

# **BARRIERS TO BUILDING PARTNERSHIPS BETWEEN MAJOR STAKEHOLDERS IN AFFORDABLE HOUSING INVESTMENT IN QUEENSLAND**

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## **ABSTRACT**

*The recent housing boom experienced across Australian metropolitan markets has attracted many new investors and resulted in increasing prices across the full range of residential sub-markets for both owner-occupation and investment categories. Of particular concern from a social perspective is the consequential pressure generated in the affordable housing rental market.*

*This paper reports the results of a survey of affordable housing providers drawn from a range of backgrounds. Using in-depth interviews, it compares the opinions of these supply side groups regarding their experiences of the barriers to entry to affordable housing partnerships. The findings show agreement across the sector that partnerships have failed to produce better outcomes than would have been expected without the partnership.*

**Keywords:** Partnerships, affordable housing, rental housing, housing supply, stakeholders

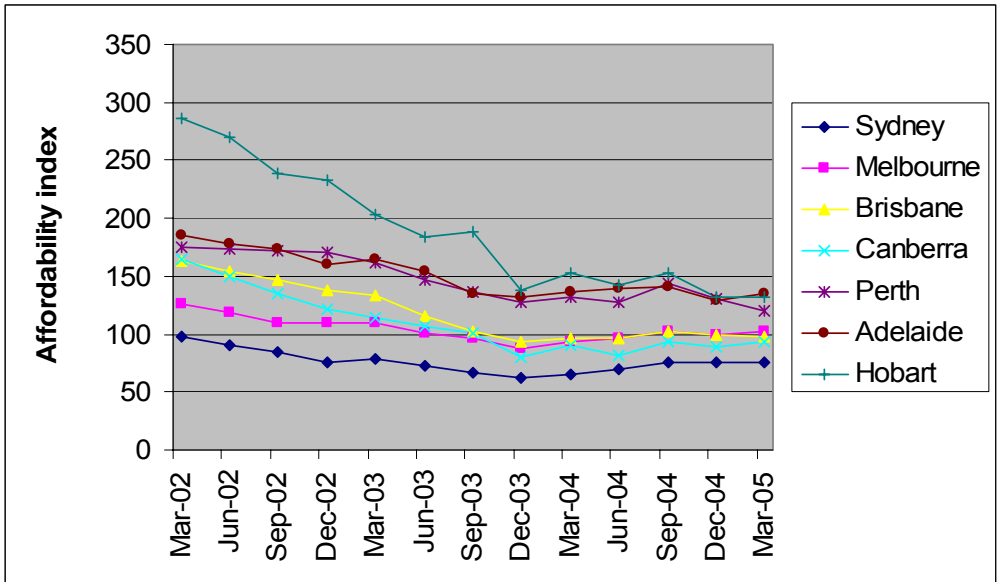
## **INTRODUCTION**

The importance of having affordable housing has been discussed in different forums recently, both nationally and regionally, including the National Housing Conference (2003), the Productivity Commission's First Home Ownership Inquiry (2004), National Summit on Housing Affordability (2004), the Queensland Shelter Conference (2004) and National Affordable Housing Conference (2005). Currently, housing affordability, which is indicated by the housing affordability index, has fallen for all states in Australia at a different rate (see Figure 1). The housing affordability index is a ratio of average

household disposable income to the income required to meet payments on a typical dwelling (Housing Industry Association, 2003).

The movement of the housing affordability index is influenced by the fluctuation of median housing prices and interest rates. The decline in house prices during 2004 in Sydney, Brisbane and Melbourne has increased the affordability index. However, the 0.25 per cent interest rate increase in the first quarter of 2005 caused a deterioration in first home buyer affordability (Housing Industry Association and Commonwealth Research, March Qtr 2005). Between 2002 and 2005, a progressive decline in housing affordability has been identified, with people in Sydney, Canberra, Melbourne and Brisbane experiencing the most severe housing affordability problems. As illustrated in Figure 1, where the index falls below the 100 mark, the average household disposable income is considered to be below that required to service mortgage repayments.

