

Local Governments and Housing

LOCAL GOVERNMENTS PLAY AN IMPORTANT ROLE IN SHAPING HOUSING POLICY THROUGH THEIR PLANNING AND COMMUNITY SERVICE RESPONSIBILITIES AND THESE UNDERPIN SUSTAINABLE URBAN DEVELOPMENT.

KEY POINTS

- Metropolitan councils in Queensland, NSW, and Victoria are playing an increasingly proactive role in shaping local housing outcomes, such as the provision of affordable housing. Many express commitment to extending this role.
- Local housing strategies (which analyse housing demand and supply, identify groups in housing need, and recommend future actions) have helped councils co-ordinate their activities.
- Those councils which have been most successful in implementing housing-related strategies have had strong and consistent local leadership, been able to leverage internal or external funds, and have developed effective partnerships with a state government or other housing providers.
- The key ways to improve the effectiveness of local government involvement in housing include: building expertise and knowledge in the sector; developing tools (such as planning mechanisms) for local councils to address housing issues within their areas; and establishing better state/local government collaboration.

BACKGROUND

Sustainable urban development is used in this Bulletin to mean development that uses, conserves and enhances the community's resources so that ecological processes, on which life depends, are maintained and the total quality of life, now and in the future, can be increased. This is based on an Australian Government definition of sustainability.

Integrating housing policy objectives with the urban planning responsibilities of local governments is central to sustainable urban development. Local governments influence the private housing market through their planning and development control decisions, have strong connections to the local community, and are well positioned to facilitate a 'whole of government' approach to housing outcomes.

Despite this, councils in Australia have traditionally been unwilling to recognise the housing impacts of planning decisions, or to assume a proactive role in shaping housing outcomes.

Based on case studies conducted by Nicole Gurrán, AHURI Sydney Research Centre.

The research investigates the potential for greater local government involvement in housing by evaluating the housing strategy models being implemented by metropolitan councils in Queensland, NSW and Victoria.



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Since the early 1980s, however, there has been increasing interest in the potential housing roles of local governments, with attempts to introduce developer contributions for affordable housing, rebate policies to help boarding houses remain in operation, and joint ventures with community housing providers. Even so, background research for the National Housing Strategy (1992), and subsequent research conducted for AHURI in 1994 found that the majority of local councils in Australia remained unable or reluctant to take on a more strategic housing role.

Most recently, both internationally and in Australia, **local housing strategies** have been promoted as a way of achieving a comprehensive framework for local government housing activities.

Local housing strategies incorporate an analysis of local housing supply and demand, future demographic and market trends, as well as recommendations for planning processes, land use plans and development regulations. Over the past five years, many local councils across Australia have prepared housing strategies, in some cases as a result of direct state intervention through planning legislation. To date, there has been little attempt to document the housing strategies of local governments or to find out whether various activities have achieved successful outcomes.

METHOD

This research examined the experiences of metropolitan councils which have prepared local housing strategies or been otherwise active in undertaking housing initiatives in their areas. Metropolitan councils in NSW, Queensland and Victoria, where housing issues such as affordability are particularly intense, were included in the investigation. Through a literature review and six in depth case studies (Brisbane City and Redland Council in Queensland, Fairfield and Marrickville Councils in NSW, and Moreland and Port Phillip Councils in Victoria), the research identified the range of housing related roles currently undertaken by councils in the three states, and documented models of excellence and innovation.

FINDINGS

EVALUATING THE LOCAL GOVERNMENT HOUSING STRATEGY MODEL

The local housing strategy model is an effective vehicle for local governments to address defined housing needs and objectives. Councils with comprehensive strategies were also the most active in pursuing a range of housing initiatives. The format and content of local housing strategies studied varied widely, but

these variations did not affect the extent to which the strategy has been used. Thus a short and strategic document could be just as effective as a lengthy analysis and plan.

The major strength of the housing strategies was raising awareness about the councils' housing roles and commitments. This was important for internal council staff, elected representatives, as well as community stakeholders.

However, information about the implementation of housing strategies is limited, due to the lack of defined or measurable objectives or indicators for performance monitoring.

Other common weaknesses were a failure to link actual strategies or actions to the overall objectives or to the highest priority issues.

HOUSING INITIATIVES

Metropolitan councils in each of the three case study states undertake a variety of initiatives as part of their housing strategies, as shown in the following table. These range from identifying land and development controls for more diverse and environmentally sustainable housing types, through to directly providing low cost housing stock within their areas.

Of these activities, the greatest emphasis is on the physical planning process, including managing land

Housing Initiatives in Local Government

Planning Framework

- Review controls to ensure they provide for a variety of housing types.
- Planning scheme promotes/requires adaptable housing design.
- Specific mechanisms in planning scheme to retain/promote affordable housing.
- Planning incentives/negotiation/requirement to levy developer contributions for affordable housing.
- Planning framework promotes energy/water efficiency in design and renovation of dwellings.

Facilitating social housing

- Identify suitable sites for social housing development/spot purchase.
- Planning assistance to streamline social housing development assessment process.
- Donation of funds or land for the development of social housing.
- Establishment of a trust fund for social housing ventures.

