



# Evaluation of the Better Places Stronger Communities Project

Baseline report

Prepared for: Renewal SA

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## Abbreviations

BPSC	Better Places Stronger Communities
CHP	Community Housing Provider
COAG	Council of Australian Governments
CRA	Commonwealth Rent Assistance
EOI	Expression of Interest
FAQ	Frequently Asked Questions
NGO	Non-government organisation
NRAS	National Rental Affordability Scheme
RFP	Request for proposal
TSO	Tenancy Support Officer

# Executive Summary

This is the first of two evaluation reports on the Better Places, Stronger Communities (BPSC) Program, which is transferring the management of designated South Australian (SA) public housing dwellings to the community housing sector. The Social Policy Research Centre and City Futures Research Centre, both at UNSW Sydney, were commissioned by Housing SA to conduct a longitudinal evaluation of the BPSC Program, where the management of 1,100 public housing dwellings across two estates in Adelaide was transferred to the community housing sector. The two estates are Mitchell Park, managed by Junction Housing, and Elizabeth Grove, managed by AnglicareSA Housing.

The purpose of the evaluation is to support Housing SA to assess the extent to which the BPSC Program objectives are met. This first report describes the policy context and background to the transfer and transfer objectives, from the perspectives of different stakeholders; and establishes baseline qualitative data on tenant expectations, concerns, and satisfaction with support and information offered in the early stages to the transition process.

The evaluation takes a longitudinal qualitative approach, with primary data collection taking the forms of focus groups with tenants, and interviews and focus groups with service providers and other stakeholders.

## ***Program background***

BPSC is part of a growing national and international trend in the shift of public housing responsibilities to non-government organisations (NGOs). The drivers for this include the capacity of NGOs to deliver responsive, community-based services, and the financially favoured status of community housing.

In 2013 the SA Government announced a plan to transfer 5,000 properties to Community Housing Providers (CHPs), under the BPSC Program. The initial tranche involved two packages of 500-600 homes in metropolitan Adelaide. The management of these homes were officially transferred to the two successful CHPs in October 2015.

BPSC's objectives include the expansion of the community housing sector, enhanced place management, and improved property condition. Tenants' existing tenancy rights are protected, and out of pocket rent costs will not increase any more than would have been the case had their tenancy remained in public housing.

## ***Transfer process***

The tendering process commenced in mid-2013 with a number of CHPs invited to respond to a call for expressions of interest (EOI). This was a 2-stage selection process, with an

initial EOI stage followed by requests for proposal (RFPs) to selected tenderers, which was described by stakeholders as well designed. While incorporating an open, competitive process, the restricted number of organisations invited to tender helped to limit system-wide transaction costs.

Junction & Women's Housing (hereafter Junction; for Mitchell Park) and AnglicareSA Housing Ltd (hereafter AnglicareSA Housing; for Elizabeth Grove) were announced as the successful CHPs, and contracts were signed in May 2015.

Overall the transfer was a relatively smooth process for Housing SA and the CHPs. The staffing and resource requirements were manageable.

### ***Planning and implementation***

The planning and early implementation of the BPSC Program seems to have been well managed and a positive experience overall for stakeholders from government agencies and the CHPs. CHPs and others described a number of challenges and costs, however BPSC is seen as an opportunity to improve properties and tenant outcomes in the two sites, and to identify effective strategies that can be used in future, larger-scale transfers.

The key findings relating to early outcomes of the transfer, particularly the experience of government agencies and NGOs, include:

- Although efforts were made to reduce the costs associated with procurement, the costs to both CHPs and government were substantial.
- The 2-stage selection process (initial EOI stage followed by RFPs to selected tenderers) was valued by the CHPs.
- The use of concurrent tenancies streamlined the transfer process and was valued by Centrelink and the CHPs. This process means that the switch of landlord was effectively mandatory rather than voluntary.
- The '3+20' long lease arrangement presents challenges to CHPs that transfer of title would not, however this is also less risky to both governments and CHPs than title transfer.
- The key accountability for CHPs is to bring the properties up to an agreed standard, however this does not have to be achieved within a specified period.

### ***Early outcomes***

Housing SA and the two CHPs put significant effort into communication and reassurance with tenants, which appear to have been successful. They suggested that, while tenants expressed initial anxiety and reluctance, relationships were much warmer now. Tenants in

focus groups are largely optimistic about the CHPs and expressed few reservations about the transfer, although some anxieties were expressed.

The key findings relating to early outcomes of the transfer, particularly the experience of tenants, are:

- Tenants valued the multiple forms of communication and engagement provided by both the CHPs and Renewal SA, and the responsiveness and availability of staff.
- Tenants also valued the presentation of information in multiple formats, i.e. in letters and at public meetings.
- Information on Commonwealth Rent Assistance (CRA) is very important to tenants, and the timing of information is important. Some tenants received misinformation about potential rent increases before receiving formal notification and information about CRA, which led to confusion and worry.
- Credit transfers for rent or water paid in advance were slow and caused anxiety. This was largely due to Housing SA's IT system not recording if the credit accrued were for rent, water or both. Some tenants have paid in advance because it is important to them that they not go into arrears.
- The shopfront presence of CHPs in both communities was the most significant tenant engagement strategy and has reportedly been highly successful.

### ***Conclusion***

The BPSC Program objectives and program logic indicate the domains in which outcomes are expected. The domains are: management and governance, property maintenance, community development and affordable living initiatives, tenant satisfaction and other tenant outcomes, and service delivery.

At this baseline data collection, it appears that tenant satisfaction with the transition process was high.

In terms of property maintenance, the CHPs intend to inspect each of the transferred properties and plan maintenance and upgrades in response to property condition.

Findings on each of these domains will be included in the second and final evaluation report.

# 1 Introduction

The South Australian (SA) Government is transferring the management of designated public housing dwellings to the community housing sector. The first phase of this transfer is the Better Places, Stronger Communities (BPSC) Program. It is anticipated that considerable benefits will result from this program; to housing service quality, to property management and to tenant outcomes.

The Social Policy Research Centre and City Futures Research Centre, both at UNSW Sydney, were commissioned by Housing SA to conduct a longitudinal evaluation of the BPSC Program. The evaluation is taking place between 2015 and 2017. The purpose of the evaluation is to support Housing SA to assess the extent to which the BPSC Program objectives are met, namely:

1. Improved property condition, through:
  - a. Addressing of maintenance liability, and
  - b. Improved future programmed and responsive maintenance services.
2. Improved tenant outcomes, through:
  - a. The above improved property condition
  - b. Improved tenant engagement with their housing provider, the wider community and relevant support services
  - c. Place-making initiatives for the benefit of tenants and the wider community, and
  - d. Provision of property-related 'affordable living initiatives' to help reduce tenants essential service costs (i.e. power, water).

The evaluation will also:

- measure community and tenant satisfaction with the transfer in each region
- inform decision making on whether to extend the community housing providers' initial three year leases for a further 20 years
- identify learnings to inform further transfers of property and tenant management from public housing to the community housing sector, and
- contribute to the evidence base around transfers.

The purpose of this first report is to:

- report on the policy context and background to the transfer
- describe the transfer objectives, from the perspectives of different stakeholders, and
- establish baseline qualitative data on tenant expectations, concerns, and satisfaction with support and information offered in the early stages to the transition process.



The second and final report, to be completed in 2017, will report on the experiences of the transfer and changes to tenant outcomes, and on the success of the Community Housing Providers (CHPs) in implementing tenant engagement, place-making, and affordable housing initiatives.

