

Final Report

A review of housing management tenant incentive schemes

authored by

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for the

**Australian Housing and Urban Research
Institute**

Southern Research Centre

August 2006

AHURI Final Report No. 96

ISSN: 1834-7223

ISBN: 1 920201 08 8



ACKNOWLEDGEMENTS

This material was produced with funding from the Australian Government and the Australian States and Territories. AHURI Ltd gratefully acknowledges the financial and other support it has received from the Australian, State and Territory governments, without which this work would not have been possible.

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ABBREVIATIONS

CHA	Charter Housing Association
IVHA	Irwell Valley Housing Association
SAHT	South Australian Housing Trust
TIS	Tenant Incentive Schemes

EXECUTIVE SUMMARY

This report is the final output of a study undertaken by a team of researchers from the Southern Research Centre in conjunction with the Queensland Research Centre to review the utility of Tenant Incentive Schemes (TIS) in the Australian context. It presents the findings from four state-wide case study investigations undertaken in New South Wales, Queensland, South Australia and Tasmania.

Background

In recent years, State Housing Authorities have sought to develop innovative policies to deal with the challenges inherent in accommodating more high needs households with less funding and fewer resources. Tenant Incentive Schemes (TIS) are one of the most recent of these innovations and they are best understood as schemes to encourage recalcitrant tenants to comply with the conditions of their tenancy and reward those who already do so. For the purposes of clarity, TIS need to be distinguished from other incentive based policies that have been deployed by housing organisations. For example, schemes that have sought to encourage tenants who under-occupy their property to move to smaller a unit of accommodation and cash subsidies to support tenants who become owner-occupiers. The interest in TIS follows on from the publicity generated by Irwell Valley Housing Association (IVHA) in Manchester, UK. Since setting up its own TIS know as 'Gold Star', IVHA has been involved in promoting and publicising TIS as a model for housing services both in the U.K and the Netherlands.

TIS in Australia

There are currently no formal TIS operating in Australia on the scale of IVHA's Gold Star scheme. The South Australian Housing Trust (SAHT) has established a 'Customer Recognition and Reward Scheme' in each of its regions. This recognises tenants judged to be making a positive community impact. The Trust is actively considering a broad based scheme. All other States and Territories except Victoria have established targeted award schemes, such as prizes for tenants who maintain tidy gardens, but none has plans to implement a large scale TIS.

Aims, Objectives and Research Methods

The overall aim of the study was to assess the utility of TIS for State Housing Authorities by assessing their usefulness in encouraging public housing tenants to take a greater stake in their housing and as a model of service delivery by State Housing Authorities. The specific objectives of the study were to:

- Examine the potential benefits and possible problems of TIS for: service delivery, tenant satisfaction, community well-being and staff/organisational culture.
- Appreciate the issues involved in developing a model to successfully implement a tenant incentive scheme.
- Explore some of the ways in which TIS can be evaluated.

The key data collection methods for the Final Report included: twenty-three semi-structured interviews with housing management staff; fourteen interviews with community and peak body representatives and five focus group discussions with public housing tenants across New South Wales, Queensland, South Australia and Tasmania.

Key Findings

1. *The potential benefits and possible problems of TIS*

The discussion of TIS potential benefits and possible problems covered three main areas: service delivery; tenant satisfaction and community well-being and; the impact for State Housing Authorities organisational culture.

Service delivery:

- Some interviewees saw TIS as a way to decrease staff workload in the long term and provide a higher standard of delivery based on customer service principles.
- A minority of interviewees were more circumspect and argued that the implementation of TIS would probably increase staff workload initially. It could also seem to contradict Housing Authorities' objectives if, for example, it was perceived to reward tenants for what they should already be doing or to reinforce the notion that bad behaviour will be tolerated or to develop a dichotomy between perceived 'good' and 'bad' tenants.

Tenant satisfaction and community well-being:

- On the one hand, TIS were seen to have the potential to increase tenant satisfaction by recognising tenants who comply with the conditions of their tenancy; they could perhaps even influence the behaviour of tenants with regards to both property care and community participation.
- On the other hand, respondents also saw TIS as having the potential to increase inequalities between tenants, generate bad feeling and fuel intra-community conflict.

Staff/Organisational culture:

- TIS were seen to have the potential to improve staff satisfaction and the culture of housing departments by enabling staff to focus on positive aspects of the job.
- However, concern was expressed over the extent of changes to departmental structures that would be required and the availability of resources to enable this.
- Concern was also raised over the impact a tenant incentive scheme may have on other tenancy issues. In New South Wales, for example, a mismatch between the philosophies behind TIS and the increasingly rigorous approach being taken by the State's housing department was also seen as problematic.

2 *Issues in developing a model*

- There was little support in the four case study areas for large-scale TIS modelled on IVHA's Gold Star scheme.

- However there was support, particularly in South Australia and Tasmania, for less ambitious schemes that reward tenants who consistently observe the terms of their lease. The establishment of such schemes was seen to require commitment from staff, adequate resources, widespread consultation with tenants and a review process to test the efficacy of the model.
- Many housing staff said that the organisational capacity to implement a tenant incentive scheme is limited because of competing pressures and commitments. Furthermore (especially in Queensland) tenant participation practices are already well established and there was a view that any new TIS would need to be embedded within existing practices rather than superimposed onto them from 'above'.
- In terms of resident involvement, housing staff in all four States recognised that encouraging the involvement of tenants with high level needs is problematic and labour intensive. Yet tenant engagement was possible so long as schemes were innovative, not too complex and featured benefits to tenants that were clearly evident.
- In South Australia, the 'Customer Rewards and Recognition Scheme' has been established across the State. Although housing officers were generally positive about the scheme, it was clear that some housing staff were anxious about its impact in terms of their time and therefore its consequential effect on other areas of service delivery.
- While there was generally some concern about the availability of resources to implement a tenant incentive scheme it was nevertheless also seen as potentially useful in reducing rent arrears, vacancies and vacancy costs.
- Consideration of the IVHA Gold Star scheme's financial modelling and the key performance indicators in the Australian context suggested that the implementation of a small-scale scheme similar to Gold Star would be expensive. However, the potential for saving might be greater if extended to large numbers of households.

3 Possible methods of evaluation

Respondents in all four States saw evaluation as a particularly important issue. It was deemed necessary to establish evaluation protocols at the start of any new initiative. It was considered that good evaluation practices should also entail:

- Assessing both the costs and benefits of the scheme;
- Taking into account both short and long term concerns;
- Recognising the pressures housing staff were under and therefore not being too ambitious in scope and;
- Focusing on critical reflection rather than project promotion.

Pilot projects were suggested as a useful first step in any evaluation process as they could help minimise the risk that can arise in untested larger-scale schemes

Conclusion

This Final Report concludes with a discussion of the policy implications to emerge from the research, namely:

- There is little support in Australia for large-scale schemes such as Irwell Valley's Gold Star scheme. Support for TIS is limited to straightforward models that are not too expensive or ambitious.
- The costs of TIS are unlikely to generate large savings for State Housing Authorities unless rent collection practices can be enhanced significantly and empty properties' turnover times can be reduced.
- The high level of need amongst tenants already presents considerable challenges for housing staff. Any plans to implement TIS should take into account existing staff workloads.
- TIS are policy instruments that focus on the individual tenant. Unlike collective or structural responses, interventions of this kind cannot address the systemic problems within public housing. TIS are best seen as additional tools for housing officers, rather than comprehensive solutions for the complex set of challenges that confront State Housing Authorities.

1 INTRODUCTION

This report is the final output of research undertaken by the Southern Research Centre in conjunction with the Queensland Research Centre to review housing management tenant incentive schemes. Previous outputs include a Positioning Paper that provided a review of international literature and a summary of existing schemes deployed by State Housing Authorities in Australia. The Final Report develops the earlier research outputs by presenting the findings from the four case study investigations undertaken in New South Wales, Queensland, South Australia and Tasmania. The report begins with a discussion of the policy context and summary of the literature that was reviewed in the Positioning Paper and a reiteration of the aims and objectives of the research project. Chapter Two sets out the methods of research and data collection techniques that have been used to answer the key research questions. Chapters Three to Five present the findings of the research project. These chapters are organised thematically to show how each of the research questions has been addressed. The concluding Chapter summarises the overall research findings and sets out the key policy issues that arise from the research project.

1.1 Policy context

In recent years, State Housing Authorities have sought to develop innovative policies to counteract the effects of declining funds and a tenant profile that is increasingly characterised by high and complex needs. Such policies include, for example, the establishment of mixed developments, tenant participation projects and private finance initiatives to fund housing renewal. Tenant Incentive Schemes (TIS) can be viewed as one of the most recent of these innovations¹. Their attraction for social housing agencies is that they seem to offer a mechanism to reward tenants who adhere to the conditions of their tenancy as well as an incentive for recalcitrant tenants who do not. The interest in TIS stems primarily from their promotion by the Manchester based social housing landlord Irwell Valley Housing Association (IVHA) whose scheme is known as 'Gold Star'. IVHA has promoted Gold Star as a prototype model. As many as 40 UK housing organisations, and a small number of bodies in the Netherlands, have adopted similar schemes (Housing Today 2003). In addition to IVHA's 'Gold Star', other examples of TIS have been established in the UK including rent discounts, accelerated repair schedules, shopping and leisure centre vouchers and content insurance subsidies.

In any discussion of TIS it is important to contextualise their deployment within the wider setting of housing management practices. Specifically, they must be situated within the ideological discourses that have shaped housing practice in countries such as Australia and the UK. In the Positioning Paper, four ideological discourses were identified as being particularly influential, termed 'social control', 'consumerist', 'managerial' and 'social welfare'. Table 1 below (adapted from the Positioning Paper) encapsulates the essence of each of these four and provides some practical examples of housing policies to which they may give rise.

¹ The project specific focus is on schemes for rewarding existing tenants similar to the model developed by Irwell Valley Housing Association in the UK. It does not address other policies (also referred to as incentive schemes) that have provided cash payments to tenants to relinquish their property or move if under-occupying a large unit of accommodation.

Table 1: Ideological Influences Affecting Housing Management Practices

Ideology/discourse	Explanation	Practical Examples
<i>Social Control</i>	Housing management as an instrument for social control and regulation of the socially excluded	Anti-Social Behaviour Orders Landlord/Tenancy contract
<i>Consumerist</i>	Elevates the rights of housing tenants as consumers of services	Responsive and customer friendly services provision emphasising repairs, maintenance etc.
<i>Managerial</i>	Advances a business paradigm for housing management	Emphasis on the landlord's business functions (e.g. rent collection, void turnover).
<i>Social Welfare</i>	Promotes social equality and universalistic principles	Emphasises welfare of tenants. Housing management as a vehicle for social inclusion (e.g. tenant empowerment and participation strategies).

