



Rethinking Social Housing: Efficient, Effective & Equitable

Analysis of Literature (systematic & qualitative)



Research Report

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1. Executive summary

This research report presents the early findings of the **Sustainable Built Environment National Research Centre (SBEnc) project: Rethinking Social Housing: Effective, Efficient, Equitable**. The research aims to develop a **Strategic Evaluation Framework (e⁶) for social housing delivery** that can be used by policy makers to determine the most cost-effective program delivery options. This seed project will investigate the housing and tenant outcomes of different delivery mechanisms, as well as indirect non-housing outcomes that arise from different mechanisms. This will be explored through the lens of productivity, in terms of an array of benefits including tenant, macro-economic, fiscal and non-economic perspectives. This is a broad-based approach with a focus on practical outcomes which can potentially contribute to outcomes-based contracts against which performance can be effectively validated.

Productivity is of key interest at all levels of government, in terms of both labour and capital (both Australia-wide and in sub-populations) and is an important justification to opening traditional areas of government services up to competition. A key challenge for this research is to quantify the productivity benefits from investment in social housing. Addressing government objectives around productivity is a key priority and this research seeks to assist through a contribution to sector-wide understanding of how to achieve more productive capital and outcomes.

To achieve this, several innovative delivery models are being explored both in Australia and internationally. Innovative partnerships and financing arrangements have been utilised involving a mix of public, private and third sector community provider funds. Australian affordable housing has traditionally targeted the two dominant and familiar tenure arrangements: full home ownership; or private, short-term rental. Space exists however for hybrid tenure arrangements that provide some of the benefits of homeownership, without necessarily holding freehold title, and simultaneously offer opportunities to strengthen housing security in the volatile private rental market. It will be important for the proposed evaluation framework to be an effective tool across a range of delivery models in Australia and potentially elsewhere. Further to this, financing and delivery mechanisms have evolved out of particular cultural, political, economic, policy, legal and financial frameworks of different countries, leading to different options for the delivery and limited established, collective knowledge regarding general principles for best practice.

Key questions to be explored in this review and analysis of the literature include:

- What knowledge/data is available/ required to support an evidence-based pathway to support strategic policy/decision-making around the provision of social housing in Australia, to support on-going investment in social housing?
- What are the characteristics of successful delivery, for both housing and non-housing outcomes?
- What aims, objectives, outcomes, indicators and measures are of value in the systemic evaluation of whole-of-life social housing provision (both housing and non-housing outcomes)?

A multitude of evaluation methods and tools are available. Three key methods being explored in this current research are: social return on investment (SROI); social cost benefit analysis (SCBA); and well-being valuation (WVA). Through and in addition to the development of the framework, key outcomes, indicators, measures, metrics will be identified from housing and construction industry productivity-based research in the context of the conceptual framework presented in this research paper and in the complementary Industry Paper.

The next steps for this research are now to: (i) establish these key indicators and measures across employment, education, health and well-being, social, urban, community, financial and housing objectives for testing in two case studies (in each of Queensland and Western Australia); and (ii) seek further funding to address the complex and long term research required to address.

This research paper presents the detailed findings of this research, complementing the Industry paper. The Industry report is available at: <http://www.sbenrc.com.au/research-programs/1-31-rethinking-social-housing-effective-efficient-equitable-e3/>

2. Introduction: aims and objectives

The provision of social housing in Australia is increasingly difficult in light of severe funding constraints combined with ever increasing need. Achieving a sustainable economic and social framework for the provision of social housing in Australia is vital. As the Australian Council of Social Service states:

Housing, affordability and location are integral to enabling population growth, and labour mobility, supporting improvements in participation rates and improving productivity. The housing and construction industries are also key drivers of economic activity, and associated jobs growth. Adequate housing is also a basic necessity and human right which impacts on education, health and employment outcomes, as well as the overall well-being of the population. Having a private place to be which is decent and over which we have some real control is fundamental to the well-being of every one of us as individuals and communities. In this sense, affordable housing is both vital economic and social infrastructure. (Australian Council of Social Service 2014)

This report presents the findings of the initial stage of a project titled: *Rethinking Social Housing: Effective, Efficient, Equitable*.¹ The research project aims to develop a **Strategic Evaluation Framework (e⁶)**² for social housing delivery that can be used by policy makers to determine the most cost-effective program delivery options.

The following report provides a qualitative, systematic review of the literature in order to facilitate the development of the Strategic Evaluation Framework (which will occur in the second phase of the research project, January-August 2015).

The project seeks to explore both the housing (tenant) outcomes of different delivery mechanisms, as well as indirect non-housing outcomes that arise from different mechanisms, including productivity and health benefits.

Productivity is a key issue at both the Commonwealth and State government levels, in terms of both labour and capital (both Australia-wide and in sub-populations). It is also an important justification to opening traditional areas of government services up to competition.

A key challenge for this research is thus to quantify the productivity benefits from investment in social housing, both on the supply side and in achieving greater workforce engagement and value-add among social housing clients.

¹ See: <http://www.sbenrc.com.au/research-programs/1-31-rethinking-social-housing-effective-efficient-equitable-e3/>

² Efficiency, effectiveness, equity, economy, environment and evaluation (see Gruis 2005).

Addressing government objectives around this issue is a key priority, with this research seeking to assist in the significant change which is currently underway in terms of the rise of the community housing sector, and to inform the understanding of not-for-profit (NFP) managed social housing and its role in achieving more productive capital and stronger engagement with education, training and the workforce.

This addresses a significant gap in current knowledge and provides an opportunity to influence policy and programs addressing social housing and well-being. Overseas agencies (especially in the UK and US) are well advanced in this compared to Australia and their learnings will contribute to this research.

In terms of non-housing outcomes, two pathways need to be considered: (i) the *macroeconomic impact* of housing intervention, including productivity and growth; and (ii) the *fiscal policy perspective*, including fiscal policy offsets; how revenue increases if social housing has positive productivity impacts and how this can be targeted or managed to enhance these effects; and how government expenditure might be impacted e.g. better health leading to less sick leave and more people working longer which adds to productivity and tax revenues, but also leads to higher expenditure on education and training, and stronger engagement with work, stronger self-esteem and adherence to prevailing social mores, leading to lower expenditure on mental health and prisons.

Social housing in the context of this project is described by the Productivity Commission (Tunstall, Lupton et al. 2011) as 'below-market rental housing for people on low incomes and for those with special needs. It is highly subsidised and rent is determined by tenant income (generally set at 25 or 30 % of household income)' (Yates, 2013). Therefore, the focus of the research is on affordable housing provision, including public and community housing, as well as for households on low and moderate incomes who require some form of intervention in the market to enable them to access appropriate housing. Due to the limited scope of the project, homelessness services and Indigenous housing provision will be excluded from this research.

Key questions to be explored in this review and analysis of the literature include:

- What knowledge/data is available/ required to support an evidence-based pathway to support strategic policy/decision-making around the provision of social housing in Australia, to support on-going investment in social housing?
- What are the characteristics of successful delivery, for both housing and non-housing outcomes?
- What aims, objectives, outcomes, indicators and measures are of value in the systemic evaluation of whole-of-life social housing provision (both housing and non-housing outcomes)?

Associated key issues being explored, in varying degrees, include:

- How different procurement approaches influence social value outcomes
- Transition along an affordable housing continuum.
- The difficulty of setting benchmarks, considering minimal available evidence and research
- How planning and transport policy can be used for social housing delivery, particularly in terms of value uplift potential and governance issues.

Studies and reports reviewed to date include: Australian-based research (AHURI and Australian government documents); international research including UK government and European Network of Housing Research (ENHR) documentation and papers; reports provided by project partners; and

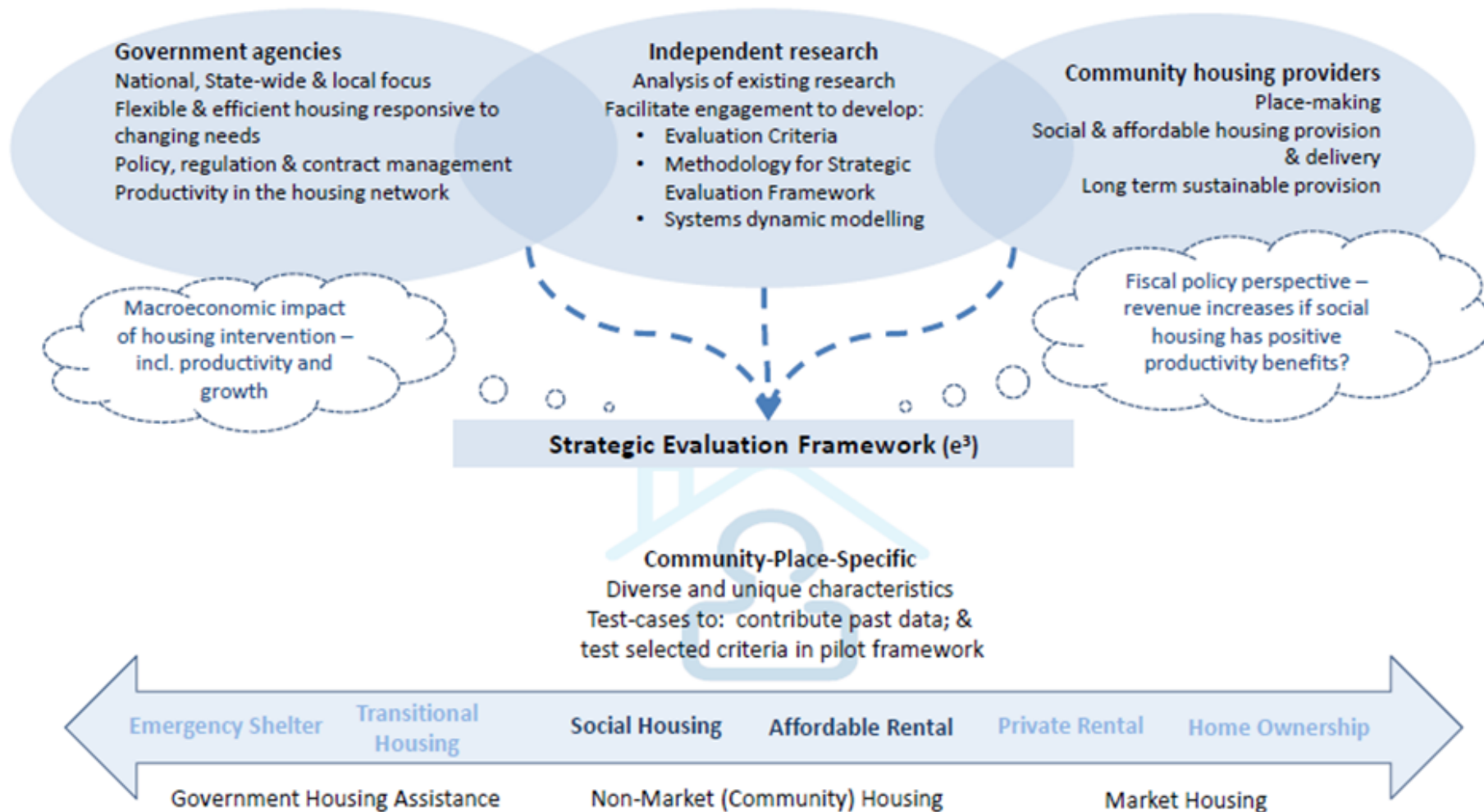
documents derived from the above sources. This review is limited, based on available resources, and excludes non-English literature.

Information gathered from these sources is grouped into:

- Evaluation approaches and tools.
- Outcomes, indicators, benchmarks, metrics and measures: including for non-housing related outcomes - this may become the subject of future meta-analysis (based on resources). These embrace externalities which are not traditionally considered when undertaking cost/benefit analyses of social housing provision.
- Databases - relevant for the development and testing of future framework.
- Characteristics of effective delivery systems, for discussion.
- The benefits and costs of various pathways.
- Innovative models for delivery including value-capture, different use of public land, and the community land trust model

The following diagram (Figure 1) seeks to capture the intent of this research in bringing together an array of key agents to consider this critical issue, and potentially provide new perspectives on delivery outcomes in the social housing sector in Australia.

Figure 1 Rethinking social housing



An important element in this research is engagement with our project partners around the findings of this analysis prior to commencing work on the development of a methodology for the Strategic Evaluation Framework (e⁶). The challenge for this report is to distil from the outcomes, indicators, measures, models and evaluation methods considered here a direction for the development of the framework.

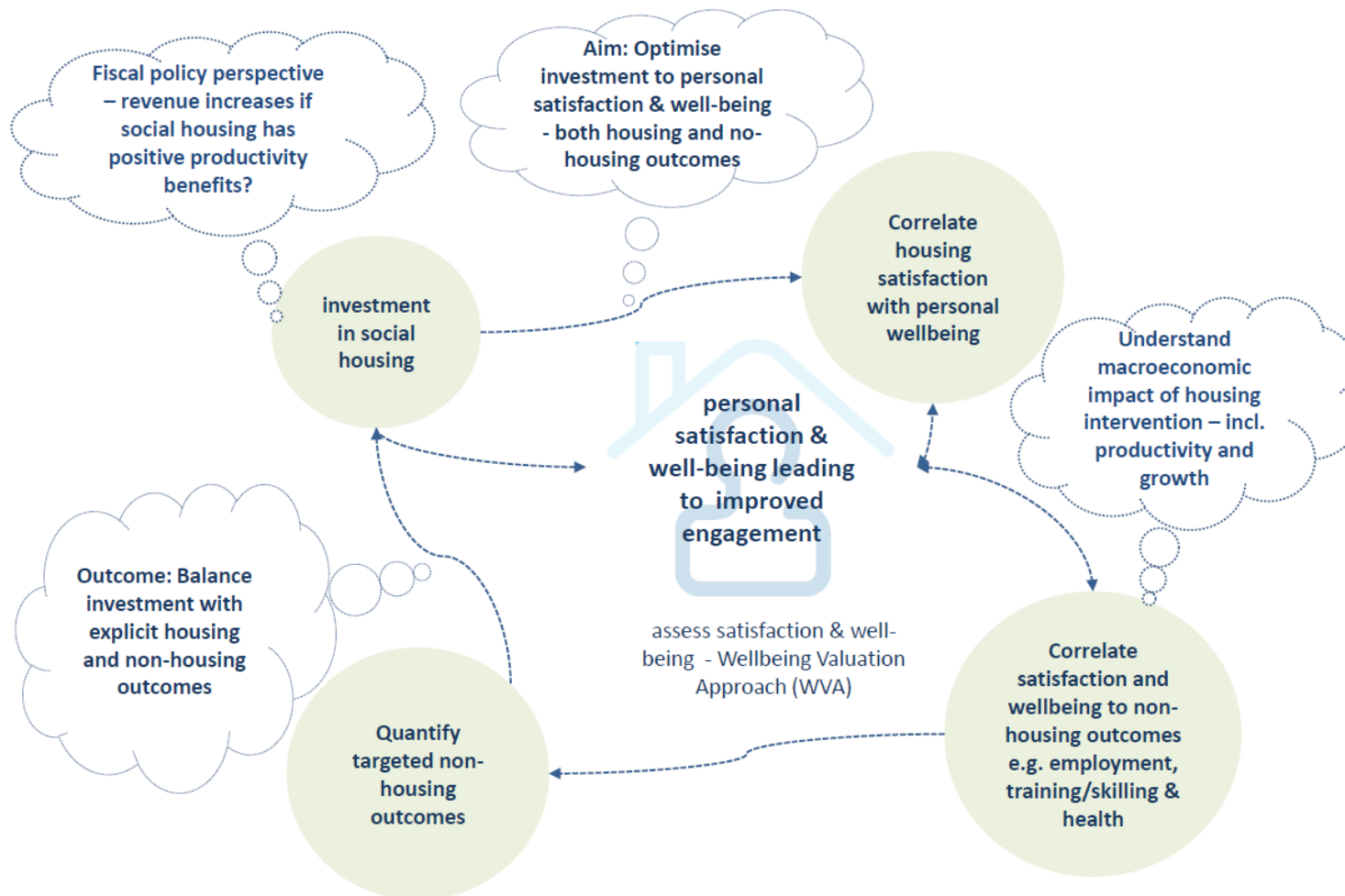
Additional key issues to be explored include:

- How planning and transport policy can be used for social housing delivery, particularly in terms of value uplift potential and governance issues.
- How affordable housing policy influences dwelling quality and what that means for housing and non-housing outcomes.
- The affordable housing continuum and the connections between housing options along it.
- The connections between indicators and how significant, how strong and how causal the relationships are.
- How to overcome the difficulty of setting benchmarks, considering minimal available evidence and research.
- How different approaches to procurement by government can influence social value outcomes.
- How different procurement approaches influence social value outcomes.
- Transition along an affordable housing continuum.
- The difficulty of setting benchmarks, considering minimal available evidence and research.
- How planning and transport policy can be used for social housing delivery, particularly in terms of value uplift potential and governance issues.

The research team recognises the broad spectrum of approaches that can address the provision of social housing. Innovative approaches with a focus on practical outcomes are required. This can then potentially contribute to outcomes-based contracts against which performance can be effectively validated, leading to a sustainable supply of social housing that effectively addresses broader community needs.

Arising from the literature reviewed to date, the following diagram (Figure 2) provides a context for discussion and feedback to inform this discussion.

Figure 2 Balancing the investment>satisfaction>outcomes continuum of social housing provision (drawing upon Fujiwara 2013)



Balancing the investment>satisfaction>positive outcomes continuum for social housing provision

Draws from Fujiwara 2013

2.1.Additionality

The success of government intervention in terms of increasing output or employment in a given target area is usually assessed in terms of its 'additionality'...Additionality can also be referred to as a 'supply side' or 'structural' impact, which operates by altering the productive capacity of the economy, This can occur either because of a change in the size of the workforce or a change in the productivity of the workforce' (HM Treasury 2011)

In this context current can such additionality be seen in: (i) improved employment, health and educational outcomes of those with secure housing thus improving individual contribution to national productivity; (ii) increased employment through construction of additional housing; and (iii) with improved affordability increases in discretionary spending.

3. The Australian social housing sector

The social housing sector in Australia consists of public housing, community housing, as well as state-owned and managed Aboriginal and Torres Strait Islander (ATSI) housing (Romans 2014). As of June 2013, around 414,000 households around Australia were living in social housing. General housing affordability in Australia continues to decline, with large increases in residential property values, and slow development of well-targeted affordable housing. Therefore, the social housing sector is increasingly under pressure to assist households to access appropriate, secure dwellings. As a result, current demand for social housing is much higher than supply, and waiting lists and times are extensive. For example, as of June 2013, there were 160,000 people of public housing waiting lists around the country (Department of the Prime Minister and Cabinet 2014), and in Queensland a shortfall of 83,000 dwellings was identified.

