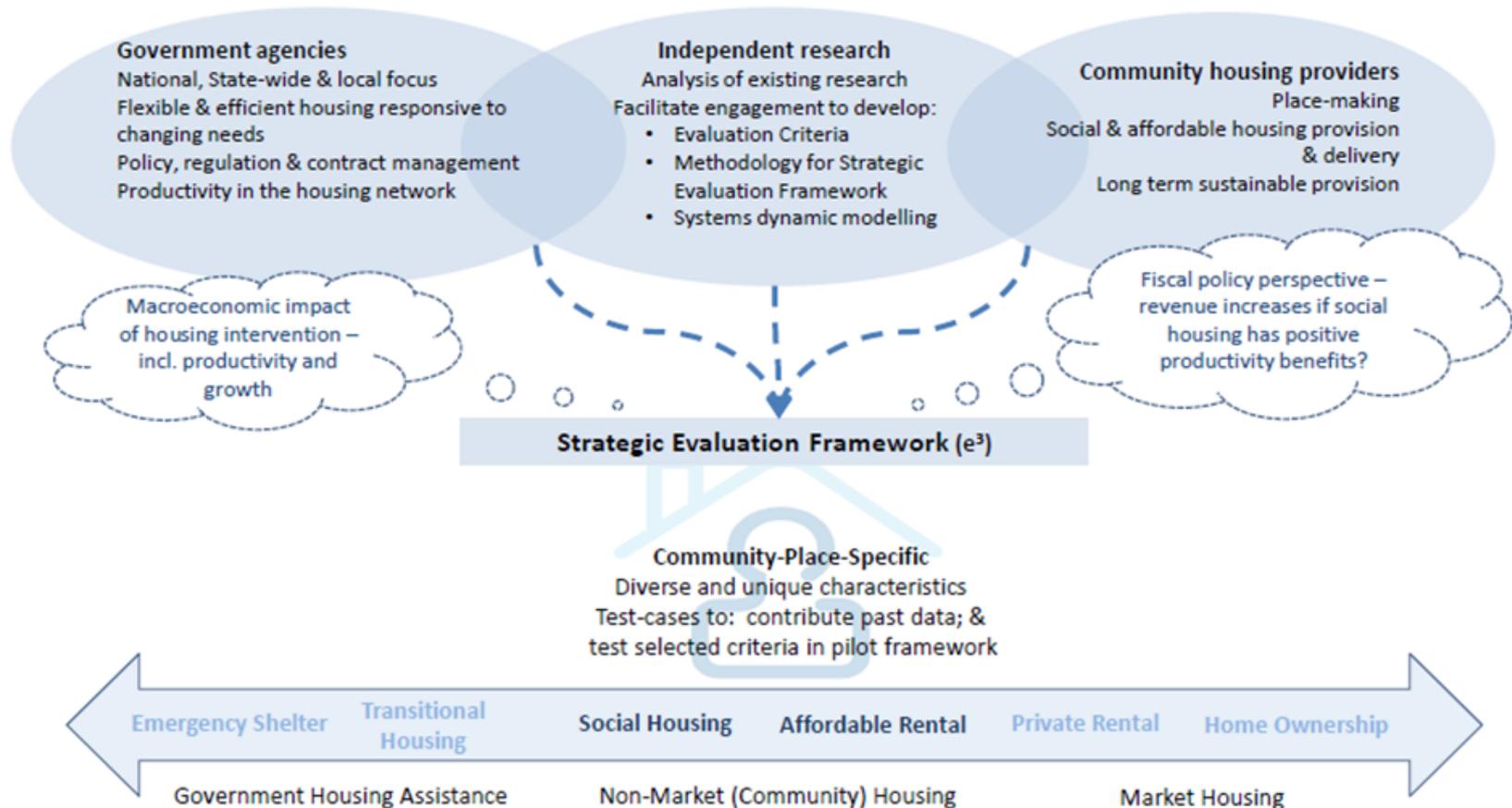
To create a framework to better articulate the *value* of social housing to the Australian community and economy:

In an era of less wealth and a serious housing shortage immediately after WW2, Australia built – from virtually nothing – a public housing system that grew to 326,000 dwellings in 1996 (5.2% of the total housing stock)...