It is important to note that, in practice, none of these discourses is likely to operate exclusively or in isolation from the others. Individually, their influence can wax and wane depending on a range of other factors. These may include, for example, the range and impact of issues currently encountered by housing officers such as rent arrears, anti-social behaviour and a shortfall in maintenance budgets. In addition, professional interest groups seek to promote agendas that are consistent with their own values and interests (Jacobs, Kemeny and Manzi 2004). In the field of housing practice, housing officers and other front line staff have generally supported *social welfare* discourses while many senior staff within State Housing Authorities have embraced a *managerial* discourse as a way of enhancing their own role within the organisational hierarchy (Marston 2004). *Consumerism* and *social control* have also shaped the values of the housing profession. The former reflects the power of tenants in demanding more accountable services, while the latter is evidenced in the willingness of politicians to promote punitive measures to address anti-social behaviour practices.

To understand the appeal of TIS, it is imperative that researchers locate them within the context of these ideological discourses. It is especially important to recognise that the capacity of TIS to appeal simultaneously to tenants and housing staff stems from the opportunity they offer to be portrayed as vehicles for *consumerist*, *managerial* and *social control* discourses, depending on the audience in question. For example, TIS have been promoted as a means to advance the claims of tenants for a more responsive service, as a way of reducing costs for housing organisations and as a means to regulate tenants' behaviour.

1.2 Contemporary housing practices

Contemporary housing practices are responses to the difficulties and challenges that face all State Housing Authorities. Perhaps the most significant of these is residualisation – a term used to denote that public housing is increasingly the home of poor and marginalised households. Burke (2001) highlights the transformation

from a primary orientation in the past towards working families to a current focus that targets households demonstrating the highest level of need. Recent data from the National Housing Survey (Colmar Brunton 2004:134) indicates as few as 16 per cent of public housing tenants are in work and over 75 per cent are either unemployed or not looking for employment. The changes in the social and economic profile of public housing tenants have substantial ramifications for housing officers. Much of their work now takes place against a background of welfare support for households with a high level of social need. Housing officers are required to devote considerable resources (both financial and in terms of time) to addressing the tenancy consequences of such support needs.

Another challenge is posed by the age of the public housing stock. Much of the stock was built in the 1970s and 1980s and now requires significant financial investment in order to maintain condition and amenity. Yet the funds for public housing have reduced in real terms over the last decade (Burke 2001).

In response to these challenges, State Housing Authorities have pursued a number of strategies. Housing officers have developed community initiatives such as tenant participation and community engagement to alleviate the problems associated with residualisation and declining resources. Alongside such community-focused initiatives, officers have also developed a range of responses targeted at individual households who fail to comply with their tenancy agreements. These include intervention strategies to address problems arising from neighbour disputes and anti-social behaviour. Housing Authorities have also sought to refine their allocation policies to minimise the risk of disputes amongst tenants and to streamline their maintenance and repair service to provide a more responsive service.

Such developments have, to some extent, mitigated the impact of declining resources and increasing residualisation. The evidence for this can be found in the public tenant surveys conducted by the Commonwealth Government. In 2003, 83 per cent of public housing tenants were generally satisfied with their home environment with only 17 per cent of those surveyed stating dissatisfaction (Colmar Brunton 2004).

1.3 Tenant Incentive Schemes

Being recent additions to the repertoire of social housing providers, TIS have not, as yet, attracted extensive investigation. There is very little data available. The principal literature is from the UK. It characterised the introduction of TIS as a suite of positive rather than punitive intervention strategies, designed to complement and counterbalance established housing management practices. Whereas these can be interpreted as overtly (and overly) problem focussed (for example addressing tenancy disputes and anti-social behaviour practices), TIS seek to encourage and endorse positive tenancy behaviours. More broadly, proponents view TIS as a vehicle to deliver a more inclusive model of housing management as well as a means to make savings in the areas of empty property maintenance and rent collection practices.

As already stated, the principal exponent of TIS is the Irwell Valley Housing Association (IVHA) based in Manchester. It manages 6000 properties and established the Gold Star Tenant Incentive Scheme in the late 1990s. As many as 90 per cent of its tenants are members of the TIS and this enables them to receive entitlements such as vouchers for shopping outlets, fast track repair services and

rent discounts. Initially, the scheme was focussed on tenants but now includes leaseholders and owner-occupiers within neighbourhoods managed by IVHA. Tenants can choose to have their Gold Star Service Reward entitlements pooled for the benefit of the neighbourhood (for example in communal schemes). Tenants who join the Scheme but break the conditions of their tenancy (for example by non-payment of rent or anti-social behaviour) can be excluded from the Scheme. Gold Star is generally seen as a positive innovation and as many as forty UK housing agencies have adopted similar schemes. The claims made on its behalf are substantial. It is said to have contributed to decreased rent arrears, to more satisfied tenants (as indicated by surveys) and to the lowest rate of evictions per capita of any UK Housing Association. Other UK Housing Associations to establish TIS include: Andernglen (Glasgow), Aberdeen City Council, Charter Housing Association (Newport, Wales), Castle Vale Housing Action Trust (Birmingham), Family Housing Association (Manchester) and SHAL Housing (Somerset). Like Gold Star, these schemes provide a range of incentives. They include: supermarket vouchers, fast-track repair services, monthly prize draws, bonus bond discount cards and cut price insurance schemes.

However, as was stated in the Positioning Paper, much of the literature, especially on individual Schemes, is promotional. One of the challenges in researching TIS is therefore to provide a balanced assessment founded on objective data. The Positioning Paper proposed three possible approaches to the task: (i) comparing housing organisations that have adopted a tenant incentive scheme with other similar housing organisations; (ii) tracking their performance indicators over a period of time to gauge improvements and (iii) analysing tenant satisfaction surveys. These echo to some extent the Report published by The Housing Corporation (The UK Government's regulatory agency for social housing organisations in England and Wales) which assessed IVHA's management performance (Housing Corporation 2003). In overall terms, the Housing Corporation endorsed IVHA's performance. The management performance indicators showed that IVHA did well in terms of customer service, repair appointments, average time to let empty properties and collection of rent arrears. However, the Housing Corporation queried whether the resources set aside were sufficient to deliver the high level of performance that the Association aimed for. Its recommendations included more regular communication between IVHA and tenants and better feedback on the progress of their repairs. The overall rating awarded by the Housing Corporation was satisfactory.

IVHA's performance measured against critical indicators has improved over time since the introduction of Gold Star, suggesting that the Scheme has contributed positively to overall performance. For example the percentage of tenants and former tenants in rent arrears has declined, the percentage of rent collected has increased and the percentage of properties that are empty has declined. Tenant perceptions of the Gold Star Service provided by IVHA are very positive. A commissioned survey published in 2002 reported that a very high number of tenants approved of 'Gold Star' (only 3 per cent did not choose to join and a further 3 per cent were barred from joining because of breaches in their tenancy agreement).

Many of the positive claims made by IVHA were endorsed in a major report on the transferability of the Gold Star Scheme for the Office of the Deputy Prime Minister (ODPM 2003). The findings were largely positive, particularly with regard to tenant satisfaction and the impact of the scheme as an encouragement for tenants who do observe the conditions of their tenancy. However, the report identified a small number of operational concerns and was somewhat guarded as to whether TIS can actually lead to changes in behaviour. Its conclusion was that TIS are 'unlikely to

have more than a marginal effect' without accompanying changes in organisational culture. The report explored the scope for transferability (i.e. the ease by which other housing organisations could adopt schemes similar to Gold Star) and highlighted a practical dilemma. The costs of introducing TIS are significant. For smaller organisations they could be prohibitive. Very large Housing Associations, on the other hand, might find the establishment costs more manageable. However, the successful implementation of their schemes could be compromised if they were operationally overwhelmed by the tasks of processing eligibility and managing membership issues for such large numbers of tenants.

Evidence to support this perspective, is provided in an internal report that reviews the operation of a TIS established by Charter Housing Association in Wales (CHA 2005:3). The report importance is that it provides a critical review of TIS operation and sets out the reasons why CHA discontinued a pilot TIS scheme modelled on the policies developed by Irwell Valley Housing Association. The report states that the main reason for discontinuing the TIS was because it 'didn't inspire or provoke the interest of tenants to the degree that was originally hoped, coupled with the lack of any direct and attributable benefits to the association from running the scheme'. The report goes on to detail that CHA's TIS provided a range of schemes: for example; discount shopping vouchers for members, 'bonus bonds' for properties left in good condition by tenants and competitions for eligible tenants to win a room or garden makeover. In spite of these incentives, only 400 (13%) of the tenants signed up and housing officers reported that they had difficulty selling the scheme to tenants. However, it was reported that many who did join (mainly those over 55 years of age) appreciated some of the benefits on offer.

For CHA, the TIS did not achieve substantial savings 'as very few tenants were persuaded to address their arrears or tenancy issues in order to become members of the scheme, despite the best efforts of staff' (CHA 2005:4). The CHA experience of TIS is important as it provides a more critical overview of the operation of TIS than those published by Irwell Valley Housing Association or the Office of the Deputy Prime Minister.

As already stated, the main literature on TIS is from the UK, although there is some evidence of similar developments in other countries. For example, in the USA, Canada and New Zealand, TIS have been developed in an *ad hoc* fashion (e.g. prize draws and rent free weeks) and in the Netherlands, some housing organisations have employed IVHA to act as a consultant as they develop incentive schemes (Housing Today 2003). However, to date, there is no published research on the international experiences of the operation of TIS.

1.4 An assessment of the literature

The limited literature on TIS and the fact that much of it is promotional complicates the task of objective evaluation. Nevertheless, a number of risks for housing organisations are evident. First, introducing a tenant incentive scheme will require significant establishment costs. These may be recouped in the longer term if improved management practices lead to savings. IVHA claimed that for every £1 spent on TIS, £2 was saved on default (for example in repairs, rent arrears collection and empty property turnaround times). However, since these claims cannot be verified the full costs of TIS remain unknown. Second, the literature on behavioural modification schemes in the context of social housing (e.g. Jacobs and Arthurson 2003) suggests that some management interventions can exacerbate the division

between tenants who observe the conditions of their lease and those who consistently or regularly breach them. For example, the targeting of perceived 'problem' households can reinforce a feeling of alienation amongst tenants leading to further incidences of anti-social behaviour. The introduction of TIS could have a similar effect, as some tenants will inevitably be ineligible or will find themselves suspended from membership in due course. Third, the introduction of TIS is likely to have an impact on the governance of housing organisations by introducing or emphasising a private sector ethos evidenced, for example, through increasing commercialisation and marketing techniques. The private sector strategy of customer differentiation could clash with other strategic aims of the housing organisation, such as a commitment to universal forms of provision. Finally, research undertaken by Deacon (2004) on welfare contractualism highlights the ways in which TIS and other behaviour modification schemes can impact negatively on third parties: for example, the children of parents who breach tenancy agreements might be adversely affected. However, Deacon concludes that in spite of the difficulties, the benefits of welfare contracts can be significant.

