CURTIN University Sustainability Policy Institute
Public Seminar
11 March 2015

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

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

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

CRC Construction Innovation
BUILDING OUR FUTURE

2009

2010

Sustainable
Built Environment
National Research Centre

www.sbenrc.com.au

2015

SBEnrc Core Partners

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Griffith UNIVERSITY

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Curtin University

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

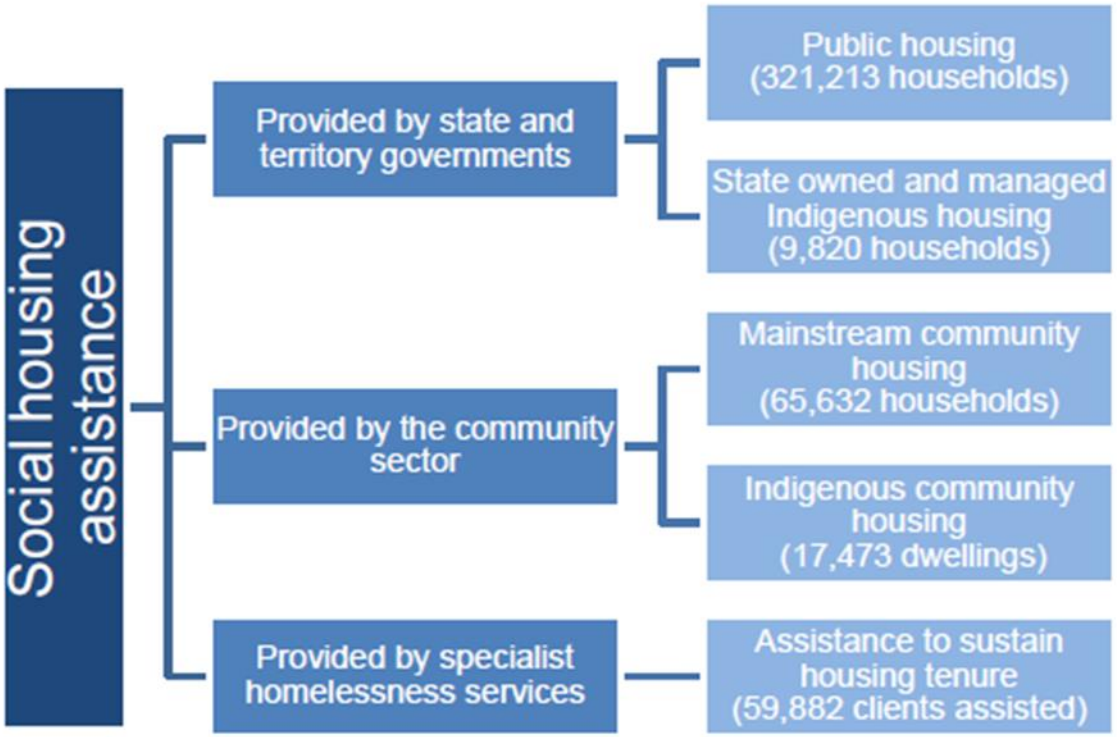
Motivation:

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)



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 4,965 dwellings fell into this category.
2. The number of households living in mainstream community housing excludes 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.

Social housing – background #2

Table G.1 Housing and homelessness services sector, selected descriptive statistics, Australia, 2012–13[a]