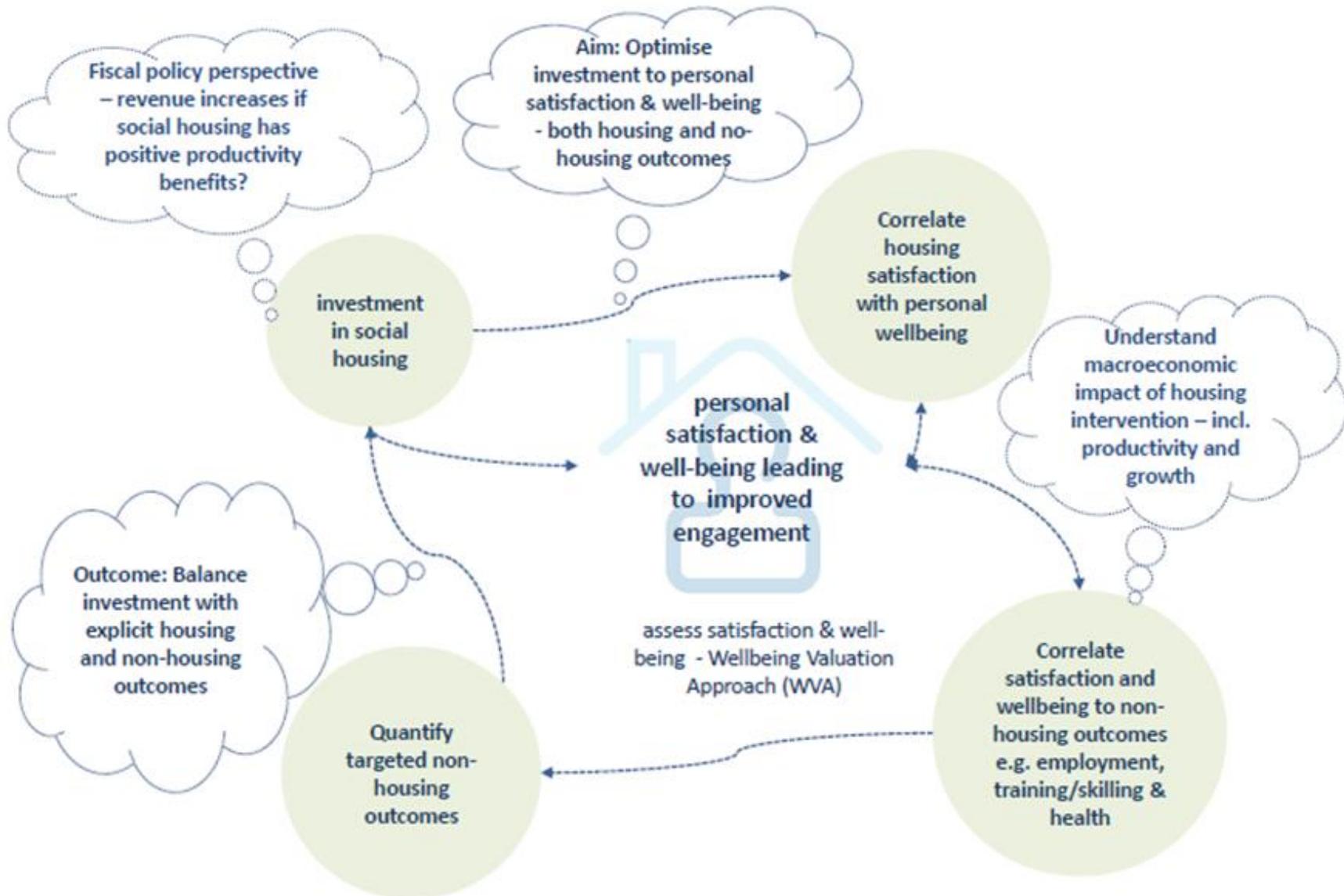
One and a half decades on, in a context of a long economic boom and considerably greater wealth, the numbers have fallen to 315,000 dwellings or 4.1% of the stock...