**Figure 1: Housing affordability index: 2002-2005**



Source: Housing Industry Association and Commonwealth Research

In addition, the importance of having affordable housing relates to direct costs as well as to wider costs imposed on the community at large of overcrowding and poor housing conditions. Berry (2001) stated that a lack of both affordable and appropriate housing causes “heavy long-term costs on the people directly affected and on the economic

prospects and quality of life of all members of the broader society". Affordable housing problems are discussed widely in international housing research, and more specifically, the need to address both ownership and renter affordability is recommended in Europe, United States and Australia (Berry, 2001; Bodaken, 2002; Fahey, 2004; Powall and Withers, 2004; Seelig, 2004). People most directly affected are identified as the young and elderly (Berry, 2003; Bodaken, 2002). The loss of existing affordable housing stock is exacerbated by the increasing of market prices where the rental income, lower than market rent, for the older rental housing stock cannot cover the maintenance cost and upgrading cost (Rengert, 2002).

Whilst the bulk of discussion has focussed on ownership affordability, there has been some consideration of renter affordability, both problems as well as proposed solutions. In the context of improving the supply of affordable rental housing, opportunities associated with partnerships amongst housing providers are showing some promise (Crafter, 2003; Hall, Berry and Phibbs, 2003; Powall and Withers, 2004; Seelig, 2004).

This study follows from a preliminary study in Queensland which recommended extending partnership arrangements to increase the supply of affordable housing beyond the current emphasis on the Public Private Partnership relationship (Susilawati and Armitage, 2004). Although policy and guidelines already exist to support partnership initiatives, implementation problems have led to a lack of application to real projects. Further research has been conducted to elicit the problems constraining the expansion of partnerships for increasing the supply of affordable rental housing.

This study aims to investigate the barriers to building partnerships among major stakeholders. Firstly, a discussion of the literature reviewing the role of major stakeholders in affordable rental housing and partnerships is presented to provide the theoretical framework for this research. Secondly, in-depth interviews with representatives of government, the private sector and not-for-profit organisations have been conducted. This report only illustrates the outcome of the final section of these interviews.

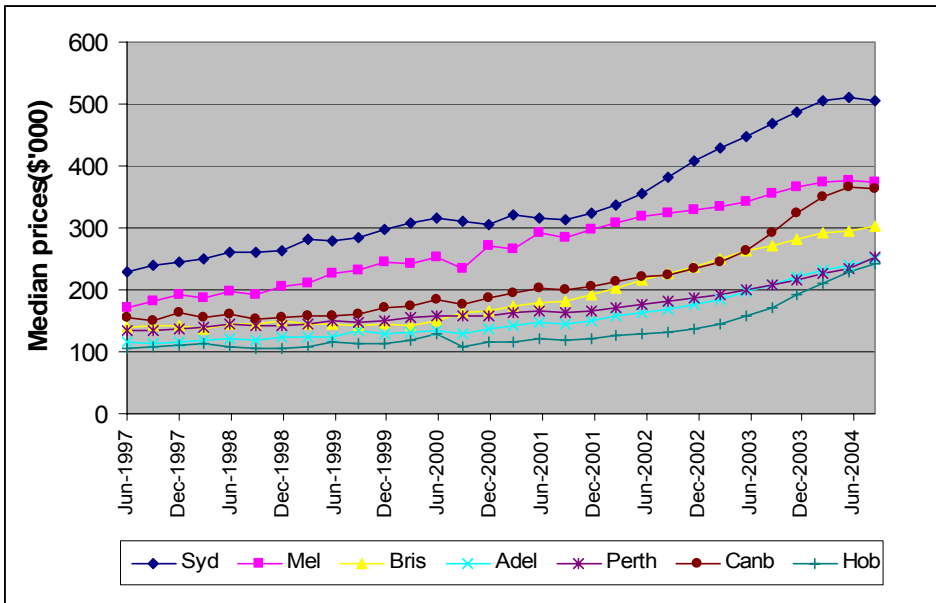
## **MAJOR STAKEHOLDERS IN AFFORDABLE RENTAL HOUSING**

In the past, rental housing has been viewed as a transitional stage to housing ownership or for temporary accommodation only (Powall and Withers, 2004). However, some people do have to rent forever. Rental housing is an integral part of the housing system which has interacting tenures and sub-markets. The rental housing stock, at 30 per cent of total dwellings, has an important role in the Queensland housing system (ABS Cat. No. 4182.3.40.001, 2000). Tenure categories in the housing system include owner-occupation, private rental, public rental and community housing. Sub-markets can be divided by housing type, condition and location (Badcock and Beer, 2000).