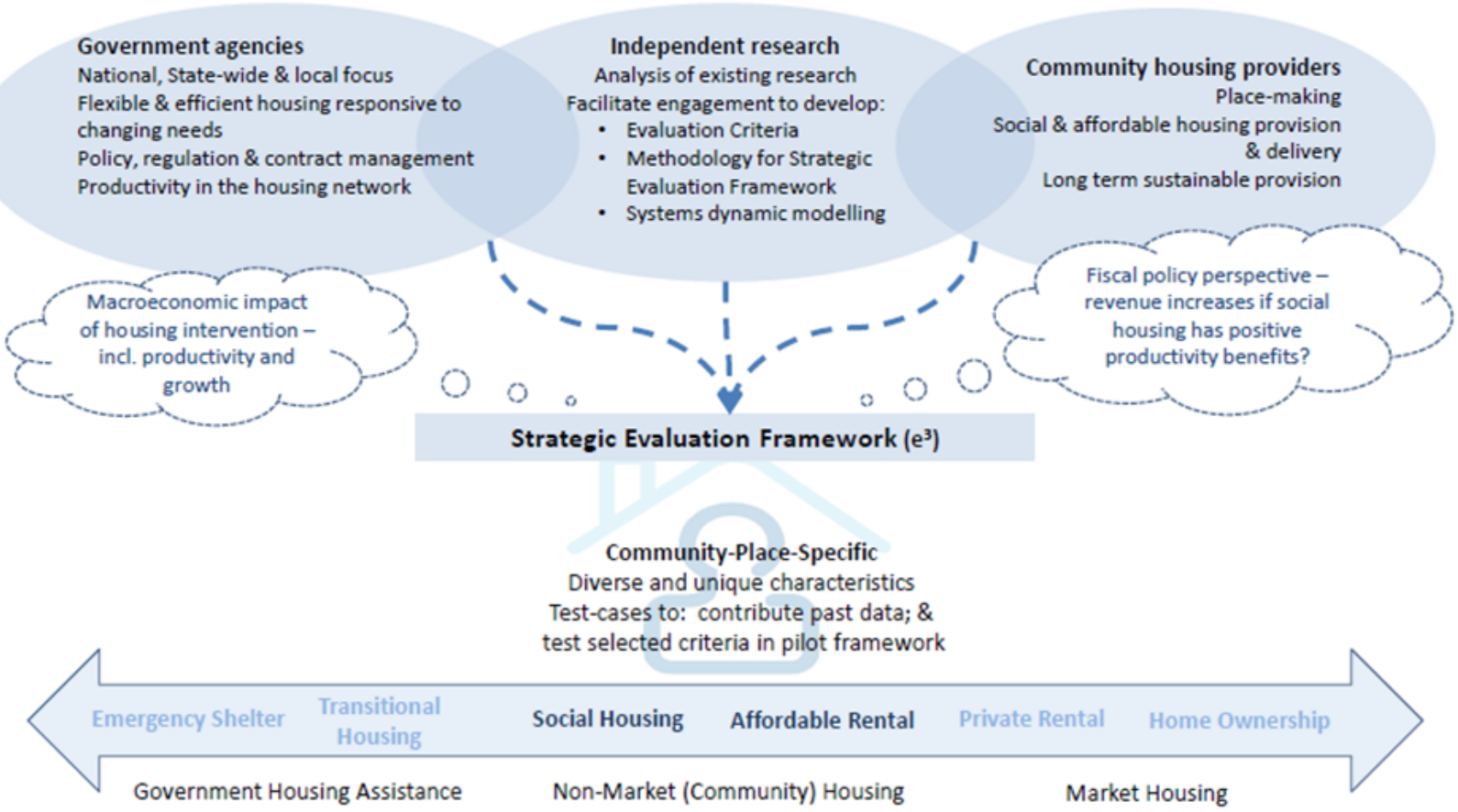
	Net recurrent expenditure	Dwellings[b]	Households
	$m	No.	No.
Social housing			
Public housing	2 543.4	326 340	321 213
SOMIH	102.4	10 084	9 820
Community housing	614.2	65 865	65 632
Indigenous community housing	103.5	na	..
Total	3 363.5	404 289	396 665
		Clients ('000)	
Homelessness services	583.1	244.2	..
Total	3 946.6	..	na

[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. .. Not applicable.

