



Community Housing
INDUSTRY ASSOCIATION

CHIA

Measuring What Matters



Thank you to Community Housing Ltd for permission

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Measuring What Matters

Community Housing Industry Submission

Introduction

CHIA is the peak body representing not for profit community housing organisations (CHOs) across Australia. Our 150+ members manage a \$40 billion-plus portfolio of more than 115,000 homes, housing people on low and moderate incomes who find it hard to access affordable and appropriate tenancies in the private market.

The Community Housing Industry Association (CHIA) congratulates the Government in its intention to develop a framework for measuring wellbeing and progress to bring ‘attention to the broader factors that underpin community well-being and longer-term economic prosperity’.

Chiming with this aspiration, CHIA has commissioned a series of linked projects to develop a clear and credible articulation of the value created by investment in social and affordable rental housing. Our short submission thus focuses on the case for including two particular indicators in the Government’s proposed framework - social and affordable rental housing as a share of total dwellings. We have suggested reporting on social and affordable rental housing separately as the allocation and rent setting practices are different and, practically speaking, it will take longer to introduce the affordable rental housing indicator because it is not currently collected nationwide in a consistent and comprehensive manner.

We outline the proposed indicator and how it meets the criteria set out on the Treasury’s consultation page, and explain the case for its inclusion in the metrics suite via an overview of the evidence that supports this.

We also comment on how our current project to measure the value created by individual social and affordable housing projects could be adopted and used to support an estimation of the additional value created by the Government’s Housing Australia Future Fund.

CHIA also supports the submission made by A/Prof Christian Nygaard, Director of the Centre for Urban Transitions (CUT) at Swinburne University of Technology. This submission provides additional technical detail in respect of the wider social and economic benefits that flow from social and affordable rental housing.

The indicators proposed for inclusion in a framework

We are suggesting two separate but related indicators which we believe are superior to the current OECD framework measure on housing affordability. The two measures are:

1. Social housing as a share of total dwellings
2. Affordable rental housing as a share of total dwellings

The indicators meet the relevant criteria as set out on the Treasury website.

The indicators are relevant, i.e. applicable to the Government's policy priorities. The National Housing Accord¹ sets out the Government's commitment to expanding Australia's stock of both social and affordable rental homes, providing funding for construction of 40,000 homes over a five year period.

Both of our proposed indicators are measurable. Data on social housing provision is collected and published annually for the Productivity Commission Report of Government Services (ROGS). Data on affordable rental housing has the potential to be collected but will require agreement between the Commonwealth Government, the states and territories and unregistered providers of affordable rental housing (possibly as part of the Accord) to commit to a standard reporting system.

The proposed indicators are comparable across Australia. As noted above, for affordable rental housing agreement on a common definition will be required. For simplicity the definition used by the National Rental Affordability Scheme (NRAS) could be adopted². The AIHW could modify their collection systems to encompass this housing type. It will be critical to ensure comprehensive coverage. Reliable statistics on affordable rental housing provision are not necessarily held by state and territory governments. For registered social and affordable housing providers including community housing organisations (CHOs) the three regulatory systems³ are the obvious source. A decision could be taken on whether affordable rental housing neither owned nor managed by registered providers meets the definition given the absence of any oversight. The ongoing National Housing and Homelessness Agreement Data Improvement Plan process⁴ is the obvious forum to lead on this. The OECD report on social housing as a share of dwellings⁵ provides the opportunity to compare Australia's position internationally.

For social housing, the data is already reliable, as there are common definitions adopted by all states and territories. If a clearly specified definition is adopted for affordable rental housing it will be similarly reliable. Finally, the indicators are capable of being understood by decision makers and key stakeholders.

As important are that indicators are meaningful in that they measure positive outcomes and also that these positive outcomes can be calculated. This is what our project outlined below has sought to achieve.

The Benefits from Social and Affordable Rental Housing

There are major opportunities that will flow from tackling housing unaffordability through social and affordable rental housing investment. Traditionally, housing developed and managed by CHIA members has been valued for meeting social needs by providing safe, secure and affordable homes to vulnerable and low waged households who cannot access suitable market housing. More recently, research evidence has demonstrated that government investment in social housing (and, where necessary, floating support services) can produce net financial gains in terms of overall cost to government.⁶ That work quantifies the cash, public sector savings and monetary wellbeing equivalents (for the latter using the Australian Social Values Bank's Wellbeing Values⁷) the wider social and economic impacts that can be unlocked through investment in social and affordable housing, and expresses these as a proportion of the cost involved.

Building on this work, CHIA and its partners commissioned the Centre for Urban Transitions, Swinburne University of Technology, to incorporate wider social and economic benefits in a social cost-benefit assessment of social and affordable housing.⁸ The report concludes that ‘the estimated wider social and economic benefits (WSEB) ... show that the overall societal gain from providing social and affordable housing exceeds the ‘cost of public support required to overcome the upfront funding gap in the provision of social and affordable housing in a financially sustainable way, even at relatively high discount rates (7%).⁹

Our current project¹⁰ involves developing a tool that enables social and affordable rental housing project proposals to estimate these project-specific, wider social and economic benefits. It was prompted by Infrastructure Australia’s 2021 Infrastructure Plan, Outcome 8.3.1 ‘*Guide better social infrastructure investment by developing a consistent, national valuation framework that captures, measures and assesses the quadruple-bottom-line benefits of social infrastructure*’. The project has benefited from IA’s (and Infrastructure SA’s) expertise and advice. The tool could be used to strengthen the business case for new developments and also to provide comprehensive economic justifications for the use of external resources that would assist new supply, arguments that more accurately reflect the social outcomes that occur through the provision of social and affordable rental housing. The tool could also be used to (1) estimate the value that will be created from individual projects delivered under the Housing Accord and (2) the aggregated data to make estimates from the program. The tool can also be used to help measure outcomes from relevant National strategies including the forthcoming National Housing and Homelessness Plan.

The project will be completed in April 2023. Attached are illustrations of the tool and its potential outputs. In addition to social and economic benefits, the tool also allows the benefits from green design, energy efficiency and low carbon construction to be calculated. These attachments are not for publication.

We would welcome the opportunity to discuss our submission and our project with you.

References

¹ [Home | National Housing Accord 2022](#)

² [NRAS maximum rent 2020 \(dss.gov.au\)](#)

³ That is the National Regulatory Scheme for Community Housing (covering NSW, Queensland, South Australia, Tasmania, ACT and NT), the Victorian regulatory scheme and the Western Australia regulatory scheme.

⁴ Convened by AIHW

⁵ [Public policies towards affordable housing - OECD](#)

⁶ Nygaard, C (2019) Social and Affordable Housing as Infrastructure

<https://www.communityhousing.com.au/wp-content/uploads/2019/11/Social-and-affordable-housing-as-social-infrastructure-FINAL.pdf?x33467>

⁷ [Australian Social Value Bank - makes measuring your social impact simple! \(asvb.com.au\)](#)

⁸ Nygaard, C., Kollmann T (2021) Social and affordable housing in Australia: a social cost-benefit analysis, Melbourne, Swinburne University of Technology (to be published in 2023)

⁹ [CHIA-Everyones-Home-Wider-Benefits-Analysis-31.3.2022.pdf \(communityhousing.com.au\)](#)

¹⁰ <https://www.communityhousing.com.au/our-advocacy/key-initiatives/>