



Orana Neighbourhood House



Local Government Partnerships with Neighbourhood Houses in Victoria

The information in this report is current at May 2024 and our best endeavours have been taken to verify this information with LGAs and Neighbourhood Houses. If corrections are required, please kindly email us at info@nhvic.org.au

CONTENTS

Overview	
Foreword	03
Executive Summary	04
Background	05
The Local Government Support Survey	06
Diversity across LGAs	07
The rationale for partnerships	08
How do councils currently support Neighbourhood Houses	10
Findings	
Funding	13
Why recurrent operational funding matters	14
Governing documents	20
Premises	21
Council liaison	23
Consultation	23
Promotion	23
Council managed Neighbourhood Houses	24
Best Practice	25
Conclusion	27
Appendix A: Council performance comparison table across assessed best practice measures	28

TABLES

<u>Table 1:</u> Neighbourhood House Coordination Program leveraging by council recurrent operational funding status	14
<u>Table 2:</u> Community composition by council operational funding status	16
<u>Table 3:</u> Basis of use by rental rate type for use of secondary council owned premises	22

FIGURES

<u>Figure 1:</u> Comparative measures for Neighborhood Houses in populations < 3,000 - those not receiving council recurrent funding as baseline	17
<u>Figure 2:</u> Comparative measures for Neighborhood Houses in populations 3,000 to 10,000- those not receiving council recurrent funding as baseline	18
<u>Figure 3:</u> Comparative measures for Neighborhood Houses in populations >10,000 - those not receiving council recurrent funding as baseline	19

FOREWORD

When local government works in partnership with Neighbourhood Houses (NHs), also known as Community Houses and Centres, they achieve phenomenal outcomes for their communities.

This is the first comprehensive benchmarking study of local government and Neighbourhood House partnership in 10 years. This report reviews and analyses the remarkably diverse range of partnership practices and funding mechanisms, as well as ownership and management structures, that have emerged across local government areas (LGAs) over the history of our sector.

With growing demand for services, increased expectations around accountability, and budgets tightening on all fronts, it is timely to provide this analysis of how well the individually negotiated agreements are now serving members, how the arrangements compare across the board, and what aspirations all NHs could and should have for the future of their partnerships with their local government colleagues, based on existing best practice.

Our analysis shows that the best community outcomes are achieved where councils have a policy framework in place, supported by individual funding agreements and provision of ongoing financial support for its NHs. Community input, in the form of a management committee or advisory committee, is also a key driver of outcomes, as is provisions of facilities and maintenance.

The analysis demonstrates that secure ongoing financial support has a multiplier effect, creating capacity for the NHs to bring additional funding into the LGA. Community input into the management of NHs leads to a greater range of programs and higher participation.

Likewise, poor practices compromise these outcomes. NHs that have to find funding to pay for council facility rental or room hire have fewer resources to serve the community.

We acknowledge the challenges currently faced by local government

authorities, with revenue capped while costs continue to increase. NHs have also seen their funding streams decline in value over decades in real terms. However, we believe that NHs are part of the solution with their ability to efficiently deliver targeted community programs, developed in partnership and informed by council priorities, at low cost. The opportunity to develop or expand NH delivery of council priorities is there for councils willing to embrace it.

Benchmarking is important because it gives us insight into what is working and where we can improve – in short, “Where are we at?”. We encourage all councils and shires to work with NHs and their communities to answer the more important question “Where are we going...together?”



Keir Paterson
CEO, Neighbourhood Houses Victoria

EXECUTIVE SUMMARY

This report finds that where councils and Neighbourhood Houses (NHs) have strong partnerships, communities get better outcomes. It acknowledges that whilst there is widespread support for NHs across all LGAs, some councils are doing better than others at providing enduring support and investing time and effort into agreeing shared outcomes

Analysis shows that the relationship and outcomes are strongest where:

- a policy or other governing document is in place that recognises the mutual benefits generated for council and NHs through collaboration, with a focus on shared community outcomes, and
- councils provide recurrent operational funding proportionate to their rate revenue, and
- NHs and councils communicate and collaborate to identify and address community needs.

In these circumstances local government, NHs, and the community benefit: the local government's strategic objectives, policies and programs have better visibility and engagement at the neighbourhood level, NHs have increased capability to deliver strategically aligned programs and projects, and the community has better access to more programs designed for their specific demographic and needs.

This new analysis shows NHs with operational funding from councils have higher utilisation by community members. They have higher levels of additional income leveraged into the NHs, as well as increased NH employment, both of which have multiplier effects in the broader local economy.

The report also found some issues of concern. Most notable are some lease and/or licensing arrangements for NH use of council owned buildings that are beyond a 'peppercorn' level. Funds

spent on these rents directly reduce the affordability, number and/or types of supports, services and activities that NHs can provide to residents.

It erodes core funding, particularly if the local government does not provide recurrent operational funding. Even when recurrent funding is provided alongside these lease/license arrangements, such charges are counterproductive, minimising the opportunities for local government to utilise the significant social capital that NHs have embedded through years of grassroots, local connection, to maximise community outcomes.

This report compares local government and Neighbourhood House partnership arrangements across the State and provides further detail and evidence as to the key elements that underpin best practice. It proposes an aspirational model for future partnerships.

BACKGROUND

The 79 councils in Victoria are valued partners for the 400 Neighbourhood Houses across the state. These partnerships vary in nature and extent, with local government providing the majority of Neighbourhood Houses' premises and in many cases providing funding support.

This review has been carried out by NHVic, the peak body for over 400 Victorian Neighbourhood Houses, to identify best practice measures and benchmark the current support arrangements that exist between Neighbourhood Houses and local governments.

This report draws on a Local Government Support Survey of Neighbourhood Houses in 2023 and the annual Neighbourhood Houses Survey from 2022¹.

¹ [Annual survey | Neighbourhood Houses Victoria \(nhvic.org.au\)](https://nhvic.org.au).



Central Ringwood Community Centre

THE LOCAL GOVERNMENT SUPPORT SURVEY

In July 2023, NHVic distributed a survey to 358 Neighbourhood Houses (NHs) that were not run by local government, to ascertain the types of support councils were providing.

A total of 227 responses were received representing a 63% response rate. Responses were received from at least one Neighbourhood House in each of Victoria's 79 LGAs. Responses were supplemented with Neighbourhood House Annual Survey data on the number of council owned main Neighbourhood House premises in each LGA. Neighbourhood Houses were also contacted directly to clarify recurrent funding amounts and where survey results were ambiguous.

