Policy responses to complex housing problems: the roles of markets, hierarchies and networks

Rhonda Phillips
Queensland AHURI Research Centre
Institute of Social Science Research
University of Queensland

The online version of this article can be found at:
http://www.fbe.unsw.edu.au/cf/apnhr/

May 2010
Title: 2009 Housing Researchers Conference [electronic resource] : refereed conference proceedings / William Randolph ... [et al.]

ISBN: 9781740440325 (eBook)

Subjects: Housing--Research--Pacific Area--Congresses.

Other Authors/Contributors:
Randolph, W.
University of New South Wales. City Futures Research Centre.

Dewey Number: 363.5099

Published in Randolph, B., Burke, T., Hulse, K. and Milligan, V. (Editors) (2010)
Refereed papers presented at the 4th Australasian Housing Researchers Conference, Sydney, 5th - 7th August 2009. Sydney: City Futures Research Centre, University of New South Wales.

The papers published on the as part of the proceedings from the 4th Australasian Housing Researchers Conference have all been subject to a peer reviewing process.

The contents and any opinions expressed represent the views of the authors only. This publication is copyright. Apart from fair dealing for the purpose of private study, research, criticism or review as permitted under the Copyright Act, no part may be reproduced without prior written permission from the primary author.
Policy responses to complex housing problems: the roles of markets, hierarchies and networks.

Rhonda Phillips
Queensland AHURI Research Centre
Institute of Social Science Research
University of Queensland

ABSTRACT

The Australian housing system involves a complex web of market, government and community actors operating in diverse contexts to deliver a range of housing products and services. Markets are relied on as the primary means of housing provision, with governments regulating and intervening where markets fail. Responding to the increasing complexity of the ‘wicked problems’ such as homelessness, housing affordability and housing supply constraints in specific localities or for specific populations requires inter-sectoral collaboration in policy formulation and implementation. The market/state dichotomy is increasingly under challenge as new policy responses blur traditional state/market boundaries, increasingly involve community or ‘third’ sector actors and highlight inter-dependencies between the sectors. In attempting to respond to specific housing problems policy makers utilise a mix of market, hierarchical and network governance mechanisms for interacting and coordinating with other actors.

This paper draws on new institutional economics, policy networks and related social science and public administration theories on public governance to empirically examine recent Australian examples of responses to complex housing problems that involve multiple sectors and organisations. It takes a regional perspective, drawing on two empirical case studies from regional Queensland to examine the governance approaches adopted and their implications.

The paper demonstrates that reliance on hierarchy and market is deeply entrenched in the institutions, practices and culture of Queensland public administration and that the values, relationships and instruments that underpin network governance are not those that currently dominate public policy discourse and practice. The author argues that network governance has potential to harness the contribution of multiple actors in solving complex public policy problems while acknowledging that network governance is not a panacea and requires the application of appropriate skills, resources and tools to achieve its potential. The paper proposes that greater attention, by central policy makers, to strengthening locality based governance structures for policy implementation will provide opportunities to harness the knowledge, relationships and goal commitment needed to address intractable problems that occur in increasingly complex and diverse institutional environments.

Key Words: Housing Policy; Network governance
Ms Rhonda Phillips

BA (Soc Sc), Post Grad Dip Community Education, MPhil
Senior Research Officer, Queensland AHURI Research Centre

Rhonda Phillips is a researcher with the Qld AHURI Research Centre where she has contributed to numerous housing studies with a focus on housing management, policy and service delivery. Rhonda has over 30 years experience in public administration, social policy, program management, social research and human services delivery.
Introduction

The Australian housing system involves a complex web of interactions between market, state and community actors operating individually and collectively in diverse contexts to deliver a range of housing products and services. Markets are relied on as the primary producer of housing supply, with governments regulating in areas such as finance, land use and building standards and only intervening directly in areas such as social housing where markets fail (Haslam McKenzie, Brereton, Birdsall-Jones, Phillips and Rowley 2009). Two contemporary examples of housing market failure, homelessness and housing stresses in resource boom towns, are the subject of this paper.

