

Executive Research Report

Housing First

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Doing Business in Australia: An Economic and Cultural Overview of Australia

In Australia, the current state of the economy is quite similar to the state of most major economies. Inflation is a cause for concern as it has steadily risen since the previous year and other fiscal pressures are the right conditions to spell a slowdown in the economic growth the country has experienced since its quick rebound from the pandemic. Certain macroeconomic policies and higher export prices for Australian commodities pushed Australia's domestic goods demand to pre-pandemic levels, this caused a rift between supply and demand as the constraints on the global supply chain along with labor shortages in key areas have lagged behind the unexpected demand recovery that Australia witnessed. This has meant that with already high inflation prices, the pressure to increase prices of goods has spread to "Manufactured goods, food, energy and services." As far as the response to rising inflation rates is concerned, the banking sector has taken the appropriate steps to restrict the adverse effects of said inflation by taking a "restrictive stand of monetary policy". One area of concern is that the public debt to GDP ratio has increased 30 points since 2010, which can be correlated to a stretch of low commodity prices in the mid 2010s as well as the costs associated with the recovery from the pandemic.

Some basic statistics on the economic breakdown of Australia. The main industries in the country in terms of share of total output are Mining at 14.3%, Health & Education at 12.8%, Finance at 7.4%, Construction at 7.1%, and Manufacturing at 5.7%. The top three Australian States in terms of share of total output are New South Wales at 30.3%, Victoria at 22.2%, and Queensland at 19.7%. As a nation Australia has a current population of 26.6 million and

experiences an annual growth rate of 2.4%. The nations most common exports by total export share are resources at 61.5%, services at 17.6%, and manufactured goods at 7.4%. Australia's most common trade partners are China, Japan and Korea. The employment to population ratio which is the number of employed citizens divided by the total working age citizens is at 64.6% which would put them in the top 40 countries for that metric. According to the website for the Reserve Bank of Australia, the Average price of a residential dwelling is \$925,000, the average for household wealth as a share of income is at 886%, and the average for household debt as a share of income is at 185%.

Based on information provided by the government website for businesses in Australia, there are some legal essentials that are required in order to run a business in Australia. To start off, the tax requirements include having an Australian business number, paying the goods and services tax, having a tax file number and PAYG (pay as you go withholding). As a business you may be required to register for some or all of these programs. Another consideration to make for doing business in Australia is complying with their trade laws such as fair trading laws, the Australian Consumer Laws, the Competition and consumer act, as well as Australian standards and codes of conduct. Especially in our case as consultants it is extremely important that the company we are doing business with as well as us as independent consultants comply with Australian privacy law as we are dealing with potentially sensitive data, so ensuring we are dealing with this data in a legally compliant manner will be very important.

To go over the housing laws and laws pertinent to the housing association sector of Australian business, it is important to note that these associations are incorporated under the Associations Incorporation Act in 1985 and they are registered under the community housing providers act in 2013. The main difference between housing co-ops and housing associations are in the way each organization is set up, co-ops are set up to be managed by the tenants whereas associations are set up to be managed by volunteers on behalf of the tenants which is how HousingFirst is set up.

Some of the cultural norms that are important to note when doing business with Australian companies include their affinity for punctuality, based on global stereotypes, Australia may be viewed as a laid-back country but they place a high value on being on time and meeting your deadlines. Another important thing to note is that Australians are typically straightforward in their business dealings and so they appreciate when you are able to get your points across quickly and effectively.

Breakdown of our Client and the Project Brief:

HousingFirst has a strong legacy of over 35 years of service to the Melbourne community, highlighted by robust property development, rental asset management, and overall community development. Its growth trajectory, especially in the realm of expanding affordable housing in Melbourne, underscores the strong commitment to social welfare demonstrated throughout its history. This expansion, however, has posed challenges in maintaining high service standards, demanding a strategic review and recalibration of its operational frameworks to put client satisfaction on the same level as the company's recent growth. To that end, a major pain point for the client has been upkeep and maintenance of pre-existing housing assets which will bolster resident satisfaction.

