Rethinking social housing (e$^6$)

efficiency - effectiveness - equity - economy - environment - evaluation

The researcher team:

Dr Judy A Kraatz, Senior Research Fellow, Urban Research Program, Griffith University

Johanna Mitchell, PhD Candidate, Curtin University

Dr Annie Matan, Lecturer, Curtin University

Professor Peter Newman, Curtin University

Professor George Earl, Griffith University
A nation-wide collaborative research centre
» Industry, government and research partners
» Applied research and industry outreach across 3 integrated themes

Research Program 1 - Environment
Research Program 2 - Processes
Research Program 3 - Productivity

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
2009
2010
2015

www.sbenrc.com.au
SBEnrc Collaborating Partners
Rethinking social housing: the team

Project partners:
- WA Housing
- National Affordable Housing Consortium Qld
- Griffith University – Urban Research Program
- Curtin University Sustainability Policy Institute

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 – is no longer valued 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)*
Social housing – background #1

Assistance programs and total number of households/clients assisted per program, 30 June 2013 (Australian Institute of Health and Welfare 2014)

Social housing assistance

- Provided by state and territory governments
  - Public housing (321,213 households)
  - State owned and managed Indigenous housing (9,820 households)
- Provided by the community sector
  - Mainstream community housing (65,632 households)
  - Indigenous community housing (17,473 dwellings)
- Provided by specialist homelessness services
  - Assistance to sustain housing tenure (59,882 clients assisted)

Notes
1. This figure does not include social housing dwellings provided to Indigenous households in remote areas of the Northern Territory that are not captured in the social housing administrative collections. At 30 June 2012, an estimated 4,065 dwellings fell into this category.
2. The number of households living in mainstream community housing includes those in the Northern Territory since data were not available.
3. Data for Indigenous community housing are at 30 June 2012 since 2013 data were not available. The number of dwellings pertains to permanent dwellings.

Source: AIHW National Housing Assistance Data Repository 2012–13, AIHW 2013d.
### Table G.1: Housing and Homelessness Services Sector, Selected Descriptive Statistics, Australia, 2012–13

<table>
<thead>
<tr>
<th></th>
<th>Net Recurrent Expenditure</th>
<th>Dwellings</th>
<th>Households</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$m</td>
<td>No.</td>
<td>No.</td>
</tr>
<tr>
<td><strong>Social Housing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Housing</td>
<td>2,543.4</td>
<td>328,340</td>
<td>321,213</td>
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<tr>
<td>SOMIH</td>
<td>102.4</td>
<td>10,084</td>
<td>9,820</td>
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<tr>
<td>Community Housing</td>
<td>614.2</td>
<td>65,865</td>
<td>65,632</td>
</tr>
<tr>
<td>Indigenous Community Housing</td>
<td>103.5</td>
<td>na</td>
<td>..</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,363.5</td>
<td>404,289</td>
<td>396,665</td>
</tr>
<tr>
<td><strong>Homelessness Services</strong></td>
<td>583.1</td>
<td>244.2</td>
<td>..</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,946.6</td>
<td></td>
<td>na</td>
</tr>
</tbody>
</table>

- **a** Data may not be comparable across jurisdictions or service areas and comparisons could be misleading. Chapters 17 and 18 provide further information.
- **b** The total number of dwellings at 30 June.
- **na** Not applicable.

Sources: Chapters 17 and 18; table GA.2.

Ref: Productivity Commission report on Public Services Volume G – Housing and Homelessness 2015
Rethinking social housing

Strategic Evaluation Framework (e³)

Government agencies
- National, State-wide & local focus
- Flexible & efficient housing responsive to changing needs
- Policy, regulation & contract management
- Productivity in the housing network

Independent research
- Analysis of existing research
- Facilitate engagement to develop:
  - Evaluation Criteria
  - Methodology for Strategic Evaluation Framework
  - Systems dynamic modelling

Community housing providers
- Place-making
- Social & affordable housing provision & delivery
- Long term sustainable provision

Macroeconomic impact of housing intervention – incl. productivity and growth

Fiscal policy perspective – revenue increases if social housing has positive productivity benefits?

