



# **Housing assistance and regional disadvantage: positioning paper**

prepared by the

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## **Abbreviations**

<b>ABS</b>	Australian Bureau of Statistics
<b>AHURI</b>	Australian Housing and Urban Research Institute
<b>CSHA</b>	Commonwealth States Housing Agreement
<b>DOH</b>	Department of Housing
<b>HAPAC</b>	NSW Housing Assistance Plan Advisory Committee
<b>LGA</b>	Local Government Area
<b>NSW</b>	New South Wales
<b>RHAP</b>	NSW Regional Housing Assistance Plan
<b>RHF</b>	Regional Housing Forum
<b>ROP</b>	NSW Regional Operating Plan

## **Executive summary**

### **Introduction**

This paper reports research from the Australian Housing and Urban Research Institute: University of Sydney Research Centre that assesses the linkages between government interventions in housing policy and initiatives to address regional and community disadvantage. To pursue this objective the research focuses on these issues within the Northern Region of the NSW Department of Housing.

### **Project aims**

The research will examine two key issues:

1. What evidence is there on the cost-effectiveness of alternative policy and program responses to regional disadvantage?
2. How could housing assistance be more effectively integrated with regional disadvantage policy and program responses to bring about better housing and regional economic outcomes?

It also explores the relationship between housing policy and regional development. The goal of the research is to assist policy-makers in these fields, and encourage closer interrogation of the potential role of housing policy within regional and community development initiatives.

This area of inquiry has historically received minimal research attention. On the one hand, outcomes of government housing interventions generally are measured and evaluated in terms of their effects on *individuals*—for example, the number of people housed or the length of the public housing waiting list—rather than on regions and communities. Yet regions and communities provide the contexts and environments in which these interventions are made. If the provision of housing can play a strategic or catalytic role in community or regional development, then housing authority decision-makers should be aware of these possibilities. Similarly, it is counterproductive to invest in housing interventions that generate adverse impacts for clients and their communities.

These general aims are pursued through five specific research agendas.

1. To assess the background to housing policy-making within regional Australia.

2. To document the allocative mechanisms for government housing interventions at a regional scale, focusing on the NSW Northern Region.
3. To critically evaluate these allocations in terms of their impacts upon regional and community disadvantage.
4. To explore these issues at a local scale, via the development of four case studies within the NSW Northern Region.
5. To liaise closely with the Northern Regional Office of the NSW Department of Housing to ensure that project aims, methods and conclusions are relevant to ongoing housing policy needs.

### **Policy context**

This positioning paper foreshadows key outcomes for policy-makers in both the fields of housing and regional development.

In the area of housing policy, despite the considerable research effort on housing policy over recent decades, little is known systemically about the regional and community impacts of government housing interventions. Individual staff members in housing agencies are often acutely aware of some of the regional or community implications of their interventions, but this knowledge is rarely expressed in any formal way. It is often the case that housing authorities determine intra-regional allocations of housing assistance based on the analysis of statistical measures of need (say, local waiting lists) tempered by professional judgement on the likely community and regional impacts of those interventions. The point of this project is that developing and employing a framework to assess the socio-economic impacts of housing interventions would generate an improved basis for policy-makers to judge the likely implications of their decisions, and hence would contribute to improved housing outcomes.

With respect to policy-making in the area of regional and community development, enhanced appreciation of housing policy could play an important role in helping to address problems of geographical inequality. In recent years problems of uneven regional development have been at the forefront of government policy concerns (Pritchard and McManus 2000). During the past decade there has been a succession of major reports and inquiries into regional disadvantage in Australia. Currently State and Federal Governments employ a number of differing strategies and policies to address these issues. In this context there are clear merits in research that provides a framework for policy-makers to evaluate the impacts of housing interventions at local scales.

## **Methodology**

The research is being undertaken via the use of five discrete but linked methods.

1. The historical context of housing policy initiatives in regional NSW is outlined. This research largely involves the analysis of policy documents and critical reviews of this area. Development of this component of the research contextualises case study research on the NSW Northern Region.
2. Census and other socio-economic data are used to assess regional advantage and disadvantage in the NSW Northern Region. Use of these data is predicated upon recent critical discussion on the measurement of regional disadvantage. The AHURI-funded study by Baum et al (1999) and the research of Sorensen (1999; 2000) are utilised in order to frame and interpret quantitative data.
3. These issues were further developed in two focus group-style informal meetings in Coffs Harbour during December 2000. The first of these meetings involved officers from the Northern Regional office of the NSW Department of Housing. The second involved representatives from housing non-government organisations. These meetings had the role of defining and tailoring research methods and outcomes, and selecting communities for case study.
4. The Northern Regional office of the NSW Department of Housing has agreed to provide the project with data on the allocation of resources throughout the region. Analysis of these data will enable the researchers to comment upon the revealed distribution of housing resources in comparison with measures of socio-economic advantage and disadvantage at the regional scale.
5. To explore the issues of this research within local contexts, four case studies will be developed. The selection of these case studies follows extensive discussion between the research team, the Northern Regional office of the NSW Department of Housing, and housing non-government organisations. It was decided that the four case studies should reflect the different contexts in which housing interventions are made. In line with frameworks utilised by the AHURI-funded research of Baum et al (1999), the researchers identify communities of opportunity and vulnerability. The four case studies include two communities of opportunity (Armidale, Evans Head), and two of vulnerability (Tweed Heads and Wee Waa). Selection of these case studies is also informed by our desires to investigate both small and large communities; and coastal and inland communities. It should be noted here that in fact neither Evans Head nor Wee Waa were considered in the Baum et al research since the scope of their study ruled out

towns of less than 10,000 in population. Nevertheless, it is possible intuitively to locate these towns within this opportunity/vulnerability framework. This was done in consultation with Department of Housing Northern Region Office staff at a focus group discussion held in mid- December 2000.