1.5 State and territory housing authority policies

With the exception of the South Australian Housing Trust 'Customer Reward and Recognition' scheme, no State or Territory Housing Authority has yet established a Tenant Incentive Scheme along similar lines to those of the UK housing organisations. However, with the exception of Victoria, each State and Territory does provide small incentive projects to encourage tenants to achieve specific goals such as paying rent on time or keeping gardens tidy. Table 2, reproduced from the Positioning Paper, provides a summary of these different activities. It shows that TIS are at a very early stage of development with only the South Australian Housing Trust in the process of considering an implementation strategy. Unlike the UK, where TIS are promoted by Government agencies and the IVHA, there is no agency in Australia that 'champions' TIS and is engaged in publicising their benefits.

Table 2: Summary of State and Territory Incentives for Tenants

State/Territory	Examples of Incentives for Tenants
Western Australia	Good tenant policy to reward tenants who comply with their tenancy agreement: paint kit, gardening vouchers, increased amenities
South Australia	'Reward and Recognition Scheme' for tenants who act as good neighbours, TIS under consideration but not yet in operation
Northern Territory	Garden subsidy schemes for tenants who are not in rent arrears
ACT	Garden competition, and 'tenant of the month' competition (no conditions on tenants to be eligible)
Tasmania	Gardening competitions, prizes for tenants who attend security expo and building maintenance programme, Centrelink Easy Pay tenants eligible for a prize draw
New South Wales	Small grants for local tenant programmes, gardening competitions
Victoria	None at present
Queensland	None at present though tenant participation practices supported. Changes in rent assessments to encourage eligible tenants to participate in the labour market

1.6 Research aims and objectives

The aim of the project is to gauge the potential of TIS for State and Territory Housing Authorities Within this overall aim, the project has three specific objectives:

- To document and review the use of TIS in the UK, US and other overseas countries and assess their potential for Australian social housing.
- To explore the utility of TIS as vehicles for assisting long term sustainability of public housing.
- To model a range of appropriate TIS for social housing organisations and evaluate their applicability for State Housing Authorities.

The Positioning Paper fulfilled the first of these objectives by providing an introduction to TIS and a review of the literature. Further research was required to complete the project and fulfil the second and third objectives. Specifically, it was necessary to undertake empirical research that engaged with senior housing staff, peak body agencies and tenants to develop:

- A greater understanding of TIS potential in terms of service delivery, tenant satisfaction, community well-being and staff/organisational culture.
- A greater appreciation of the resources and the institutional changes required for TIS implementation and an assessment of the role tenants can play in the development of TIS.
- An appreciation of the methods appropriate to evaluate TIS and the performance measures required to gauge the utility of TIS.

The next chapter builds upon the overview of the housing management challenges for State Housing Authorities that has been summarised thus far. It provides details of the case study locations, the research questions and the conceptual themes that form the basis of later analysis.

2 RESEARCH METHODS AND DATA COLLECTION TECHNIQUES

This chapter provides details of housing management practices in each of the four case study areas and the methods that were used to collect data. As set out in the introductory chapter, the objectives of the research project are: to explore the utility of TIS as a vehicle for assisting long-term sustainability of social housing, to model a range of appropriate TIS and evaluate their applicability.

2.1 Case studies

The four case study locations are: New South Wales, Queensland, South Australia and Tasmania. Together, these four States encompass different housing management practices and organisational structures. A summary of these practices and structures is set out below.

2.1.1 New South Wales

New South Wales' Department of Housing manages 124,000 properties. Officers working for the Department have engaged in a number of innovative projects to engender community well-being (DFaCS 2005). Though there are no specific TIS in place, the Department has introduced employment strategies to assist tenants find work. For example, the Handyperson Program enables suitably qualified tenants to carry out repairs on public housing estates and the Neighbourhood Advisory Boards provide opportunities for tenants to work alongside housing staff in an administrative capacity. In the period 2003-4, Neighbourhood Advisory Boards were operational in fifteen housing estates across the State.

2.1.2 Queensland

Queensland's Housing Department manages 49,000 public housing properties. Like New South Wales it has not established any TIS but it has an established practice of resourcing tenant participation activity and also, for example, funds the Queensland Public Tenants Association.

2.1.3 South Australia

The South Australian Housing Trust manages 46,000 dwellings and is actively exploring options for establishing a Tenant Incentive Scheme. It is expected that TIS will be introduced in two stages. The first will benefit tenants who adhere to the conditions of their tenancy agreement and the second will establish a system that encourages tenants actively to engage in a range of positive activities along similar lines to the Gold Star Service established by the Irwell Valley Housing Association. Currently, the Trust operates a 'Customer Recognition and Rewards Scheme' that enables tenants to be recognised for a variety of positive contributions to their community, including helpfulness and caring concern for neighbours as well as good tenancy practices. Nominations can come from other tenants, housing staff or the public. Prizes are awarded at ceremonies across the State.

2.1.4 Tasmania

Housing Tasmania is the smallest of the case studies, managing fewer than 12,000 dwellings. Though it has no TIS, it has engaged in a couple of small informal projects, for example: gardening competitions and prizes for tenants who attend fire safety exhibitions. Tenants in receipt of Centrelink payments are encouraged to pay their rent via Easy Pay, which automatically debits their Centrelink payment. Those who sign up to Easy Pay are entered into a draw in which the prize is two two-week rent free periods.

2.2 Scoping TIS: potential and data collection techniques

With the exception of South Australia, none of the States or Territories has engaged in any formal assessment of the utility of Tenant Incentive Schemes. The lack of information meant that an important task for the research team was to engage in discussions with senior staff, housing management officers, peak body representatives and tenants. The intention in initiating these discussions with senior staff and housing managers was to explore the range of different TIS models that could be adopted and to gauge perceptions about the utility of TIS for enhancing housing management practice. The interviews with peak body representatives were intended to map the overall acceptability of TIS and gauge some of the ideological criticisms that might be encountered should they be developed. The discussions with tenants were undertaken to probe perceptions of TIS and assess their attractiveness as a policy instrument. A particular aim of the tenant focus groups was to discuss specific aspects of TIS such as an enhanced repairs service for tenants who join TIS and the options for housing departments in dealing with tenants who join schemes but do not comply with the conditions of the scheme. While the data collected cannot be used to make statistically reliable inferences, it nonetheless captures a broad range of perspectives on the concept of TIS and its practical utility in the Australian context.

The following collection techniques were used.

- Five focus group meetings with a cross section of tenants (one each in NSW, Tasmania and Queensland, two in South Australia²).
- Twenty-three semi-structured interviews with senior housing management staff (six each in NSW, Tasmania and South Australia; five in Queensland).
- Fourteen interviews with Community representatives and Peak body organisations (four each in NSW, Tasmania and South Australia; two in Queensland³). An appendix to this report lists the organisations and tenant groups that participated in the study.

² The numbers of tenants who volunteered to participate in South Australia was greater than anticipated so two focus group meetings were held.

³ In Queensland, the number of interviews was smaller than in the other States. This reflects the difficulty experienced in scheduling the Queensland interviews because of commitments within the social housing sector to engage in housing policy reform consultations during the project timeframe. Nevertheless, the information received is still sufficient to draw firm conclusions. The project team acknowledges the invaluable assistance received from Alice Thompson of the Queensland Research Centre in undertaking the Queensland interviews.

2.3 Research questions

The range of questions for State Housing Authority interviewees covered three broad thematic areas: the potential of TIS for service delivery and the organisational culture; model development (i.e. the steps required to implement a TIS and the types of scheme that would be most appropriate) and evaluation concerns. For peak body representatives, the research questions were very similar though more emphasis was placed on eliciting views on the acceptability of TIS in the wider context of social policy. Finally, the focus groups sought to identify how TIS are perceived from the perspective of tenants and to gauge what type of TIS would be supported. The questions explored in these focus groups and interviews are set out below.

2.3.1 TIS potential

What can be learnt from international best practice in the development of TIS?

What are the benefits of deploying TIS in terms of a) service delivery b) tenant satisfaction c) community well being and d) staff/organisational culture?

What problems might arise in adopting TIS?

2.3.2 Model development

What organisational steps are required to develop effective TIS?

What institutional capacity is required to implement TIS?

How can residents be effectively involved in the development of TIS?

2.3.3 Evaluative concerns

How should TIS be evaluated?

What are the implications for tenants who choose not to participate in TIS and participants who break the conditions of their tenancy?

2.4 Data analysis

The interview and focus group discussions were transcribed to capture the range of perspectives on TIS provided by tenants, housing staff and peak body organisations. As a whole, the data collected provided a rich source of empirical material that added an Australian perspective to the information already gleaned from the UK based literature review. The three theme areas (potential, model development and evaluation concerns) provide the rationale for the analysis. The research findings are discussed in the following three chapters. Table 3 below (reproduced from the Positioning Paper) highlights the linkage between the research questions and the themes for analysis.

Table 3: Case Study Questions, Methods and Thematic Areas for Analysis

Case study questions	Methods of research	Themes areas		
		TIS potential	Model development	Evaluation concerns
What can be learnt from international best practice in the development of TIS?	International literature review	√	√	√
What practices are or have been deployed by State Housing Authorities to encourage tenants to take a greater stake in their neighbourhood?	Literature review	√	√	
What are the benefits of deploying TIS in terms of a) service delivery b) tenant satisfaction c) community well being and d) organisational culture?	Interviews, focus groups, literature review	√		
What problems might arise in adopting TIS?	Interviews, literature review	√		
What are the likely cost implications of deploying TIS?	Interviews, literature review		√	
What organisational steps are required to develop an effective TIS?	Interviews with SHA officers, literature review		√	√
What institutional capacity is required to implement a TIS?	Interviews		√	
How can residents be effectively involved in the deployment of a TIS?	Literature review, interviews and focus groups		√	
How can TIS be evaluated, what performance indicators are required to assess TIS utility?	Focus groups with tenants, interviews with SHA officers			√

The data analysis entailed sorting the interview and focus group material into the three different thematic categories set out in the above table: potential; model development; and evaluation concerns. The first thematic category, 'TIS potential', entailed a more theoretical discussion of the potential and the problems that might

arise should tenant incentive schemes be deployed. Interviewees were encouraged to use their own knowledge and expertise to reflect about the TIS as a policy instrument for housing authorities. The second thematic area, 'model development', was more practically focused and interviewees were asked to use their organisational knowledge to consider the issues that might arise should a TIS be implemented. The third thematic area related to evaluation concerns. Here too, the focus was performance related but specifically orientated to finding out how TIS should be evaluated and what mechanisms were required to ensure effective monitoring. Though the data set is not large enough for any statistically reliable inferences, it does enable a thematic analysis of interview and focus group responses that can inform future implementation practice.

