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# International Perspectives on Local Government and Housing: The Australian Case in Context

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**ABSTRACT**

This paper examines the role of local government in the provision of housing across advanced economies in the contemporary economy and historically, while seeking to locate the Australian experience in a broader international perspective. The paper finds that ongoing challenges have given rise to policy innovation and new programmatic perspective. These developments have reflected non-systematic, and often disruptive, change rather than the continuation of predictable trends. The paper argues such evolution will continue and will be more likely to deliver benefits to the local government sector and housing affordability if acknowledged and enabled by more senior tiers of government.

本文探讨了在当代经济和历史上的发达经济体中，地方政府在提供住房方面的作用，同时试图从更广阔的国际视角来定位澳大利亚的经验. 报告发现，持续的挑战带来了政策创新和新的规划视角. 这些发展反映了非系统的、往往是破坏性的变化，而不是可预测的趋势的继续. 该论文认为，这种演变将继续下去，如果得到更高层政府的承认和支持，将更有可能为地方政府部门和住房负担能力带来好处.

## 1. Introduction

Conventionally housing policy in Australia has been the preserve of State and Federal governments (Paris, C 1993), with scant acknowledgement of the important roles local governments play in a very complex housing environment. In the immediate post WWII period an uneasy accommodation on housing policy and programmes emerged with the Australian Government establishing macro-policy settings for housing via interest rates and the provision of finance for social housing, while state governments served as "reluctant landlords" (Hayward 1996). Little attention was given to local governments (Stilwell and Troy 2000) despite their significant, but muted, role in the delivery of housing services and urban development (Neutze 1977). For a short time, the Whitlam Labour Government's experiments with 'New Federalism' provided a platform for direct Federal support for local government programmes. The Local Government Community Housing Program (LGCHP), however, proved to be short-lived, with more established policy instruments favoured from the mid-1980 s onwards (Hannaford 1989). More recently there has been ongoing debate on the nature, direction and spatial scale of local government in Australia and whether its current role needs to be recast (Grant *et al.* 2012).

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In recent decades issues such as housing affordability have challenged all levels of Australian government (Beer *et al.* 2007, Gurran *et al.* 2008, Tiley and Hill 2010, Morris 2018). Gurran (2003a) examined housing in six metropolitan councils: two each in Sydney, Melbourne and Brisbane and noted that local governments have the potential to exert a significant impact on both the affordability and type of housing built through the implementation of planning codes and the application of infrastructure levies. More recent research has found local governments are active in areas of housing policy where their involvement is unexpected: Beer and Prance (2013), for example, found 65 per cent of councils engage with homelessness, although this often found expression as a series of informal practices, rather than acknowledged policies. Almost half of all local governments in Queensland are involved in the direct provision of housing, either as a provider in their own right or as a major shareholder in a registered social landlord (LGA of Queensland 2014) and many Australian local governments are concerned with the affordability of housing in their territories (Beer *et al.* 2018b).

As the evidence presented above suggests, Australian local governments are engaged with housing issues, and this raises questions about the similarity and differences between their experiences and those of their peers in comparable nations. This paper sets out to add to our knowledge of the role of local government in Australia's housing system, and does so by seeking to better understand its position relative to other developed economies. It provides a critical review of the international literature on local government and housing, with a focus on nations with socio-economic and political systems broadly comparable with Australia. This includes Europe and North America (see Brunet-Jailly and Martin 2010 for a comparative analysis of Australian and Canadian state/provincial systems local government).

The paper begins with a focus on international comparative dimensions of local government housing over the last 100 years (Beer *et al.* 2014). It then moves on to consider three key questions relating to the implications for Australia in terms of the diversity of local government roles, the extent to which overseas experiences differ from Australia, and the potential risks and benefits of greater local government involvement in housing provision. The penultimate section then responds to the three key questions through a review of trends, issues and developments during the last twenty years, to provide preliminary answers. The paper concludes with a discussion of both policy implications and likely prospects for the future.