As a result of limited investment in the sector over many years, social housing in Australia has become increasingly targeted to those with the greatest and most complex needs. This has led to falling rent revenue as the client's capacity to pay has declined, and created a cycle of stock deterioration and reduction through an ongoing lack of funds for maintenance and new supply (Queensland Department of Housing and Public Works 2014). For example, National Shelter (2013) has identified a 3.1% decrease in public housing supply between 2006 and 2012 in Australia. Much of the public rental housing stock is now at the end of its economic life or does not meet current needs. The poor maintenance of dwelling stock can then create stigma and negative stereotyping of social housing tenants (Jacobs et al. 2011). Underutilisation of housing stock has also become a challenge as typical household sizes have decreased and tenants are living in social housing that does not match their household size or needs (NSW Audit Office 2013).

Around Australia, more and more social housing is being provided by the community housing sector, with governments increasingly partnering with not-for-profit housing providers to supply and manage affordable housing stock. For example, the proportion of social housing dwellings that community housing providers managed rose from 10% in 2009 to 15% in 2013. In Queensland, 75% (54,394 out of 72,329) of social housing stock was government owned in 2012, and was managed through a state-wide network involving 23 Housing Service Centres, with the further 25% (17,935) being owned and managed by community housing providers (Queensland Department of Housing and Public Works 2014). In an ambitious and transformative move, as part of the Housing 2020

strategy the Queensland Government is aiming to transfer 90% of all state managed dwellings to the community housing sector by 2020 (Queensland Department of Housing and Public Works 2014).

In contrast to Queensland, the majority of social housing in Western Australia continues to be managed by the state government. The WA Department of Housing manages approximately 36,000 of the 44,700 social housing properties, with community housing associations in charge of approximately 7,700 additional properties. Access Housing and Foundation Housing are the two largest community housing providers with sufficient assets to leverage funds for growth. Many smaller players exist, however they remain limited in capacity.

In South Australia, “community providers manage approximately 13% of South Australia’s social housing supply. Existing government commitments will take this to 27% over the next 5 years and initiatives by the community housing sector alongside government support are expected to increase it even further” (Renewal SA 2013).

Figure 3 provides an overview of the current Australian housing system, and demonstrates how and where social housing fits within this system. Figure 4 then provides a breakdown of the social housing sector in Australia.

Figure 3 Overview of the housing system in Australia and data sources, at 30 June 2013 (Australian Institute of Health and Welfare 2014)

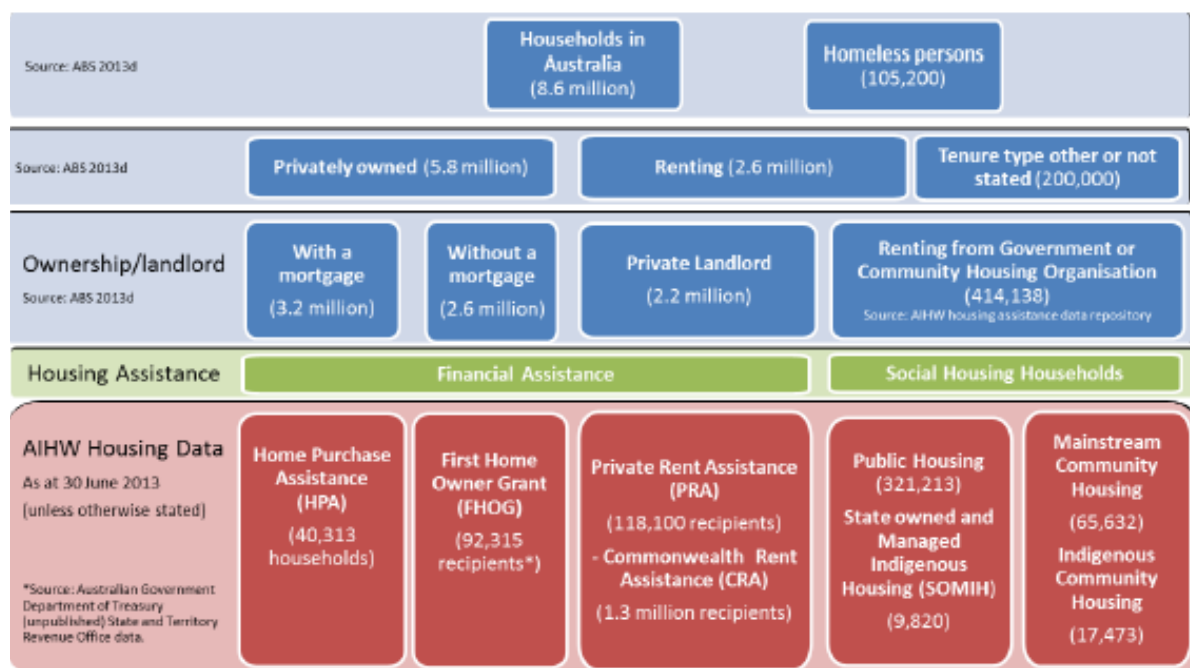
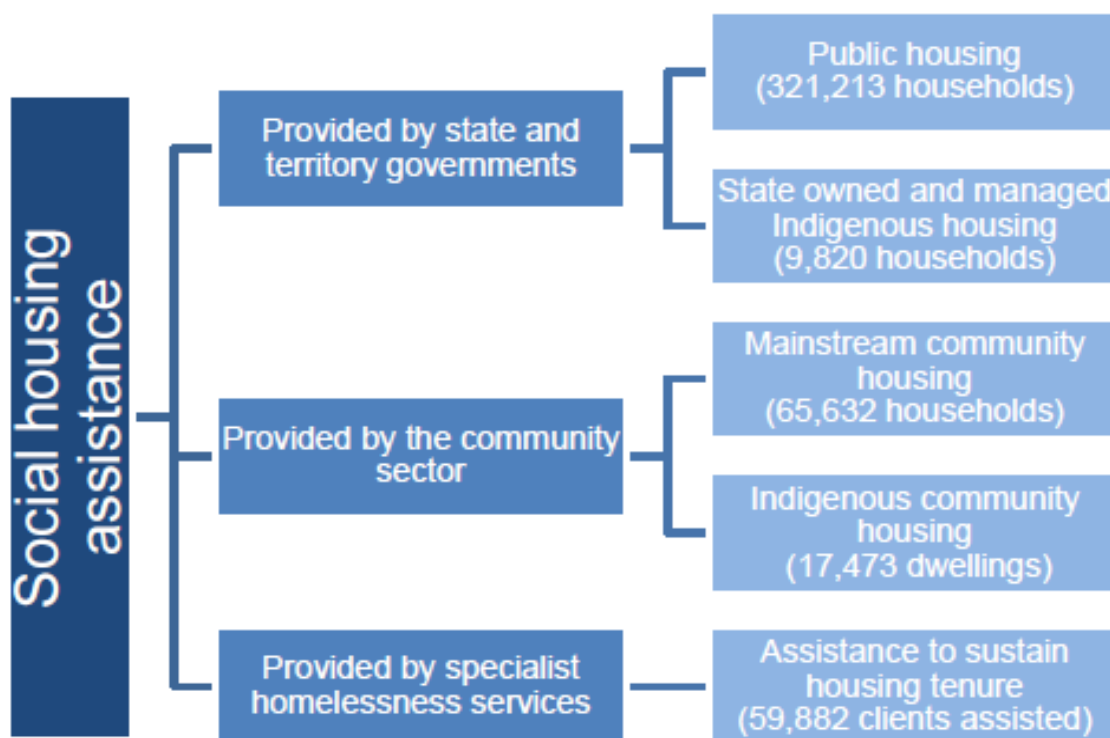


Figure 4 Main social housing assistance programs in Australia and total number of households/clients assisted per program, 30 June 2013 (Australian Institute of Health and Welfare 2014)



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.

3.1. How is social housing in Australia currently delivered and funded

Ensuring residents have access to secure, affordable and appropriate housing is primarily the role of the state and territory governments in Australia. Therefore, states and territories take a leading role in the funding, delivery and management of social housing around the country.

At a federal level, the National Affordable Housing Agreement (NAHA) operates as a framework for collaboration towards shared housing goals amongst the states. Initiated in 2009, NAHA represents a shift in housing policy in that it provides a whole-of-government, nationally coordinated approach to affordable housing that had previously not existed. Through this agreement, states and territories receive annual funds allocated to the provision of affordable housing and homelessness services. For example, in 2012 \$1.8 billion was allocated to states and territories in special purpose payments (NAH SPP).

In addition, the Commonwealth government spends a significant amount on providing Commonwealth Rental Assistance (CRA) which, as a demand-side measure, is targeted at individuals based on housing need and essentially subsidises their rent payments to ensure they can afford

private rental properties. In addition, the Commonwealth indirectly influences the housing market through various taxation and social assistance mechanisms.

In 2009, in response to the global financial crisis, the federal government announced the *Nation Building Economic Stimulus Plan* which sought to stimulate economic growth through the development of new infrastructure, including housing. Where the federal role in social housing had remained in demand-side policy for a number of decades, the Social Housing Initiative (SHI) that formed part of the stimulus plan provided direct investment in social housing, representing a supply side federal policy diverting from the norm. The \$5.2 billion investment in social housing over three years was the largest injection of funds for the sector ever in Australia, and sought to improve the quantity and quality of social housing stock in order to stimulate economic growth and employment. At the same time the National Rental Affordability Scheme (NRAS) was rolled out by the federal government; another supply side measure that provided incentives to investors to provide below market rents in new properties.

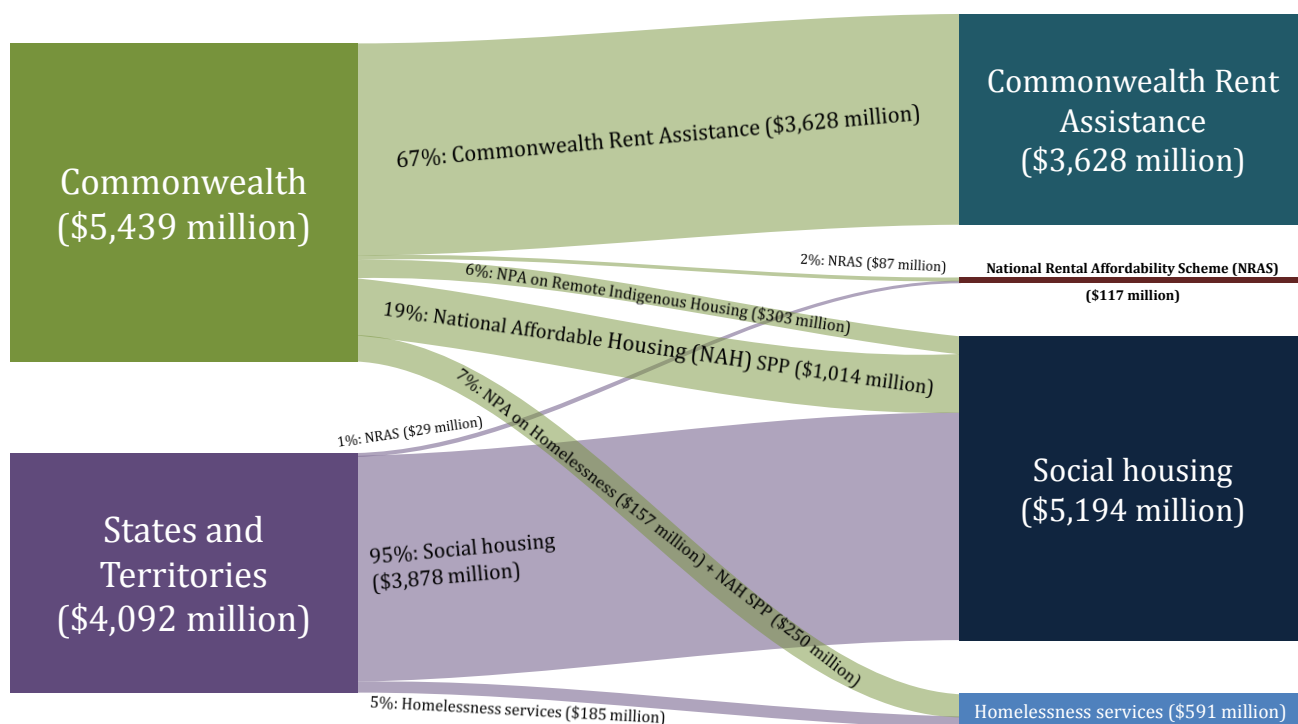
Over three years the SHI managed to deliver 19,700 new social housing dwellings across the country, and as of June 2014, 21,000 NRAS dwellings were completed, with a further 16,000 in development. A review of the SHI in 2012 found that the initiative had exceeded housing supply targets and had effectively stimulated employment in the construction industry, as well as contributing to economic growth (KPMG 2012). For example, the scheme was found to have created 9000 construction jobs and to have added 0.01% to GDP (KPMG 2012). Both the SHI and NRAS also provided impetus for change in the housing sector by allowing innovation in construction, procurement, partnerships and the community housing sector. For example, in Western Australia, the existence of these schemes allowed community housing providers Access Housing and Foundation Housing to substantially grow, and facilitated the creation of development roles for the sector to provide new affordable housing supply. While the SHI exceeded supply targets, NRAS did not reach the target of 50,000 new dwellings by 2015, and the final stage of the scheme has now been scrapped by the current government. The injection of funds into the sector through Commonwealth funded supply side measures in the post GFC years did stimulate new affordable housing supply, yet despite this, social housing stock per capita has continued to decrease in all states and territories except Tasmania.

A government funded issue paper about housing and homelessness funding, released earlier this year, now recommends the Commonwealth pull out of direct funding for affordable housing, and allow the states full control over funding and policy supporting its delivery. Citing added complexity of delivery, and unnecessary red tape, the issue paper finds that national agreements create increased administrative burden to all levels of government (Department of the Prime Minister and Cabinet 2014). The report also recommends that CRA payments be extended to public housing tenants, and the added cost of this change to be covered by the redirection of funds from NAHA and NRAS. Therefore, state and territory funding for affordable housing provision remains uncertain as the government looks set to wind back the centralised delivery and funding arrangements implemented by the previous government. See Figure 5 below for a visual representation of current state and Commonwealth funding.

Another Commonwealth reform likely to influence both the supply and demand of housing includes the *Reform of the Taxation System White Paper* which, announced in June 2014, is still being conducted. In addition, the recently released report *A New System for Better Employment and Social Outcomes* suggests changes to the welfare system, including streamlining of services (McClure, Sinclair et al. 2015). The *Financial System Inquiry*, released in December 2014 and currently out for comment, provides a 'blueprint' consisting of 44 recommendations for Australia's financial system

for the coming decade (Commonwealth of Australia 2014a). The Reform of the Federation White Paper has released a number of Issue Papers, including the *Roles and Responsibilities in Housing and Homelessness*. This Issue Paper poses questions about the future roles, responsibilities and funding arrangements between levels of government involved in the provision of housing and homeless services, and seeks to clarify these roles and responsibilities (Commonwealth of Australia 2014b). The *Forrest Review* into Indigenous employment and training, released in 2014, also makes recommendations for changes to social housing provision in remote communities, such that it does not create perverse incentives for remaining in place despite a lack of employment opportunities (Commonwealth of Australia 2014c). Any structural changes to welfare significantly affect housing affordability, and policy responses to these reports and inquiries will undoubtedly impact the provision of social housing in Australia.

Figure 5 Commonwealth and State and Territory funding shares, 2012-13 (Department of the Prime Minister and Cabinet 2014).



3.2.State and territory social housing provision

With federal funding and policy support for social housing uncertain, states and territories are being forced to be creative with delivery arrangements, and do more with increasingly fewer funds. Therefore, innovation in the delivery of social housing, and the use of public land, will be required to ensure that both government and the community are receiving an optimised return on limited resources and investment in terms of both housing and non-housing outcomes.

In Queensland, the state government strategy for social housing provision is to transfer 90% of public housing to the community housing sector by 2020. This is likely to have been influenced by the fact that CRA is currently unavailable for public housing residents, but community housing residents are eligible. Therefore, the community housing sector will be able to provide housing for

people at a lower cost because the federal government will be assisting their tenants by increasing their ability to pay.

In Western Australia, the focus has been on providing different price points for affordable housing, and much of the focus has been on schemes that enable homeownership. Currently South Australia and Western Australia are the only two states to offer government loans for low income earners that cannot access traditional home loans. Keystart loans in Western Australia, and HomeStart Finance in South Australia, both aim to assist with the prohibitive upfront costs of homeownership and allow more households to gain a foothold on the housing ladder.

The Western Australian Department of Housing has also led the way with shared equity arrangements in Australia. Two different options are offered through the SharedStart program: flexible and fixed shared equity purchase (AHURI, 2013). The flexible option encourages the home purchaser to start buying out the Department Housing share as soon as possible, with the property eventually ending up in the open market. A fixed shared equity agreement, instead allows the Department to retain their equity share perpetually, and to ensure that the property remain affordable even upon its resale or change of ownership. While the fixed option provides affordable housing on a long term basis without properties being continually lost to the market, the flexible option resonates with the cultural norms around full home ownership in Australia, and is therefore often more desirable.

Ideas around shared equity have also been used innovatively in the procurement of new social housing supply. An innovative approach invites Expressions of Interest (EOI) on development with the Department of Housing seeking to purchase new dwellings in bulk (up to 2000 dwellings) at 'wholesale' price. The difference between cost price and market price then becomes the Government's equity share. The dwellings are then sold through the Keystart loan program, the SharedStart program or used as NRAS dwellings. With the Government taking an equity share rather than a profit, purchasers need only to find approximately 80% of the market value. The initiative has allowed affordable housing to be delivered in bulk, with little to no cost to the government. All the properties built through this arrangement have successfully been in the lowest quartile house price in Perth³.

In South Australia the State Government has made social housing a mandatory component of all new developments, with 15% affordable housing required, including 5% for those on very low incomes. While Western Australia has a target of 15% affordable housing in government-led development, there has been reluctance at implementing mandatory provisions on a widespread basis. The South Australian Government have also set up, as of 2012, RenewalSA, which negotiates, leads, and influences urban redevelopment to ensure strong outcomes for place-making, affordable housing provision and amenity. In these ways, the state can indirectly ensure new affordable housing supply for the city.

In Victoria, in March 2014, the state government released their long-term framework outlining the future directions of social housing following state-wide consultation with tenants, providers and the community (Figure 6) (Victorian Department of Social Security 2014c). This framework outlines the strategic directions, objectives and actions to improve the system over time.

Figure 6 New directions for social housing (Victorian Department of Social Security 2014b).

³ For more information see: <http://www.ahuri.edu.au/publications/projects/syn91>



Table 1 is a first step in identifying the different processes each state is adopting to address the provision of social housing.