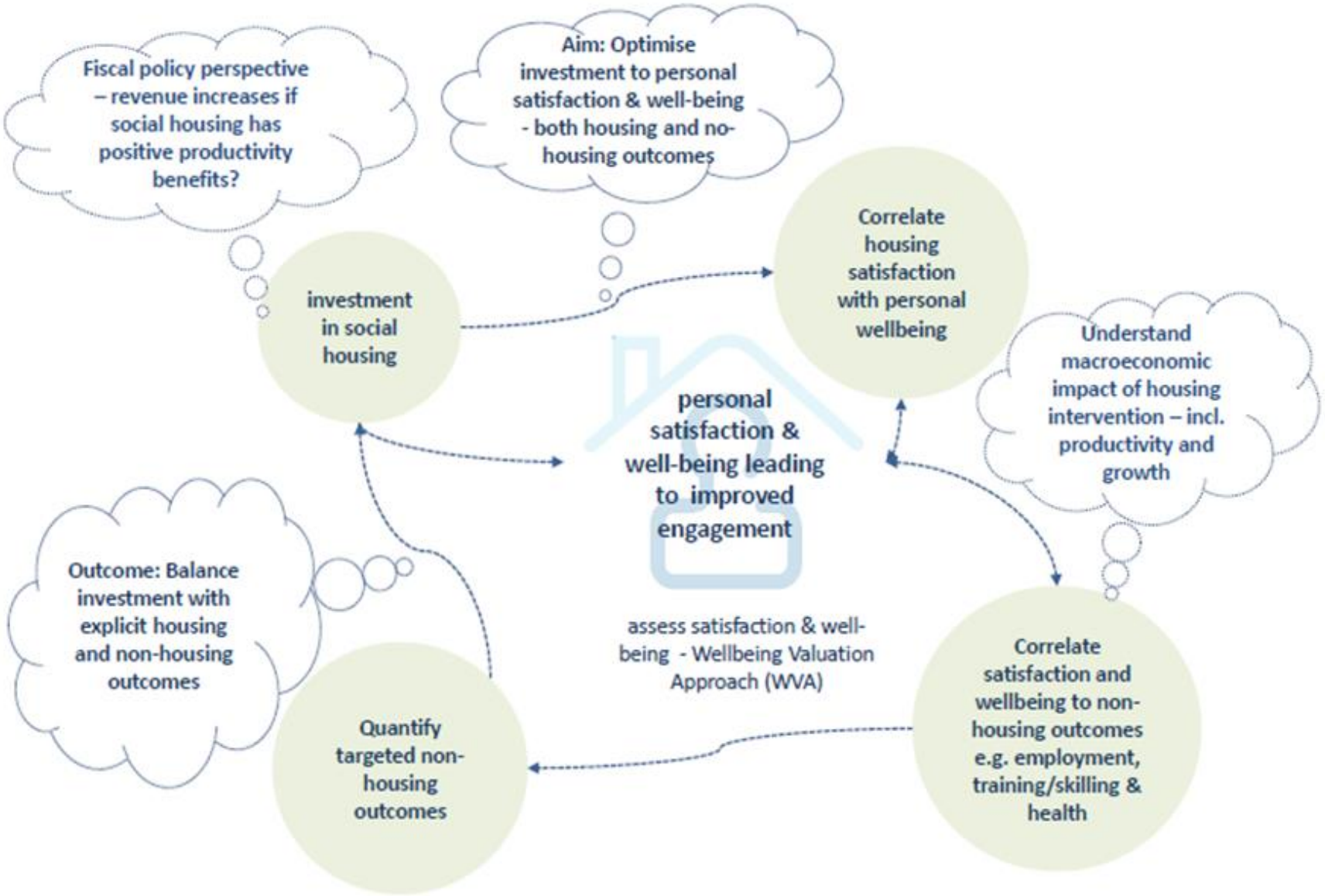
Sources: Chapters 17 and 18; table GA.2.

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

Rethinking social housing



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 (e^6) - CONCEPTUAL FRAMEWORK FOR PROPOSED POLICY-BASED APPROACH

TENANTS OUTCOMES
direct and flow-on effects of housing assistance

↑INDIVIDUAL PRODUCTIVITY THROUGH TENANT OUTCOMES FOCUS:
- •Employment
- •Education
- •Health & well-being
- •Social engagement

OUTCOMES & METRICS EXAMPLES

Employment – ↑security
Education - ↑participation
Health - ↑ health & well-being
Urban - ↑ street scapes
Financial - ↑financial security

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

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

↑ productivity in:
Task – construction activity
Project – new residential units
Firm – housing agency
Sub-sector – residential / social housing
Industry - construction
Growth - institutional investment

FISCAL BENEFITS
revenue increases through benefits of improved tenant engagement

↑ FISCAL PRODUCTIVITY THROUGH ADDITIONALITY FOCUS:
- •Employment
- •Education
- •Health & well-being
- •Social engagement
- •Move along housing continuum

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

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

↑ LIFE CYCLE PRODUCTIVITY
- •Environmental benefits through more effective water &energy consumption
- • Resource benefits through ↓ construction/demolition waste
- •Community benefits leading to ↑ social capital from ↑ neighbourhood & community engagement
- •Improved affordability
- •Improved design quality