## **Conclusions**

Because this research is ongoing, this positioning paper does not provide detailed assessment of research conclusions. Nevertheless it is possible to foreshadow the key issue that will help generate the substantive conclusions from the research.

It is apparent that questions of scale and diversity are pivotal to assessments of the relationships between housing policy and regional development. Local contexts differ widely within regional Australia. Hence, analysing the potential role that could be played by housing policy in addressing regional disadvantage requires robust appreciation of local scale issues. This leads the researchers to offer the hypothesis that *local housing market conditions primarily determine the range and extent of social and economic impacts of government housing interventions.*

Acknowledgement of locality and local context has significant strategic implications for housing authorities. It reinforces the importance of agency and discretion within housing authorities when it comes to decision-making about the geographical allocation of housing resources within a region. Housing authorities need to take on board the diversity of local contexts in which they allocate resources, in order to generate optimal housing outcomes. In turn, this highlights the importance of management structures that empower decentralised allocative decision-making within regions.



## **Chapter 1: Introduction**

### **1.1 Overview**

Government interventions in the provision of housing have many and varied impacts within the communities and regions in which they occur. Housing interventions potentially can make strong positive contributions to sustainable community development via addressing short- or long-term housing under-provision, through capital and recurrent financial injections into marginal communities, and through generating more equitable housing structures that enrich communities. At the same time however, the provision of inappropriate housing infrastructure or support programs can potentially exacerbate social pathologies, social exclusion and the stigmatisation of housing assistance clients, with potentially negative implications for economic and community development. This project, commissioned by the Australian Housing and Urban Research Institute (hereafter referred to as AHURI), critically assesses the linkages between housing policy and regional development, and generates a framework in which to assess the community and regional impacts of housing interventions. This framework is deployed in a grounded case study of the NSW Northern Housing Region.

This positioning paper outlines the general approach to be taken in the research. The project commenced in December 2000. One of the first components of the research involved liaising with the Northern Regional office of the NSW Department of Housing (hereafter referred to as DOH) to establish the study's scope and outcomes. The researchers take the view that the study should evolve in line with the identified needs of client groups. During the life of the study the researchers will meet again with the Northern Regional office of the NSW DOH to further ensure the study's policy relevance.

### **1.2 Research Team**

The Project research team comprises four researchers from the University of Sydney, three of whom are authors. Bill Pritchard is a Lecturer in Economic Geography in the Division of Geography, School of Geosciences; John Lea is an Associate Professor in the Department of Architecture, Planning and Allied Arts, Faculty of Architecture and David Medhurst is a Research Officer within the Division of Geography.

Professor Frank Stilwell of the School of Economics and Political Science within the University of Sydney is also a member of the research team and has assisted in the conceptual development of the research.

### **1.3 Aims of the research**

The research will examine the relationship between housing policy and regional development. The goal of the research is to assist policy-makers in these fields, and encourage closer interrogation of the potential role of housing policy within regional and community development initiatives. These general aims are pursued through five specific research agendas.

1. To assess the background to housing policy-making within regional Australia.
2. To document the allocative mechanisms for government housing interventions at a regional scale, focusing on the NSW Northern Region.
3. To critically evaluate these allocations in terms of their impacts upon regional and community disadvantage.
4. To explore these issues at a local scale, via the development of four case studies within the NSW Northern Region.
5. To liaise closely with the Northern Regional Office of the NSW DOH to ensure that project aims, methods and conclusions are relevant to ongoing housing policy needs.

The research aims in turn have two desired outcomes. First, to improve the level of understanding within housing policy concerning the impacts of their efforts on regional and community development. Second, to improve the awareness by regional and community development agencies of the socio-economic impacts of housing policy at local and regional scales.

### **1.4 Need for the research**

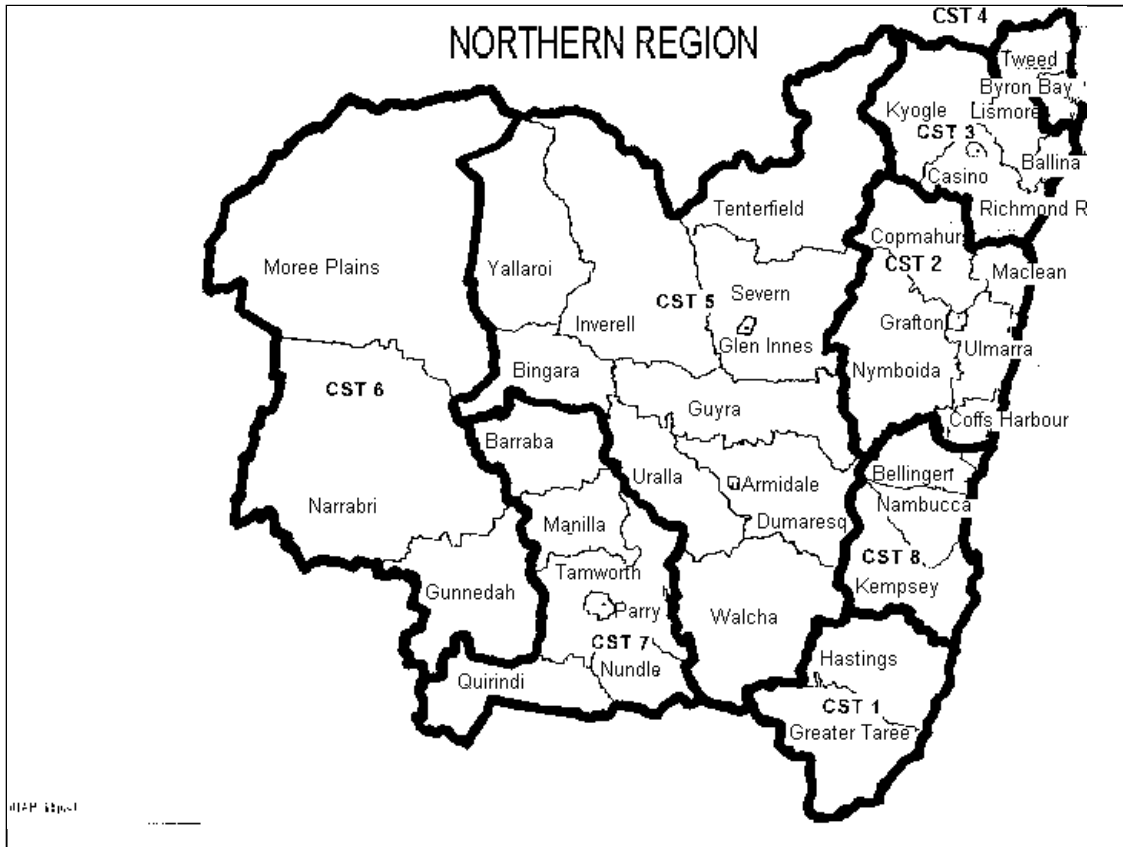
Development of a framework in which to assess the community and regional impacts of housing interventions is well overdue. In general, the outcomes of government housing interventions are measured and evaluated in terms of their effects on *individuals*—for example, the number of people housed or the length of the public housing waiting list—rather than on regions and communities (see, for example, the annual government services report produced by the Productivity Commission, the latest of which was released in January, 2001). Yet regions and communities provide the contexts and environments in which these interventions are made. If the provision of housing can play a strategic or catalytic role in community or regional development, then housing authority decision-makers should be aware of these possibilities. Similarly, it is counterproductive to invest in housing interventions that generate adverse impacts for clients and their communities.

