

Decentralisation – helping or hurting?

Australian Federalism Review, Housing & Homelessness

As the peak body for housing in South Australia, Shelter SA's vision is for every South Australian to have an affordable place to call home. Shelter SA advocates for an increase in the supply of social and affordable housing to ensure people living on very low incomes can access suitable housing and to reduce homelessness. Shelter SA is engaged in the Federalism consultation process in relation to particular State issues and also as a member of National Shelter. The following information is offered as a short guide to the Review process for Shelter SA members and stakeholders and provides links to a range of information sources outside of Government, if further reading is sought.

The Australian Government is currently reviewing how they work with other levels of government. The 2014 "Reform of the Federation White Paper" [Issues Paper 1](#) outlines the history of Federalism and provides a basic description of the rationale behind the review. Issues Paper 1 contains an outline of the benefits of Federalism and places the review in a very positive light however there is no discussion of the weaknesses or disadvantages of federal systems. Government roles and responsibilities in relation to Housing and Homelessness are canvassed in [Issues Paper 2](#). A summary of the Terms of Reference and questions posed within the Paper is available [here](#). The review is occurring simultaneously with a number of other reviews including the Senate Inquiry into Affordable Housing, the Reform of Australia's Tax System, the National Commission of Audit, the Indigenous Jobs and Training Review (the Forrest Review), the Review of Australia's Welfare System (the McClure Review) amongst others.

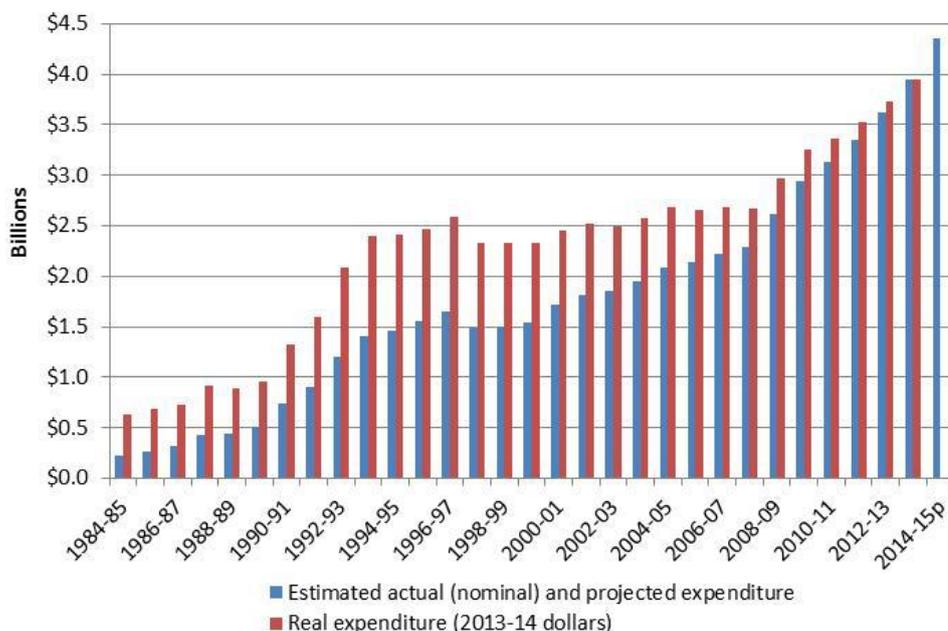
Issues Paper 2 (the Paper) is a useful reference, concisely summarising the history of Commonwealth State roles and responsibilities in housing and homelessness with some interesting data about policy and funding over time. The main tenet of the White Paper is that the Australian Constitution does not outline a role for the Commonwealth in housing and homelessness and the questions listed within the Paper seem to be based on an assumption that therefore, there will be no role and the discussion to be held is how best to make alternative arrangements, devolving responsibility to the most local level of government. The National Affordable Housing Agreement and associated Partnership Agreements have not resulted in any improvement in housing affordability or reduction in homelessness since their inception and it is understandable and reasonable for the Commonwealth Government to examine the impact of funding in these areas.

The cost of Commonwealth Rent Assistance has risen significantly and is forecast to continue to increase perhaps making a commitment to both the Agreements and CRA financially unsustainable into the future (see below - Expenditure on Commonwealth Rent Assistance 1984-85 to 2014-15). The [Australian Housing and Urban Research Institute](#) offer an easy to read snapshot of the Paper.

Shelter SA and [National Shelter have argued for many years](#) that "there is a vital role for all levels of government in housing and homelessness. Ideally, there would be a dedicated Federal Minister with broad responsibility for housing rather than the current limited role of the Community Services Minister around welfare housing. The authority and directive of a Federal Minister is required in order to utilise the full range of levers available to all levels of Government to meet the housing supply shortfall and to do so in the context of a National housing policy and strategy". The same view is shared by others such as Playford¹ who suggests that, "what is needed is the implementation of a comprehensive, holistic set of strategies and targets that complement one another from the Commonwealth level down to the local level". After attending a roundtable in Canberra as part of the Federalism

¹ Playford, T. (2001) Australian Governments and Sustainable Housing, School of Geography, Population and Environmental Management, Flinders University, Adelaide, Australia <http://www.socsci.flinders.edu.au/geog/geos/PDF%20Papers/Playford.pdf>

Review consultation process, National Shelter released an [opinion piece](#) about the reasons why a ‘hands-off’ approach may not be the most effective or efficient for housing or homelessness.



A critical review of the White Paper however, reveals a lack of explicit theoretical substance or rationale to support the review. There is a large body of academic literature on decentralisation and the advantages and disadvantages of Federalism which are contested by experts in these fields such as Martinez-Vazquez² who concludes that “answers to the many questions on the impact of fiscal decentralization are not certain” and that decentralisation has been shown to have both positive and negative impacts on poverty levels, lower levels of public services in poorer areas and inequality in public spending (2011). The design and implementation of any decentralisation activities will be critical in how it affects people living on low incomes and their access to affordable housing. One suggestion is that the review should occur within a process independent of Government to ensure that politics do not negatively influence the outcome - the [Business Council of Australia](#) suggested a Federal convention with “participants drawn from the community, business and governments” to decide “a framework for the appropriate division of [government] responsibilities”.

Shelter SA will continue to keep you informed during the review process and share opportunities to contribute to the consultation. Shelter SA looks forward to the publication of the Green Paper due in the second half of 2015 when the public will be invited to make written submissions to the proposals put forward. If you have not already subscribed to our free mailing list please email us at sheltersa@sheltersa.asn.au with the word “Subscribe” in the subject heading. You can also follow Shelter SA on social media – Facebook, Twitter and YouTube.

² Martinez-Vazquez, J. (2011) The Impact of Fiscal Decentralization: Issues in Theory and Challenges in Practice, Asian Development Bank, Mandaluyong City, Phillipines <http://www.adb.org/publications/impact-fiscal-decentralization-issues-theory-and-challenges-practice>