Limitations in the method include:

- Use of different financial reporting periods for NHs, some of which report based on calendar years. This is of particular impact in LGAs where the funding is indexed. Amounts quoted may include different financial years and calendar years.
- Interpretations of the term recurrent, particularly where amounts are available annually but must be applied for each year.
- Some councils provide premises to NHs on different terms and conditions. The survey assumes terms and conditions are the same across all premises where there is no indication of differentiation in the survey responses received.
- Low return rates in some LGAs.
- As an unfunded project, there was no capacity to survey councils directly.

To offset these limitations, a draft of this report was sent to NHs and to each LGA for comment. Distribution was facilitated by The Municipal Association of Victoria. Responses were received from 16 LGAs resulting in a number of changes and additions in this final report. A common theme in the feedback was that Councils were not surveyed and as a result the report does not adequately reflect their perspectives or the entirety of support they provide. This was never the purpose of the report which focuses on the practices that deliver stronger community outcomes. We are grateful to those councils that provided feedback.

DIVERSITY ACROSS LGAs

Victoria's 79 councils, like Neighbourhood Houses (NHs), are very diverse. They vary in size geographically, financially and in population, and have diverse communities with their own expectations.

Population and Size diversity

The smallest population in an LGA was 3,220 in the Borough of Queenscliffe compared to the largest population of 378,831 in the City of Casey². There is a difference of around 375,000 between the two LGAs. Whilst the Borough of Queenscliffe³ covers less than 11 km², the Rural City of Mildura⁴ covers 22,083 km². This significant difference in area affects many factors including residents' proximity to service provision.

Revenue Diversity

Councils are still subject to rate caps, limiting their capacity to increase their rate income and their incomes vary significantly. Like NHs, councils rely on grants as well as fees and charges they can provide to NHs in their respective municipalities.

The Victorian Local Government Grants Commission (VLGGC) uses a comprehensive process to make recommendations to the Federal Government for the allocation of general purpose grants and local roads grants⁵. Central to this process is the determination of Standardised Revenues (SR) for each council where adjusters are applied to account for variations between councils, including their relative capacity to raise revenue from user fees and charges.

Standardised income is adjusted (constrained) to meet grant rules aimed at equity and reducing the impact of any peaks and troughs from year to year.

These constrained SRR together with fees and charges revenues represent self-generated, i.e., non-grant income, and have been used in this report to reflect the financial variations between councils. The VLGGC determined that Hindmarsh Shire Council had the lowest constrained SRR at \$4,214,641

compared to actual revenue from rates, charges and fees of \$11,018,000 in 21/22 financial year. By comparison, Melbourne City Council's constrained SRR was \$359,410,545 while actual was \$419,261,000.

The average metropolitan constrained SRR was \$161,611,602 (31 LGAs) compared to just \$25,371,215 for non-metropolitan LGAs including Greater Geelong.

We recognise the inherent inequity resulting from lower rate bases in LGAs with higher community need. This diversity among councils inevitably impacts the extent and types of support councils can provide to Neighbourhood Houses in their respective municipalities.

² [Regional population, 2021-22 financial year | Australian Bureau of Statistics \(abs.gov.au\)](https://www.abs.gov.au)

³ [Know Your Council – Borough of Queenscliffe Council | vic.gov.au \(www.vic.gov.au\)](https://www.vic.gov.au)

⁴ [City Profile \(mildura.vic.gov.au\)](https://www.mildura.vic.gov.au)

⁵ [Publications \(localgovernment.vic.gov.au\)](https://www.localgovernment.vic.gov.au)



Morwell
Neighbourhood House

THE RATIONALE FOR PARTNERSHIPS

The rationale for partnerships between Neighbourhood Houses (NHs) and councils has been well articulated by numerous councils in a range of documents including policies, partnership agreements, memoranda of understanding and funding agreements. Common themes in these documents include:

- NHs facilitate social connections, education, and wellbeing initiatives.
- The partnerships between NHs and councils aim to achieve shared goals outlined in council plans and visions, promoting community engagement, inclusion and community development.
- The agreements emphasise the importance of these partnerships in enhancing social connections, wellbeing, and community empowerment.
- NHs play a crucial role in delivering programs, activities, and services that address community members' needs and priorities.
- The partnerships are guided by principles such as community development, inclusion, and partnership-building, with a focus on working together to create vibrant and resilient communities.
- Financial contributions and cooperation between councils and NHs are key elements of these collaborations, and these agreements aim to formalise and strengthen the relationships between the parties involved.



Caulfield South
Community House

Just as the Victorian State Government supports NHs to deliver on a range of State Government priorities and initiatives, councils can, and often do, support NHs to deliver on council priorities. Critically however, NHs can deliver on council priorities in ways that are distinct from most other community organisations:

- NHs are place based and provide benefits to the broader local community rather than just their members
- NHs are flexible, able to shape their activity to meet whatever the current or emerging needs are in their community
- Participation is open to the whole community, and is not limited by demographic, need or other criteria
- People can participate in a diverse range of activity types or initiate new activities
- NHs actively support other community groups and organisations
- NHs prioritise inclusion and access to ensure the most marginalised and disadvantaged can participate
- NHs are accountable through a range of mechanisms including detailed reporting to State Government for those receiving Neighbourhood House Coordination Program funding
- NHs have a proven track record, with a substantial body of evidence to demonstrate their effectiveness across a range of indicators, the scale and scope of their activities and the value they generate for their communities
- While alignment between council's objectives and plans may not be unique to NHs, the breadth and depth of alignment, particularly with Municipal Health and Well Being and other plans is usually significant.

While Local Government Areas are diverse, every one has residents who experience loneliness, isolation, exclusion as well as food and economic insecurity. They have residents who want to learn, participate in employment and contribute to the local economy, and to improve their environment and the sustainability of their communities. In all these areas and more, councils have responsibilities and NHs are also working to support residents. Collaboration is a logical response.

HOW DO COUNCILS CURRENTLY SUPPORT NEIGHBOURHOOD HOUSES

Councils support Neighbourhood Houses in many ways.

Funding:

Funding takes three primary forms.

1. Recurring operational funding where NHs can deploy the funds to support operations, including seeking project-based funding from a range of sources thereby increasing the overall number of projects, programs and activities available to the community. At the lower end, it may be a payment to assist with standard operating costs.
2. Project funding can be recurring or one off, competitive, collaborative and/or quarantined for NHs. This form of funding limits outcomes to those agreed to for the project.
3. Service funding occurs where council services are delivered through NHs through contracts or tenders e.g. library services, facility management etc. This occurs primarily in rural LGAs.