Table 1 State by state transformation matrix

Principle/Policy/Practice ⁴	SA	QLD	WA	NSW	VIC	TAS
Housing continuum - crisis -social -private rental to home ownership & 'optimum point'	Y	Y	Y	Y	Y	Y
Common register (integrated system multi provider, multi option)	Y	Y	Y	Y	Y	Y
Duration of need in social housing		Y	Y			Y
Reducing under-occupancy		Y	Y			
Private rental brokerage/assistance	Y	Y	Y	Y	Y	Y
Re-alignment of housing portfolios	Y	Y	Y	Y	Y	Y
Asset transfer	Y	?	Y	Y	Y	?
Management transfer ⁵	Y	Y ⁶	Y	Y	Y	Y
Urban renewal	Y	Y	?	Y	Y	

⁴ List based on terminology from WA Government Affordable Housing Strategy 2010 document.

⁵ Housing ministers' 2009 agreement for up to 35% transfer of management by 2014. Indigenous housing included. Only Tasmania has reached target thus far.

⁶ Qld 90 % transfer of management by 2020.

Principle/Policy/Practice ⁴	SA	QLD	WA	NSW	VIC	TAS
Public/Private Partnerships	?	Y	Y	Y	Y	Y
Housing impact statements - major developments			Y			
Model planning policies			Y			
Inclusionary zoning	Y		Y ⁷			
Not for Profit/housing organisations - viable partners ⁸ plus companion/support	Y	Y	Y	Y	Y	Y

4. Evaluation approaches and tools

The following section explores various evaluation methods and tools, from Australia and around the world, which will assist in the creation of a draft set of objectives, outcomes, indicators and measures which is discussed later in this report.

Evaluations in general need to consider the following:

- Objective setting – without clear objectives, success cannot be determined. Different objectives may reveal varying levels of effectiveness for a program so it is important to be clear in what is trying to be achieved.
- Evaluation time frame - results in the short, medium and long term may vary
- Monitoring versus evaluation - ‘*Monitoring suggests systematic data gathering and periodic reporting on performance indicators for a program or project, and does not necessarily imply substantive interpretation of the data. Evaluation, on the other hand, is the rigorous analysis of monitoring and other data to allow assessment of whether the objectives of the program/project have or are being achieved*’ (Randolph and Judd 2001). Clarity around the purpose of the evaluation will be imperative.
- Outputs versus outcomes focus – Clarity around the differences between these concepts is important to ensure the right data is collected. ‘Outputs are direct indicators of success against stated objectives, whereas outcomes refer to the end contribution of the program/project to a sustained change in the area in line with stated objectives and allowing for displacement effects. Outcome monitoring or evaluation is about assessing progress towards achieving strategic objectives’ (Randolph and Judd 2001)
- Causality and additionality - that is, to what extent can changes be attributed to a program/activity/ investment? How will this be measured?
- Performance indicators - again the selection of an appropriate set of performance indicators is an integral part of this phase of our project
- Data source: availability and reliability of data - both primary and secondary sources are important; the former being through surveys or the like, and the latter from data already collected for other purposes. A combination of both quantitative and qualitative data and data collection can also add to the richness of evaluation findings (Randolph 2006). Due to resource limitations of this initial project, primary data gathering may be limited.

⁷ 15% minimum affordable housing only on government land and housing developments

⁸ The impact of the 2014 federal Budget which cut the final round (\$1 Billion) of NRAS grants remains unclear.

- Determining baselines and benchmarks – A baseline position is simply a measure of conditions prior to interventions taking place. Measuring the baseline position is essential if additionality and outcomes are to be successfully assessed. These can often be objectively determined prior to the commencement of the project, or retrospectively if such data is available. Benchmarks, on the other hand, are comparative and usually external to the project (Randolph and Judd 2001).
- Geographical level of analysis - data available from State housing agencies may be at an estate, street or block level, whereas many statistics will be at a broader suburban or regional level.

A multitude of evaluation methods and tools are available. A traditional cost benefit analysis explores the benefits of a service (eg. social housing) relative to costs (Parkinson, Ong et al. 2013, Pawson, Milligan et al. 2014). On the other hand, a social accounting method, similar to the use of key performance indicators, involves determining the extent to which a program/ activity/ investment achieved its (usually predetermined) goals and the financial benefit of those achievements.

Evaluation methods focusing on cost-efficiency will breakdown costs and benefits. For example, a Cost consequence analysis is sometimes used in public housing to determine the cost per tenant or household to the government (Parkinson, Ong et al. 2014, Pawson, Milligan et al. 2014). Adding to this data would be some form of cost benefit analysis or Cost effectiveness evaluation in which the costs per unit of service (eg. tenant/ household) is compared with indicators around tenant wellbeing or some other indicator of program effectiveness. It can be argued that these types of evaluation methods focus too heavily on the economic costs and benefits of a program or activity, and neglect a raft of social and environmental outcomes that still have value. Therefore, during this initial research phase, three key methods have emerged as being potentially the most useful, including: the Social Return on Investment (SROI) method; Social Cost Benefit Analysis (SCBA); and Well-Being Valuation Analysis (WVA).

4.1.Social return on investment method (SROI)

Since the turn of the century, governments and organisations around the world have increasingly sought to analyse and measure the non-economic value of their work in order to justify continued investment. The Social Return on Investment (SROI) method has developed rapidly over this period, gaining credibility and being utilised by governments and organisations in order to determine and quantify their social impact.

The SROI method captures the value added via organisational or departmental investment. It essentially allows social, environmental and other non-economic benefits and costs to be articulated in financial terms. These values are then compared to the investment made, and the cost-effectiveness of a program or organisation can be determined. SROI, then, generates a cost benefit ratio. For example, an organisation might be found to have generated \$5 of social (or environmental) value for every \$1 of total investment.

While SROI articulates value in financial terms, the social value calculated should not be understood as a financial *return* on investment, but rather as a financial representation of value added. As Ravi and Reinhardt explain, SROI evaluation “is best understood in the context of an endeavour to value well-being through measures other than classic economic indicators such as GDP” (Ravi and Reinhardt 2011). In addition to providing a ratio of value added versus investment, the method also provides a valuable mechanism for tracking organisational change and can assist organisations to

maximise their social value creation. In this way, SROI represents a useful strategy for ongoing value measurement and program or organisational evolution.

The United Kingdom has led the way in utilising the SROI method within government. Arising from discontent around public contract allocation being too focused on cost efficiency and financial return, SROI has been adopted to ensure that the potential (non-economic) value added is adequately assessed when determining the placement of funds and choice of service providers (Harlock 2012). In 2012 the *Public Contracts (Social Value) Act* was introduced, which necessitates the analysis of social value when determining contract allocation. It is essentially a policy tool that levels the playing field between third sector organisations and commercial operators, by placing value on the less tangible, but important outcomes that third sector organisations can bring about.

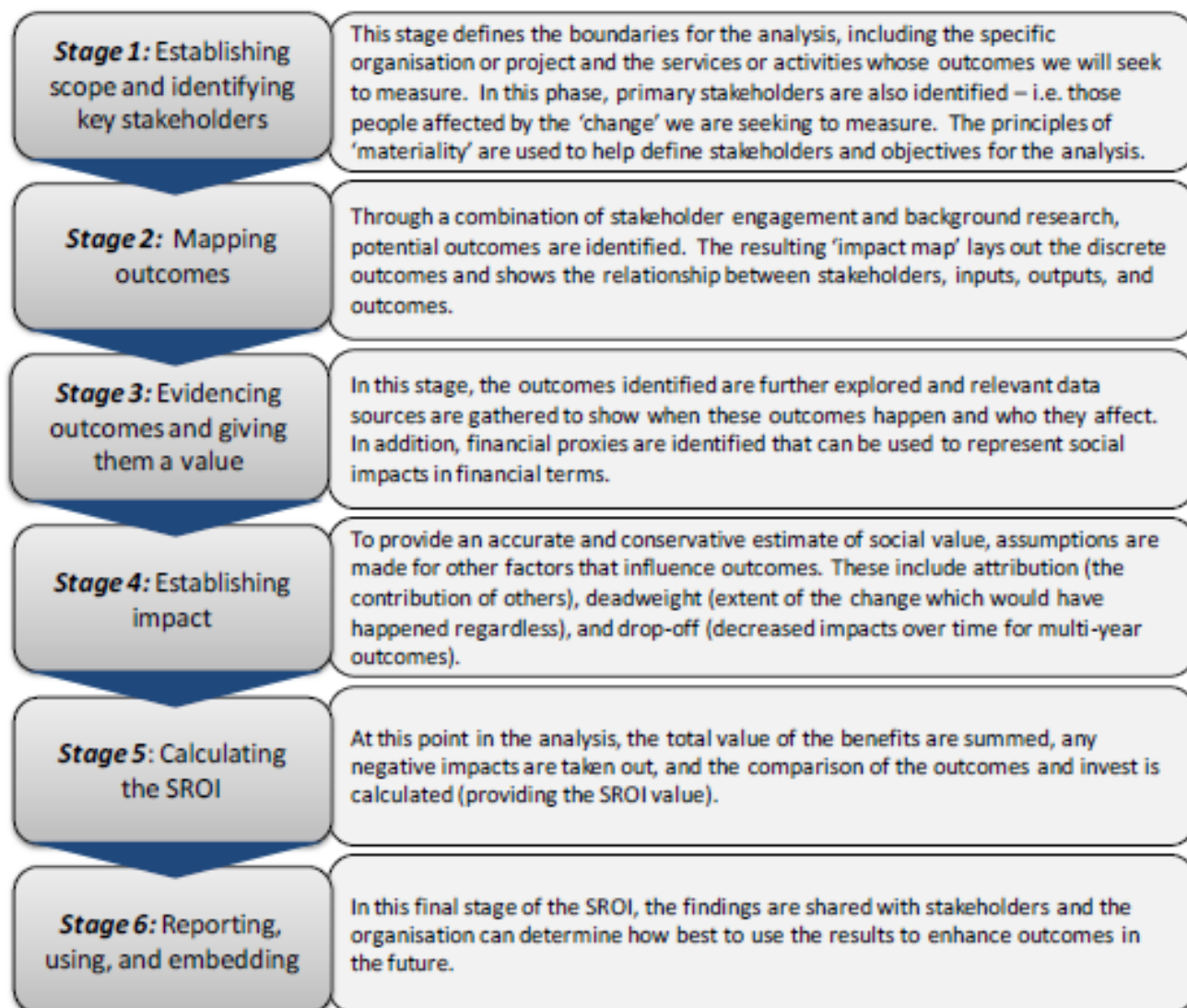
SROI has also been explored in Australia, albeit from a third sector, or organisational, rather than government, level. Perhaps the most useful example of the method for this research, a 2011 report commissioned by the Community Housing Federation of Australia (CHFA), Powerhousing Australia and Bankmecu, attempted to measure the social value of community housing in Australia on a sector-wide scale (Ravi and Reinhardt 2011). The tools, metrics and measures used in the study provide valuable insight into the way SROI could be applied to social housing in Australia. Figure 7 below illustrates the steps involved in using the SROI approach to determine value added.

Kliger, Large et al. also adopted the SROI approach to discuss the premise 'that investment in affordable housing for low-income women provides both micro and macro-economic benefits for cities and communities' (Kliger, Large et al. 2011). This study researched 'the value produced by the volunteer and philanthropic group known as the Victorian Women's Housing Association (VWHA). Box 1 provides a summary of the type of information that can be elicited from using this approach.

Box 1 Social Return on Investment analysis outcomes at a glance (Kliger, Large et al. 2011)

- VWHA created \$30 million in value for its stakeholders and the Victorian community from an investment of \$7.45 million.
- VWHA delivers \$3.14 of social value for every \$1.00 invested.
- On average VWHA tenant households save \$7,179 a year because the VWHA's rents are affordable and lower than market rent.
- Applying the 3.14 ratio to VWHA's investment as at 30 June 2011 of \$18 million, the total value created for stakeholders and the Victorian community is \$74,520 million.

Figure 7 6 stages of SROI methodology (Ravi and Reinhardt 2011)



4.2.Social Cost-Benefit Analysis (SCBA)

Cost benefit analyses seek to quantify as many costs and benefits of a policy, program or investment, to determine whether it represents a cost efficient use of money. A social cost benefit analysis is similar to the SROI approach in that it attempts to place value on benefits not usually assigned monetary value in the market. The approach differs, though, in that cost benefit analysis mostly seeks to determine the cost efficiency of that being evaluated, whereas SROI looks to optimise the social and environmental ends of the program or policy and assign those ends value.

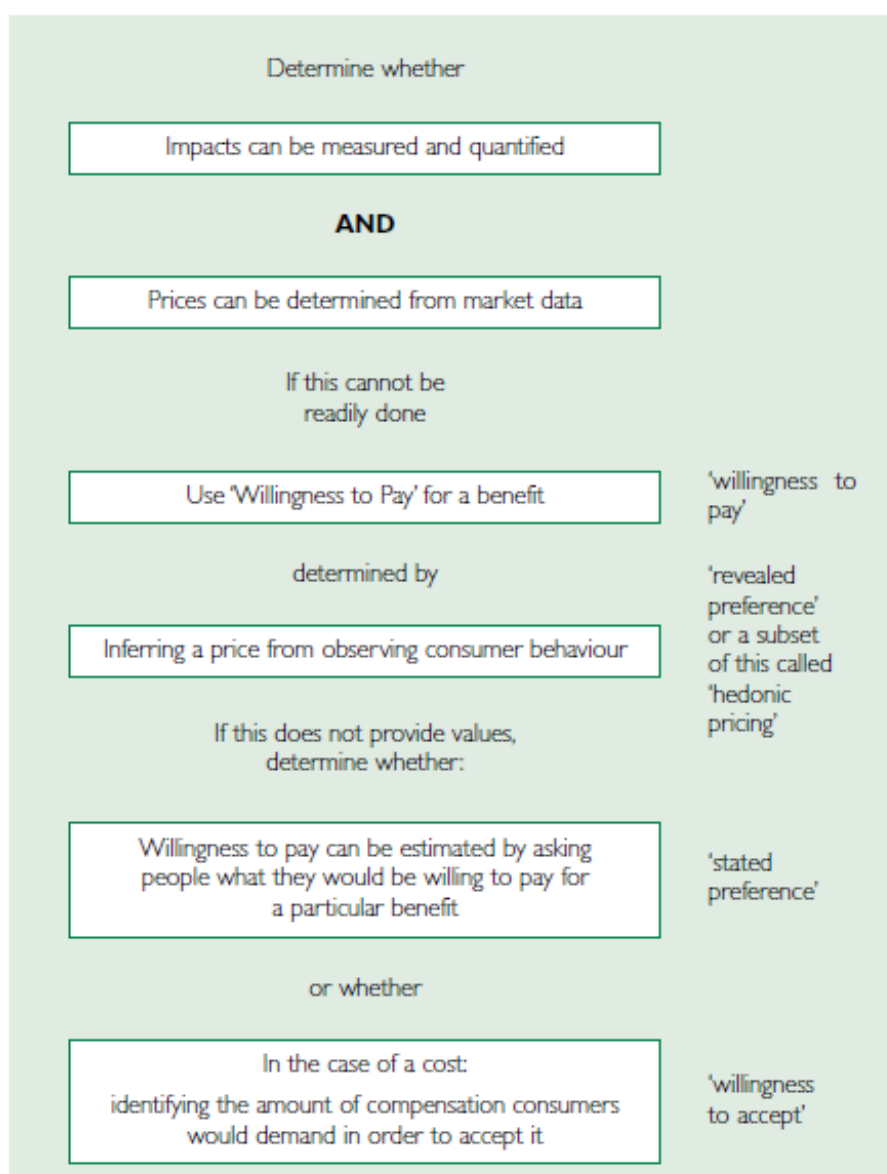
The UK government introduced a guide to policy appraisal which promoted the use of social cost benefit analysis. *The Green Book: Appraisal and evaluation in Central Government* aims to promote policy efficiency and optimise the use of public funds (HM Treasury 2011). A key contribution of this document is its details around how to go about valuing social costs and benefits for which there is no market price. The publication elaborates on methods for estimating costs (including: fixed, variable, semi-variable and semi-fixed costs) and the value of benefits (see Box 2).

Social cost benefit analysis in this instance is described as a way to ‘assess the net value of a policy or project to society as a whole through the context of ‘utility’, that is through attaching a ‘monetary value to non-market goods by looking at the impact that these things have on utility’ (HM Treasury

2011). This is considered through various market based approaches including ‘stated preference’ and ‘revealed preference’. The former uses questionnaires to elicit responses on both willingness to pay for a particular outcome, and willingness to accept a particular outcome. The latter is inferred from examining consumer’s behaviour in a like market. Other approaches highlighted include: the ‘subjective well-being approach’ which is still under development; and direct assessment of the value of the benefit or cost through a specific study.

The UK government policy appraisal guide is also a useful tool for dealing with issues such as distribution of benefits, in which the impact of a program or policy varies depending on factors such as income level, age or education level. Other potential issues dealt with include: optimism bias, risk factors, and uncertainty. Therefore, this document provides much useful information about how to carry out an effective and accurate assessment of policy or program value, and will prove useful to the development of a strategic evaluation framework for social housing in Australia.