## 2 Background to the Program

Over the past 10 years, most of Australia's states and territories have experimented with the transfer of public housing responsibilities and/or assets to not-for-profit CHPs (Pawson et al., 2013). Partly inspired by similar public housing system transitions in other countries – especially the Netherlands, the US and the UK – state and territory government actions in this realm have been underpinned by the financially favoured status of community housing, as well as by aspirations for enhanced social housing governance and place management under CHP control. Since 2012, the pace of transfer activity in Australia has been stepped up with Queensland, Tasmania and South Australia implementing such initiatives on a significant scale.

In Australia, as in other countries, drivers of the shift to increased community housing provision have included the belief that tenants transferring from public housing would benefit directly. There is, for example, consistent evidence of higher satisfaction rates among CHP tenants (AIHW, 2013). Importantly, CHPs offer flexibility and tailored service provision which may benefit both tenants and communities. That is, CHPs do not just deliver housing—they are also 'deeply invested in their communities' (Beer et al., 2014). Being to some extent insulated from electoral politics, CHPs may be able to focus more single-mindedly on customer service, as well as on long-term asset management.

Recognising the benefits of community housing, and to bring about a more diversified social housing system, the SA Government announced in 2013 a plan to transfer some 5,000 properties to CHPs, under the BPSC Program. While community housing currently accounts for approximately 13 per cent of SA's social housing, it is anticipated that this will rise to 27 per cent at the conclusion of the transfers by 2018 (The Government of South Australia, 2013).

The initial tranche (Phase 1), tendered in 2013/14, involved two packages of 500-600 homes in metropolitan Adelaide. The management of these homes were officially transferred to the two successful CHPs in October 2015.

Program objectives include growing community housing and, in the process, contributing to the establishment of larger provider organisations. Enhanced place management and (as an immediate priority) improved property condition, are also key goals. The aim of expanding all social housing is another driver, albeit to be achieved over a longer timescale. Transfer objectives also include improved outcomes for vulnerable clients (Myers, 2013), as well as enhanced tenant engagement with both the provider and the community. Tenants' existing tenancy rights will be protected, and their out of pocket rent costs will be limited to no more than would have been the case had their tenancy remained in public housing.

It was, from the outset, recognised that the BPSC Program called for a community consultation strategy. However, there had been constraints on this because the decisions on which homes were to be transferred had been made well before the successor landlord was chosen by the tender process. The successor landlords in the Program have been actively involved in communicating and engaging with communities about the transfer, however this was arguably not consultative, as the key decisions had already been made.

Following prevailing practice in other jurisdictions, the transfers are now being progressed on a 'management outsourcing' basis (i.e. Housing SA retains titles to the transferred properties). The initial transfers will be for a three-year term. During this period, evaluation and tenant consultation will inform whether to extend to a 20-year term.

## 3 Method

The evaluation takes a longitudinal and mainly qualitative approach, with primary data collection taking the form of focus groups with tenants, and interviews and focus groups with service providers and other stakeholders. Each of these methods will be repeated over two waves. The first wave of data (the focus of this report) was collected in late November 2015, approximately one month after the transfer in October 2015. The second wave of data will be collected in mid-2017 (Table 1).

**Table 1: Project timeline**

<b>Task</b>	<b>Timeframe</b>
Commencement	Jul 2015
Evaluation planning with Renewal SA and CHPs	Jun to Aug 2015
First longitudinal data collection	Nov 2015
Mid-term evaluation report	August 2016
Final longitudinal data collection	Jun 2017
Draft final evaluation report for feedback	29 Sept 2017
Final evaluation report	30 Oct 2017

### 3.1 Focus groups with tenants

Two focus groups were conducted with 14 tenants across the two estates in November 2015, just over a month after the transfer took place. Participants were recruited with the assistance of their respective CHPs and included predominantly tenants who have lived on the estates for extended period. A small number were also community leaders who took part in some of the community development and support programs offered by the CHPs and Housing SA as part of the transfer program.

The purpose of the focus groups was to gather information on the impact of the transfer on their well-being, social participation, access to support, as well as their satisfaction with their housing and community. The topic guide of the focus groups is included as Appendix B.

### 3.2 Interviews and focus groups with service providers and other stakeholders

Two focus groups were conducted with 14 frontline staff of the two CHPs in late November 2015. These frontline staff included tenancy managers and community development officers. The purpose of the focus groups was for staff to reflect on the complexity and

challenges of the early phases of the transfer, how each CHP prepared their local community for the change, their internal capacity build-up, translating overall program objectives to the practical level, and their assessments of the transfer on tenant outcomes, quality of service, and property management.

Interviews and focus groups with stakeholders were also conducted in November 2015. Seventeen stakeholders participated, including the chief executive officers and senior management of the two CHPs, Housing SA, peak advocacy groups, local support organisations that partner with the CHPs in service delivery, local councils, and representative from Centrelink. These interviews were conducted to further explore the processes and challenges of the early phases of the transfer, clarification of transfer objectives, availability of resources, and longer term assessment plans.

The evaluation participants are listed in Table 2. The topic guides for focus groups and interviews is included as Appendix A.

**Table 2: Interview and focus group participants**

	Elizabeth	Mitchell Park
Policy stakeholders (SA Government, NGOs) and CHP senior managers		6
Tenants	7	6
CHP frontline staff	7	5
Stakeholders	5	7

### 3.3 Document analysis

A number of documents regarding the transfer remit, strategies and procedures were supplied by Housing SA, Renewal SA, and the two successful CHPs. These documents provide important background to the project, information on the pre-transfer preparation, and on-going monitoring procedures. These documents were analysed systematically, and a number are referenced throughout this report.

### 3.4 Analysis

All focus groups and interviews were recorded using a digital voice recorder. Research notes of each focus group and interview were written up by the researchers, and these were used as the materials of analysis. A thematic approach was used in analysing the

materials, with the focus group and interview topic guides and the research questions used as the main guidelines of themes

### **3.1 Program logic**

A program logic is a systematic, visual representation of the underlying assumptions of a planned program. It illustrates why and how a program is presumed to work. The BPSC program logic was constructed by Housing SA and is presented below (Figure 1). It indicates the activities, or what is being done, and follows the pathway and steps that are expected to occur to meet the intended short, medium, and long-term outcomes of BPSC.

The second and final report will test whether and how these pathways have been followed.

**Figure 1 Better Places Stronger Communities program logic**



## 4 Findings: transfer process

This chapter reflects on stakeholders and frontline staff's recollections of the transfer process, from the initial tendering process, pre-transfer preparations, comments on the terms and requirements of the transfer, and how different parties involved work together.

### 4.1 Background to the transfer

BPSC was announced by the SA Government in mid-2013. Interviewees said that there had been no specific prior consultation with the community housing sector, but the sector had been advocating for some time for transfers. Prior to BPSC, SA community housing held about 4,500 properties, subject to a debenture program which, in the view of the sector, constrained its growth (AnglicareSA Housing SA, Junction Housing, Unity Housing Company, & Gilmour, 2011).

Interviews with the two CHPs and other sector representatives agreed that the Council of Australian Governments (COAG) agreement on an aspirational 35% target for community housing as a fraction of all social housing (Housing Ministers' Conference, 2009) was important, because this called for a state government response.