Selby Community House

Provision of premises:

Councils provide the main premises for almost 70% of NHs. Premises vary considerably from purpose-built hubs to repurposed and converted buildings. Various leasing and licensing arrangements exist. While most premises are provided at a peppercorn or nominal rent, a minority of councils charge significant amounts for the use of their buildings. In the majority of cases, councils retain responsibility for the maintenance of their facilities. Importantly, most councils allow NHs to hire out rooms to increase their income. Councils sometimes also provide overflow spaces to run activities, sometimes provided for a fee.

The building, maintenance and subsidised rent of NH premises represents a significant investment by councils to support the work of NHs. For example, Boroondara Council has invested well in excess of \$40 million over 7 years in community infrastructure that NHs are based in.

Liaison:

Dedicated council staff can facilitate communication, local NH network meetings, coordinate funding-related reporting and promote outcomes and opportunities internally to managers and councillors.

These council officers can also inform NHs of council objectives, programs, demographic changes and other insights that can shape NH activity in response, facilitating a strategic approach across the NHs in the municipality.



*Creswick
Neighbourhood Centre*

Planning:

Consulting Neighbourhood Houses (NHs) can provide valuable input into council planning processes as NHs have access to and trust of a diverse range of often harder to reach community members. Understanding and building NH capacity into plans and processes may assist councils in achieving diverse goals from disaster relief to climate action and many things in between. Including NHs in planning processes can identify outcomes that can be readily and economically achieved by NHs in partnership with councils, particularly in rural areas where the councils have no presence on the ground.

NHs already partner with some councils to provide library services, economic and skill development, community transport and other areas, in addition to the diverse health and wellbeing space.

Promotion:

Councils often promote NHs through their websites and other publications.

Other:

In addition to the supports above, some councils assist with utilities costs, ICT support, planning applications and drafting building plans, professional development, access to Employee Assistance Programs, fee waivers, purchasing from Neighbourhood House social enterprises (e.g. catering), leasing premises for NHs and many other forms of support.



*West Warrnambool
Neighbourhood House*

FINDINGS

Funding:

Best practice measure:

Recurrent operational funding⁶ is provided proportionate to rate revenue in a multi-year agreement.

Operational funding is considered funding that supports the core activities of the Neighbourhood House, effectively freeing up resources to be used to develop or expand programs. It is regarded as recurrent if it effectively spans multiple years, though in some cases, it is ‘nominally applied’ for annually in a non-competitive funding round. The flexibility and reliability makes it the preferred form of recurrent funding.

Currently, thirty-seven LGAs provide recurrent operational funding to Neighbourhood Houses ranging in value from \$2,100 per Neighbourhood House to \$100,000. However, these grants are

best understood within the context of councils’ relative capacity to pay using SR as a capacity indicator.

Among the top 12 providers of recurrent funding based on proportion of SR are three rural councils. These 12 councils had SR ranging from over \$291 million to just over \$21 million.

Of the 31 metropolitan councils, 28 provide recurrent operational funding while Monash, Nillumbik and Port Phillip provide no recurrent operational funding. Stonnington and Melton only fund one of the Neighbourhood Houses in their LGA. In stark contrast, Maribyrnong, City of Melbourne and Yarra fund Neighbourhood Houses in Neighbouring LGAs close to the border in recognition of the fact that some residents will go to a nearby Neighbourhood House outside their LGA boundaries.

Currently, 27% of rural councils provide operational funding. Some recurrent operational grants are provided on a multi-year basis while others rely on an annual application process. The definition of ‘recurrent operational funding’ may have been open to interpretation by respondents to the survey.

For this reason, they may have included in their responses grants with varying degrees of local government input into how the grant may be used, including negotiated targets or programs as well as funding that is available but applied for annually.

⁶ Funding levels were determined by a range of methods including communications with Neighbourhood Houses, council officers, annual reports from the Australian Charities and Not for profit Commission and other websites.

Some councils provide recurrent project funding in addition to operational funding. Monash only provides modest recurring project grants. Port Phillip funds significant projects or activities through an annual process. This project funding has the limitation of only achieving the goal or goals associated with a project whereas operational funding provides a resource to develop multiple additional projects and find funding for them. Where Neighbourhood Houses are already receiving recurrent operational council funding, project funding can assist councils to achieve specific goals. In the absence of adequate recurrent operational funding, project funding simply caps outcomes.

Why recurrent operational Neighbourhood House funding matters:

Ongoing operational funding is transformational for a Neighbourhood

House because it creates capacity, including capacity to seek more funding. For example, the Neighbourhood House Coordination Program (NHCP) is a State Government operational grant designed to enable coordination of a Neighbourhood House to attract funds to run activities that meet community needs. Neighbourhood Houses used this operational funding to find an additional \$4.57 for every dollar of Neighbourhood House Coordination Program funding in 2022⁷. This is referred to as leveraging.

Neighbourhood Houses that receive recurrent operational funding from council have higher NHCP leveraging rates compared to those that don't. This is the case for both metropolitan and rural NHs, even after excluding the council recurrent operational funding from total income. This suggests the higher leveraging rate is an effect of council operational funding. This is detailed in table 1.

⁷ Data from Neighbourhood House Survey 2022

**TABLE 1:
NEIGHBOURHOOD HOUSE
COORDINATION PROGRAM
LEVERAGING BY COUNCIL
RECURRENT OPERATIONAL
FUNDING STATUS.**

	Receives Council Recurrent Funding*	No Council Recurrent Funding**
Metropolitan	\$6.32	\$4.79
Non-Metropolitan	\$1.93	\$1.43

* Council recurrent operational funding is deducted from total NH income in this equation. Council project grants are included in total income.

** Council project grants are included in total income in this equation.

While this increased leveraging effect may vary between individual Neighbourhood Houses based on a range of variables beyond population type and size, such as nature of community demographics and needs, other services and organisations available etc., this data shows an overall net gain from operational recurrent funding from councils. On average, each dollar of council recurrent operational funding leverages an additional \$4.39 in metropolitan Neighbourhood Houses and \$1.74 in rural Neighbourhood Houses.

The effect is smaller in rural areas which is commensurate with the significantly lower value of council recurrent operating grants in rural areas. Rural councils can increase leveraging, and therefore services and income into the LGA's economy, by providing recurrent funding.

Unsurprisingly, specific project or similar output-based funding on a

recurrent basis fails to deliver the same leveraging effect. Seven LGAs provide this kind of repeated but project-based funding with no operational funding. For example, Port Phillip Council provides significant funding to Neighbourhood Houses for specific outcomes annually but fails to gain the leveraging benefits of the inner metropolitan councils that provide operational funding regardless of the amount.