OUTCOMES & METRICS EXAMPLES

Environmental – ↓consumption
Resource efficiency - ↑ productivity
Social capital - ↑ neighbourhood relationships

STRATEGIC EVALUATION FRAMEWORK (e^6) 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 (e^6) 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:

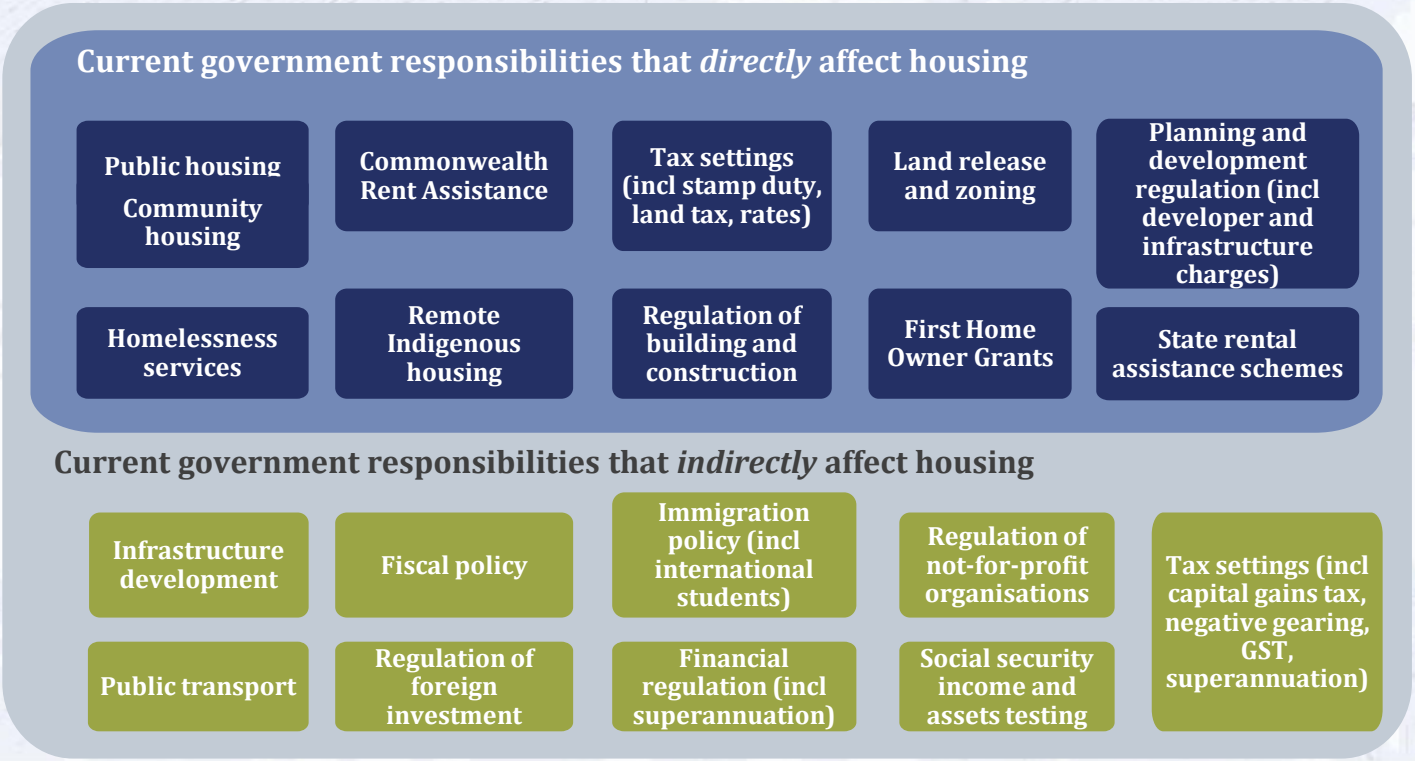
- A comprehensive housing strategy
- Working collaboratively in delivery
- Security of tenure
- Having a say in one's housing management
- Social mix
- Designated development authority

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



(Department of the Prime Minister and Cabinet 2014)

Understanding the environment #4: 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
- 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

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

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.

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

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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.