However, there were different views on the importance of the 2009 COAG agreement as a driver. Some stakeholders said that BPSC was driven by the loss of public housing, particularly from sales to fund recurrent expenses, especially maintenance; transfer to community housing results in increased revenue via Commonwealth Rent Assistance (CRA), and was described as the only way to fund maintenance. The COAG agreement was described as important primarily because it gives confidence that there will be continuity of CRA arrangements.

The 2010 KPMG Triennial Review of the SA Housing Trust emphasised that the financially unsustainable condition of the public housing authority presented major challenges for the state government. Later, picking up on the Housing SA Blueprint commitment, the 2014 Triennial Review (by Elton Consulting) recommended:

- Production of 'a 10-15 year strategic plan ...for the managed transition to a multi-provider system'.
- Development of a '10-year community housing industry development strategy'.
- As part of a public housing divestment strategy, Housing SA should set up an arms-length management organisation based on a SA Housing Trust regional office, and with the intention of transitioning this to CHP status after 5 years.

The report also argued that 'maturation of the community housing sector will not occur without some form of title transfer' (Elton & Cox, 2014).



According to the interviews, state government consideration of a possible public housing transfer program had been taking place for some years prior to the 2013 BPSC announcement. Discussions between Housing SA and SA Treasury, which also involved a number of CHPs, began taking place in 2011/12. These focused on two main issues: (a) CHP calls to relax 'debenture' obligations, and (b) public housing transfers. Although the request for debenture relief was rejected, the principle of transfers was accepted. This fed into the development of Housing SA's 'Blueprint' document as part of its corporate strategies, which was published in 2013. This document contained a commitment to a 'multi-provider system' and noted that there would be management (instead of title) transfers to the community housing sector and that this would build sector capacity.

The 2013 announcement of the upcoming transfers can also be linked with the premiership of Jay Wetherill, a reform-minded former Housing Minister who had retained a strong interest in this portfolio. Interviewees also indicated that the transfers may be seen as a potential economic stimulus for the state, because of expanded housing repair and maintenance activity, in a state where this is currently needed.

Other drivers of the transfer were reported to be the need for better outcomes for communities, for sharing risk, leveraging additional funds, and better work 'on the ground'. These were similar to those set by transfer programs overseas, such as the UK's New Deal for Communities Program during the 2000s. However, it was reported by sector stakeholders that many community organisations are sceptical about SA's public housing transfers because of fears of 'cherry picking'—an anxiety that this will result in diminished access to social housing for their most vulnerable clients. From the UK experience, place—rather than people-based outcomes were more easily achieved, so that upgrades of local facilities and infrastructure were more readily achieved than people-based outcomes, such as improvements in educational outcomes and employability (Batty et al., 2010).

Comparing to the UK experience, the final evaluation of the New Deal for Communities Program highlighted that involvement of mainstream delivery agencies was more easily attained in larger regeneration areas and, in the end, they achieved better economy of scale and delivered better value for money (Batty et al., 2010). The capacity and resources required to oversee a relatively small scale transfer (of a few hundred properties)—both on the part of the tenderers and the tenderee—would not have been significantly less than those for a larger transfer (e.g. 1-2,000), with the requirement of more frontline staff involvement being one main difference. Overall, however, Housing SA and the CHPs reflected that the transfer was a relatively smooth process, and the staffing and resource requirements were manageable.

### 4.1.1 Portfolio selection

Interviews with the two CHPs and other sector representatives discussed the selection of Mitchell Park and Elizabeth Grove as the first estates to be transferred. The selection of these sites was influenced by several considerations including the suitability of areas. Both estates are:

- fairly spatially concentrated bodies of public housing, which is beneficial in terms of a test-bed for 'place management' aspirations, and
- without the complex implications associated with extensive renewal needs and opportunities.

The condition of the Mitchell Park portfolio was described in an interview as 'slightly better' than would be typical for public housing in metropolitan Adelaide – partly due to inclusion in earlier renewal programs. There is also a relatively strong local community and the area benefits from being well-located with respect to the Adelaide CBD (6km south). Elizabeth Grove was first developed as part of a wider post-WWII satellite city in Adelaide's north, built to house workers for the nearby factories. It is further from the CBD than Mitchell Park (24km north) and had not been part of any earlier renewal programs. At 60+ years old, some of the housing stock in Elizabeth Grove required uplift and renewal, which the BPSC Program has the capacity to provide.

### 4.1.2 Tendering process and CHP selection

The tendering process commenced in mid-2013 with a number of CHPs invited to respond to a call for expressions of interest (EOI). CHPs were asked to provide evidence on a number of selection criteria, including service requirements, maintenance, and finance. Only registered CHPs subject to the former SA Co-operative and Community Housing Act and, from 2014, the National Regulatory System, could apply.

Junction & Women's Housing (hereafter Junction; for Mitchell Park) and AnglicareSA Housing Ltd (hereafter AnglicareSA Housing; for Elizabeth Grove) were announced as the successful CHPs, and contracts were signed in May 2015 (Housing SA, 2015). Both of these CHPs have a small number of pre-existing tenancies or other service provision capacity in the two estates respectively prior to the transfer announcement. The transfer of management officially took place on 24 October 2015.

## 4.2 Planning and early implementation: Housing SA and CHP experiences

Rather than title to the properties being transferred, the CHPs are taking out a long lease. Government stakeholders reported a range of reasons for this, including:

- the experience of the debenture program made the SA Government cautious
- concern about reduction of net worth of state assets
- retaining title helps retain some control over social housing policy outcomes, and
- it is not necessary to the objective of improving maintenance.

Leases rather than title transfer is illustrative of the BPSC Program overall, as a way for the SA Government to test transfers on a relatively small scale. Senior staff at CHPs had somewhat divergent views on this question. Representatives from one CHP described themselves as reasonably happy with long leases, although they questioned the '3+20' year arrangement. In their view, this approach might have been seen to have 'political attraction' but it has practical drawbacks because it impedes the ability of CHPs to borrow against short-lease stock for improving local amenities and the housing stock, but also in offering longer term tenancy agreements/commitments (or even to offer lease renewals with terms extending beyond the three years). Without transfer of title, interviewees also noted that the initial 3-year 'testing period' also presented barriers for the CHPs in borrowing against the assets, constraining their ability to implement and the scale of upgrades. They also argued that the flexibility of the arrangement for government was illusory, because it is highly unlikely that the 3-year contracts would not be extended.

On the other hand, representatives from the other CHP said that the refusal to transfer title reflects the government's need for power and control (this aligns with what government representatives themselves said), and that some of the usual conditions of a long lease which advantage leaseholders were not in place. They said that consideration should be given to arrangements for a transfer and return to government, as in commercial facilities.

Stakeholders also made the point that BPSC has not completely shifted risk from government to the CHPs, because if the CHPs experience serious financial difficulty, it is understood that the government will intervene. Phase 2 of the transfers will increase stock (through development by the successful CHPs), and is more complex, ambitious and risky.

Frontline staff said in interviews that they are treating the transfer as long-term rather than for just three years. The initial 3-year period has, however, provided a number of challenges, partly for asset planning, but also in tenancing vacant properties and extending tenancies. For example, a number of the transferred properties were vacant, and new tenancies put in to these properties can only go on until the 3-year initial term is up. Another example is if a tenant's tenancy expires during these three years, they also cannot

be given a new/extension tenancy beyond the 3-year period. In relation to the 3-year leases a frontline staff member said: *'It's just a complexity that is not needed really.'*

#### 4.2.1 Procurement

Interviews with the CHPs and SA Government noted that the costs of tendering for BPSC contracts were substantial. However, interviewees also found it difficult to identify any obvious improvements that could be made to the selection process.