This section will focus on current practices and problems in delivering affordable rental housing. It defines affordable rental housing, identifies the role and responsibilities of the stakeholders and possible solutions recommended by other researchers.

Since investors in rental housing seek both rental return and capital gain from their investments, given the price of housing in Australia jumped 100% over the last decade, (Powall and Withers, 2004; Real Estate Institute of Australia, 2003; Sept Qtr 2004), Figure 2 shows the moving annual median house prices from September 1997 to September 2004. The median house prices have increased over 115% in seven years in almost all capital cities.

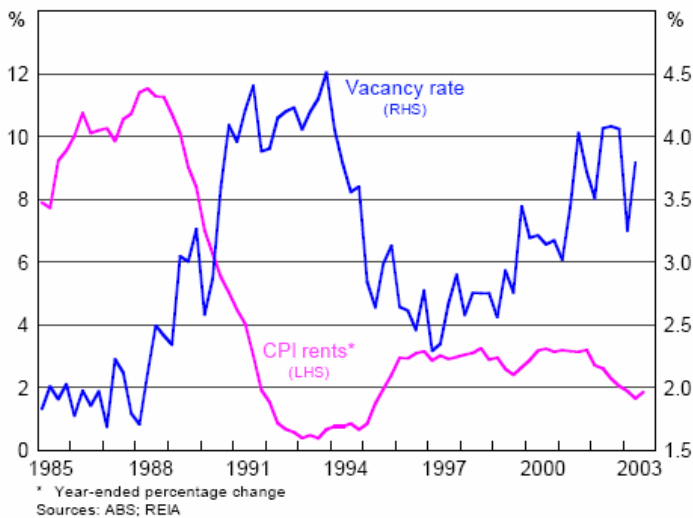
**Figure 2: Moving annual median house prices in Australian capital cities**



Source: Real Estate Institute of Australia (2003, 2004)

Investors will not be attracted to provide new long-term investment of rental housing without a concomitant increase in rents to maintain their yields. However, relatively high vacancy rates and modest rental growth in this sector have limited this yield, as identified in Figure 3. Since 1997, the trend in vacancy rate has been running ahead of rental growth.

**Figure 3: Rental growth and vacancy rate**



Source: Powall and Withers (2004)

The Queensland Department of Housing (2004) has defined affordable rental housing as those dwellings appropriate to the needs of low-income households in terms of design, location and access to services and facilities, as well as having rent charges which do not exceed 30% of gross household income for people in the lowest 40% of income units. Table 1 indicates that private housing costs are not affordable for renters in the lowest quintile, which absorbed 59% of gross weekly income.

**Table 1: Median housing costs as a proportion of income (%) by tenure: Queensland**

Major categories of tenure* (%)	Gross weekly income quintile					
	Lowest	Second	Third	Fourth	Highest	
	≤ \$307	\$308-\$596	\$597-\$965	\$966-\$1,477	>\$1,477	
Owned	34.8	12	7	4	3	2
Being purchased	32.7	45	36	23	18	13
Renters: state housing	3.4	23	18	15	not available	0
Renters: private lessor	23.7	59	30	20	14	11

\*:Total percentage do not add to 100% because “other tenure: households” have been excluded

Source: ABS Cat. No. 4182.3.40.001 (2000)

The definition is complemented by a framework for identifying affordable rents for appropriate rental accommodation and the term ‘Benchmark Affordable Rent’ has been adopted (see Table 2). The bottom 40% of households on the income distribution are broadly consistent with the low income category (Queensland Department of Housing, 2004).

