

Submission to the Inquiry into Public Housing Renewal

To the Legal and Social Issues Committee of the Victorian Parliament

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This submission addresses TOR 1 and 12 and draws on the following AHURI funded research:

Groenhart, L. and Burke, T. (2014) *Thirty years of public housing supply and consumption: 1981–2011*, Final Report no. 231, Australian Housing and Urban Research Institute Limited, Melbourne.

Hall, J., Berry, M. (2007) *Public housing: shifting client profiles and public housing revenues*, AHURI Final Report no. 108, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/108>

Lawson, J., Legacy, C. and Parkinson, S. (2016) *Transforming public housing in a federal context*, AHURI Final Report 264, Australian Housing and Urban Research Institute, Melbourne, <https://www.ahuri.edu.au/research/final-reports/264>, doi:10.18408/ahuri-5308201.

Lawson, J. (2013) *The use of guarantees in affordable housing investment—a selective international review*, AHURI Positioning Paper no.156, Australian Housing and Urban Research Institute, Melbourne, https://www.ahuri.edu.au/data/assets/pdf_file/0025/2887/AHURI_Positioning_Paper_No156_The-use-of-guarantees-in-affordable-housing-investment-a-selective-international-review.pdf

Lawson, J., Berry, M., Hamilton, C. and Pawson, H. (2014) *Enhancing affordable rental housing investment via an intermediary and guarantee*, AHURI Final Report no. 220, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/220>.

Lawson, J., Denham, T., Dodson, J., Flanagan, K., Jacobs, K., van den Nouwelant, R. and Pawson, H. (2017) Discussion Paper as part of *Inquiry into Social housing as Infrastructure*, produced for the Inquiry Panel meeting, AHURI, Mercure Hotel Sydney 18 October 2017, Australian Housing and Urban Research Institute

Lawson, J., Pawson, H., van den Nouwelant, R., Troy, L. and Hamilton, C. (forthcoming) *Building and Investment Pathway*, SRPC Report as part of *Inquiry into Social Housing as Infrastructure*, Australian Housing and Urban Research Institute Limited, Melbourne.

Lawson, J., Gilmour, T. and Milligan, V. (2010) *International measures to channel investment towards affordable rental housing*, RMIT, Australian Housing and Urban Research Institute, Melbourne.

A vision for public housing

Victorian public housing has long suffered from an absence of any clear or positive vision of its role and future.

However, after a long period of stalled public investment, the Victorian government included social housing infrastructure as one of its top three priority areas for investment by 2016:

“Without bold action, the number of Victorians living in insecure accommodation will increase to levels never seen before. While the cost of improving the provision of social housing for vulnerable Victorians will be significant, not acting will come with even greater costs to society and the economy, which will be felt by generations to come...”

Investing in social housing and other forms of affordable housing for vulnerable Victorians to significantly increase supply..” Infrastructure Victoria, 2016: 98

A significant increase in supply is justified by the following:

- Social housing, with non-market allocation, addresses clear and unmet need for housing and ensures it is accessible and available for low income households as a refuge, oasis and stepping stone;
- Social housing provides a tangible and substantial contribution towards expanding housing supply, when the private market is unable or unwilling;
- Social housing that is both affordable and secure, generates lasting benefits to family functioning, child education and development, individual health and economic and social participation; when alternative tenures, such as insecure private rental housing does not;
- Social housing can strengthen economic competitiveness through improved access to the rental market by low income households, enabling a more flexible and productive workforce;
- Social housing can enhance national cohesion and social inclusion, sharing the benefits of secure affordable housing more fairly across the community and assisting those not served adequately by existing market and government processes.
- Social housing combats social exclusion and minimises the rising costs of spatial segregation and homelessness
- Social housing construction and its renovation can provide an important economic stimulus and job creation in times and in areas where it is needed
- Social housing is a cost effective means to prevent homelessness rather than deal with its consequences (health costs, absolute poverty, crime)
- Improved supply of social housing can address deficiencies of past housing administrations, and reduce causes of residualisation afflicting housing markets generating tenure polarisation, spatial segregation and poor neighbourhoods

There are of course contrasting and competing visions for public housing.

Each carries profoundly different implications for the role of different housing providers and their tenants. In order to encapsulate these contrasts in a simple but meaningful way, Figure 1 (below) abstracts four different alternatives, elements of which can be found in Australian and international settings.