The procurement process was resource-intensive for government through a 2-stage selection process. Stage 1 (initial EOI stage) was designed to 'see who was in the space' and test organisations' capacity, to produce a shortlist for stage 2, where shortlisted organisations were requested to submit more detailed proposals (the RFP stage). This was intended to provide for competition without excessive cost to the sector. During stage 1, some initial outlay was required, and costs were associated with site visits, senior public servant work hours, and expert advisors, especially financial advisors. The state government could have done the financial work just as well, but it was felt that 'independent financial analysis' was needed.

From the perspective of senior staff at the CHPs, the 2-stage selection process was seen as well-designed. While incorporating an open, competitive process, the restricted number of organisations invited to tender helped to limit system-wide transaction costs. Nevertheless, both CHPs noted that significant resource inputs were required in the tendering process and the 'negotiations' period between announcement of tender outcome and signing of contract.

The interim step involving tender specification 'exposure draft' publication was welcome from the CHP perspective. This enabled potential bidders to view and comment on possible improvements to the text. Government stakeholders were also happy with the 2-stage process.

The SA Government has a policy, formalised since the BPSC selection process, for giving a preference in procurement to local agencies, to support employment. Nevertheless, through the process, the limits of the capacity of the SA community housing sector became apparent. SA's largest CHP declined to participate because they were already heavily geared and BPSC was too small in scale. More generally, the CHPs struggle with IT, accounting and conveyancing.

Interviews also discussed the questions of CRA and how much planning for the future can be based on the assumption that CRA arrangements will continue. Although CRA is not essential to the CHPs, significant changes could result in a decline in revenue and these would have an impact on the timeframe in which repairs could take place.

## 4.2.2 Housing SA-CHP arrangements, contracts, relationships

A novel feature of the BPSC Program, by comparison with earlier transfers in other states, is the way that tenancy transfers have been treated. The use of concurrent tenancies reflects a process in which a switch of landlord was effectively mandatory, rather than voluntary. The associated process simplification was greatly appreciated by Centrelink, as well as by the participating CHPs – *'no bad media and no tenant complaints'*.

The selection of sites was also thought to have helped the transfer. From the perspective of government, there were no anticipated significant challenges associated with communities in the sites: Housing SA is 'popular' there, with relatively high levels of tenant satisfaction. Tenants have been told 'nothing will change' and have seen the transfer as merely a change in management. They said that no great promises were made, and concurrent leases made the transfer straightforward. As noted below, however, the CHPs expressed some concern that in early efforts to reassure tenants about the benefits of the transfer, some promises were made to tenants about repairs and enhancement that may be hard to deliver in the short-term.

The shift of the program management from Housing SA to Renewal SA in 2015 was significant. When it happened, it appeared to one of the CHPs that 'serious consideration' was given to pulling the program, because Renewal SA was not happy with 'fundamental flaws' in the model and transfer sites. However, senior managers from the CHPs said that over the process Renewal SA has, relative to Housing SA, been more respectful of CHP skills and open to CHPs redeveloping property where appropriate.

Frontline staff in the CHPs said that Housing SA maintained a fair bit of control over the procedures and timing of the transfer, which confined what they could do: *'we were reacting rather than planning'*. They said they would have benefitted from a more collaborative approach. They also said that the shift from Housing SA to Renewal SA made continuity in communications challenging. It would also have been beneficial to have more information about the tenants passed onto them (and early on) rather than needing to build up each case file from scratch, e.g. if a tenant had a stroke and therefore required additional attention, if they were in credit with their bills/rent (and what kind of credits they were, i.e. for rent, water) etc. Credit transfers from Housing SA to the CHPs were also slow, which inconvenienced some tenants or caused them to sit in arrears in their system.

The key commitment for CHPs, under the transfer contract, is to direct a specified annual level of expenditure towards repairs and maintenance, broken down into four constituent elements – where 'backlog maintenance' is specifically identified as one of these. The aim of the exercise is to bring the properties up to an agreed standard by eliminating the maintenance backlog. However, since this does not have to be achieved within any prescribed period, the recipient CHP is exposed to only a limited level of risk.

From the perspective of the CHPs, the contract terms are seen as potentially problematic when it comes to 'exogenous risk'. Especially in the SA context, this includes site contamination: *'We've got a public housing stock that was mainly built near where there were industrial jobs so it wouldn't be surprising if there were cases of [previously undiscovered] industrial contamination that come to light in future'* [stakeholder interview].

One aspect of the contract designed to mitigate risk is the 6-month window for the receiving CHPs to hand back problematic properties. Almost all properties (95%) were inspected prior to transfer – though it appears now that the condition of properties may be worse than initially assessed (at least partly because of the delay between tendering and transfer). At the time of interview, a month into the contract, a small number of homes that could be passed back under this provision have been identified, but there were no plans to do it.

In general, the terms of the arrangement seem clear to all stakeholders. Maintenance and property standards are clearly stated in Housing SA manuals and specifications. All proposals for property redevelopment and disposals must go to Renewal SA for approval, and insurance is the responsibility of Renewal SA.

### **4.3 Summary and key findings**

The planning and early implementation of BPSC seems to have been well managed and a positive experience overall for stakeholders from government agencies and the CHPs. CHPs and others described a number of challenges and costs, however BPSC is seen as an opportunity to improve properties and tenant outcomes in the two sites, and to identify effective strategies that can be used in future, larger-scale transfers.

The key findings relating to early outcomes of the transfer, particularly the experience of government agencies and NGOs, include:

- Although efforts were made to reduce the costs associated with procurement, the costs to both CHPs and government were substantial.
- The 2-stage selection process (initial EOI stage followed by RFPs to selected tenderers) was valued by the CHPs.
- The use of concurrent tenancies streamlined the transfer process and was valued by Centrelink and the CHPs. This process means that the switch of landlord was effectively mandatory rather than voluntary.
- The '3+20' long lease arrangement presents challenges to CHPs that transfer of title would not, however this is also less risky to both governments and CHPs than title transfer.

- The key accountability for CHPs is to bring the properties up to an agreed standard, however this does not have to be achieved within a specified period.

## 5 Findings: early transfer outcomes

The BPSC Program objectives, as set out in the program logic, include that at the commencement of the transfer, tenants are satisfied with the transition process including communication and service continuity. This transitional goal supports the two main objectives of the BPSC Program: (1) improved property conditions, and (2) improved tenant outcomes.

### 5.1 Satisfaction with the transfer: planning and early implementation

#### 5.1.1 Being informed of the transfer

In focus groups, tenants said that they found out about the transfer by mail. This was followed by visits by both the CHPs and Housing SA. In one site, the CHP also held several well-publicised meetings in a local community centre where tenants could get information and sign transfer forms.

Frontline CHP staff confirmed that initial communication to tenants was via a letter from Housing SA, and CHP staff did not have contact with tenants at this point. All tenants received at least one home visit; first a joint visit with Housing SA and CHP staff, and if additional visits were required, these were generally carried out by CHP staff only. This was largely the tenants' first introductions to the CHPs and their staff. These home visits provided reassurance to tenants of the process of the transfer, with some (especially older tenants) feeling unsure or scared. The home visits also introduced tenants to their new tenancy managers; this information was reiterated in written form (letter).