Responding to the increasing complexity of public policy problems, such as homelessness and housing affordability, requires multi-faceted and multi-level approaches that rely on inter-sectoral collaboration in policy formulation and implementation. The market/state dichotomy is increasingly under challenge as new policy responses blur traditional state/market boundaries, increasingly involve community or ‘third’ sector actors and highlight inter-dependencies between the sectors. In attempting to respond to specific housing problems policy makers utilise a mix of market, hierarchical and network governance mechanisms for interacting and coordinating with other actors. Network management capacity is therefore of increasing importance in public policy and management in order for the state to harness the involvement of other actors to achieve desired policy goals (Kickert, Klijn and Koppenjan 1997).

Contemporary challenges in policy formulation and implementation for complex environments has prompted theoretical and empirical research interest in the institutional and organisational dynamics of policy processes. Researchers in this area argue that the state is unable unilaterally to resolve complex social, economic and environmental problems, often referred to in the literature as wicked problems. The concept of public governance has emerged to refer to processes for shared responsibility of multiple state, market and community actors operating as policy networks and creating new institutional forms or governance structures (Buitelaar and deKam 2009).

In recent years European housing researchers have explored the application of institutional and network perspectives to inter-organisational relationships in social housing (Buitelaar and de Kam 2009; van Bortel, Mullins and Rhodes 2009; Rhodes 2007; van Bortel and Elsinga 2007). This paper draws heavily on their work and applies empirically the concepts and theories of network governance.

The paper examines recent Australian examples of responses to complex housing problems that involve multiple sectors and organisations. It takes a regional perspective, drawing on two empirical case studies from regional Queensland to examine the governance approaches adopted and their implications. One case study was undertaken as part of an Australian Housing and Urban Research Institute (AHURI) funded research project and the second was a Townsville case study undertaken as part of an evaluation study commissioned by government (Haslam McKenzie et al 2009; Seelig et al 2007).

Data collection for both case studies involved desktop reviews of policy, organisational and media documents and websites, secondary analysis of quantitative data, stakeholder workshops and interviews with a wide range of regional and Brisbane based stakeholders. The Townsville case study involved a workshop with 24 government and non-government agencies and 13 individual interviews comprising regional staff from 3 government agencies, 4 service providers and 6 homeless people. In addition, interviews were held with senior central office managers of 8 government agencies and a workshop with state-wide community policy advocacy organisations. For the Moranbah case study 15 individual and several group interviews were undertaken with a total of 25 participants from local and state government,
Policy Responses to Complex Housing Problems: the role of markets, hierarchies and networks

housing and mining industry and community service agencies based in Moranbah, Mackay and Brisbane. For both case studies, interviews were semi-structured and data transcribed analysed according to themes identified previously from the literature.

This paper focuses attention on only one aspect of the broader case studies, the governance structures and processes, context and actors to analyse the nature and form of interactions occurring across the various market/state/community interfaces. The aim is to test the applicability of network governance theory to understanding the dynamics of the Australian housing policy context.

**Network governance**

New Institutional Economics theories recognise that *ideal* notions of market and hierarchical structures promulgated by transaction cost economics provide a narrow view of how transactions occur in the real world. In particular they do not appreciate ‘the importance of long term relationships, reciprocity and collaboration’ (Buitelaar and deKam 2009). This critique gives rise to the concept of *networks* as a third typology of governance structures (Kickert et al 1997).

Recognition of the central role of networks in governance does not imply that they replace or diminish the importance of markets or hierarchical governance structures. In particular, network governance structures do not negate the unique roles and powers of the state in public policy. Rather the concept recognises that in public policy arenas governments have special roles and responsibilities to *steer* the policy process in the desired direction. However, governments are ultimately dependent on other actors to participate in policy formulation and policy implementation in order to achieve the desired outcomes. It is therefore important for public sector actors with responsibility for steering policy development and implementation to understand the dynamics and apply appropriate processes and instruments of network management.

