

Governance and Housing Affordability: Repositioning Australian Local Governments

Andrew Beer

UniSA Business School

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LP150100160: Housing and Local Government in the 21st Century
Andrew Beer, John Martin, Allan Morris, Trevor Budge, Chris Paris

Key Question:

- How do we understand the role of local government in addressing housing issues in Australia in the 21st Century, especially with reference to housing affordability?



Why cant the government just fix it?

<https://news.sky.com/story/one-million-fish-die-in-australian-river-in-ecological-catastrophe-11603317>

What are Australian local governments doing in the 21st Century in the housing sphere?

- In the 1980s Chris Paris argued Australian local governments should not become involved in housing issues aside from land use planning
 - Housing, he argued, is properly and constitutionally, a responsibility of the states
 - But what have the states achieved since then?



What are Australian local governments doing in the 21st Century in the housing sphere?

Data suggest local governments are in breach of the Paris Dictum

- Online survey of 213 local governments:
 - Half say housing has been a substantial or v/substantial priority over the last year
 - 45% have a formal housing strategy (above and beyond state-mandated plans)
 - 30% own housing they make available to people on the basis of needs/income
 - 15% have substantial policies in places
 - 40% say council discusses housing frequently
 - 26% say housing is one of their highest priority issues
 - 12% have explicit affordable housing targets
 - 45% provide support to affordable housing providers
 - 12% have a formal homelessness policy, and 28% informal policies

What are Australian local governments doing in the 21st Century in the housing sphere?

- And even where councils do not recognise formal policies, there is the 'program of small things'
 - John Martin, Gwydir Shire
 - No formal housing policy
 - But run the local retirement village
 - Provide land for free to attract residents (not a housing policy)
 - Support local social providers (not a housing policy) etc
- If the counterfactual is that local governments do nothing to support housing, they clearly haven't read the playbook.

Conceptual frameworks: why haven't government policies and programs worked?

- The Insiders/real politik view:
 - Many and powerful interests benefit from the high costs of housing
 - Landlords; the development industry, the construction industry and workforce, state governments and some of their departments
 - The Constitutional perspective
 - It's the responsibility of the states and these poorly funded entities have failed in the management of housing and the delivery of housing stock
 - Neoliberalism – markets as the best and most effective way to allocate resources and to solve questions of policy and society
 - “Nothing to look at here” – its just cycles in the housing market (Productivity Commission 2004)
 - But neoliberalism in total is looking a bit 1990s and the cycles argument has lost whatever credibility it once held

Conceptual frameworks: Multi level Governance

- The response of the state to economic globalisation and neo liberalism.
 - ‘Steering, not rowing’ requires the collaboration of state and non state actors working together (Jessop 1990)
- Hooghe and Marks (2001) work on the EU and multi level governance
 - ‘the reallocation of authority, upwards, downwards and sideways from central states’
 - Type I and Type II multi level governance
 - Type I – multi task, territorially exclusive jurisdictions in a stable systems with few jurisdictional levels and a limited number of units (eg Oz states)
 - Type 2 – territorially overlapping, in a relatively flexible, non tiered system with a large number of jurisdictions (think environmental regulation).
 - ‘the capacity to make collective decisions, and make them stick, is shared amongst a variety of actors’
 - High transaction costs to achieve co-ordination
 - Both co-exist in most jurisdictions.
 - Type II jurisdictions offer innovation ‘at the edges of Type 1 jurisdictions’ (as change in type one jurisdictions is difficult (think MDBA)
 - So change/fluidity (and making a difference) is associated with the ‘chaos’ and soft spaces of Type II arrangements

New State Spaces thesis

- Brenner (2004) and other years
 - A refinement of the governance literature
 - Notes the importance of urban governance in rescaling of state space
 - Urban managerialist approaches as a signifier of glocalisation strategies
 - ‘glocalisation strategies promote the formation of Glocalisation Competition State Regimes’
 - Critically, how do we make this city/region competitive in global markets?
 - How do we privilege economic growth over other considerations, including traditional welfare regimes?
- Useful insights:
 - Key worker housing is good; public housing is bad
 - Regulation of AirBNB is bad, we need more tourists and more tourism expenditure (Laura Hodgson thesis)

Breaking Down the Silos

- The governance literature foregrounds the inevitability of greater complexity in the operations of the state under current regimes of accumulation
 - with policy silos an inevitable outcome as Type I governance retreats and ossifies, and Type II struggles with the high costs of co-working.
- In many nations attempts to break down these ‘policy silos’ have failed
 - The OECD (2009; 2010, 2012a, 2012b) argues that achieving change is a multi-faceted task.
 - Nor should it be the sole responsibility of local communities – all tiers of government should do the heavy lifting of improving communities and their outcomes.
 - For the OECD (2010), success is dependent upon the capacity to span the boundaries that exist between government agencies, as well those that sit between government and the private sector. organizations.