Alternative pathways for public housing provision



Source: Lawson, Legacy and Parkinson, 2016)

Most Australian jurisdictions officially support the development of a multi-provider social housing system. Yet a clear vision for the role of public housing is lacking. In its absence a highly residual, skeletal public housing sector looms on the horizon as transfers continue apace. Public housing in Victoria should aim to be a productive community ally in a multi-provider market which strategically employs adequate funding to improve the social and economic opportunities and quality of life of Victorian households and is a catalyst for broader sustainable development goals (Appendix 1).

The need for social housing

Housing needs assessment is a fundamental prerequisite for any social and affordable housing 'strategy' that might be resourced at Federal and/or state/territory level.

Our recent AHURI research (Lawson, Pawson, van den Nouwelant, 2017) on the need for *social* housing in Victoria suggests that much greater levels of new supply are indeed required, as called for by Infrastructure Victoria.

This will primarily be achieved through increased levels of public investment and prudent cost effective use of private investment as well as more effective use of land banking and planning instruments.

Ongoing research for AHURI Inquiry into Social Housing as Infrastructure has investigated Victoria's need for social housing in order to derive an estimate of the scale of social housing supply that will be needed over the next 20 years.

As can be seen in the table below, an annual construction program of 9, 400 dwellings per year for the next 20 years is required to address not only the current backlog and manifest need but also newly arising needs over time.

We developed a simple approach that borrows appropriate elements from existing models and uses readily available data (Lawson, Pawson, van den Nouwelant et al, forthcoming). The model:

- a) encompasses a 20-year projection period – 2016-2036
- b) incorporates both ‘current need’ (i.e. as at the start of the projection period) and ‘newly arising need’ (i.e. need that will arise during the projection period)
- c) recognises a distinction between ‘met need’ (existing social housing) and ‘unmet need’ – distinguishing between ‘manifest need’ (homeless persons) and ‘evident need’ (low income tenants in rental stress)
- d) generates housing need estimates at state/territory level, differentiating between metro and non-metro areas.

Of course, the level of need varies of SLAs across Victoria. For simplicity, metropolitan and rural need has been expressed in Table 1.

Public housing is often the only affordable, accessible and secure housing available to low income households in Australia. Location is important. Particularly in our inner cities areas, public housing communities are islands of affordability in areas rich in social, economic and cultural opportunities and resources.

For this and many other reasons, these assets and their communities should be maintained and not commercially exploited and dispersed.

The proposed 10% increase of public housing through renewal involves considerable densification and private sales with very minimal social outcomes. It is neither strategic nor adequate in terms of supply and is in danger of being driven by commercial targets for IRR, rather than Victoria’s need for social housing.

See codes below	1	2	3	4	5	6	7	8	9	10	11	12	13
	Met need - social housing 2016	Manifest need – homelessness 2011	Evident need - low income tenants in rental stress 2016	Total current need 2016	Current households 2016	Need 2016 %	2016 households	2036 households	Additional households 2016-2036	Additional need 2016-2036	Current need 2016 + additional need 2016-2036	Additional social housing provision required 2016-2036	Annual social housing construction program required
Greater Melbourne	42,915	7,422	80,229	130,566	1,664,540	7.8	1,718,289	2,479,904	815,364	63,957	194,523	151,608	7,580
Rest of Vic.	19,335	1,678	24,270	45,283	577,737	7.8	593,569	710,098	132,361	10,374	55,657	36,322	1,816

Table 1 Social housing needs – met need, manifest need, evident need and the annual construction program required 2016-2036.

1 Social housing - occupied dwellings (2016 Census)

2 ABS homeless persons (2011 Census) divided by 2.5 to convert people to household equivalents

3 Low income renters in housing stress - those receiving incomes of <\$400 (approximately the lowest income quartile) where rent is >50% of gross income (2016 Census)

4 Met need plus manifest need and evident need

5 Current total households (2016 Census)

6 Total current need as % of total current households

7 2016 households according to ABS projections (2011-based)

8 2036 households according to ABS projections (2011-based)

9 Net additional households in 2036 as compared with 2016

10 Additional need arising 2016-2036 assuming share of net additional households proportionate to backlog need % in 2016

11 2016 need plus newly arising need 2016-2036

12 Total cumulative need, netting off 2016 social housing provision (no allowance for demolitions) 13 Additional provision required on annualised basis

Investment in public housing

The new National Housing and Homelessness Agreement is to be negotiated which will soon replace the Housing Partnership Payment. Obviously, to address the needs above over the next 20 years, requires a substantial commitment to capital investment by both the State government and the Commonwealth.

