

Big Housing Build: Social Procurement

Purpose and scope of this document

This resource is provided to define and illustrate the importance of social procurement in the Victorian context, and to demonstrate how community housing organisations can engage with the Victorian Government's social procurement initiative to create positive social change through Victoria's Big Housing Build.

Information is also provided on helpful tools and resources to support understanding and adoption of this policy, along with details of the further support CHIA Vic will be providing in this area throughout 2021.

For community housing organisations, the Victorian Government's emphasis on social procurement presents a supported opportunity to lead the way in creating genuine, long-term, inclusive social change. CHIA Vic is committed to providing support to CHOs not only to meet the requirements of the Big Housing Build, but more importantly, to leverage this opportunity to actively prioritise social objectives such as equality, safety, diversity, inclusion and sustainability. In this way, CHOs can fulfil their core mission of providing housing to vulnerable people while building the effectiveness of the sector and setting a leading example for other sectors.

Note that this document provides general information about social procurement, but CHOs should always refer to tender or grant documents to understand specific social procurement requirements as they may differ from one to the next.

The current scenario

Victoria's commitment to social procurement reflects a growing national and international focus on the strategic use of procurement to drive social, economic, and environmental outcomes.

Social procurement is increasingly recognised around the world as an important tool for governments to:

- leverage their purchasing power to achieve social objectives;
- increase opportunities and expand markets for 'social benefit suppliers';
- influence mainstream suppliers (i.e. suppliers that are not social benefit suppliers) to prioritise social value creation; and
- diversify supply chains to, among other things, drive competition, promote innovation and provide all suppliers (including social benefit suppliers) with a full and fair opportunity to compete.

What is Social Procurement?

The Victorian Government defines social procurement as when organisations use their buying power to generate **social value** above and beyond the value of the goods, services, or construction being procured. 'Social value' refers to the benefits that accrue to all Victorians when social and sustainable outcomes are achieved.

The Victorian Government views social procurement in its broadest sense – encouraging social and sustainable business practices and continuous improvement, including purchasing from social enterprises, disability enterprises and Aboriginal and/or Torres Strait Islander-owned businesses, as well as supporting job readiness and employment opportunities for priority cohorts.

An analysis of the social and sustainable initiatives of Melbourne’s Metro Tunnel project found that for every \$1 invested in social procurement, \$4.02 of social and economic value was created.

The Victorian government has created its Social Procurement Framework to use its considerable buying power to promote opportunities to deliver social and sustainable outcomes that benefit the Victorian community. These outcomes, including gender equality and safety, disability inclusion, Aboriginal employment and cultural safety, environmental sustainability, and more, are integral to the needs of the people and communities CHOs serve. This opportunity will enable the

community housing sector to be even more targeted and thorough in the pursuit of its vision for a Victoria where everyone can afford secure and appropriate housing.

Through the heightened focus and funding opportunities available through the Big Housing Build, community housing organisations have an opportunity to be leaders in creating positive social change and providing meaningful, lasting support for Victorians in need.

Victorian Government Social Procurement Framework

Collectively, the decisions that organisations make throughout the procurement process have a significant impact on the economy, the environment and the community. The Victorian Government has created its [Social Procurement Framework](#) to outline its strategy to use its considerable buying power to effect social, economic and environmental change in Victorian communities.

The Framework outlines government-wide objectives and the outcomes sought from government-funded procurement activity. It aligns with existing frameworks, such as [gender equality and safety](#), [disability inclusion](#), and [Aboriginal economic strategy](#), to embed ten identified facets of social and sustainable procurement in all procurement processes, and seeks to generate social value through contracts with lead contractors and their subcontractors. The Framework will also present opportunities to achieve Missional objectives like creating opportunities for employment for community housing tenants. Victoria’s Social Procurement Framework outlines different approaches depending on the value of the procurement activity (details [here](#)). The framework advises how to incorporate and prioritise social value when competing for government procurement opportunities.

The framework contains:

- Social and sustainable procurement objectives and outcomes;
- Planning requirements and individual procurement activity requirements; and
- Measurement and reporting requirements.

Social procurement objectives:

- Opportunities for Victorian Aboriginal people;
- Opportunities for Victorians with disability;
- Women’s equality and safety;
- Opportunities for disadvantaged Victorians;
- Supporting safe and fair workplaces;
- Sustainable Victorian social enterprises and Aboriginal business sectors;
- Sustainable Victorian regions;

Sustainable procurement objectives:

- Environmentally sustainable outputs;
- Environmentally sustainable business practices; and
- Implementation of the Climate Change Policy Objectives.

See Annex 1 for detail.

People on lower incomes are disproportionately impacted by rising energy prices and the impacts of climate change. Sustainability in community housing can mean renters won’t have to choose between keeping the heater on in winter or buying food.

In 2020, 17 per cent of Aboriginal Victorians sought assistance from a homelessness service, and over half of these (55 per cent) were already homeless.

