

# Performance Indicators and Social Housing in Australia

## Abstract

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This paper critically analyses performance Indicators as used in the social housing system of Australia. The use of performance indicators emerged in the mid nineties and grew out of the new managerialist and economic rationalist ideas that shaped public sector reform in this decade. This context gave a particular form and direction to performance indicators and in hindsight limited their capacity as useful indicators. The paper outlines the specific forms of indicators used in the social housing system (mainly in public housing), the assumptions that underpinned them, and the conceptual and methodological problems with the indicators. We are now entering what could be called a second phase of performance indicators and there is some promise that they could be more effective performance measures in the future. However given, as the paper argues, such indicators are as much creatures of political ideology as good management tools any use of indicators has to be placed under critical scrutiny.

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## Introduction

This paper is about the role of performance indicators in the management of Australian social housing. The analysis is located in the context of the 'new managerialism' that swept through the Australian public sector in the 1990s (Sheil, 1997, Davis et al 1997, Clark C., and Corbett D, 1999), within which the performance indicator movement gained its momentum and political legitimacy. By new managerialism we mean new forms of public sector governance modelled on private sector principles in which emphasis is given to the establishment of contracts as a means of delivering outputs. Performance indicators are crucial to this system, for they form the basis of contractual relationships as well as the benchmark against which performance is to be assessed. In many ways the success or otherwise of the new managerialism is dependent upon how well performance indicators work as a policy tool.

In this paper we show how performance indicators have come to enjoy a prominent albeit highly flawed place in Australian social housing management. We look at the types of indicators that have been chosen, how they have been modified over time, and their usefulness as measures of social housing policy interventions. We begin by locating Australian social housing policy in its broader comparative social policy context.

## Australian social housing in context

Australia has an unusual federal system of governance in that the local level is weak and the federal (or Commonwealth) level has much greater power, particularly in terms of revenue raising. Partly because of the weak role of local government, community and locality have never been important as organizing or rallying principles for social policy interventions in Australia. Paradoxically, given that Australia is often characterized as a market liberal society (cf Esping-Andersen, 1990, 1996), Australians have a strong acceptance of government intervention. All these characteristics fused historically in such a way that social housing responsibilities became primarily the responsibility of state housing authorities rather than local government or the voluntary sector as in most other countries. Like the USA, however, pro-market liberal values restrained the size of the public housing sector, ensuring that the state was never more than a 'reluctant landlord' (Hayward, 1996).

Today, Australia’s social housing system is dominated by large state owned and managed housing agencies which control over 90% of long-term accommodation, and a small and embryonic community sector, which is responsible for around 10% of long-term accommodation, but almost all the short-term, crisis accommodation (Department of Family and Community Services 1999). As Table 1 shows the New South Wales housing agency, the largest, manages 130,000 dwellings while the smallest, the Northern Territory manages around 9,000 dwellings. The stock is disproportionately detached, although Victoria has a relatively large stock of high rise. The sector is funded jointly between the Commonwealth and the states, with the Commonwealth providing the bulk of the capital funds and the State housing authorities managing the stock. The Commonwealth also provides most of the funding for crisis and emergency housing support services, although these funds represent less than 10% of total federal housing assistance. Commonwealth social housing funds are provided to the states and territories through an agreement called the Commonwealth State Housing Agreement (CSHA), which in effect sees the Commonwealth as the funder and the States as the provider of social housing. Overall the social housing sector accounts for only 5% of the total housing stock, while home ownership (69%) and private rental (23%) are the dominant tenures.

Table 1: State Housing Authorities dwelling stock, 1997/98

State Territory	Total Stock	Public Stock as % of total housing stock
New South Wales	128,599	6.3
Victoria	67,788	4.3
South Australia	61,359	12.0
Queensland	45,959	4.0
West Australia	36,492	6.5
Tasmania	14,329	8.7
Northern Territory	8,696	20
Australian capital Territory	12,491	12.5
Australia	371,538	5.0

Source: Department of Family and Community Services 1999, *Housing assistance act 1989 Annual Report 1997-98* DfaCS Canberra

In the early post war decades public housing was aimed at those who had the potential to be economically and socially independent. Eligibility criteria basically excluded the unemployed, the elderly, sole parents, and those with disabilities (Jones, 1992; Hayward,

1996). Public housing was mainly for low income working families and the stock that was constructed from the 1940s-1970s reflected this, being largely three bedroom detached houses with some high rise in Melbourne and Sydney (see Peel, 1995; Hayward 1996).