The scale of the required resources should come as no surprise. The inadequacy of SHAs current funding model has been subject to increasing scrutiny for more than twenty years, notably by researchers and public accounting bodies concerned with the operational sustainability of SHAs, the quality of their asset management and their ability to invest in necessary renovations as well as new supply. Also of concern, although less prominently, has been SHAs capacity to support vulnerable tenants in a variety of ways, including access to aged care services and employment opportunities (Hall and Berry 2004; 2007; 2009; DPC 2014; Productivity Commission 2015; 1993; Victorian Auditor General 2012).

The vital importance of governing agreements such as the former CSHA, subsequent NAHA and new NHHA cannot be underestimated, as they directly affect the financial capacity of Australia's social housing policy to deliver desired housing outcomes. How this is designed really matters and the devil is in the detail.

To illustrate, more than any previous agreements, the 1996 Interim CSHA and subsequent CSHA and NAHA agreements have driven public housing decline and encouraged the sporadic growth of the third sector. A critical turning point in 1996 was the removal of requirements to invest capital and for greater flexibility given to SHA to enable use of these funds for non-capital expenditure. With declining funds and an unsustainable operating model, SHAs used freed funding as well as funds generated from asset sales to address declining rent revenue and rising operating budgets across many different portfolios and return a dividend to Treasury.

A second fundamental change has been the narrowing eligibility and prioritisation given to emergency applicants. With more single and fixed income tenants, revenue from tenant rents has eroded, requiring rebates to make up the difference in order to cover operating costs. Thirdly, during the same period, operating costs were rising, as wages grew and more active maintenance strategies were pursued as well as standards and efforts to support high needs tenants increased.

A series of detailed investigations of primary sources by Hall and Berry (2004; 2007; 2009) describes these rising costs and the worsening financial situation of SHAs from 1990 to 2005. During this period most SHAs slid from surplus to deficit over a 15-year period.

Various solutions have been put forward to governments to address this decline generated by the lack of capital funds, narrowing revenue base and rising costs, and it is useful to revisit them before we examine progress in other countries.

Australian proposals include **clarifying the community service obligation** to be provided by SHAs and community housing organisations, including their tenant profile and incomes and adequately funding the difference between the commercial or market rent for a dwelling and the concessional price paid by the tenant (Hall and Berry 2004). Properly accounted for, CSOs should **adequately fund the rent rebate required**. The same experts have also called for the **broadening of the income profile of public tenants**, which would in turn reduce SHA reliance on rent rebates (Hall and Berry 2009).

Focusing on allocation and rent policy, Pawson, Milligan et al. (2013) call for an expert review of rent setting to determine the most effective way of protecting affordability for tenants while minimising work disincentives, while at the same time improving financial

certainty for providers. Debate on the allocation of rent assistance continues (Audit Commission 2014) with recent work by the Productivity Commission (2015) finding that a **shift from public rent rebates to Commonwealth Rent Assistance (CRA) will not improve tenant employment opportunities but will instead cause financial hardship for many.**

To grow a well maintained satisfactory social housing sector would require a substantial equity injection to providers or the transfer unencumbered stock to NPOs. However, even transfers to NPOs are not enough to grow social housing.

A cost competitive assessment of the works required to secure universal compliance with social housing property standards would also be required to address the backlog in maintenance. This would enable governments to model future resource requirements to reach a satisfactory standard and make appropriate budget allocations based on these costs (Pawson, Milligan et al. 2013).

Some researchers have also called for a return to more clearly defined funding transfers, such as specific special purpose grants tied to different realms of housing management, maintenance and redevelopment activities (Hall and Berry 2009). In essence, this represents a re-centralisation of administration and contrasts with looser performance based trends exemplified by the NAHA agreements. The current performance based accounting and reporting arrangements have been criticised as thin and loose, lacking body and contestable (Gronda and Costello 2011). There is scope for reforms in targeting under the proposed NHHA Bill introduced to Parliament in October (2017). Awareness of what went wrong in 1996 is critical to a successful NHHA.