At present, and despite the considerable research effort on housing policy over recent decades, little is known systemically about the regional and community impacts of government housing interventions. Individual staff members in housing agencies are often acutely aware of some of the regional or community implications of their interventions, but this knowledge is rarely expressed in any formal way. Thus, it is often the case that housing authorities determine intra-regional allocations of housing assistance based on the analysis of statistical measures of need (say, waiting lists) tempered by professional judgement on the likely community and regional impacts of those interventions. The point of this project is that developing and employing a framework to assess the socio-economic impacts of housing interventions would generate an improved basis for policy-makers to judge the likely implications of their decisions, and hence would contribute to improved housing outcomes. A second contribution of this project is that such information would highlight the potential role played by housing policy for regional and community development, and thus may lead to a strengthening of linkages between the fields of housing policy and community and regional development.

These goals are pursued here via a regional case study of the Northern Region of NSW. This region is an administrative zone for the NSW DOH that extends from the Hunter Region in the south to the Queensland border, and westwards to include Moree and Mungindi (Map 1). At the 1996 census this area had a resident population of 640,463. Although it is used as the administrative region for the DOH, the Northern Region has little coincidence with other territorial units. Covering areas both east and west of the Great Dividing Range, the region does not correlate strongly to physical geography. Furthermore, it does not coincide with key administrative units of other NSW Government agencies: the region contains 36 local government areas (LGAs); 39 Aboriginal Land Councils; nine Health Districts, and one Department of Community Services administrative region. This is not to suggest that the existence of the Northern Region for the purposes of housing administration is inappropriate; rather, it is to emphasise that this territory is an administrative construct of the Department containing considerable internal diversity. The region includes some of the fastest growing population centres in Australia (such as Tweed and Byron LGAs), a number of larger regional centres (such as Lismore, Armidale and Tamworth), and a number of smaller inland towns experiencing slow or negative population growth. A series of community-based case studies assesses the impacts of housing interventions in these various settings. This approach enables an exploration of the connections between housing interventions on the one hand and regional and community development on the other, hence contributing to policy-makers' abilities to appreciate the economic and social impacts of housing interventions at the scale of individual regions and

communities. Through these case studies, policymakers and other actors in the community will gain enhanced knowledge of the interactions between public sector interventions in housing, and strategies to address social and economic disadvantage. Hence, although this study is confined to the analysis of issues in the NSW Northern Region, its concerns have national (and indeed international) relevance.

**Map 1: The Department of Housing Northern Region Administrative Zone**



Source: Department of Housing (1999)

The use of such a diverse region as NSW Northern for this project brings to the foreground the potential benefits to housing authorities from the analysis of the community and regional socio-economic impacts of housing interventions. Housing authorities can be seen to benefit at two levels. At one level, housing authorities often face difficult decisions concerning the geographical allocation of scarce public housing resources. In a context such as the NSW Northern Region, the DOH is required to allocate housing funds across a widely varied regional environment. Although the DOH collects and publishes statistical measures of unmet housing needs in the region (say, housing waiting lists in particular towns), these data may not fully represent the nature and depth of housing problems. For instance, the unmet housing needs in fast-growing centres with high levels of welfare dependence and transient populations (for example, Coffs Harbour and Ballina) are very different to those in towns such as Narrabri and Guyra with agricultural-based workforces and relatively high proportions of Aboriginal people with particular cultural needs. In fast growing coastal towns there usually exists robust private sector involvement in housing provision. Hence, key problems of unmet housing need may depend less on the lack of a housing market and more on the persistence of barriers (financial or otherwise) that inhibit particular clients' access to housing. A different set of conditions may apply however in small inland communities, where an absolute housing shortage may be a key barrier to meeting housing need. Hence, an appreciation of locality and local context is critical for an understanding of the socio-economic impacts of housing interventions. This leads to the major hypothesis of this project, which is that *local housing market conditions primarily determine the range and extent of social and economic impacts of government housing interventions.*

The appreciation of locality and local context has significant strategic implications for housing authorities. It reinforces the importance of agency and discretion within housing authorities when it comes to decision-making about the geographical allocation of housing resources within a region. Housing authorities need to take on board the diversity of local contexts in which they allocate resources, in order to generate optimal housing outcomes. In turn, this highlights the importance of management structures that empower decentralised allocative decision-making within regions.

