



Australian Housing
and Urban Research Institute

ABN 11 090 448 918

National Office
Level 1, 114 Flinders Street
Melbourne Victoria 3000
Australia
Phone +61 3 9660 2300
Email information@ahuri.edu.au
Web www.ahuri.edu.au

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

AHURI submission to Senate Economics References Committee Inquiry into Australia's innovation system

On behalf of the Australian Housing and Urban Research Institute (AHURI) I am pleased to make a submission to the Senate Economics References Committee's Inquiry into Australia's innovation system (the Inquiry).

This submission draws the Committee's attention towards an innovative, applied policy research model in the field of housing research. The Australian Housing and Urban Research Institute Limited, a not for profit management company, manages the National Housing Research Program on behalf of the Australian Government and all State and Territory governments, through a national network of universities.

With these structures in operation since 2000, AHURI has developed a reputation for the timely delivery of high quality, policy relevant research, achieved through effective, brokered engagement between the research, policy and practice communities. Ministers and senior officials familiar with the AHURI model have encouraged other policy and research fields to emulate its practice; most recently this has been taken up by the Australia's National Research Organisation for Women's Safety.

Details of AHURI's model for translating research outputs into social and economic benefits, its funding arrangements, governance, approaches to developing research pathways for early career researchers, and a number of achievements and practical lessons of the model are drawn to the Committee's attention in relation to the Inquiry's terms of reference.

I would like to thank the committee for its consideration of our submission. I would welcome the opportunity to elaborate further on this submission.

If there is any way we can be of further assistance to the Inquiry, please contact me directly on 03 9660 2300.

Yours sincerely

Dr Michael Fotheringham
Acting Executive Director

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**Australian Housing and Urban
Research Institute**

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About AHURI

AHURI Limited is the small not-for-profit management company based in Melbourne that leads and manages the work of the Australian Housing and Urban Research Institute. Staff are experts in research management, research synthesis, knowledge transfer and research dissemination—including event design and management, and evidence informed facilitation.

AHURI Limited manages the National Housing Research Program, including a network of university-based Research Centres throughout Australia. It also supports the Indigenous Housing and Homelessness Policy, Practice and Research Network, convenes the biennial National Housing Conference, supports a range of events to engage the research, policy and practice communities, and supports the development of research capacity building.

Through its National Housing Research Program, AHURI Limited currently invests around \$4 million annually in high quality policy-oriented housing research and associated activities.

The company, through the AHURI Limited Board, is committed to the highest standards of corporate governance—undertaking vigilant internal and external audit processes each year—and to the promotion of transparency in our operations.

AHURI has a public good mission to deliver high quality, policy-relevant evidence for better housing and urban outcomes. Our work informs the policies and practices of governments and industry, and stimulates broader debate.

AHURI receives income from three sources: grants from the Australian and all state and territory governments, contributions from our university partners, and third party income generated through fee for service activities.

What is our research approach?

AHURI is purposefully structured to support the delivery of high quality research and actively transfer this into policy development. We broker engagement between policy-makers and researchers, which allows us to undertake research that is purposeful and that actively contributes to national housing policy development.

We use a variety of academically rigorous research approaches, giving us the flexibility to undertake longer-term projects when fundamental research is needed and also respond quickly to new policy or practice issues as they arise.

Once research is complete, we ensure findings are actively disseminated through a variety of mechanisms, including our peer reviewed report series, events and conferences program, website, and our series of Evidence Reviews.

Submission to the Senate Economics References Committee Inquiry into Australia's innovation system

Introduction

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With these structures in operation since 2000, AHURI has developed a reputation for the timely delivery of high quality, policy relevant research, achieved through effective, brokered engagement between the research, policy and practice communities. Ministers and senior officials familiar with the AHURI model have encouraged other policy and research fields to emulate its practice; most recently Australia's National Research Organisation for Women's Safety.