Metropolitan Neighbourhood Houses that do not receive recurrent operational grants are more reliant on a competitive and changing volunteer pool, with each Neighbourhood House on average requiring 2.5 additional volunteers compared⁸ to those receiving operational grants, with every volunteer working two additional volunteer hours. A recent Seek volunteering report⁹ highlighted the challenge in recruiting and maintaining volunteers and showed growth in volunteering roles outstripped volunteers taking these positions. This

was particularly the case with ongoing volunteer roles, with volunteers more than twice as likely to apply for one-off volunteering opportunities vs longer-term commitments. Conversely, additional staffing associated with recurrent council funding increases capacity to recruit, manage and retain volunteers.

⁸ Comparisons were made after removing an outlier from the Neighbourhood Houses that do not receive recurrent operational council grants. This outlier is the largest in Vic with an income 80% greater than the second largest Neighbourhood House.

⁹ seek-volunteer-report-2023.pdf

Based on data from the 2022 Neighbourhood Houses Survey, on average, metropolitan Neighbourhood Houses that receive recurrent operational council grants when compared to those that don't:

- Are used by 15% more people per week - an additional 11,350 people per week in total
- Have 8% more people participating in neighbourhood house run programs - an additional 4,183 people per week in total
- Employ 16% more staff employed for 22% more hours

The comparison between rural Neighbourhood Houses is more complex as the proportion of community types varies significantly between the two comparison groups as per table 2, with a greater proportion of NHs located in large regional centres in the group that receive operational funding from council. Consequently, rural NHs with council recurrent operational funding are compared to those that don't, based on community type to avoid skewing the results.

The results show higher outcomes for all community types across a range of indicators as per figures 1-3.

TABLE 2:
COMMUNITY COMPOSITION BY COUNCIL OPERATIONAL FUNDING STATUS.

Neighbourhood House Community type	Neighbourhood Houses with no council recurrent funding	Neighbourhood House with council recurrent funding
Regional/Rural population greater than 10,000	16.7%	48.3%
Rural population between 3,000 and 10,000	25.9%	21.7%
Rural population below 3,000	57.4%	30.0%

FIGURE 1:
COMPARATIVE MEASURES FOR NEIGHBORHOOD HOUSES IN POPULATIONS < 3,000
- THOSE NOT RECEIVING COUNCIL RECURRENT FUNDING AS BASELINE.

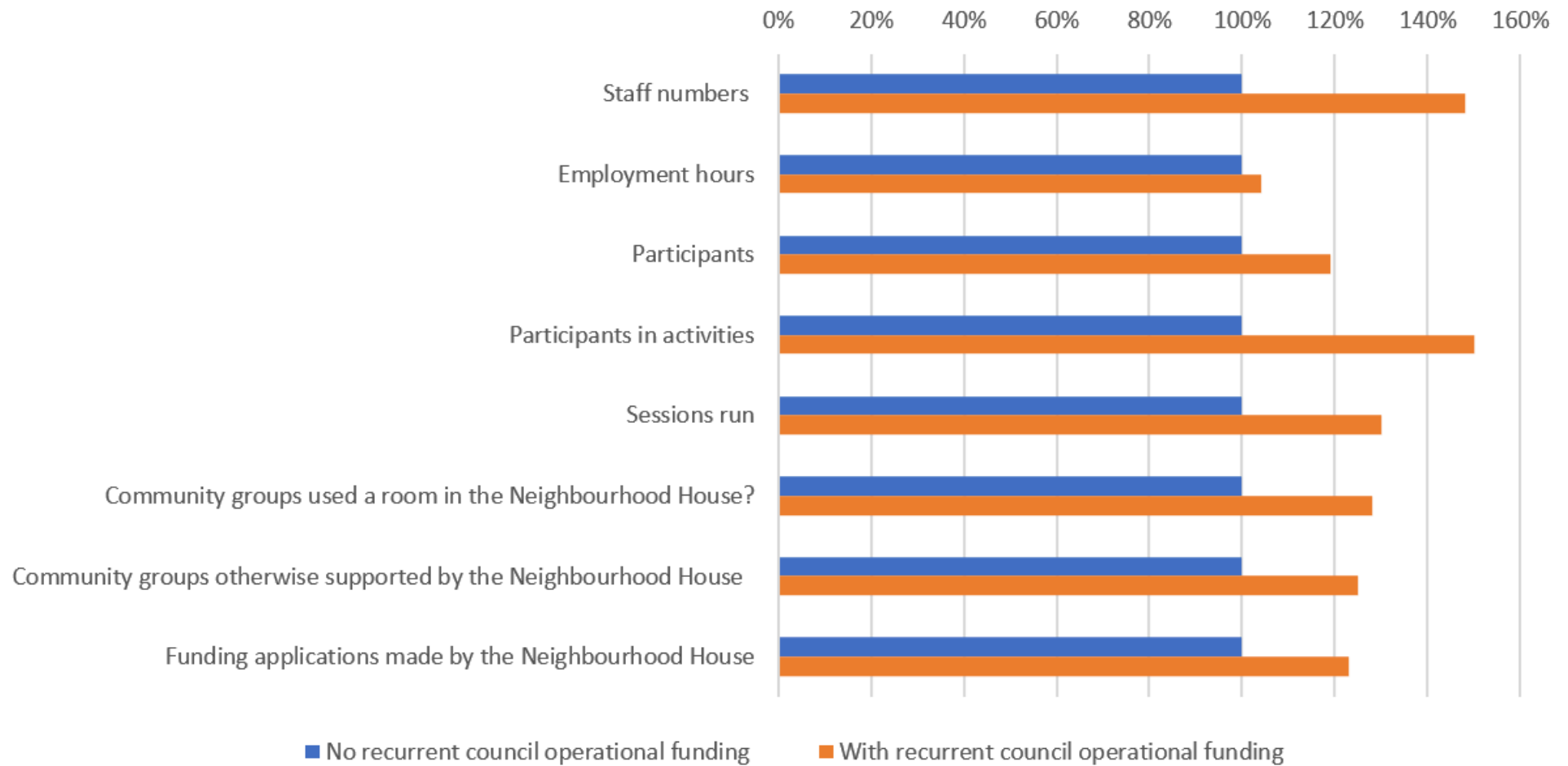


FIGURE 2:
COMPARATIVE MEASURES FOR NEIGHBORHOOD HOUSES IN POPULATIONS 3,000 TO 10,000
- THOSE NOT RECEIVING COUNCIL RECURRENT FUNDING AS BASELINE.