Networks are dynamic in that the players and their relations change over time in response to interactions between participants and changes in the institutional environment. Networks therefore provide a vehicle for participants to influence other players and facilitate changes in their knowledge, perceptions and even the goals over time. This represents a key difference between hierarchies where outcomes rely on authority and network (or relational) governance that rely on interactions between participants and therefore require different steering strategies and instruments (van Bortel and Elsinga 2007).

Buitelaar and de Kam (2009) propose a framework for evaluating the performance of dynamic governance structures that aims to assess *steering capacity* defined as the ability to steer the actions of other players in the desired direction. Aspects of their approach have been adapted to analyse the case studies presented in this paper.

**Introduction to Case studies**

The two case studies have been chosen as examples of the dynamics of network governance and each case examines a very different housing policy issue (homelessness and housing affordability) and a different stage of the policy process (implementation and policy formulation). However they share spatial and institutional characteristics in that they both focus on network dynamics at a regional level and are concerned with how governance structures operate in specific public policy contexts.
In an adaptation of an approach proposed by van Borrel and Elsinga (2007) for evaluating the performance of governance structures, each case study will examine the context and network actors; the initial policy goals; governance structures and instruments utilised; and the outcomes achieved.

**Homelessness in Townsville**

Townsville is a major regional centre in North Queensland with a significant resident population of Aboriginal and Torres Strait Islander peoples. As a major regional service centre and the location of social, medical, educational, justice and corrective services, Townsville also attracts people from throughout north Queensland and the neighbouring Aboriginal community of Palm Island on a temporary and transient basis. Homelessness and public intoxication, especially involving Aboriginal and Torres Strait Islander people, have been ongoing matters of considerable concern in the local community for a number of years. This case study examines the implementation of responses to homelessness and public intoxication in Townsville in the context of a 2005 Queensland Government homelessness policy and funding initiative, *Responding to Homelessness*. The case study was undertaken in 2007 as part of a mid-term review of that policy initiative. The focus of this case study is network governance in a specific policy implementation context involving primarily government and community sector actors.

**Housing supply and affordability in Moranbah, Bowen Basin**

Moranbah is an intentionally created mining town in the coal rich Bowen Basin, central Queensland. In the early 2000s the Bowen Basin saw massive expansion of coal mining that resulted in increased demand for housing and drove escalating house prices and rents (Haslam McKenzie et al 2009). The Moranbah housing market was particularly impacted by population growth associated with this increased mining activity. Housing shortages were exacerbated by constraints in the availability of developed land and the capacity of existing infrastructure. This case study was undertaken in 2008 as part of the AHURI funded study of housing dynamics in mining boom towns. In this case the focus is on policy formulation involving primarily government and market actors.

**Case study 1: Homelessness Responses in Townsville**

**Context and network actors**

Growth in urban development and gentrification of inner city locations across South East Queensland and in regional centres is associated with changes in the use of public spaces, leading to community concern about the visibility of homeless people ‘sleeping rough’ and public intoxication. While these issues do not necessarily co-exist, they are often linked or confused in public policy discourse. In early 2000s the Townsville Mayor and local state parliamentary member were particularly active in public discourse on these issues and instrumental in establishing local structures to coordinate responses across government and community service agencies. These responses primarily involved health, law enforcement and Indigenous community services and were focussed on regulating the use of parks and other public spaces. Mainstream homeless and community housing organisations in Townsville had marginal involvement in these activities and a separation was evident within the local service system between networks concerned with services for ‘homeless’ people and those concerned with ‘park people’. This service fragmentation occurred in spite of the key state agency having policy and funding responsibility for both sets of services responses.
In the lead up to the 2005 Queensland State Budget a number of homelessness and public intoxication policy initiatives were formulated through a closed process within individual agencies with limited engagement of regional staff or the community sector. The disparate initiatives were packaged by central agencies under the Responding to Homelessness banner and implemented across five target locations. Implementation was centrally driven by a cross-agency committee of government department heads. Townsville was one of the targeted locations.