In the 1970s 'poverty' was discovered in the private rental sector, and pressure was placed on the public housing system to allocate stock to poorer households and those with special needs. The targeting gathered momentum in the 1980s and 1990s such that today over 90% of tenants are either on social security benefits or experiencing some other form of social deprivation. Singles and sole parents, many having experienced domestic violence, drug and alcohol addiction, or mental illness, are the major need groups being allocated public housing today. (Hayward, 1996).

Targeting however is only one manifestation of more profound reforms that have affected the public housing system in the last decade. This paper concentrates on the most recent period of reforms, which coincides with the rise of the 'new managerialism'.

## The New Managerialism

The new managerialism developed from three main influences. The first is the rise to dominance of neo-liberalism as an overarching ideology underpinning Australian public sector management principles. Up until the 1980s Australian social policy was difficult to classify. In terms of the criteria used by analysts such as Esping-Andersen, it had many elements of a market liberal society such as the USA, including low taxes, and low levels of general government spending. But in other dimensions it had characteristics closer to the social conservative and social democratic regimes of Europe, including highly regulated labour and financial markets, high levels of tariff protection, and a large public trading enterprise sector that was responsible for airlines, water, gas, banks, electricity, and telecommunications. Underpinning all this was a deeply entrenched traditional public service culture modelled on the British system of public administration.

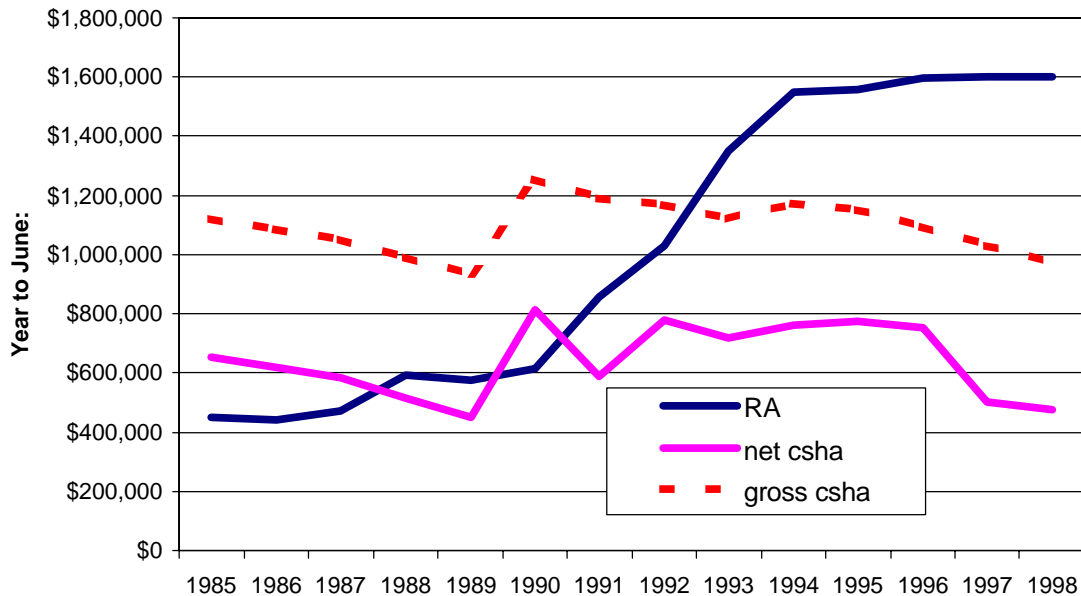
In the eighties the Federal Labor government initially embraced a more social democratic direction, introducing a corporatist Accord with trade unions, industry plans, and a universal public health care system. From the mid-1980s, however, Federal Labor took a different direction, building on its decision to deregulate the financial system in the early 1980s with successive cuts to trade protection, moving in the 1990s to a large scale privatisation program and labour market deregulation. These changes cannot be imposed upon a sceptical public without some form of legitimation and the ones that

emerged were the familiar suspects: international competitiveness, consumer choice, accountability and efficiency; all with the promise that Australia as a whole would be better off. The general thrust was that to be competitive, Australia, and its public agencies, had to be more market oriented and business like. If state agencies such as housing could not be privatised then the next best option was to bring business like practices to their management (Pusey, 1991).