The mission of creating affordable homes and communities is central to HousingFirst's identity. This mission is actualized through their strategic approaches: boosting affordable housing supply, ensuring excellent property management, fostering resident well-being, and encouraging the collaboration of residents within their communities. The organization's core values – Integrity, Respect, Inclusiveness, Collaboration, Accountability – serve as guiding principles, shaping its interactions with stakeholders and the broader community. Affordable housing is seen as a fundamental human right, and HousingFirst seeks to fulfill that through the development of and adherence to their mission statement.

The ecosystem of HousingFirst includes a diverse range of stakeholders, ranging from government bodies, developers, financiers, and industry organizations. Affordable housing requires a substantial effort from a multitude of backgrounds, and the collaboration of all of these aspects serves as a manifestation of HousingFirst's multifaceted approach towards community housing and development.

Analysis of the Resident Satisfaction Survey: The Resident Satisfaction Survey provides critical insights into the lived experiences of residents. While there are areas of high satisfaction, the survey uncovers critical aspects needing attention. These aspects are stability, empowerment, and financial wellbeing.

Stability: This refers to the residents' sense of security and predictability in their housing situation. Improving stability involves ensuring that residents feel their housing is secure and not subject to unexpected changes or disruptions, such as sudden rent increases or eviction threats. Given that stability is fundamental for mental and emotional well-being, this is a key area to address to improve overall tenant satisfaction.

Empowerment: Empowerment in this context relates to the residents' ability to have control over their living situation and to make decisions impacting their lives. This includes having a say in community activities, having access to resources for self-improvement, and being involved in decision-making processes related to their housing and community.

Financial Wellbeing: Financial wellbeing is about the residents' ability to meet their financial obligations, particularly rent, without undue stress, and to have some level of financial security. Improving this aspect could involve addressing affordability issues, providing support for financial management, or offering guidance on accessing financial assistance programs. As we continue to work with the client, it should be determined what HousingFirst is able to offer that is within the budget of a non-profit. Improving these aspects is crucial because they directly impact the quality of life of the residents and their satisfaction with HousingFirst's services.

Addressing these areas will likely lead to more content and stable communities, aligning with HousingFirst's mission of building local communities and supporting personal well-being.

Analysis of Maintenance Work Orders: The maintenance work order data, in tandem with feedback from CommunityFirst meetings, is vital for understanding operational efficiencies and resident grievances. This data will be instrumental in identifying systemic issues and areas requiring immediate intervention.

Response Time: Assessing how quickly maintenance requests are addressed. Delays can lead to resident dissatisfaction and exacerbate issues.

Quality of Repairs: Evaluating the quality and durability of repairs, ensuring they are done correctly the first time to avoid repeat issues.

Communication and Transparency: Improving how maintenance requests are communicated to residents, including updates on the status of repairs.

Proactive Maintenance: Implementing a proactive maintenance strategy to address potential issues before they become problems, thus reducing the frequency of emergency repairs.

Resident Feedback Mechanism: Establishing a system for residents to provide feedback on maintenance services, helping to identify areas for improvement. Further analysis can reveal specific pain points the residents experience and how often they experience them. In future meetings with HousingFirst, we should be able to gain insight into which aspects these might be and how they can be addressed.

Data Analysis: Conducting a detailed analysis of the Resident Satisfaction Survey and Maintenance Work Orders. This involves identifying patterns, trends, and specific areas needing attention. Strategic Recommendations: Developing strategic recommendations based on our analysis. This includes addressing areas of stability, empowerment, and financial wellbeing for residents, as well as improving maintenance operations. Implementation Plan: Collaborating

with HousingFirst to create an implementation plan, which details how these recommendations can be executed, considering the company's resources and operational constraints.

Performance Metrics: Establishing clear metrics to measure the impact of implemented changes on resident satisfaction and operational efficiency. Feedback Mechanism: Setting up a system for ongoing feedback from residents to continuously monitor and adjust the strategies as needed.

The timeline of our project will follow the outline provided by the course instructor and the format of the class, with structured dates for opening and closing meetings as well as drop-ins with the client and course instructor. We expect to be in close contact with the client to ensure that expectations are being met and that the specific deliverables are aligned with the project's goals. Progress towards and the completion of our deliverables represents the milestones that we aim to achieve throughout this project.