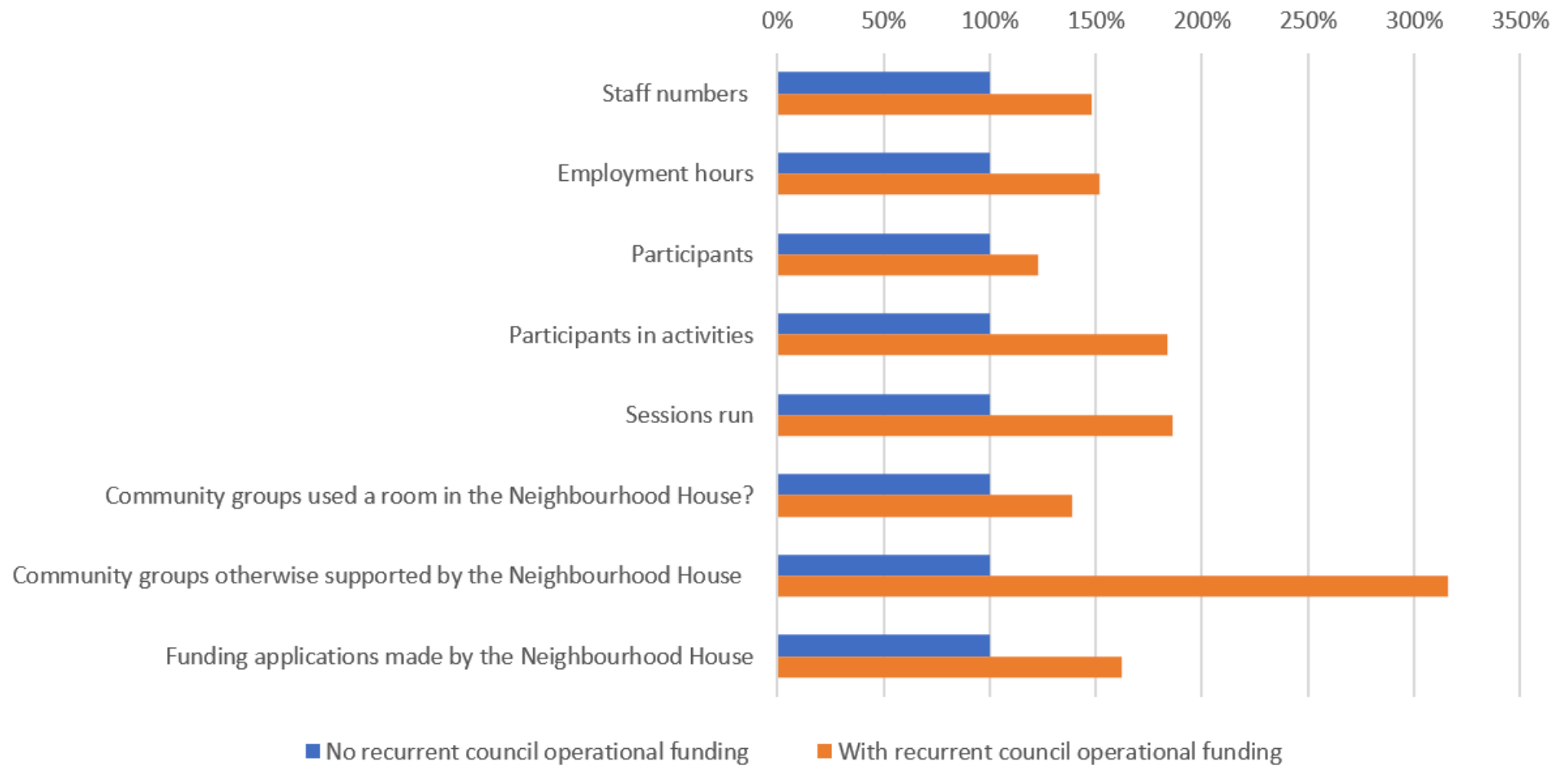
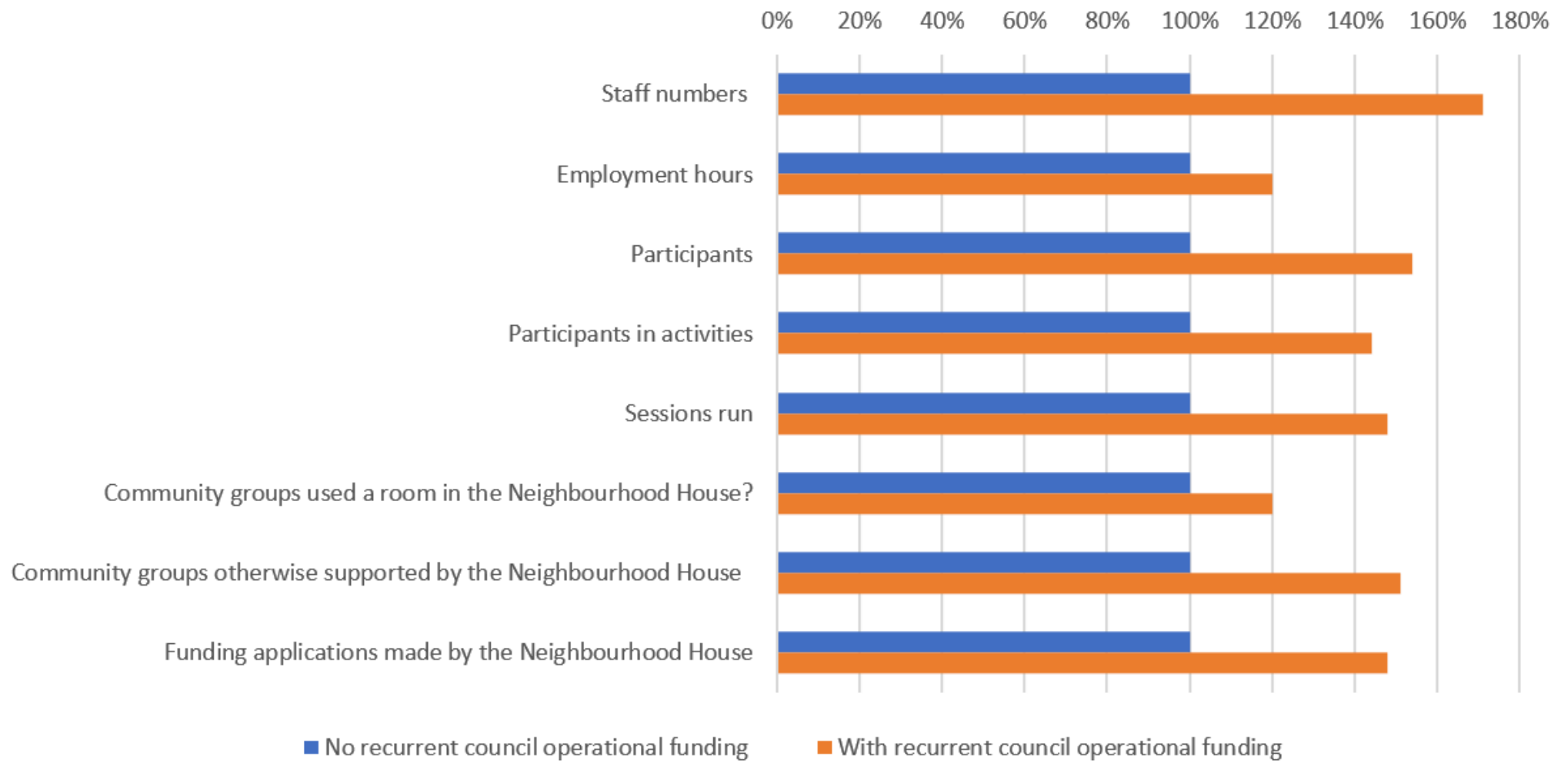