The second major influence on the formation of the new managerialism was the rise to prominence in public administration circles of public choice and agency theories. The most significant single publication was Osborne and Gaebler's highly influential Reinventing Government. Out of these intellectual sources came the drive to corporatise, marketise, compete, and, if possible, privatise. In the early 1990 the Mant Report (Mant, 1992) and the Industry Commission (1993) report on social housing were released with much of the findings and recommendation imbued with these values. They argued that state housing authorities were largely monopolistic organizations impervious to competitive pressures and unaware of customer needs; that they had multiple and sometimes conflicting roles; were unclear as to what their core business was and therefore were accordingly inefficient; and that they were neither accountable to government nor their clients for their performance. A detailed set of reforms were outlined to address these problems.

The third source of reform was a growing awareness throughout the social housing sector that housing assistance in Australia was in need of reform. Waiting lists for public housing were at record levels, much of the stock was no longer aligned with current need (singles and single parents did not want three bedroom dwellings in the suburbs), a past lack of maintenance meant much of the stock was in a poor condition, and there was a lack of professional management. Compounding these troubles was a progressive decline in public housing funding, as successive Commonwealth governments began to redirect their housing assistance payments toward private tenant subsidies. (see Figure 1)

**Figure 1 Commonwealth Housing Assistance 1985-1998**



Source: Commonwealth Budget papers, various years. Note Gross outlays refer to the value of housing payments from the Commonwealth to the states, while net outlays is excludes repayments from the State to the Commonwealth for past loans as well as the 'deficit reduction contributions' made by some of the states in lieu of their CSHA monies between 1996 and 1999.

The social housing reforms included the introduction of a purchaser provider split within the SHAs, the encouragement of a competitor to public housing in the form of community sector housing, the introduction of market rents, greater targeting of stock to high need clients, and greater financial accountability. Interestingly privatization, or the sale or transfer of assets to the private sector, which has been an important part of the new managerialism in the Australia public sector more generally, was not actively pursued. Part of the reason for this was that most of the stock of public housing was privatised during the 1950s and 1960s, when the Menzies Federal government sought to encourage high rates of home ownership in much the same way that Margaret Thatcher did in the UK some three decades later (see Kemeny, 1981).

It was in the context of these broad structural changes that the new managerialism came to the fore as the driving force of social housing policy. At the core of the new managerialism is a coherent and systematic method of public administration, which has three key, interrelated elements: clear specification of objectives, funding for the delivery of a set of outputs, which deliver outcomes that help achieve the original objectives. The task of identifying the objectives is one that falls to elected political representatives, who

are required to say what it is that they would like their government to achieve during its time in office. In the case of housing, an example could be to ensure that no person is homeless, or to ensure that no person need pay more than a certain proportion of their income on housing costs. The second step is to establish programs (consisting of staff and other resource inputs) that will produce particular outputs, which will be linked by a statement of outcomes to the original objective. This is the task of senior public servants, who might put out to contract the task of delivering the program(s) in question. For example, tenders might be called for the job of providing emergency accommodation for refugees. The contract will specify what is to be delivered and the payments that are to be made for the tasks that are done. The contractor might be a public sector body, but it might be a private sector company or a not-for-profit agency. The outputs from the program (providing shelter for refugees) relate to the objective of eradicating homelessness.

What links all three elements of the 'new managerialism' is the development of a rigorous set of performance indicators. These are measures that enumerate objectives and outcomes, and which are crucial in order to evaluate a program's efficiency (outputs divided by inputs) and effectiveness (outcomes relative to outputs). Performance indicators are effectively the oil of the new managerialism, for without them the system would grind to a halt.