The benchmark affordable housing rents in Table 2 are calculated as follows:

$$[(\text{Rent} - \text{Rent Assistance}) / \text{Gross Household Income}] \times 100\% \leq 30\%$$

(Queensland Department of Housing, 2004)

**Table 2: Benchmark of affordable rent ranges\***

Dwelling Size	Low income	
	Gross household income range (\$/week)	Benchmark affordable rent range (\$/week)
1 bedroom	292.10 – 493.60	135 – 193
2 bedrooms	369.64 – 646.68	166 – 250
3 bedrooms	447.18 – 726.22	190 – 281
4 bedrooms	602.26 – 803.76	244 - 304

\*:Based on the Centrelink benefit levels current as at 20 March 2004 and will be revised again in January 2005.

Source: Queensland Department of Housing (2004)

The calculation of the benchmark affordable rent is a useful measure for the providers of affordable housing to assist with the assessment of return on investment. The affordable rental housing benchmark has three potential applications: to provide an affordability template for new development, to retain and to monitor existing affordable housing stock (Queensland Department of Housing, 2004).

Recently, the Queensland Department of Housing has been pro-active in its support of affordable housing initiatives. The publication in 2003 (Queensland Department of Housing, 2003b) of detailed guidelines is aimed at supporting local governments with their management of housing delivery, as many local government authorities (LGAs) have relatively limited experience of affordable housing. Such collaboration and integration between the public (federal, state and local governments), private and community sectors are important to achieve the above objective (Queensland Department of Housing, 2003b).

Public, private and not-for-profit stakeholders have different roles and responsibilities in housing delivery. The three tiers of government have the responsibility of regulation and economic management to support investment in housing through interest rates, investment incentives and a range of other funding initiatives (Queensland Department of Housing, 2003b). The state government and private and community sectors are responsible for the delivery of housing through the construction process and property and tenancy management.

Focussing on the long term affordable rental housing product, different types of affordable housing and even the calculation of rental vary between different stakeholders (see Table 3). As can be seen from Table 3, state government bears the responsibility for public housing with rents based on tenants' income. The private sector covers a more diverse range of accommodation types, but with the benchmark rental recognising market forces.

Not-for-profit organisations seek to complement the other stakeholders through a variety of rental approaches.

**Table 3: Affordable rental housing delivery products and rental charges**

<b>Stakeholder</b>	<b>Product</b>	<b>Basis of Rental charge</b>
State government	Public housing	Income based
Private sector	Private rental housing such as: Boarding houses Caravan parks Private rental houses Private rental units	Market rent or benchmark affordable rents
Not-for-profit	Community housing	Income based or maximum of 74.9 per cent of market rent

Source: Author

Further evidence of strong demand for low-income housing is indicated by the number of people on waiting lists for public housing (Queensland Department of Housing, 2003a), being approximately 90,000 people in Queensland (Queensland Public Tenants Association, 2005). Moreover, with the reduction of Commonwealth government funding for public housing, the capacity of state governments to provide new stock as well as maintain and upgrade the existing stock - 50,000 houses (Queensland Public Tenants Association, 2005) - has been constrained (Queensland Department of Housing, 2003a). Some of the tenants who are waiting for public housing may be accommodated in private rental houses through community housing organisations as a transitional solution. Since existing public housing tenants rarely move out, few tenants in transitional housing can get a place in public housing without an increase in stock. Thus, they have no alternative but to remain in private rental accommodation.

In order to assist the private renters, the Commonwealth government has provided rental assistance for low income earners to increase their ability to pay a market rent. However, 'Rent Assistance does not provide affordability for over a third of those who receive it' (National Shelter and The Australian Council of Social Service (ACOSS), 2003). In addition, it does not provide enough incentive to housing suppliers for the construction of new affordable housing. Furthermore, the average rent has increased due to growing demand and diminishing affordable housing stock (Berry and Hall, 2001). The private affordable housing stock has been disappearing because of the upgrading of older houses for the higher end market segment and the impact of increasing production costs to comply with statutory requirements such as higher levels of fire safety and additional tax regulation (GST).