## 2. Comparative Perspectives on Housing and Local Government

Comparative analysis between systems of government can provide a useful lens to understand complex phenomena, especially as it relates to the influence of structural factors on service provision. Over recent years, comparative analyses have helped researchers and policy makers better understand such disparate areas of government intervention as homelessness (Fitzpatrick and Stephens 2014) and the leadership of places (Beer *et al.* 2018a). At a meta-theoretical level, Clapham (2019) has suggested that neoliberalism and its impact on housing systems can be considered a *leitmotif* in the analysis of contemporary housing in developed economies. Neoliberalism, he argued, inevitably creates unreconcilable tensions within housing as it seeks to promote market based solutions that inevitably fail to meet expectations. In turn, these failures place additional pressures on both governments and the measures – such as state-provided housing – used in the past to meet housing needs. It is clear from the comparative and historical review of local government roles in housing in advanced economies (Beer *et al.* 2014) that this tier of government has taken on many and disparate functions within the housing market. There are, and have been, significant differences between countries and regions, as well as many changes during the 20th century and into the 21st century (Harloe 1988, Whitehead and Scanlon 2007, Scanlon *et al.* 2015). These transitions have occurred during a period of demographic, socio-economic and political change. Whilst it is impossible here to examine such developments in detail, it is important to note that wider social, economic and political transformation has produced

a restructuring of the numbers, scale, functions and responsibilities of local government in many countries (Askim *et al.* 2017).

## 2.1. Diversity and Convergence in Local Government Systems and Housing Roles

As in any study of comparative public policies, different histories and cultures have resulted in varied policy decisions about the nature of local government and the extent to which they can, and should, be involved in housing and housing-related functions (Heidenheimer *et al.* 1990). There are profound differences between countries in terms of the range and variety of local government functions, and as well as the fiscal independence and capacity of local governments. There are differences in the national and regional systems of housing provision, variations in the legal systems affecting tenure and land ownership, and diverse housing subsidy and tax systems. Importantly, policies and practices around *both* housing and local government have been made and remade over the past 50 years (Clapham 2019) as economies have transitioned, cities expanded and populations aged. International comparisons are made more difficult by the absence of reliable comparative data, and in this instance we will rely upon the description of policy changes and programme outcomes to speak to the nature and depth of the transformations being experienced.

The autonomy of local government systems differs between countries with federal and unitary national government systems, with unitary systems (such as the UK or NZ) more likely to vest substantial powers at the local level. As in the USA and Canada, Australian local government is a "creature" of the sub-national tier of the federation, the states, rather than the national government. Even among federal nations there is substantial diversity in the constitutional status of local governments and their relations with national and other tiers of government (embracing countries as diverse as Austria, Brazil, India, the Russian Federation). The role and powers of elected representatives is also diverse, with the role of mayors ranging from "executive" (directly elected, e.g. Austria), through "political" representing localities (France), "ceremonial" in "Anglo" countries with strong bureaucratic management (Ireland) and "collegial leaders" in "leader-cabinet" models (England) (Heinelt and Hlepas 2006).

Local governments have played many and wide-ranging housing roles across Europe and North America throughout the early 20th century. The most common local government roles overseas and in Australia have involved land-use planning, building regulations, and the regulation of lodging houses and houses in multiple occupation (HMOs). Local governments were involved extensively in post-war reconstruction after 1945, as well as acting as urban renewal agencies in many countries during the 1950 s and 1960 s (Ball *et al.* 1988). More recently, local governments have been involved in area regeneration programmes in the UK, and through policies and activities aiming to increase the supply of "affordable" housing. Local government perspectives on housing development and use of planning powers, however, vary considerably between localities and many have been criticised in the UK for using planning powers to stop development. The current UK government has embarked on a process of "fixing our broken housing market" (DCLG 2017) including possible introduction of a range of measures to expedite housing development.