## Performance indicators and Housing.

The new managerialism created the climate for the introduction of performance indicators but the two 'agents' that were formative in actually introducing indicators to housing were then Commonwealth Department of Social Security (DSS, now the Department of Family and Community Services), which in the early 1990s was responsible for Housing Assistance, and the Council of Australian Governments (COAG), which is an intergovernmental governance body that seeks to coordinate the activities of the Commonwealth and the States. In 1993 COAG, established a Steering Committee to review Commonwealth/state service provision, central to which was the development of a conceptual framework and a consistent set of data enabling the performance of the States in delivering services to be assessed. The task of developing and collecting performance indicators was devolved to a government economic research think tank called the Industry Commission, now known as the Productivity Commission. The DSS focus was on public housing indicators specifically while the Productivity Commission was on government indicators generally including public housing.

Both the DSS and the Productivity Commission were interested in national or agency level data to help compare the performance of state government agencies in delivering a range of services. But these national indicators had as their counterpart data being gathered within the States and the State Housing Authorities, enabling them to assess to what extent their constituent parts were meeting nationally agreed benchmarks. By the early to mid-1990s the social housing system was characterised by a cascading set of performance indicators, all intimately linked to the new managerialism (see Table 2).

Table 2 layers of Performance Indicators

Level	Purpose
<b>National</b>	How well is social housing meeting its objectives? How well are social housing agencies performing? How does the performance of social housing agencies compare with other sectors, for example, private rental sector?
<b>State Housing Agency</b>	How well is the agency or federation (of agencies) meeting its objectives? How does its performance compare with other like organisations?
<b>State Housing Agency Business unit</b>	How well is a specific function or business performing, for example, housing finance, stock production, rental housing management?
<b>SHA Regional offices.</b>	How well is a particular region performing, either overall or for a specific function/ business?
<b>SHA Work unit (teams)</b>	How well is a work unit achieving its objectives? How does its performance compare with other similar work units?
<b>SHA employee</b>	Does the individual's work performance meet agreed targets?

Performance indicators continue to operate at all these levels in Australian public housing with a number of the indicators common across all levels (e.g., those relating to arrears, and voids). This paper is mainly about indicators at the national and State Housing agency level. There are problems at the other levels but these warrant their own paper.

The 1996 Commonwealth State Housing Agreement was the first to make use of performance indicators. It was also a multilateral agreement, in that all SHAs had to sign up to the same set of agreed principles and practices including the national reporting of performance indicators. Months of bargaining and consultation preceded the signing of the Agreement, and much of this was devoted to resolving disagreements over the performance indicators that would be used. The 1999-2003 CSHA, by contrast, is largely a unilateral agreement whereby the Commonwealth signed up states based on principles and practices specific to each state. This has reduced the importance of national reporting through the CSHA and has made some indicators less important or irrelevant in

terms of the CSHA. Some may be still collected for the reporting requirements of the Productivity Commission.

## Performance indicators: a critique

There is a strong logic behind the move to developing a comprehensive system of performance indicators, and it is difficult to see how and why anyone could see this as anything other than a positive development. The best-developed Australian critique is provided by Chris Sheil (1997), whose criticisms have exposed deep problems with the performance indicator movement. Sheil's critique is, in part, devoted to performance indicators as such, but more particularly to the way that the new managerialism has made use of them.

Sheil has three main criticisms of the new managerialism. First, it places politicians and departmental heads into a situation of 'moral hazard', for to work properly it requires politicians to state unambiguously what it is that they would like to achieve during their time in government. The example given earlier was to eradicate homelessness. The problem here is that there is always a risk (and a strong one in this case) that the objective will not be achieved, leaving the hapless politician and departmental heads who made this a public goal open to criticism for failing to deliver the goods. Politicians and Departmental heads will, therefore, tend to set objectives couched in terms of insipid motherhood statements, which can be shown to be achieved in some general way. Thus instead of promising to eradicate homelessness, for example, we get a promise to help those in need, which can be defined in so many different ways that it is a meaningless goal.