Details of its model for translating research outputs into social and economic benefits, its funding arrangements, governance, approaches to developing research pathways for early career researchers, and a number of achievements and practical lessons of the model are drawn to the Committee's attention. These matters are discussed under the Inquiry's terms of reference below.

Term of Reference (c) The importance of translating research output into social and economic benefits for Australians, and mechanisms by which it can be promoted

Economic costs and economic and social benefits of research output

During 2012–13, AHURI Limited invested \$2.15m for 12 new projects through the annual National Housing Research Program competitive funding round process. Our agreement with our university partners means that we pay academic salary rates rather than consultancy rates and this means that the 2012–13 funding from governments and universities was leveraged to be worth \$12 million in research spending, approximately three times more than otherwise would be the case.

AHURI research is directed mainly at housing and urban policy decision makers, and so its benefit should be evaluated in terms of its impact and also the quality of housing and urban policy that results. Governments already intervene significantly in the housing market to address access and affordability concerns, through tax breaks and programs like the First Home Owner Grant, Commonwealth Rent Assistance and public housing. Yates (2009) also showed that in 2005–06, tax expenditures alone amounted to \$45 billion for home owners, \$5.4 billion to rental investors and \$2.8 billion to renters and so the investments by policy makers in correcting for market failures are already significant. This means that even small investments in research might help policy makers understand how such policies are working and help direct this investment more efficiently.

The social and environmental impact of housing is also very significant, so understanding how housing policies can impact social outcomes and public realm amenities is critical. AHURI has shown how housing affordability problems are adversely affecting Australian families (Yates et al. 2007) and the social costs this is imposing. Other recent AHURI research has demonstrated the economic value of neighbourhood renewal programs (Wood

& Cigdem 2012). AHURI research has also sought to consider how investments in housing and homelessness programs might have downstream benefits in improving social outcomes and reducing other areas of government expenditure (see for example, Zaretsky & Flatau 2013).

Finally, AHURI research seeks to be responsive to changing circumstances. AHURI has already built up a significant evidence-base documenting issues like declining home-ownership, housing stress and homelessness. But it has also sought to understand the underlying structural issues (like market failures in provision of low-cost supply), as well as social changes (like population ageing). AHURI works closely with government and other non-government actors to develop ways policymakers can better target available government resources to address those issues.

Mechanisms which can help translate research into outcomes

There are a number of elements that make up a successful research model to ensure translation of research to social and economic benefits for Australians. These include:

1. *Strategic commitment by AHURI Limited to 'better housing and urban outcomes'*

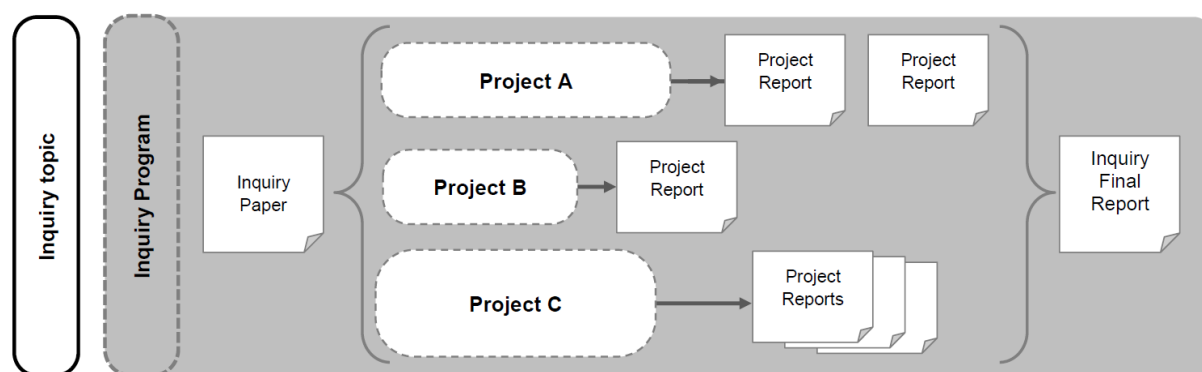
AHURI is committed to translating its research into social and economic benefits as a priority and focus for activities. It is not focused on research outputs or publication rates. This means that policy relevance has priority in setting the research agenda.

