



# Collaborating With Local Governments And Communities To Address Homelessness And Housing Stress

**Submission To The Federal Government's Green Paper  
on Homelessness "Which Way Home"**

**June 2008**

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### References

## **1. EXECUTIVE SUMMARY**

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### **1.1 The Victorian Local Governance Association (VLGA)**

The VLGA is a peak body representing Local Government Councillors, community organisations and community leaders across Victoria.

Our primary Mission is to assist Local Government Councillors, community organisations and community leaders to build and strengthen their capacity to work together for progressive social change.

We are committed to 'doing government differently' which is further captured in our Vision and Values, as follows:

#### **Vision**

Our communities will be inclusive, sustainable and dynamic characterised by strong leadership and effective local governance.

#### **Values**

We believe that transparent, accountable and democratic governance policies and practices in all settings enable citizens to create their own sustainable futures.

### **1.2 VLGA Approach to This Submission**

The VLGA welcomes the opportunity to respond to a Federal Government's first-ever Green Paper on Homelessness.

We acknowledge that the Green Paper covers many issues and raises many challenges. Many of these are service system issues, which necessitate detailed comments from experts and stakeholders in the service system. Therefore, the VLGA will not focus our Submission on these issues.

Rather, our Submission will focus on homelessness and housing stress issues that impact on Local Governments and local communities. Arising from these impacts, our Submission will also discuss opportunities for Local Governments and local communities to add-value to the issues and challenges raised in the Green Paper.

Therefore, the main areas that we will address in our Submission will include:

- Recommendations derived from Green Paper Principles
- Recommendations derived from Current National And State Policy Context
- Harnessing the strengths Of Local Governments, And
- Supporting the Principle Of Subsidiarity.

As a starting point, it is important this consultation recognises that homelessness, housing stress and related issues impact on metropolitan, provincial and rural areas. Homelessness and housing stress are no longer concerns for inner metropolitan or metropolitan communities, but concerns for all Australian communities. Any policy response regarding homelessness and housing stress therefore needs to be inclusive of the diverse range of communities and the different impacts in these communities.

Around 100,000 Australians are homeless each night and the rate of people in housing stress has increased by 25% since 2004. This highlights a failure by previous governments and market forces to integrate policy responses.

We therefore applaud the first attempt by a Federal Australian Government to rectify this situation. We also applaud the recognition at Federal level that homelessness and housing stress are very much interconnected concerns.

As cost-of-living pressures mount, there are sound social and economic reasons why homelessness and housing stress issues require new and innovative approaches involving all levels of government in partnerships with local communities and industry.

The overall themes of our submission therefore include the need to:

- Promote greater integration of whole-of-government policy responses, and
- Build and strengthen Local Governments capacity for collaboration.

### 1.3 VLGA Recommendations

Based on the overall themes of our submission, the VLGA makes the following 12 Recommendations which are also included in the body of this Submission.

#### **VLGA Recommendation 1**

That appropriately resourced homelessness and housing stress information and education be introduced as a positive way of building community understanding, engagement and ownership of the issues and the solutions involved.

This could be developed in a task-focused partnership between State, Federal and Territory Government Housing and Local Government Ministers and a Local Government peak body experienced in working to build collaboration and community governance.

#### **VLGA Recommendation 2**

That the structures for policy discussions between Federal, State, Territory and Local Governments be improved. Measures that could be considered include a Policy Clearing House on policy settings, roles and responsibilities and solutions to homelessness and housing stress.

The VLGA also recommends that a new arm of the Australian Housing & Research Institute (AHURI) be formed to bring industry, government, homelessness, affordable and community housing providers, and other community group partners together. The purpose of such an arm would not be to focus on research but to ensure that policy integration, education, advocacy and leadership in the new policy context are progressed.

#### **VLGA Recommendation 3**

That State, Federal and Territory Governments acknowledge that skills gaps in Local Governments present major barriers to responding to homelessness and housing stress.

Therefore, the Federal Government should lead an immediate inter-governmental focus and partnership on the human and financial resources required to meet common homelessness and affordable housing targets to recommend measures to overcome these barriers.