Defining a feasible role for private finance has also been stressed by Pawson, Milligan et al. (2013), who recommends establishing the feasible and sustainable level of private financing required to co-finance new supply and/or asset redevelopment, together with the design of a public co-payment mechanism that would be required to support social housing investment in supply and renewal. Much research has been done evaluating international experience in this realm (Lawson, Milligan et al. 2010) and designing appropriate financing instruments, intermediaries and guarantees (Lawson 2013; Lawson, Berry et al. 2014), and action from the commonwealth Government is on the way with the proposal for the National Housing Finance Investment Corporation.¹

Driven by budgetary pressures the outsourcing of public housing services to not-for-profit agencies has accelerated since 2007 and continues apace in NSW. Unsustainable SHA operating models necessitating private investment (without burdening the public balance sheet) have many jurisdictions committed to transferring 'up to 35%' of all social housing outside the public sector by 2014 (Pawson, Milligan et al. 2013).

While there is increasing emphasis on third sector performance and its regulation, progress still needs to be made in structural reform of public housing, addressing operating deficits, narrowing revenue based and capacity to investment (VAGO 2012). Facing continuing difficulties, SHA strategy has moved from direct provision towards enabling the third sector to grow (Jacobs, Atkinson et al. 2010: 2).

Global aspirations and global solutions? PPP may not be the answer.

¹ Mechanisms to channel private investment towards affordable rental housing are now a standard feature of social housing systems in many European countries, with Austria's HCCB, the Swiss BIC and Britain's THFC being the most established, productive and efficient. There are signs of Commonwealth progress following the recent CoA/AHWG? Treasury consultation paper (2017, 2017).

Support for a more active role in the supply of social housing can be motivated by the UN's Social Development Goals (Appendix 1). Beyond aspirations for a better world, there are also pragmatic and sometimes opportunistic motivations, particularly arising from the financial services sector.

As mentioned earlier, after a long period of stalled public investment by 2016, the Victorian government included social housing infrastructure as one of its top three priority areas for investment (Infrastructure Victoria, 2016: 98)

Victoria proposed that a dedicated supply of affordable housing could be provided by the private sector through mechanisms activated by government or through direct government provision of new social housing. P.99

Infrastructure agencies of other jurisdictions (Victoria, NSW, ACT, SA) are also beginning to embrace the notion of social and affordable housing as necessary infrastructure for productive, sustainable urban development. Rather than cost effective forms of direct public investment, they are also turning to an array of private sector mechanisms including gap funding, concession payments and public private partnerships, as well as more cost efficient financing via intermediaries and guarantees.

Constraints on long term public investment (EC, 2013) and a view promoted multi-lateral government organisations that private investment brings efficiencies have encouraged governments to enter Public Private Partnerships (discussed below).

PPPs are used by governments who cannot or will not invest directly in infrastructure or services. Private finance (debt or equity) must be funded and often requires long-term state guarantees and subsidies to ensure acceptable financing conditions including attractive rates of return by for investors. These costs to government need to be carefully assessed when comparing the efficiency of public versus private investment and any impact on the level and quality of service provided .

After more than three decades of PPPs, evaluations of their performance by both governments and investors have been mixed, varying from being costly, complex inefficient and contrary to service objectives to the more positive: on time and on budget.. Hodge and Greve, 2009² provide an excellent review of international evaluations, including Australia:

The assessment of eight Australian case studies by Fitzgerald (2004) concluded that evaluation results depended on the discount rate adopted in the assessment. Using an 8.65% discount rate for public sector comparator calculations led to the conclusion that a 9% cost saving was being achieved against traditional procurement methods, whereas the use of a lower 5.7% discount rate led to the opposite conclusion – that PPP arrangements had led to an estimated 6% greater cost and the likelihood that the A\$2,700 million presently being repaid by the Victorian government was around A\$350 million higher than it should be. Hodge (2005) observed that treasuries had gradually abdicated their traditional role of stewardship, along with 'free and fearless advice', in preference to a louder policy advocacy role.

There are increasingly sober assessments emerging of PPP (IMF, 2015). After more than thirty years of experience of PPPs, long term Australian and international observers Hodge and Greve (2007) argue that:

² See Hodge and Casten (2009) Public–Private Partnerships: An International Performance Review. Available from: https://www.researchgate.net/publication/227691342_Public-Private_Partnerships_An_International_Performance_Review [accessed May 30, 2017].

evaluations of public–private partnerships thus far point to contradictory results regarding their effectiveness and value-for-money. Despite continuing political popularity, greater care is needed to strengthen future evaluations and conduct such assessments away from the policy cheerleaders (ibid:2007, 33).