Tenants, community housing sector stakeholders, and local stakeholders all said that both Housing SA and the CHPs had put a lot of effort into communication and engagement with tenants, and that this has had benefits. In addition to public meetings and written correspondence, time-intensive activities such as door-knocking had also taken place. Managerial questions that tended to come to the fore during this phase including pets policy and the limited scope of Housing SA's annual tenancy visits. Overall, tenants in both sites were satisfied with the CHPs and appreciated the efforts made to communicate about the transfer and respond to requests for information.

Staff reported some initial confusion on what the transfer would involve. Tenancy Support Officers (TSOs) recall rumours of tenants thinking that they would need to relocate, about the security of their tenancies, and also a lack of knowledge about community housing. Common concerns included confusing community housing with private rentals, and concerns over their rent increasing. In Mitchell Park, most tenants had not heard of Junction prior to the announcement of the transfer, although some felt reassured by



reading about its history, especially its merger with Women's Housing and its services to victims of domestic and family violence. In contrast, AnglicareSA Housing is a large charitable organisation that is well known within the communities, including in Elizabeth Grove. Initial tenant concerns were therefore not about the credentials of the organisation (unlike in Mitchell Park). There were some concerns, however, relayed by a small number of tenants who attended the focus group, with AnglicareSA Housing being a known Christian organisation and whether they would be required to participate in any religious activities.

Senior managers at one of the CHPs noted that strong commitments were made by Housing SA to tenants about increased maintenance spending and tenant participation, and no net rent increase. They said that local Housing SA officers, in particular, raised expectations: community housing *'is just like the government, but with more money for maintenance'*.

Renewal SA employed four liaison officers to work with the CHPs in the transition period after the successful bidders were announced, from 2013 until the end of 2015. These officers were well-known to tenants and easily contactable. Stakeholders from Renewal SA described other specific activities to communicate and reassure tenants. This included in-person liaison, for example, with the Housing Minister visiting the sites and staying *'as long as tenants kept asking questions'* [stakeholder interview].

An interviewee from an NGO was impressed by Ministerial involvement in engaging with tenants prior to the transfers. The public meetings provided a good opportunity for some dialogue, but this was limited to providing relevant information rather than consultation. The interviewee suggested: *'It will be for the benefit of the whole community but I can't see how the community has shaped it at all'*. The CHP representatives said that there was lots of face-to-face liaison by Housing SA liaison officers, but no consultation, because the decision about the transfers had already been made and was non-negotiable. The peak NGO interviewee said that management of the handover generally seems to have worked well, especially the idea of a transition period in which the new landlord has been able to mount a local presence and develop familiarity with the tenants.

### **5.1.2 Understanding of the transfer process**

Tenants had varied levels of understanding about the transfer process, which was evident during tenant focus groups. Some were not clear that Housing SA still owned the properties, and wondered if they were now renting privately. Tenants were also not clear about how the transfer would impact them, particularly regarding details about the effect of changes in rent payments and rent assistance. Tenants said that Housing SA advised they would not be paying any more in rent and that any differences in the rent they pay would be offset by rent assistance. In some cases tenants reported that they had received advice

of their new rent before they received advice of their rent assistance, and 'freaked out' (see Section 5.1.3).

Tenants agreed there had not been enough information about rents, although they did say their property managers at the CHPs had been very helpful. Most tenants were impressed that property managers responded quickly to queries, even coming directly to people's homes in response to phone calls.

Tenants also said that their understanding of the reasons for the transfer was improving over time, although some were still uncertain. For example, some said they did not really understand, whereas another said '*until the barbecue [that was organised in one of the communities by the CHP] last week, I really wasn't sure why it was necessary*'. Tenants suggested a number of possible reasons, such as 'privatisation', tenants not looking after properties and lack of staff in the Housing SA.

### **5.1.3 Confusion with CRA**

Given that a key driver of the transfer was the opportunity to secure extra revenue for the CHPs via CRA, the process of managing this was important. There was potential for distress and anxiety to tenants, and this seems to have been avoided through careful management of the process and active communication, although some confusion and uncertainties did occur.

Focus groups with tenants indicated that CRA calculations are important to them, and they are very engaged with what they saw as anomalous rent and rent assistance results. For example, one tenant said his rent went up \$20, and his pension increased \$50, meaning that he is \$30 better off each fortnight. Centrelink advised the increase was for CRA, and this was confirmed by the CHP. Another tenant who received the same pension payment was not better off. This tenant said the rent would go up again in March 2016 but the rental assistance would not increase. A couple said they got an extra \$60 a fortnight because each of them received rent assistance. Another tenant was receiving an extra \$50. A tenant who had started a small business was no better off, despite having been told he would be. The focus group discussed this at length but the reasons for these anomalies were not clear to them.

The lag in time for credit transfers and other payment systems were reported to have had an impact on tenants. Some tenants had paid extra money to Housing SA to cover water bills and rent in advance. Tenants were concerned they might slip into arrears if money was not transferred in a timely manner. One tenant rang Housing SA to ask what would happen to this money, and was told it was on hold. One tenant said the CHP was not able to advise what would happen with the money, whereas another tenant said the CHP had advised them not to worry, and that the money would carry over. Tenants were concerned

whether they had to pay additional money to remain out of arrears. One tenant had previously been paying extra for water but the CHP advised him they were not yet able to process payments for water. Another tenant had been six weeks in advance with rent, but the CHP advised it would take 3-4 months for this to be transferred. On the other hand, Housing SA advised they would be sending a water bill in December 2015. Payment for water is usually required within about a fortnight.

Frontline staff reported that tenants were provided with a lot of information regarding the transfer, their eligibility for CRA, the likely amount of CRA that they would receive, as well as information about Junction. The communication strategy, however, was not centralised, so information was being provided by Housing SA and Centrelink, as well as the CHPs. While the information provided was, for the most part, not contradictory, some tenants were confused by the amount of information provided and the transfer procedure. For example, Housing SA sent out a letter to the tenants informing that their tenancy and rent paid to Housing SA would cease on the transfer date; this was done prior to the CHP informing the tenants of the continuation of their tenancy. The CHPs have made sure that their communications with tenants are clear and consistent, e.g. they do not tell tenants that they will not be paying more rent post-transfer but rather that they will not incur additional out-of-pocket expenses. It was TSOs' experience that many tenants (especially older tenants) prefer in-person over written communications (e.g. leaflets and Frequently Asked Questions [FAQ] brochures).

However, the focus groups indicate some ongoing confusion among tenants about CRA and the transfer. The most notable confusion was about the differences in payment timing. Rent is charged in advance (i.e. a pre-payment) while CRA is paid retrospectively (i.e. a post-payment). It is important to note that tenants were never out of pocket because both CHPs made a one-off payment to tenants equal to the CRA amount. However, tenants reported feeling anxious when they learnt about that the payment timing and were concerned that there would be a 2-week period immediately after the transfer where their 'new' rent to the CHPs would not be offset by CRA.

This is a common experience in policy and program changes, in that simply providing information may not be sufficient. Multiple formats and presentations may be necessary, and at different stages of the process. The efforts of the CHPs and Housing SA in providing personalised information on multiple occasions were resource-intensive, but the evidence from the focus groups is that these efforts are needed and necessary.

Tenants in the focus groups were unclear about when and by how much their rent would go up in future, and whether rent assistance would keep up. In particular some tenants were concerned about rent increases in March 2016, but were not clear what to expect, saying '*we'll just have to wait and see*'. The group had a lengthy and animated discussion about these issues. Some tenants reported that they found the rent increase associated

with the transfer confusing. Some had an understanding of the transfer but found it confusing that rental assistance could not be given to Housing SA, instead of a community housing provider. Some thought that if the government had 'helped' the Housing SA financially, the transfer may not have been required.