Sheil's second criticism of the new managerialism is that it assumes that outputs can be linked to outcomes, which in turn are measurable. This, he points out, is far from easy in areas like social policy, for the social relationships associated with the production and reproduction of social problems are so complex that it is impossible to boil them down to a few performance indicators. In relation to public housing the problems of measurability of indicators can be specified more tightly as:

- Lack of clarity as to the strategic objective for public housing to which indicators were to relate
- Lack of clear links between performance indicators and strategic objectives (however defined)
- Lack of clarity of the purpose of indicators

- Data bases inadequate to the task of performance indicators
- Data not being particularly useful in part because they do not actually reflect performance
- Omissions
- Marginal benefit for the amount of work in collecting them

If social policy interventions are impervious to easy measurement, the consequences can be profound from the point of view of effective social policy. This is because there is a strong incentive within new managerial structures for service providers, firstly, to develop indicators which concentrate on 'core business' and omit other important activities, and, secondly, to become single-mindedly focused on meeting or exceeding the chosen performance indicators. In the latter case this may mean actually making the original problem more severe or creating unanticipated outcomes with costs to the wider community or other levels of government.. For example, if the performance measure is, say, the proportion of dwellings allocated to those in most need, then the easy solution to achieve performance is to simply to create a tighter definition of 'need'. Certainly those in the high need category might be better assisted, but the greater numbers who missed out because of an arbitrary cut-off point could have found their expectation of a housing solution greatly worsened.. Similarly, consider the issue of rent arrears as a performance measure. There are any number of ways in which arrears can be reduced to meet an arrears indicator including, as was the case in the late nineties among Australian SHAs, an increase in evictions. But what of the tenants who have been evicted? Many may become homeless and then present to emergency or homelessness services. The costs of these service may vastly exceed the original arrear and thus represent, when viewed from a whole of government perspective, .a financially worse outcome. But the performance indicators for individual SHAs were improved!

The 1996-1999 social housing performance indicators are outlined in Figure 2 and Table 2. Figure two shows the broad framework which guided the design of the indicators.