**Policy Goals**

The articulated policy goals of Responding to Homelessness were twofold: to "improve coordination of responses to homelessness (across State Government agencies, between State Government agencies and community based organizations, and between community organizations in different locations)” and to "improve existing homeless responses … and add new services in the identified locations” (Queensland Government 2005). These goals require attention to both enhancing service delivery capacity and to network governance.

**Governance structures and instruments**

To set the context for analysis of the Townsville governance structures, we will briefly examine the state-wide governance structures that were established to oversee implementation of the initiative. Implementation was overseen by a committee of agency heads entitled ‘CEO Committee for Homelessness (with reference to public intoxication)’ which indicates the multiple policy goals of the initiative. A Senior Officers’ Group (SOG) was delegated responsible for a range of coordinating and reporting functions. The Department of Housing assumed overall responsibility for coordinating implementation while the Department of Communities was responsibility for administering homeless programs and rolling out most of the new services. Several committees with overlapping functions and membership were established resulting in considerable role confusion and duplication of effort.

**Regional level structures**

Regional coordination mechanisms comprised three main functions: coordination across government agencies; service system coordination; and client case coordination. The Response largely relied on pre-existing structures and networks, although in some cases these were adapted to accommodate the requirements of the Response to Homelessness initiative. These structures included:

- Regional Managers Coordination Networks;
- Coordination structures established under a previous public intoxication initiative; and
- Regional homelessness service delivery networks.

In Townsville, responsibility for monitoring and reporting on the Response to Homelessness was assigned to a Joint Management Group, comprising relevant Queensland and Australian Government regional managers, Townsville City Council representatives, the Mayor of Townsville and a local State MP. This role was supported by a Joint Implementation Group chaired by the Department of Communities and involving key government and a small number of community sector agencies. A Case Coordination Group was established as the only governance structure that engaged both public and community sector agencies in active collaboration. It provided a forum for formalised information sharing, monitoring and case coordination of shared clients and was identified by local stakeholders as one of the key successes of the Response.
Public space coordinators who were employed for a year in each of the targeted regions to support implementation, coordinate frontline responses to public space issues and facilitate communication between the public and community sector agencies. At the time of the evaluation in 2007 these Public Space Coordinator positions had been discontinued. This was identified as a significant concern by a wide range of government and non-government stakeholders in Townsville, who attributed the loss of these positions to a reduction in information sharing and general coordination amongst service providers, and diminished attendance at the Case Coordination Group. The functioning of the case coordination group was also compromised by disagreement about responsibility for chairing and resourcing the group. The community agency funded to perform this role lacked the authority and confidence to coordinate public sector agencies.

The implementation processes were dominated by central pressure to fast track allocation of funding and establishment of new services. Both community and government service providers reported that tight timeframes for implementation constrained opportunities to engage community sector agencies in broader service system planning and coordination, including managing the impact of new services on the existing service system.

Overall, the regional coordination mechanisms received limited policy attention and only short term resourcing. In Townsville the Response primarily focused on Indigenous and public space issues, and there was limited coordination with mainstream homelessness and community housing sectors. This created role confusion and competition between the sub-sectors, further exacerbated when a consortium of high profile community agencies returned funding they were allocated to establish a homelessness coordination hub. The limited attention to involving the mainstream community agencies in governance structures impacted negatively on government / community sector relationships and constrained access to community based accommodation options by homeless people occupying public spaces. During study interviews some stakeholders indicated a growing awareness of the need to improve coordination at service system planning and client case coordination levels between the public space responses and homelessness supported accommodation services but were unsure of the structures and processes to achieve this.

What were the outcomes?