FIGURE 3:
COMPARATIVE MEASURES FOR NEIGHBORHOOD HOUSES IN POPULATIONS >10,000
- THOSE NOT RECEIVING COUNCIL RECURRENT FUNDING AS BASELINE.



While many variables affect Neighbourhood House outcomes, the trend in the table above showing improved outcomes associated with recurrent operational funding from council is consistent across all rural population types.

Best practice measure:

Access to grant and/or project funding through dedicated or open grant rounds. Based on the Local Government Support survey, 74 of the 79 councils provide access for Neighbourhood Houses to apply for competitive community grants.

Of those councils that do not allow Neighbourhood Houses to apply for community grants, two provide significant funding with one providing a regular project grant in place of access to community grants. Stonnington provides substantial operational funding to one Neighbourhood House and excludes them from community grant applications while the reverse is true for the other.

Mount Alexander provides modest operational funding at the expense of access to community grants.

Only one council, Southern Grampians Shire, provides no recurrent funding and no access to community grants. This appears to be based on the notion that these Neighbourhood Houses receive State Government funding and are therefore less in need of support. Unfortunately, this approach fails to build on the inherent capacity of Neighbourhood Houses, due to their Neighbourhood House Coordination Program, to deliver strong community outcomes that align with council goals and plans.

Governing documents:

Best practice measure:

Governing documentation exists in the form of a policy or framework to provide context and a rationale for partnering with Neighbourhood Houses. This provides for continuity through change in key personnel. Additionally, documentation outlining the details of

any funding or support relationship and the obligations of the parties in the relationship is maintained. This may be an MOU or service agreement etc.

Based on publicly available documents, there are various types of documents in use. They variously incorporate one or both aspects of best practice and include lease or licence agreements, funding agreements, partnership agreements and policies. These are in place to varying degrees where there is an ongoing funding arrangement. They include, to varying extents, the best practices for Neighbourhood Houses listed above among the Neighbourhood Houses' obligations.

As discussed above, ideally more local councils will seize the opportunity to formulate Neighbourhood House policies and implement funding and partnership agreements to achieve benefits for their communities. It is notable that a number of the reviewed council policies and agreements provide for meetings to identify opportunities for further partnership and initiatives.

Premises:

Best practice measure:

Provision and maintenance of premises as required at peppercorn rates below \$1,000 annually in a documented agreement.

As noted previously, councils provide a main premises for the majority of Neighbourhood Houses ranging from purpose-built hubs to repurposed and converted buildings. Not all Neighbourhood Houses require council provided facilities with various government departments also providing facilities where practicable.

A total of 236 premises are provided as Neighbourhood Houses' main premises by 62 of the 79 LGAs¹⁰. The maximum provided by a single council is 12 in the City of Casey. Of the 63 LGAs providing premises, 52 charge peppercorn rents to all Neighbourhood Houses they

accommodate while three rural shires charge their Neighbourhood Houses rents between \$3,600 and \$6,500 annually.

Perplexingly, eight councils provide premises to some Neighbourhood Houses at peppercorn rates and charge others, sometimes at commercial rental rates.

These anomalous situations seem to occur mainly in shared premises when rents are based on facilities-oriented priorities, such as cost recovery, perceptions of equity or competitive neutrality. As detailed above, not all organisations that use council owned facilities provide the same benefits to community or council. Furthermore, it is incongruous to charge one Neighbourhood House rent to achieve equity within a facility while creating inequity amongst Neighbourhood Houses in the LGA. This practice

underlines the importance of policies or frameworks for partnering with Neighbourhood Houses based on community service and other council priorities and the contribution to council plans and objectives, to maximise community outcomes by removing cost barriers such as rent, regardless of the nature of the facility.

Overall, 94% of 139 Neighbourhood Houses in council owned premises that responded to our survey paid peppercorn rents. A further 5% paid a discounted commercial rate the highest of which was \$18,000 p/a to Stonnington Council. Just 1% paid a commercial type rent to their council.

A number of survey respondents indicated councils provide secondary premises for full time, regular part time or occasional use provided as per the table 3 on the following page.

¹⁰ [Data from Neighbourhood House Annual Surveys](#)

**TABLE 3:
BASIS OF USE BY RENTAL RATE
TYPE FOR USE OF SECONDARY
COUNCIL OWNED PREMISES.**

Basis of use	Free or peppercorn rent (less than \$1000 per year)	Discounted commercial rental rate	Full commercial rental rate	Total
Full-time	15	1	1	17
Occasional as needed	4	1	-	5
Regular part-time	12	3	1	16
Grand Total	31	5	2	38

Again, the majority of premises are provided at peppercorn rents particularly for full time use.

The notable exception is in Mansfield Shire where one Neighbourhood House pays \$82,500 annually for the use of a childcare centre to run essential childcare that services the community's most vulnerable children.

This is in stark contrast to councils who run childcare services recognising the important role of childcare in the community. Some councils provide rental assistance to NHs in non-council buildings to contribute to or cover their rental costs.

Councils provide maintenance on their premises with few exceptions. Wellington council provides maintenance grants, but maintenance costs can exceed the grant allocation.

Council liaison:

Best practice measures:

A dedicated council liaison officer. While councils are diverse in their structure and capacity, ensuring connections between council staff that work in the community service/community development space and Neighbourhood Houses is most likely to optimise community outcomes. While many councils have these points of contact in place and, in larger councils often actively facilitate local Neighbourhood House meetings, in some councils the contacts are infrastructure focused. In these latter arrangements the opportunities to optimise community outcomes are less likely to be identified.