Breaking Down the Silos

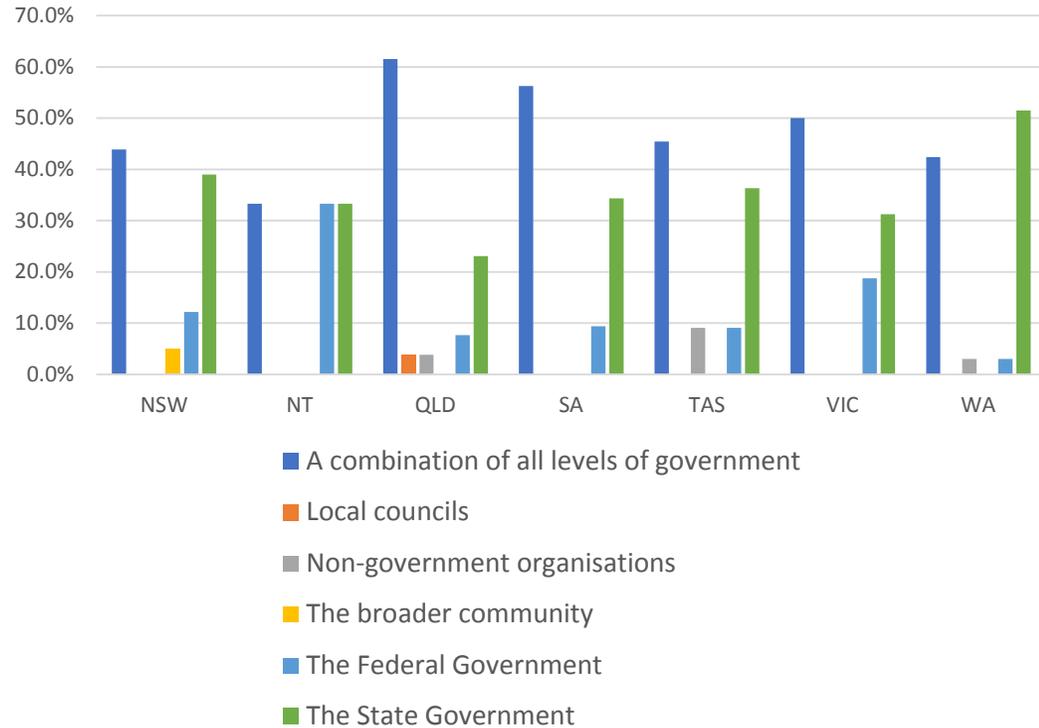
- Niklasson (2007) drew a number of conclusions
- Policy integration is a challenge in all nations, and is expressed differently in different places depending on the system of government, history, cultural traditions, scale and geography;
 - The joining up of policies and programs is challenged both vertically – between different tiers of government – and horizontally – across portfolios within a single tier of government;
 - Unitary and federal systems of government are both confronted by the challenges of integration and neither system necessarily performs better than the other;
 - Governments can encourage integration for from either the ‘top down’ or from the ‘bottom up’;
 - Westminster systems of government are more prone to politicize decision making (especially decisions with a spatial (electoral) dimension), with consequent greater challenges for integration;
 - The political and administrative systems of Anglo Saxon nations (USA, UK, NZ, Australia and Canada) are dominated by a focus on the control of single organizations.
 - That is, each agency of government is held to be answerable to the Minister, and ultimately the legislative authority, with little scope to accommodate broader accountabilities – such as the expectations of community members or other tiers of government. This set of arrangements makes policy and service integration difficult;