What has occurred has been the creation of a funding and policy environment in which public housing – indeed social housing generally – it no longer values as it was in the decades from WW2 to the 1980s. Public housing is not regarded as a priority by governments, especially in comparison with health and education (Jacobs, Atkinson, Spinney et al. 2010, p.6.) - (Groenhardt & Burke 2014)

Rethinking social housing



Context: Balancing the investment>satisfaction>outcomes continuum of social housing provision (drawing upon Fujiwara 2013)



Rethinking social housing:

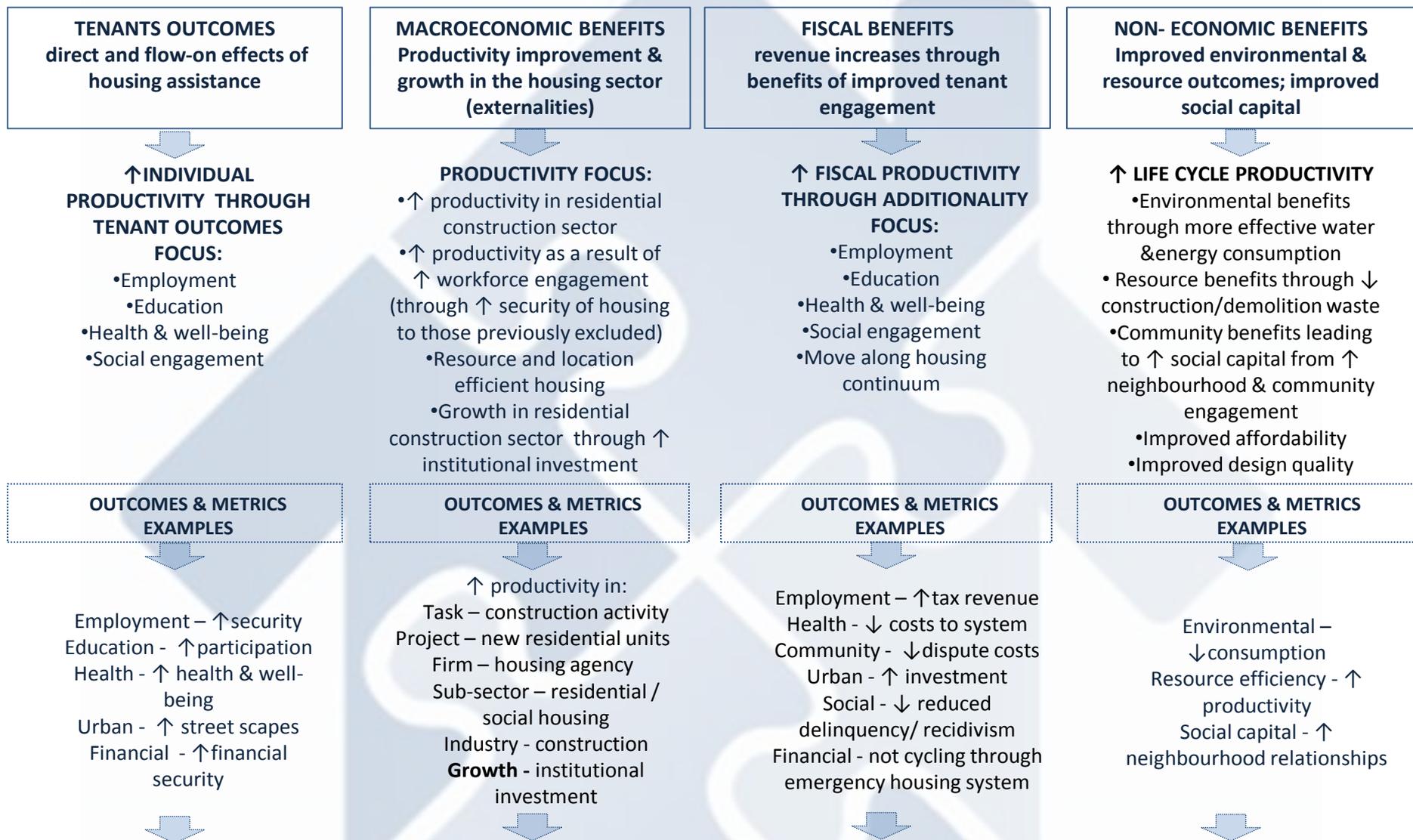
Review & analysis of literature - international and Australia best-practice in the delivery of social housing programs