#### **VLGA Recommendation 4**

That the eligibility figure of 80% of market rent for the National Affordability Rental Scheme (NRAS) be more flexible. That is, partnerships between Local Governments, community housing providers, industry and others are strongly encouraged to set rents at lower levels, if the viability of new rental housing projects can be maintained.

#### **VLGA Recommendation 5**

That the Federal Government provide further Fact Sheets on the range of collaborations that would be funded under the Housing Affordability Fund (HAF) and that they convene Forums with Local Governments across Australia to promote these opportunities for collaboration.

#### **VLGA Recommendation 6**

That State and Federal Governments resource and encourage Local Governments to prepare local Affordable Housing Strategies to provide a minimum level of support for affordable and community housing through:

- Local housing-needs data and information
- Where possible, staff resources to prepare and implement affordable housing initiatives
- Identified areas where affordable housing is encouraged and will be supported by Local Government through the statutory planning process (for example in Victoria this would be in activity centres under Melbourne 2030), and
- Actual sites that may be owned and/or managed by local Governments or other levels of Governments that might be suitable for affordable housing initiatives.

#### **VLGA Recommendation 7**

That a proportion of the HAF be set aside to allow for at least two Annual Homelessness and Housing Roadshows in each State and Territory. These Roadshows should be conducted as a partnership between a Local Government peak, Federal and State Government departments, community housing providers and industry. The purpose of the Roadshows should be to demonstrate how affordable housing collaboration can be resourced and measures to build local capacity and collaboration.

#### **VLGA Recommendation 8**

That the Steering Group follow the progress of the Local Action on Affordable Housing project in Victoria and similar projects around Australia. The VLGA believes there will be some genuine crossover between this initiative and may in fact provide some guidance for future funding guidelines for the HAF.

We also recommend that Federal, State and Territory Local Government and Housing Ministers agree on a rolling program of funding for at least 10 similar collaboration projects to be funded in each State and Territory each year.

**VLGA Recommendation 9**

That Federal, State and Territory Government Housing Ministers agree on secure and long-term funding models to allow growth providers – such as Affordable Housing Associations – to genuinely and quickly grow the supply of affordable housing initiatives.

**VLGA Recommendation 10**

That all levels of Government acknowledge that the long term success of addressing homelessness and housing stress will require resources not only to be concentrated in growth areas, or on collaboration for ‘early adopters’, but also in those local communities where policy understanding, capacity and collaboration needs to be strengthened.

**VLGA Recommendation 11**

That funds be set aside either through the HAF or other means to assist smaller Local Governments with a minimal revenue base (and who experience higher rates of homelessness and housing stress) to quickly develop their Affordable Housing Strategies and opportunities for collaboration in partnership with industry, community housing providers and local communities.

**VLGA Recommendation 12**

That the Federal Government lead dialogue between the States, Territory and Local Governments to adopt a set of National Community Planning Standards.

## 2. RECOMMENDATIONS DERIVED FROM GREEN PAPER PRINCIPLES

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The VLGA agrees with the aspirational intent of the Key Principles. We do, however wish to make some comment with regard to six of the ten principles and how Local Governments can add-value.

**Principle 1: A national commitment and strong leadership from all levels of government, the not for profit and business sectors and the general community is needed.**

Homelessness must be seen as a shared responsibility.

Local Governments have a central role to play in ensuring homelessness and housing stress issues are raised in ways that will increase community consciousness and understanding and therefore build community cohesion.

Local Governments are best placed to play a community education role which can lead to local communities seeing the challenges and solutions to homelessness and housing stress as being the shared responsibility of all local communities.

**Principle 2: Preventing the causes of homelessness is a main focus.**

Appropriately funded programs can divert people into secure and affordable housing. Early intervention support mechanisms need to be part of the homelessness service system within the broader community.

We believe that new and significant resources need to be given to early intervention and ongoing support.

**Principle 3: Social Inclusion drives our efforts.**

Homelessness is more than shelter and support. The focus must be on building human capacity to maximise everyone's potential for social and economic participation.

Local Governments can play a role in this by assisting the development of human capacity which would reduce social exclusion. Local Government could also act as a broker with regards to the provision of affordable housing in partnerships with the community and industry.

**Principle 4: Everyone is treated with dignity and respect.**

People who are homeless or at risk of homelessness are entitled to the same respect, opportunities and support as other members of the community.

Local Governments can play a central leadership role in demystifying homelessness and housing stress issues, if resourced by State, Federal and Territory Governments to do so.

Taking advantage of the unheralded strengths within local communities is an absolute must if the generational change in attitudes regarding homelessness and housing stress is to occur. In this context, Local Governments are ideally placed to act as change agents.

#### **VLGA Recommendation 1**

That appropriately resourced homelessness and housing stress information and education be introduced as a positive way of building community understanding, engagement and ownership of the issues and the solutions involved.

This could be developed in a task-focused partnership between State, Federal and Territory Government Housing and Local Government Ministers and a Local Government peak body experienced in working to build collaboration and community governance.

#### **Principle 7: Joined-up service delivery needs joined up-policy.**

An overarching policy framework is needed to guide all government approaches to addressing homelessness. Program funding and program boundaries must allow governments and funded organisations to take a multi-disciplinary approach to addressing people's needs.

This is an area where Local Governments can certainly add value if conversations and discussions with relevant departments occur, which has rarely been the case directly between Federal and Local Governments.

From a Local Government perspective the concept of service delivery should be expanded to include capacity building partnerships and projects, which are consistent with principles of community engagement and consultation.

#### **VLGA Recommendation 2**

That the structures for policy discussions between Federal, State, Territory and Local Governments be improved. Measures that could be considered include a Policy Clearing House on policy settings, roles and responsibilities and solutions to homelessness and housing stress.

The VLGA also recommends that a new arm of the Australian Housing & Research Institute (AHURI) be formed to bring industry, government, homelessness, affordable and community housing providers, and other community group partners together. The purpose of such an arm would not be to focus on research but to ensure that policy integration, education, advocacy and leadership in the new policy context are progressed.

**Principle 10: Targets are set to reduce homelessness and build government and community accountability.**

Rigorous and regular reporting against targets will keep the Australian, State, Territory and Local Governments and service providers accountable and ensure measurable progress is made in reducing homelessness.

However, we cannot ignore the funding inequities inherent in our current Federation where Local Governments are increasingly being called upon to deliver community strengthening roles, yet limited funding is forthcoming from other levels of Government to perform these roles.

Local government may indeed be the level of government closest to the people, however we cannot be expected to effectively assist in the range of capacity building initiatives to address homelessness and housing stress without a new look at funding inequities.

For example, given competing service priorities (and the fact that Local Governments only receive three cents out of every Australian taxation dollar), there are a minimal number of housing-specific workers in Victorian Local Governments.

Additionally, for some time the VLGA has expressed its concern about the shortage of statutory and strategic planners in Local Governments. This presents a major barrier to implementing policies and projects that address homelessness and housing stress in local communities – especially in rural and regional areas.

We draw the Steering Group's attention to the fact that the Victorian Government has provided seed funding to establish a planning bank to address the critical shortage of strategic land use planners in rural and regional Victoria.

We believe this is an initiative that could be rolled out across Australia as it brings a range of social and economic benefits for local communities, not to mention the opportunity to improve the delivery of local initiatives and policy to address homelessness and housing stress.

The findings of the Local Government Managers Australia's *2007 National Skills Shortage Strategy for Local Government* are also pertinent to this part of the Green Paper Consultation, namely:

*“As Local Government's workforce is substantially made up of workers over 45 years of age, it faces a significant challenge in filling the employment gaps as older employees retire and leave the workforce. In particular, Local Government will feel the impact of the reduction in Australia's workforce as*

*a substantive proportion of its workforce sits within the five occupations with the highest projected workforce reductions:*

- *Intermediate Clerical/Service workers*
- *Professionals*
- *Tradespeople*
- *Elementary Clerical/Service workers, and*
- *Associate Professionals.*

*These five occupations encompass key Local Government workforce areas, including planners, tradespeople, environmental health officers, engineers, building surveyors and building inspectors” (Local Government Managers Australia May 2007).*

Therefore, resourcing is not only a question of human factors but also the financial resources required to strategically address homelessness and housing stress.

The current planning system makes significant demands on Victorian Local Governments to develop a whole suite of strategic plans (e.g. structure plans, rural strategies, housing strategies, tourism strategies). There are also requirements for ongoing reviews to provide the strategic justification for a whole range of policy settings mandated by the Victorian State Government.

The actual cost of strategic planning which is being demanded of Local Governments often runs to the hundreds of thousands of dollars and even into the millions each year. This is simply unsustainable for smaller Local Governments with limited revenue opportunities.

As the community’s expectations of liveability grows, this also adds significantly to the strategic planning workloads of Local Governments. While some of this cost is justified given that Local Governments appreciate their central role in planning with their local communities, there is only limited understanding of the magnitude of the financial investment required by Local Governments.

### **VLGA Recommendation 3**

That State, Federal and Territory Governments acknowledge that skills gaps in Local Governments present major barriers to responding to homelessness and housing stress.

Therefore, the Federal Government should lead an immediate inter-governmental focus and partnership on the human and financial resources required to meet common homelessness and affordable housing targets to recommend measures to overcome these barriers.

### **3. RECOMMENDATIONS DERIVED FROM CURRENT NATIONAL AND STATE POLICY CONTEXT**

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There has been a lack of policy integration across all three levels of government to address homelessness and housing stress in Australia. In saying this, it should be recognised that ‘housing stress’ experienced by many Australians has only recently become a hot topic in policy and public debates.

Since the election of a Rudd Federal Government, the ground is shifting fast, so it is salient to consider a brief synopsis of major policies that have been announced by the Federal Government and the Victorian State Government in recent times.

Clearly, the changing policy context highlights challenges and opportunities for those seeking to navigate the affordable, accessible and secure housing sectors – regardless of the housing tenure they prefer. Some of these challenges and opportunities are highlighted below, with accompanying Recommendations where appropriate.

#### **3.1. Recent National Initiatives**

##### **3.1.1 First Home Saver Accounts Scheme**

The VLGA supports this initiative as it provides incentive for individuals, couples and families to save a deposit for purchasing their first home. We also acknowledge the great difficulty that younger Australians have in saving for their first home and applaud the inter-generational benefits inherent in this scheme.

##### **3.1.2 National Rental Affordability Scheme (NRAS)**

The VLGA also supports this initiative. It is especially pleasing that this initiative recognises the needs of those Australians who are struggling with housing and rental affordability. The scheme also presents opportunities for developing collaborations and partnerships between Local Governments, industry, affordable and community housing providers and local communities.

We believe the community-building benefits of NRAS must not be underestimated. We are optimistic that by bringing these issues into mainstream policy and public debates, together we can end the cycles of blaming and marginalisation.

In terms of collaboration and partnerships, we note the recently released National Rental Affordability Scheme Technical Paper which highlights:

*“The Scheme is designed to pool significant resources from a range of participants including financial institutions, non-profit organisations and local government which, when combined with the incentives from the Scheme, will increase the supply of lower-rent housing.”*

While we agree with this assessment, the VLGA has concerns with the inflexibility of the '80% of market rent' figure which is assumed to be 'affordable' for all Australians. This figure might unfortunately exclude those most disadvantaged Australians from participation, especially in times of increasing living costs.

#### **VLGA Recommendation 4**

That the eligibility figure of 80% of market rent for the National Affordability Rental Scheme (NRAS) be more flexible. That is, partnerships between Local Governments, community housing providers, industry and others are strongly encouraged to set rents at lower levels, if the viability of new rental housing projects can be maintained.

### **3.1.3 Housing Affordability Fund (HAF)**

The VLGA is acutely aware of the opportunities HAF present for Local Governments. As the case studies in the HAF Consultation Paper illustrate, there are real opportunities for on-the-ground collaboration.

Case Study 7 highlighted below from the Consultation Paper, indicates the opportunities for partnerships, shared learning's and effective implementation of new and more affordable housing developments.

#### **Case Study 7: - Joint Development and Trial of Standard Planning Documentation and Training Programs.**

*Four adjacent local councils submit a joint proposal via the state Local Government Association (LGA) for funding of \$500,000 to develop and trial new mandatory standards for local government documentation and training programs for planners.*

*The trial will use the best practice documentation model as attested to by the LGA. The LGA agrees to be responsible for rolling out the processes and products of the trial beyond the participating local governments within a certain timeframe, using specified milestones and performance measures that major developers agree are commercially valuable.*

*To meet the human resource needs of the trial, local councils will contract expert staff, including planners, to ensure the processes and training programs developed produce lasting, intended results. The Housing Affordability Fund funding is sought to meet the costs of the experts who have been engaged.*

*The participating councils are all high growth councils where new housing supply has been held up through planning delays resulting from*

*antiquated systems and/or lack of staff training systems that ensure corporate knowledge is not lost when staff leave. The application proposes improved benchmarks for each council and the impact on land release.*

The VLGA warmly welcomes the acknowledgement that the collaboration is likely to receive funding from the HAF. This collaboration would be ideal for Local Governments who are already involved in or are aware of the opportunities for collaboration with community housing providers and industry. However, we believe that there is a need to inform Local Governments of the HAF opportunities to build and strengthen collaboration.

#### **VLGA Recommendation 5**

That the Federal Government provide further Fact Sheets on the range of collaborations that would be funded under the HAF and that they convene Forums with Local Governments across Australia to promote these opportunities for collaboration.

It is also important to note that there are a range of reasons why many Local Governments across Australia have not entered into collaborations to promote local responses to homelessness and affordable housing, including:

- The lack of uniform policy settings across Australia
- Concerns that involving themselves in this area will lead to cost-shifting
- A lack of strategic planning resources and skills, and
- A lack of political will to enter into such partnerships.

Therefore, while the collaboration contained in Case Study 7 would be beneficial for 'early adopter' Local Governments, there is also a need for the HAF to build the capacity of more reticent Local Governments to develop local responses to homelessness and affordable housing.

### **VLGA Recommendation 6**

That State and Federal Governments resource and encourage Local Governments to prepare local Affordable Housing Strategies to provide a minimum level of support for affordable and community housing through:

- Local housing-needs data and information
- Where possible, staff resources to prepare and implement affordable housing initiatives
- Identified areas where affordable housing is encouraged and will be supported by Local Government through the statutory planning process (for example in Victoria this would be in activity centres under Melbourne 2030), and
- Actual sites that may be owned and/or managed by local Governments or other levels of Governments that might be suitable for affordable housing initiatives.

### **VLGA Recommendation 7**

That a proportion of the HAF be set aside to allow for at least two Annual Homelessness and Housing Roadshows in each State and Territory. These Roadshows should be conducted as a partnership between a Local Government peak, Federal and State Government departments, community housing providers and industry. The purpose of the Roadshows should be to demonstrate how affordable housing collaboration can be resourced and measures to build local capacity and collaboration.

## **3.2 Recent State Initiatives In Victoria**

### **3.2.1 Local Action on Affordable Housing (LAAH) Project**

This initiative has funded six Local Governments from metropolitan, provincial and rural communities an amount of \$50,000 to develop plans to ensure the faster delivery of affordable housing initiatives. These Local Governments include:

- Darebin City Council
- Manningham City Council
- Maribyrnong City Council
- Surf Coast Shire Council
- Swan Hill Rural City Council, and the
- Wodonga City Council

These Local Governments were chosen due to the fact that they were early adopters and/or 'development-ready'.

#### **VLGA Recommendation 8**

That the Steering Group follow the progress of the Local Action on Affordable Housing project in Victoria and similar projects around Australia. The VLGA believes there will be some genuine crossover between this initiative and may in fact provide some guidance for future funding guidelines for the HAF.

We also recommend that Federal, State and Territory Local Government and Housing Ministers agree on a rolling program of funding for at least 10 similar collaboration projects to be funded in each State and Territory each year.

#### **3.2.2 \$500 million Injection Into Social Housing Options in Victoria**

In the 2007-08 Budget the Victorian State Government invested the largest one-off injection of \$500 million to expand the social housing sector.

The VLGA welcomed the injection, however almost 40% of the money promised is to be spent on building and re-developing eight hundred public housing units. While this is welcomed and the VLGA supports the re-development and growth of public housing stock, we believe that the true potential of the social or community housing sector is not yet being realised.

The 'growth vehicles' supported by the Victorian State Government – Affordable Housing Associations – still report that their funding certainty is unclear and that rather than a guaranteed and long-term funding source, many are effectively running a '3-legged race' to grow the supply of affordable housing stock.

While we appreciate that the HAF may provide considerable funds to growth providers such as Affordable Housing Associations, we believe there is further potential to unlock the latent potential of growth providers.

#### **VLGA Recommendation 9**

That Federal, State and Territory Government Housing Ministers agree on secure and long-term funding models to allow growth providers – such as Affordable Housing Associations – to genuinely and quickly grow the supply of affordable housing initiatives.

### **3.3 Other Observations Arising From Current National And State Policy Context**

The VLGA is supportive of the policy initiatives discussed. However, it is important to note a few key areas that need to be in the minds of all stakeholders when implementing policy initiatives.

The VLGA would argue that there is an urgent need to change the policy and public debates around homelessness and housing stress issues and that this is as important as the implementation of these initiatives.

This is where appropriately resourced Local Government programs such as Homelessness and Housing Roadshows could positively impact on attitudes and perceptions at the local level. Moreover, these Roadshows would also ensure that all citizens of Australia see this as a shared concern.

Although HAF is a welcome initiative, it will only deliver moderate success in the long term if HAF is only targeted to areas with high demand for new housing as highlighted in the Consultation Paper.

While we applaud the recognition by the Rudd Federal Government of the central roles that Local Governments can play in addressing homelessness and housing stress, guidance and resources are required if we are to truly harness the unique community-building strengths of all Local Governments.

#### **VLGA Recommendation 10**

That all levels of Government acknowledge that the long term success of addressing homelessness and housing stress will require resources not only to be concentrated in growth areas, or on collaboration for 'early adopters', but also in those local communities where policy understanding, capacity and collaboration needs to be strengthened.

#### **VLGA Recommendation 11**

That funds be set aside either through the HAF or other means to assist smaller Local Governments with a minimal revenue base (and who experience higher rates of homelessness and housing stress) to quickly develop their Affordable Housing Strategies and opportunities for collaboration in partnership with industry, community housing providers and local communities.

## 4. HARNESSING THE STRENGTHS OF LOCAL GOVERNMENTS

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Perhaps the greatest strength of Local Government sector is that we are the level of government 'closest to the people'. Local Governments therefore have the most direct capacity and potential to increase community participation through active citizenship.

Policy debates about active citizenship are hardly new, and the range of social, economic and cultural factors that have resulted in citizens having less time to devote to community service and participation are also well documented.

However, of relevance to this consultation are specific challenges to building wider community understanding and ownership of solutions to homelessness and housing stress, including:

- Many citizens are frustrated and have lost faith with governments
- Many have growing expectations of improved local liveability
- Many believe institutions are overly inflexible, and
- Government reporting mechanisms are weak.

This leads us to the strong view that time and money has to be committed now to ensure the emergence of more engaged, informed and empowered local communities who are willing to play their part to address homelessness and housing stress together.

The VLGA is well known for our advocacy on active citizenship, including the acknowledgement in our "Let's Talk: a Consultation Framework" that:

*"At its heart, consultation is about talking to each other. By "talking" we mean sharing thoughts and ideas, and listening to others, and using this as a foundation to build communities and strengthen democracy."*

With collective understanding and appropriate resourcing from all levels of government, we believe that solutions to homelessness and housing stress could be a vital test case for growing collaboration within local communities

We are encouraged by the fact that this Green Paper envisages that agreement must not only be reached among all stakeholders but that local communities have a role in meeting common challenges and finding local solutions. However, we are concerned that a critical step is missing in current policy debates.