Tenants also reported some confusion about their individual rents. The initial letter that tenants received explained the changes relating to individual rents in a generic way, but was difficult for some tenants to understand. Public tenants were not familiar with rent assistance and initially did not know if they were eligible. The group and individual information sessions were more helpful and able to provide information specific to individuals and to answer questions.

Frontline staff at the CHPs reported a fair amount of confusion surrounding CRA. Most tenants had no previous knowledge of CRA. Tenants' eligibility for, and the amount of CRA they would receive from Centrelink, was stated in a letter from Centrelink provided to the tenants. Information was also provided in a FAQ brochure. Five tenant information sessions (two included Centrelink staff) were also held in Mitchell Park by Junction to explain how their CRA may be calculated. The most important priority was to reassure tenants that there would be no additional out-of-pocket expenses. There were also challenges in the in-house CRA calculation by the CHPs, with rent for some tenants needing to be adjusted post-transfer because they are receiving a lower amount of CRA than anticipated.

A senior manager from Centrelink senior said that they were notified of the potential transfer when it was first announced as they handle Centrepay for a large number of tenants and to provide as seamless a transfer experience as possible. They were also informed to calculate CRA eligibility and amount for the transfer tenants. Additional staff were put on and dedicated to the transfer process, and training was provided to both Junction and AnglicareSA Housing staff on CRA, Centrepay and other Centrelink services. Transferring tenants needed to provide Centrelink and CHPs with consent to allow the two CHPs to calculate and arrange for CRAs. Interviewees said that, on reflection, more time could have been spent with the CHPs to help with the procedures and CRA/rent calculations.

From Centrelink's perspective, both CHPs and Housing SA were very cooperative and delivered all the relevant information when needed so the transfer was as seamless as possible. The difference in calculations (and payments) in rent (in advance on a weekly basis) and in CRA (in arrears on a daily basis, depending on eligible individuals who live in the household) caused more confusion among tenants and the CHPs. In the long view, there should be minimal/no additional out-of-pocket costs to the tenants.

### 5.1.4 Expectations and concerns

Tenants were not given a choice over whether to transfer or not, but existing tenants have been guaranteed that the transfer will result in no detriment. The CHPs provided options on how tenants could pay their rent, including via Centrepay, direct debit and rent-sharing.

Overall, the tenant focus groups indicated some concerns about the CHPs but also optimism about the potential for new initiatives and services in the communities.

In the tenant focus group in Elizabeth Grove, there were some mixed reactions about the transfer to AnglicareSA Housing. Some tenants were surprised to learn that AnglicareSA Housing managed housing; others were concerned that having the property managed by AnglicareSA Housing would mean that they '*would have to do some sort of church crap*', and that they might have to go to religious meetings. These tenants had had negative experiences previously with charities that had offered assistance conditional on some involvement.

Some tenants noted that other SA properties that were previously transferred to/purchased by AnglicareSA Housing had been redeveloped. They did not know what had happened to the tenants. Some tenants were also worried that there would be repercussions because their houses were larger than the current household allocation standards, and may therefore be asked to relocate to a smaller property or share their home with other tenants.

Some tenants reported receiving information via newsletter that AnglicareSA Housing was going to start a community garden and that they were seeking volunteers to visit people who were housebound. Some tenants were concerned that they could not take at face value the information that their involvement in these types of activities would be voluntary, and one tenant was concerned that there would be pressure to be involved.

On a more positive note, the focus group noted the involvement of AnglicareSA Housing in a new sporting program. The City of Playford and the Roger Rasheed Sports Foundation are partnering to develop a sports hub in the Secombe Street reserve in nearby Elizabeth Vale. AnglicareSA Housing is involved with this project in promoting the delivery of ongoing sports programs, together with the other partners. One tenant noted that some past developments in the area had been 'let go' and expressed the hope that this initiative would be properly maintained, a view which was echoed by another stakeholder. Tenants generally thought that additional facilities such as this were needed in the area.

In the Mitchell Park focus group, tenants reported feeling that the transfer would, over time, change the community in a positive way. One Community Reference Group representative was doing a course, funded by Junction, in building communities. Mitchell Park tenants had been invited to the Junction Christmas party to be held in Morphett Vale about 20km

south of Mitchell Park, where Junction has operated for some time. Tenants welcomed the opportunity to meet people from other districts.

Stakeholders from government and NGOs noted the fairly low-key responses of tenants to the announcement and management of the transfer, with the exception of a campaign from the SA Public Tenants Association. There is reportedly a view held by some in the sector that SA transfers have been fairly limited so far because of government caution in the face of claims that transfer amounts to a damaging form of privatisation. Privatisation concerns have also been encouraged by a '*Liberal Party scare campaign*'. In practice, however, none of this has been seen to evoke a lot of debate.

## 5.2 Improved property condition

As identified in the evaluation requirements, improved property conditions are to be achieved through:

- a) addressing of maintenance liability, and
- b) improved future programmed and responsive maintenance services.

An assessment of all the properties was conducted prior to the transfer. This provided each CHP a list of maintenance and repairs responsibilities to work through. These repairs and maintenance are expected to be financed by the CRA revenues. Interviewees from the CHPs said, however, that the 3-year initial transfer of management provides little scope for significant regeneration. Where needed/agreed with Housing SA, CRA revenue is also expected to finance property redevelopments.

At the time of assessment (early 2015), the average maintenance liability per dwelling at Mitchell Park was \$17,000 and about \$14,000 at Elizabeth Grove. In our interviews and staff focus groups, both CHPs confirmed that they would reassess the properties to get a more current picture of property conditions.

Interviewees also expressed confidence that, in contrast to the previous debenture model, a program like BPSC is a step change for the SA community housing sector which provides CHPs more freedom of manoeuvre and scope for regeneration where needed.

At this early stage of the transfer program, little maintenance has been conducted, but both CHPs noted the drafting of a maintenance plan and program for their stock, which will be carried out over time, including which properties will be prioritised for more urgent repairs. A fuller assessment of these plans and programs will be conducted as part of our final evaluation.

## 5.3 Improved tenant outcomes

The evaluation is to measure community and tenant satisfaction with the transfer in each site, and improved tenant outcomes that are to be achieved through:

- a) Improved property condition
- b) Improved tenant engagement with their housing provider, the wider community and relevant support services
- c) Place-making initiatives for the benefit of tenants and the wider community, and
- d) Provision of property-related 'affordable living initiatives' to help reduce tenants essential service costs (i.e. power, water).

### 5.3.1 Tenant outcomes related to improved property condition

As noted in the previous section, few substantial repairs and property upgrades had been conducted in the short time between the transfer and the data collection period for this report. Several tenants, however, noted that they had already requested maintenance and repairs from their new landlord. They said that responses to such requests were generally very quick and seem to be an improvement to their previous experiences with Housing SA. They felt that they had a better response, receiving more personalised service and were '*not so much of a number*'. Tenants generally thought that things were better since the transfer, but at the same time were adopting a '*wait and see*' approach. This objective will be explored in greater detail in the final evaluation report.