2. *The Policy Development Research Model*

AHURI has always involved policy makers throughout the research process—from initiation of the topic, discussions at key milestones, and engagement over policy implications.

The Policy Development research model takes this a step further. AHURI now undertakes Evidence-Based Policy Inquiries which are larger bodies of work involving multiple projects (Figure 1).

Figure 1: Evidence-Based Policy Inquiry structure and outputs



The concept 'policy development research' integrates the traditionally separate processes of 'evidence building' and 'policy development' into one set of practices. It demands a high degree of collaboration within and between the policy and research communities. The defining feature of the Policy Development Research Model is a small number of Evidence-Based Policy Inquiries. Each Inquiry is supported by a suite of research projects leading to the discovery of new ideas and the advancement of knowledge to address the policy issue.

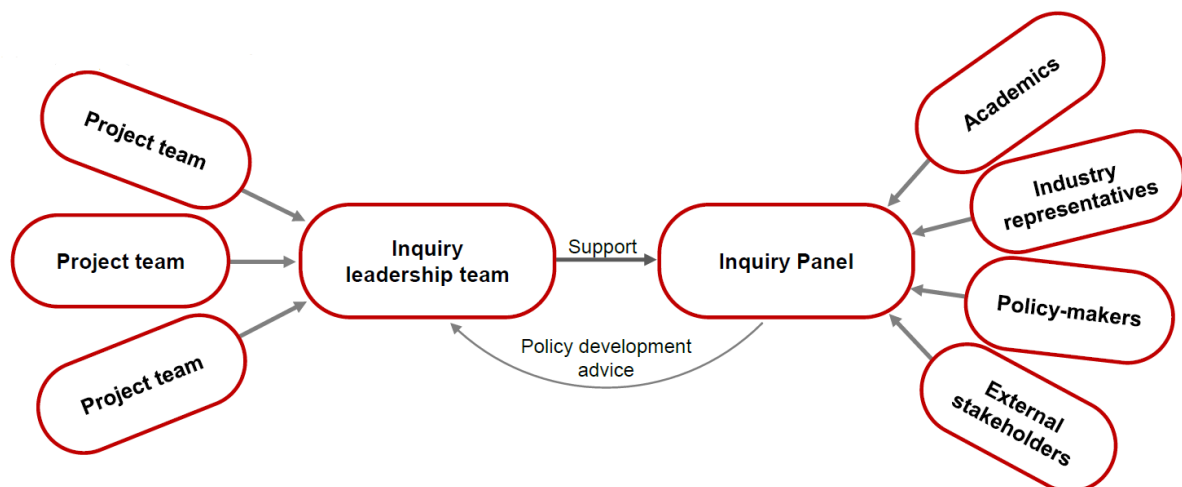
An Evidence-Based Policy Inquiry includes one or more research projects. The research projects entail the scoping and conduct of independent original research to support the Inquiry. The projects use a wide variety of research methods and vary in scale from primary data collection and analysis to discrete secondary data analysis to syntheses of existing evidence. Innovative mixed method and multi-disciplinary research is encouraged. The research projects undertaken are determined by the scope of the Inquiry and an assessment of the quality of the existing evidence-base.

Each Inquiry has an Inquiry leadership team which includes the project leaders of each research project. This team develops the conceptual framework, methods and approach to conduct original research on the Inquiry topic. They support and convene meetings of the Inquiry Panel where research informs the discussion of the policy issue.

Engagement with the policy community and practitioners is central to AHURI's aim of providing new, independent and original research to inform policy development.