Some researchers have discussed at national and regional forums initiatives to improve support for affordable private sector housing and promote an expansion of the role of the private rental sector (Powall and Withers, 2004; Seelig, 2004). Powall and Withers (2004) suggested adopting some Canadian and USA housing initiatives to be implemented to support affordable private housing, including:

- public-private partnerships: to provide land or grants; access to specific arrangement of interest-free loans for development stage
- affordable housing innovations fund: to establish procedure to attract institutional investment such as superannuation funds
- subsidising affordable private construction: to provide a proportion of affordable housing component in new development, and
- low income housing tax credits: to build or renovate affordable housing stock for lower income households.

Seelig's discussion highlights the political sensitivity and associated aspects of timing; for example, tax credits and negative gearing require federal policy involvement and consideration of political aspects to engender policy change. Direct head-leasing of existing lower cost dwellings and rent assistance supplementation are suggested for limited periods, but not over the long term to help lower income households (Seelig, 2004).

Some researchers have explored the possibility of increasing the housing affordability supply by stimulating private sector involvement in affordable housing projects. A comprehensive study of affordable housing in Australia from need analyses to effective solution has been completed by the Affordable Housing National Research Consortium (Berry, 2001). Moreover, the possible use of private finance to provide community housing in Australia has been proposed (Brian Elton and Associates and National Community Housing Forum, 1998). Thus, diversities of partnership arrangements between public, private sectors and not-for-profit organisations have been mounted to provide wider options to satisfy the equally broad range of affordable housing needs.

## **PARTNERSHIPS**

In order to ensure this focal term is fully understood in the context of this discussion, the definition of partnership and the advantages and disadvantages of building partnerships are examined. A partnership is defined as 'a relationship where two or more parties, having compatible goals, form an agreement to do something together' (Frank and Smith, 2000). In a partnership, parties share the investment of resources, work, risk, responsibility, decision making, authority, benefits and burdens. Therefore, more complex issues can be addressed more effectively with the existing resources.

Table 4 illustrates the advantages and disadvantages of partnerships. The partnership will bring greater involvement of other parties in the programs and synergistic outcomes. On the other hand, it is not easy to find the right partner because it may cause more conflicts

within and between organisations. Different culture, authority and resources may inhibit good communication among partners. Moreover, there may be an additional risk of financial loss as a consequence of a partnership project.

**Table 4: Advantages and disadvantages of partnership**

Characteristic	Advantages	Disadvantages
Outcome	Creative solutions Job creation Potential for more profitable outcome	Greater financial losses can occur (more expensive or less profitable than without partnership)
Power and status	Enhance existing capacities	Power and status differences between the partners
Communication	Improve communication	Intra- and inter- organisational conflicts
Organisation	Holistic approaches and shared finding of solutions	Difficulty in merging institutional values and cultures
Technology	Driving to change	Non-compatible technology
Partner selection	May involve new participant	Difficulty of changing partner

Source: Author derived from Frank and Smith (2000)

The benefits of having a partnership have been seen as generating further opportunities for working together. As mentioned in the previous section, the diversity of partnership arrangements between housing providers are viewed as possible solutions to increase investment in affordable housing. On the other hand, the lack of affordable housing partnership arrangements has shown that many stakeholders have still not enough confidence in the benefits of collaboration. An ad hoc partnership project will make very little impact on affordable housing outcomes (Seelig, 2004).

This survey investigates further the nature of the barriers to implementing partnership arrangements in the area of affordable housing in Queensland. An awareness of some of the drawbacks mentioned in Table 4 above has brought more careful thought to the decision process, but it is not stopping interested parties building partnerships among government, private sector and community based organisations.

## RESEARCH METHODOLOGY

A series of in-depth interviews have been undertaken to investigate the problems of building partnerships amongst affordable rental housing providers including government, private sector and not-for-profit organisations. The in-depth interviews used a semi-structured questionnaire which still allowed the researcher to add new questions related to the set questions, but provided all necessary answers if the participants had very limited time. Moreover, both interviewer and interviewee were able to clarify the questions or answers directly for explanatory purposes.