### 5.3.2 Improved tenant engagement with services and community

Improved tenant engagement with their housing provider, the wider community and relevant support services is an objective of BPSC. Frontline staff from the CHPs understand that the objective of the transfer is to offer more focused and personalised service to tenants, through increased opportunities for community engagement and tenant participation that otherwise could not be delivered within the public housing system. There is also the additional objective of improving the liveability of the properties that have been transferred, the maintenance and upkeep of which has been to some extent neglected, especially within the wider Elizabeth area:

*Always preeminent is the community involvement and how we can... lift the profile of the area. They are battlers. It's a high unemployment area. How can we lift that connectivity between neighbours? [CHP staff]*

Frontline staff from both CHPs said that considerable resources had been invested in building connections with tenants and community partners, and they were already seeing the benefits of these investments. For example:

- a much higher staff-to-tenant ratio than previously of full-time tenancy workers
- Community Development officers (Mitchell Park and Elizabeth Grove) and a Tenant Engagement Officer (Mitchell Park)
- shopfront presence of the CHPs in the sites
- specific resources for property inspections, upgrades and maintenance. Both CHPs plan to inspect all transferred properties and plan maintenance and upgrades accordingly.

## **Shopfront presence**

The most significant tenant engagement and improving tenant access to CHP staff is the setting up of customer service offices onsite in both transferred estates. This was an activity specified in the BPSC program logic. Frontline staff of both CHPs recalled during interviews that the number of residents (transferred tenants and other local residents) who visit the offices have continually increased since the offices first opened. The visits may be for specific services, such as seeking clarifications on their CRA entitlements, but increasingly there were also residents who visit the offices for social reasons. Several frontline staff recalled residents re-visiting the offices to show their gratitude for speedy services, at times with baked goods or a house plant.

A local stakeholder also reported that a shopfront in Elizabeth Grove has been of benefit. The stakeholder, a local retailer, has seen changes to the small local shopping plaza, especially since the transfer and opening of the AnglicareSA Housing office a few doors down. He noticed that there has been increased foot traffic, which makes him feel safer, and that there had also been a slight increase in business from local residents and the AnglicareSA Housing staff alike.

## **Partnerships with the community, council and service providers**

Establishment of partnerships with the community, council and service providers is included in the program logic as part of what is expected at the commencement of BPSC.

Both CHPs have also initiated a number of partnerships with local service providers, to deliver new services. Interviewees representing AnglicareSA Housing said that as part of a larger organisation, it has the capacity to link tenants to services that are already in place, and to introduce new services to the area. They also said that their approach is holistic. With the exception of tenancy support, services and support are not only available to transferred tenants but to the wider community, and the role of the organisation is in promoting improvements in overall outcomes rather than prioritising housing over others. A similar approach is planned for Mitchell Park, with services likely to be delivered through local partnerships rather than by Junction.



While a number of service provision partnerships and referrals already existed prior to the transfers, these were enhanced as a result of the BPSC Program, and new partnerships were formed. Local service providers in Elizabeth Grove and Mitchell Park plan to work with the CHPs to provide new services and better integration of existing services, facilitated in part by the community development resources that the CHPs will invest. Possible new initiatives discussed include age-specific, non-housing services to older tenants such as wellness programs or home care packages.

Examples of involvement in partnerships by the CHPs are:

- In Elizabeth Grove, a currently disused parcel of land will be transformed from early 2016 onwards into a multi-purpose sportsground including tennis courts, basketball courts, etc. This is a partnership between the Roger Rasheed Sports Foundation and the Playford City Council, with promotional support from the Anglicare SA housing team.
- In Mitchell Park, services are working towards sharing resources with the Community Development Officer in order to reduce duplication and increase service reach. E.g. there is discussion for the Tenant Engagement Officer to be based at MarionLIFE, a local support organisation with long associations to the Marion City Council area, and one of the neighbourhood centres in Marion City one day per week.

Tenants who participated in focus groups in Mitchell Park were enthusiastic about these engagement activities. Tenants reported the CHP had organised a bus trip for some of the older tenants who were in retirement housing, and who did not get out much. The trip focused on showing what community facilities were available, for example hydrotherapy and the public library. They said this had been very successful, and that participants were 'still talking about it' and were socialising with their neighbours more. Participants said the CHP had also organised a tenants' barbecue and there was agreement that this had been a good opportunity to meet neighbours and follow up any queries with staff. An excellent playground was provided for children. Tenants were strongly of the view that activities that assisted people to get to know, trust and support their neighbours, would be valuable.

## **Other tenant engagement activities**

AnglicareSA Housing reported holding both consultation and recreational community development activities in the first few months following the transfer. Consultation activities included an initial Tenancy Advisory Community Meeting held in November 2015, community surveys conducted in December 2015, and a community meeting in January 2016 where feedback was taken from residents in small groups. AnglicareSA Housing reported that tenants responded very positively, stating that they were not used to being

asked for feedback. They encouraged the CHP to continue seeking their views. Community recreational activities included Christmas celebrations attended by 170 people where residents filled the roles of Father Christmas and the Master of Ceremony, and children received gifts.

Junction also reported putting time and effort into building relationships with tenants, and that personal visits and contact had been important in addressing initial scepticism and concerns. These initial concerns included fears that people would have to move, and that homes would be redeveloped. Staff reported a noticeable difference in how tenants now react with them than when they first came on site. Tenants also leave compliments in person, phone message or via email on the speediness of response. According to frontline staff, tenants are receiving a more personalised and responsive landlord service for tenants post-transfer. The maintenance team was especially trained to be respectful and follow strict protocol on calling ahead, etc. This is a legacy of both Women's Housing and Junction prior to merger.

In Mitchell Park, tenants were very positive about the community meetings held by Junction, describing them as 'very good', saying that they 'learnt a lot' and that tenants could 'ask them [Junction] anything and they would give you an answer'. One tenant said that one of these meetings 'really turned the tables' in terms of tenants feeling positive about the transfer. They believed that they had an opportunity to be able to respond to the news of the transfer and that there was '*massive communication*'. Tenants reported that although some individuals were worried about change, '*it was done very gently*'. Some tenants were still concerned, but had found the information provided so far reassuring. They said getting information from Junction was really easy. Tenants reported that Junction had been very responsive. Comments included '*they're actually doing a really good job*', '*they're out in a flash*', '*everything here has been spot on*' and '*110%*'. Tenants appreciated having a nominated staff member as contact, and that this person knew them personally.

For the most part, the frontline staff at both CHPs believe they have successfully achieved (and in some ways, exceeded) the objective of tenant engagement and improved service provision. For example, the three TSOs assigned to the Mitchell Park estate were asked to dedicate all their efforts on transferring tenants the fortnight prior to the transfer date (all TSOs were still responsible for other tenants in surrounding areas; all non-essential and non-emergency responses were taken care of by other TSOs not associated with the transfer). There is, however, a sense that most of the effort to date has been focused on the transfer, and there is now a need to focus on the day-to-day tenancy management and service delivery. This groundwork will assist the CHPs to further develop their client-focused tenant-led approach, as set out in the program logic.

To date, on-going assessments on the transfer and tenant outcomes have yet to be devised. Face-to-face feedback is the main form of feedback the CHPS are receiving from tenants, which is predominantly positive despite issues with CRA payments and credit transfers. Staff also understand they are still in the 'honeymoon period'; tenant perspectives may change as time passes and longer term, ongoing plans need to be put in place.

From the perspective of senior managers at the CHPs, the objective of these tenant engagement investments is that tenants will see the post-transfer service as 'more responsive, more personal'. In contrast to the previous status quo, every tenant will know the name and phone number of the CHP staff member responsible for managing their tenancy. It is hoped that there will also be a favourable reaction to the change in tenancy inspection practice, that these will now encompass tenancy, support and property-related matters rather than the quality of the dwelling alone.