Community-Place-Specific
- Diverse and unique characteristics
- Test-cases to: contribute past data; & test selected criteria in pilot framework

Emergency Shelter | Transitional Housing | Social Housing | Affordable Rental | Private Rental | Home Ownership | Market Housing

Government Housing Assistance | Non-Market (Community) 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**

**TENANTS OUTCOMES**
- direct and flow-on effects of housing assistance

**MACROECONOMIC BENEFITS**
- Productivity improvement & growth in the housing sector (externalities)

**FISCAL BENEFITS**
- revenue increases through benefits of improved tenant engagement

**NON-ECONOMIC BENEFITS**
- Improved environmental & resource outcomes; improved social capital

**PRODUCTIVITY FOCUS:**
- ▲ productivity in residential construction sector
- ▲ productivity as a result of ▲ workforce engagement (through ▲ security of housing to those previously excluded)
- ▲ Resource and location efficient housing
- ▲ Growth in residential construction sector through ▲ institutional investment

**OUTCOMES & METRICS EXAMPLES**
- Employment – ▲ security
- Education - ▲ participation
- Health - ▲ health & well-being
- Urban - ▲ street scapes
- Financial - ▲ financial security

**OUTCOMES & METRICS EXAMPLES**
- ▲ productivity in:
  - Task – construction activity
  - Project – new residential units
  - Firm – housing agency
  - Sub-sector – residential / social housing
  - Industry - construction
  - Growth - institutional investment

**OUTCOMES & METRICS EXAMPLES**
- Employment – ▲ tax revenue
  - Health - ▼ costs to system
  - Community - ▼ dispute costs
  - Urban - ▲ investment
  - Social - ▼ reduced delinquency/recidivism
  - Financial - not cycling through emergency housing system

**OUTCOMES & METRICS EXAMPLES**
- Environmental – ▼ consumption
  - Resource efficiency - ▲ productivity
  - Social capital - ▲ neighbourhood relationships

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

To allow for the on-going testing, quantification and benchmarking against 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
- 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: supply & demand

- Factors affecting demand – population growth, household formation household income and employment, investor demand, household preferences for size, government taxes, concessions and transfer, and cost and availability of finance (NHSC 2010)

- Factors affecting supply – tenure arrangement, land release and development processes, construction and infrastructure costs, government taxes, concessions and transfers and availability and price of land (NHSC 2010; and availability of credit to finance development (RBA2009)

Ref: Productivity Commission report on Public Services Volume G – Housing and Homelessness 2015
Understanding the environment #3: benefits & costs of the various pathways

### Current government responsibilities that directly affect housing

- Public housing
- Commonwealth Rent Assistance
- Tax settings (incl stamp duty, land tax, rates)
- Land release and zoning
- Planning and development regulation (incl developer and infrastructure charges)
- Remote Indigenous housing
- Regulation of building and construction
- First Home Owner Grants
- State rental assistance schemes

### Current government responsibilities that indirectly affect housing

- Infrastructure development
- Fiscal policy
- Immigration policy (incl international students)
- Regulation of not-for-profit organisations
- Tax settings (incl capital gains tax, negative gearing, GST, superannuation)
- Public transport
- Regulation of foreign investment
- Financial regulation (incl superannuation)
- Social security income and assets testing

(From Department of the Prime Minister and Cabinet 2014)
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

• And others including **institutional investment** and **shared equity** arrangements.
Links to the international environment:

International Council for Building (CIB)
Task Group - TG90: Information Integration in Construction (IICON)
Working Commission - WO 69 – Residential Studies

European Network for Housing Research (ENHR)

We must bring people’s daily concerns to policy makers ... If people do not have a degree of certainty about their future, of having a roof over their head, an income, assurance of safety in their neighborhood there is no confidence and no sustainable growth. Current trends of reduced employment stability, evictions and ghettoization in our cities are detrimental for our societal development. We must make the link between people’s every day concerns and policy makers at national and EU levels. Marc Calon President of Housing Europe
## Some current evaluation frameworks/tools