In this paper, only the outcomes of the shortcomings in the partnership arrangements section of the semi-structured interview questions have been illustrated. The questionnaire comprised open-ended questions and one final quantitative set of questions. The six listed factors are discussed in the last column of Table 4 as factors that limit an organisation when building partnerships for affordable housing projects (Frank and Smith, 2000). Respondents were asked to circle the level of importance on a 5-point scale for each listed factor. The lowest number is the least important; the highest is the most important (see Table 5). The participants are also able to add additional factors to include factors raised in discussion.

**Table 5: Constraints to building partnerships for affordable housing projects**

<b>Factor</b>	<b>Score</b>				
Negative outcomes (more expensive or less profitable than without partnership)	1	2	3	4	5
Power and status differences between the partners	1	2	3	4	5
Intra- and inter- organisational conflicts	1	2	3	4	5
Difficulty in merging institutional values and cultures	1	2	3	4	5
Non-compatible technology	1	2	3	4	5
Difficulty of changing partner	1	2	3	4	5
Other factors (raised in discussion)	1	2	3	4	5

1=very unimportant to 5=very important

The information was gathered using judgement sampling as part of purposive sampling (Sekaran, 2003). The interviewees were from a specific target group: i.e. affordable housing provider institutions. Respondents were obtained by repute: the first stage involved approaching the Queensland Department of Housing with a request to speak to people with experience in the field of affordable housing. This ranged from representatives of stakeholder groups which are directly related to the management of existing or future affordable housing and social housing and partnership liaison groups. Thereafter, the snowball sampling approach (Jackson, 1995) was used to extend and

deepen the level of enquiry. From twenty participants, ten have participated in the initial interviews and they were contacted mainly by email and telephone. The new participants were introduced by the earlier interviewees.

Most of the participants were willing to spend a reasonable time, between 15 minutes to two hours, to discuss their initiatives in affordable housing and partnership issues. Most of them have worked together in the affordability housing network as representatives of each sector. However, some of the contacts did not respond to the requests for interview, resulting in a response rate for the government sector of 86 per cent, the private sector of 75 per cent and not-for-profit organisations of 62.5 per cent.

## RESULTS AND DISCUSSION

There were twenty people interviewed during November to December 2003, one of whom chose not to complete the questionnaire, and therefore only 19 data sets were obtained from 14 men and 5 women. There are six representatives of the private sector, five government officers and five representatives of not-for-profit organisations along with three individuals who reported their personal opinions rather than their institutional representation. Table 6 describes the composition of each sub-group classified by the scope of their organisation and their gender.

**Table 6: Respondent profile**

	Private	Government	Not-for-profit	Individual
Sub-group	6	5	5	3
Local	2	2	2	
Regional	4	3	3	3
Male	6	4	3	1
Female		1	2	2

As shown in Table 7, respondents agreed that the principal barrier to entering into a partnership was the expectation of a worse outcome than acting independently. The secondary barrier which has means between 3 and 4 are the potential of inter- and intra-organisational conflicts and difficulty in merging values and cultures among the partners.

**Table 7: Overall results of barriers to entering partnerships**

	Total		
	Mean	Standard deviation	Range
Negative outcomes	4.08	1.34	1 – 5
Power and status differences	2.92	1.23	1 – 5
Organisational conflicts	3.58	1.07	1 – 5
Difficulty in merging values and cultures	3.79	0.92	2 – 5
Non-compatible technology	1.82	0.80	1 – 3
Difficulty of changing partner	2.76	1.13	1 – 5

Notes: Colour Categories Interpretation



mean  $\geq$  4

Important and very important



$3 \leq$  mean  $<$  4

Fair



mean  $<$  3

Not important

Apart from the fifth factor (non-compatible technology) which is considered not important by almost all respondents, the other factors demonstrate diverse opinions. The disparity of opinion is illustrated by the wide range and by the standard deviation shown in Table 7. As the respondents are from different backgrounds (which may be expected to influence their opinions), further analysis based on their backgrounds was undertaken and illustrated in Tables 8, 9, 10, 11 and 12.

The interviewees' experience with partnership arrangements influence their opinions about the barriers to enter partnership (see Table 8). The stakeholders who have no experience in partnership arrangement considered difficulty in merging values and cultures as the most important barrier. This group holds more diverse opinions than the experienced group. A subsequent t-test indicates that only the negative outcomes and difficulty of changing partner showed significant differences of two means from two groups who have different partnership experiences.