3 THE POTENTIAL AND ANTICIPATED PROBLEMS OF TIS

Chapters three, four and five report on the findings of the research project and answer the questions outlined within the thematic categories set out in the previous chapter. This chapter begins with a discussion of the potential of TIS before moving on to explore some of the problems that might arise should TIS be developed.

3.1 The potential of TIS

An important objective of the research team was to explore the potential of TIS and gauge the range of views about its utility. Responses varied in each of the case study areas. For instance, in Queensland, there was only limited support for TIS and many of the interviewees had difficulty in identifying reasons for their adoption. In part, this can be explained by the extent of organisational change already taking place within the housing department and by the support tenants had for the existing participation mechanisms. In New South Wales, there was some that TIS could be beneficial, if properly implemented and resourced. However there was also concern that a rewards system like TIS sat awkwardly with the increasingly punitive approach to tenants' anti-social behaviour currently adopted by the State Government. In Tasmania, the potential benefits of TIS were acknowledged and existing informal and locally based tenant 'rewards' or recognition schemes were seen to provide some of these benefits already. In South Australia, the existence of a formal 'Customer Recognition and Reward Scheme' meant that interviewees could discuss first-hand the experience and potential of a specific incentive scheme. The potential benefits of TIS identified in the interviews and focus groups are discussed thematically under the following headings: tenant satisfaction; community-well being; service delivery and staff/organisational culture.

3.1.1 *Tenant satisfaction*

There were two main issues raised with regards to tenant satisfaction and TIS. The first was the benefits of recognising and appreciating tenants who do 'the right thing'. The second issue was the possibility of TIS influencing tenant behaviour. Housing officers and peak body representatives in all of the four localities recognised the utility of rewarding tenants who comply with the conditions of their tenancy and act as good neighbours. As one SA peak body representative argued:

Bad tenants always get noticed and this means the rest get overlooked.

A housing officer working for the NSW authority provided a similar argument. She suggested that:

Not much is done for the people who have always done the right thing and don't make a nuisance of themselves.

Another housing officer from NSW said:

It seems to many of our tenants that we reward bad behaviour.

Tenants also voiced similar concerns as indicated in the comments provided by a tenant who attending a focus group meeting in NSW. He suggested that:

People who look after their property don't get any improvements on their homes while the people down the road who trash it get it replaced.

This context is important in understanding the attractiveness of TIS, as it is seen as a way of countering the view that the housing authorities concentrate their resources on problem tenants at the expense of the majority. As a Tasmanian officer suggested, a tenant incentive scheme has the potential to:

Get tenants doing the right thing on side and happier and encourage those who break the rules to adhere to their tenancy agreement.

It is evident from these comments that the attraction of TIS as a management model is its potential both to encourage some tenants to act more responsibly and to reward tenants who comply with their tenancy regulations. However, in Queensland the comments were more circumspect, here one tenant felt that schemes could:

Backfire if tenants were forced to participate. It would get people's backs up.

3.1.2 Community well-being

Interviewees in all four States highlighted how community well-being was undermined by the residualisation of public housing. As a peak body representative in NSW suggested:

The rise in the provision of public housing to those with complex needs makes it more difficult to engender community well being.

However, there were divergent views about whether TIS had the potential to enhance community well-being. Some interviewees were positive as is evident in the comments provided by a peak body representative from New South Wales:

Something like [TIS] is never more needed than now, but it's going to need very good workers to carry it off.

However, others were less confident, such as a housing officer from South Australia:

I can't see a community benefit very clearly. I think that has to do with enhancing community self-esteem for (part of) a region. It's difficult to see individual awards impacting on that.

There was some support in all of the States for broadening the criteria of TIS to include civic involvement and for considering rewarding tenant behaviour that contributed to the community. However, it was acknowledged that many public housing tenants contributed to community well-being in many ways as a matter of course, but that this was:

difficult to measure and assess. (Queensland focus group discussant)

In contrast, South Australian housing staff were mainly positive about the Customer Recognition and Reward Scheme already underway:

We had lots of neighbour nominations, which was very positive. Lots of surprises [among nominees] and they created lots of good feeling: people noticed. MPs [who see lots of the problems and can be very vocal and critical] were very positive, loved the ceremonies, were impressed by the stories, wanted to be in the photos, said they never got a change to speak with and celebrate these people otherwise.

3.1.3 *Service delivery*

In terms of service delivery, it was recognised that if a tenant incentive scheme were implemented successfully the workload of staff could be reduced if they did not have to manage as many rent arrears cases and maintenance items. However, it was also noted that implementing a tenant incentive scheme would mean extra workload demands initially, especially if it was viewed as a basis for making savings in areas like rent arrears. As well as perceived improvements in the efficiency of service delivery, TIS were also seen to have a number of potential benefits regarding improved quality of service. These included the promotion of a more uniform response by staff, scope for more non-punitive intervention, more interaction between staff and tenants and improved customer service principles. A number of interviewees provided some suggestions about TIS' impact on service delivery. For example in New South Wales a peak body representative thought TIS would result in more options for housing staff in their dealings with tenants. Specifically, he felt that:

TIS may have the impact of making them use carrots as well as sticks.

In Queensland, TIS were seen to have potential for increasing the level of interaction and providing a more positive dialogue between housing providers and tenants. This could result in better interactions. According to one officer in Queensland:

What little interaction there is between the tenant and the housing manager centred around tenancy breaches.

He went on to say that the introduction of TIS had the potential to facilitate:

a change in culture – to see people as customers rather than welfare recipients.

3.1.4 *Staff/organisational culture*

The major benefits of TIS for staff were the possibilities TIS provided to spend some of their working day focusing on the positive side of tenancies, providing:

a counterbalance to punitive measures which are usually the major focus of housing staff. (Housing officer Tasmania)

Similar views were articulated in NSW as illustrated in the quotation below from a housing officer:

The client service officers say 'no' a lot in their jobs, so it would be positive to have TIS and have good will in their job. Being able to make a good decision would be good for staff.

In South Australia, one housing officer suggested that:

The Customer Recognition and Rewards Scheme encouraged staff to see the 'human' side of tenants. Not people who are in arrears or whingeing about maintenance. It's a different perspective and it reminds them really strongly that not all tenants are bad.

Another positive endorsement, also from a housing officer in South Australia, relates to the skills that staff acquire. In her words:

The R&R [Recognition and Rewards Scheme] involves them [staff] with the 'good side' of their tenancies, which is otherwise easily overlooked. Also it encourages and can develop their face-to-face communication skills with tenants and remind them that it's good to say 'hello' and show an interest.

Finally, NSW staff stated the practical advantages of TIS in very clear terms:

It helps focus on 'what works' and on those who 'do the right thing'. TIS would force the department to manage the exceptions, but not see all tenants as difficult.

These comments indicate that staff and tenants see the potential benefits from TIS in terms of tenant satisfaction, community well being and service delivery. However, it is important to note that interviewees were keen to state some of the problems that might arise should a tenant incentive scheme be established in their organisation. The next section highlights the more negative and critical comments on TIS.

3.2 Problems of TIS

Participants in all four case studies raised a number of potential problems with TIS. The concerns raised were broadly similar in all the States. However, recent changes in New South Wales and Queensland surrounding the introduction of renewable tenancies⁴ and the recent restructuring of the Queensland Department of Housing did influence responses in those States.

3.2.1 Tenant and community issues

In all States, interviewees voiced their concern over the potential for inequality should a tenant incentive scheme be established. There was apprehension too that people might miss out on the benefits of TIS for a range of reasons beyond their control. This was a particularly significant concern because of the obligations on State housing authorities to allocate accommodation to tenants with a high level of need. The predicament of many tenants therefore will not change after a tenant incentive scheme has been introduced (for example those who experience long standing conditions such as gambling or drug and alcohol addictions). These individuals may become further marginalised in the context of a scheme that rewards some tenants and not others. Consider the following comments, the first from a South Australian peak body representative and the second from a peak body representative in Tasmania:

If somebody's deficient in living skills, are they going to be punished for being incapable of doing better? The absence of support for some people would get in the way.

Some tenants could just get more and more left behind and become disenfranchised. Some of the most vulnerable could be disadvantaged with a scheme like (the) TIS. There could be some problems as well determining the level of reward and how you qualify.

A tenant from Tasmania suggested that a tenant incentive scheme:

could reinforce the divide between the haves and the have-nots and this may lead some tenants to feel alienated and excluded.

It is clear from all three excerpts that TIS were seen to have the potential to reinforce inequality, regardless of whether tenants have special needs.

⁴ Renewable tenancies are short-hold arrangements that do not guarantee security of tenure. It is easier to evict tenants who break their obligations.

As outlined in the study's Positioning Paper, some rewards were seen to potentially create further inequities, for example rewarding tenants by improved or accelerated maintenance services. They could spark disputes with housing staff and disagreements between tenants. It was suggested by a peak body representative in NSW that:

Disputes arise when people think they ought to have got something and don't.

A similar concern was advanced by a housing officer in NSW who suggested that:

[TIS] could cause problems at a neighbourhood level. A lot of clients are a *bit* behind on their rent... they won't be happy if their neighbour is rewarded... everyone knows each other.

The strongest criticism of TIS came from a housing officer in NSW. She expressed concern that TIS was antithetical to the values of the department, because:

we are a government service that provides services equally and without prejudice.

3.2.2 *Service delivery and staff issues*

Potential problems regarding service delivery included concerns about staff satisfaction, the moral justification of any proposed TIS and the possibility that TIS might actually exacerbate existing problems. In terms of staff satisfaction, it was recognised that a tenant incentive scheme would mean increased workload for staff and that:

staff may be resentful about having to implement it. (NSW housing officer)

Furthermore, if not enough time is allocated for staff to focus on the implementation of a scheme, it could:

come across as a half-hearted attempt [which is problematic because] there is scepticism in the community about what the department can do. (NSW housing officer)

In both Queensland and New South Wales comments were made about the moral rationale for TIS, as one housing officer from Queensland said:

Why reward tenants for what they are required to do anyway? Tenants should be expected to meet their responsibilities without the inducement of a reward system.