Box 2 Valuation Techniques (HM Treasury 2011)



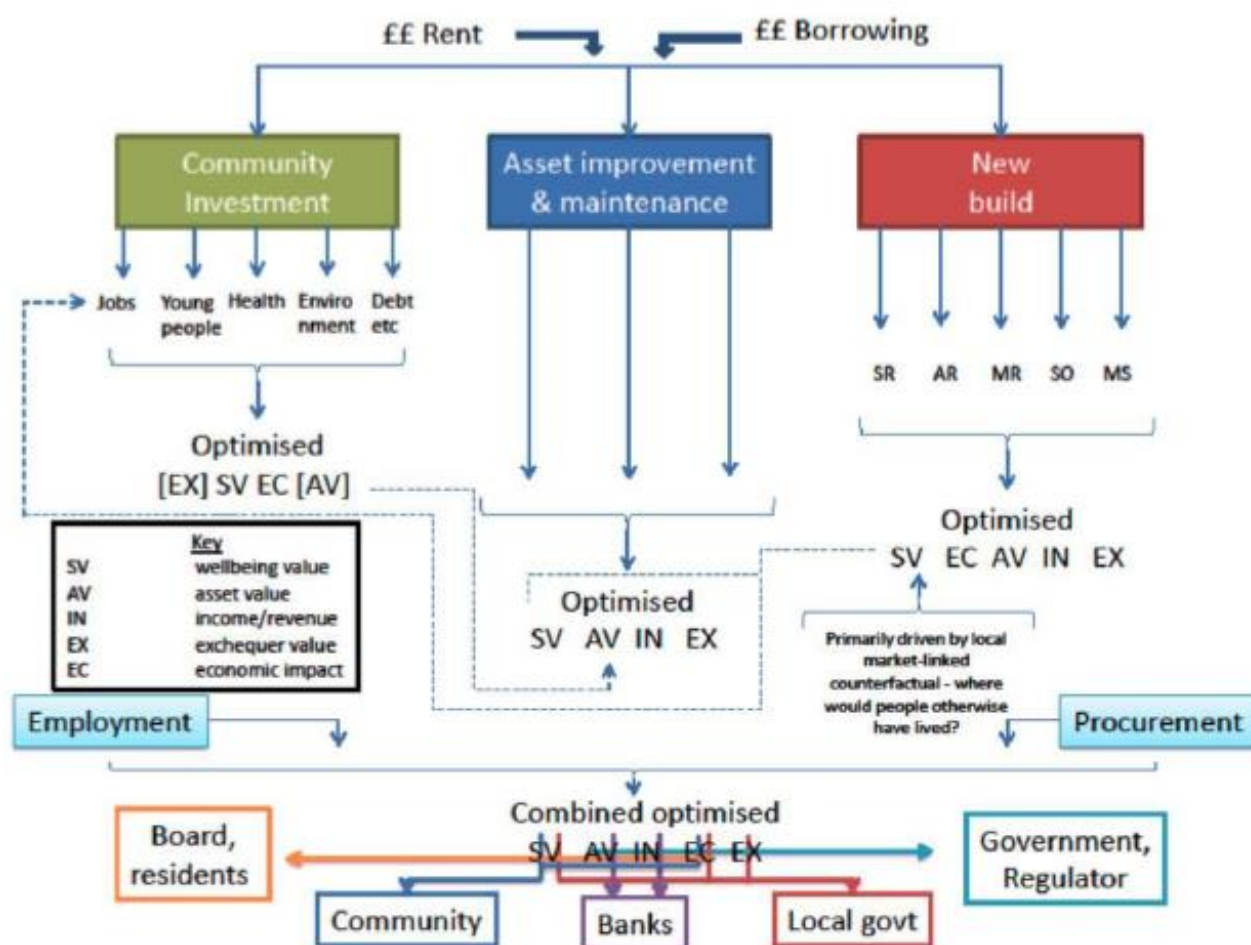
4.3. Well-Being Valuation Analysis

Evolving only recently, a Well-Being Valuation Analysis (WVA) approach draws upon both the SROI method and traditional cost benefit analysis (Fujiwara 2014). Developed specifically for measuring the social value of housing associations in the UK, the method emerged in response to the perceived lack of appropriate tools for quantifying social value on a large (ie. sector-wide) scale.

The WVA approach considers life satisfaction, and other housing and non-housing values. The methodology used is now well developed, and is explored in three key papers (Fujiwara 2013, Fujiwara 2014, Trotter and Vine 2014). Essentially, the approach estimates the impact of a good or service on people's subjective well-being, and then uses these estimates to calculate the exact amount of money that would produce the equivalent impact (Fujiwara 2014). The analysis draws on four UK datasets including: the *British Household Panel Survey*, a longitudinal survey of 10-15,000 people in the UK; *Understanding Society*, which incorporated and has replaced the previous adding 60,000 new participants and a new set of variables; *Crime Survey for England and Wales*, survey of all aspects of crime by the Office of National Statistics; and *Taking Part*, which collects data in leisure, culture and sport.

Critically, this work provides a detailed investment decision-making framework for housing associations (Figure 8).

Figure 8 Investment decision framework for housing associations (Fujiwara 2013)



Building on the Fujiwara research, the *Social Impact Value Calculator* (Campbell Collaboration 2014) has been developed to assist in the estimation of value produced. The excel-based tool supports housing organisations in applying the WVA method. The tool includes: a value calculator sheet (enter data for calculations); results sheets providing a summary of impacts; a description and evidence tab which explains each of the values and the evidence needed to apply them; and a relationships tab that identifies which values to apply together. It provides an extremely useful and tangible tool for estimating social value on a sector-wide scale.

4.4. Additional resources and tools for consideration

A number of other tools and approaches exist that may prove useful in developing the approach, metrics and benchmarks for the evaluation framework under development. In addition to the SROI method, several externally developed tools and approaches were found to be utilised by housing providers to assess their social impact. They include:

- **Business in the Community – Corporate Responsibility (CR) Index** (2002) – management tool which helps companies manage and measure their social and economic performance
- **Community Impact Tracking Service (CITS)** (2011) – A collaboration between four housing organisations and HouseMark who is now the provider.
- **Outcome Star - 2003** – Based on the ‘ladder of change’, described as an individual’s journey towards independence.
- **Social Accounting** – This is an approach to reporting, which relates to the social, environmental and financial impact which an organisation has had - considers the extent to which an organisation is meeting its social or ethical goals.
- **Community Regeneration (CR) Tracker** – One housing association worked with the developers of TP Tracker to include additional functionality to the original TP Tracker tool. This includes the ability to aggregate outputs from across a housing group, the value of the time which is invested by partner organisations and inputs from other agencies.
- **Verto** – A web based tool originally designed for local authorities, in partnership with Peterborough City Council, to assist in the monitoring and evaluation of community services with a focus on performance improvement. It allows for benchmarking across users.
- **Views / SPRS** – An online platform that can help to demonstrate the value and outcomes of an organisation’s work. It maps and measures progress of participants through detailed case histories of individuals and groups. Progress can be measured against set outcomes, and data can be aggregated to analyse the impact of the progress against corporate objectives.

Judd and Randolph (2006) provide two additional approaches:

- **3Rs Guidance** – A broad framework for formal evaluations of UK Government funded renewal projects. Emphasis is placed on the use of indicators in the measurement of the impacts whilst recognising that these may reflect quantitative, qualitative or monetary measures. *‘Where assignment of numerical values to outputs is not feasible, it promotes the use of ‘performance matrices’ for presenting comparable assessments of projects that use qualitative, quantitative and monetary information. The qualitative information in these matrices is seen to be both textural and based on scaled measures of perceptions and attitudes derived from structured survey questionnaires’.*
- **IMPACT evaluation tool** – The tool is designed to provide assessments of social impacts in spatially and temporally defined programs to provide program managers with better information about the outcomes than do traditional evaluation approaches. The tool explores nine key dimensions: relevance; internal coherence; external coherence; effectiveness; performance; ethics; value for money; legitimacy; reproducibility.

5. Elements of a framework

This research aims to identify a set of criteria for both housing and non-housing outcomes, to aid the development of a strategic evaluation framework which can be used to measure both government agencies and community housing providers to better articulate the value of sector investment.

As highlighted by Ravi and Reinhardt (2011), capturing these benefits is fluid due to the dynamic nature of policy, and resident stays in social housing.

‘While it has been assumed, as per the SROI methodology, that some of the value created for any given tenant erodes over time, this static view does not capture the dynamic nature of the sector. As tenants leave community housing, they may still benefit from having received assistance over a certain period of time and the fact that assistance may no longer be required is actually a very positive outcome that is not fully captured in this assessment. As those tenants leave, space is created for new tenants, who are likely to experience the same kind of benefits and outcomes, thus starting the cycle again and generating additional social value. Hence some of the long term (capital) investment into community housing contributes to social value creation over a much longer term than the five years included in our calculations’ (Ravi and Reinhardt 2011).

5.1.Outcomes and indicators

This research will establish a preliminary set of outcomes, drawing from previous research, and key priorities for industry partners. Developing a broad set of potentially cascading indicators from these outcomes will be a priority (Burke and Hayward 2000). Burke and Hayward (2000) provide a useful example of ‘cascading’ performance indicators (see: Table 2). They highlight the need to have indicators for performance at the various levels of service provision in order to deliver indicators that have relevance and validity from a national to an agency or tenant level.

Table 2 Layers of performance indicators (Burke and Hayward 2000)

Level	Purpose
National	How well is social housing meeting its objectives? How well are social housing agencies performing? How does the performance of social housing agencies compare with other sectors, for example, private rental sector?
State Housing agency	How well is the agency or federation (of agencies) meeting its objectives? How does its performance compare with other like organisations?
State Housing Agency Business Unit	How well is a specific function or business performing, for examples, housing finance, stock production, rental housing management?
SHA Regional offices	How well is a particular region performing, either overall or for a specific functional business?
SHA Work unit (teams)	How well is a work unit achieving its objectives? How does its performance compare with other similar work units?
SHA employee	Does the individual’s work performance meet agreed targets?

It is important to distinguish between outputs and outcomes when attempting to evaluate performance. The UK Treasury provide valuable guidance in defining outcomes, as distinct from outputs. For example, for the development of skills: an output may be the number of training places;

whereas an outcome may be an increase in earning capacity (HM Treasury 2011)(see: Box 3 for more examples). KPMG International (2014) describes: inputs as *what goes in*; outputs as *what comes out*; outcomes as *what is the result*; and impact as *what is the value*. They report that 88% of the companies studied reported outputs, while only 20% reported outcomes. This research will actively seek to evaluate outcomes and not just outputs in order to determine the social value of investment.

Box 3 Examples of outputs versus 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.

5.2.Measures and metrics

In order to determine appropriate indicators, first the objectives of the program/ policy being evaluated must be clear.

Broad objectives from which indicators can be drawn can be adopted from existing studies. Milligan, Phibbs et al. (2007) flesh out some objectives of the community housing sector including: the creation of incentives for workforce participation; support for family life and work family balance; supporting the health, well-being and education needs of occupants; enabling ageing in place; and the development of socially cohesive communities and community building processes. Trotter and Vine (2014) also provide a short list of broad social housing objectives such as: the creation of safer, stronger communities; improving health; promoting independence; the creation of community spaces; and skills development.

There are a range of methods through which indirect, non-market values have been quantified in the past. The different methodological approaches have fed into the nature of indicators used for measurement.

Utilising a SCBA framework, the firm Spiller Gibbins Swan Pty Ltd undertook a study (through the Australian Housing Research Fund) to ‘gain an understanding of the problems being faced in public housing estate renewal projects (Spiller Gibbons Young Pty Ltd. 2000). The study included development of a framework for project evaluation, particularly with respect to social and economic impacts’ (Spiller Gibbins Swan Pty Ltd. 2000). Based on the outcomes of nineteen case studies the following costs and benefits were identified with renewal projects:

- *COSTS*

- *Opportunity Cost on Land and Improvements*
- *Capital Costs – Housing and Infrastructure*
- *Recurrent Costs – Housing and Infrastructure*
- *Tenant Compensation*
- *Tenant Relocation Costs (Benefits)*
- *Reduced Housing Opportunities*
- **BENEFITS**
 - *Sale of Surplus Assets Up-front*
 - *Sale of Residual Assets on Wind-up*
 - *Better Living Environment for Public Rental Dwellings – (Higher standard dwellings - Better neighbourhood amenity - Reduced stigma)*
 - *Better Living Environment for Other Dwellings in the Neighbourhood. – (Higher standard dwellings - Better neighbourhood amenity – Reduced stigma)*
 - *Reduced Social Dysfunction Generally – (Possible society-wide benefits as reflected in social indicators).*

Spiller Gibbins Swan Pty Ltd. (2000) include both direct and indirect costs and benefits associated with public housing estate renewal projects. The list of costs and benefits provides a useful summary of indicators that could also prove relevant to social housing provision. The study also identifies 'shadow pricing' outputs, being the value of 'non-marketed outputs'. Table 3 highlights the different way in which indirect costs were measured, which will prove useful to the development of a strategic framework.

Table 3 Summary of costs and benefits generally associated with public housing estate renewal projects (Spiller Gibbins Swan Pty Ltd. 2000)

ITEM	DIRECT/ INDIRECT	BASIS OF VALUATION	INCIDENCE
COSTS			
Opportunity Cost on Land and Improvements	Direct	Market (1)	Authority
Capital Costs – Housing and Infrastructure	Direct	Market	Authority
Recurrent Costs – Housing and Infrastructure	Direct	Market	Authority
Tenant Relocation <ul style="list-style-type: none"> • Compensation Paid • Extra Tenant Costs 	Direct	Market	Authority
Tenant Dislocation <ul style="list-style-type: none"> • Possible loss of support networks 	Indirect	Shadow Price (2)	Relocated Tenants
Reduced Housing Opportunities	Indirect	Shadow Price (2)	Prospective Tenants
BENEFITS			
Sale of Surplus Assets Up-front	Direct	Market (1)	Authority
Sale of Residual Assets on Wind-up	Direct	Market (1)	Authority
Better Living Environment for Public Rental Dwellings. <ul style="list-style-type: none"> • Higher standard dwellings • Better neighbourhood amenity • Reduced Stigma 	Direct	Shadow Price -eg. Market Rent	Tenants
Better Living Environment for Other Dwellings in the Neighbourhood. <ul style="list-style-type: none"> • Higher standard dwellings • Better neighbourhood amenity • Reduced Stigma 	Indirect	Shadow Price -eg. Market Rent Increment	Other Residents in the Neighbourhood
Reduced Social Dysfunction Generally <ul style="list-style-type: none"> • Possible society wide benefits as reflected in social indicators. 	Indirect	Shadow Price Eg. Cost Savings Achieved (2)	Society Generally

5.2.1. SROI – WVA

Using the WVA evaluation approach, Fujiwara (2014) provides a categorisation of indicators across several broad areas including: crime reduction, local regeneration, employment, mental health interventions and community projects. The values provided are of a rigour to also support cost-benefit analysis (CBA) or social return on investment (SROI) method.

Table 4 is an example of how these broader themes can be broken down into more specific indicators or values (see also Section 16).

Table 4 Non-housing Values (Fujiwara 2013)

Activity area	Value
Jobs and training services	
Move from unemployment to employment	£8,700
Learning and skills services	
Participation in one adult learning course	£754
Learning that helped people to feel more confident with family and others	£690
Learning that helped people become a more confident parent	£609
Learning that helped people to be able to help their children with school	£435
Volunteering regularly	£11,800
Health services	
Health problem:	
Relief from problems connected with: arms, legs, hand, feet, back	£1,306
Relief from chest/breathing problems, asthma, bronchitis	£2,230
Relief from heart/blood pressure or blood circulation problems	£1,546
Relief from stomach/liver/kidneys or digestive problems	£6,039
Relief from depression, anxiety	£43,453
Relief from alcohol or drug related problems	£24,257
Relief from migraine or frequent headaches	£3,626
Relief from health problems that limit daily activities	£10,220
Relief from health problems that limit amount or type of work	£2,354
Sport	
Participating in sport at least once per month	£428
Participating in sport at least once per month	£562
Family Interventions	
Avoiding separation	£3,400
Not having to provide residential carer	£830
Promoting independence services	
Relief from being burdened with financial debt	£2,300
Safer, stronger communities services	
Living in a safe area	£650
Creating better places to live services	
Regeneration of the local area	£6,500
Community spaces services	
Socialising on most days of the week	£3,000

Note: These are values per person per year.

Building on the work of Fujiwara and the UK Office of the Third sector (Oxley 2008), Ravi and Reinhardt (2011) had some success quantifying social value at the sector-wide community housing level in Australia. Their categorisation of indicators included: economic, educational, health and community inclusion benefits (see: Table 5 for more details of the breakdown, see also: Table 6 and 7 for further information about their approach).

Three core questions addressed were: (i) how does community housing affect the lives of tenants and the health of local communities; (ii) which of these outcomes are we able to measure; and (iii) where are there gaps in data, or is there a need for additional research to better understand and quantify the impacts of community housing (Ravi and Reinhardt 2011). These sorts of questions will be vital to determining how to measure the value of social housing in Australia.

Kliger, Large et al. (2011) also adopted the SROI method in Australia for an analysis of Victorian women's Housing Association projects in the outer metropolitan suburbs of Melbourne. Whilst the research was conducted on an extremely small scale, comprising of only 17 properties, this is an important paper in terms of the methodology that is adopted. Savings and benefits to government articulated in this report include: avoided and reduced costs of corrections and prison, alcohol services and transitional housing; increased tax revenue through tenant employment and participation in education; and future welfare savings through the prevention of intergenerational poverty.

All of these research projects provide a useful background of potential indicators, measurement tools and valuation techniques from which this research will build on. The next stages of the *Rethinking Social Housing* project will explore these methodologies in more depth.

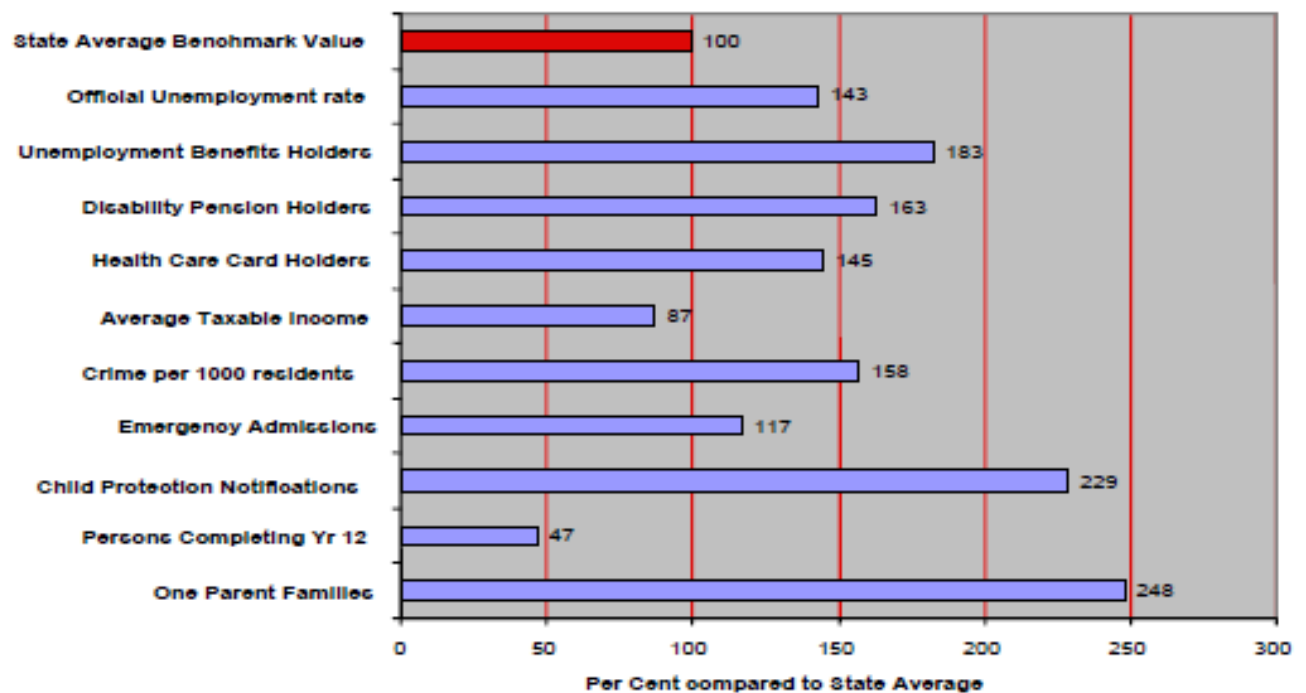
5.3. Benchmarking

It will also be important to establish baseline positions and comparable benchmarks. The extent to which this is possible, and/or existing documentation is available to support this, will emerge in the case study phase of the project, and is yet to be investigated with the partner organisations.