**Table 8: Two-way cross tabulation of respondents' partnership experiences**

	Mean		t-test
	Partnerships	Never	P(T<=t)
Negative outcomes	4.78	3.45	0.0099
Power and status differences	3.06	2.80	0.4614
Organisational conflicts	3.67	3.50	0.3989
Difficulty in merging values and cultures	3.44	4.10	0.0563
Non-compatible technology	2.17	1.50	0.0790
Difficulty of changing partner	3.50	2.10	0.0019

Two-way cross tabulation in Table 9a shows the importance level between sub-groups. The private sector and government respondents nominated the partnership outcome as the most important factor in entering a partnership. The not-for-profit organisation viewed power and status differences as the most important drawback to entering a partnership. The difficulties in merging values and cultures between partners were raised as the major factor by the individual respondents (concerned citizens) and as the second highest factor by the not-for-profit organisations. Due the small sample size, the experienced grouping will not be considered in the following analyses.

Table 9b shows the two-way ANOVA to compare the means between two factors (sub groups and drawback factors). As a result, there is no significant difference between different sub groups (columns). However, there is significant difference between drawback factors (rows).

**Table 9a: Two-way cross tabulation of different sub-groups (by mean)**

	Private	Government	Not-for-profit	Individual
Negative outcomes	4.08	5.00	3.60	3.33
Power and status differences	2.00	3.10	4.20	2.33
Organisational conflicts	3.50	4.20	3.40	3.00
difficulty in merging values and cultures	3.83	3.20	4.00	4.33
Non compatible technology	1.50	2.10	2.00	1.67
Difficult to change partner	2.08	3.60	3.00	2.33

**Table 9b: ANOVA of different sub groups**

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Rows	13.3643	5	2.6729	7.7505	0.0009	2.9013
Columns	2.3650	3	0.7883	2.2859	0.1204	3.2874
Error	5.1729	15	0.3449			
Total	20.9022	23				

Three-way cross tabulation is used to investigate the importance level between sub-groups and their geographic area of responsibility (Table 10) and their gender (Table 12). The rank of mean results are almost similar for each sector whether focussed locally (Brisbane metropolitan) or regionally (Queensland), except for the private sector (see Table 9). Two private sector (local affiliation) respondents nominated negative outcomes as the main constraint, and the other four respondents (affiliated to regional organisations) reported greater concern for organisational conflicts and the difficulty in merging values and cultures.

**Table 10: Three-way cross tabulation of different sub-groups and region**

	Private		Government		Not-for-profit	
	Local	Regional	Local	Regional	Local	Regional
Negative outcomes	5.00	3.63	5.00	5.00	4.50	3.00
Power and status differences	2.50	1.75	2.75	3.33	3.50	4.67
Organisational conflicts	2.50	4.00	4.00	4.33	3.50	3.33
Difficulty in merging values and cultures	3.50	4.00	3.50	3.00	4.00	4.00
Non-compatible technology	2.50	1.00	1.75	2.33	2.50	1.67
Difficulty of changing partner	3.25	1.50	4.00	3.33	3.50	2.67

Three ANOVA results are discussed in Table 11 (11a, 11b and 11c) and, similar to the previous result, there is no significant difference among the sub-groups (columns). In Table 11c, the interviewees who work in regional Queensland have the same opinions (no significant difference) for both sub-groups (columns) and drawback factors (rows).

**Table 11a: ANOVA of different sub groups and region**

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Rows	19.5367	5	3.90734	7.29857	0.00025	2.60299
Columns	3.7463	5	0.74925	1.39954	0.25850	2.60299
Error	13.3839	25	0.53536			
Total	36.6669	35				

**Table 11b: ANOVA of different sub groups - Brisbane based**

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Rows	11.1424	5	2.22847	9.93498	0.00124	3.32583
Columns	0.4653	2	0.23264	1.03715	0.38966	4.10282
Error	2.2431	10	0.22431			
Total	13.8507	17				

**Table 11c: ANOVA of different sub groups – Queensland based**

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Rows	11.9099	5	2.38198	3.12379	0.05906	3.32583
Columns	2.5270	2	1.26349	1.65697	0.23904	4.10282
Error	7.6253	10	0.76253			
Total	22.0622	17				

Table 12 illustrates responses by sub-group and gender. Male and female respondents demonstrate slightly different views of major impediments. The male respondents demonstrated greater reluctance about the potential for negative outcomes in partnerships. On the other hand, the female respondents showed greater concern for the difficulty of merging values and cultures. However, due to small sample size, the difference was not tested.



