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Treat social housing as essential infrastructure to attract greater investment

With growing interest from Government in attracting investment into social housing, new AHURI research has developed a persuasive and credible case for social housing to be treated as a form of essential infrastructure, in order to create a viable basis for private investment.

The research, [*A conceptual analysis of social housing as infrastructure*](#), undertaken by researchers from the University of Tasmania, The University of New South Wales, and RMIT University suggests policy makers adopt pragmatic techniques such as cost-benefit analyses and business case preparation aligned with strategic arguments so as to promote the value of social housing. However, the report also warns that solely conceptualising social housing as productive infrastructure risks excluding the valuable aspects of social housing that are not easily quantified or monetised.

Infrastructure can be understood as something which enables the delivery of economic or productivity outcomes or essential services, ranging from rail, roads and public transport, water and energy networks to hospitals and schools.

‘Housing can obviously be seen as infrastructure in that it allows labour to be productive’, says lead researcher Dr Kathleen Flanagan, from the University of Tasmania. ‘In particular it affects productivity through agglomeration economies—the size and density of populations housed impacts the costs of commuting, public health, ageing, and childhood development and learning.’

Historically, government intervention has been accepted as necessary and appropriate during times when the Australian housing market has failed to provide homes for people on low incomes. Indeed, after WW2, market failure in the private housing market was one of the key justifications for the development of the Australian public housing system, and investment in public housing construction underpinned substantial expansion in the supply of decent, affordable housing for low-wage earners.

There is widespread recognition that the private housing market is failing to meet the housing needs of a growing proportion of Australian households. The impact of this market failure extends beyond the narrow group of people targeted by the present-day social housing system.

‘Our research challenges the mainstream assumptions about who social housing should be for and why,’ says Dr Flanagan. ‘There are risks an uncritical adoption of a business case approach that focusses on the measureable financial aspects of social housing may exclude or hide other important qualities that are relevant to the purpose of social housing.’

The report argues that any infrastructure analysis of social housing should take into account the broad range of economic and social outcomes possible for households at the lower end of the income spectrum, rather than simply conceptualising social housing as a targeted welfare safety net.

The report can be downloaded from the AHURI website at <http://www.ahuri.edu.au/research/final-reports/309>

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