Local governments have been *major* providers of public rental housing in some countries. Many local authorities had established large municipal housing stocks by the 1970 s, e.g. Glasgow in Scotland and Vienna in Austria (Harloe 1988, 1995), with local government provision varying substantially in terms of dwellings types, systems of eligibility and allocation. The same terms often had different meanings in different countries; for example "council housing" in the UK was considered a lifetime tenure (up to the 1980 s) but was a stepping stone to home ownership in Ireland. Municipalities become major landlords in most Soviet Bloc countries between the 1930 s and 1990, though that role was subsequently abolished as municipal housing stocks were privatised.

By contrast, there was little development of public or social rental housing in many southern European countries, and only low levels of direct housing provision in the USA and Canada (Harloe 1988). Scanlon *et al.* (2015) emphasised the many differences between European countries in

central-local relations regarding public rental housing provision, as well as large variations between countries in terms of the extent to which housing was part of the welfare state. Historically, very few Australian local governments were involved in the direct provision of public rental housing as that was seen to be primarily a role of State and Territory governments (Paris 1990). There is mounting evidence that this is changing, with local government expenditures on housing and community services increased to 24 per cent of the total in 2013–14 (Grant and Drew 2017, p. 275), a figure much higher than any evident two decades previously.

Local governments in many countries have participated in joint arrangements with other agencies in the provision of social housing, such as through the provision of land or other resources for housing associations and/or co-ops (especially in Scandinavia) and subsidised private landlords (Germany). Local governments in the USA have been involved in the establishment of legally autonomous bodies to provide subsidised rental housing (Harloe 1988), and some UK local governments created "transfer" housing associations to take over their public housing stocks (Hickman and Robinson 2006). Pawson and Gilmour (2010, p. 248) noted that by 2008 "some 1.4 million former council-owned homes (together with their tenants) had been passed to housing associations, and the management of a further 1 million had been outsourced by local authorities". This large-scale transfer of stock has meant that almost half of all local government in the UK had ceased to be landlords by 2008. A percentage of local governments in Australia have played similar roles in the relation to community housing since the early 1990 s (Gurran 2003b, Lawson *et al.* 2016). Local authorities in England have expanded their enabling/strategic function to develop innovative models to stimulate new supply of market rented homes, with local authority pension funds as institutional investors (Stevens 2016). Local governments in the United Kingdom has also been able to capture up to 65 per cent of the increased value of land resulting from housing development, with the monies used to fund social housing provision (McAllister *et al.* 2018).

The period since the early 1990 s resulted in more diversity in housing provision in Europe, albeit with some commonalities: widespread *reduction* of state support for socialised forms of housing provision, privatisation of former public housing, and sale to private agencies in the former German Democratic Republic (GDR) (Lawson *et al.* 2016). Governments have increasingly prioritised private sector housing provision with widespread deregulation of mortgage finance in the 1990 s followed by housing booms and busts, and chaotic impact of GFC especially in the USA housing market (Scanlon *et al.* 2015). These changes can be seen to be symptomatic of wider reforms in the delivery of public services, with Pawson and Gilmour (2010) noting that the "new public management" ethos that first emerged in the 1980 s has seen governments tighten controls on expenditure; modernise operations; introduce market reforms; and minimise their public services through a process of outsourcing operations. Local governments have been a platform for such reforms. Such changes, of course, have varied from place to place. Kadi and Ronald (2014), for example, examined the market-based housing reform in New York, Amsterdam and Tokyo and concluded that while comparable processes could be identified, the outcomes were highly differentiated.

In many nations there are ongoing tensions between local governments and the more senior tiers of government. For example, in some nations local authorities have been "reluctant to permit the construction of new social housing, because they do not want an influx of residents with social problems who will cost them money" (Whitehead and Scanlon 2007, p. 45). Vulnerable households are commonly concentrated in municipal housing (e.g. Denmark, Hungary and Ireland) but not others (e.g. the Netherlands and France) and central governments seeking to accommodate poorer households can be in conflict with cities and municipalities. More recently, Murphy (2016) has identified an additional tension within the housing supply system: he noted that the concern central governments express – and often seek to act on – to deliver affordable housing is commonly in conflict with local government's desire to achieve sustainable development. Fundamentally, the processes of policy transfer between nations – including new public sector management and the more encompassing neoliberal philosophies

of government – have worked to convergence in housing and local government processes across nations, while historical and institutional factors have ensured highly differentiated outcomes (Gurran *et al.* 2014, 2014, Blessing 2016, Clapham 2019).

Various commentators have described widespread changes in housing policy and provision over the last twenty years as the "financialisation" of the "social project" of mass home ownership (Rolnik 2013, Forrest and Hirayama 2015, Aalbers 2016). Forrest and Hirayama (2015) argued the purchase of housing has become the same as of other commodity purchases, with speculative investment eroding distinctions between residential property, stocks and shares and other asset classes. They suggested new fault lines had opened up between established home purchasers and new buyers, between different categories of risk and between more and less affluent households. All aspects of housing provision have been affected by this process of financialisation with Aalbers et al (2017) noting that even apparently successful social housing providers have failed through too much faith and reliance on new forms of finance in order to achieve growth. Importantly, their example – Vestia in the Netherlands – fell into difficulties some three year *after* the collapse of Lehmann Brothers, when the risks of such financial entrepreneurialism were well known. Critically, the financialisation of housing supply and consumption places additional strains on planning authorities – such as local governments – who face pressure to both approve developments more quickly and provide certainty in the performance of real estate markets.

## 3. Australian Local Government and Housing

There are three key questions we need to examine concerning housing and local government in Australia: what is the main lesson to be learnt from the diversity of local government roles; are trends in Australia similar to or different from trends elsewhere; and, what are the potential benefits and risks of greater local government involvement in housing in Australia? This section addresses these issues

### 3.1. Lessons from the Diversity of Local Government Roles?

The main lesson to be learnt from the examination of international experience is that there is no "one size fits all" model to draw upon, nor are there exemplars of "best practice" that can be used to assist policy development in Australia. The roles and responsibilities of local government in relation to housing, therefore, are matters for self-determination, and these may vary between sub-national jurisdictions in federal systems, and change over time. Critically, then, current arrangements should not be considered immutable or "natural"; instead the Australian nation should continually re-evaluate the structures in place and assess their capacity to meet contemporary needs.

Australian local government systems are most like those in other federal "Anglophone" countries, especially the USA and Canada, though there has been considerable diversity among these three countries and changes over time. Because Australian and US states, and Canadian provinces, can determine changes in their local government systems, different policies at this level have resulted in uneven patterns of change across their respective countries (Askim *et al.* 2017). In Australia, this interest in change has most commonly found expression in state governments seeking to gain "efficiencies" by forcing amalgamations, often without sufficient attention to wider social and economic costs (Grant and Drew 2017, p. 357–381).

Many housing market developments and social issues in Australia are similar to developments in other countries, but recent reviews of changes in social housing provision in Europe show that there is little of direct relevance to the current circumstances of Australian local government (CECODHAS 2015, Scanlon *et al.* 2015). The distinctive statutory duties of local governments in the UK regarding homelessness (Mullins and Murie 2006), in particular, are not replicated at all in Australia or other federal Anglophone countries. The transfer of rental housing stock from public sector control to other social landlords speaks to both a common set of experiences between the two

nations, and a process of policy transfer across national boundaries. The implications for local government, however, have been distinctive.

The current roles and responsibilities of governments regarding housing and homelessness are set out in Figure 1, from the Steering Committee for the Review of Government Service Provision (SCRGSP) (SCRGSP (Steering Committee for the Review of Government Service Provision) 2015). This sees local government housing roles as being limited to local planning and development and building regulation, with some involvement in community housing and homelessness services provision.

### 3.2.　Are Australian Trends Similar to or Different from Trends Elsewhere?

In a discussion paper Beer *et al.* (2014) asked whether trends in local government and housing in Australia are similar to, or different from, comparable overseas experiences. After reviewing the issues, however, we conclude there is a need to differentiate between *trends* in housing, where there are some observable similarities between countries, and *changes* in local government housing roles, which are much more diverse and do not mesh in any systemic way with housing system changes.

| Roles and responsibilities regarding housing and homelessness |
|---|
| The Australian Government provides funding to assist with the achievement of housing and homelessness related outcomes for which states and territories have primary responsibility: |
| <ul><li>The Australian, State and Territory governments jointly fund specialist homelessness services</li><li>The Australian Government provides funding for housing and homelessness services to State and Territory governments through the NAH SPP and related NPAs. The Australian Government influences the housing market through direct and indirect means, including providing CRA, home purchase assistance, financial sector regulations and taxation</li><li>State and Territory governments fund, administer and deliver social housing and homelessness services, and provide financial support to renters through private rental assistance and home purchase assistance. State and Territory governments are also responsible for land use and supply policy, urban planning and development policy, housing related taxes and charges (such as land taxes and stamp duties) and residential tenancy legislation and regulation</li><li>Local governments are responsible for most building approvals, urban planning and development processes, and may be involved in providing community housing</li><li>Non–government organisations provide housing through the community housing sector and deliver most homelessness services with some local government participation.</li></ul> |

**Figure 1.** Government roles in housing and homelessness in Australia.
Source: SCRGSP 2015, p G.5.

### 3.3. Trends in Housing Systems

There are many parallels between developments in housing markets and policies in Australia and other wealthy democracies over last 20 years, especially the switch away from the "social project" of mass homeownership to commodified systems of housing production and ownership. Fundamentally the policies that promoted the growth of mass home ownership have been replaced with supply-side subsidies (Rolnik 2013, Forrest and Hirayama 2015). There also have been similarities in terms of demographic changes, with falling birth rates and increasing longevity alongside substantial falls in average household size (Hugo 2013). The combined effects of these changes have been to arrest the growth of home ownership and boost the emergence of long-term private renting (Flood and Baker 2010, Beer, A. and Faulkner, D. with Paris, C. and Clower, T 2011). Pawson et al. (2017) suggest the growth of private renting "has constituted a dominant twenty-first century housing market trend", especially in countries that they describe as "liberal welfare regimes" (including Australia, New Zealand, the USA, the UK and Ireland). They noted that some factors were specific to particular countries, especially the extent of subprime lending in the USA resulting in the post-GFC housing market crash. Other factors have been common to all countries, including increasing real house prices relative to incomes. The growth of private renting, of course, raises significant challenges for local governments in Australia and elsewhere, as new populations of renters with specific needs replace long-term home owners.

The growth of private rental housing has been one factor contributing to increasing housing costs, declining levels of home purchase among younger households, and increasing proportions of adult children living with parents (CECODHAS 2015, Udagawa and Sanderson 2017). Australian commentators have argued the growth in the number and proportion of elderly private tenant households threatens the living standards of many in later age (Pawson et al. 2017). Homelessness has also been growing in other countries, and is identified by governments and inter-governmental agencies as a critical problem facing most EU counties (CECODHAS 2015, FEANTSA 2017).

Whilst there are many observable similarities between countries in recent housing system developments, there also have been many differences in the extent and rates of change. There was a clearer and more straightforward pattern of change in the mix of tenures in Australia than the dramatic turnaround of tenures in some countries such as the UK. From 2001 to 2016 the percentage of Australian households who owned their dwelling outright declined from 39.7 per cent to 29.6 per cent, while home purchasing households increased from 26.5 per cent of the total to 32.4 per cent. At the same time, the percentage of households in private rental accommodation rose from 21.8 per cent to 24.9 per cent, while social housing fell by 1.1 percentage points to 4 per cent of all households (Australian Bureau of Statistics (ABS) 2001 and Australian Bureau of Statistics (ABS) 2016).

### 3.4. Local Government Engagement with Housing in Australia: An Evolving Agenda

Analytically, there is a need to focus on issues and developments in local government and housing rather than "trends" because local government roles and functions are sensitive to non-linear changes, especially reforms of local government systems. Such reforms, moreover, can arise unexpectedly, as recently happened in Denmark and Ireland (Askim et al. 2017). Local governments and their state associations are, more than ever, responding to state-imposed rules and regulations. A recent review of changes in European social housing found that local government tended to be *less involved* in direct housing provision than previously, with no indication of significant growth in other housing related activities (Scanlon et al. 2015). A common theme in many analyses is one of growing housing difficulties: overall shortages, growing homelessness, falling levels of home purchase among younger households, and austerity policies limiting the capacity of local governments to take on more positive roles (Scanlon et al. 2015).

The situation in the UK is distinctive as local governments in the UK had been major providers of public rental housing and many remain responsible for an ageing housing stock. They also have continuing duties regarding homelessness although there is no equivalent to UK homelessness legislation in USA, Canada or Australia, nor in many EU countries. While at face value there would appear to be little justification for local government in Australia to take on an equivalent role, the rise of a discourse of "community" and "community action" in both Australia and the UK (Gallent and Robinson 2013) suggests that a transfer of such obligations may be attractive to central governments and consistent with an emerging ethos of government.

In all Australian states and the Northern Territory, governments have attempted a range of "reforms" to their systems of local government that inevitably include amalgamation of smaller jurisdictions with their neighbours. As such councils are continually negotiating with state government departments and agencies, all of whom have their own specific agendas which, when aligned with other departmental requests, do not always correspond. As such local governments have developed a risk-averse culture when it comes to engaging with state governments on areas that require cooperation and creativity, such as housing. As Drew *et al.* (2016) have noted, the relationship between state governments and local governments has been transformed over the past 20 years, with both evidence-based and rhetorical positions adopted by advocates on both sides.

More broadly, recent swings in the Australian political landscape at the national level have resulted in shifting settings in almost every policy environment. Such change has resulted in uncertainty, with local governments and other institutions caught between a growing grassroots pressure to act on housing affordability (Beer *et al.* 2018b) and other issues on the one hand, and the need to hold off on action while awaiting further change in government programmes and investment on the other. The impact of policy change was captured in an AHURI review of in the transformation of public housing in federations (Lawson *et al.* 2016). It concluded there was a tendency globally for federal systems to award a reduced role for local government in housing provision amid reduced support from national and regional governments, but identified one strong exception in the "more vibrant, federally legislated Austrian system, where supply subsidies prioritise a well-regulated limited profit sector that also takes on an increasing role in managing and building municipal housing" (Lawson *et al.* 2016, p. 2). Lawson *et al.* (2016) identified similar trends in social housing to those discussed by Scanlon et al: deteriorating quality and supply of public housing in Germany as well as the USA and Canada, due to declining public investment. Two key findings are particularly relevant to Australian local government and housing. Firstly, devolution and decentralisation in Germany and Canada involved decentralising responsibilities for social housing to lower tiers of government but without adequate financial transfers, resulting in negative consequences for supply and increased costs for consumers. Secondly, despite a "rhetoric of localism and solidarity", devolution often resulted in sub-national governments directing resources away from housing (Lawson *et al.* 2016, p. 3).

Lawson *et al.* (2016) advocated for "strong and stable intergovernmental and stakeholder commitment", the development of new forms of governance relating to social and low-cost housing, long-term mechanisms for adequate funding, and balanced access to diverse sources of funding in Australia. They also advocated for integrated and sophisticated local planning, stressing the key roles of local governments in many countries in land banking and in the application of planning instruments. Other recommendations included reduction of bureaucratic isolation, better management and funding of stock condition and maintenance, new funding models and cultural change. The realisation of such lofty ambitions would require major changes in Australian inter-governmental relations, as well as a much greater commitment of governments at all levels to increase the supply of lower cost housing. This would require nonlinear, rather than path dependent, transformation.

The review of international experience highlights both opportunities and potential pitfalls for Australian local governments seeking to engage with the housing market. At one level, the potential community and institutional returns are substantial: there is the potential to contribute to the

community through increased housing production, lower housing costs and, potentially, accommodation that better meets the needs of local citizens. Local governments are well placed to address problems that find local expression. Homelessness, for example, often first comes to the attention of Australian governments through interaction with local government officers (Beer and Prance 2013). There are also significant differences in how homelessness is experienced: rough sleeping in inner city areas is replaced by sleeping in cars in the suburbs and by long term stays in caravan parks or other transitory accommodation in regional Australia. Local governments inevitably understand these differences and respond. Finally, we need to acknowledge that the actions, focus and investments of local governments will make a substantial difference to those households in direct receipt of housing support from local governments, materially reshaping their worlds and life chances.