Supported by the Inquiry leadership team, the Inquiry Panel comprises a mix of research, policy and practice expertise from the university, government and non-government sectors—as appropriate to the policy issue. The Inquiry Panel's role is to draw together evidence, the outcomes of the research, and policy and practice expertise to address the policy issue and to make particular recommendations for policy development and/or practice innovation. The Inquiry Panel meet as many times as appropriate over the course of the Inquiry (Figure 2).

Figure 2: Inquiry key personnel structure



Inquiry outputs include the preliminary Inquiry paper, which scopes the Inquiry and describes the research approach, and the final Inquiry Report which presents the overall findings and recommendations of the Inquiry. Other outputs include essays, discussion papers, critical perspective papers, background papers for the Inquiry Panel or progress reports to AHURI may also be produced, and may or may not be double blind peer reviewed as appropriate. The outputs of the supporting research projects may also be published over the course of the Inquiry in the AHURI Report series. These reports are double-blind peer reviewed (See Figure1).

3. *Third party honest broker*

Engagement is central to realising the translation of research to policy, and for this it requires a third party—AHURI Limited—outside of government and not on a particular university campus.

4. Public accessibility of research necessary to support widespread engagement

For research to be effectively translated into outcomes, it is important to maintain open access to good quality research for policy makers, including those in smaller jurisdictions that might not be able to finance much of this research themselves—this is especially important in Australia where housing is a joint state and federal area of responsibility, and it also involves a wide range of non-state actors. While there will of course remain a need for some policy makers to engage parties to do confidential research, there is also a need for policy makers to facilitate wider debate on matters of common concern. It therefore imperative to maintain systems of open access to information and transparency, rather than operating with secretive or commercial in confidence approaches. All AHURI research is made freely available on its website.

5. Tracking uptake of research by policy makers

A crucial component of sustaining successful translation of research into outcomes is ensuring that the research is relevant to policy makers. This is measured by monitoring progress in terms of uptake by policy makers. AHURI track the number of citations in other policy documents (e.g. Parliamentary Inquiries, Productivity Commission reports, other NGO documents influencing government).

Term of Reference (e) **Current policies, funding and procedures of Australia’s publicly-funded research agencies, universities, and other actors in the innovation system**

(and)

Term of Reference (f) **Potential governance and funding models for Australia’s research infrastructure and agencies, and policy options to diversify science and research financing**

Funding arrangements

The National Housing Research Program (NHRP) is administered by AHURI and is generally administered in context of the National Affordable Housing Agreement. This arrangement is important in that the money is in a sense linked to a wider government investment in housing outcomes. In 2012–13, the income available from the NHRP was \$3.8 million, and is budgeted to be \$4.2 million in 2013–14.

The NHRP is funded from a number of sources including the Australian government (\$1.6 million in 2012–13), state and territory governments (\$1.6 million) and universities (\$1 million). A funding agreement involving government parties is signed with AHURI.

The funding provided by individual government or university investors leverages other funding, effectively multiplying the value of the research they receive. For example:

- The Queensland Government contribute \$317 000 in 2012–13, but they benefitted from \$3.8 million worth of research—their contribution was effectively multiplied by contributions from Australian government, other state and territory governments and universities, resulting in a funding leverage ratio of 1:13. This is even higher for smaller states or territories who contribute even less.
- Each of the nine universities have contributed \$108 500 in 2013–14 but researchers have access to a potential funding pool of \$4.2 million in 2013–14, effectively leveraging their investment by a multiple of over 40.

AHURI also competes for other research contracts (such as research synthesis or evaluations) that add value to NHRP stakeholders to further leverage investment by governments and universities. We also gain funding from a number of other sources including events.