Consultation:

Best practice measures:

Inclusion of Neighbourhood Houses in consultations on relevant council plans such as Municipal Health and Well Being, disaster and recovery plans, etc.

Based on the Local Government Support survey responses, 54 of the 79 councils provide Neighbourhood Houses with the opportunity to participate in council plan development.

As previously mentioned, involving Neighbourhood Houses in the development of plans and implementation strategies utilises their deep community knowledge, access to less heard voices and can identify partnership opportunities and efficiencies.

A number of the Neighbourhood House agreements with councils require the Neighbourhood Houses to advise council of emerging trends and issues.

Promotion:

Best practice measures:

Promotion of Neighbourhood Houses through printing / distributing programs, media stories, photos, listing on web pages, etc.

Neighbourhood Houses in 31 LGAs indicated in the Local Government Support survey that their council provided promotional support through one or more of the following:

- printing and/or distributing Neighbourhood House programs
- media stories
- sharing photos

In addition, a review of Council websites found 21 councils do not list the Neighbourhood Houses on their websites. This seems to be more common for rural councils, although East Gippsland and Towong Shires, for example, show it can be done well. While the most easily found Neighbourhood Houses featured on a dedicated council web page listing NHs, a number had them listed in more difficult to navigate lists of community groups, some of which require the community group to add its own listing.

COUNCIL MANAGED NEIGHBOURHOOD HOUSES

Seventeen councils manage 35 Neighbourhood Houses under what is commonly known as an auspicing arrangement¹¹. While this can represent a significant investment by councils, especially where they contribute additional funding for increased staffing and activities, there are some limitations in this model of NH delivery. These limitations are structural and are not a reflection on the dedication and good work of council-run Neighbourhood House staff past and present.

These limitations include issues related to the Neighbourhood House Coordination Program objectives and Neighbourhood House Sector principles of community ownership and control. Not all council Neighbourhood Houses meet the requirement of the Neighbourhood House Coordination Program Guidelines¹² to have “a

community-based committee or reference group independent of the auspice body... responsible for overseeing the Neighbourhood House program and the functions of the House” and other guidelines requirements around MOUs and financial transparency are not always met. Most critically, the guidelines indicate that such auspicing arrangements ‘can occur where it is not viable for an incorporated locally-based committee of management to be formed or when an existing committee of management dissolves or ceases to be incorporated’ and it ‘is preferred that this be an interim or short-term arrangement’ other than in exceptional circumstances.

Independent Neighbourhood Houses provide opportunities for active citizenship and leadership development through their governance structures.

These are considered valuable outcomes from the Neighbourhood House Coordination Program. There is precedent for returning Neighbourhood Houses to community management with Merri-bek transitioning two Neighbourhood Houses back to community management after a period of council management.

This report assumes that councils don’t manage council run neighbourhood houses at the expense of the support they might otherwise offer to community managed Neighbourhood Houses.

¹¹ [Data from the Neighbourhood Houses Survey 2022.](#)

¹² [Guidelines 2016-2019 Neighbourhood House Coordination Program \(Word\) - DFFH Service Providers](#)



Homestead Community
& Learning Centre

BEST PRACTICE

While there is widespread support for Neighbourhood Houses across all municipalities, our analysis concludes that the outcomes for communities, councils and Neighbourhood Houses are best where:

For councils

1. A Council policy underpins partnership documentation identifying the strategic goals, mutual benefits and the obligations of the collaborating parties, along with the anticipated community outcomes.
2. A clear financial framework is in place that enables recurrent operational funding investment, proportionate to rate revenue, with access to funding for projects.
3. Councils provide and maintain premises where required at peppercorn rates in a documented agreement.
4. All parties recognise and support the mutual benefits that arise from dedicated staff and support for NHs within the council administration.
5. Councils consult NHs in developing plans, recognising the diversity of shared goals and activities, to identify partnership opportunities for stronger community outcomes.
6. Councils promote NHs through their communications channels.
7. An independent community-based committee of management provides strategic and financial oversight of each Neighbourhood House Coordination Program (NHCP) funded NH.



Notting Hill
Neighbourhood House

For Neighbourhood Houses

1. Consideration and inclusion of relevant council objectives in NHs planning processes.
2. Presenting outcomes and other reports to council.
3. Maintaining a strong relationship with council.
4. Informing councils of emerging trends and needs in the community
5. Providing input into and support for council consultation processes.
6. Identifying and securing funding and partnerships to meet community needs.
7. Supporting other community groups.
8. Maintaining inclusive and diverse activities to meet community needs.
9. Acknowledging council support in Neighbourhood House publications, websites and other media.

CONCLUSION

Strong partnerships between councils and Neighbourhood Houses deliver better outcomes for communities. Engaging Neighbourhood Houses in consultations and planning can identify partnership opportunities for efficiently delivering these outcomes. Mutual respect and a clear understanding of the relative roles, functions and capacities of each party is essential.

Central to successful partnerships is a focus on community wellbeing and other outcomes rather than a focus on facilities.



Colac Neighbourhood House

APPENDIX A:

Council performance comparison table across assessed best practice measures¹

	Council does not manage NHCP funded NHs	A policy or framework to provide context and rationale for partnering with NHs	Provision and maintenance of NH premises as required, each at peppercorn rates	Recurrent operational funding proportionate to standardised revenue	Access to grant and/ or project funding through dedicated or open grant rounds	Inclusion of NHs in consultations on relevant council plans	Promotion of NHs through council web pages etc
Alpine S	✓	X	✓	X	✓	✓	✓
Ararat RC	✓	X	N/A	X	✓	X	✓
Ballarat C ²	✓	X	✓	X	✓	✓	✓
Banyule C	✓	✓	✓	★★★	✓	✓	✓
Bass Coast S	✓	X	✓	X	✓	X	✓
Baw Baw S	✓	X	✓	X	✓	X	✓
Bayside C	X	✓	✓	★★	✓	✓	✓
Benalla RC	✓	X	N/A	X	✓	✓	✓
Boroondara C	✓	✓	✓	★★★★★	✓	✓	✓
Brimbank C	X	✓	✓	★★	✓	X	✓
Buloke S	✓	X	✓	X	✓	✓	✓
Campaspe S	✓	✓	✓	★★★	✓	✓	X
Cardinia S	✓	✓	✓	★★★★★	✓	✓	✓
Casey C	X	✓	✓	★★★	✓	✓	✓
Central Goldfields S	✓	X	✓	X	✓	✓	X
Colac Otway S ³	✓	X	N/A	★	✓	✓	X
Corangamite S	✓	X	N/A	X	✓	✓	✓
Darebin C ⁴	✓	✓	✓	★★★★	✓	✓	✓
East Gippsland S	✓	✓	✓	X	✓	✓	✓

¹ Star ratings are based on councils' recurrent operational funding amounts proportional to Standardised Revenue divided into quintiles.