Residential Tenancies legislation in each State and Territory governs public and private tenancy agreements and details the tenancy obligations that must be observed to maintain a tenancy. Rewarding tenants for merely fulfilling their legal obligations was seen as problematic. Consider the comments from a NSW housing officer:

When you say 'reward' – I don't know if we're doing the right thing rewarding them. People who do the right thing should be acknowledged, but is it 'extra' ordinary?... If we start rewarding them we are not treating them as we should.

A related issue raised in South Australia by a housing officer was the need to ensure that a scheme doesn't signal that bad behaviour will be tolerated. In his view:

There's potential for confusing what is and what isn't rewarded. We must be vigilant not to reward bad behaviour.

Some respondents felt that the introduction of TIS would formalise a 'good tenant'/'bad tenant' dichotomy. This dichotomy was seen as problematic for a number of reasons. There was concern that it could increase inequality between tenants. There was also some anxiety that the administration of TIS could introduce an element of subjectivity, exacerbating inequality if housing staff favoured or excluded particular tenants.

The risk of people who don't play the game... being excluded and put to the bottom of the pile. (NSW peak body representative)

Finally, it was recognised that, even with the best intentions, a scheme could actually generate problems rather than benefits if it were not properly developed. As one peak body representative from NSW stated:

It's not just a fluffy add on... it has the power to be detrimental.

Confusion amongst tenants about the implementation of a scheme may lead to increased tenant dissatisfaction:

if people aren't aware of what's going on, it can actually do a lot of damage. (NSW housing officer)

3.2.3 *Organisational issues*

Concerns were raised about the extent of change necessary to departmental systems and structures to implement a tenant incentive scheme. There were also concerns that adequate resources for such change would not be available. The potential impact of a scheme on other tenancy issues and the mismatch between TIS and the organisational culture of the Departments of Housing in Queensland and New South Wales also led to apprehension. Some participants in New South Wales suggested that the Department of Housing needed to ask:

if it's worth it? (NSW housing officer)

Indeed, one Housing Department employee commented that a TIS:

might make a bureaucracy of its own. (NSW housing officer)

A majority of Queensland Department of Housing participants saw the development of TIS as simply adding additional administrative tasks with potentially minimal benefit. Whereas the UK's Irwell Valley Housing Association undertook a major restructure to incorporate specialised work teams, the Queensland Department of Housing has just moved from a specialist to a generic management system. The potential impact of a scheme on other tenancy issues was also a cause for concern in Queensland. For example, the Department of Housing has a Tenant Participation (TP) program, which is highly regarded by tenants, peak representatives and departmental officers. Tenants were very protective of the TP program and were concerned about its future in the light of the State's imminent public housing policy changes. There was some fear that if TIS were introduced in the current environment, they could further jeopardise the future of the TP program. Finally, interviewees highlighted a perceived disjunction when TIS was viewed in the context of other recent changes introduced by some State Housing Authorities. A NSW housing officer suggested that:

An incentive sits a little awkwardly in that environment of renewable tenancies and lack of tenure... It's not about reality, it's about perception. If people think they've only got two years, why would you make the social investment?

3.3 Summary

The interview data provide different viewpoints. On the one hand, TIS were seen to have the potential to increase the level of tenant satisfaction by rewarding those who meet the conditions of their tenancy. On the other hand, TIS were also seen to have the potential to increase inequalities between tenants and animosity towards the housing department. In respect of core housing services, there was considerable divergence of opinion: some respondents saw TIS as a way to decrease staff workload in the long term and provide a higher standard of delivery based on customer service principles. For others, the implementation of TIS would increase staff workload initially. They would also send out a number of messages contrary to the housing departments' objectives such as: rewarding tenants for what they should already be doing, sending the message that bad behaviour will be tolerated and developing a good tenant/bad tenant dichotomy.

Finally, in relation to organisational culture, TIS were seen to improve staff satisfaction by enabling staff to focus on positive aspects of the job. TIS could also lead to positive changes in the culture of the housing departments. However, some interviewees expressed their apprehension about the significant change to departmental structures that would be required; the availability of resources needed for effective implementation and the impact of TIS on other tenancy issues. In New South Wales for example, a perceived disjuncture between TIS and some increasingly rigorous policies recently introduced was identified as potentially problematic.

4 MODEL DEVELOPMENT

The previous chapter set out the potential benefits and problems of establishing tenant incentive schemes. In this chapter, the focus is more practice orientated. It reviews participants' thoughts on issues relating to the organisational steps and institutional capacity required to develop TIS as well as the cost implications. Finally it considers how residents can be involved in the implementation of TIS.

4.1 Organisational steps and institutional capacity

4.1.1 *Planning a tenant Incentive scheme*

State Housing Authority staff recognised that establishing any kind of TIS would require careful planning. Almost all interviewees stressed the need to involve tenants in any initial consultation. For example, a housing officer in Tasmania spoke of:

the importance of involving tenants in the process of policy development and the need to engage with a mix of people when developing a range of different models to look at.

Another housing officer, also from Tasmania, emphasised the importance of being:

clear about the desired outcome of any TIS before beginning any initial consultation.

In her view, many policy initiatives floundered because there was not a dedicated officer in charge to implement new initiatives. She argued it was essential that:

A project manager writes operational policy and then rolls it out.

Respondents in New South Wales, Queensland and South Australia expressed similar views. For instance, in NSW a housing officer emphasised the need to:

review the operation of TIS in other localities before considering how it could operate and the operational structure that is appropriate to support implementation.

A NSW housing officer also suggested:

That a TIS pilot would be best in an area where resources have already been committed; for example an estate renewal project as resources would be more forthcoming.

Alongside these suggestions, participants from NSW and Queensland highlighted how busy housing officers were already in implementing existing policy commitments. They voiced a concern that the establishment of TIS might prove very difficult because of the pressures staff were under. As a peak body representative from NSW commented:

It's very busy in the customer service parts of the Department of Housing. It's very tough and creating more demands on staff would be problematic.

The perception that new initiatives such as TIS would impact negatively on staff workloads was expressed by many of the housing managers interviewed. In South Australia, a peak body representative was specific about the practical obstacles that required attention. He highlighted the importance of support for any new initiative such as TIS:

in areas like information technology and communications.

Tenants from the South Australian focus groups provided some insightful comments. For example, one tenant pointed out that a tenant incentive scheme:

would require phasing in over a gradual time frame and its success would be determined by the willingness of the housing officers in the Trust to embrace the changes.

Her comments are helpful in identifying the importance of both staff and tenant commitment to a TIS model and the desirability of introducing any TIS innovation incrementally.

While some interviewees in SA, Tasmania and NSW expressed reservations, it was in Queensland where the most critical comments were made. Here, there was less enthusiasm. Some interviewees were particularly negative about TIS. For example, one housing officer working in Queensland commented:

I don't see a lot of obvious benefits, our rent arrear figures are really low, we don't do evictions for objectionable behaviour and our tenant satisfaction surveys show that tenants are happy, so its just a completely different context to that of the UK.

On the whole, interviewees were reluctant to support extensive or large-scale TIS but were less hostile to suggestions of piloting small locally based initiatives. For example, in Queensland, a housing officer thought that a small initiative could target tenants who vacate their property without notifying the department:

Currently, costs are incurred from lost time while the property is vacant and also from additional cleaning. An incentive could be designed to encourage tenants to inform the department of their impending vacation and leaving the place clean may be a saving for the department. The incentive could provide tenants with some monetary benefit and may contribute to their resettling costs.

In New South Wales, staff had no experience of TIS activity but they drew on their professional experience to suggest that existing tenant networks could help set up TIS. Such an approach would probably be more successful than imposing TIS in a 'top down way'. As in Queensland, staff in NSW pointed out the differences between the UK and Australia. It was suggested that TIS was more useful for organisations like Irwell Valley who managed properties in areas of low demand than NSW where demand for public dwellings was very high. There was a view that the department should engage in extensive consultation with tenants and that, if a decision was made to set up an incentive scheme, it should be located within the overall tenant participation strategies established by the Department. A NSW housing officer also raised concerns about how:

'good tenants' were judged and what the criteria should be for determining exclusion from any TIS.

In her view it would entail:

major work, at least to begin with.

4.1.2 South Australia's Customer Recognition and Rewards Scheme

In South Australia, staff spoke of their experience in managing a 'Customer Recognition and Rewards Scheme' that was introduced in the Parks area of

Adelaide in 2004 but has now been extended across the State. Interviewees from South Australia described the Scheme. Region by region, tenants were sent postcard-sized forms that they could use to nominate individuals who had been a good neighbour. This might be based, for example, on their activities as a caring and considerate person in times of need, or as a volunteer in community groups, or as an exemplary tenant (i.e. no arrears or issues and no breaches of tenancy). A panel of staff in each Region then selected a number of nominated tenants who were invited to attend an awards ceremony. There, they were presented by the Minister for Housing with a certificate and a \$50 voucher, had their photograph taken with the Minister and, with their guests, were then entertained to morning or afternoon tea. Respondents valued the scheme as a way of rewarding tenants and promoting the community in a positive way. The scheme is considered economical to run (though quite labour intensive) and generates good publicity for the Housing Trust. The success of the scheme, according to a senior housing officer, is contingent on the 'insider' knowledge of local housing officers and commitment from dedicated staff to arrange ceremonies and judge winners.

On the negative side, staff in South Australia expressed concern about the work involved of setting up the Scheme and the impact of staff turnover. For example, a service manager working for the Housing Trust spoke about the pressures in the following way:

Time was the great issue; the scheme required lots of attention to detail and it impacted on numerous staff who already had enough to do. It's the assessment and reviews that take the time. I'd say it was about one and half days per week for a number of weeks. And you have to work out how to prioritise that against the other calls on your time, dealing with 'Ministerials' for example. Staff took work home, and they often do that, but there's a real cost in staff time to run this.

4.1.3 Financial concerns

The interviews with housing officers provided some useful additional data on the potential utility of TIS. For example, many of the housing officers interviewed saw TIS as a potential way to help reduce rent arrears and vacancy turnover. For example, it was suggested that providing rent rebates or holiday rent-free weeks might encourage recalcitrant tenants to pay off rent arrears. However, a number of interviewees in all the participant States suggested that rent collection is deemed a high priority already, so the capacity for any new scheme such as TIS to enhance rent collection may not be great. There was support by many interviewees for the suggestion that TIS might be a useful way of encouraging tenants who vacate their property to return it in a good condition.