Figure 2 The Framework for Public Housing Performance Indicators

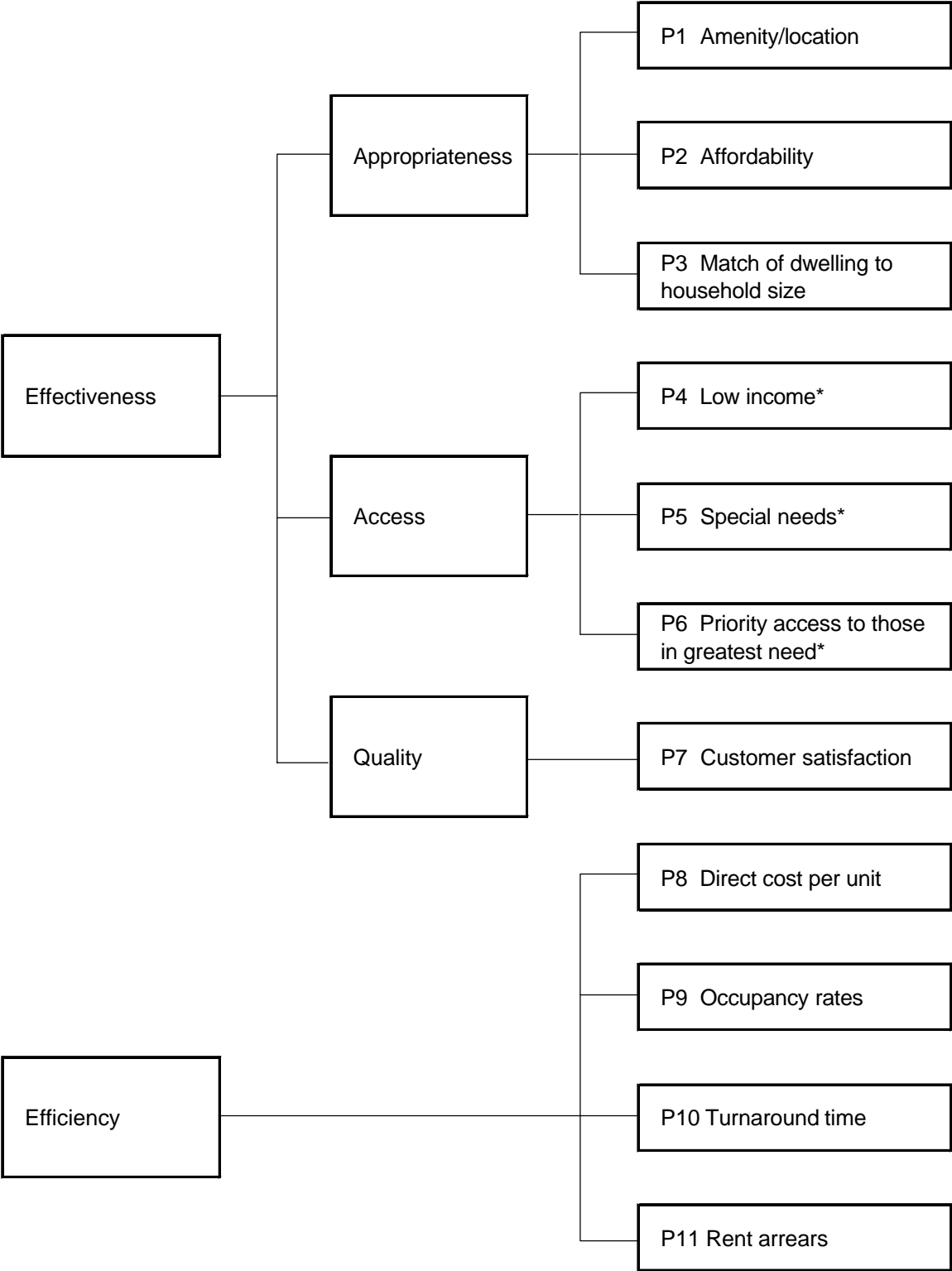


Table 3 shows the outcome to be measured, the actual performance indicator, and some of the problems associated with each.

Outcome to be measured	Performance indicator	Problem
<b>Level of provision</b> The extent to which public housing provision meets agreed need	Proportion of households provided with housing assistance in a year relative to an agreed level of provision.	This is a measure of the capability of each SHA, not what would need to be done in order to ensure an adequate level of housing provision.
<b>Targeting</b> The need status of all households receiving assistance	The proportion of households in need who are in public housing	Difficulty of measuring housing need accurately, and there is an assumption that targeting is good.
<b>Affordability.</b> The level of affordability within the public sector	The percentage of assessable household income spent on housing costs	This is effectively a tautological measure in that SHAs are required to keep rents for low-income tenants to an affordability level. It is really a descriptor of current policy.
<b>Housing condition</b>	Housing stock condition as determined by client perceptions	Problems in comparability of data collections across states, difficulties that inevitably arise when tenants have to assess a complex housing attribute, and not amenable to policy or program action.
<b>Under utilization-degree of under-occupation of Dwellings</b>	Proportion of households where dwelling size is not appropriate,	This assumes that there is a clear and unambiguous relationship between household size and number of bedrooms. These relationships do not hold in the home ownership sector, so why assume that they are valid for the public sector?
<b>Timeliness</b> The time waiting for rental housing	Proportion of total number of households on waiting list in specific time-wait periods e.g. less than twelve months, three to four years etc	Waiting lists are a notoriously inaccurate indicator, reflecting the size of the stock relative to unmet demand, the degree to which stock is allocated on a priority basis, and the severity of the eligibility criteria.
<b>Rate of Return on Assets</b>	Rate of Return on equity.	Requires heroic assumptions to be made about the value of assets and prone to the vagaries of the market in that values reflect private sector operating environment
<b>Equity value of Assets</b>	The equity value of a given year relative to target levels.	What is the point? What is the policy objective? Also equity subject to instability of market values.
<b>Administrative and operational efficiency</b>	The average administration and operational cost per dwelling	Assumes that low costs are good. But this depends on services that are offered. Difficulties of comparable data across different jurisdictions.
<b>Community service obligations</b> direct subsidies	Direct subsidies as a proportion of the total market value.	Heroic assumptions required to measure market values Does this subsidy actually reflect the cost of providing housing assistance, Assumes limited concept of what are community service obligations

<b>Cost of Stock production</b> The acquisition of stock	Average purchase cost per dwelling	Variations in costs might reflect regional variations in the housing cycle. They might also simply reflect differing housing standards. High costs might mean better quality dwellings.
<b>Rent Arrears</b> The management of rent arrears	Percentage of tenants in arrears at any time	Does this lead to a 'moral hazard', with SHAs prematurely evicting high need, low income tenants?
<b>Stock turnaround</b>	Proportion of rent lost through vacancy divided by the potential rent	Being based on market rents subject to vagaries of market processes.
<b>Rent Arrears</b>	Total rent actually collected as a percentage of total rent charged.	Sensitive to timing of arrears. Thus arrears created in one year may be recovered in next. Created possibility of rent collected in some jurisdictions in some years exceeding 100%. Sensitive to market forces given rent charged is market rent.