An recent insightful review of Victoria’s experience with PPPs was provided by [Hayward \(2017\)](#)

International reflections on public housing in four federal states

Our national and international research on public housing transformation in Australia and four federal states: US, Canada, Austria and Germany (Lawson, Legacy and Parkinson, 2016) made observations in 2016 of relevance for Australian social housing policy. Specific approaches and initiatives that can inform responses to the numerous challenges facing Australian public housing and are outlined below.

Constructive co-ordination of national housing policy

Australia’s pressing housing needs require for the constructive co-ordination of national housing policy across multiple jurisdictions and increasingly numerous private and third sector players. It necessarily requires the re-prioritisation of housing policy as key COAG reform and (re-)establishment of industry and policy-maker working groups dedicated to informing and implementing this task. It is clear that government alone cannot achieve social and affordable housing policy goals and thus new forms of governance need to be embraced and supported. Such an approach can build on Australia’s past experience with the National Supply Council and the Housing Summit and learn from Germany’s efforts in forming and institutionalising a role for a National Alliance of all relevant stakeholders responsible for implementing affordable housing policy goals and targets, which emulates successful multi-stakeholder approaches from active city governments there (Hamburg).

Long term mechanisms for adequate funding

With half the population, Australia once had a reasonably large capital investment program for social housing under decades of Commonwealth State Housing Agreements CSHA. These agreements produced 8,000-14,000 units per year between 1951 and 1996 (Troy, 2012). Given population growth and acute levels of need, the level of social housing production that is required today is much more substantial, as outlined below in this submission and forthcoming AHURI research (Lawson, Pawson, van den Nouwelant, et al, forthcoming). We estimate it is at least nine times that which is proposed by the current Victorian government.

Australia’s need for social housing requires the recognition and **costing of the service** public housing provides and appreciation of the wider social and economic **costs of not providing housing**, that would be incurred on individuals and wider society were households in need not able secure to affordable decent standard housing.

Consequently, this would also entail a stable mechanism for strategically dedicating public resources to capital investment (equity), complemented by the establishment of instruments and intermediaries for channelling lowest cost forms of private investment (debt).

Our research provides many examples of **capital investment programs** which are supplemented by efficient public financing intermediaries (Lawson, Gilmour, Milligan, 2010, Lawson, 2013, Lawson, Berry et al , 2014, Lawson, Legacy, Parkinson, 2016).

For example Finland's [ARA](#) Munifin model ([Averio, 2015](#)), produces 9,000 units per year (22% of supply) and for many years has the best record in Europe for reducing rates of homelessness ([Feantsa, 2016](#)). Along with Denmark and Sweden, Finland's housing system enables young people to leave their parental home before their mid-twenties and achieve [housing independence](#) via the social, secure rental or ownership markets.

A dual and integrated approach to conditional equity investment and cost efficient financing is also exemplified by the Austrian Federal government where national transfers on a per capita basis support regionally designed programs reflecting local needs to co-finance revolving loan programs, alongside tax privileged Housing Construction Convertible Bonds. The US system of distributing federal tax credits to state governments and ability to issue tax exempt bonds for the competitive and needs based allocation of funding have also inspired similar approaches here, such as NRAS, which could be much more effectively designed and reintroduced.

Social housing systems require not only long-term agreement over the prioritisation and transfer of public and channelling private funds, but also well designed policy tools to ensure their efficient and effective allocation and application to the management, maintenance and (re)development of social housing stock by both the public and increasingly the private and NFP sector. In this regard, Australia could learn from the US Harvard University Cost Study (2003) and HUD Area Median Rent indexes, which sets standards and benchmarks informing subsidy and rent levels as well. Also relevant is Austria's legally defined cost capped, cost rent regime which requires affordable rental projects to cover financing costs, which encourages a wide range of affordable housing outcomes and also requires the dedication of funds for ongoing maintenance and new supply. A feasible rent setting and assistance regime, covering these costs and promoting affordability, needs to be put in place and routinely refined as market conditions and needs change.

Balanced access to sources of funding, financing and regulation

The ability of public housing authorities (in addition to NPOs and private landlords) to access and pool various sources of funding determines their market position in a multi-provider system. Access to public grants and loans, demand assistance, tax credits, tax exempt bonds and commercial loans and their regulation differs by type of landlord and this can undermine a healthy balance of providers within social housing systems. Australian PHAs to date have stood outside the ambit of not only private finance initiatives but also new regulatory systems. PHAs should be more active participants in and beneficiaries of current funding, financing and regulatory reforms.