In spite of the lack of detailed financial data, respondents did make a number of other comments about how costs should be kept under control. In Tasmania, there was concern that securing an initial budget to establish a scheme (even in pilot form) would be difficult because of existing commitments in other areas of service delivery. As a senior housing officer acknowledged:

It is not easy to shift money around in Housing Tasmania.

In South Australia, a peak body representative made a contrast between the operation of schemes in the UK where housing is geographically in close proximity and South Australia:

where the geographic spread is much bigger, I think this would make it too expensive to run here.

It is evident from the data collected from interviews and focus group meetings that there was little enthusiasm for a large-scale TIS modelled on the Gold Star Service set up by IVHA in the UK. In the main, existing structures for tenant participation and community well-being were viewed as successful. The majority of tenants are generally happy with the services provided by State Housing Authorities. This said, there was strong support especially in Tasmania and South Australia for local small-scale schemes that reward tenants. Interviewees emphasised that establishing any type of TIS would require a commitment from staff; adequate resources; widespread consultation with tenants and a review process to test the efficacy of the model or models selected.

It is also apparent from the data collected that staff feel the organisational capacity to engage in new projects such as TIS is currently limited because of competing pressures from other commitments. In addition (especially in Queensland) there is a view that tenant participation is already well established and any TIS would need to be embedded within existing practice rather than imposed from above. The most detailed responses from interviewees relating to TIS modelling were from South Australia where interviewees recalled the establishment and implementation of the 'Recognition and Reward Scheme' that provided small prizes for tenants who were judged to be making a positive contribution in their neighbourhood. The experiences of setting up the scheme were generally positive, though staff emphasised the resource implications in terms of time and impact on their work in other areas of service delivery. The general concerns aired by housing officers about the costs of TIS inform the model pilot scheme which is set out in the following section.

4.2 Cost implications: modeling an indicative pilot scheme

An assessment of the costs of a tenant incentive scheme present a number of research challenges. First, since no major scheme has been established in Australia, there was only general information from respondents who were interviewed about the cost implications. Second, although there are figures on the costs of TIS in the UK, the data is not easily transferable to the Australian context. However, in spite of these difficulties it is necessary to provide some indication of the potential costs and savings that might accrue. This section provides an indicative budget for a pilot scheme as a way of gauging the potential costs and savings. It makes use of insights provided by housing staff in Australia, information extrapolated from both Irwell Valley Housing Association's Gold Star scheme (RDHS 2001) and data published by the Department of Family and Community Services (DFaCS 2005) to advance an indicative Australian State Housing pilot scheme.

While the data can provide a rough guide to the costs involved, it is important not to imbue too much significance in the headline figures provided by the model. As UK researchers acknowledge (OPDM 2003: 17) the difficulties of estimating the true costs of implementing and running TIS are formidable even though IVHA present the costs and savings of its tenant incentive scheme in a straightforward way. The Association identifies what it describes as 'a negative budget' (i.e. money spent with no real benefit to the organisation or its customers) and then deducts this negative budget figure from the costs of establishing Gold Star to show savings that have been made. This methodology was used in a report published by UK consultants RDHS (2001:48) to claim that TIS accrued some £2 million in savings for IVHA

(arrears £700k, management time £640k, repairs £240k and vacancies £400k) over an 18 month period from October 1998 to March 2001. However, IVHA's claims that its Gold Star Scheme saves £2 for every £1 of expenditure should be treated with caution, because there is no detailed data to establish that Gold Star activity had a direct bearing on the savings identified in IVHA's 'negative budget'.

4.2.1 Indicative budget model for a TIS pilot scheme

In the two tables (Table 4 and Table 6) below, an indicative budget for a notional pilot study is provided for a neighbourhood containing 1000 households all of whom are eligible to join a TIS. The pilot provides two forms of incentive: discounts for tenants who pay their rent on time (\$50 per year for each household); and a bonus payment of \$200 for those households who leave their property in good condition when terminating their tenancy.

The pilot model's budgetary data is premised on a set of assumptions. First, that there would be considerable start-up costs including publicity, training, administration and incentives for tenants. Second, a calculation that 50% of tenants within the pilot study would receive \$50 in year one and 80% of tenants would receive this rebate in the second year of operation (it is assumed that once established, more tenants would choose to opt into the scheme). Third, the proportion of rent collected by the housing departments in the four case studies is higher and empty property turnaround generally quicker than IVHA management operation (see Table 4 below), making it unlikely that the savings made would be as great as those claimed by IVHA in their publications.

Table 4: Pilot Study TIS Indicative Budget Costs (\$)

	Year One	Year Two
Initial start up costs	\$30,000	
Ongoing costs	\$ 0	\$20,000
Administration and marketing	\$10,000	\$ 6,000
Cash rewards for up to date rent payments	\$25,000 ⁵	\$40,000 ⁶
Incentives relating to terminating tenancy ⁷	\$12,000	\$12,000
Total Costs.	\$77,000	\$78,000
Cost for each household in the pilot study	\$ 77.50	\$ 78.00

⁵ Estimates based on the presumption that 500 households will join TIS and then receive a rebate of \$50 at the end of the year.

⁶ Estimate based on a presumption that in year two, 800 households have joined the scheme and each receives a rebate of \$50 at the end of the year.

⁷ Assumes a vacancy turnover of 10 per cent per annum in which 60 per cent (60) of households who relinquish their property in good condition receive a \$200 rebate.

4.2.2 Savings generated by TIS

The rationale for scheme like Gold Star is that savings accrue because more tenants make the effort to pay their rent on time; those with rent arrears begin to pay off longstanding debts; and the housing staff are able speed up letting times as vacated properties are in better condition. However, the potential for making management savings in the area of rent (identified by IVHA) is probably not as great in Australia although (as Table 5 below illustrates) there may be some scope for improving the turnaround time for empty properties.

Table 5: Selective Comparison of Key Performance Indicators (Case Study Localities and Irwell Valley Housing Association)

Performance Indicators 2003-4 ⁸	Rent actually collected as percentage of rent charged	Percentage of tenants dissatisfied with public housing	Average Relet times (days)
Tasmania	102.2 ⁹	14	37
NSW	99.7	24	30
South Australia	100	12	41
Queensland	99.8	9	26
<i>Irwell Valley H.A (UK) (2001 data)</i>	96.1	16	29

The following indicative budgetary assumptions can be used for illustrative purposes.¹⁰ As can be seen the last two rows provides an indication of the savings that might accrue.

⁸ Sources DFACs (2005) and RDHS (2001).

⁹ This high percentage signifies Housing Tasmania's success in clawing back long standing debts.

¹⁰ All of these figures are assumptions that have been derived from IVHA claim that for every £1 spend on TIS, the association saves £2.

Table 6: Pilot Study (1000 households) Potential Indicative Budget Savings

	Year 1	Year 2
Number of tenants eligible for membership and choose to join TIS	500	800
Rental Income secured by additional 100 (10 per cent) households paying their rent on time and also reducing their arrears over time ¹¹	\$ 3320	\$ 3000 ¹²
Savings made from tenants who leave their property in good condition when exiting public housing ¹³	\$30,000	\$30,000
Total Savings	\$33,320	\$33,000
Total Savings per household in TIS pilot	\$ 33.32	\$ 33.80

The budget model provides expenditure and savings data for a pilot TIS over a two year period. It suggests that the implementation of scheme similar to IVHA's Gold Star would be expensive though the costs might be lower if extended to a larger number of households. As already stated, no formal TIS have been established in Australia so precise cost indications cannot be proposed. Nevertheless, it is possible, drawing on the literature review in the Positioning Paper and some notional modelling, to appreciate first of all that TIS will require start up costs and resources set aside at the outset to reward tenants who participate in the scheme (e.g. rent discounts). Second, for savings to accrue over the long term they will require a more efficient rent collection service and faster turn around of empty properties.

4.3 Resident involvement

Since the success of any TIS is contingent on tenants participating, questions were asked in both the focus groups and interviews for suggestions as how to maximise resident involvement. These sources provided some interesting data. Tenants who participated in the focus group discussions were generally supportive of the rationale for TIS and had some valuable ideas for encouraging participation. For example, in Tasmania, one tenant suggested that in the first instance:

¹¹ Estimate of savings made by securing agreements with tenants to pay rent on time and reduce outstanding debts. (\$332 per tenant per annum).Recouping this rental income would entail very intensive staff input on rent arrears management.

¹² Reduced figure based on the assumption that some of the tenants would have cleared their outstanding debts.

¹³ Assumption made that savings on each property returned in good condition = \$1000, 60 vacancies per year and 50 per cent compliance = 30 properties per year.

We could have a meeting to get the views of tenants. What we hear back could then be used to inform the best scheme.

In South Australia, tenants who attended the focus groups also felt it was important that their interests were represented in any decisions relating to TIS. It was suggested that tenants should be active members of a committee or forum and the views of all tenants should be taken into account, not only those who participate in the scheme but also those who are excluded or choose not to attend.

In South Australia, where housing officers related their experiences of setting up a Recognition and Reward Scheme as well as some more localised projects, an interviewee made the important point that:

Engaging residents can take a lot of time. To start with, you have to look for those one or two people with energy and 'excitement' to kick it off. Once people got engaged it was OK but first you had to get people to say it's good, we planted the seed of the idea of benefits and engagement and we tried to pick a leader; often it's the person who complains most: they have got the energy and time. However, it does not always work to plan. Some groups some schemes, don't take off like this.

These comments are useful in highlighting two practical issues. First, effective tenant participation strategies require a proactive commitment from staff and second, that one of the most effective ways of stimulating engagement is to identify a potential tenant leader in the early stages of a project.

4.3.1 Possible incentives to encourage participation

In NSW, members of the tenant focus group were supportive of schemes that might result in savings and extending choice. Some of the ideas that were suggested included: giving tenants rent free weeks if their rent record was in credit, providing vouchers that they can use to spend in shops and ensuring enhanced maintenance service for those who join the scheme. One focus group discussant suggested that:

Residents who look after their place should get faster maintenance.

Other suggestions from tenants in NSW for encouraging participation included:

Generating widespread publicity on the benefits of any new scheme.

Starting up a TIS in a couple of bad streets and handpicking tenants to get involved.

Focusing on elderly people as they were more likely to engage in a scheme.

In Tasmania, one focus group participant suggested that TIS:

would be most appealing for some of us who want to stay but not those wanting to get out.

Another interviewee in the focus group convened in Tasmania felt that TIS would not be attractive to young people.

Keeping gardens tidy and attending meetings isn't the priority of young people around here.