At another level, this project acts to encourage closer linkages between debates on housing policy, and those on regional and community development. In recent years problems of uneven regional development have been at the forefront of government policy development. (see, for example, Productivity Commission, 1999; Commonwealth Department of Housing and Regional Development, 1994). The NSW Northern Region embodies many of the

conditions that concern governments at the present time. The North Coast region is experiencing rapid population growth, but has high levels of welfare dependence, high unemployment, and relatively low household incomes. In contrast, the New England region is experiencing low or negative population growth, with widespread community vulnerability and marginality. Evidently the primary concern of housing authorities relates to the provision of equitable housing outcomes: they are not regional development agencies. Nevertheless, because these authorities can also play significant roles in regional and community development, there are good reasons for the stronger articulation of linkages between housing authorities and regional and community development agencies. The framework and regional case studies developed in this project play a role in assisting these linkages.

## 1.5 Methodology

The research is being undertaken via the use of five discrete but linked methods. These methods are outlined here and discussed in more detail in Chapter 3 of the report.

1. The historical context of housing policy initiatives in regional Australia is outlined. This research largely involves the analysis of policy documents and critical reviews of this area. Development of this component of the research contextualises case study research on the NSW Northern Region.
2. Census and other socio-economic data are used to assess regional advantage and disadvantage in the NSW Northern Region. Use of these data is predicated upon recent critical discussion on the measurement of regional disadvantage. The AHURI-funded study by Baum et al (1999) and the research of Sorensen (1999; 2000) are utilised in order to frame and interpret quantitative data.
3. These issues were further developed in two focus group-style informal meetings in Coffs Harbour during December 2000. The first of these meetings involved officers from the Northern Regional office of the NSW DOH. The second involved representatives from housing non-government organisations. These meetings had the role of defining and tailoring research methods and outcomes, and selecting communities for case study.
4. The Northern Regional office of the NSW DOH has agreed to provide the project with data on the allocation of resources throughout the region. Analysis of these data will enable the researchers to comment upon the revealed distribution of housing resources in comparison with measures of socio-economic advantage and disadvantage at the regional scale.
5. To explore the issues of this research within local contexts, four case studies will be developed. The selection of these case studies follows extensive discussion between the research team, the Northern Regional office of the NSW DOH, and housing non-government organisations. It was decided that the four case studies should reflect the different contexts in which housing interventions are made. In line with frameworks utilised by the AHURI-funded research of Baum et al (1999), the researchers identify communities of opportunity, and communities of vulnerability. The four case studies include two communities of opportunity (Armidale, Evans Head), and two communities of vulnerability (Tweed Heads and Wee Waa). Selection of these case studies is also informed by our desires to investigate both small and large communities; and coastal and inland communities. A more specific discussion of the rationale behind the selection of these case study towns is presented in Chapter 3.

## **1.6 Structure of the report**

Three chapters follow this Introduction.

In Chapter 2 the policy context of this research is discussed. This chapter details the considerable breadth of housing policy initiatives in regional Australia and in NSW over the past decade.

This chapter also engages with concepts of regional disadvantage, specifically focusing on measures of well being, and how they relate to housing. This material is important because it sets the scene for how housing policy-makers have made allocative decisions regarding the distribution of scarce housing resources, and hence how they have interacted with concerns of regional disadvantage.

This is followed in Chapter 3 by a specific discussion of the methodology used to develop the aims mentioned in Section 1.3 above. Finally, Chapter 4 outlines some preliminary conclusions for the research.



## **Chapter 2. The Policy Context**

### **2.1 Background**

In this project housing policy-making and its implementation in a diverse NSW housing region is seen as an exemplar of circumstances facing governments wishing to integrate housing expenditure with overcoming the effects of regional disadvantage. The changes which occurred in the NSW housing portfolio in the 1990s had several origins and the regional housing planning initiatives explored in this project were just one notable response to them. Before going into detail about the specific aims of this research, it is necessary to say something about recent published research on regional housing policy in NSW and to provide brief answers to three strategic background questions. First, what is meant by our use of the term housing assistance?; second, what is the nature of regional housing policy?; and third, how does government policy in general impinge on wider concerns about regional disadvantage? The chapter concludes by evaluating some existing measurements of well being and suggesting that an analysis of regional housing market conditions can be seen as a useful alternative to these measures.

### **2.2 Recent Literature**

The focus in this section of the paper is on up-to-date investigations of uneven social and economic conditions in the regions and on regional housing policy rather than a review of the extensive works on regional development in Australia. Such contributions are likely to be highly place-specific and limited to circulation in government departments. Much relevant material can also be found within associated subject areas such as the literature on indigenous development issues which in many cases acts as a proxy for a wide range of questions about regional disadvantage. This listing is thus select and weighted where possible toward circumstances in NSW.

*Uneven development and regional disadvantage:* Among recent overviews of Australian regional policy the successive changes in federal government approaches towards regional development are expertly reviewed by Tonts (1999) and Sorensen (2000). Sorensen in particular points to difficulties in the measurement of well-being at the regional scale and stresses the considerable diversity that exists across the country. These authors have also examined specific effects at the local level in Western Australia (Tonts 1996) and the New England region (Sorensen 1999). Specific reference to regional disadvantage is usually treated under the heading of unemployment (Karmel et al. 1993; Kilmartin 1994) or, as already suggested, in conjunction with indigenous issues. The political consequences of

uneven development are portrayed well by Badcock (1998). Any link between housing and regional development is much harder to find in the new research. The review of ABS and AHURI Housing Monitor data by Minnery and Greenhalgh (1999) is a notable exception, though even here the short list of references cited suggests a lack of much supporting evidence.