Housing Initiatives in Local Government (con't)

Partnerships/joint ventures/direct housing provision

- Contributing to community renewal processes in collaboration with social housing providers.
- Joint venture social housing/affordable housing initiatives.
- Establishment of a not for profit housing company, in partnership with state government.

Advocacy/information

- Housing advisory committees/reference groups involving community stakeholders.
- Media releases about the need for social/affordable housing.
- Maintaining local data about housing issues and needs.
- Charter/policy statement outlining council commitment to safe, secure, affordable and culturally appropriate housing.
- Educating developers about more appropriate and environmentally sustainable housing types.

Community development/service provision

- Services for homeless people.
- Services for residents of caravan parks.
- Co-ordinating services for low income/ disadvantaged social and private housing tenants.
- Grants/rate relief to sustain financial viability of low cost accommodation.

supply and assessing development proposals. To a lesser degree, all councils represented in the study also undertake information gathering, advocacy, and service co-ordination activities.

There are also significant differences in the way the councils in each of the three states conceive and understand their housing-related roles. These differences are mostly associated with the policy and planning frameworks governing local government housing activities. For example, in NSW, there is a longer history of state government initiatives to encourage and support local involvement in housing. These have resulted in demonstrable differences in the range of housing roles and activities undertaken by councils in Sydney in comparison to Brisbane and Melbourne.

LEADERSHIP AND LEVERAGE

The councils that were most successful in implementing housing initiatives had strong and consistent local leadership, were able to leverage internal or external funds, and had developed effective partnerships with a

state government or other housing providers. Councils in metropolitan NSW have also been helped by State Government funding for local housing initiatives through the Local Government Housing Initiatives Program, introduced in 1995.

ROLE OF OTHER STAKEHOLDERS

All local housing strategies reviewed in the study were developed through a process of community consultation. Those councils that were able to leverage collaborative relationships with other service and housing providers (particularly Port Phillip and Brisbane City Councils) were also most successful in developing and implementing a diverse and innovative range of local housing initiatives.

However, most strategies failed to provide a basis for ongoing collaboration between internal and external stakeholders at local, regional, and state levels. Private developers and low-income resident groups (including private tenants) were rarely involved in developing or implementing housing strategies. This suggests that special approaches may be needed to include these groups. Similarly, there were few examples of strong state/local government collaboration in developing and implementing local housing initiatives.

POLICY IMPLICATIONS

In the light of these findings, there are a number of possible actions for state housing authorities and planning agencies that would allow local governments to make a more effective contribution to housing policy and practice. Building expertise and knowledge within the local government sector would be an important goal, as would strengthening state policy and planning frameworks to enable a range of local housing mechanisms. State governments could also assist local councils to develop their housing strategies and establish better processes for collaboration.

DEVELOPING TOOLS FOR LOCAL GOVERNMENT

The research showed local governments need tools to assist them to achieve their housing strategies. These tools would be a range of mechanisms and policy responses that could be adapted to suit the particular contexts of individual councils. Developing and enabling these tools would be a valuable role for state governments, in particular planning or housing departments.

The most critical need is for legal mechanisms for retaining, promoting, financing, or providing affordable housing or homes for vulnerable groups. Options include: supporting, clarifying and guiding the roles of

local government through comprehensive state housing policies, articulating regional housing needs and priorities in metropolitan planning strategies and forums, including both “carrots” (eg. funding) and “sticks” (eg. regulation) to encourage local governments to undertake local housing strategies and providing advice and enabling frameworks for negotiations with developers for contributions to the provision of affordable housing.

ENHANCING LOCAL HOUSING STRATEGIES

Local housing strategies provide a comprehensive framework for addressing housing need within local communities. However, more emphasis on linking strategies to existing land use plans and other corporate policies would be useful.

Local councils also should aim to ensure that strategies identify ongoing process for collaboration with key stakeholders. Given the diversity of local government contexts, it is important not to enforce a “template” style for local housing strategies. However, standard definitions, data sets, and core performance indicators (which can be supplemented by local information) are important to develop regional approaches to housing need. There is potential for local councils or groups of councils to expand their local housing strategies as a basis for broader urban or neighbourhood renewal initiatives.

ESTABLISHING STRONG PROCESSES FOR COLLABORATION

State housing and planning agencies can contribute to more collaborative intergovernmental relationships by engaging local councils in state and regional planning processes, building community awareness and support for local governments’ role in strategic housing intervention and establishing a process for data sharing between local governments and state agencies.

A regional housing co-ordinator to support state/local government data sharing and facilitate regional and local collaborations, such as the approach now being introduced under the NSW Local Government Housing Initiatives Program, could provide a model for other states. Such a position could also assist councils to establish relationships with broader social housing sector in their areas, as well as with private developers and low-income private tenants.

BUILDING EXPERTISE AND KNOWLEDGE

To maximise local government involvement, a greater level of housing policy expertise and awareness should be encouraged amongst local government professional staff, particularly strategic planners and those responsible for assessing development needs.

FURTHER INFORMATION

The project on which this report is based is entitled *Housing policy and sustainable urban development*. To see a summary of the project and its associated research reports, search on www.ahuri.edu.au

The following papers are available:

- Positioning Paper;
- Final Report.

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