

# Challenges to be overcome in measuring social housing tenant outcomes for funding



Based on AHURI Final Report No. 419: The role of outcomes-based frameworks in social housing provision in Australia

## What this research is about

**This research examines the organisational and resource implications of transitioning from ‘output-based’ to ‘outcomes-based’ funding arrangements for providing social housing in Australia. With outcomes-based service models, organisational funding arrangements are tied to specific service outcomes (such as better housing, health or employment outcomes) rather than discrete service volumes (such as number of clients served). To work properly, outcomes-based funding requires ongoing accurate measurements and evaluation of the effectiveness of these housing and support interventions.**

## The context of this research

Over the last two decades federal and state governments have discussed introducing outcomes-based funding approaches for both the homelessness and social housing sectors. While there is widespread agreement among stakeholders—policy makers, service providers and consumers—that a shift from an output-based to an outcome-oriented housing assistance and support system makes sense, there are concerns about the best way to measure outcomes that take into account the complex differences among social housing tenants, and the recognition that when outcome measurement is done poorly, it can have a damaging impact on both service users and providers.

## The key findings

A key issue with outcomes-based service models are the serious questions about what should be measured, by whom, and for what purpose. In addition, to what extent can housing, health and social outcomes of diverse tenant cohorts be accurately measured to inform service improvements?

## International measurement criteria of identified social benefits

Internationally, a number of measurement techniques—for example, Wellbeing Values, Welfare Weights, the Outcomes Star—are accepted means of identifying individual and social benefits associated with providing social and affordable housing. While these techniques and measurements are not currently part of mainstream economic evaluation practice in Australia, they are employed by some community housing providers. They have also been employed in cost-benefit analysis of social and affordable housing programs in Australia.

## Keeping tenants in housing is most desired organisational outcome

Outcomes frameworks typically treat retaining housing as the most significant outcome (or goal). This is based on the assumption that secure housing is the foundation for personal health and wellbeing as it supports progress in other life domains such as economic participation in work or training, social inclusion and community belonging.

Outcomes models in use across the social housing sector in Australia typically endorse two broad areas: housing outcomes and non-housing outcomes.

Housing outcomes evaluations across Australia include measures of secure, stable housing, where tenants feel safe and where they enjoy some degree of control over their tenure and the character and maintenance of the property.

Non-housing outcomes are assessed using:

1. *Measures of financial security*—including access to income or welfare support, and financial independence
2. *Health-related outcomes*—including measures of quality of life and subjective wellbeing, or timeliness of access to primary or mental health supports
3. *Social inclusion outcomes*—indicators of community engagement such as participation in social and community events, networks or activities
4. *Recovery and independence*—measures of empowerment, identity and autonomy, such as ‘locus of control’ or ‘self-efficacy’ measures and indicators.

## There is a diversity of Australian social housing sector measures

A feature of the social housing sector in Australia is the diversity of indicators and measures used to track outcomes. Inconsistencies in outcomes measures, approaches and methods have been identified as a key barrier inhibiting clearer assessments of the performance of the social housing sector.

All research interviewees agreed that formal efforts to identify and track the outcomes of community housing providers are essential to ensuring that programs deliver value both for residents and the broader community.

## Collecting accurate, relevant data is difficult for service providers

Research respondents reflected on the challenge of collecting robust, reliable outcomes data to inform service enhancements.

A number of participants in Victoria described a discrepancy between the compliance requirements regulating housing agencies, and those relating to housing support agencies, which were said to be more lenient. Participants attributed this difference to the fact that housing outcomes (such as the retention of tenure arrangements and housing quality/satisfaction outcomes) are easier to measure and report than non-housing outcomes (such as wellbeing or social inclusion), which are typically of great interest to housing support agencies.

Participants also noted significant challenges attributing non-housing outcomes such as improvements in health and wellbeing or social inclusion to individual program activities.

## Services develop their own outcome measurements

Service providers have seen the need to develop their own customised outcomes frameworks. This has resulted in wide discrepancies in the ways outcomes are assessed across the housing sectors. Housing service managers spoke of how they generally developed outcomes measures within their organisations in consultation with staff, service users and tenants—although with only limited reference to formal outcome measures and tools in use in other housing organisations (or in other sectors).

Broad outcomes approaches like those developed by the Council to Homeless Persons or the Community Housing Industry Association were used as models in developing outcomes instruments for use internally. However, the specific design of outcomes and evaluation tools—including crucially the selection of measures and indicators—tended to occur at the service level with limited consultation between staff across agencies. The result is widespread differences (and even outright incompatibilities) between the outcomes measurement and reporting tools and platforms in use across the agencies that participated in this study.

## Evaluation is costly for organisations

Evaluating outcomes effectively is a costly and complex business, particularly non-housing outcomes. It requires:

- significant financial and human resource investments to support the design of outcomes measurement and evaluation protocols
- staff time to support the collection of outcomes data
- at least minimal data analytics and information technologies investment to securely store and analyse data
- technical expertise to enable reliable analysis and reporting of outcomes data
- organisational support, including strong leadership, to manage the often challenging organisational and political contexts in which community housing services operate, where the reporting of outcomes inevitably attracts intense scrutiny.