Also included here are several spatial studies focusing on uneven economic and social conditions in the non-metropolitan population centres. The results of an AHURI research project, initiated in 1998 on developing strategies for urban regeneration in the disadvantaged areas of Australia's cities and towns, is of great relevance (Baum et al. 1999; Stimson et al. 1999). This work sought to differentiate among urban centres according to measures of community opportunity and vulnerability and has been used in this research as one of the chief means of selecting case studies in northern NSW for detailed fieldwork. Earlier contributions have also sought to explain and describe economic development in regional cities and towns in the 1990s (Beer 1995; 1999; Beer et al. 1994; Beer and Maude 1995).

*Regional housing policy:* The published literature is very limited though, besides Minnery and Greenhalgh (1999), there are several earlier studies of relevance to this research, such as that by Econsult and Phillips (1989) and the overview conducted as part of the National Housing Strategy in 1992 (Budge et al. 1992). Of more direct use for the present study are published and unpublished plans and reports covering regional issues prepared by the NSW DOH. During the 1990s the regularly updated NSW State Housing Assistance Plans were matched by a series of unpublished planning documents for each of the eight state housing regions. These documents, plus certain statewide policy papers produced by the former DOH Office of Housing Policy and Strategic Planning are referred to extensively in this project. The selected case study region in northern NSW for example has a full array of plans dating back to 1994 which have proved particularly useful in the interpretation of changes in policy direction and regional housing priorities.

### **2.3 What is Housing Assistance?**

Housing policies are required to respond to societal changes of a kind characterised recently in Australia by several common themes (Paris 1993: 4): a reduced willingness to finance expenditure on public rental housing; deregulation of the financial system; greater support for individualised rather than socialised forms of housing consumption; and the continuing encouragement, though with reduced financial support, of home ownership. Housing assistance is a term applied collectively to the conduct of public housing policy as a whole and is thus expected to accommodate such changes.

Besides the changes affecting housing assistance nationally, several political and economic factors influence design of policy at the state and territory level. In NSW, for example, budgetary constraints in the early 1990s, plus a desire by government to overhaul the housing portfolio, resulted in outcomes that differed in several respects from other parts of the country. A separate housing portfolio, for example, exists only in Queensland, Western Australia, NSW and the Northern Territory, and only two states, Western Australia and NSW, have established stakeholder advisory procedures at statewide, regional and local levels (NSW Department of Housing Policy and Strategy Directorate 1999). Similarly, goals of housing assistance are closely linked to the political persuasion of governments in power. A good example is the NSW government's Green Paper on housing assistance reform published in late 1995 (NSW Government 1995). As a reform document it was doomed to an unusually short life in its original form, as changes to the Commonwealth States Housing Agreement (CSHA) forecast by the 1996 federal coalition government introduced considerable uncertainty about future levels for public housing. The vision portrayed in the Green Paper of a relevant and up-to-date housing assistance program is still valid however. Its significance lies in the acceptance that extensive changes in social and economic conditions have led to changing housing preferences on the part of many households. Among the most important noted were:

- An aging NSW population has resulted in growing demand for smaller dwellings.
- The average size of households is reducing, resulting in increased demand.
- Demand for rental housing is rising due to lower inflation reducing capital gains in the homeownership market, together with a search for more flexibility.
- There is a large demand for affordable private rental housing in Sydney.
- The public housing waiting list of over 80,000 is more diverse than in the past.
- Some 30 per cent of Aboriginal households experience after-housing poverty.
- One in five applications for public housing are from those with disabilities.

The vision chosen by the NSW government to accommodate growing and changing housing needs was for a housing system providing:

- A wider range of well located affordable housing choices provided through the housing market.
- A more diversified and viable system of rental housing for low and moderate income earners.
- A secure, better quality social housing system that is efficient and accountable.
- A new and improved framework for delivering housing assistance which focuses on addressing individual needs and ensuring better quality customer service (NSW Government 1995).

To its credit the NSW government backed up this ambitious vision with an extensive program of housing reforms in five main areas, thus avoiding what Paris (1993: 3) has labeled as simply promoting 'stand up and cheer platitudes'. At the heart of the policy agenda in the new millenium will be the reform of housing assistance; provision of better quality social housing; improving service delivery; access and equity concerns; and influencing market outcomes in the private sector. These are normative concerns that provide the context within which the exercise of regional housing policy is examined in the case study research identified in this project.

#### **2.4 What is Regional Housing Policy?**

The literature on housing policy in non-metropolitan Australia is not extensive and what is available tends to be limited in scope. The broadest study commissioned was for the National Housing Strategy in the early 1990s (Budge et al. 1992) which lists six conclusions from their own and earlier research (cited in Minnery and Greenhalgh 1999: 321):

- Severe housing issues faced by people in mining communities where they are not part of the company payroll;
- Uneven performance and varying attitude of local government to housing provision and support;
- Limited range of housing choices in most cities and towns and the incapacity or unlikelihood that the private sector will be able to provide the future range of housing that is demanded and needed;
- Critical links between housing and the provision of services, particularly medical and health, for small towns and cities;

- Actions of government departments and agencies in closing down or scaling down investment and jobs particularly in small towns and cities having a detrimental impact on housing options; .... [and]
- Increasing need to see the housing situation in many cities and towns as an outcome and consequence of problems of housing affordability and job markets in metropolitan centres (Econsult et al. 1992: 9-10).