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

Outcome	Indicator	Impacts/Benefits/Dis-benefits				Measured Return on Investment & value to whom								Data Source/ Tools
		Locale / region	Timeframe S/M/L	Macro-economic	Fiscal	Tenant	Comm-unity	Federal Gov. (Monetary & Fiscal policy)	State & Territory (stamp duty, land tax, environment	Local Gov. (planning process charges)	Other e.g. CHO	Quantit-ative	Qualit-ative	Survey, Datasets etc.

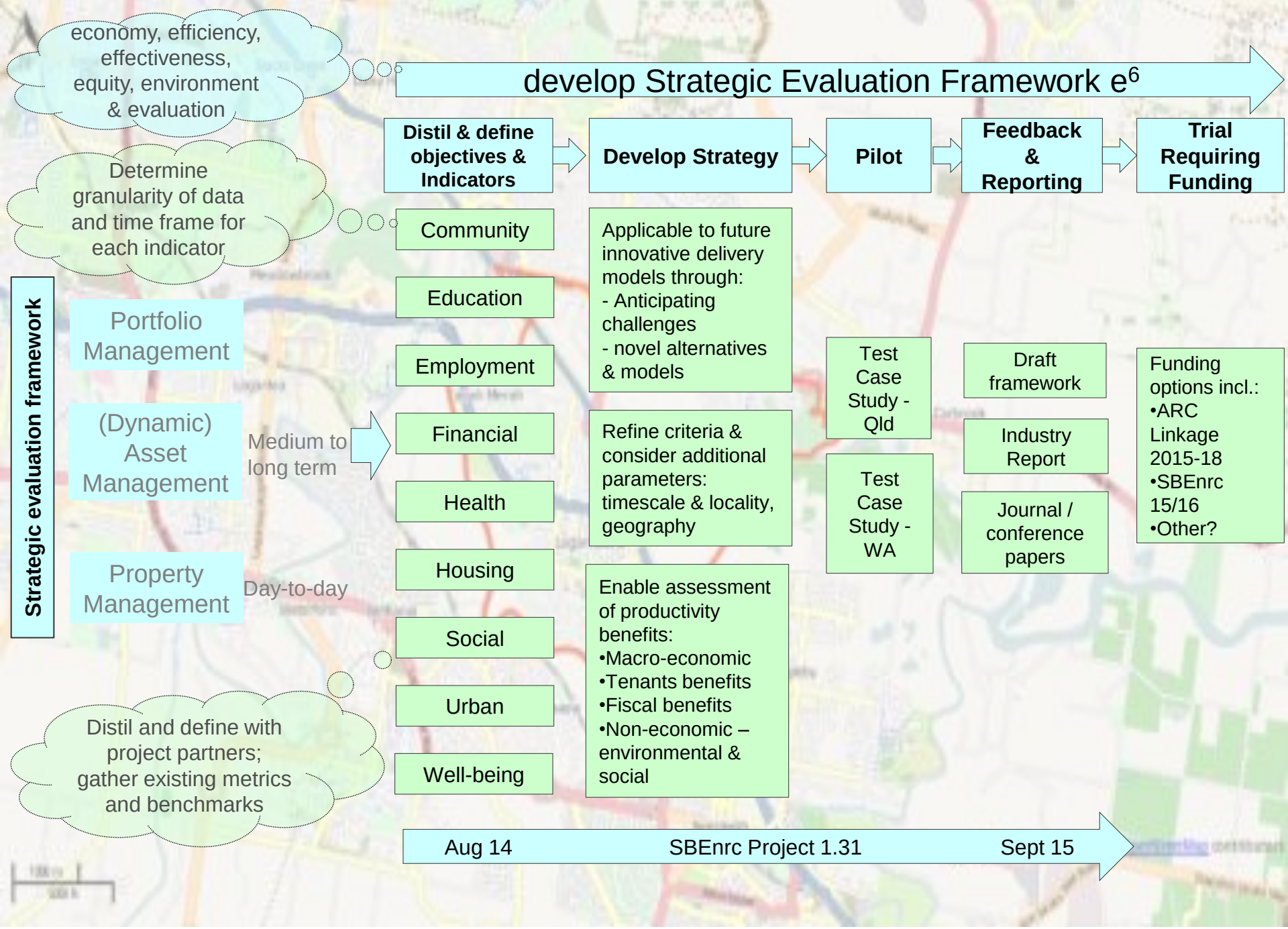
Track outcomes over time

location specific data and relevance

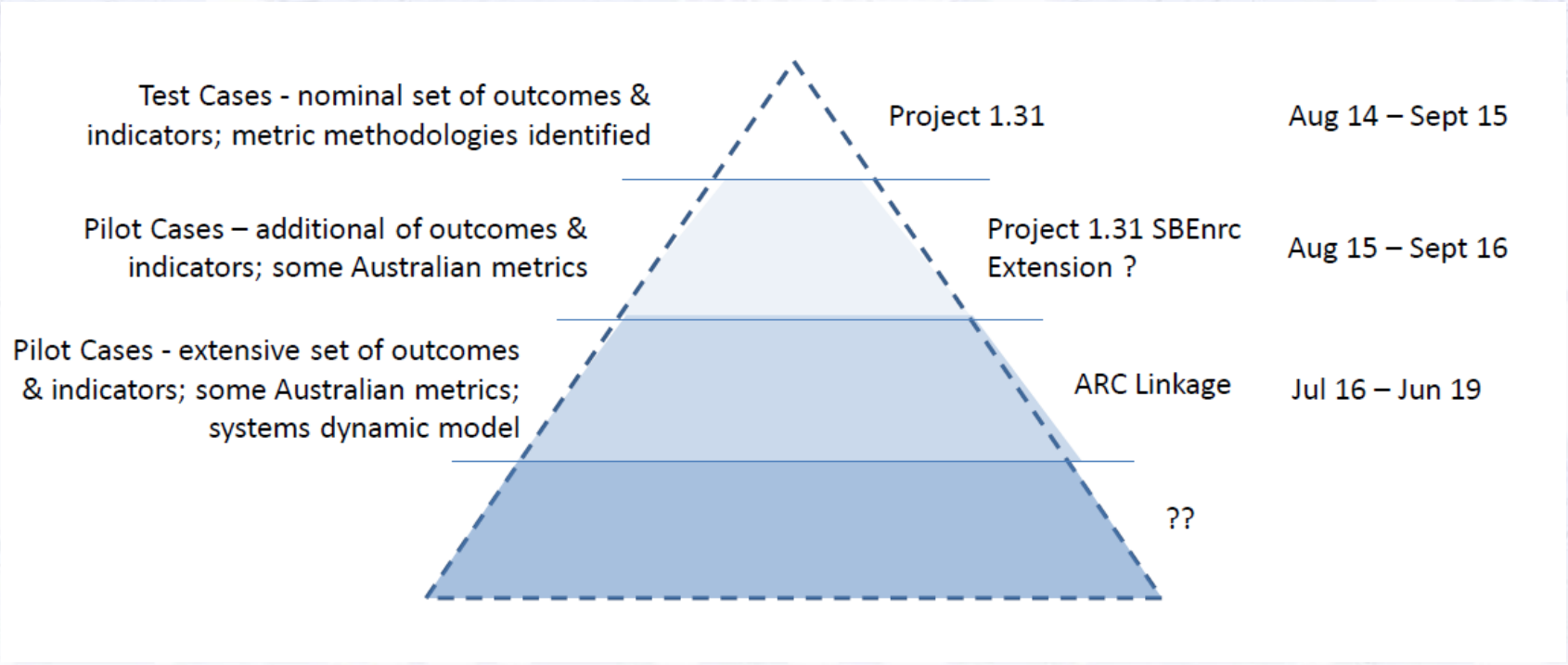
Determine availability/applicability of available of data from existing sources.

OBJECTIVES

community - education – employment – environment – financial – health – housing – social - urban


economy, efficiency, effectiveness, equity, environment & evaluation
develop Strategic Evaluation Framework e6
Distil & define objectives & Indicators
Develop Strategy
Pilot
Feedback & Reporting
Trial Requiring Funding
Determine granularity of data and time frame for each indicator
Community
Education
Employment
Financial
Health
Housing
Social
Urban
Well-being
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
Test Case Study - Qld
Test Case Study - WA
Draft framework
Industry Report
Journal / conference papers
Funding options incl.:
•ARC Linkage 2015-18
•SBEnrc 15/16
•Other?
Strategic evaluation framework
Portfolio Management
(Dynamic) Asset Management
Medium to long term
Property Management
Day-to-day
Distil and define with project partners; gather existing metrics and benchmarks
Aug 14
SBEnrc Project 1.31
Sept 15

Next steps: leveraging funding



Thank-you
Questions?