Efficient and effective tools to channel private investment

A consensus is emerging that Australian housing policy can certainly improve the effectiveness of current (negative gearing, land tax, capital gains) tax settings via purposeful and appropriate reform to improve affordability and supply outcomes, as successfully illustrated in the US by LIHTC and Austria with Housing Construction Bonds. The role of specialist intermediaries and tax incentives in providing well targeted long term lower cost private finance continues to support a growing limited profit sector in Austria. In the United States, declining public funds have been greatly supplemented by Low-income Housing Tax Credits, more than doubling affordable housing output. Furthermore, project based demand assistance now attracts private investment towards US public housing and this process is having a major impact on public housing leadership, strategy and development.

Integrated and sophisticated local planning

In Australia, as in each of the federated states examined, conditions within and policy expectations of local government clearly matter on the ground and at the coal face. Internationally, local government can be seen playing a role in preparing responsive housing strategies and local charters, actively engaged on boards of public housing authorities and facilitating partnerships with local service providers as in US cities and counties, many German municipalities and example par excellence in Vienna, Austria. Closest to tenants, local governments can also play a key role in allocating housing assistance and monitoring social contracts with landlords as exemplified in Berlin and Munich. In strong property and labour markets, carefully designed land banking strategies and planning instruments make a positive difference to pure 'free' market outcomes. City governments have played a direct role in land banking, enabling equity funding and also direct provision in Vienna, Berlin, Munich, San Diego, Portland and Toronto and demonstrated the value of inclusionary zoning in Munich, Vancouver and San Diego.

In Australia there is a need for much closer integration of social and affordable housing policy with metropolitan and local government roles and responsibilities and the implementation of more sophisticated planning tools.

From bureaucratic silo to community ally

Australian public housing authorities, while the focus of critique by public auditing agencies, have not been the focus of organisational reform and regulation unlike the NPO sector. In order to *reduce bureaucratic isolation* and integrate social housing more effectively into the broader social housing vision and local communities, lessons can also be drawn from our local level illustrations. In Australia, the narrowing revenue base of public housing is clearly an outcome of increased targeting and rising operating costs, coupled with stagnant social benefits and insufficient rent rebates. Some have argued that broadening of the tenant income profile could ameliorate this problem, but this can also lead to an overall reduction in housing resources available to the very poor, as illustrated by mixed tenure redevelopment of public housing in the US and the requirement for cost rents (under declining subsidies) in Austria. The answer of course is to grow the overall supply of affordable and social housing.

Anticipating maintenance and funding it

Australian SHAs also face a growing backlog in maintenance. This problem also afflicts public housing authorities in the US, Canada and Germany. A cost competitive assessment of maintenance works can form part of property data base system and inform capital investment plans, as is now the case with the Toronto Community Housing Corporation. More structural solutions can be found in Austria's LPHA model, which requires set aside funds for maintenance and their gradual accumulating coverage in cost based rents. Any funding model should incorporate both maintenance and replacement costs.

New funding models promoting cultural change and positive partnerships

Unlike Australia, the reform of public housing authorities in the US and Canada has been accelerated by new funding models that demand more active and locally attentive asset management strategies.

Overall, this process of transformation in the US has generated a substantial cultural change in public housing management, redefining their mission away from the poorest to an expanding tenant profile, reducing social stigma through marketing and partnership and strengthening skills in asset management and finance to ensure financial continuity, renovate stock and in a few cases permit the expansion of affordable housing supply.

Concluding comment

The challenge is on for the most effective investment pathway in social housing to be clearly defined. Our research Inquiry into Social Housing as Infrastructure will be providing a case for social housing as infrastructure, evaluating current decision making processes and funding priorities, establishing the level of need and procurement cost for social housing and modelling the cost to government of alternative funding and financing options for discussion in Melbourne and publication following peer review in 2018.

Further information on this research, methodologies and assumptions can be obtained from the leader of the Inquiry and author of this submission.

We welcome Victoria's involvement as a member of the Panel for this Inquiry.

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Appendix A

UN Sustainable Development Goals 9 and 11

Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries

9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets

9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending

9.a Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing States

9.b Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities

9.c Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020

Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable

11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage

11.5 By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations

11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities

11.a Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning

11.b By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels

11.c Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials