Leveraging procurement for social benefit: social procurement criteria

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Why social procurement?

Homelessness:
288,800 people were assisted by homelessness services in 2017-18 [1]

Social housing [2]:
Current **unmet** need – **437,600 h'holds**
Projected* unmet need – **291,100 h'holds**

Affordable housing [2] :
Current **unmet** need – **213,700 h'holds**
Projected* unmet need – **81,600 h'holds**

1 - Australian Institute of Health and Welfare, (2019). Specialist Homelessness Services Annual Report 2017–18. Austraia, AIHW.
2 - Troy, L., et al. (2019). Estimating need and costs of social and affordable housing delivery. Syndey, Australia, City Futures Research Institute.
* Projected to 2036

Social and affordable housing program of research

2014 ··· 2020 →

Rethinking social housing

Valuing social housing

Procuring social & affordable housing

Mapping the social & affordable housing network

| Framework Strategy | → | Framework Elements | → | Social Procurement Criteria | → | Map the network |

- Outcomes & Indicators
- 9 domains
- Productivity focus

- Attribution
- Data
- Return on Investment

- Demographics
- Housing typologies
- Funding & financing

- Network maps
- Gaps, synergies & clashes

Building the research from 2014 …

community   economy   education   employment   environment   health & well-being   housing   social   Urban amenity
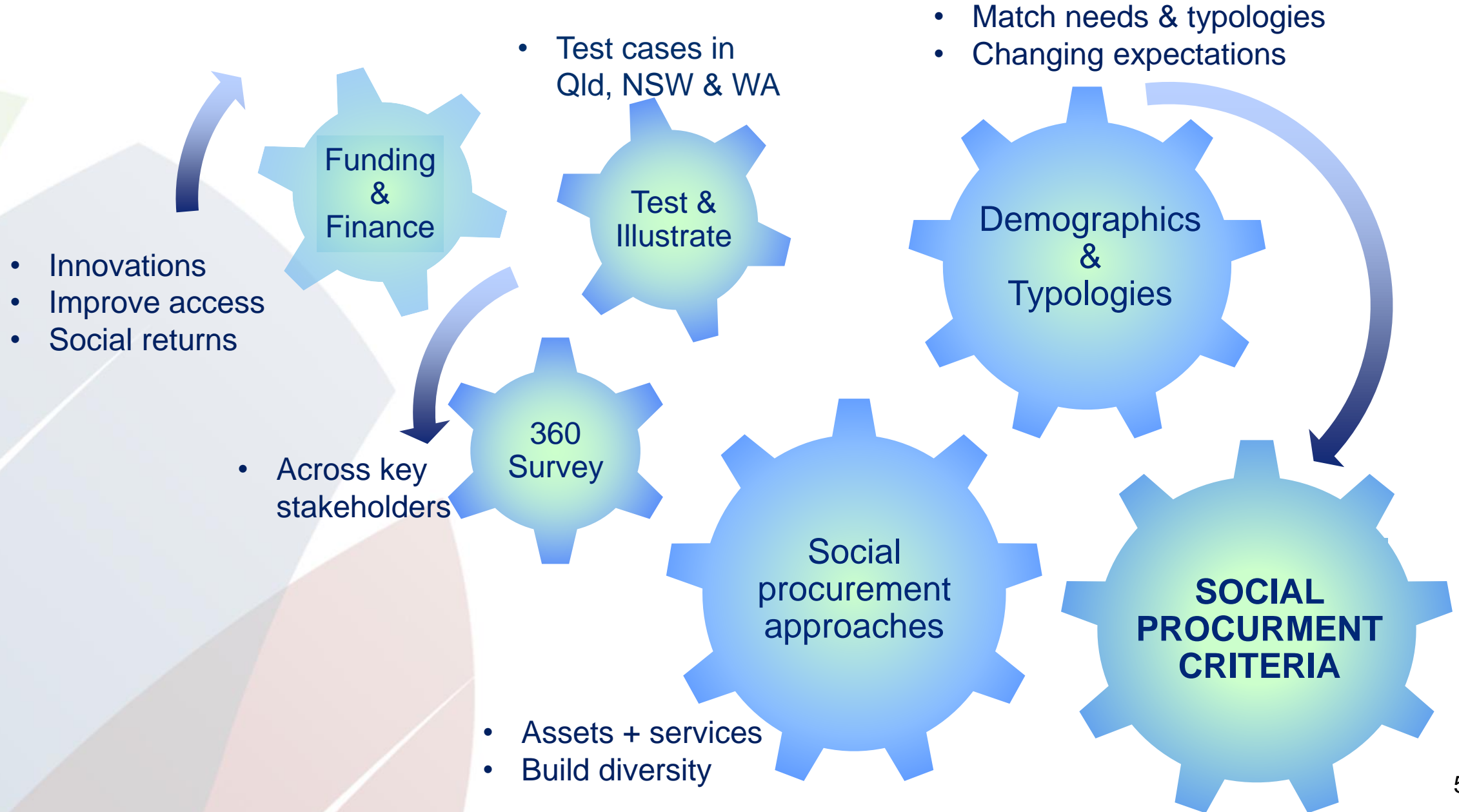
- Productivity-based conceptual framework
  - Tenant outcomes
  - Macroeconomic benefits
  - Fiscal benefits
  - Non-economic benefits
- Strategic evaluation framework
  - Outcomes & indicators across 9 domains
  - Attribution & data
  - Composite Return on Investment – SROI; wellbeing valuation analysis; value to individual; & value of equity

Develop social procurement criteria

- Test cases in Qld, NSW & WA

- Match needs & typologies
- Changing expectations

- Innovations
- Improve access
- Social returns

Funding & Finance

Test & Illustrate

Demographics & Typologies

- Across key stakeholders

360 Survey

Social procurement approaches

SOCIAL PROCURMENT CRITERIA

- Assets + services
- Build diversity

Changing demographics of social and affordable housing cohorts

Image: WA Department of Communities Housing

➢ Lowest quintile incomes
➢ The ageing
➢ Young people
➢ Single person households
➢ Single parent family
➢ Multi-generational households
➢ People with disability
➢ Indigenous Australians
➢ Victims of family & domestic violence
➢ Those exiting from Justice system
➢ Key workers
➢ Migrants
➢ Those experiencing homelessness

Current and emerging housing typologies…

Existing typologies

detached housing : semi-detached : granny-flat : mobile home :
caravan : tiny house : shelters : boarding home : hostels : duplex :
dual occupancy : terraces : townhouses : low rise units : studio
apartments : mixed-use developments : high rise apartments

Emerging typologies

Duplexes : townhouses : courtyard apartments : co-housing :
dual/multiple occupancies : small lot housing : micro lot villages

Types of social procurement

	Focus	What is procured	Implications
Type 1	Not for profits	Social programmes with public good	Competitive tendering of goods and/or services
Type 2	Housing infrastructure with social outcomes	Housing infrastructure with additional social benefits	Both hard and soft outcomes from a single contract
Type 3	% from social businesses	Non-traditional services	Shift from competitive tendering to positive discrimination
Type 4	Ethical goods and services	Procurement from ethical business	Purchasing not necessarily related to goods and service

Adapted from Furneaux and Barraket 2014

Social procurement approaches

Mainstream

Public housing transfers & renewal

Housing for remote indigenous communities

Housing for those with a disability

Community Housing Providers (CHPs)

Partnerships

Shared equity (in some states)

Emerging

Housing for those with a disability

CHPs - private rental agencies & rent to buy

Inclusionary zoning & value capture

Partnerships

Shared equity

Cooperatives / co-housing

Social benefit bonds

Build to rent

Using vacant infrastructure

Example of procuring with social outcomes

Cohort	Housing elements / typologies	Improve access to:	Procurement approaches
Single parent	Open space Higher space needs Good lighting	Employment Education Green space	Partnerships – Gov., Community Housing Providers & other service providers; co-housing
Ageing	Accessible design Lesser space needs Community access	Health services Community facilities	
Key workers	Access to workplace Lower space needs High density OK	Employment Transport	Shared equity; cooperatives; inclusionary zoning

NSW Human Services Outcomes Framework

➢ Identify outcomes which contribute to long term wellbeing

➢ Understand life trajectory

➢ Map journey, understand the impact pathways

➢ Build evidence base and business case

Ivanhoe Redevelopment NSW – social benefits

Approx. 1000 social housing

128 affordable housing dwellings

Carbon neural

5 star with low cost energy

Close to jobs, education, transport, health and community facilities

Compiled from Chilvers 2017 and Curran 2017

WA Example - Aiming Higher

➢ Affordable Housing Strategy 2010-2020 - target 20,000 new homes - reached by 2015

➢ New target - 30,000 by 2020

➢ Partner to address market failures

➢ WA Housing Authority - equity partner

One on Aberdeen

➢ 41% of 161 apartments available low-to-moderate income earners

➢ Shared equity via Keystart & WA Gov.

➢ Affordable & social rentals

➢ Access to public & active transport, educational, cultural & medical facilities.

Addressing youth homelessness in Qld

Qld Treasury Social Benefits Bonds

➢ Newpin, Youth Choices, YouthCONNECT
➢ Outcome focussed
➢ Early intervention
➢ Improved evidence base
➢ Gov., private investors and service provider

QDHPW Youth Foyers

➢ 6 year program

➢ Housing, employment, education, personal growth, life skills, links to community

➢ Support to achieve independence

➢ Gov., NFP and private investors
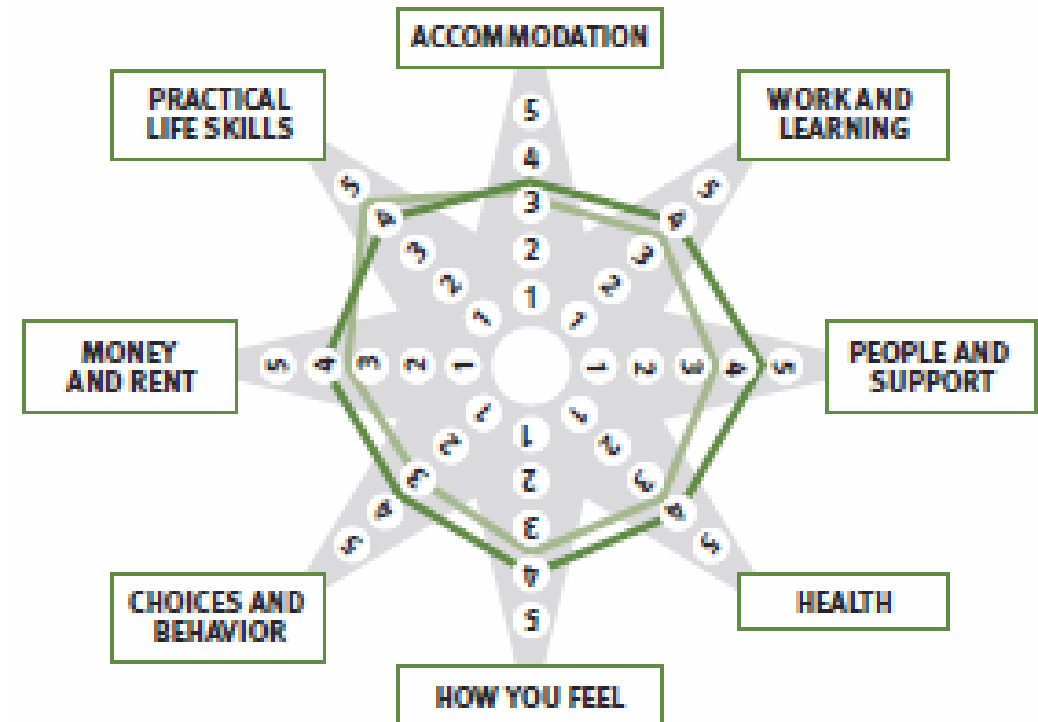
Sample of the Young Person's Outcomes Star™ indicating an individual's progress in all but the 'practical life skills' domain over an initial six month period (light green to dark green).

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More affordable - more sustainable - social enterprise builds

Lendlease at Yarrabilba
➢ Social enterprise build with AES/Access Community Services
➢ Home/land package - $375-$390,000
➢ 9 star NatHERS rating
➢ Upskilled10 young people in local area
➢ Karen Greeves – Sustainability Innovation Leader

Creating Positive Futures
➢ Social purpose company
➢ Sustainable jobs, skills and training opportunities e.g. Spicers Scenic Rim modular cabins
➢ Partners: Fair Go Australia, Perry Group, Wladyslaw Obod Architects, Polyform, LendLease, yourtown, St Vincent de Paul, Cerebral Palsy League, Access Community Services, Australian Training Company and Supply Nation

CREATING POSITIVE FUTURES

Image by Luke Rowlinson of Bashar Artin – permission given. 14

Social procurement criteria – unearthing latent potential
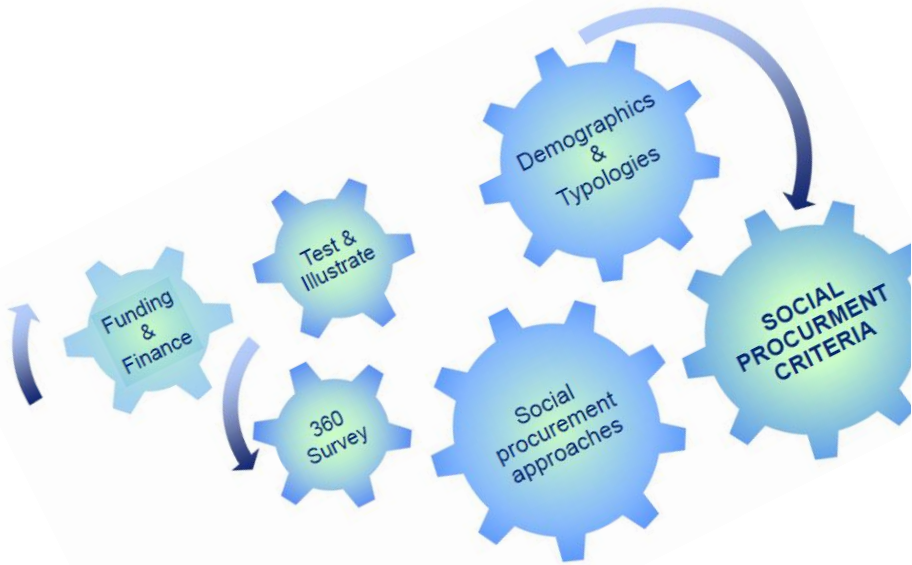
System focus	Builds partnerships
	Builds housing pathways
	Builds diversity in housing stock
	Builds financial capacity of system

Supply chain focus	Stimulates industry-wide innovation
	Supply chain maturity
	Builds sector capacity
	Successful models/pilots

Organisational focus	Benefits/outcomes measurement (life trajectory and financial)
	Time frame for benefits realisation
	Integrated service and asset delivery
	Manages risk distribution

Person focus	Addresses diverse cohort needs
	Addresses diversity, choice and aspirations in housing needs
	Builds financial capacity of individuals
	Supports sustainable and affordable living outcomes

Flexibility	Agility and responsiveness
	Appropriate scalability
	Location-specific responsiveness

Core Partners

Project Partners

Project Affiliates

Access Housing - Common Ground Qld - KPMG - Community Housing Industry Association - PowerHousing - UDIA NSW - Wladyslaw Obod Architects - Victorian Social Housing & NDIS Reform Group - Brisbane Housing Company

Mapping the social and affordable housing network:
http://sbenrc.com.au/research-programs/1-61/

Procuring Social and Affordable Housing:
http://sbenrc.com.au/research-programs/1-54/

Valuing Social Housing:
https://sbenrc.com.au/research-programs/1-41/

Rethinking Social Housing:
http://sbenrc.com.au/research-programs/1-31/

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