Some questions that might be important to ask HousingFirst during our preliminary meeting would include. What are the specific areas where HousingFirst seeks improvement in resident satisfaction? Are there any budgetary constraints for implementing the recommended changes? Can HousingFirst provide additional data or insights into the challenges faced in the maintenance and community development areas?

Breakdown of the Housing Industry and the Competition:

HousingFirst has established itself as one of the leading community housing organizations in Victoria. Its extensive portfolio and experience contribute to a significant market share within the region. Growing Demand for Affordable Housing: Australia, like many other countries, faces a growing demand for affordable housing due to factors such as population growth, urbanization, and rising housing costs. Community housing organizations like HousingFirst address this demand. Government Support: The Australian government has recognized the importance of community housing in addressing homelessness and housing affordability issues. This has led to increased support and funding for organizations like

HousingFirst. Sustainability and Liveability: There is a growing emphasis on creating sustainable and liveable housing solutions. HousingFirst's focus on creating attractive and liveable homes aligns with this trend. Collaboration with Stakeholders: The community housing sector relies on strong partnerships with various stakeholders, including local, state, and federal governments, developers, financiers, and industry organizations. HousingFirst's excellent working relationships highlight the importance of collaboration.

Market Share: HousingFirst has established itself as one of the leading community housing organizations in Victoria. Its extensive portfolio and experience contribute to a significant market share within the region. Experience and Expertise: With over 36 years of experience, HousingFirst brings a wealth of knowledge in financial management, property development, tenancy management, asset management, and community development. This expertise positions them as a key player in the industry. Regulation and Recognition: HousingFirst is a regulated organization, reflecting its commitment to compliance and quality service delivery. It has received recognition and awards for its contributions to social housing in Melbourne. Stakeholder Relationships: HousingFirst's ability to maintain excellent working relationships with various stakeholders, including government bodies and industry organizations, underscores its significance in the sector.

Launch Housing: Launch Housing is another notable community housing organization in Australia. They focus on providing housing and support services to individuals experiencing homelessness or housing crisis. They operate across Victoria, similar to HousingFirst.

Community Housing Limited (CHL): CHL is one of the largest community housing providers in Australia, with a presence in multiple states. They offer affordable housing solutions and have a significant portfolio of properties.

Uniting Communities: While primarily based in South Australia, Uniting Communities operates in the community housing sector, providing affordable housing options and support services to vulnerable individuals and families.

Launch Housing has a strong focus on homelessness and crisis support, which differentiates it from some other community housing providers. They have a range of support services, including health, employment, and education support, which can enhance the well-being of their residents.

CHL has a national presence, which allows them to operate in multiple states and diversify their portfolio. They have a strong emphasis on sustainability and energy-efficient housing, aligning with modern trends.

Uniting Communities has a history of community engagement and social services beyond housing, making them a holistic support provider. They offer a variety of housing solutions, including affordable rental, transitional housing, and disability accommodation.

Launch Housing's specialization in homelessness support gives them a unique advantage in addressing urgent housing needs. Their diverse support services can contribute to long-term stability for residents. Limited geographic reach compared to national providers. May face challenges in terms of scaling up to meet broader housing demand.

CHL's national presence and diverse portfolio provide stability and growth opportunities. Their sustainability initiatives align with evolving environmental and community expectations. The vast scale may present challenges in terms of localized community engagement and service delivery. Regional variations in housing demand and regulatory environments can be complex to navigate.

Uniting Communities' history of community engagement and diverse services make them a trusted partner for residents. Their flexibility in offering various housing solutions caters

to different needs. Limited geographic coverage compared to organizations with a national presence. Competition with larger providers in terms of resources and scale. Strengths: With over 36 years of experience, HousingFirst brings a wealth of knowledge in financial management, property development, tenancy management, asset management, and community development. This expertise positions them as a key player in the industry.

HousingFirst has a substantial presence in Melbourne and strong relationships with stakeholders, including governments and developers. Their focus on creating attractive and liveable homes sets them apart in terms of resident satisfaction. Weaknesses: Potential limitations in terms of geographic coverage compared to national competitors like CHL. The organization may need to continually adapt to changing market conditions and housing demands.