Initial CHP feedback suggests that important strategies for CHPs include:

- a strong project governance structure
- detailed implementation and communication plans
- strong customer/client focus
- redeployment of existing staff for new projects such as the transfer, and backfill their roles.

More detailed data on CHP experiences will be included in the final report.

### **5.3.3 Place-making initiatives**

Both CHPs noted working in partnership with several local businesses and existing services to deliver place-making initiatives and support services. In Elizabeth Grove, for example, a partnership has already been struck with the Roger Rasheed Sports Foundation and the Playford City Council in constructing a new sporting facility on the estate.

### **5.3.4 Affordable living initiatives**

At this early stage of the transfer there were as yet no reports of affordable living initiatives to help reduce tenants' essential service costs, such as power and water. More information on this outcome will be included in the final report.

## **5.4 Summary and key findings**

Housing SA and the two CHPs put significant effort into communication and reassurance with tenants, which from their perspective have been successful. Stakeholders from each

of the organisations said that, while tenants expressed initial anxiety and reluctance, relationships were much warmer now. Tenants in focus groups are largely optimistic about the CHPs and expressed few reservations about the transfer, although some anxieties were expressed.

The key findings relating to early outcomes of the transfer, particularly the experience of tenants, are:

- Tenants valued the multiple forms of communication and engagement provided by both the CHPs and Renewal SA, and the responsiveness and availability of staff.
- Tenants also valued the presentation of information in multiple formats, i.e. in letters and at public meetings
- Information on CRA is very important to tenants, and the timing of information is important. Some tenants got information about the rent increase before CRA, which led to confusion and worry.
- Credit transfers for rent or water paid in advance were slow and caused anxiety. Tenants have presumably paid in advance because it is important to them that they not go into arrears.
- The shopfront presence of CHPs in both communities was the most significant tenant engagement strategy and has reportedly been highly successful.

## 6 Summary and conclusion

### ***Planning and early implementation***

BPSC was announced in mid-2013 in the context of the 2009 Housing Ministers' Conference which agreed on a 5-year target of transferring up to 75 per cent of housing stock to the community sector, and the financial unsustainability of public housing, given CHPs' access to tax and other financial benefits not available to public housing. These include CRA, which serves as a source of income to the CHPs for improving properties and for community initiatives, such as place-making activities, as well as enabling financial leveraging.

From the perspectives of CHPs, the benefits of being involved are opportunities to meet social objectives and improve community outcomes. There is consensus from different stakeholders that the transfer will enable maintenance and repairs. However, there are different views on whether this will be the primary or sole change. Secondary objectives are diversifying the housing sector, community development and place-making. There are different views on likely changes in better service provision and responsiveness to tenants.

There was a 2-stage procurement process with an initial shortlist followed by shortlisted organisations competing on actual proposals. This process was supported by CHPs and government stakeholders, although it incurred substantial costs to both sectors. The transfer involves CHPs taking out a long lease, rather than title, to the properties being transferred. There are divergent views on the long lease arrangement, however, overall the transfer has gone smoothly. With the exception of delays in credit transfers from Housing SA, the communication and information process was well-received and appreciated. The use of concurrent tenancies in which a switch of landlord was effectively mandatory rather than voluntary is distinctive to the BPSC Program, and made processes simpler for Centrelink and tenants.

### ***Qualitative baseline findings***

The BPSC Program objectives and program logic indicate the domains in which outcomes are expected. Findings on each of these will be included in the second and final evaluation report. The domains are:

- Management and governance: including vacancy management, rent policies, housing allocation
- Property maintenance
- Community development and affordable living initiatives

- Tenant satisfaction
- Other tenant outcomes: access to financial benefits such as CRA
- Service delivery.

In relation to tenant outcomes, at this baseline data collection, it appears that tenant satisfaction with the transition process was high. Tenants expressed positive views about the responsiveness of CHPs, and valued personal contact from CHP staff. CHPs noted that much lower staff-to-tenant ratios and the local presence will make a difference to contact between housing providers and tenants, and improve service.

In relation to property maintenance, the two CHPs have set up local shopfronts and consumer reference/advisory groups, which were viewed by tenants as positive. The CHPs intend to inspect each of the transferred properties and plan maintenance and upgrades in response to property condition. Tenants welcomed the attention to maintenance as well as community and recreational activities, such as bus trips around the neighbourhood and partnerships to deliver new services.

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# Appendix A Focus groups and interview schedules

## **Clients**

### Being informed of the transfer

- How did you first hear about the transfer to CHP? What were your initial reactions? Were you given any opportunity to respond to the proposal? How?

### Understanding of the transfer process

- Do you understand why the management of this estate was transfer to a CHP? How was this communicated to you

### Satisfaction with support and information offered during and immediately after the transition process

- What kind of information were you given by Housing SA/CHP before, during and immediately after the transfer process? Were they adequate? What other information would you like to have received?
- How were your supported during and immediately after the transfer process? [e.g. personal introduction by 'new' tenancy manager, explanation of change in tenancy rules/expectations/agreement (if any change)]

### Ongoing formal and informal support

- What kind of ongoing support would you like to see provided in the local community? Are any of these already being provided? How have these changed since the transfer (better / worse)?

### Effects (positive and negative) of the transition

- Do you think the transfer would change the local community? How so?
- What do you hope the transfer would do for the local community? And for your household? [prompt housing quality, access to services and support, belonging and connectedness, property maintenance and improvements, community activities and events]



## **Stakeholders**

### Transfer objectives

- a. What are/were the objectives of the transfer program? Where are they set out? Which are the most important? Are you aware of what the transfer objectives were? How were these objectives communicated to you?
- b. How were the objective devised? Did they change as the program was implemented?
- c. How ambitious or realistic are the objectives?
- d. How is the success of the transfer | meeting objectives (to be) measured or assessed? What are the indicators and corresponding performance targets? How are these monitored/regulated?
- e. Has the successor CHP committed to adding value over and above the State Government's objectives?
- f. What is your role in devising/implementing/monitoring these objectives?

### Tenant considerations

- a. What undertakings were made to tenants about implications for tenancy rights, rents, dwelling transfers, property upgrades, succession of tenancy etc?
- b. In what ways were tenants consulted about the proposed transfer – individually or collectively?
- c. What choices/options (if any) were open to tenants?
- d. Did the transfer proposal trigger critical responses or active opposition? How were such interventions addressed?
- e. Did the transfer process involve tenant or community capacity-building?
- f. What are/will be the consequences of the transfer for tenants, in terms of landlord services (how is the CHP service different)?

### Availability of resources

- a. Is there any resource dedicated to the maintaining/upgrading of properties? Is this any different to your organisation's 'normal' budget allocation for property maintenance/upgrades? What about long-term maintenance/upgrade plans?
- b. Is there any resource dedicated to support tenants before/during the transfer process? What about the social objectives as set out in the transfer agreement? How would these be resourced, internally, through partnerships/collaborations, or direct to external partners only?

### Assessment

- a. How well are the transfer projects progressing in relation to their stated objectives and business plans?
- b. In what ways and for what reasons are transfer projects diverging from business plan assumptions?
- c. What do you think has been the impact of the transfer for tenant satisfaction?

- d. What have been the consequences of the transfer for tenant satisfaction?
- e. What unforeseen problems have needed to be addressed?
- f. How might the model and processes of this transfer program inform future programs? In what ways would the model need to be modified?
- g. What lessons were learnt in terms of the transfer process (e.g. timeframes for selecting the successor landlord and effecting transfer)?