A useful list of baseline statistics can be seen in the research of Wood and Cigdem (2012) that evaluated the non-housing benefits of neighbourhood renewal. State averages of particular statistics were used as baseline data from which comparisons could be made as neighbourhood renewal occurred. An example of the statistics used can be seen in Figure 9.

Researchers evaluating neighbourhood renewal are also able to use land/ house prices as a baseline measure of area improvement. For example, Rossi-Hansberg, Sarte et al. (2008) discuss housing externalities associated with renewal. The renewal programs were federally funded and the implementation was both specific and transparent. Therefore, the researchers were able to glean information about the funding imputed, and the changes in land prices before and after investment (Rossi-Hansberg, Sarte et al. 2008, Rossi-Hansberg and Sarte 2012). House and land prices are also impacted by social housing development and so this may prove to be a relevant method for generating baseline data for social housing evaluation.

Figure 9 Indicators of disadvantage in Neighbourhood renewal areas compared to state averages, by post code (Wood and Cigdem 2012)



In the Netherlands, social housing provision is monitored using the 'Aedex real estate index' (Bortel and Elsinga 2007). The index "measures the profitability of housing associations and the difference between this figure and the profitability that could be achieved by pursuing a commercial strategy. This difference, also called a 'dividend to society' is assumed to be the profitability that housing associations do not realise because of their non-profit character" (Bortel and Elsinga 2007). This represents an innovative way of making housing providers financially accountable while still valuing their social impact.

Table 5 and Table 6 provide a compilation of possible outcomes, indicators and metrics from the literature reviewed to date. The intent is to use this to establish the extent of and boundaries for criteria to be addressed in the development of the eventual strategic evaluation framework.

Table 5 Total Present Value of Community Housing Benefits (Ravi and Reinhardt 2011)

<i>Impact Category</i>	<i>Outcome</i>	<i>Population Affected</i>	<i>Number Affected</i>	<i>Financial Proxy</i>	<i>\$ Impact per person</i>	<i>Year 1 \$ Impact after adjustments</i>
Economic	Greater financial flexibility for low-income households as a result of alleviation from "housing stress"	92.5% of Community Households that fall into the low-income category	34,996	Increased Disposable Income for tenants as compared with Private Rental	\$ 2,548	\$ 78,468,366
Educational	Enhanced educational performance for children of community housing tenants	60% of Children in community housing Under 15 years of age	14,219	Annual additional earning potential for Year 12 graduates as compared to those earning Year 10 certificate or below	\$ 3,016	\$ 20,584,786
	Community housing tenants are more likely to pursue educational or training opportunities that will improve their employment prospects	Community housing residents who are currently unemployed but actively looking for work (9% of community housing tenants)	4,700	Improved earning potential as measured by part-time employment rates at minimum wage	\$ 17,784	\$ 54,166,509
Health	Improved overall health	73% of households in community housing (excludes the 27% of the population receiving disability support payments)	55,424	Average annual spend on health services	\$ 1,872	\$ 20,128,217
	Reduced demand for health services for 'heavy-users' and disabled populations	27% of CH residents receiving disability support payments	20,499	Reduced spend on health services for 'heavy users' after moving into public housing	\$ 640	\$ 2,623,908
Community Inclusion	Greater tenant empowerment allows CH residents to have more control of their residential and personal lives	Community housing tenants who participate in maintenance and admin activities	-	Not Quantified	\$ -	\$ -
	Emergence of support networks foster self-reliant and independent communities	All community housing tenants	-	Not Quantified	\$ -	\$ -
	Total Value per Year					\$ 175,971,786
	Total Present Value of Community Housing Benefits					\$ 664,828,780

Table 6 Valuation assumptions and sources: an example (Ravi and Reinhardt 2011)

Outcome Valuation Map				
Primary Outcome	Population Affected (Total Community Households = 37,833)	Outcome Indicators ⁹²	Financial Proxy	Notes
Improved overall health for general tenant population	<ul style="list-style-type: none"> 73% of households in community housing (excludes the 27% of the population receiving disability support payments) Approximately 55,400 people (including children) 	<ul style="list-style-type: none"> Spend on health services, medications, and treatments <p><i>Supported by:</i></p> <ul style="list-style-type: none"> Self-reported health outcomes¹¹⁰ <p><i>Supporting indicators not pursued as part of the present analysis</i></p> <ul style="list-style-type: none"> Incidents of disease, accidents, and absenteeism due to health-related issues 	<ul style="list-style-type: none"> Financial Proxy: Average annual spend on health services Value: \$1,872/ year per household Source: Average spend on health and medical costs for an Australian family in 2nd quintile of income: spend \$30/week on health and medical costs¹¹¹, adjusted to \$36/week for inflation to 2010 levels¹¹² 	<ul style="list-style-type: none"> Average household spend on health and medical costs is used as a proxy to estimate the value Australian's place on improved health It is recognised that the implicit value of 'health' typically goes beyond the dollar amount spend on health-related goods and services; hence this is a conservative estimate of social value
Reduced demand for health services for 'heavy-users' and disabled populations	<ul style="list-style-type: none"> 27% of CH residents receiving disability support payments¹¹³ Approximately 20,500 people (including children) 	<ul style="list-style-type: none"> Reduced expenditure on health services <p><i>Supported by:</i></p> <ul style="list-style-type: none"> Improved overall health outcomes (self-reported)¹¹⁴ <p><i>Supporting indicators not pursued as part of the present analysis</i></p> <ul style="list-style-type: none"> Decreased emergency health treatments and interventions 	<ul style="list-style-type: none"> Financial Proxy: Reduced spend on health services for 'heavy users' after moving into public housing Value: \$640/year per resident Source: Average monthly Medicare costs reduce from \$152.36 to \$106.23¹¹⁵ for heavy users as a result of public housing. When adjusted for inflation, this is an annual savings of \$640¹¹⁶ 	

6. Data and Datasets

Data for this project can be obtained from several sources including Randolph and Judd (2001) and Moore, Russell et al. (2002) and include both quantitative and qualitative methodologies. Examples of these include:

Quantitative methodology:

- Official demographic (Centrelink, State-based housing agencies or census data (ABS)
- Systematic observations
- Sample surveys including structured interviews
- Experimental or quasi-experimental studies
- Cost-benefit analyses

Qualitative methodology:

- Participant observation
- In-depth interviews and surveys
- Focus groups
- Action research
- Critical or historical analyses

(Randolph and Judd 2001, Moore, Russell et al. 2002)

The following is a first cut of quantitative data-sets that may be of value in consideration of the strategic evaluation framework to be developed in Phase 2 of this research project. This will be expanded as required.

6.1.Databases and Data-sets in Australia

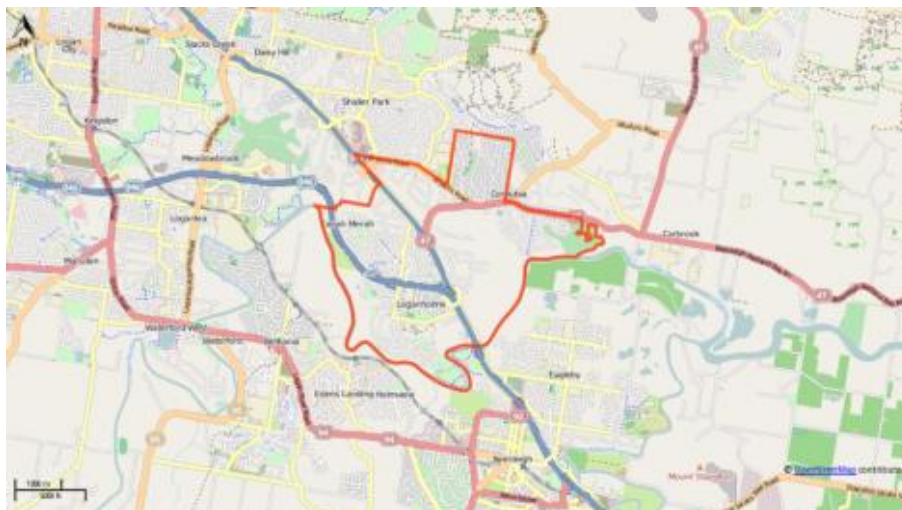
Secondary databases and data-sets in Australia include:

- **Australian Bureau of Statistics (ABS) data** including:
 - Australian Census of Population and Housing
 - Survey of Income and Housing Costs
 - National Health Survey
 - Rental Investors Survey
 - Disability, Aging and Carers Survey
 - Mental Health and Wellbeing of Adults survey
 - Time Series profile (TSP) DatePack - contains select demographic information at various spatial scales to augment the existing area-based measures available in HILDA
 - Survey of Housing Occupancy and Costs 2009-10, ABS, 2011 Canberra <http://www.abs.gov.au/ausstats/abs@.nsf/ViewContent?readform&view=productsbytopic&Action=Expand&Num=5.8>
- **The Household, Income and Labour Dynamics in Australia (HILDA) Survey (Australian Department of Social Services 2014)⁹:**
 - *'HILDA is a nationally representative longitudinal survey that follows a sample of individuals aged 15 years and older and the households they live in each year. The survey commenced in 2001 when there were 13 969 individuals responding from 7682 households (see MIAESR 2011 for more details on the survey)' (Parkinson, Ong et al. 2014).*

⁹<https://www.dss.gov.au/our-responsibilities/families-and-children/programs-services/the-household-income-and-labour-dynamics-in-australia-hilda-survey#0>; <http://melbourneinstitute.com/hilda/default.html>

- The primary objective of the HILDA Survey is to support research questions falling within three broad areas:
 - income dynamics - with a particular focus on how households respond to policy changes aimed at improving financial incentives, and interactions between changes in family status and poverty
 - labour market dynamics - with a focus on low-to-middle income households, female participation, and work to retirement transitions and
 - family dynamics - focusing on family formation, well-being and separation, along with post-separation arrangements for children and links between income support and family formation and dissolution.
- **AURIN (Gilmour 2013)**
 - The Australian Urban Research Infrastructure Network (AURIN) Portal – *‘In it, you can browse metadata for all the datasets available in the AURIN Portal. The information harnessed by AURIN covers almost every aspect of urban environments in Australia, from health and well-being, to economic metrics and environmental indicators.’* (Gilmour 2013). Figure 10 provides a screenshot of the portal. See also the Australian Urban Research Infrastructure Network (2014) for a listing of all datasets available in the AURIN portal. Data is provided from several Victorian agencies along with the ABS, Australian Property Monitors (APM) centre for Full Employment and Equity, the National Centre for Social and Economic Modelling, the University of Queensland eResearch and WA Health.

Figure 10 Screenshot from Australian Urban Research Infrastructure Network (AURIN) Portal



- **State Government Valuer-General datasets:**
 - Wood and Cigdem (2011) used data from the Victoria Property Valuations dataset, and the Victoria Property transactions dataset, in a confidentialised format. This provided them ‘with detailed property-level information on sales prices as well as neighbourhood and property characteristics that span a period of more than 20 years. The Property Valuations database is the main source for information on property-level housing, locational and neighbourhood characteristics as at 2008, while the Property Transactions database contains sales information on every sold property in metropolitan Melbourne from 1990–2011’. They then ‘merged the two datasets to create a single dataset that matches every sold property’s sales information (such as price) with property characteristics like number of bedrooms, age of building and land and floor area, location in relation to principal and major activity centres

(areas designated by planning authorities as focal points for employment growth, transport nodes & urban amenities), and planning regulations such as zoning and overlay areas’.

- **Australian Institute of Housing and Wellbeing (AIHW)**, for example:
 - *Housing assistance in Australia* 2011, 2012 & 2014 (Australian Institute of Health and Welfare 2014). This provides relevant demographic data.
 - *National social housing survey: A summary of national results* 2012 (Australian Institute of Health and Welfare 2012)
- **Community Housing and Infrastructure Needs Survey (CHINS)**
 - link relates to Indigenous Community Housing not “Community Housing” in the general sense that the BSE research is focussed on: <http://www.aihw.gov.au/abs-2006-chins-data/>

6.2. International datasets

International datasets which may be of value include:

- **EU (incl. UK)**
 - United Kingdom’s Statistical data on affordable housing supply. Available at: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>
 - United Kingdom’s Housing Survey. Available at: http://data.gov.uk/dataset/english_housing_survey
 - European Union Open Data Portal. Available at: https://open-data.europa.eu/en/data/dataset?q=Housing&op=&ext_boolean=all
- **USA**
 - United States of America’s Housing Survey. Available at: <https://catalog.data.gov/dataset/american-housing-survey-ahs>
- **Canada**
 - Statistics Canada – Population Census, Population and Dwelling Counts, Age and Sex, Families and Households, and Housing and Shelter Costs, Tax Filer Statistics for economic, some population data and Migration Estimates.
 - Canada Mortgage and Housing Corporation – Customized data on the cost of housing, the availability of housing, vacancy rates and housing Starts and Completions Survey.
 - Citizenship and Immigration Canada – volume of immigration, demographics of immigrants and destinations in Canadian cities.
 - Human Resources and Social Development Canada – Minimum wage database, Homeless Individuals and Families Information System (HIFIS).
 - Homeless and Social Housing Data - derived from 22 FCM QOLRS participating municipalities.
 - Housing starts – a dataset collected by a corporation and not relevant to the BSE research. Available at: <http://datalibre.ca/2008/01/18/housing-and-homelessness-data-in-canadian-cities/>

7. Characteristics of effective delivery systems

Social housing is delivered in a multitude of ways across the developed world. The financing and delivery mechanisms of social housing have evolved out of particular cultural, political and economic norms within each country. In addition, the policy, legal and financial frameworks differ significantly between countries, creating different options for the delivery of social housing depending on what is legally and financially possible. For these reasons, there is very little established, collective knowledge regarding general principles for best practice. Emerging from the initial literature review,

the following characteristics of delivery systems appear to be important factors, regardless of contextual variation:

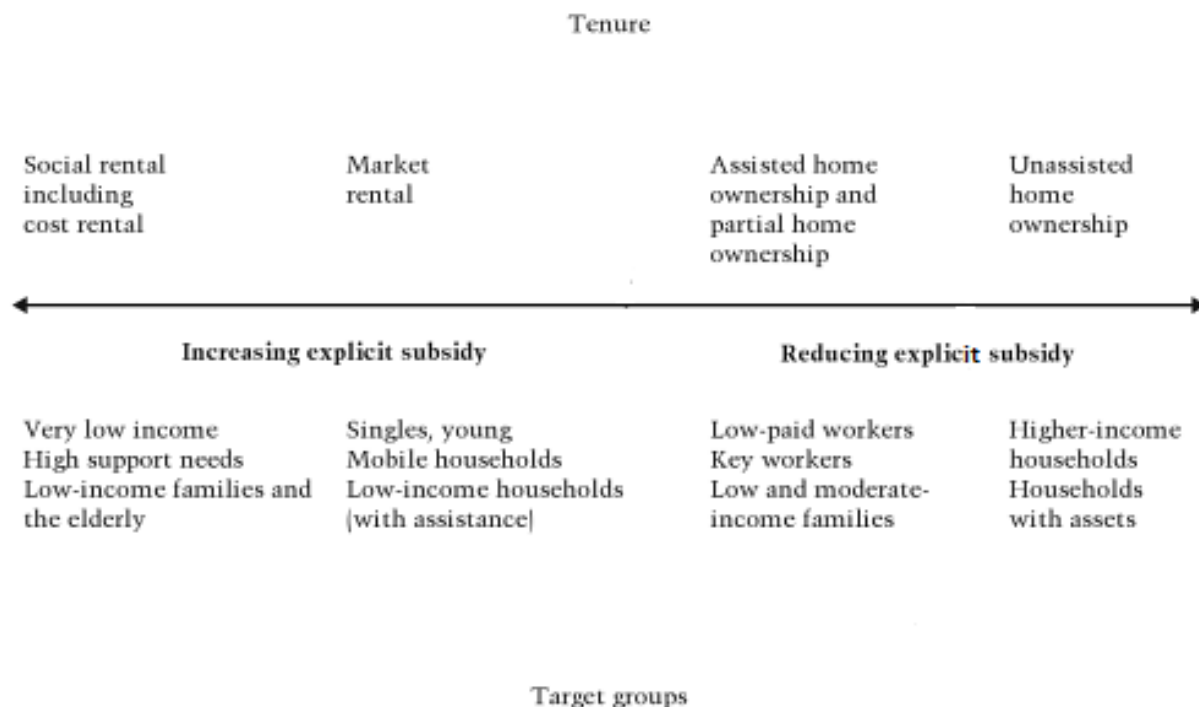
- A comprehensive housing strategy
- Working collaboratively in delivery
- Security of tenure
- Having a say in one's housing management
- Social mix
- Designated development authority

7.1. Comprehensive housing strategy

General consensus exists that an affordable housing strategy should be comprehensive, that is, *it should encompass options for very low income and high needs members of the population, right through to options for assisted home ownership for those with modest incomes who have been priced out of the open market* (Wiesel, Easthope et al. 2012) (Figure 11). A comprehensive affordable housing strategy can be more cost-efficient as varying levels of subsidy are provided to those with differing needs.

In addition, international evidence suggests that centralised housing provision, and having an overarching vision and supportive policies, offers benefits for efficiency and effectiveness of delivery (Gronda and Costello 2011). The current Australian government is moving in the opposite direction to this, despite the evidence in favour of centralised funding and provision.

Figure 11 The housing affordability continuum (Monk and Whitehead 2010)



7.2. Working collaboratively

It is considered good practice for social housing providers across the sector to work collaboratively, sharing practical information and databases (Wiesel, Easthope et al. 2012). This enables transparency of options for those with housing needs, and appropriate referrals between services.

Collaboration is also important across sectors (Fujiwara 2013). While government housing departments have an obvious stake in investment, the indirect benefits of housing provision, such as those related to health and crime prevention, mean that housing programs should be implemented with a number of different experts and interests involved.

7.3.Security of tenure

Security of tenure is a widely discussed and debated concept in the delivery of social housing. Places such as Australia and the UK have been moving away from secure tenure in social housing policy based on arguments around the creation of welfare dependency and ensuring continued tenure is dependent on continued need (Fitzpatrick and Pawson 2013). Despite the extensive use of these arguments however, there is a strong argument regarding the spin-off benefits of secure housing tenure. Secure tenure is said to provide a good base from which residents can manage the other pressures in their lives (Robinson and Walshaw 2014). In addition, longevity or security of tenure has recently been linked to: *higher resident well-being; better employment outcomes; stronger community ties; and a perception of safety within a neighbourhood* (Ziersch and Arthurson 2005, Parkinson, Ong et al. 2014). These documented benefits, particularly in relation to employment outcomes, contest the welfare dependency argument that providing indefinite housing tenure acts as a disincentive to improve/ increase one's employment situation.

7.4.Having a say in one's housing management

'Having a say' in the management of one's housing is also said to be beneficial to tenant well-being (Kearns and Lawson 2008). Participation in housing management is much more common in social housing sectors in Europe, and increasingly in the UK, whereas Australian housing management remains much more top down in practice. Having a form of co-operative housing management is said to provide scope for skills development and social connectedness (Ziersch and Arthurson 2005). As Hulse (2014) argues, social housing providers should look beyond the homeownership/private rental dichotomy and explore the benefits (for security of tenure and participation in housing) of alternative forms of tenure including: long term leasehold arrangements; community land trusts; and a range of co-operative structures. Australian affordable housing policy has traditionally focused on either assisting home ownership or increasing rental supply, however there may be potential for some tenure models that encompass the benefits of homeownership without entering a full land and property ownership arrangement. There may also be opportunities for financial savings for government with the increased utilisation of these alternative tenure models.

7.5.Social mix (or housing diversity)

At a precinct scale, is now well-documented showing that concentrations of social housing can further disadvantage residents through stigmatisation and negative associations. Therefore, 'social mix' or housing diversity has become common goals of affordable housing provision. Recent research has found that high as well as low levels of housing diversity can negatively affect tenant well-being (Parkinson, Ong et al. 2014). Instead, moderate social mixing is said to be optimal, where there is some diversity, but not so much as to highly stratify the population within an area (Parkinson et al., 2014). Best practice is said to utilise a 'pepper-potting' strategy, where social housing is integrated amongst market housing with no discernible physical differences to the building between tenure types (Groves, Middleton et al. 2003). In practice, this can be difficult to

achieve, as developers argue that market prices will be reduced if private owners are aware they will be surrounded by social housing. In Melbourne, the redevelopment of highly concentrated social housing into a mixed community ultimately ended up with a poorly executed approach where social housing tenants were contained to one high rise building that overlooked green space accessible only to private residents in the adjacent towers. In addition, the positioning of the entry points to the development meant that there was no potential created for social housing and private residents to cross paths and interact (Levin, Arthurson et al. 2014). This case study highlights the need for social mix strategies to be supported by a strong policy framework and to be upheld and led by a government entity.

7.6. Designated development authority

Urban renewal projects can benefit from having a designated development authority who steer the project towards socially and environmentally desired ends. For example, van den Nouwelant, Davison et al. (2014) argue that such an entity can be useful for:

- providing clarity and certainty to developers from the beginning of a project regarding the projects goals and requirements
- providing opportunity for cohesive place-making at the precinct-level
- ensuring developers are contributing to place-making as well as housing provision
- gaining community support and input prior to development so as work is not delayed
- providing space for governments to lead by example, by taking on innovation risk and demonstrating what is possible to risk-averse developers.

8. Benefits and costs of various pathways

Governments influence the availability of affordable housing by two primary means: targeting housing supply, and targeting housing demand (Figure 12).

Demand tools include:

- rental assistance - providing money to individuals to fill the gap between their income and market rent)
- first home owners grant - providing a one-off payment to people attempting to get onto the property ladder to assist with prohibitive deposit costs

Supply measures include:

- direct provision
- providing subsidies, public grants, and incentives to developers to build new housing
- providing land for affordable housing development
- inclusionary zoning involving the creation of affordable housing targets for all new developments in a certain area

Hulse et al. (2014) have recently proposed a series of policy initiatives to address both supply and demand-side issues for more adequate and effective provision of housing across the continuum. These include (Hulse (Hulse, Reynolds et al. 2014):

- Support Q1 households to compete more effectively in the private rental market through better designed and targeted demand-side subsidies.
- Substitute the market through government investment in affordable supply for Q1 households (capital and/or recurrent) in which rents can be kept at affordable levels.
- 'Nudge' the rental market with its current predominance of individual/household investors by re-calibrating taxation incentives to encourage investment in new supply of lower rent dwellings.

- Design a new market through establishing infrastructure to enable institutional investment in the private rental sector specifically targeted at lower income households with appropriate arrangements for keeping rents affordable.
- Regulate the market to enable affordability to be maintained through tenancy, as occurs in many other developed countries.

Figure 12 Current government responsibilities which directly and indirectly affect housing (Department of the Prime Minister and Cabinet, 2014, p.8).



8.1.Demand Subsidies

Demand subsidies are generally attractive as they cost governments less per unit of housing delivered than subsidies generating new supply. This is reflected in Australia, where rental assistance and the first home owners grant have been long-running policy instruments. Policies targeting demand, however, require very specific targeting, and continual review to ensure they are achieving the desired ends. For example, it has been argued that the homebuyers grant, which is not means-tested, has actually led to housing price inflation as the benchmark for affordability has effectively been shifted upwards by the amount of subsidy provided (Randolph, Pinnegar et al. 2012). At the other end of the scale, rental assistance has not kept pace with the divergence between income levels and rental prices and as a result is fairly ineffective at reducing housing stress for low income renters (Hulse, Burke et al. 2012). While demand subsidies may be attractive in terms of cost efficiency, they typically do little to remedy the systemic issues that make housing increasingly unaffordable, and should therefore be considered only complementary measures in addition to effective supply-targeted policies.

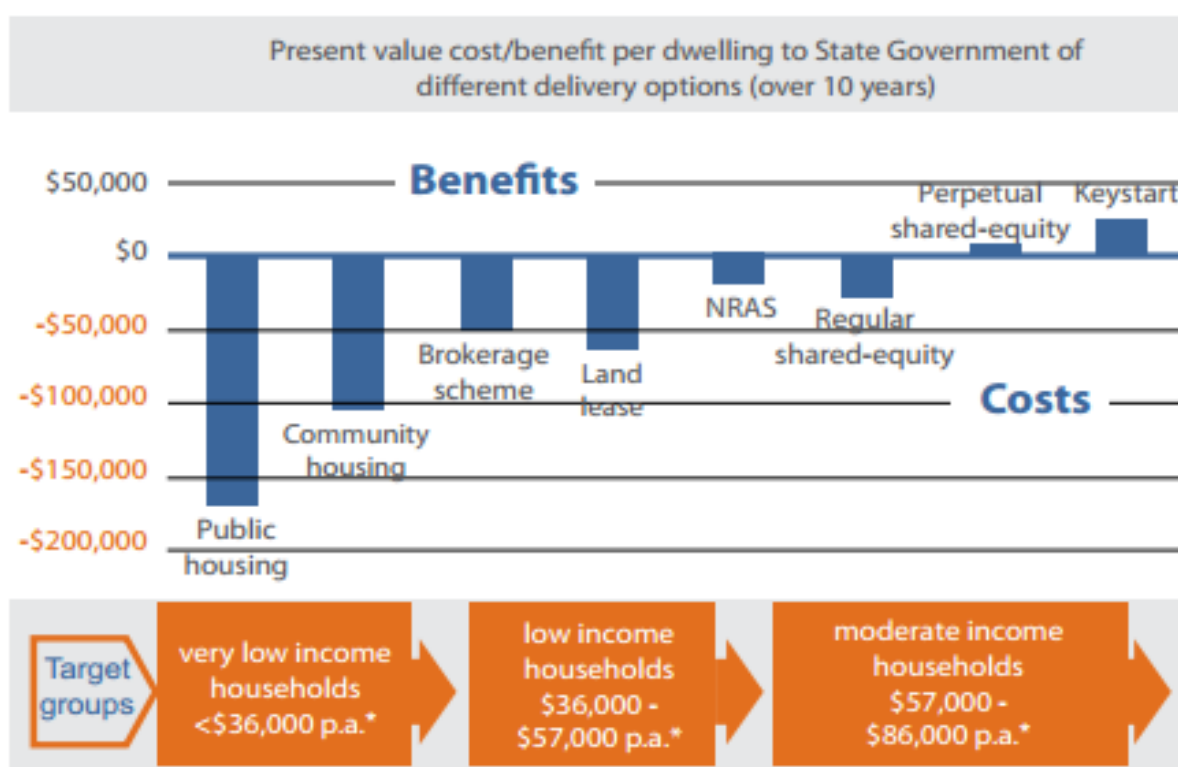
8.2.Supply-side tools

Subsidies for the provision of new social housing can be expensive for governments however the benefits of increasing supply are more long term, and therefore the upfront investment may be offset by savings in the long term. NRAS is one such policy targeting supply of affordable rental

housing, by providing subsidy to private investors or community housing providers to keep rents 20% below market rates for low income earners. While the scheme has brought about a boost in new affordable rentals and provided a means for community housing associations to grow their stock of assets, it is argued that the subsidy's ten year cap means that the rental properties are unlikely to remain affordable after this time (Yates 2013).

Table 7 provides a guide to the indicative costs to the Western Australian government for various delivery methods over ten years.

Table 7 Present value cost/benefit per dwelling to State Government of different delivery options (over 10 years) (Department of Housing 2012)



While supply-side subsidies are generally expensive, using the planning system represents a lower cost opportunity to increase the supply of new affordable housing. Density bonuses, inclusionary zoning, and other similar development incentives are increasingly utilised policy tools in Australia as urban consolidation becomes the focus, and creative ways to incentivise or enable affordable, infill delivery has become more important (van den Nouwelant, Davison et al. 2014).

Inclusionary zoning can offer a low cost delivery model, and exists in both South Australia and Western Australia. This creates targets for affordable housing proportions in precinct or area-wide development (Mukhija, Regus et al. 2010). Where South Australia now has a 15% mandatory affordable housing target for all new developments (Renewal SA 2013), Western Australia uses the same target but only for government-led activity or when public land is released (Western Australian Government Department of Housing 2010). Inclusionary zoning mechanisms have been found to be successful in ensuring affordable housing is integrated into new urban developments (Mukhija,

Regus et al. 2010). It is argued though, effectiveness only ensured when the policy mandatory, as well as flexible (Mukhija, Regus et al. 2010).

Housing delivery through the planning system, however, is not a panacea and should not be relied upon to secure the required quantities of affordable and social dwellings (van den Nouwelant, Davison et al. 2014). Measures such as inclusionary zoning, while important, are generally most beneficial for those at the higher end of the affordability continuum, and provide little scope for delivering housing for people with ongoing, high and complex needs (Katz, Turner et al. 2003).

In terms of social housing, the inevitable narrowing of eligibility criteria as direct government provision is minimised, negatively affects the financial sustainability of the whole sector. A downward spiral occurs in which greater prioritisation according to need leads to lower rental returns for social landlords. The existing stock then deteriorates or sold off as funds shrink, eligibility criteria is further tightened due to tightened supply, and rental returns are again reduced (Yates 2013). Therefore, the narrowing of the social housing sector should be seen as a financially unsustainable model for provision.

As governments seek more cost efficient ways to invest in affordable housing, it will be important that housing needs are met through a variety of strategies for people right across the affordability continuum. This will also be true for the community housing sector. Despite the trend towards the commercialisation of the sector, subsidies will still be required, and support from the government will still be necessary, even if direct housing provision ends (Yates 2013).

9. Innovative models

As funding for public housing continues to be minimal, and housing becomes increasingly unaffordable, governments have looked to alternative models for housing delivery that are both effective and cost-efficient. The rise of the not-for-profit sector in the post-GFC era has largely been spurred on by a range of tax incentives and supply-side housing incentives such as NRAS. In this time, innovative partnerships and financing arrangements have been utilised, involving a mix of public, private and community provider funds. The commercialisation and professionalisation of the sector has been encouraged by governments, particularly as they seek to move out of direct provision and explore opportunities for stock transfer.

Innovation, growth and commercialisation of the not-for-profit sector looks set to grow in the short-term, however, Gilmour and Milligan (2012) warn that: governments may be over-exaggerating the potential of the not-for-profit third sector; that increasing commercialisation could lead to the watering down of social objectives; and that blurred lines between public and private housing provision could lead to the misuse of not-for-profit, charity tax laws. Therefore, the third sector has strong potential and mechanisms to deliver affordable and social housing, however governments may benefit from exploring a number of other arrangements to support delivery of a variety of housing outcomes.

Australian affordable housing has traditionally targeted the two dominant and familiar tenure arrangements: full home ownership; or private, short-term rental. Space exists, therefore, for some innovation in tenure arrangements that can provide some of the benefits of homeownership, without necessarily holding freehold title, and simultaneously offer opportunities to strengthen housing security in the volatile private rental market. Recognising the benefits of a housing market that offers a range of tenure arrangements, especially in the post-GFC context in which private

rental is increasingly expensive and volatile, Spanish housing policy has planned to specifically enable a wider range of tenure options in the market (Romans 2014).

The following models represent promising funding and delivery arrangements that could have benefits for ensuring that quality, affordable housing is embedded into urban development:

- Value capture
- Community land trust model
- Cooperatives and self-build models
- Institutional investment

9.1.Value capture

Value Capture could be applied to housing provision, primarily to fund infrastructure in new developments. This is an equity model in which the capital gains that arise from planning approvals/new zoning on land is captured through tax or other means to enable would-be windfall profit for landowners to be invested into infrastructure (in this case social housing) for the common good of the community. Land value capture is increasingly used to help fund transit systems and urban regeneration systems in the US (McIntosh, Trubka et al. 2014) and the same approach could be applied to new social housing projects. International examples include:

- **UK : value capture through periodic land auctions**
The UK has been piloting a land auction model in which the government acquires land for development prior to rezoning for residential development (Department for Communities and Local Government 2011). This enables the value uplift of the land, which occurs as a result of rezoning, to be captured for the use of the entire community, rather than being captured as windfall profit by a few private landholders. The strategy ensures that landowners still gain a profit, however, this profit is effectively shared between the local government and the landowner.
- **Portland:** In Portland in the US, a city targets an area for development and designates it an Urban Renewal Area. The property taxes accruing at the time of the designation are capped for the life of the district at the amount being earned under the current assessed value (AV). Any property taxes that accrue above this level because of the AV growth may only be spent in that Urban Renewal Area for specified capital projects and improvements, not programs and services (City of Portland Oregon 2014).

Oxley (2008) argues that an explicit tax/ payment tool used for value capture is preferable to negotiable ones where the outcomes are inevitably watered down. This type of policy tool could be utilised particularly in urban redevelopments or precinct-scale development where clear affordable housing targets exist from the beginning.

9.2.Community land trust model

Governments around the world are increasingly exploring the community land trust (CLT) model as a mechanism for delivering and maintaining affordable housing stock. A CLT is a community not-for-profit organisation that holds parcels of land within a designated area in perpetuity for the common good. It essentially removes land from the speculative market and provides a range of residential, and sometimes commercial, buildings at perpetually affordable rates. The model separates the land value from the dwelling value.

In Australia, the separate ownership of land and dwelling is not legally possible, however in NSW, Victoria and Tasmania long term (99-year) leasehold on properties provides a mechanism to enable effective separation. In the remaining states, the only current possible arrangement is co-ownership

through shared equity (Crabtree, Blunden et al. 2013). CLTs acquire land and then generally manage a portfolio of properties with varying tenure options including: rental homes, resale restricted homeownership, as well as various co-operative arrangements, and specifically targeted multi-unit developments (for the aged, for example). The arrangement offers opportunities for a variety of tenure options in the space between home ownership and short-term private rental. Long term leasehold provides leaseholders with: rights to decorate or renovate that home (and retain the equity put into the home according to the leasehold arrangement); the ability to pass on their asset to their inheritors; the ability to accumulate modest capital gain upon resale; and often (in CLTs with a varied portfolio) opportunities for mobility within the CLT as circumstances change.

The CLT model is successful in the United States where over 200 CLTs operate nationally, and a representative body exists to support the organisations. In the UK, where land and property separation has been difficult, similar to Australia, a number of CLTs are in operation, increasingly in urban areas, and interest in the model is growing (Co-operatives UK 2013). In Australia, feasibility of CLTs has been the interest of governments looking for new models offering promise for affordable and social housing. For example, as part of the 'Opening Doors to Affordable Housing Strategy 2010-2020' in Western Australia, the goal to "establish an alternative housing product and market" has led to commissioned research into the model (Department of Housing 2012). It is said to have particular promise for remote indigenous communities, where holding land as a common good is culturally acceptable (Crabtree 2014).

The board of CLTs are made up of: one third CLT residents, one third CLT non-resident members, and one third community members outside of the CLT including, for example, councillors, policy makers and non-profit housing organisations. Governments can therefore have a stake in the community-led organisation through board membership. Governments can invest in CLTs primarily by gifting or subsidising public land. This initial subsidy, however, is recycled indefinitely as affordability is maintained over time, despite resale and tenant turnover. In addition, as a CLTs portfolio grows, so too does its stock of assets, and its ability to expand. Therefore, this initial investment by governments to assist the CLT to acquire land represents good value in terms of funding for affordable housing. As a point of comparison, the Keystart loan program, which provides families the opportunity for co-ownership, or shared equity, with the Western Australian government, can bring homeownership into reach for those on low incomes, however, if the residents purchase the remaining equity on the home, this dwelling is returned back to the open market. Therefore, while the government will retain its equity share, it will need to be reinvested in ever more expensive dwellings in order to maintain supply. While not criticising the merit of shared equity schemes, this merely demonstrates how a CLT could offer a way to effectively recycle government subsidy in the longer term.

9.3.Cooperatives and self-build models

Building groups (or Baugruppen as they are called in Germany) are essentially co-operatives that form for the purpose of self-building multi-unit developments. By pooling capital together, building groups are able to take the place of a traditional developer, and initiate higher density development that is highly suited to their common needs. In addition, by bypassing the private developer, building groups remove the marketing costs and profit margin usually required, and can cut costs by up to 25% compared to traditional higher density developments (Fraker 2013). Architects are usually brought on board quite early, creating a general design that suits the needs and budgets of the group, and then working within this model as the design process eventuates. This means that groups

have a general idea of what is possible from the beginning, minimising extravagant or unrealistic expectations of possible outcomes.

This model has been used primarily in Germany in urban precincts, such as Vauban, Freiburg. Many of the resulting buildings meet the needs of particular niche markets, such as young families, artists, and the aged, providing appropriate housing for markets not usually targeted in higher density development. In addition, many of the buildings have strong environmental credentials, and the people-led nature of the development means there is an incentive to pay attention to the life cycle sustainability of the building and minimise operational costs.

The Baugruppen model is a promising arrangement for enabling the delivery of good quality urban housing that is both more affordable and diverse (specifically designed around particular social or community needs). The arrangement, though, has required facilitation and support from the government. The German government assists by facilitating the pooling of niche or like-minded groups in the community and by brokering arrangements with architects. In addition, strong government vision for precinct development and support for community-led development allows building groups to receive preferential access to land, sometimes at reduced cost, especially if the proposed project is highly innovative, or has strong environmental or social benefits. This government support and involvement would be crucial for the arrangement to work properly in Australia.

In the UK, the 'Community Right to Build' policy has sought to encourage community-led development by allowing developments (residential and non-residential) to be initiated by a local corporate body, or cooperative, that retains the financial capital from any projects for community benefit (Department for Communities and Local Government 2011). This has been supported by a number of tax incentives and grant opportunities aimed at assisting with this type of development. The policy document explicitly notes that the arrangement should assist community land trust groups in forming and developing affordable housing, as well as providing housing that actually meets the needs of the local population more effectively.

9.4. Institutional Investment

Growth in the housing sector through increased institutional investment is also recognised as an avenue which requires more detailed investigation in an Australian context. Earl (2014) highlights that in the US residential rental market, institutional/corporate investment represents about 22% of their investment portfolio (in Australia this figure is less than 1%), which converts to 2% of the total residential market in the US (Table 8).

Table 8 Corporate investment in residential rental accommodation - by country (Earl 2014)

Country	%: Total Institutional or Corporate Investment into Residential Accommodation as a % of the Investment Portfolio
Australia	Less than 1%
Germany	12%
France	12.4%
Austria	25%
Italy	0.8%
Japan	18.7%
USA	22.3%
UK	0.9%

Using total funds available to the Australian market (based on recent AHURI Institutional Investment report (Milligan, Yates et al. 2013), and based on an average costs of dwelling production at \$400K, Earl (2014) estimates that if Australia reached the median level of investment of the countries listed above there would be a potential investment of about \$160M, or an extra 400,000 dwellings . Therefore, it is worth exploring how institutional investment could be encouraged and facilitated here in Australia, where the sector has traditionally been perceived as too volatile, and therefore less attractive for investment compared to other options.

9.4.1. Facilitating good outcomes via procurement

Governments can maximise their influence in housing development without being the direct provider. The procurement process offers good opportunities for ensuring the use of best practice knowledge and maximising social and environmental outcomes of development.

The UK has a guide to Socially Responsible Public Procurement (SRPP). This guide states that procurement operations should include social considerations such as whether the project offers employment benefits, promotes social inclusion, or has strong environmental credentials. Therefore, in the UK, the allocation of public contracts has increasingly been influenced by the social and environmental value of the investment and not just the financial cost (European Union 2010). Australia could look at how to maximise outcomes indirectly through procurement as this will likely raise the standards of the whole industry.

9.5. Using land differently

All of the arrangements above provide would benefit from land supply facilitation strategies that could be used to enable additional supply of good quality, affordable housing. Promising arrangements include:

- Deferred land payment
- Long term lease of public land
- Discounted, gifted land (only for housing projects that recycle the subsidy and provide affordability in perpetuity)
- Capturing uplift value for the common good rather than for windfall profit of a few individuals

For example, in the UK, the 2011 Housing Strategy includes a ‘Build Now, Pay Later’ scheme in which public land can be transferred *after* the development is complete, freeing up capital for the planning approval and construction costs, and reducing the loan requirements for developers to initiate a project (Department for Communities and Local Government 2011). In the Netherlands, local governments lease land for 50-75 years to developers at a price indexed to land value. The

government then maintains some influence on the use of this land, while receiving an on-going income from their land (Alakeson 2011). Build-to-let arrangements also exist in a number of countries, in which institutional investment in new multi-residential housing is promoted as a condition of land development, enabling more stable and secure, long-term tenancies arrangements for residents as well as adding to supply (Alakeson 2011).

Local governments could play a vital role in this and make available land to be used for innovative affordable housing delivery mechanisms that have good cost benefit for governments in the long term. While the concept of gifting or discounting land may not fit with the profit making objectives of government entities in Australia, the long term benefits of leveraging or creatively utilising land assets need to be considered, especially as governments withdraw from direct provision.

10. Capturing productivity through an strategic evaluation process

Capturing productivity and broader outcomes requires a systematic approach to the collection of data and knowledge, and, we suggest, a systems approach to the analysis of these complex interactions.

A clear strategy for social investment, with targets and processes to measure outcomes and impacts, is crucial to ensuring companies achieve the greatest benefits for society from their investment budgets. Tracking inputs to social programs and understanding the impacts can in turn help to improve future investment strategies. (KPMG International 2014)

10.1. Evaluation methods and tools

A multitude of evaluation methods and tools are available. Three key methods (described below) are being explored in this current research: social return on investment (SROI); social cost benefit analysis (SCBA); and well-being valuation (WVA).

Social return on investment method - Between 2008 and 2011 the UK Office of the Third Sector undertook to measure social value to help third sector organisations and their funders, investors and commissioners demonstrate added social, economic and environmental value (Bettignies 2014). This method is *'inspired by the principles of economic benefit cost analysis that seeks to capture social value by translating social outcomes into monetary terms. The value calculated, although expressed in monetary terms, should however not be equated to a financial return. It is best understood in the context of an endeavour to value well-being through measures other than classic economic indicators such as GDP'*(Ravi and Reinhardt 2011).

This is an important and useful approach in demonstrating, and articulating in monetary terms the social value created by social housing provides valuable Australian-based analysis in the characterisation, quantification and monetisation of outcomes and impacts (Ravi and Reinhardt 2011).

Social cost-benefit analysis - This differs from the previous in that SROI looks to optimise social and environmental ends and assign those ends value, whilst cost benefit analysis on the other hand mostly seeks to determine if the program/policy was cost efficient.

The UK Treasury *The Green Book: Appraisal and evaluation in Central Government* (HM Treasury 2011) provides guidance 'to promote efficient policy development and resource allocation across government' and importantly for this research, 'to take account of the wider social costs and

benefits of proposals, and the need to ensure the proper use of public resources'. A key contribution is in terms of valuing social costs and benefits for which there is no market price. Social Cost Benefit Analysis is used as a way to 'assess the net value of a policy or project to society as a whole (HM Treasury 2011) through the context of 'utility', that is through attaching a 'monetary value to non-market goods by looking at the impact that these things have on utility'. This is considered through various market based approaches including 'stated preference' and 'revealed preference'. The former uses questionnaires to determine willingness to pay for a particular outcome, and willingness to accept a particular outcome. The latter infers from examination of consumers' behaviour in a like market. Other approaches include: the 'subjective well-being approach' which is still under development; and direct assessment of the value of the benefit or cost through a specific study. Annex 2 of that document addresses the valuation of non-market impacts.

In Australia, Spiller Gibbins Swan Pty Ltd used a SCBA method to undertake a study (through the Australian Housing Research Fund) to 'gain an understanding of the problems being faced in public housing estate renewal projects (Spiller Gibbins Swan Pty Ltd. 2000). The study included development of a framework for project evaluation, particularly with respect to social and economic impacts. They include both direct and indirect costs and benefits associated with public housing estate renewal projects.

Well-being evaluation analysis - Fujiwara provides a decision framework for UK housing associations (Fujiwara 2013b) which considers life satisfaction, and other housing and non-housing values. The methodology used is well developed, and explored in three key papers (Fujiwara 2013, Fujiwara 2014, Trotter and Vine 2014), bringing together both SROI and CBA.

WVA estimates the impact of the good or services and income on people's subjective well-being, and then uses these estimates to calculate the exact amount of money that would produce the equivalent impact (Fujiwara 2014). The analysis draws on four UK datasets including: the British Household Panel Survey; Understanding Society; Crime Survey for England and Wales; and Taking Part.

Following on from this Fujiwara research is the *Social Impact Value Calculator* (Campbell Collaboration 2014). This excel-based tool supports housing organisations in applying the values in the Social Value Bank to community investment activities. This tool includes: a Value Calculator sheet (enter data for calculations); results sheets providing a summary of impacts; a description and evidence tab which explains each of the values and the evidence needed to apply them; and a relationships tab that identifies which values to apply together.

11. Findings: Elements of a framework

In order to determine appropriate indicators, first the objectives of the program/ policy being evaluated must be clear.

Broad objectives from which indicators can be drawn can be adopted from existing studies. Milligan, Phibbs et al. (2007) elaborate some objectives for the social housing sector including: the creation of incentives for workforce participation; support for family life and work family balance; supporting the health, well-being and education needs of occupants; enabling ageing in place; and the development of socially cohesive communities and community building processes (Milligan, Phibbs et al. 2007). Trotter and Vine (2014) also provide a short list of broad social housing objectives such as: the creation of safer, stronger communities; improving health; promoting independence; the creation of community spaces; and skills development (Trotter, Vine et al. 2014).

11.1. Outcomes and indicators

The UK Treasury provide valuable guidance in defining outcomes, as distinct from outputs. For example, for the development of skills: an output may be the number of training places; whereas an outcome may be an increase in earning capacity (HM Treasury 2011). KPMG (2014) simply reports: inputs as *what goes in*; outputs as *what comes out*; outcomes as *what is the result*; and impact as *what is the value*. They report with 88% of those companies studied report outputs, but only were 20% reporting outcomes.

This research will establish a preliminary set of outcomes, drawing from previous research, and key priorities for industry partners. Developing a broad set of potentially cascading indicators from these outcomes will be a priority (Burke and Hayward 2000). This would enable a broad set of outcomes to deliver indicators that have relevance and validity from a national to an agency or tenant level.

Spiller Gibbins Swan Pty Ltd (2000) provide an Australia-based list of costs and benefits provides a useful summary of indicators that could also be relevant to social housing provision.

11.2. Measures and metrics

A key aim is then to provide both government agencies and community housing providers with the ability to measure outcomes and better articulate broader community value of providing housing security to all. Pawson et al. (2014) provides background to performance measurement in the Australian social housing sector (Pawson, Milligan et al. 2014).

Ravi and Reinhardt (2011) report on a study to 'quantify social value at the sector-wide community housing level' and highlighted that capturing these benefits is fluid due to the dynamic nature of policy, and resident stays in social housing. They investigated four key areas being economic, educational, health and community inclusion benefits. Their research built on that of the UK Office of the Third Sector (Oxley 2008). Their report includes assessments of the Total Present Value of community housing benefits valuation, assumptions and sources and details of establishing impact.

In addition Kliger et al., (2011) also adopted the SROI method in their micro-assessment of 17 properties for the Victorian Women's Housing Association projects. Savings and benefits to government articulated in this report include avoided and reduced costs of corrections and prison, alcohol services and transitional housing; increased tax revenue through tenant employment and participation in education; and future welfare savings through the prevention of intergenerational poverty (Kliger, Large et al. 2011).

Spiller Gibbins Swan Pty Ltd. (2000) also provide a set of both direct and indirect costs and benefits associated with public housing estate renewal projects (Spiller Gibbins Swan Pty Ltd. 2000). Significant UK research also exists for the 'effective measurement of the impact of housing provider investment' (Fujiwara 2013, Fujiwara 2014, Trotter and Vine 2014, Trotter, Vine et al. 2014). Fujiwara (2013) acknowledges the 'lack of effective tools and robust methodologies capable of capturing the full social value generated by the housing association sector'. This author goes on to provide such a methodology, across several areas including crime reduction, local regeneration, employment, mental health interventions and community projects. The values provided are of a rigour to support cost-benefit (CBA) or social return on investment (SROI) analyses, and presents the Well-being value analysis as discussed previously.

11.3. A cascade of indicators

In this research, we aim to place such indicators and measures in the broader context of productivity insights including those relevant to the construction industry.

Carboni (2014) provides a first step in this direction, integrating project management and sustainability indicators into a matrix (Figure 13) which may assist in providing an overarching framework for the broad context that this project is seeking to establish, prior to investigating and testing a discrete portion for validity and practical implementation.

Figure 13 P5, Global Reporting Initiative, and the UN Global Compact Matrix (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.

Carboni brings together GPM P5 Elements¹⁰, Global Reporting Initiative (Global Reporting Initiative (GRI) 2013), and the United Nations (UN) 10 Global Compact principles (United Nations (UN)) which provide a useful initial framework on which to expand (Carboni, Gonzalez et al. 2013, Carboni 2014).

Brochner and Olofsson (2012) also provide another example of construction based productivity which will contribute to detail development proposes output measures around capacity, energy, operations and maintenance, disruption, risk, comfort, and quality.

¹⁰ <http://www.greenprojectmanagement.org/standards/ebook>

12. Early findings and conclusions

While governments are seeking to reduce direct subsidies and remove themselves from direct social housing provision, this potentially leads to the need for an increased role for them in the role of innovator, leader and facilitator of a cohesive vision. The facilitation of new tenure models, and the creative use of land both represent indirect opportunities for efficient investment without direct subsidy.

Australian governments should further explore the following ideas for social and affordable housing provision:

- Increasing the role of local government in affordable housing provision (not directly, but through land release, leadership, innovation).
- Enabling, supporting and facilitating tenure arrangements that provide many home ownership benefits without freehold ownership of land and dwelling.
- Considering alternative arrangements around public land (e.g. providing discounted land/ deferred land transfer/ long term lease on public land), with a focus on projects that provide *ongoing* affordability or which take affordable units out of the speculative market in perpetuity.

Coupled with this is the need to better capture the productivity benefits arising from economic, environmental and social outcomes of housing provision. In order to increase understanding of the outcomes and impacts of changes to delivery, this research is developing a strategic evaluation framework to enable decision-makers to better understand and track both housing and non-housing outcomes across time.

13. Next Steps

While governments are seeking to reduce direct subsidies and remove themselves from direct social housing provision, this potentially leads to an increased role for them as innovator, leader and facilitator of a cohesive vision.

The facilitation of new tenure models, and the creative use of land both represent indirect opportunities for efficient investment without direct subsidy. Australian governments could further explore increasing the role of local government in affordable housing provision; enabling, supporting and facilitating tenure arrangements that provide many home ownership benefits without freehold ownership of land and dwelling; and considering alternative arrangements around public land, with a focus on projects that provide ongoing affordability or which take affordable units out of the speculative market in perpetuity.

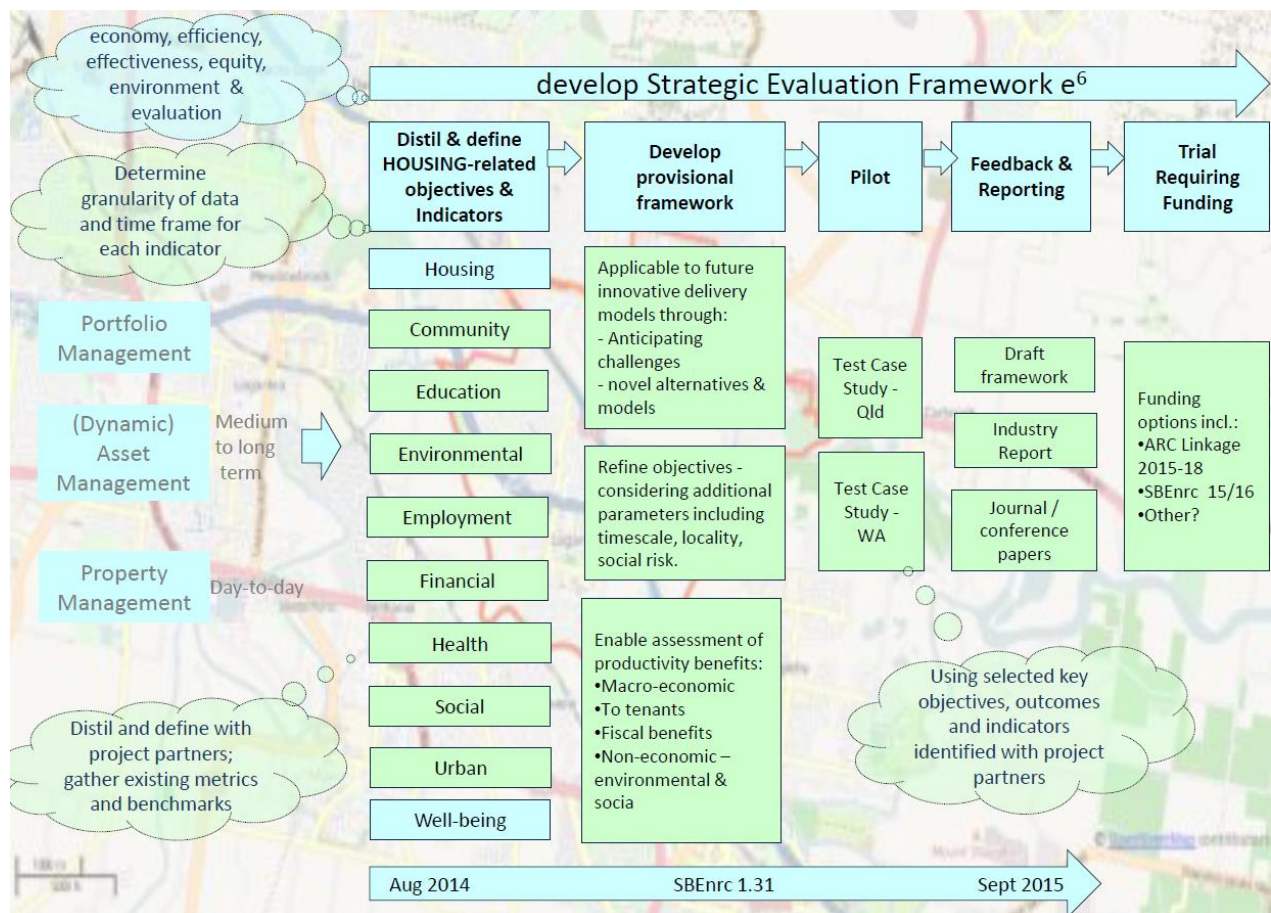
Coupled with this is the need to better capture the productivity benefits arising from economic, environmental and social outcomes. In order to increase understanding of the outcomes and impacts of changes to delivery, this research is developing a strategic evaluation framework to enable decision-makers to better understand and track both housing and non-housing outcomes across time.