**Table 12: Three-way cross tabulation of different sub-groups and their gender**

	Private		Government		Not-for-profit		Individual	
	Male	Female	Male	Female	Male	Female	Male	Female
Negative outcomes	4.08		5.00	5.00	4.33	2.50	5.00	2.50
Power and status differences	2.00		3.25	2.50	4.00	4.50	2.00	2.50
Organisational conflicts	3.50		4.25	4.00	3.33	3.50	3.00	3.00
Difficulty in merging values and cultures	3.83		2.75	5.00	4.00	4.00	3.00	5.00
Non-compatible technology	1.50		2.00	2.50	2.00	2.00	2.00	1.50
Difficulty of changing partner	2.08		3.25	5.00	3.33	2.50	4.00	1.50

Only male respondents nominated additional impediments to stakeholders' eagerness to enter partnerships. These additional suggestions fell into the categories of framework, incentives and resources and are shown in Table 13. Due to the small sample size, as these suggestions were each made by one respondent, they have not been analysed further.

**Table 13. Additional impediments to partnership arrangements**

Category	Details	Importance level
Framework	Lack of government leadership	very important
	Lack of appropriate models and constitutional arrangements	very important
	Lack of flexibility of procurement	important
	Decision making processes	important
Incentives	Equity	very important
	Subsidy	very important
	Tax system	very important
	Opportunity	important
	Certainty of policy setting	important
Resources	Financial tools	very important
	Legislation and mistrust	very important
	Departmental attitude	important
	Competition for resources	important
	Capacity of not-for-profit partners	important
	Access to information	important

## CONCLUSION

In general, the main barrier to entering a partnership for the respondents is the expectation of a worse outcome than that anticipated from acting independently (mean 4.08). The respondents agreed that non-compatible technology is not an important factor preventing the building of partnerships. On the other hand, the wide range and standard deviation of the results shown in Table 7 indicate that the most important factors varied among the stakeholder groups. Table 8 shows that only the negative outcomes and difficulty of changing partner showed significant differences of two means from two groups who have different partnership experiences.

Further analysis using two-way and three-way cross tabulation was then used to investigate the importance level between sub-groups. The private sector and government nominated the most important factor in entering a partnership as the partnership outcome. As a result of their past experiences, the not-for-profit organisations viewed power and status differences as the most important factor detracting from their establishing partnerships.

Male and female respondents presented slightly differing views in defining the major impediments. The male respondents were more reluctant to enter a partnership if the

outcomes were less attractive than without a partnership. On the other hand, the female respondents held stronger opinions about the difficulty of merging values and cultures. Male respondents raised additional suggestions which are categorised as lack of framework, incentives and resources as additional factors that impede partnership arrangements.

Generally, stakeholders agreed upon the importance of considering whether a partnership arrangement will provide a better outcome than a stand alone project. Several respondents suggested that the prejudice of other stakeholders' motivation has contributed to barriers to building partnerships. Whilst the private sector wants to receive a higher financial return from the partnership project, the government and not-for-profit organisations wish for better value for money outcome. This difference could be considered to demonstrate the traditional 'efficiency versus effectiveness' perspectives of the public and private sectors.

However, issues remain: major stakeholders have some doubts about starting a partnership arrangement to build affordable housing. Stakeholders have contradictory investment criteria and are anxious about partnership outcomes. Thus, a compromise solution may not be good enough to attract stakeholders to commit to a partnership project. This exploration of the barriers identified in this study highlights the need for further research to generate alternative solutions to breakthrough the traditional, limiting perspectives demonstrated by the practising professionals surveyed.

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