## Political and methodological challenges exist to outcomes-based funding approaches

A range of measurement and assessment challenges were identified in the international literature, with two standing out in particular:

The first issue is political, and concerns power and resources. In other words, whose political interests does a given outcomes evaluation serve? And how does the evidence generated in the evaluation of outcomes serve particular kinds of political interests at the expense of others?

The political contexts in which the outcomes of a given housing assistance and support program are considered will always shape the manner in which outcomes are conceptualised, and the various meanings that may reasonably be attributed to the outcomes that are subsequently reported in relation to a given program.

The second issue is technical, and concerns challenges by which outcomes evaluations are conducted. Key issues include the importance of establishing a core set of indicators and measures; problems of validity and reliability; and the ways particular kinds of program outcomes may be fairly attributed to particular kinds of program activities. There may also be ethical challenges in attempting to identify, measure and report program outcomes.

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## Meaningful measurement comparisons are not always possible

The question of meaningful comparison is crucial, and it is not simply solved by common indicators or measures, as spatial contexts and individual service-user biographies (including individuals’ characteristics and experiences) matter.

An associated challenge is issues of transparency and accountability. Discrepancies in the ways outcomes data are collected and reported across agencies make performance comparisons difficult. Ideally, outcomes data should support performance monitoring and improvement, yet this can only happen if reliable data are provided in ways that permit timely service assessments.

## Measurement tools need to account for individuals’ complexity

While housing retention is a common goal, interest in individuals’ outcomes associated with community engagement, health and wellbeing, and personal empowerment means that outcomes measures have become increasingly complex, even burdensome, for housing services and tenants.

The challenge is to develop streamlined outcomes assessment instruments that are brief enough to avoid overburdening staff and tenants, but broad enough to capture key performance outcomes of interest. There is also the more difficult challenge of attempting to capture the complex factors that shape outcomes in housing support settings.

## Evaluations for outcomes-based funding may not focus on the aspects of most importance for tenants

There was widespread support for sharing tenants’ experiences in any effort to trace the longer-term impacts of social housing or community housing initiatives. Some participants spoke about ‘tenant voice’ in the context of efforts to increase engagement with tenants in outcomes assessment arrangements, including co-design approaches involving novel participatory approaches to engage tenants and to collect stories about their experiences.

While formal outcomes evaluations tend to emphasise ‘what works’ in the delivery of effective housing support, this is not always ‘what matters’ for the vulnerable individuals and communities accessing these services. Housing services commonly favour a person-centred approach, where the outcomes measured are determined by service users. However, housing policy makers seem to prefer predetermined outcome measures that can be applied to all service users within specific cohorts—for example, rough sleepers; women experiencing domestic violence; and social housing residents.

## Suggestions to underpin a successful transition to outcomes-based funding

The research outlines three suggestions to help the sector prepare for future outcomes-based funding models:

1. Enhanced transparency in the ways outcomes are identified, evaluated and reported to drive stronger accountability for both funders and service providers across the sector.
2. Greater use of outcomes data to drive stronger alignment between housing policy and other aspects of social policy development by highlighting the ways enduring housing outcomes require coordinated service and policy responses.
3. Greater consistency in the outcomes frameworks, measures and indicators adopted across the sector to enhance scope for comparative analysis across the broad provision of social and community housing assistance and support.

There is also a strong proposal for government to do more to standardise outcomes reporting to reduce administrative burden, but also to highlight the wider social and community value of outcomes assessment efforts. There are broader national health and social care services datasets that could be used to drive the standardisation of performance benchmarks and measures. There is also an argument for a national approach grounded in the existing data analytics and evaluation science capabilities of organisations like the Australian Bureau of Statistics or the Australian Institute for Health and Welfare (AIHW).

## What this research means for policy makers

The transition to outcomes-based funding requires clear pathways for translating outcomes into funding for additional social housing, as well as for associated health and social care support services. Both housing policy makers and housing sector interviewees cautioned that functional outcomes-based funding is institutionally very different from current housing policy making, and will likely involve changes that go far beyond existing housing policy or service provision arrangements.

Proposed policy developments include:

- the development and introduction of a standard set of housing outcomes domains, indicators and metrics to ensure greater consistency in the ways housing agencies identify and report outcomes. This should involve national leadership to ensure consistency across jurisdictions
- strong tenant/resident engagement is needed to ensure that the needs of diverse populations and communities are represented
- interactions between different housing, health and social care services and supports need to be acknowledged within outcomes assessment frameworks in more sophisticated ways
- establishing a National Housing Outcomes Clearinghouse to support the dissemination of standardised outcomes assessment frameworks and indicators.
- an outcomes-based framework needs to be accompanied by clear pathways for translating outcomes into resources for additional social housing provision
- dedicated, formal resource and technical support should be provided to services to develop and enhance their outcomes evaluation, monitoring and reporting capabilities
- work needs to be done to consider the risks associated with outcomes-based funding and how these risks might be managed, including how financial risks might be mitigated in instances where outcomes are not achieved.

Ultimately, housing service providers, policy makers, funders and advocates share a commitment to the provision of secure housing for all Australians. This report has highlighted the need for a national debate about the kinds of housing futures Australia wants, and how social, economic, housing and health policy might be coordinated to achieve this outcome.

## Methodology

This research conducted an international literature review and interviews with key housing policy stakeholders and housing service managers, focussing on NSW, Victoria and Tasmania.

### To cite the AHURI research, please refer to:

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