The funding agreement has a number of advantages for funders over AHURI engaging consultants or engaging researchers on a contract basis:

- First, all universities are required to contribute a limited amount of funding to participate, as well as a commitment to resource participation through commitment of staff administrative resources, effectively stretching the funding pool available to policy maker funders.
- Second, we cultivate a long term relationship conducive to university investment in the housing and urban field.
- Third, the model has potential access to a wide range of research expertise across the university or other participant universities as each research project demands it.
- Fourth, it is cost-effective since the agreement involves payment of academic salary rates (which are one third that of consultancy rates).

- Finally it also involves a timely and rigorous process of peer review involving an international panel of academic researchers outside the AHURI network to provide quality assurance.

Involvement of universities and research community

AHURI involves university based researchers through a long term agreement ('participant's agreement'). The term of the agreement is unlimited although universities need to provide 6 months' notice to exit the agreement, and AHURI has an obligation to repay to the university any amounts to that university if they have not been successful in funding processes though a funding guarantee.

The system has a number of advantages for researchers compared to alternative arrangements (e.g. consultancy):

- The process involves funding research outputs that are Category 1 funding.
- AHURI reports are published in a journal series which is ranked using the Excellence in Research Australia journal ranking system. Since publications in journals count for academic advancement (unlike consultancy), this is highly sought after by research academics.
- Intellectual property is licensed back to academics for on-publishing into journals.
- Academic salary rates means that academics can buy themselves out of teaching to get time to do publishable research that will count for their academic publishing record.

There are also a number of safeguards to ensure efficient and ethical conduct of the research funding and process:

- AHURI Limited plays a facilitative role in managing the policy and research engagement in developing research priorities, and preventing conflicts of interest. AHURI also play a role in involving a range of other non-government parties in the research agenda setting process and in selecting projects in the funding round.
- AHURI Limited contract research with research institutions and manage those contracts to completion. A system of financial incentives and penalties are used to ensure timeliness of research outputs.

Governance arrangements

AHURI Limited Board directors comprise appointments by the Australian Government, state and territory governments, and universities. State and territory and university director appointments are rotated around the various jurisdictions and participant universities. In addition, there is a non-government appointment. This ensures that all interests in the Institute and wider interests have a voice on the Board.

A key role of the Board is to approve research priorities and selections of projects, as well as oversee financial accountability. The Board empowers AHURI to appoint a Research Panel which is involved in making recommendations to the board about the research agenda and funding round processes and recommended projects for funding.

Term of Reference (g) The effectiveness of mechanisms within Australian universities and industry for developing research pathways, particularly in regards to early and mid-career researchers

AHURI fund a range of processes to support research capacity building in Australia especially for new or early career housing and urban researchers. This includes:

1. *Postgraduate Top-up Scholarships*

PhD scholars in receipt of an existing base PhD scholarship receive an additional \$7000 per year, on the conditions that they are from a participating university, that they undertake a PhD topic in an area of housing and urban research, and that they commit to participate in the annual postgraduate symposia.

2. *Annual Postgraduate Symposium*

An annual two day conference involving PhD Top Up scholars from participant universities to build capacity and enable PhD students to learn from other students as well as other early career and experienced housing researchers.

3. *Postdoctoral Fellowships*

Postdoctoral fellowships are awarded each year by AHURI to enable early career researchers who have completed their PhDs to work on programs of research that include AHURI research.

4. *Federal Minister's Early Career Researcher Prize*

A prize awarded each year at the Australasian Housing Researchers Conference.

5. *Requirements for inclusion of early career researchers in projects*

AHURI funding proposals are required to address a selection criterion around research capacity building. Projects which include the participation of early career researchers are given credit in the selection process.

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AHURI Research Centres

AHURI Research Centre—Curtin University

AHURI Research Centre—RMIT University

AHURI Research Centre—Swinburne University of Technology

AHURI Research Centre—University of Adelaide

AHURI Research Centre—University of New South Wales

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Level 1, 114 Flinders Street, Melbourne Victoria 3000

T +61 3 9660 2300

E information@ahuri.edu.au W www.ahuri.edu.au