Those involved in the whole-of-life-cycle delivery of social housing, from policy formation to asset management, are increasingly confronted these complex and dynamic challenges, especially given current fiscal constraints. Easy-to-use but effective tools and techniques are increasingly required that are: based on best available knowledge and evidence; account for social, economic and environmental dimensions; and accounting for feedbacks, nonlinearities and time lags, to help them make informed and meaningful decisions about social housing supply and delivery. Such complexity

cannot be effectively addressed using only traditional approaches that focus only on the management of supply or demand and which do not provide management strategies that meet the underlying needs and values of the affected populations and their contribution to productivity across a range of areas as discussed. To this end, the next steps for this research (Figure 14) include:

- (i) define a sub-set of outcomes, indicators and measures across employment, education, health and well-being, social, urban, community, financial and housing objectives
- (ii) establish and test a pilot evaluation framework
- (iii) seek further funding to address the complex and long term research required to address the conceptual framework presented in Figure 14 through 2015 ARC Linkage and SBEnc funding rounds.

Figure 14 Development of Strategic Evaluation Framework e6



Funding for future research is thus being sought in 2015 to: (i) undertake pilot case studies to fully develop this framework; and (ii) explore a systems dynamic approach to address the complexity of interactions which present when evaluating social housing outcomes, both direct and indirect. This system is intended to both capture past and current data and interactions, and forecast future scenarios. It is thus imperative that broad social outcomes and impacts are accounted for so that those providing social housing can build a more complete picture of the whole-of-life, and thus whole-of-impact, costs and benefits of provision (following on from Fujiwara, 2013a & b; Kliger et al., 2011; Ravi & Reinhardt, 2011).

Table 9 provides a summary of the key evaluation methods used to date as discussed in this report.

Table 9 Summary of evaluation approaches for further consideration

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

Table 10 provides a compilation of possible outcomes, indicators and metrics from the literature reviewed to date. The intent is to use this to establish the extent of, and boundaries for, criteria to be addressed in the development of the strategic evaluation framework.

Table 10 Compilation of outcomes, indicators and possible metrics

	Outcomes for benefits and dis-benefits	Indicators	Measure/Costing example if available
Employment	Employment e.g. F/T, P/T	Change in status	(Fujiwara 2014)
	Increased tax income due to employment	Increase in participation; decrease in health care card holders	
	Impact on mobility	Employment	

	Outcomes for benefits and dis-benefits	Indicators	Measure/Costing example if available
	Job network creation	Employment	
Education	School attendance	Higher attendance rates and improved results; Year 10 and Year 12 completion rates	
	Participation in training e.g. apprenticeships, vocational training; gov. training scheme	Increase in level of education; qualification	(Fujiwara 2013)
	increased taxes due to increased education		
	Increased participation and attainment in education	Levels literacy and numeracy skills	
Health	relief from health problems (physical and mental)	Decrease in medications, incidence of medical needs; less absenteeism; reduced medical expenditure; decrease in hospitalisation/emergency admissions	(Fujiwara 2013); (Fujiwara 2014) Self-report
	More control/access to better nutrition		
	Relief from drug/alcohol problems		
Wellbeing	Sense of belonging		(Fujiwara 2014)
	Feel in control of life; engaged with family		(Fujiwara 2014)
	Overall resident satisfaction		Self-report
	Reconnection with family network		
	Changes in life expectancy		(HM Treasury 2011); EuroQol QALY values
	Feeling in control; confidence		Self-report
Social	Youth/family support programs		
	Reduced delinquency/ recidivism	avoided cost of corrections	
	Reducing poverty and welfare dependence	Reduced costs	
	Reduced drug/alcohol dependence	avoided costs due to recognise drug and alcohol use	
	Increased access to support services through fixed address		
	Savings on future welfare through preventing intergenerational poverty		
	Social capital/cohesion		
	Successful exits		
	Aging in place		
	Reduced discrimination		
	Family relationships	Decrease in Apprehended Violence Orders (AVOs)	
	child abuse and neglect notifications	Decrease in child protection notifications	
	Crime prevention; arrests		(Fujiwara 2014)
	Vandalism prevention		
Urban	Loitering and anti-social behaviours		(Fujiwara 2014)

	Outcomes for benefits and dis-benefits	Indicators	Measure/Costing example if available
	Graffiti		(Fujiwara 2014)
	Increases in property values and consequent tax income		
	Impact of social housing development on market price (negatively or positively)		
	Access to transport		
	Economic development		
	Place making		
Community	Participation in sports; youth clubs; hobbies	Event attendance	(Fujiwara 2013) & (Fujiwara 2014)
	Community identity and image		
	Volunteering	Participation rate/details	
	Living in safe area		(Fujiwara 2013)
	Neighbourhood engagement - events	Participation rate/details	(Fujiwara 2013)
	Neighbourhood engagement - management of issues	Numbers of issues/complaints & response	(Fujiwara 2014)
	Local community services		
	Member of/active in social group	Number of mates	(Fujiwara 2014)
Financial	Debt-free or relief from debt		(Fujiwara 2014)
	Ability to save; financial comfort		(Fujiwara 2014)
	Ability to decorate home and/or pay for housing		(Fujiwara 2014)
	Access to internet		(Fujiwara 2014)
	Insurance cover		(Fujiwara 2014)
Housing incl. development, management & maintenance	Not cycling through emergency housing system	Rehousing applications	
	Tenancy management, both housing and grounds		
	Security of tenure ; fixed , stable housing	Length of tenancy; people not moving; number of moves pre- and post-tenancy	
	Avoided costs of transitional housing		
	Maintain tenancy	Rent arrears; reduction in evictions; reduction in neighbourhood disruption	
	Vacancy rates		
	Dwelling design, adequacy, appropriateness & quality		
	Level of control		
	Design quality		(HM Treasury 2011); (Commission for Architecture and The Built Environment 2002?)
	Maintenance including expenditure, responsiveness		
	Mobility between affordable options; pathways out		

Rethinking Social Housing

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

Fujiwara measures are for the UK, but access can be gained to the method (See Appendix A for details). Australian metrics which could be of assistance in developing and measuring our own metrics include:

- National Social Housing Survey (NSHS) (Pawson, Lawson et al. 2011) – including tenant satisfaction metrics
- (Ravi and Reinhardt 2011)

For additional detail, see also:

- Table 1 – A selection of community renewal evaluation reports (Judd and Randolph 2006)
- Table 4.2 Key risks and performance indicators (Milligan, Phibbs et al. 2007)
- Links between housing, labour markets, education and health, from a systematic review of literature (Bridge, Flatau et al. 2003)
- Australian Bureau of Statistics (ABS)
- Existing State government indicators - ***check availability with partners***
- Existing CHO indicators - ***check availability with partners***
- Community housing impact map developed through consultation with housing providers (Ravi and Reinhardt 2011) – see detail Section 17
- Queensland Treasury (2004) Making Community Renewal Outcomes Oriented: Community Renewal Performance Measurement and Evaluation Framework; Framing the Successes Behind the Stories, Report to Community Renewal Program (Brisbane: Office of Economic and Statistical Research, Queensland Treasury)

Table 11 provides a first outline of the structure of the indicator matrix which will be developed in the coming months.

Table 11 First cut of outcomes/indicators/measures for strategic evaluation framework (e⁶)

Outcomes	Indicators	Measures		Tools	Impact		Model
	<i>See Table 10 - discuss & select</i>	Quant.	Qual.	Survey, Datasets, etc.	Geographic (local/region)	Timeframe (S/M/L)	
Community							
Education							
Employment							
Financial							
Health							
Housing							
Social							
Urban							
Well-being							

Note: S-Short; M-Medium; L-Long

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15. Appendix A - Definitions

Social housing is described by the Productivity Commission (Tunstall, Lupton et al. 2011) as ‘below-market rental housing for people on low incomes and for those with special needs. It is highly subsidised and rent is determined by tenant income (generally set at 25 or 30 % of household income)’ (Yates, 2013).

Ravi and Reinhardt (2011) and (KPMG 2012) identify *two forms of social housing* being:

- *Community housing* – managed by not-for profit organisations with stock owned by government, community housing organisations (CHOs), private owners, or partnerships thereof.
- *Public housing* – owned and managed by government agencies.

Affordable housing is intended “to meet the needs of households whose incomes are not sufficient to allow them to access appropriate housing in the market without assistance (Yates 2013, Levin, Arthurson et al. 2014); and for affordable housing *to meet the needs of households whose incomes are not sufficient to allow them to access appropriate housing in the market without assistance* (Milligan et al., 2004) such housing may be provided by the not-for-profit sector or by for-profit private providers. Rents in affordable housing a market related (generally set at 75 or 80% market rent) and many affordable housing tenants are eligible for rent assistance.

In recent years, the term *social housing* has been used to denote any housing that has been subsidised to enable low-income tenants to rent at below-market rents (Jacobs, Atkinson et al. 2010).

Performance measurement -Pawson et al. (2014) differentiate 3 service aims, being: economy (or the input cost of providing the service); efficiency (delivery of a specific volume and quality utilising minimum resources); and effectiveness (fulfilling organisation objectives in the course of provision).

Equity - Beder (2000) cites a 1993 report by Falk et al. to Australian Environment Protection Agency when defining equity: *Equity derives from a concept of social justice. It represents a belief that there are some things which people should have, that there are basic needs that should be fulfilled, that burdens and rewards should not be spread too divergently across the community, and that policy should be directed with impartiality, fairness and justice towards these ends* (Parsell and Moutou 2014).

Community Housing Organisations (CHOs) - both larger Housing Associations (often develop housing) and Community Providers (involved in management only).

Baseline position - a measure of conditions prior to interventions taking place. Measuring the baseline position is essential if additionality and outcomes are to be successfully assessed. These can often be objectively determined prior to the commencement of the project, or retrospectively if such data is available (Randolph and Judd 2001).

Benchmarks - comparative and usually external to the project and may represent ‘normal’ or ‘ambient’ measurements in another neighbourhoods’ (Randolph and Judd 2001)

Monitoring - systematic data gathering and periodic reporting on performance indicators for a program or project, and does not necessarily imply substantive interpretation of the data.

Evaluation - is the rigorous analysis of monitoring and other data to allow assessment of whether the objectives of the program/project have or are being achieved’ (Randolph and Judd 2001).

Outputs are direct indicators of success against stated objectives

Outcomes -the end contribution of the program/project to a sustained change in the area in line with stated objectives and allowing for displacement effects. Outcome monitoring or evaluation is about assessing progress towards achieving strategic objectives’ (Randolph and Judd 2001)

16. Appendix B - Headline wellbeing values

The following (**Table 12**) are presented Trotter, Vine et al. (2014) in relation to community investment activity.

Table 12 Headline well-being values (Trotter and Vine 2014)

Employment

OUTCOME	AVERAGE VALUE
Full-time employment	£10,767
Self-employment	£11,588
Part-time employment	£1,229
Government training scheme	£9,447
Secure job	£12,034
Apprenticeships	£1,747
Vocational training	£1,124
Regular volunteering	£2,357
Regular attendance at voluntary or local organisation	£1,773
General training for job	£1,567
Employment training	£807
Employed parent for children (11-15)	£1,700

Local environment

OUTCOME	AVERAGE VALUE
No problems with teenagers hanging around	£5,760
No problem with vandalism/graffiti	£4,072
Not worried about crime	£11,873
No problem with anti-social behaviour	£6,403
Police do good job	£5,340
No litter problems	£3,555
Able to obtain advice locally	£2,457
Good neighbourhood	£1,747
Feel belonging to neighbourhood	£3,753
Talks to neighbours regularly	£3,848

Health

OUTCOME	AVERAGE VALUE
High confidence (adult)	£13,080
Relief from depression/anxiety (adult)	£36,766
Good overall health	£20,141
Relief from drug/alcohol problems	£26,124
Smoking cessation	£4,010
Feel in control of life	£12,470
Can rely on family	£6,784

Financial inclusion

OUTCOME	AVERAGE VALUE
Debt-free	£1,593
Afford to keep house well-decorated	£5,326
Able to save regularly	£2,155
Relief from being heavily burdened with debt	£9,428
Able to pay for housing	£7,347
Financial comfort	£8,917
Access to internet	£1,875
Able to insure home contents	£3,652

Youth

OUTCOME	AVERAGE VALUE
Go to youth clubs	£2,300
Relief from depression/anxiety (youth)	£11,819
Improvements in confidence (youth)	£9,283
Married parents (youth)	£2,035
Never arrested	£3,684

Other

OUTCOME	AVERAGE VALUE
Social groups	
Member of social group	£1,850
Active in tenants group	£8,116
Sports (incl. health impact)	
Football	£3,101
Keep fit	£1,670
Walking	£5,281
Yoga or pilates	£2,256
Dance	£3,052
Frequent moderate exercise	£4,179
Frequent mild exercise	£3,537
Other	
Gardening	£1,411
Hobbies	£1,515

17. Appendix C – Community housing impact map

Table 13 is summary from a workshop undertaken by Ravi and Reinhardt (2011) – see following 3 pages

Table 13 Community housing impact map (Ravi and Reinhardt 2011)

Category of tenant	Outcomes (positive / negative) to tenant	Indicator & unit
Permanency / affordability of residence		
Low income, lower needs	Affordable rent	CH lease
Working poor	Tenure/Permanency	Compare length of tenancies
Low income, high needs	Secure tenure	Number of moves pre and post-tenure
Low income, high needs	Maintain tenancy	Reduction in arrears Reduction in evictions Reduction in neighborhood disruption
Other - indigenous	Fixed, stable housing	People don't move!
Previously homeless people	Not cycling through the homeless emergency housing system	
Employment / employability (capacity building)		
Previously unemployed	Employment / income	Change in employment status
Other - indigenous	Participation- economic (employment)	Employment participation
Working poor	Job security	Lower unemployment/length of employment
Working poor	Seek out other employment opportunities	
Low income, higher needs	Increase in employment opportunities	
Education / training opportunities (capacity building)		
Low income, lower needs	Adult education, training and development opportunities -	Level of education / qualification
Other - indigenous	Higher educational attainment	Household income Literacy / numeracy levels School retention
Low income, high needs	Increased attainment of education	
Low income, lower needs	Education - children have access to stable schooling	Stable school attendance
Working poor	Settle into school/education	Higher attendance Better results
Personal well-being / self respect		
Low income, lower needs	Sense of identity	Well-being
Other-indigenous	More culturally appropriate housing	
Working poor	Confidence	
Working poor	Less anxiety	

Category of tenant	Outcomes (positive / negative) to tenant	Indicator & unit
Low income, high needs	Self esteem/ community connection	Self-reported
Low income, higher needs	Increase in choice and control	
Low income, lower needs	Ability to entertain	
Working poor	Having your own space	
Low income, lower needs	Ageing in place	
Safety / inclusion		
Other-indigenous	Safety	
Other - indigenous	Reduced discrimination	increased wellbeing and stability
Low income, lower needs	Feeling part of a community (belonging – inclusion)	Well-being
Working poor	Social and other networks	Change in contact with community groups and contact in extended family
Other - indigenous	Participation- social	Event attendance
Working poor	Friendships	Well-being
Low income, higher needs	Increase in local linkage	Number of mates
Health (including mental health)		
Low income, lower needs	Improved health outcomes (physical and mental)	Well-being
Other - indigenous	Improved health	Self-reported Decreasing use of medications
Working poor	Better health outcomes (e.g. dental)	Lower incidence of medical need Life expectancy Less absenteeism Less medical expenditure
Low income, lower needs	More control and access to food / nutrition	
Other - indigenous	Reduced mortality	
Low income, higher needs	Reduced mortality	
Working poor	Food security (nutrition)	
Low income, higher needs	Better health	
Low income, higher needs	Increase in mental health	Decrease in hospitalisation
Family relations		
Low income, lower needs	Reconnection to family and social networks	
Other – indigenous	Increased family connectedness	Decrease in child protection notifiers
Low income, higher needs	Family relationships, more interdependence	Decrease in AVOs (Apprehended Violence Orders)

Category of tenant	Outcomes (positive / negative) to tenant	Indicator & unit
Low income, lower needs	Reduction in stress, family fragmentation	
Low income, lower needs	Better child protection	
Access to support services		
Low income, lower needs	Increased access to services incl. transport	Increase in services provided to home Increase in services accessible outside home
Other - indigenous	Decrease in 'churn' through services	Level of contact with service providers
Low income, higher needs	Increased support due to secure permanent address	
Low income, lower needs	More time to achieve goals beyond subsistence	
Money matters		
Low income, lower needs	More disposable income	
Working poor	More disposable income	
Delinquency		
Low income, lower needs	Reduced delinquency / recidivism	Decrease in jail time
Other - indigenous	Reduced delinquency / recidivism	Court cases
Low income, higher needs	Decrease in delinquency Decrease in number of young people in the Juvenile Justice system	Youth support statistics Juvenile Justice stats
Others		
Low income, higher needs	Transition to low income low need	Increased income support + CRA

18. Appendix D - Outcomes, indicators and problems

Table 14 Outcomes, indicators and problems (Burke and Hayward 2000)

Cost of Stock production The acquisition of stock	Average purchase cost per dwelling	Variations in costs might reflect regional variations in the housing cycle. They might also simply reflect differing housing standards. High costs might mean better quality dwellings.
Rent Arrears The management of rent arrears	Percentage of tenants in arrears at any time	Does this lead to a 'moral hazard', with SHAs prematurely evicting high need, low income tenants?
Stock turnaround	Proportion of rent lost through vacancy divided by the potential rent	Being based on market rents subject to vagaries of market processes.
Rent Arrears	Total rent actually collected as a percentage of total rent charged.	Sensitive to timing of arrears. Thus arrears created in one year may be recovered in next. Created possibility of rent collected in some jurisdictions in some years exceeding 100%. Sensitive to market forces given rent charged is market rent.
Under utilization-degree of under-occupation of Dwellings	Proportion of households where dwelling size is not appropriate,	This assumes that there is a clear and unambiguous relationship between household size and number of bedrooms. These relationships do not hold in the home ownership sector, so why assume that they are valid for the public sector?
Timeliness The time waiting for rental housing	Proportion of total number of households on waiting list in specific time-wait periods e.g. less than twelve months, three to four years etc	Waiting lists are a notoriously inaccurate indicator, reflecting the size of the stock relative to unmet demand, the degree to which stock is allocated on a priority basis, and the severity of the eligibility criteria.
Rate of Return on Assets	Rate of Return on equity.	Requires heroic assumptions to be made about the value of assets and prone to the vagaries of the market in that values reflect private sector operating environment
Equity value of Assets	The equity value of a given year relative to target levels.	What is the point? What is the policy objective? Also equity subject to instability of market values.
Administrative and operational efficiency	The average administration and operational cost per dwelling	Assumes that low costs are good. But this depends on services that are offered. Difficulties of comparable data across different jurisdictions.
Community service obligations direct subsidies	Direct subsidies as a proportion of the total market value.	Heroic assumptions required to measure market values Does this subsidy actually reflect the cost of providing housing assistance, Assumes limited concept of what are community service obligations