One in every ten people who are applicants for social housing on the Victorian Housing Register are Aboriginal Victorians.

(Aboriginal Housing and Homelessness Framework)

In Australia, 2 out of 3 people approaching homeless services are women. Half of these are escaping family violence.

(Women's Property Initiatives)

The Victorian Government considers that all suppliers are capable of delivering one or more of the ten social and sustainable outcomes when doing business with Government. In the community housing sector, it is likely that CHOs already have strengths or commitments in one or more of these areas, which contribute to the CHO's ongoing creation of social value and can be referenced to strengthen funding proposals. For instance, an organisation that is in the process of embedding the CHIA Vic Aboriginal Cultural Safety Framework may be able to draw on and strengthen the work associated with that process as part of their work on a new project under the Big Housing Build.

Homes Victoria's Social Procurement Approach provides guidance for how the agency is to apply the framework. The framework itself does not provide specific targets or requirements; each Department and agency has flexibility in defining its application of the Victorian Government Social Procurement Framework. In reflection of the people and communities the sector serves, Homes Victoria's prioritised social objectives are:

- Women's equality and safety;
- Opportunities for Victorian Aboriginal people;
- Sustainable Victorian social enterprises and Aboriginal business sectors;
- Opportunities for migrants and refugees, people with a disability and housing and homelessness tenants and clients.

Social enterprises play an important role in providing transitional employment for disadvantaged job seekers, including people with disability, as a pathway to employment in mainstream businesses. Social enterprises can also provide ongoing employment options for disadvantaged job seekers who may not be well placed to sustain mainstream employment over the longer term.

CHOs and social procurement

Community housing plays an important role in the lives of tenants and in strengthening local communities. The CHIA Vic sectoral [Social Outcomes Framework](#) identified eight key domains of change that tenants said they experience as a result of accessing safe, secure and affordable community housing.

Social procurement presents an opportunity to further strengthen the core work of CHOs. By prioritising social objectives and proactively working toward equality, diversity, inclusion and sustainability, CHOs can increase their ability to create positive, lasting change for more resilient tenants, more equitable communities, and more sustainable, future-proofed homes. The funding and priorities of the Big Housing Build position the community housing sector to be a true leader in the social and sustainable procurement space in Victoria.

CHIA Vic is committed to supporting CHOs in setting and realising their social procurement objectives. Throughout 2021, CHIA Vic will be supporting members to understand and adopt social procurement practices. This work will include:

- Developing template social procurement principles and policies
- Hosting sector briefings and training
- Creating guides and resources
- Identifying and collating lists of suppliers who are aligned with the Social Procurement Framework

For a current list of planned support activities, refer to the updated schedule [here](#).

CHIA Vic is keen to provide support and information that is relevant for members, and to effectively represent the sector's priorities to Homes Victoria. If there is any other support needed or if you have feedback on specific resources that are a priority for your organisation, please contact CHIA Vic on Emma.Barker-Perez@chiavic.com.au.



Figure 1: Community Housing Social Outcomes Framework

Annex 1. Social and sustainable procurement outcomes.

Source: Victorian Government [Social Procurement Framework](#)

Social procurement objectives	Outcomes sought
Opportunities for Victorian Aboriginal people	<ul style="list-style-type: none"> • Purchasing from Victorian Aboriginal businesses • Employment of Victorian Aboriginal people by suppliers to the Victorian Government
Opportunities for Victorians with disability	<ul style="list-style-type: none"> • Purchasing from Victorian social enterprises and Australian Disability Enterprises • Employment of Victorians with disability by suppliers to the Victorian Government
Women’s equality and safety	<ul style="list-style-type: none"> • Adoption of family violence leave by Victorian Government suppliers • Gender equality within Victorian Government suppliers
Opportunities for disadvantaged Victorians	<ul style="list-style-type: none"> • Purchasing from Victorian social enterprises • Job readiness and employment for: <ul style="list-style-type: none"> ○ long-term unemployed people ○ disengaged youth ○ single parents ○ migrants and refugees ○ workers in transition
Supporting safe and fair workplaces	<ul style="list-style-type: none"> • Purchasing from suppliers that comply with industrial relations laws and promote secure employment
Sustainable Victorian social enterprise and Aboriginal business sectors	<ul style="list-style-type: none"> • Purchasing from Victorian social enterprises and Aboriginal businesses
Sustainable Victorian regions	<ul style="list-style-type: none"> • Job readiness and employment for people in regions with entrenched disadvantage
Sustainable procurement objectives	Outcomes sought
Environmentally sustainable outputs	<ul style="list-style-type: none"> • Project-specific requirements to use sustainable resources and to manage waste and pollution • Use of recycled content in construction
Environmentally sustainable business practices	<ul style="list-style-type: none"> • Adoption of sustainable business practices by suppliers to the Victorian Government
Implementation of the Climate Change Policy Objectives	<ul style="list-style-type: none"> • Project-specific requirements to minimise greenhouse gas emissions • Procurement of outputs that are resilient against the impacts of climate change