The summary provided in the above tables suggests that the objectives of housing policy are too vaguely specified to have any meaning; the performance indicators are systematically flawed and bear no clear relationship either to outcomes nor outputs. Indeed, so severe are the problems right across all of the indicators that it is difficult to understand why the performance indicator movement has been able to build up the momentum that it has.

### Exemplifying the Problem

The problems of Australian public housing performance indicators as briefly outlined in column three of Table 3 can be best illustrated by examples.

*Lack of clarity as to the strategic objective for public housing to which indicators were to relate.* Most of the indicators are premised on a fairly traditional and narrow understanding of what the objectives of public housing in Australia currently are. eg, appropriateness, access, housing quality, This is understandable given the paradigm that those who designed performance indicators were trapped in. Firstly, the formal objectives of the CSHA for housing assistance, to which performance indicators should relate, are largely carried over from one CSHA to the next, and fail to draw out the more complex role of SHAs at the turn of the millennium. Secondly the new managerialism notion that public agencies should concentrate on 'core business' ie. shelter for the needy, blinded designers of indicators to the other important roles and objectives of public housing. Thus indicators are really about how many people have been give shelter and with what degree of efficiency.

One of the emergent roles of SHAs in the last decade has been to link tenants with appropriate support services in order to help tenants maintain their tenancy. In some cases (Victoria, South Australia, and Tasmania) housing departments have been amalgamated into larger human service departments to assist in building these links. Linkages as part of a whole of Government approach are now an important but unmeasured role of the public housing system. Similarly it is increasingly recognised, at least by SHAs if not the Commonwealth government, that housing affects more than just shelter; the way it is provided can affect the very sustainability of neighbourhoods and communities and shape levels of crime, educational and employment opportunity and degrees of social exclusion. These important roles are largely ignored in performance indicators even though SHAs are moving to make these roles prime foci of current policy. In short the indicators do not measure much of what public housing agencies do! This is also an example of the *problem of omissions*.

*Lack of clarity of purpose of indicators.* Most of the 1996-1999 indicators appear to exist for the sake of it rather than any clear understanding of how they can be used for management decision making. An obvious rationale for national performance indicators is to understand the performance of a housing agency or units thereof. This would suggest performance indicators in a form, which tells an agency how well it is doing. This in turn requires some benchmark of performance either comparatively with other agencies or in terms of some defined benchmark criteria. Few of the 1996-99 criteria had these qualities.

A comparative benchmark could be a league table ranking states and territories from highest to lowest. But there were few criteria in the above indicators that one could reasonably do this. Despite the potential role of national indicators in enabling comparative performance, differences in stock attributes, tenants and financial reporting from jurisdiction to jurisdiction, meant there was little comparability of data to enable this. If the data was not comparable and had no benchmark why collect it?

A second purpose of indicators might be to actually help improve performance. This would however imply that indicator chosen would need to be ones for which the outcomes could be manipulated or altered by better program and policies. Few of the 1996-99 indicators have this attribute. For example housing condition as measured by annual client surveys is almost impossible to address through policy and program initiatives. There are of course stock problems which regular asset audits pick up but these are because the stock is old, under maintained or no longer appropriate to

contemporary standards. It will take decades to address this problem and thus no short-term policies can improve the stock performance indicator.

In some cases the link with performance could not be made because the indicator could not actually measure public housing performance. In part this derives from the adoption of marketisation principle for public housing. One of the marketisation principles adopted for public housing over this period was that of market rents, ie., instead of some form of cost rent, which tends to be standard internationally for social housing, the same rents as for equivalent private sector priorities were to be charged, ie, market rents. To keep properties affordable a rebate is then given to tenants. This however means that rent structures have no link to the cost of public housing provision but are dependent on the vagaries of private market performance. Thus indicators such as rate of return on assets, stock turnarounds, ie, the foregone rent of empty properties, and community service obligations (i.e. the degree of subsidy) were found not to measure SHA performance but the ups and downs (more often ups) of private rents. A closely related problem is that of equity value of property. Again this only reflects the market values for properties not SHA performance.