Somewhat surprisingly, the considerable body of published research on indigenous housing issues and policy seldom gets a mention in the mainstream work looking at housing outside the metropolitan areas. Worthy of inclusion here are the contributions of Heppell (1979); Ross (1987); Drakakis-Smith (1980; 1984); Memmott, P. (1988; 1992), Sanders (1990) and Pholeros et al. (1993). Of parallel relevance are a range of reports by state bodies, such as the South Australian Housing Trust and the Western Australian and Northern Territory housing departments. This omission is the more important given the significant (and growing) size of the indigenous population in many regional centres.

It is well established that the collective term 'housing policy' comprises both specific measures dealing with the supply of residential accommodation, as well as an array of additional 'housing-related' policies. Indeed, the latter indirect set of policies, such as those directed at migration, economic growth and taxation, may well impact more on housing outcomes in regional Australia than the combined direct housing interventions of all three tiers of government (Bourne 1980; Paris 1993). The reach of specific housing policies is limited and can be further categorised into those affecting the small proportion of public sector rental housing, amounting to no more than 5 to 6 percent of stock in Australia, and the much larger home ownership and private rental groups. The nature of occupancy in non-metropolitan Australia has been analysed recently using Australian Housing Monitor data collected by AHURI (Minnery and Greenhalgh 1999), indicating that little difference exists between the metropolitan and rural parts of the country (Table 2.1).

**Table 2.1: Nature of Occupancy**

	Owned	Being purchased	Public rental	Private rental	Other
Metro	42.9	27.7	6.2	17.4	5.9
Non-metro	47.5	23.9	5.8	15.1	7.6

After Table 14, Minnery and Greenhalgh (1999)

Further categorisation is necessary among the specific policies into firstly, those measures concerned with public housing assistance to low income earners funded by the states and Commonwealth, and secondly, other additional direct forms of housing assistance provided by all tiers of government to the housing sector. The latter include measures as diverse as the recent special payment of \$7000 to first home purchasers in compensation for increased prices associated with introduction of the GST in July 2000, and a variety of local government policies having direct influence on housing supply. The primary concern here is with the considerable list of housing supply and other shelter-directed programs that are the responsibility of the NSW DOH, whose recent experience at the regional level is considered later in this chapter.

### **2.5 How Does Government Policy Relate to Regional Disadvantage?**

This complex policy environment is compounded when other major concerns, such as dealing with endemic regional disadvantage, are considered. The Regional Australia Summit, held in Canberra in October 1999, provided a focus for national policy initiatives, as has a large body of literature from special interest groups calling for concerted action, such as formulation of a comprehensive national strategy for regional development (cf *Commonwealth: Applying Catholic Social Principles to Public Policy*, Vol. 7, No. 2 1999). Much less evident are contributions concerning the housing component of regional disadvantage. There is the general question of the extent to which housing conditions are a relevant measure of regional well-being to be considered (Sorensen 2000), as well as the nature of causal connections between housing and other regional development processes. The analysis of both Australian Bureau of Statistics (ABS) and AHURI data by Minnery and Greenhalgh (1999) indicates that significantly different levels of education and kinds of employment are present in regional Australia and likely to influence housing conditions and should thus be considered as a component of housing policy. Differences in tenure and type of landlord are also noted but many other features, such as household size and structure,

are similar throughout the country. To substantiate such conclusions requires a variety of in-depth case studies, as both these authors and Beer (1997) suggest.

It is possible to generalise with more authority about the extent of government policy influence in regional development but here too there is considerable criticism about the extent of a rural crisis and the indicators of regional well-being that are used. An extensive list of factors and processes have been identified that determine the distribution of regional prosperity and disadvantage, only some of which are subject to significant governmental control (Sorensen 2000). Table 2.2 suggests that high levels of control and influence are only present over the biophysical resource endowment and public expenditure on infrastructure. Many other factors, such as accessibility and the nature of human capital and technologies in general, are far less susceptible to public intervention.

**Table 2.2: Government Control and Influence over Forces for Regional Development**

<b>No</b>	<b>Title</b>	<b>Control</b>	<b>Influence</b>	<b>Tier</b>	<b>Importance</b>	<b>Notes</b>
1	Biophysical Resource Endowment	H	H	F, S, L	H	Governments have strong reserve powers to quarantine or regulate the use of resources, or exert moral suasion over resource owners
2	Geographical Accessibility	L	M	F, S, L	H	Governments can influence accessibility through infrastructure investments
3	Human and Social Capital	L	M	F, S, L	H	Governments lack control over Human and Social Capital in a free society, although they can exert some influence over their development
4	Demography	L	L	F	M	Apart from immigration, governments exert little control over demographic change



5	Changing Lifestyle Preferences	L	L	F, S	H	In market economies, lifestyles are chosen by private citizens subject to certain generally acceptable standards
6	Space Transforming technologies	L	M	F	H	Governments exert little control over technologies themselves, but can influence the pace, form, and location of adoption
7	New Production Technologies	L	L	F	H	This is largely a private sector affair, subject to some control over ethical issues
8	Expenditure on Public Infrastructure	H	H	F, S, L	M	One of the main areas in which governments can influence events
9	Business Management and Development	M	M	F, S	H	Governments have little direct influence over business methods, but play a major role in shaping the environment in which business operates.
10	International Events	L/M	L/M	F	H	Though nominally in control of external affairs, overseas events weigh heavily on domestic policy settings

<b>Key</b>	L – Low	F - Federal
	M – Medium	S - State
	H – High	L - Local

After Table 3, Sorensen (2000)

Additionally, the point is made by several researchers that regional conditions vary considerably across Australia and that demand for housing in non-metropolitan areas varies as a consequence (Budge et al. 1992:20-21, cited in Minnery and Greenhalgh 1999: 320). Sorensen (2000) points to considerable interregional disparity in household incomes when analysed by ABS statistical divisions (Table 2.3). At the local government level the variations are even larger, as revealed by Sorensen (1999) in a study of the New England region.