Build on existing/current research

Areas for specific investigation include:

- definitions, datasets, benchmarks, measures, and metrics
- characteristics of an effective & sustainable system of delivery
- direct & indirect costs
- benefits & costs of pathways to effective ownership
- innovative models for delivery
- productivity –macro-economic, fiscal & construction industry

RETHINKING SOCIAL HOUSING (e⁶) - CONCEPTUAL FRAMEWORK FOR PROPOSED POLICY-BASED APPROACH



STRATEGIC EVALUATION FRAMEWORK (e⁶) outcomes focus drawing on:

Social Cost-Benefit (UK Green Book) Social Return on Investment (Ravi & Reinhardt) Wellbeing Valuation Approach (Fujiwara) Cost Benefit Analysis (/unit cost)

Phase 1 (2014/15) Objective - social housing

future phases to address other housing affordability options e.g. rental assistance; shared equity

Rethinking social housing: stage 1 goal

To development a provisional Strategic Evaluation Framework (e⁶) for social housing delivery

To allow for the on-going testing, quantification and benchmarking of key criteria such as:

- Viability; matching between stock and users; growth; what needs does it address; characteristics of the future system.
- Perception-checking of value to identified stakeholders
- Acceptability of various technology-based cost saving options
- Externalities and values, including boundaries
- What data exists and how to integrate
- Tracking of broader non-housing relating outcomes



Understanding the environment #1: characteristics of effective delivery systems

Social housing is delivered in a multitude of ways across the developed world - evolved out of particular cultural, political, policy, legal and financial and economic norms within each country.

Emerging from the initial literature review, the following characteristics of delivery systems appear to be important factors, regardless of contextual variation:

- A comprehensive housing strategy
- Working collaboratively in delivery
- Security of tenure
- Having a say in one's housing management
- Social mix
- Designated development authority



Understanding the environment #2:

benefits & costs of the various pathways

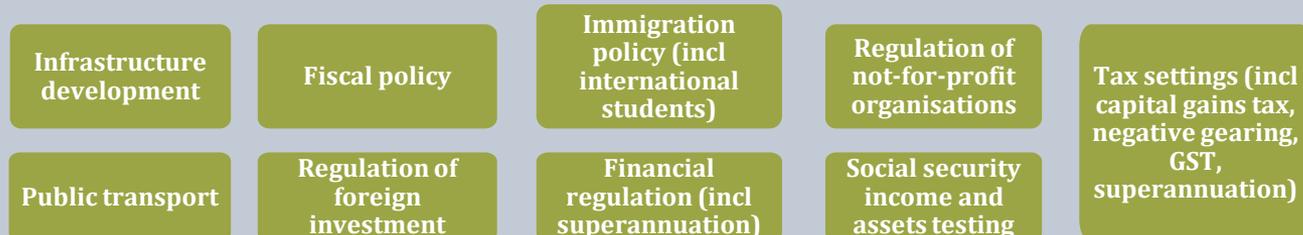
Governments influence the availability of affordable housing through -