That is, the engagement of local communities in these issues, **prior to** local strategies being adopted to address homelessness and housing stress is currently quite low.

The VLGA estimates that approximately 80% of effort is put into the mid to late stages of the planning cycle by all levels of government, and that this is a major reason why local communities feel excluded from the visions developed by governments who have traditionally concentrated efforts to 'plan for' local communities rather than 'plan with' them.

The most common complaint we hear from our community members is that they are not genuinely consulted early enough in the planning cycle. We believe that this fundamental flaw in traditional planning cycles and policy levers will not serve governments or local communities well into the future. Indeed, unless we break with this traditional approach, this may frustrate rather than prolong a focus on addressing disadvantage such as homelessness and housing stress.

Local communities do not believe that partnerships are transparent when agendas have already been pre-determined. On the other hand, many of our community members tell us that when local planning processes involve local communities early and flexibly, the reward of common ownership of challenges and solutions is profound and long-lasting.

It has always been our view that far from being an expensive add-on, resourced and flexible community engagement practices are fundamental pre-conditions for successful community planning and empowerment.

There are numerous examples of effective community planning approaches that strengthen community cohesion around Australia. Yet the shared learnings from these are not captured or celebrated and there is no statutory or regulatory minimum requirement for community planning.

We believe that the Rudd Federal Government could make a major contribution to this situation, by demonstrating national leadership on what minimum standards should be applied to community planning processes. This should, in our view, be done in co-operation with State, Territory and Local Governments and peak bodies concerned with community engagement.

**VLGA Recommendation 12**

That the Federal Government lead dialogue between the States, Territory and Local Governments to adopt a set of National Community Planning Standards.

## 5. SUPPORTING THE PRINCIPLE OF SUBSIDIARITY

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The VLGA has been heartened by the new attitudes towards Federal and State Government relations and a commitment by the Rudd Federal Government to 'end the blame game'.

However, although we appreciate that the Federation will not be fundamentally reformed overnight, we believe that it is of vital importance that this goodwill translates to recognising Local Governments and the valuable role we play in the Federation.

To deliver the capacity building initiatives and policy integration we have focused on in our Submission, Local Governments require a more equal standing in any negotiations that impact on us as well as more effective resources to perform the community building roles we are ideally placed to deliver.

For as long as Local Governments continue to attract only three cents out every Australian taxation dollar yet we are expected to deliver a much larger proportion of services, the opportunities to build on the strengths of local communities will be heavily constrained.

The guiding principle to ensure that appropriate resourcing and governance of the capacity building initiatives and policy integration at the local level, is Subsidiarity. This principle highlights the importance of governance and services being provided by the level of government closest to the people.

The VLGA agrees with the Australian Productivity Commissions assertion that the:

*"... initial emphasis on the lowest level of government encourages careful consideration or testing of the case for allocating a function to a higher or national government and thereby guards against excessive centralisation (PC 2005)."*

Given the ground-breaking involvement of the Rudd Federal Government on homelessness and housing stress and the many inter-connected issues, we believe the approach arising from this Green Paper consultation provides an ideal testing ground of how new and fresh approaches to Subsidiarity can strengthen the resilience and cohesion of local communities.

## 6. CONCLUSION

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We thank the Steering Group for this opportunity to add-value to the complex range of challenges and solutions to homelessness and housing stress.

From our community engagement and consultation experience, we do not underestimate the challenge in 'shifting the hearts and minds' needed to build a widespread and long-lasting commitment to addressing homelessness and housing stress.

However, we remain optimistic that the only way to do this is to shift the focus away from the perceived fear of addressing these issues and onto what easy steps we can take together.

The VLGA recognises this important 'fork-in-the-road' moment, and we applaud the Federal Rudd Government's leadership to address homelessness and housing stress.

It is vital that we all embark on a journey to re-define old ways of governing to work towards improving homelessness and housing stress in all local communities.

The VLGA believes that if the above Recommendations are actioned, Local Governments are in an ideal position to positively influence the process and assist in raising the understanding of the challenges and capacity to respond locally.

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