**Table 2.3: Interregional Disparity: Incomes at Statistical Division Level**

Av. Household Income 1996 as a ratio of the nat. av. where Australia = 100			
Regions with highest ratios	Ratio	Regions with lowest ratios	Ratio
Pilbara (WA)	160.6	Southern (Tas)	52.6
South Eastern (WA)	150.5	Yorke and Lower North (SA)	54.3
Canberra	136.2	East Gippsland (Vic)	67.6
Darwin	131.3	Gippsland (Vic)	67.8
North-Western (Qld)	126.7	Murray Lands (SA)	68.0
Kimberley (WA)	121.6	Eyre (SA)	70.0
Balance (NT)	120.1	Mid North Coast (NSW)	71.0
Sydney	120.1	Wide Bay – Burnett (Qld)	71.4
Mackay (Qld)	117.7	Far Western (NSW)	73.7
Melbourne	107.7	Outer Adelaide	73.8

After Table 2, Sorensen (1999)

Such evidence suggests that generalisations about the extent of regional disadvantage in general should be approached with caution, as should assertions about the role of housing policy in regional development.

There is always need for considered analysis of public policy in order to identify what measures work and those that do not and why this is the case. This is extremely difficult to do in the regional development field on account of the difficulties in assessing cause and effect in open systems where governments control or influence events at the margin and there are many processes at work (Sorensen 2000: 21).

## **2.6 Change at the Regional Level in NSW**

Restructuring of the housing portfolios in all the Australian states occurred in the 1990s as a result of four main influences: changes in party political government; urban planning reform; the need to achieve whole of government efficiencies; and the drive to introduce principles of efficiency, competition and contestability in delivery of government services (NSW Department of Housing Policy and Strategy Directorate 1999). The changes that took place in NSW in 1993 were extensive and far-reaching. Among the most significant from the regional perspective was the establishment of eight semi-autonomous regions in response to the recommendations of the 1992 Mant Commission of Inquiry into aspects of the department's responsibilities. They were soon to become a key component in the department's new model for housing assistance planning, along with the appointment of a Housing Assistance Plan Advisory Committee (HAPAC) and the preparation of an annually updated Housing Assistance Plan.

The position taken in this paper is that the most useful way of understanding interrelationships between housing policy and levels of development is to examine the policy experience in the regions themselves. Initially, each NSW region was required in 1994 to prepare a separate regional housing strategy statement, seeking to maximise the housing opportunities generated by funds invested and assets held. The following year saw the preparation of full annual Regional Housing Assistance Plans (RHAP) covering the planning of both public and community housing programs. The program submissions from the regions would, in turn, feed into the both the state-wide housing assistance plan and OHPSP's new allocation of housing program funds.

The NSW regional housing planning process was innovative and advanced when introduced but there is almost no published account of the policy-making experience that occurred and its wider relevance and importance nationally. It is a significant gap in the housing literature and will be addressed in part in the fieldwork contained in this research project. The issues to be covered in the first regional housing strategy statements in

1994/95 give a good idea of the comprehensive nature of public housing assistance planning achieved in NSW and some of the difficulties implicit in attempting to integrate such measures with other forms of government intervention in the regions:

- Housing need and program proposals.
- Value for money.
- Asset management.
- Proposals for innovative projects.
- Proposals for general allowance programs.
- Total housing assistance.
- Links with broader government objectives.
- Design and procurement methods.
- Links with the Aboriginal and Community housing programs.

Other issues covered:

- Management of region's housing assets.
- Link with other assistance programs and desirability of integrating range of housing opportunities in each area of the state.
- Role of non-asset strategies and programs.
- Regional and local housing market trends, economic and demographic trends which impact on the need for housing assistance and mix of programs.

A key feature of the new regional planning process was the establishment of a formal public consultation body known as the Regional Housing Forum (RHF). The forum was to be chaired and funded by the Department and its membership appointed from a broad list of community organisations with interests in the provision of public housing services. Its chief role was to provide advice on priorities, strategies and targets for the RHAP. Other local housing forums were envisaged in the large non-metropolitan regions in order to spread consultation opportunities equitably. Little in the way of a published record exists regarding the success or otherwise of this important public consultation initiative. Similarly, the evolution of the NSW devolved regional housing assistance planning process is not covered in the literature, with the result that only those with personal experience in the NSW DOH for the period from 1994 to the present are able to adequately recall the changes in policy that took place. This is an omission that will be addressed in the current project.

In chronological order the first full regional planning cycle took the form of a three-year rolling plan prepared in 1995 for the period to 1998, followed by another plan in 1996 for the period to 1999. By 1997, however, uncertainties arising from proposed changes to the CSHA foreshadowed by the new federal Coalition government, and consequent effects occurring at a state level, saw a revision of the planning process with the completion of annual Regional Operating Plans (ROPs). Based on the evidence of documentation for the DOH Northern Housing Region, the 1997 plans were very similar in content to the earlier RHAPs but did not include certain useful regional information on issues such as links with broader government objectives; details about RHF inputs; and regional analysis of LGAs. Further change occurred in the ROPs prepared in 1999 and 2000 which were required to comply with the new ROP guidelines (DOH, 2000) and, in the case of the Northern Housing Region, with directions set out in *Housing People 2010* (DOH Northern Region Office, 1999). These objectives included:

- Meeting priority needs.
- Building successful tenancies and communities.
- Creating viable and efficient services.
- Diversifying local housing responses (DOH Northern Region Office, 1999: 3).

A set of ROP Guidelines were also developed by the Department in 1999 that further focused the plans on housing programs, to the general exclusion of any broader regional analysis of the kind pioneered in the 1995 and 1996 RHAPs. Whether the change in scope of the planning process will lead to less consideration being given to other regional development factors of the kind that were recognised in the earlier plan documents will need to be assessed in this project. The record of this comprehensive housing planning initiative will be explored in detail using evidence from the Northern region case study in the project's findings paper and final report.