It was also suggested that better repair services would prove a good incentive for joining the scheme and one tenant argued for a form of shared ownership so that tenants who paid their rent on time and had lived in the home could gain equity in the

property. Another tenant felt that any scheme if it was to work would require active engagement.

An active choice should be made rather one where tenants join automatically.

In South Australia, tenants who attended the focus group discussions had a number of suggestions for rewarding tenants. These included rent reductions, shopping vouchers, maintenance or property upgrades (for example recarpeting, solar hot water heating, a rainwater tank, credit against water charges and one-off gardening projects). One tenant from South Australia suggested that any TIS should:

not be complex so that the rules can be easily understood.

In Queensland, many of the tenants who attended the focus group found it difficult to identify constituent parts for effective fair and beneficial TIS. When questioned about the benefits of TIS one respondent responded by asking:

Why reward tenants for what they are required to do anyway?

In South Australia, tenants were more positive about TIS. They were viewed as a means of giving tenants more control over their housing circumstances and enabled:

some measure of choice and helped foster community spirit.

Interestingly, South Australia housing managers spoke of the difficulty of engagement with tenants resulting from the increasing residualisation of public housing. One commented that the Recognition and Rewards Scheme:

could go some way, become a bit of a focus and draw people in. However the 'good' tenants in a traditional sense are declining rapidly so we may need to think again.

A housing officer, also from South Australia argued that:

A Gold Star Scheme could have problems with a high needs tenant base who are focussed on survival. They're not aspirational. But our traditional customer base would appreciate this sort of scheme, but they are in decline. So I am not sure how relevant, say, a Gold Card would be, the way things are going.

Another housing officer from South Australia suggested that:

If we introduced a tenant incentive scheme then I'd suggest it should have a different focus each time to recognise different groups and spread its value across the customer base.

It is evident from these comments that engaging with tenants can be challenging, especially as many tenants have high support needs. Successful engagement requires innovative practice rather than reliance on traditional strategies and techniques.

In Queensland, interviewees spoke of the problems of trying to engage tenants in a scheme that essentially created a division between 'good' and 'bad' tenants. However, there was some support for TIS that could foster civic engagement. One interviewee said that encouraging civic engagement 'could prove beneficial' but others were more circumspect. For example, one housing officer pointed out that:

Many public housing tenants already contribute to community well being as a matter of course but this is difficult to assess. A tenant incentive scheme would run the risk of bureaucratising civic encounters and practices in an undesirable way.

A tenant from the Queensland focus group questioned the basis of TIS, suggesting that however well intentioned, they could 'get people's back up'.

The information from Queensland is particularly interesting as it provides a more critical counterpoint to the contributions from South Australia, NSW and Tasmania. From the data collected in Queensland, it is evident that many housing managers and tenants there are sceptical of the alleged benefits of TIS in the current housing context. The problems of engaging residents in schemes orchestrated by housing agencies have been described in other studies (e.g. Wood, Randolph and Judd 2002). It is evident from the response of interviewees in this study that housing staff in particular believe that engaging tenants with high level needs would be challenging and labour intensive. However, respondents generally felt that if schemes were innovative, not too complex and clearly designed to benefit tenants they could succeed. Issue of tenant engagement is considered further in the concluding chapter of this report.

4.4 Summary

This chapter collated views on how TIS can be implemented. First, it identified the importance of careful planning and detailed consultation with tenants. In this connection it described the experiences of South Australian Housing Trust staff in establishing a 'Customer Recognition and Rewards Scheme'. Second, it provided an indicative model for estimating the costs and benefits of a small pilot study scheme. In comparison with the claims made by IVHA in the UK this model indicates that the scope for generating savings in the Australian context is likely to be modest, as rent collection procedures in most States and Territories are already quite efficient. Finally, the chapter identified some ways tenants can participate in TIS and highlighted the incentives that are likely to prove popular. The data from focus group discussions suggests that tenants are generally positive about TIS, though there is some scepticism as to whether they have the potential to change behaviour of households who engage in anti-social behaviour activities or fail to maintain their properties.

5 EVALUATING TENANT INCENTIVE SCHEMES

It was noted earlier in this Final Report that the literature on TIS is very limited and much of it is generally uncritical, as it seeks to promote the merits of incentive schemes. The assumption made in this chapter is that an effective evaluation strategy should seek to highlight the advantages and disadvantages of TIS and make explicit the challenges surrounding methodology. For these reasons, interviewees were encouraged to take a critical perspective and identify the steps required to ensure that evaluation methodologies are accurate. In particular, it was deemed important to draw out some of the more negative perceptions as a counterbalance to the published promotional literature.

5.1 Establishing an evaluation strategy

All the interviewee and focus group discussants stressed the importance of setting up evaluation protocols for TIS. However, with the exception of South Australia's Recognition and Rewards Scheme no formal incentive scheme operates in any of the case study States. In spite of this, many of interviewees provided useful information on how evaluations should proceed in housing organisations whose staff are often engaged in a number of tasks. The evidence collected from the data has been organised into the following sections: the importance of evaluation; implementation issues; and problematic aspects of evaluation.

5.1.1 *The importance of evaluation*

The emphasis on review is so embedded in all aspects of housing management practice that it was clear from the outset that interviewees and tenants would see evaluation practices as an integral component of any TIS. For example, in NSW one of the peak body representatives spoke of the need to engage in an evaluation for any new innovation. He pointed out:

Problems occur if you don't actively evaluate new projects or management practices.

Tenants who participated in focus groups in Tasmania emphasised how feedback can help improve management practices. One focus group attendee suggested:

That a forum with interested tenants would be a useful first step in any evaluation and this should be followed on by questionnaire.

As remarked earlier in this report, respondents from Queensland tended to focus on the problematic aspects of TIS in the context of an already crowded policy environment. While some comments on the need for evaluation were echoed in the other States, some of the most critical comments about the capacity to perform an effective evaluation came from Queensland. Consider, for example, the remarks from a housing officer working there:

Really you only introduce one of these things to influence people's behaviour in one way or another and I don't know how you would actually be able to evaluate firstly, whether or not there has been any change in behaviour and whether it's attributable to the incentive scheme.

This housing officer questioned how an evaluation of a scheme's effectiveness could be undertaken and suggested that changes could not be causally linked to housing

management innovations. The challenges evaluating the effectiveness of TIS are discussed in more detail in the section below.

5.1.2 Implementation issues

Interviewees were invited to give their views on how an evaluation of TIS should proceed and to identify the key implementation issues. Interviewees recognised that many of the alleged benefits of TIS may be difficult to quantify, in particular with respect to purported improvements in community well-being. This concern is captured by housing officers in NSW who commented that:

It is such an intangible qualitative feeling, community engagement is hard to gauge.

Many comments offered a general overview of good practice. A housing officer in Tasmania, for example, highlighted:

The importance of linking evaluation to objectives and keeping feedback as straightforward as possible.

More specific comments came from the experience of South Australian participants, especially as housing officers spoke of the mechanisms in place to evaluate the Recognition and Rewards Scheme. It was suggested that informal evaluation should register:

attendance of participants in the scheme and the awards ceremony, the level of media attention and community capacity building potential.

The more formal evaluation in South Australia used feedback questionnaires from those attending the Recognition and Rewards ceremonies. The questionnaires were designed to capture participant information as well as perceptions of neighbourhood cohesion. According to a housing officer from the South Australia Housing Trust, feedback was generally positive. One interviewee spoke candidly about the gardening competitions formerly held in South Australian housing regions. She felt that the scheme had rewarded committed gardeners but had little impact on other tenants.

For the gardening competition we looked at improving standards, it did not happen.

Her comment highlights the limitations of TIS, which cannot be seen as a panacea for housing management problems. The evidence from South Australia in particular suggests that TIS can be useful as a mechanism for rewarding tenants who already comply with the tenancy conditions but are less successful in encouraging other tenants to change their ways. Any evaluation of TIS needs to be realistic about what can be achieved and to recognise the difficulties as well as the demonstrable successes.

5.1.3 Problematic issues relating to evaluation

Possibly because they work in a performance-focused environment, interviewees were keen to share their knowledge on the problematic aspects of evaluation methods and identify areas that were often overlooked. A particularly interesting discussion took place in NSW where housing staff suggested that evaluation often underestimated the impact on staff who are already busy with their existing

responsibilities. Some staff were anxious that evaluation can underestimate the resource implications for staff. For example, one NSW officer emphasised that evaluation needs to:

measure the effect on staff workload; this is often overlooked.

The same officer also made the important point that evaluation should elicit views that might be challenging. In his words, it was:

essential that tenant satisfaction surveys asks the right questions: at the moment they are phrased to get a favourable response.

Evaluation questionnaires may be phrased to encourage positive responses but the inference from this comment is clearly that such drafting compromises their utility as a management tool. If evaluation is perceived as merely a means of legitimating current activity, rather than as a tool for objective or impartial review, the results may be received with scepticism and ultimately confidence in evaluation methodology may be eroded. Another housing officer in NSW referred to the frequency of evaluation, suggesting that tenants could become somewhat blasé in their response because:

the number of times in which their views in surveys are sought I'm sure our tenants sometimes feel surveyed to death.

In South Australia, interviewees emphasised different concerns. For example, a housing manager spoke of how evaluation:

often gets overlooked... we have to make sure we put dates on it to make sure it's done.

A South Australian peak-body representative made another interesting comment, suggesting that certain evaluation methods are not effective. Specifically, she warned against:

using a 'balanced scorecard' like they do, it only shows half the picture, not a thorough picture. I know the textbooks say evaluation has to be 'effective, efficient and appropriate' but in essence what is required is working out key performance indicators, set the outcomes and make sure they are measurable.

Another major problem identified by interviewees was the difficulty of accessing those tenants who were critical or dismissive of TIS. When engaging in an evaluation exercise there can be a tendency, according to one housing officer from South Australia, to:

concentrate entirely on those who do participate and not seek out people who choose not to engage.

From the comments made by participants, it is apparent that staff are concerned about the substantially increased workload that poorly-executed evaluation could entail. Their comments identified several aspects of bad practice that should be avoided, including the use of unwieldy evaluation instruments; designing to achieve pre-determined outcomes to endorse existing procedures and failing to access respondents who are, or may be, critical of housing management innovations. However, while interviewees made some critical comments about evaluation methods in the context of TIS, there was also valuable data with a more positive tone. The next section summarises the suggestions made in relation to good practice.

5.1.4 *Good practice*

Interviewees in all four States stressed the importance of establishing an evaluation procedure at the start of any new management initiative. One of the many statements on this issue included the comment by a Housing Tasmania staff member that attention should be paid to:

putting in place evaluation mechanisms right at the start rather than as an afterthought.