Overall implementation was fragmented in spite of the formal governance structures and the collaboration efforts of some actors. The plethora of coordinating structures and meetings may well have resulted in some level of administrative coordination, but these did not support either policy or service delivery integration. Centrally, implementation was managed and delivered largely through individual government agencies as standalone programs or initiatives and this directed focus away from the coordination goal. Formalised structures for policy coordination relied heavily on top down hierarchical structures such as CEO, senior officers and regional managers committees and processes such as reporting directly to Cabinet. The central governance structures lacked authority, failed to establish effective two way communication with regional governance structures and there was no one point of ultimate responsibility for management of the Response. While there was superficial appearance of coordination, agencies operated largely as silos in both central program administration and regional service delivery. This was driven, in part, by predominant attention being given to establishing new services and committing budgeted funding.
Regional collaboration was inhibited by hierarchical control exerted through individual agencies that limited the decision making power and flexibility of regional actors. Failure to meaningfully engage the mainstream homelessness and community housing services limited the impact of the Response and re-enforced existing divisions between public space and homelessness sub-sectors.

The comprehensive nature of the package of Response to Homelessness initiatives indicates a superficial policy coherence. The limited attention to the policy goal of improved coordination was, in part, a consequence of the complexity of implementing multiple initiatives and short implementation timeframes. The other contributing factors included fragmented responsibility for policy leadership and limited policy attention and inadequate resources to support effective governance.

Would different policy instruments have been of benefit?

To achieve the desired coordination goals required greater policy attention to the coordination task that could have included allocation of clear responsibility for policy steerage and network management, explicit and longer term resourcing to support enhanced governance structures and network building centrally and within the region. The latter requiring both hierarchical and communicative governance tools including delegated decision making authority and flexibility to negotiate local responses that reflect the interests of local state and community sector actors and institutional context.

Housing supply in a mining boom town

Context and network actors

Moranbah has a volatile housing market and throughout the town’s life has experienced cyclical housing booms and busts in line with fluctuations in global coal demand and local production. However, the severity of the housing crisis experienced by Moranbah during the recent resources boom reflects more than the unfettered dynamics of resources and housing markets. While housing prices are driven by unmet demand, the nature of housing supply and demand in single industry mining towns such as Moranbah is influenced by the institutional environment and by the policies and practices of state and market actors.

In mining towns, housing demand is predominantly a consequence of the production decisions of mining companies and the workforce practices they employ. Housing supply, however, is influenced by a range of factors including location, land availability and the actions and interactions of a plethora of state agencies, local government, infrastructure providers, residential housing financiers, developers and builders and mining companies.

Moranbah has significant constraints on residential land release because it is bounded on all sides by mining leases and dependent on a mining company owned water supply pipeline. This situation contributed to considerable tension between the Belyando Shire Council and mining companies about the preferred patterns of growth for Moranbah. For a number of years, Moranbah’s land use planning and housing strategies have been matters of considerable contention as a result of Belyando Shire Council policies aimed at attracting families as permanent residents and achieving high standards of housing amenity. The council strongly resisted housing options that imply impermanence of dwellings or of the town. They had limited capacity and conservative approaches to land use planning, as exemplified by the predominance of larger residential lots with 3-4 bedroom detached housing and resistance to higher densities and diversity in housing form.
The housing strategies and policies of mining companies differ considerably between companies and across locations and towns. As an example, BMA has a long history in Moranbah and illustrates the range and changes over time in mining company housing policies and initiatives. BMA initially provided local housing for its workforce and was a substantial developer and owner of local housing stock. Current policy is to limit direct involvement in housing provision and rely on the market wherever possible to meet the housing needs of workers. The decision to sell their housing in Moranbah between late 1990s and 2002 to employees at subsidised prices is an example of this policy at work. However, after protracted negotiations, BMA agreed with the unions in early 2008 to implement a range of measures aimed at improving access for employees to accommodation in Moranbah.

The Queensland government generally takes an indirect role in local planning and housing strategies and expects local governments to take on this responsibility. Through its planning agency and under the auspice of the Integrated Planning Act 1997, the state government establishes the policy frameworks and processes for the development of local government planning schemes and facilitates regional growth management planning processes. Separate state agencies are responsible for freeholding and releasing crown land for development; facilitating regional planning; supporting regional development; providing and subsidising social housing; and assessing the impact of development proposals. Queensland does not have a government agency with overall policy and coordination responsibility for housing supply / affordability in resource dominant regions.