² Ballarat City provides funding for a multi-year joint project

³ Provides funding to the Neighbourhood House Network as well as Neighbourhood Houses

⁴ Darebin Council provides an annual project grant in addition to recurrent operational funding in lieu of access to community grants.

	Council does not manage NHCP funded NHs	A policy or framework to provide context and rationale for partnering with NHs	Provision and maintenance of NH premises as required, each at peppercorn rates	Recurrent operational funding proportionate to standardised revenue	Access to grant and/ or project funding through dedicated or open grant rounds	Inclusion of NHs in consultations on relevant council plans	Promotion of NHs through council web pages etc
Frankston C	X	X	✓	★★★★	✓	✓	✓
Gannawarra S	✓	X	N/A	X	✓	✓	✓
Glen Eira C	✓	X	✓	★	✓	✓	✓
Glenelg S	✓	X	N/A	X	X	X	✓
Golden Plains S	✓	X	✓	X	✓	✓	X
Greater Bendigo C	✓	✓	✓	★★★	✓	✓	✓
Greater Dandenong C	✓	X	✓	★★★★	✓	✓	✓
Greater Geelong C ⁵	X	✓	✓	★	✓	✓	✓
Greater Shepparton C	✓	✓	✓	★★★★★	✓	✓	✓
Hepburn S	✓	X	N/A	★★	✓	✓	✓
Hindmarsh S	✓	X	N/A	X	✓	X	X
Hobsons Bay C	✓	✓	✓	★★★★★	✓	✓	✓
Horsham RC	✓	X	X	X	✓	✓	✓
Hume C	X	✓	✓	★★★	✓	✓	✓
Indigo S	✓	X	✓	X	✓	✓	✓
Kingston C	X	X	✓	★★★★★	✓	✓	✓
Knox C	✓	✓	✓	★	✓	✓	✓
Latrobe C	✓	X	✓	★	✓	X	✓
Loddon S	✓	X	X	X	✓	X	✓
Macedon Ranges S	✓	✓	X	★★	✓	X	✓
Manningham C	✓	✓	✓	★★★	✓	✓	✓
Mansfield S	✓	X	✓	X	✓	X	X
Maribyrnong C ⁶	✓	X	✓	★★	✓	✓	✓
Maroondah C ⁷	✓	✓	✓	★★	✓	✓	✓

⁵ Provides for project grants up to \$6,500 in a closed application process.

⁶ While Maribyrnong Council runs three Neighbourhood Houses they do not receive Neighbourhood House Coordination Program funding and are entirely funded by Council. Council also funds a Neighbourhood House in another LGA due to proximity to Maribyrnong boundary.

⁷ Does not fund Mullum Mullum Indigenous Gathering Place, a Neighbourhood House Coordination Program funded Neighbourhood House and access to community grant: of 3 community grant streams

	Council does not manage NHCP funded NHs	A policy or framework to provide context and rationale for partnering with NHs	Provision and maintenance of NH premises as required, each at peppercorn rates	Recurrent operational funding proportionate to standardised revenue	Access to grant and/ or project funding through dedicated or open grant rounds	Inclusion of NHs in consultations on relevant council plans	Promotion of NHs through council web pages etc
Melbourne C	✓	✓	✓	★★	✓	✓	✓
Melton C ⁸	X	✓	✓	★	✓	✓	✓
Merri-Bek C	✓	✓	✓	★★★	✓	✓	✓
Mildura RC	✓	X	N/A	X	✓	✓	✓
Mitchell S	X	X	✓	X	✓	✓	✓
Moira S	✓	X	✓	★★★★★	✓	✓	✓
Monash C	✓	X	✓	X	✓	X	✓
Moonee Valley C	✓	X	✓	★★	✓	X	X
Moorabool S	✓	X	N/A	★★	✓	X	✓
Mornington Peninsula S	X	✓	✓	★★	✓	✓	✓
Mount Alexander S	✓	✓	✓	★★	X	✓	✓
Moyne S	✓	X	✓	X	✓	✓	X
Murrindindi S	✓	X	✓	X	✓	✓	✓
Nillumbik S	X	X	✓	X	✓	X	✓
Northern Grampians S	✓	X	N/A	X	✓	✓	✓
Port Phillip C ⁹	✓	X	✓	X	✓	X	✓
Pyrenees S	✓	X	✓	X	✓	X	X
Queenscliffe B	✓	X	✓	X	✓	✓	✓
South Gippsland S	✓	X	✓	X	✓	✓	✓
Southern Grampians S	✓	X	N/A	X	X	X	X
Stonnington C ¹⁰	✓	X	X	★	X	✓	✓
Strathbogie S	✓	✓	✓	X	✓	X	X
Surf Coast S ¹¹	✓	✓	✓	★	✓	✓	✓
Swan Hill RC	✓	✓	✓	X	✓	X	✓
Towong S	X	✓	N/A	X	✓	✓	✓

⁸ Melton provides funding to one of the community run Neighbourhood Houses

⁹ Has service based agreements with Neighbourhood Houses funding functions or outcomes

¹⁰ Funds one of the two Neighbourhood Houses in Stonnington

¹¹ Provides funding to the Neighbourhood House Network as well as Neighbourhood Houses

	Council does not manage NHCP funded NHs	A policy or framework to provide context and rationale for partnering with NHs	Provision and maintenance of NH premises as required, each at peppercorn rates	Recurrent operational funding proportionate to standardised revenue	Access to grant and/ or project funding through dedicated or open grant rounds	Inclusion of NHs in consultations on relevant council plans	Promotion of NHs through council web pages etc
Wangaratta RC	✓	✓	N/A	★★	✓	✓	✓
Warrnambool C	X	✓	N/A	X	✓	X	X
Wellington S	✓	Expired	✓	X	✓	✓	✓
West Wimmera S	✓	✓	✓	X	✓	✓	✓
Whitehorse C	✓	Expired	X	★★★	✓	✓	✓
Whittlesea C	X	✓	X	★★★	✓	✓	✓
Wodonga C	✓	X	✓	X	✓	X	X
Wyndham C	X	✓	✓	★★★★★	✓	✓	✓
Yarra C ¹²	✓	✓	✓	★★★★★	X	✓	✓
Yarra Ranges S	✓	✓	✓	★★★★★	✓	✓	✓
Yarriambiack S	✓	X	✓	X	✓	✓	✓

¹² Funds 2 Neighbourhood Houses in other LGAs close to the Yarra boundary.