- *demand-side tools* such as rental assistance & first home owners grant
- *supply measures* - direct provision; providing subsidies, public grants, & incentives ; providing land for affordable housing development; & inclusionary zoning

Current government responsibilities that *directly* affect housing



Current government responsibilities that *indirectly* affect housing



(Department of the Prime Minister and Cabinet 2014)



Understanding the environment #3: innovative models

Innovative partnerships and financing arrangements exist - mix of public, private and third sector community provider funds.

- **value capture** - equity model - capital gains that arise from planning approvals/ new zoning captured through tax or other means to enable would-be windfall profit for landowners to be invested into infrastructure
- **community land trust** - community not-for-profit organisation that holds parcels of land within a designated area in perpetuity for the common good, essentially removing land from speculative market
- **cooperative models** - co-operatives that form for the purpose of self-building multi-unit developments. By pooling capital together

Also likely new models will emerge.

Some current evaluation frameworks/tools

| Systems | Authors / Commentators | Key Features |
|---|--|---|
| Social Return on Investment (SROI) | (Ravi and Reinhardt 2011) | Maps the value of the work of an organisation by placing monetary values on social outputs; represented by a ratio of social gain from \$1 of investment |
| Social accounting | | Approach to reporting - relates to the social, environmental and financial impact which an organisation has had - considers the extent to which an organisation is meeting its (usually pre-determined) social or ethical goals |
| Well-being valuation analysis (WVA) | (Fujiwara 2014) | Builds on cost-benefit & SROI analyses UK examples, metrics and calculator available |
| Social Impact Value Calculator | (Campbell Collaboration 2014) | Simple excel tool to provide support to apply the values in the Social Value Bank to community investment activities |
| Financial feasibility analysis, post-occupancy evaluation | (Milligan, Phibbs et al. 2007) | |
| Cost Benefit Analysis (CBA) | (Parkinson, Ong et al. 2013), (Pawson, Milligan et al. 2014) | Ratio of housing costs to value of housing benefits |
| Social Cost Benefit Analysis | (HM Treasury 2011) | Assess the net value of a policy or project to society as a whole |
| Cost consequence analysis (CCA) | (Parkinson, Ong et al. 2013), (Pawson, Milligan et al. 2014) | Housing costs per tenant year |
| Cost effectiveness evaluation (CEE) | (Parkinson, Ong et al. 2013), (Pawson, Milligan et al. 2014) | Disaggregated housing costs and tenant outcome measures |



Current outcomes, indicators and metrics

Differentiating outputs & outcomes(HM Treasury 2011)

| Policy area | Outputs | Outcomes |
|--|--|---|
| Job search / Job matching | Number of job seekers assisted. | Value of extra output, or improvement in efficiency of job search |
| Development of skills | Number of training places and / or numbers completing training | Value of extra human capital, and / or earnings capacity |
| Social outputs: Schools; Health centres | Exam results (schools), People treated (health centres). | Improvements in human capital (schools); Measures of health gain (health centres). |
| Environmental improvement | Hectares of derelict land freed of pollution. | Improvement to the productivity of the land. |

Indicators will be identified from several sectors :

- Housing – e.g. employment, education, health, well-being, social, community, urban, financial and housing objectives
- Construction industry metrics –e.g. KPIs & project management metrics
- Economic measures – e.g. workforce engagement, productivity

Drawing from: Randolph and Judd 2001; Bridge, Flatau et al. 2003; Judd and Randolph 2006; Bridge, Flatau et al. 2007; Milligan, Phibbs et al. 2007; Monk and Whitehead 2010; Ravi and Reinhardt 2011; Bröchner and Olofsson 2012; Wood and Cigdem 2012; Fujiwara 2013; Fujiwara 2014; Trotter and Vine 2014; Pawson, Milligan et al. 2014; Carboni 2014, GRI 2014.