This case study examines the interactions between the key state and market actors in land use planning and development for the growth of Moranbah and the governance structures established to resolve conflicts that inhibited expanded housing supply.

**Policy Goals**

The key feature of this case is the lack of shared goals amongst the key stakeholders. Agreement was evident only at the most general level with all actors seeking an expansion of housing supply and a reduction in the cost of housing. Most aspects of how to achieve that goal and the allocation of responsibilities for housing outcomes was highly contested.

The Belyando Shire Council sought to maximise permanent population growth, economic benefit and the physical and social amenity for Moranbah. Mining companies sought to minimise their involvement in housing and provide temporary singles accommodation for non-resident workers (mainly drive in / drive out). The policy goals of the state government were ambiguous and fragmented across planning, housing and regional development agencies but appeared to favour a market based approach with minimal State intervention in housing markets.

**Governance structures and instruments**

At the time the housing crisis emerged in Moranbah the governance structures to deal with land use planning, land release and growth management were under-developed. Actors operated in isolation and formalised regulatory processes were relied on heavily. State agencies were reactive in housing issues, for example impact assessment processes for new mines did not actively address housing issues and there was an absence of regional land release or growth management planning. The council, as the local planning authority, had formal regulatory and leadership responsibility for land use planning but lacked the internal capacity, authority and instruments to bring other actors to the table. Rather than engaging
other actors in problem solving, the Belyando Shire Council attempted to use their statutory powers to impose development patterns that furthered their policy goals and this resulted in a break down in relationships and legal conflicts with mining companies and the Queensland Government that further delayed land development proposals.

During 2005 and 2006 local authorities, community groups and media within the Bowen Basin repeatedly called on mining companies and the State to address the impacts of the resources boom, especially the shortfall in housing supply. As political lobbying escalated, heads of government agencies were dispatched to visit the region and to develop responses. A lengthy and fragmented policy formulation process ensued to the frustration of local actors. Regional managers of state agencies prioritised the issue and attempted to identify collaborative responses but lacked authority to act and were frustrated by centralised and siloed responses from their respective agencies.

The Moranbah situation became increasingly contentious and in an effort to bring all parties to the table to resolve these conflicts, the State government took an unprecedented approach and convened a Moranbah Growth Management Group in 2006, under the leadership of the local Member of Parliament, to identify development options and agree a strategy for the growth of Moranbah. The group brought together major stakeholders to agree to the location, timing and sequencing of infrastructure provision and land development. The utilisation of this one off governance structure demonstrates the absence of existing governance mechanisms that could effectively address this issue. The use of a politician to lead the process also highlights the lack of steerage capacity within the State administration. A local politician had the advantage of representing the interests of both the local community as well as the State.

The growth management plan brokered by the Growth Management Group eventually identified and reached agreement about an area of 1,000 hectares to the west of Moranbah for future development and agreement was also reached about a new pipeline to service the future water requirements of the town. This outcome was seen by respondents as a significant compromise.

What were the outcomes?

The housing stresses in Moranbah are in part failings of governance, including capability for managing the housing implications of the resources boom. Indicators of shortcomings in policy and governance include: lack of accurate information to inform planning; fragmentation in responsibility; confusion of roles; and lack of forums capable of mediating between conflicting interests or co-ordinating responses.

Release of land for residential purposes is a necessary but not sufficient factor in resolving land and housing supply problems. The land then needs to be developed, serviced with infrastructure and housing constructed. In Queensland land and infrastructure development responsibility is dispersed between local and state governments and private sector making coordination difficult, especially in more remote areas requiring infrastructure investment. Until recently, the state has not taken an active steerage role and is highly reliant on local authorities and the private sector for land and housing development.

Impact assessment and mitigation processes potentially provide a structure and process for mediating the competing interests in major resource developments but were inadequate in addressing housing issues. The limited attention given to housing issues in mining impact assessment processes is consistent with underlying assumptions that housing markets respond to increased demand and reluctance by state
governments and mining companies to accept an active role in managing housing impacts of development.