These opportunities need to be balanced against the threats they engender for local governments in Australia. There is a risk that engaging with housing processes and issues results in the acquisition of an unfunded liability by local government, and potentially results in ongoing outlays that are ill-afforded by a relatively poor tier of government. There is a risk that such engagement can reshape the character of the local government in ways that are not desired. For example, the local government may face pressure to provide a broader and deeper set of social supports as a result of attending to the housing needs of low-income earners. In a similar theme, there may be citizen opposition to policy reform, resulting in division, conflict and the potential turnover of elected officials. Finally, and perhaps most importantly, there is a risk that policy changes implemented at the national or state government level may have adverse impacts on local government.

Overall, Australian local governments that engage with housing markets in any way other than their prescribed responsibilities take on additional risks. Many face community pressure to take action, but such concerns are often drowned out by calls for intervention in other areas of social, environmental or cultural wellbeing, and awareness of their vulnerable financial position.

## 4. Conclusion

This paper set out to expand our knowledge of the role of local government in Australia's housing system, and to do so by seeking to better understand its position relative to developments in other developed economies. The paper has provided a critical review of the international literature on local government and housing, with a focus on nations with socio-economic and political systems broadly comparable with Australia. The United Kingdom has been a particular focus for this review, a product of the cultural and historical links between the two nations. The paper began with a focus on international comparison of local government housing roles over the last 100 years, before considering three key questions around the diversity of roles local governments play and their implications for an engagement with housing issues.

We found from the international review that there is no "one size fits all" model of the relationship between local governments and housing to draw upon, nor are there exemplars of "best practice" that could be used to drive policy formulation in Australia. Importantly we also concluded there is a need to focus on issues and developments in local government and housing rather than "trends" because local government roles and functions are sensitive to non-linear changes, especially reforms of local government systems. Such changes are both unpredictable and beyond the control of local governments. To a degree, the changes observed in the both housing and local government systems are an outcome of the ongoing implementation of neoliberal policy agendas (Beer *et al.* 2007). As Clapham (2019) observed, neoliberalism tends to be "rolled out" in an uneven, patchwork, fashion, resulting in greater spatial differentiation in policies and practices, and potentially greater inequality in outcomes. The differentiation across nations uncovered here could, therefore, be considered to be an expected outcome.

Similarly, the increasing involvement of local governments in Australia with housing issues reflects the search for a new "institutional fix" (Peck and Tickell 1994) to questions of affordability, homelessness, and the regulation of living environments. Local Governments and their state

associations are, more than ever, responding to state-imposed rules and regulations and national government funding directives. Whilst the housing roles of local government were not the main focus of the recent review of changes in European social housing, it showed clearly that local governments tended to be less involved in direct housing provision than previously, with no indication of significant growth in other housing activities. Overall there has been growth in housing difficulties, as expressed by overall shortages, growing homelessness, falling levels of home purchase among younger households, and fiscal policies limiting the capacity of local governments to take on more positive roles.

Finally, our research found that there are pressing reasons for local governments in Australia to take on housing related challenges such as poor housing affordability, homelessness and inadequate supply, but such action carries with it substantial risks. These risks are political, economic, cultural and social and at their heart call into question the role of local governments in Australia in the 21st Century. To a degree the policy environment surrounding local government involvement in the housing market in Australia – as in other developed economies – remains hostage to political forces that operate at a scale beyond their control. For Australia at least, a more stable national government is likely to provide an environment which is more conducive to policy experimentation at the local level, and that would be welcome. Central governments and their aspirations would be one of the major beneficiaries of a more mature relationship between Australian local governments and the other tiers of government. Local governments would be better placed to assist state and Australian governments deliver affordable housing if they had greater certainty, financial support and a less adversarial political environment.

## Disclosure statement

## Funding

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