<table>
<thead>
<tr>
<th>Systems</th>
<th>Authors / Commentators</th>
<th>Key Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Return on Investment (SROI)</td>
<td>(Ravi and Reinhardt 2011)</td>
<td>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</td>
</tr>
<tr>
<td>Social accounting</td>
<td></td>
<td>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</td>
</tr>
<tr>
<td>Well-being valuation analysis (WVA)</td>
<td>(Fujiwara 2014)</td>
<td>Builds on cost-benefit &amp; SROI analyses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>UK examples, metrics and calculator available</td>
</tr>
<tr>
<td>Social Impact Value Calculator</td>
<td>(Campbell Collaboration 2014)</td>
<td>Simple excel tool to provide support to apply the values in the Social Value Bank to community investment activities</td>
</tr>
<tr>
<td>Financial feasibility analysis, post-occupancy evaluation</td>
<td>(Milligan, Phibbs et al. 2007)</td>
<td></td>
</tr>
<tr>
<td>Cost Benefit Analysis (CBA)</td>
<td>(Parkinson, Ong et al. 2013), (Pawson, Milligan et al. 2014)</td>
<td>Ratio of housing costs to value of housing benefits</td>
</tr>
<tr>
<td>Social Cost Benefit Analysis</td>
<td>(HM Treasury 2011)</td>
<td>Assess the net value of a policy or project to society as a whole</td>
</tr>
<tr>
<td>Cost consequence analysis (CCA)</td>
<td>(Parkinson, Ong et al. 2013), (Pawson, Milligan et al. 2014)</td>
<td>Housing costs per tenant year</td>
</tr>
<tr>
<td>Cost effectiveness evaluation (CEE)</td>
<td>(Parkinson, Ong et al. 2013), (Pawson, Milligan et al. 2014)</td>
<td>Disaggregated housing costs and tenant outcome measures</td>
</tr>
</tbody>
</table>
Objectives, outcomes and indicators

Context
effective – efficient – equitable – economy – environment - evaluation

Objectives
community
education
employment
environment
financial
health
housing
social
urban

Outcomes and indicators
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; Green Star; universal access and others.
Differentiating outputs & outcomes (HM Treasury 2011)

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

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
## Indicator cascade (Carboni 2014)