Ultimately the State, as the only actor with the necessary capacity and hierarchical power in the situation established the Growth Management Group as a governance structure to enable the mining companies, local and state governments and infrastructure providers to negotiate and resolve conflicts over the location, timing and sequencing of land and infrastructure.

Subsequently, in late 2008, the Queensland Government announced a ‘Sustainable Resource Communities Policy’ developed in conjunction with the Queensland Resources Council, and designed to enhance the management of cumulative and regional impacts associated with the continuing growth of the resources sector. The policy proposed new governance structures including the creation of multi-sectoral Local Leadership Groups focused on regional planning issues and also foreshadowed the intention of Government to require proponents of significant resource project to prepare Social Impact Plans outlining the forecast changes to communities in terms of local and cumulative effects and indicating agreed strategies for mitigation.

Also in 2008 under its agreement with unions, BMA agreed to work with Government and the housing industry to increase the supply and availability of housing and if necessary to take a direct role in ensuring that rental accommodation is constructed (BMA 2008). This agreement was seen as a significant achievement by the union who strongly advocate for workers to be able to freely choose between living locally and driving or flying in and out.

Another outcome of this process was establishment by the state of a Coal Infrastructure Taskforce and action plan. Related initiatives have been implemented as part of the action plan including a review of environmental impact assessment processes to address housing impacts and accumulated impacts of multiple mines and enhanced local and regional growth management planning.

It is too early to assess the success of these new approaches to policy and governance. However, they represent an acknowledgement by the state of the inadequacy of the pre-existing governance arrangements to meet the growth challenges inherent in the complexity, scale and speed of the resources boom. The recent downturn in mining activity associated with the global economic crisis is a salutary reminder that governance for the resource communities, including planning for housing, must accommodate both growth and decline scenarios.

Would different policy instruments have been of benefit?

The recurring theme in this case is the need to improve coordination within and between the different levels of government and, in turn, between mining companies and government. Better planning is critical to ensuring an adequate supply and mix of housing in mining communities and, in particular, to address the issue of affordability. However, there are a number of obstacles to achieving effective planning, including the large number of players that need to be involved in the process, the often limited capacity of local government and the regional offices of State agencies, and the inherent difficulty of predicting the scale and timing of future growth (particularly in a market-sensitive industry such as mining). Mining companies are the key decision makers in determining workforce strategies and should consider the social and economic implications of their practices. Local and State governments also have a role in setting local and regional development policy objectives and planning regimes.
It is too early to tell whether recent innovations will be effective, but they undoubtedly represent a move in the right direction. At the same time, it is clear that, if such entities are to have a reasonable chance of success, they will need to be properly resourced, be comprised of people who have decision-making authority within their organisations, have clearly defined terms of reference, and create a sufficient level of trust that participants are prepared to share potentially sensitive information

Discussion

The findings arising from this examination of the governance structures employed in the two very different case studies can be summarised in three groups. The first group includes findings about the roles and inter-dependence of the State and other actors in addressing complex contemporary housing problems. The second group of findings relate to the impact over time of governance processes on the actors, their relationships and the institutional environment. The third group includes findings about the limits of traditional hierarchical and market governance structures in addressing these complex housing policy problems and the potential for network governance to expand the tools available for policy formulation and implementation.

Roles and inter-dependencies

The case studies examined above demonstrate empirically both the special role and responsibilities of the state in addressing complex public policy problems and the dependency of the states on other actors in addressing such problems. This was particularly evident in the case of Moranbah where the State reluctantly took on responsibility for bringing together local government, mining companies and other market actors in recognition that all had an important role to play but depended on the agreement and actions of each other to achieve their common goal of increased land supply. In the case of Townsville, a coordinated response to homelessness and public intoxication was dependent on engagement and collaboration by a range of state, federal and local government and community sector agencies. In both cases the State’s roles included multiple public agencies acting within these networks and also a special responsibility and authority to steer the governance processes towards the desired goals.