When pressed to be more specific, some interviewees identified pilot projects or sample surveys as a first step. Another housing officer, also from Tasmania, was particularly adamant.

Pilot projects: very useful as a way of making sure that we get things right.

As stated earlier in the report, there was little enthusiasm for a large-scale incentive project in any State. Rather, the views of respondents suggested that:

- Any pilot project should be small-scale in the first instance.
- Good practice requires evaluation methods that can be accommodated within staff workloads: the practical should take precedence over the perfect.
- Critical reflection should be the cornerstone of evaluation rather than project promotion.
- Evaluation requires a distinction to be made between short term and long term concerns and should include an assessment of the costs and benefits of the management intervention.
- Possible indicators might include community engagement, decline in rent arrears, fewer behaviour issues, and more tidy gardens.

5.2 **Summary**

This chapter focused on the importance of an evaluation strategy for TIS, some key implementation issues and indicia of good practice. The interviewees in all States highlighted the need to develop an evaluation strategy that is not too cumbersome and can identify the difficulties of TIS as well as the successes. The next chapter concludes the report by providing an overview of the research findings and the policy issues that ensue.

6 CONCLUSION

This Final Report has drawn on interviews and focus group discussions in four jurisdictions to explore the utility of TIS for Australian State Housing Authorities. It has sought answers to a set of questions regarding: the potential of TIS; the appropriate models for implementation and the best ways to engage in an evaluation. This concluding chapter summarises the main findings and the policy implications that ensue.

6.1 Research findings: overview

It is apparent, from the review of literature and data collected from the empirical research that TIS are viewed both in positive and negative terms. On the one hand, TIS are seen as having the potential to make an important contribution to housing management practice in ways that many tenants would support. On the other hand, there are some 'in principle' objections about their rationale and practical concerns about their use in the current Australia housing policy context.

In Australia, most practitioners' knowledge of TIS is mainly anecdotal, based on the publicity produced by UK housing organisations such as IVHA. However, in spite of this gap in knowledge, the interviewees and focus group respondents were able to use their practical knowledge of local reward schemes, housing management and tenant issues to engage in an insightful discussion. In general, most interviewees felt that incentive schemes would be popular with many tenants but careful planning is required to ensure that a scheme is not too expensive or unwieldy. In addition, a considerable number of interviewees voiced concern that TIS, if poorly thought through, had the potential to be regarded as punitive, to accentuate tensions within neighbourhood communities and to alienate tenants who were unable or unwilling to participate.

6.1.1 TIS Potential

Examples of TIS within the UK and informal schemes within Australia have proved popular with tenants and housing officers. TIS are seen as an effective means to reward tenants who pay their rent on time and maintain their property in good condition. For many staff, TIS had the potential to engender a more positive image of the housing department. In particular, TIS might enable housing officers to take a more proactive approach and provide tangible rewards for tenants who act responsibly. In addition, TIS were seen by some as a useful way of enticing recalcitrant tenants to modify their actions, though others were more circumspect about TIS' utility in influencing the problematic behaviour of some tenants.

With respect to TIS' potential for housing organisations, staff felt that TIS could prove popular if they were carefully planned, adequately resourced and not too ambitious in scope. So long as these conditions were met, TIS could be helpful in encouraging staff to take a more positive approach and could enhance their capacity to make successful interventions.

Tenants who attended the focus group discussions were generally well disposed to the principles of TIS. Many felt that they would facilitate a sense of well-being among within communities. There was also a perception that housing departments spend too much time concentrating on a small number of problem households and TIS

could assist in reorientating the focus of the housing organisation towards the majority.

6.1.2 Problems in deploying TIS

There are a number of problems that could arise if TIS are poorly implemented. The most important of these, identified by staff and peak body representatives, was that a scheme might inadvertently reinforce inequalities amongst tenants. In particular, there was concern that tenants who were unwilling to participate would feel alienated and this could create new tensions within communities. Staff were also anxious that implementing an ambitious scheme could go wrong, especially if resources were not sufficient to match the work involved. There was also anxiety that housing departments' staff are already under considerable pressure meeting the demands of tenants with a high level of need. There was some concern that a tenant incentive scheme would not easily fit with the realities of day-to-day housing management practice and would be a distraction from the most pressing demands of the job.

As well as the practical concerns, some interviewees articulated opposition to the principle of TIS. Essentially, it was suggested that the aim of TIS was to modify behaviour and for this reason was beyond the scope of a housing landlord, which is primarily to manage the property. TIS were also seen as an overt attempt to target socially excluded individuals by deploying sanction and reward policies and critics of TIS felt that such policies were unlikely to be particularly effective. Tenants also voiced similar concerns relating to the practicalities of TIS, suggesting that it would be difficult to interest already alienated tenants and furthermore such schemes could fuel resentment.

6.1.3 Model development

In spite of the limited practical experience of TIS in three of the four case studies, staff were able to use their knowledge to identify both the organisational steps and institutional capacity for developing an incentive scheme. There was unanimity amongst respondents that TIS should not be too ambitious in scope and should be piloted in the first instance. The rewards thought feasible in the Australian context included rebates for tenants who paid their rent on time, prizes for good neighbour deeds and cash incentives for tenants who return their property in good condition when leaving public housing. There was no enthusiasm for large-scale TIS along the lines established by IVHA in the UK. The most detailed knowledge of TIS was from respondents in South Australia who had experience of establishing a 'Customer Rewards and Recognition Scheme'. In South Australia, staff were generally supportive of the innovation but highlighted the practical challenges of deployment, including the way in which time spent delivering the scheme could impact negatively on other pressing management tasks.

The feedback from tenants suggests that any incentive scheme should entail resident involvement from an early stage of development and that schemes likely to lead to savings for tenants were widely supported. Tenants were also supportive of schemes that were simple to understand. They warned against imposing schemes that were overly ambitious. Amongst the suggestions proposed by tenants for rewards were: reductions in rent for those without debts; shopping vouchers for local shops; one off payments for tenants who relinquished their property in good

condition and prizes for tenants who took on community concerns (e.g. helping elderly neighbours).

6.1.4 Costing TIS

The limited practical experience of TIS in Australia makes it difficult to gauge the full costs of TIS deployment. To address this issue, data from the UK was used to illustrate an indicative budget model to ascertain the likely costs of implementation. The model estimated the costs of a small incentive scheme pilot study entailing rewards for tenants who paid their rent on time and for those who left their property in good condition when leaving public housing. It can be deduced that the potential savings from TIS are unlikely to be as much as those claimed by Irwell Valley Housing Association (who proclaim that for every £1 spent on their Gold Star Scheme, £2 is recouped by management savings). In Australia, tenant rent arrears are generally lower so the scope for savings to be recouped by encouraging more tenants to clear their debts is considerably less. The indicative budget model set out in Chapter 4 suggests that management savings that accrue might not be sufficient to meet the costs of paying incentives to the large number of tenants who pay their rent on time. For this reason, it is important to recognise that TIS modelled on the lines of IVHA Gold Star Service is unlikely to result in large scale savings.

6.1.5 Evaluating TIS

The importance of review and evaluation was recognised by all respondents; in particular, the need for an effective evaluation strategy that was in place from the start of the TIS. Some of the ways in which TIS could be evaluated included: feedback from tenants and staff, performance indicators in areas such as rent collection and empty property management and tenant satisfaction surveys. Interviewees argued that any evaluation should be simple to manage and easy to understand. The key priority was to see evaluation as a tool for improvement not as a way of promoting TIS. For this reason, it was incumbent on staff devising an evaluation protocol to identify problems within the scheme and the means to rectify these problems.

6.2 Policy Issues

This research project has provided a wide-ranging discussion on the utility of TIS and the practical obstacles that require addressing if they are to be implemented successfully in the Australian context. The evidence collated shows how TIS can encompass a range of activities that are intended to reward tenants who maintain the conditions of their tenancy. Although there is considerable promotional literature in the UK supporting the benefits that can accrue from the implementation of TIS, the data from the UK and research in Australia undertaken for this project suggests a more measured response is required. In terms of policy, a number of key findings emerge from the research. First, that there is little support in Australia for wide-ranging and ambitious TIS along the lines set up by Irwell Valley in the UK. Instead the support for TIS is contingent on models that are straightforward, locally based and not too expensive to implement or overtly ambitious in scope.

Second, though it is difficult to quantify precisely in the Australian context, TIS are not likely to result in large-scale savings (as claimed by TIS advocates in the UK). In

particular, the purported saving that can accrue from enhanced rent collection has not been proven and it is difficult to see (especially in the Australian context) how TIS could result in substantial improvements in rent collection practices. Nonetheless, TIS could be used as a way of encouraging some tenants to pay more attention to their responsibilities but they are unlikely to have any significant effect on those tenants who feel marginalised and aggrieved.

Third, the high level of need amongst tenants already provides considerable challenges for housing officers and it is apparent that housing staff are stretched trying to implement existing protocols in areas such as tenant participation, repairs and empty property management and welfare support. Any plans to implement TIS should take into account of existing workloads if financial and organisational risks are to be minimised.

Finally, TIS need to be understood as a mechanism that seeks to focus on the individual tenant. In this sense they are similar to other innovations in housing management such as policies aimed at tackling anti-social behaviour rather than more resource based interventions that were used in earlier periods, such as large-scale house building programs and renewal schemes. It is important to recognise that intervention focussing on the individual tenant is not sufficient to address the systemic problems within public housing. Rather than see TIS as a panacea to overcome the challenges that confront housing officers (as claimed by its most ardent supporters), they are best viewed as an additional tool in the repertoire of housing management practices. At best, they provide an opportunity, in some circumstances, to enhance the capacity of State Housing Authorities to effect incremental and purposeful change.

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APPENDIX

The organisations in New South Wales, Queensland, South Australia and Tasmania who participated in the interview and focus group discussions are:

New South Wales

Homelessness NSW Tenants Union

Shelter NSW

NSW council of Social Service

NSW State Housing Authority (policy and housing management staff)

Queensland

Department of Housing (policy and housing management staff)

Queensland Public Tenants Association

Queensland Shelter

Tenants' Union of Queensland

South Australia

South Australia Housing Trust (policy and housing management staff)

Shelter SA

Adelaide and Marion Regional Advisory Boards

Tasmania

Housing Tasmania (policy and housing management staff)

Red Shield Housing Association

Shelter Tasmania

Bridgwater Urban Renewal Project

AHURI Research Centres

Queensland Research Centre
RMIT-NATSEM Research Centre
Southern Research Centre
Swinburne-Monash Research Centre
Sydney Research Centre
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