*Data bases inadequate to the task of performance indicators.* The data base problem is a major one in indicator design and this problem often creates the criticism that indicators only measure that which can be measured and key qualitative outcomes are ignored. But even indicators that, on the surface, are measurable are problematic. The management information systems of housing agencies are designed for tenant or asset management purpose not monitoring purposes. The data is not therefore necessarily collected in a way that is consistent with indicator requirements. Data on targeting is particularly problematic. This indicator required measuring the need status of all households receiving public housing assistance relative to the total population in need. The first problem is that there is no national data on the Australian population in need, the second, that different housing jurisdictions define need in different ways and weight the eligibility of different needs group in different ways, and the third, is that client data is not necessarily recorded in a way which specifies the need status of tenants other than broad categories such as disability, domestic violence, or elderly. These are categories and do not necessary indicate degree of need although, on the other hand, simply meeting eligibility criteria of SHAs in itself defined need so that all applicant are needy.

An alternative problem was that indicators rather than measuring performance was effectively no more than another way of saying what current SHA policy was. Thus affordability expressed as a proportion of household's income spent on rent can be found

by simply looking at any eligibility brochure of an SHA as this says tenants will pay no more than some percentage of income on rents. The indicator is irrelevant.

One could go on but the point has been made; the performance of the performance indicator have been found wanting. Yet what is most instructive from our point of view is not just that so much time and effort has been devoted to developing and applying performance indicators to social housing. Rather it is that so little time has been spent developing performance indicators for the housing tenure which is now a much more significant player in Australian low income housing policy: the private rental sector. Over the last two decades private rent assistance has become the major form of housing assistance in Australia (see figure 1) and this is complimented by the supply-side policy of negative gearing, a tax provision which enables landlords to claim as a tax deduction all their costs, including a mortgage outgoings. Collectively rent assistance outlays and the tax expenditures associated with negative gearing exceed public housing outlays by a factor of three. It is instructive that not until very recently has any attempt been made to measure how well the private rental sector has carried out the expanded role to which it has been assigned and this is more through adhoc research than any systematic performance indicators. The reality is that in the early years there were none and, in terms of negative gearing, there are still none not even the most basic financial information. The most recent Productivity Commission report has at last begun to rectify this important omission, but it is important to note that most of the indicators that are reported are of limited value.

It is the reluctance of the 'new managerialists' to extend their performance indicators into the private sector that has led many to conclude that the new managerialism is less to do with modernising forms of public administration than it has to do with 'marketising' public housing on the assumption that the market is inevitably better. Confidence in performance indicators has consequently plummeted at the same time as their usage has become more generalised. Yet as Sheil rightly points out, the problem is not so much with performance indicators themselves but the questionable way in which they have been used by the new managerialism.

## Conclusion

The new managerialism is now under increasing scrutiny. A number of the marketisation and corporatisation structural reforms that have made its implementation possible have not realised their promise and are in the process of being unwound. In Victoria, Tasmania and Queensland, State governments are now turning away from the market model and

the new managerialism, preferring instead to embrace variants of what Davis and Rhodes (2000: 32) term the 'network' state. (Davis and Rhodes 2000 p32). This notion rejects the market model of social policy delivery, and gives emphasis to the importance of trust and cooperation from workers, clients, private and public agencies as crucial ingredients in effective social policy. The competitive state is giving way to the partnership state.

What role are performance indicators likely to play in this nascent model of social policy delivery? We can expect them to continue to play an important part, but in a very different context. At the state level we can expect that there will be increased awareness and recognition of their limitations, and an attempt will be made to 'democratise' them such that what have been essentially narrowly based business indicators may become more well-being indicators.

In Tasmania, for example, the State government has begun an extensive process of citizen consultation designed to find out what the people of Tasmania would services they would like to have provided and how they could be measured, and the NSW and Victorian governments have suggested that they would like to follow this lead. At the federal level, however, we can expect a different path to be followed, for the changes that we have just spoken about at the sub-national level are being pursued by recently elected Labor governments. At the federal level the Conservative parties are still in office, and they are showing no sign of moving away from the new managerialism. Given that social housing is primarily funded by the Commonwealth rather than the States, it is likely that performance indicators will continue to be collected by the states but increasingly ignored as a potential decision making tool.

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