Indicator cascade (Carboni 2014)

| GPM P5 Elements | | | GRI G4 Topic Alignment | UN Global Compact Ten Principles |
|-----------------------|--|---|---|--|
| Economic | Return on Investment | Benefit Cost Ratio Direct financial Benefits Earned Rate of Return Net Present Value | Economic Performance X X X | |
| | Business Agility | Flexibility/ Optionality in the Project Increased business flexibility | X Market Presence | |
| | Economic Stimulation | Local Economic Impact Indirect Benefits | X Indirect Economic Impacts | |
| Environmental | Transport | Local Procurement Digital Communication Traveling Transport | Procurement Practices X X Transport | Businesses should encourage the development and diffusion of environmentally friendly technologies |
| | Water | Water Consumption Water Displacement Water Table Impact (Quality/Quantity) | Water X X | Businesses should undertake initiatives to promote greater environmental responsibility |
| | Energy | Energy Used Materials Clean Energy Return Emission / Co2 from Energy Used | Energy X X Emissions | Businesses should support a precautionary approach to environmental challenges |
| | Waste | Recycling Disposal Reusability Incorporated energy Waste | X X X X X | Undertake initiatives to promote greater environmental responsibility |
| Social | Labor Practices and Decent Work | Employment Labor/ Management Relations Health and Safety Training and Education Organizational Learning Diversity and Equal Opportunity Trained Professional Emigration | Employment Labor / Management Relations Occupational Health and Safety Training and Education X Diversity and Equal Opportunity X | Businesses should uphold the elimination of all forms of forced and compulsory labour |
| | Human Rights | Non-Discrimination | Equal Remuneration for Men and Women | Businesses should uphold the elimination of discrimination in respect of employment and occupation |
| | | Freedom of Association | Freedom of Association and Collective Bargaining | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. |
| | | Child Labor | Child Labor | Businesses should uphold the effective abolition of child labour |
| | | Forced and Compulsory Labor | Forced and Compulsory Labor | Businesses should make sure they are not complicit in human rights abuses |
| Society and Customers | Community Support Public Policy/ Compliance Customer Health and Safety Products and Services Labeling Job/Unemployment Market Communications and Advertising Cultural Impact Customer Privacy | Local Communities Compliance Customer Health and Safety Products and Services Labeling X Market Communications X Customer Privacy | | |
| Ethical Behavior | Investment and Procurement Practices Bribery and Corruption Anti-Competition Behavior | Supplier Environmental Assessments Anti-Corruption Anti-Competition Behavior | Businesses should support and respect the protection of internationally proclaimed human rights. Businesses should work against corruption in all its forms, including extortion and bribery. | |

develop Strategic Evaluation Framework e⁶

economy, efficiency, effectiveness, equity, environment & evaluation

Determine granularity of data and time frame for each indicator

Strategic evaluation framework

Portfolio Management

(Dynamic) Asset Management

Property Management

Medium to long term

Day-to-day

Distil & define objectives & indicators

Community

Education

Employment

Financial

Health

Housing

Social

Urban

Well-being

Develop Strategy

Applicable to future innovative delivery models through:
- Anticipating challenges
- novel alternatives & models

Refine criteria & consider additional parameters:
timescale & locality, geography

Enable assessment of productivity benefits:
•Macro-economic
•Tenants benefits
•Fiscal benefits
•Non-economic – environmental & social

Pilot

Test Case Study - Qld

Test Case Study - WA

Feedback & Reporting

Draft framework

Industry Report

Journal / conference papers

Trial Requiring Funding

Funding options incl.:
•ARC Linkage 2015-18
•SBEnc 15/16
•Other?

Aug 14

SBEnc Project 1.31

Sept 15

Thank you – comments & feed-back welcome