Impacts of governance processes

The governance processes implemented in both case studies and the resulting interactions between the participants displayed change over time in the attitudes and perspectives of the actors, and the relationships between the actors, as well shaping changes in the institutional environment. This was particularly the case in Moranbah where entrenched and conflicting positions, especially of the local council and the mining companies shifted to the extent that they could agree on a land development strategy that required some compromises on each side. The extent of that agreement and compromise should not be overstated as differences continued to exist. However, the dialogue and interaction prompted some change in positions and relationships amongst the participants. The governance processes and interactions within the Moranbah Growth Management Group also had wider repercussions for the institutional environment to the extent that they influenced broader institutions such as impact assessment regulation systems and regional growth management planning.

1 Further discussion of policy implications of this research is detailed in Haslam Mackenzie et al 2009.
In Townsville, the establishment of network governance structures in the form of joint implementation and case coordination structures involving state and community sector agencies. There is some evidence that the case coordination process resulted in improved communication and interaction between some service delivery agencies. However the network governance structures were also an arena for exercise of hierarchical authority and resistance based on uneven power relations between the participants. The dynamics and success of these government structures varied over time as participation fluctuated and the network capability altered as resources for network management were withdrawn.

**Limits and potential of markets, hierarchy and networks**

The case studies highlight a continuing propensity to rely on hierarchical and market governance mechanisms in dealing with complex issues involving non state actors and the limits of these approaches. In the Moranbah case study, the initial reliance on regulatory tools such as land use planning powers excised by local government and reliance on market forces for supply of land to satisfy increasing housing demand were unsuccessful in achieving the desired policy goals. It took a network governance approach utilising political authority and relational governance tools to achieve agreement on a workable land release solution.

In Townsville a mix of hierarchical and network governance structures were utilised in order to achieve the goals of coordinated service delivery and collaborative case management. The dominance of hierarchical approaches in the institutional environment, particularly top down policy processes and centralised authority within state agencies, placed significant constraints on attempts to create regional network governance structures with capacity to facilitate constructive interactions between state and community sector participants. The limited capacity of these structures in turn perpetuated existing power differentials within the service delivery system and failed to achieve the sorts of shared goals and relationships that are needed to achieve effective collaboration and integrated services.

**Conclusions**

This paper has examined contemporary theories of governance that explore concepts of network governance and their applicability in responding to complex policy problems. It then applied these concepts empirically by reviewing the governance structures and processes of two housing policy case studies in regional Queensland.

The preceding analysis confirms the usefulness of analytical frameworks that draw on new institutional economics, policy networks and related social science and public administration theories on public governance. Such theoretical and empirical research of network governance and related applications such as policy networks are well developed in Europe but relatively embryonic in Australia. This paper is a tentative attempt to translate the theory and concepts to the Australian housing context and to apply them empirically. The case studies demonstrate the limits of dominant forms of governance, hierarchy and market, and indicate the potential and challenges for network governance in harnessing the contribution of multiple actors in solving complex public policy problems. They also indicate that reliance on hierarchy and market is deeply entrenched in the institutions, practices and culture of Queensland public administration and that the values, relationships and instruments that underpin network governance are not those that currently dominate public policy discourse and practice.
The cases examined here confirm that network governance is not a panacea and requires the application of appropriate skills, resources and tools to achieve its potential. The studies also illustrate the dynamic interactions between network governance structures and the institutional environment in which they operate. They illustrate the ways governance structures are shaped by the legal, political and social rules that make up their institutional environment and in turn impact and influence change on their environment.

The regional perspective presented in this paper is an intentional device to focus attention on the challenges in influencing and implementing top down policy processes from the periphery. This is an important consideration in exploring new governance approaches to complex problems where local actors and local contexts provide both resources and barriers for policy formulation and implementation. Attention to locality based governance structures may provide an opportunity to harness the knowledge, relationships and goal commitment needed to address wicked problems in increasingly complex and diverse institutional environments.
References