<table>
<thead>
<tr>
<th>GPM P5 Elements</th>
<th>GRI G4 Topic Alignment</th>
<th>UN Global Compact Ten Principles</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic</strong></td>
<td></td>
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</tr>
<tr>
<td>Return on Investment</td>
<td>Benefit Cost Ratio</td>
<td>Economic Performance</td>
</tr>
<tr>
<td></td>
<td>Direct financial benefits</td>
<td></td>
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<td></td>
<td>Earnings Rate of Return</td>
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<tr>
<td></td>
<td>Net Present Value</td>
<td></td>
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<tr>
<td>Business Agility</td>
<td>Flexibility/ Volatility in the Project</td>
<td>Market Presence</td>
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<tr>
<td></td>
<td>Increased business flexibility</td>
<td></td>
</tr>
<tr>
<td>Economic Stimulation</td>
<td>Local Economic Impact</td>
<td>Indirect Economic Impact</td>
</tr>
<tr>
<td></td>
<td>Indirect Benefits</td>
<td></td>
</tr>
<tr>
<td>Transport</td>
<td>Local Procurement</td>
<td>Procurement Practices</td>
</tr>
<tr>
<td></td>
<td>Digital Communication</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Traveling</td>
<td></td>
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<tr>
<td></td>
<td>Transport</td>
<td></td>
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<tr>
<td>Water</td>
<td>Water Consumption</td>
<td>Water</td>
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<td></td>
<td>Water Displacement</td>
<td></td>
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<td></td>
<td>Water Table Impact (Quality/Liability)</td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>Energy Used</td>
<td>Energy</td>
</tr>
<tr>
<td></td>
<td>Materials</td>
<td></td>
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<td></td>
<td>Clean Energy Return</td>
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<td></td>
<td>Emission / CO2 from Energy Used</td>
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<tr>
<td>Waste</td>
<td>Recycling</td>
<td>Emissions</td>
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<td>Disposal</td>
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<td>Reusability</td>
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<td></td>
<td>Incorporated energy</td>
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<td></td>
<td>Waste</td>
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<tr>
<td>Labor Practices and Decent Work</td>
<td>Employment</td>
<td>Employment</td>
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<td>Labor / Management Relations</td>
<td>Occupational Health and Safety</td>
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<td>Health and Safety</td>
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<td>Training and Education</td>
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<tr>
<td></td>
<td>Organizational Learning</td>
<td>Diversity and Equal Opportunity</td>
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<td>Diversity and Equal Opportunity</td>
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<td></td>
<td>Trained Professionals/ Emigration</td>
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<tr>
<td>Human Rights</td>
<td>Non-Discrimination</td>
<td>Equal Remuneration for Men and Women</td>
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<td>Freedom of Association</td>
<td>Freedom of Association and Collective Bargaining</td>
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<td>Child Labor</td>
<td>Child Labor</td>
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<td></td>
<td>Forced and Compulsory Labor</td>
<td>Forced and Compulsory Labor</td>
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<td>Society and Customers</td>
<td>Community Support</td>
<td>Local Communities</td>
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<td>Public Policy/ Compliance</td>
<td>Customer Health and Safety</td>
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<td>Customer Health and Safety</td>
<td>Products and Services Labeling</td>
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<td>Job/Unemployment</td>
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<td>Market Communications and Advertising</td>
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<td></td>
<td>Cultural Impact</td>
<td>Cultural Impact</td>
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<td></td>
<td>Customer Privacy</td>
<td>Customer Privacy</td>
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<td>Ethical Behavior</td>
<td>Investment and Procurement Practices</td>
<td>Supplier Environmental Assessments</td>
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<tr>
<td></td>
<td>Bribery and Corruption</td>
<td>Anti-Corruption</td>
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<td></td>
<td>Anti-Competition Behavior</td>
<td>Anti-Competition Behavior</td>
</tr>
</tbody>
</table>
## Draft indicator matrix

**Provide narratives for these to build understanding and assist with consistency**

**Both quantitative and qualitative; understanding economic, environment and social return on investment critical**

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Indicator</th>
<th>Impacts/Benefits/Dis-benefits</th>
<th>Measured Return on Investment &amp; value to whom</th>
<th>Data Source/Tools</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Locale / region**

- Location specific data and relevance

**Timeframe**

- Track outcomes over time

**Macroeconomic**

- Fiscal

**Tenant**

- Community
  - Federal Gov. (Monetary & Fiscal policy)
  - State & Territory (stamp duty, land tax, environment)

**Local Gov. (planning process charges)**

- Other e.g. CHO

**Quantitative**

- Survey, Datasets etc.

**Qualitative**

- Determined availability/applicability of available of data from existing sources.

**OBJECTIVES**

develop Strategic Evaluation Framework
e
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
- SBEnrc 15/16
- Other?

Distil and define with project partners; gather existing metrics and benchmarks

Portfolio Management

(Dynamic) Asset Management

Property Management

Strategic evaluation framework

Medium to long term

Day-to-day

Aug 14

SBEnrc Project 1.31

Sept 15

economy, efficiency, effectiveness, equity, environment & evaluation

Determine granularity of data and time frame for each indicator
Next steps: leveraging funding

- **Test Cases** - nominal set of outcomes & indicators; metric methodologies identified
- **Pilot Cases** - additional of outcomes & indicators; some Australian metrics
- **Pilot Cases** - extensive set of outcomes & indicators; some Australian metrics; systems dynamic model
- **Project 1.31**
  - Aug 14 – Sept 15
- **Project 1.31 SBEnrc Extension?**
  - Aug 15 – Sept 16
- **ARC Linkage**
  - Jul 16 – Jun 19
- ??
Thank-you Questions?