Moving Forward

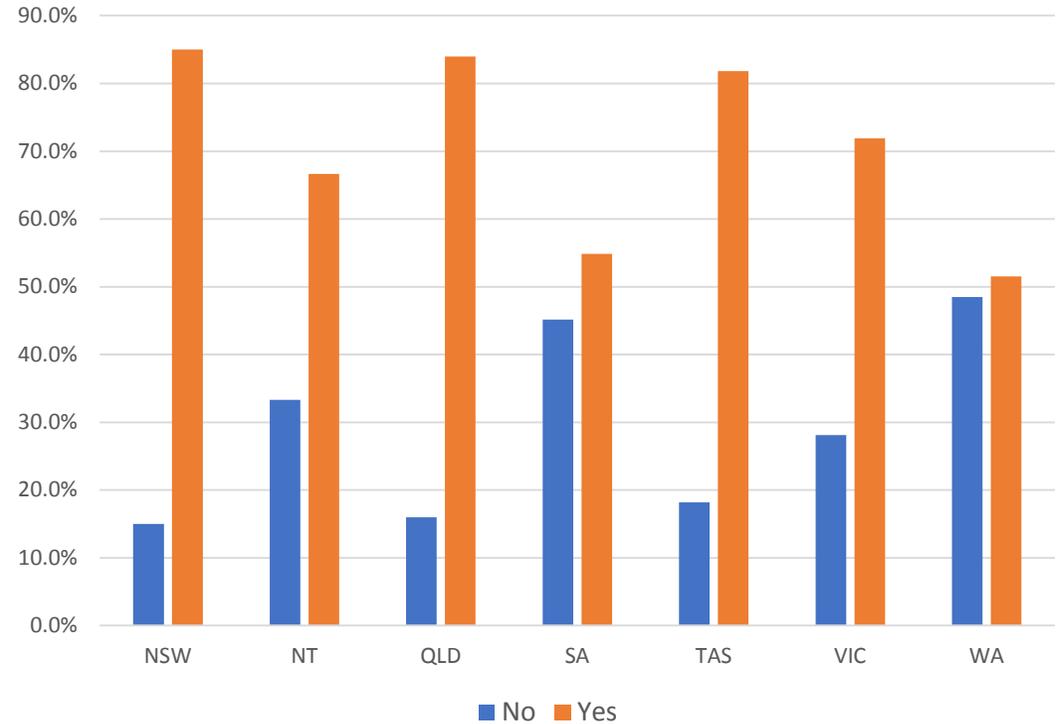
- Its one thing to understand the problem, it is another to identify solutions

Thought leaders/policy leadership

Who would your Council say is primarily responsible for addressing the problems associated with housing in Australia?



Do you feel local governments are often unfairly blamed by other tiers of government for housing affordability problems?



Wicked problems, innovative solutions

- The data presented in the slides above show there has been an absence of leadership in delivering affordable housing ‘on the ground’
 - Australia appears to have the worst of Type I (inflexible) and Type II (too unfocussed) governance
 - Local government knows they are not the leaders in this policy domain, but they are willing to help
 - And Housing Associations aren’t the whole solution
 - Leadership in this policy area appears to be key:
 - Who leads, how, to what end

Collective or networked leadership

- Collective or networked leadership is:
 - Boundary spanning
 - Outcomes oriented and vision shaping
 - Not present in all places
 - Working outside formal government arrangements and can be constituted in opposition to formal government
 - Not tied to leaders being authority holders
 - Often led by professional staff
 - Led by a collaboration of individuals/ institutions
 - Focussed on followership as much as leadership
 - Involves mobilising resources through persuasion, not compulsion, and working in partnership with others
 - From an academic perspective, seen to reinsert agency into political economy perspectives, and increasingly cited by EEG researchers
- Other research domains in which similar approaches have been applied include place leadership, where researchers have sought to understand the response of places to the wicked problem of economic shocks or long term decline

Strategies and Conclusions

- The empirical data from our survey suggests local governments are – in many instances – seeking to be leaders in affordable housing.
 - There have been *ad hoc*, and sometimes poorly informed, attempts at policy innovation – eg more local governments than you would consider possible provide accommodation.
 - But the intent is clear
 - Local government is the tier of government closest to the people and they are aware of the challenges confronting their communities
 - The absence of effective policy leadership in housing affordability is evident to local governments
 - What is not evident is how best to address this challenge

Strategies and Conclusions

- The question asked at the start of this presentation:
 - “How do we understand the role of local government in addressing housing issues in Australia in the 21st Century, especially as it relates to housing affordability? “
 - Answer: its an area of experimentation where local governments as local leaders have attempted to respond to community need through direct action and internal debate.
 - It is fundamentally incomplete – in every sense.
 - And there is a better option:
 - Embrace Type II governance through a focus on leadership/followership strategies.
 - A leadership focus speaks to the advocacy role local governments and their formal agencies can play at the national and state levels
 - But also empowers working with partners locally, something central governments often do badly, but they too can be led or ‘managed upwards’
 - Requires few local government resources and contributes to the achievement of other objectives