## **2.7 Measuring well-being**

It is widely recognized that in order to measure individual or community well-being effectively it is necessary to consider a wide range of interrelating economic, social environmental, medical, attitudinal and geographical factors (Sorensen, 2000: 4). What is less well recognized nor agreed upon, however, is a more precise method of accurately measuring well-being. This is largely a result of the fact that methods of measuring well-being necessarily reflect their ideological and theoretical underpinnings. In a government policy environment which is often dominated by the twin ideologies of economic rationalism

and corporatisation such as the one that is currently entrenched in Australia, there is a tendency to rely heavily on a limited range of indicators to measure quality of life. Some of the more conventionally used indicators include income levels, unemployment, activity rates and access to services. Such indicators are usually favoured over others for a number of reasons. Firstly, data of this kind is readily available through major government data analysis institutions such as the ABS. Secondly, such data can be easily interpreted using rather crude means of statistical interpretation. Thirdly, and perhaps most relevantly, they sit neatly alongside the narrowly-defined economic assumptions that figure all too prominently within Australia's policy making environment (Castles, 1996 ; Evatt Foundation, 2000: 1).

A commonly cited criticism of these measures of well being, and one that is particularly relevant to this study, is that they are more relevant to the metropolitan centres of Australia over regional areas. The highly commodified nature of life in metropolitan Australia tend to favour economic measures that indicate the degree to which individuals and households participate in economic activity. They are seen to determine the ability to access a wide range of goods and services which are held to improve standards of living and therefore an individual's overall well-being. The commonly used measure of income levels provides a telling example. This measure rather crudely indicates housing options that are open to an individual, as well as levels of disposable income to spend on education, food, transport, entertainment and other goods and services that are deemed to improve quality of life. Their usefulness in an urban context is reinforced by the nature of employment patterns, which are skewed towards salary-based positions rather than self-employment.

However, relying on the same range of measures is likely to give a distorted view of the quality of life in regional Australia. The commonly used factor of income again provides a useful example. Employment patterns in many parts of regional Australia tend to be dominated by small businesses in which the measurement of income is complicated by the existence of family trusts, income splitting and averaging, and other tax devices. Furthermore, there is no real evidence to suggest that there is a positive correlation between well-being and income (Sorensen, 2000: 2). Proof of this would entail an analysis of the influence of income-related factors such as accumulated wealth and the cost of living on quality of lifestyle and happiness, data which is difficult to obtain. The problem is often compounded by a lack of recognition amongst local populations of specific issues that symbolise disadvantage, such as homelessness (Cloke, 2000: 715).

Our aim here is not to suggest that conventional levels of well-being such as income and unemployment have no relevance when applied to regional Australia. Rather, we suggest that they portray a picture of regional well-being that is less complete than when applied in a metropolitan context. There is therefore an urgent need to supplement them with other indicators that take into account the specific contexts of regional areas. We argue here that the unique place-specific characteristics of towns and cities in regional areas must be taken into account when assessing the overall levels of well-being in a particular region. Such characteristics cannot be inferred merely by analysing economic indicators such as income and employment levels in a vacuum. Our research suggests that analysing a region's local housing market conditions is a key measure of a broader level of well-being in that region. We aim to show this by focusing specifically on the role of government housing interventions in the Northern Region of NSW, and proving our case through the analysis of four case study regions.

## **2.8 Housing as a measure of well-being**

The idea that local housing market conditions primarily determine the range and extent of social and economic impacts of government housing interventions is based on a set of assumptions about the importance housing within the community. The first is that housing, being the largest single on-going item of household expenditure, is a significant indicator of the economic power of a household. Expenditure on housing also has implications for the amount of remaining disposable income that households have to spend on other goods and services. The second major assumption, perhaps less tangible than the first, is that to many people physical housing conditions are indicative of a range of other measures of well-being such as contentment, satisfaction and a sense of place (AHURI, 2000:1; Duncan, 1981). An analysis of a region's housing market conditions therefore provides a useful context to bring a range of economic and social factors together to paint a more general picture of a region's well-being.



## **Chapter 3: Methodology**

As outlined in the introduction to this paper, the methodology used in this research follows five key stages. These stages are discussed in some detail below.

### **3.1 Stage 1 - Review Regional Housing Policy**

The historical context of housing policy initiatives in regional NSW is outlined via the analysis of policy documents and housing plans. This component of the research contextualises case study research on the NSW Northern Region. Specific research questions to be tested in the case study regions will be devised in the light of this policy framework with the aim of determining the regional impact of housing policy.

### **3.2 Stage 2 – Communities of Opportunity and Vulnerability: Data Analysis**

Census and other socio-economic data are used to assess regional advantage and disadvantage in the NSW Northern housing region. Use of these data is predicated upon recent critical discussion on the measurement of regional disadvantage. The earlier AHURI-funded study by Baum et al (1999) and the work by Sorensen (1999; 2000) are utilised in order to frame and interpret quantitative data. The aim here is to construct a statistical profile of the region and, in the process, identify potential patterns within the data that can form the basis of further fieldwork research. This stage of the methodology accepts the contention that place-specific factors need to be integrated with more abstract statistical analysis at the regional level in order to gain better insight into the local impacts of policy initiatives.

Following Sorensen's recent work on the use of a wide range of variables in the measurement of well-being in the Northern Statistical Region of NSW (2000), this research aims to apply a range of socio-economic variables to the four case study towns selected in the research. It will firstly identify a key set of variables (see table 3.1 below) based in part on those mentioned by Sorensen. Using these variables, it will give a statistical portrayal of each of the case study areas. Subsequently, these data will be integrated into an outline of government housing interventions in the four case study regions of NSW based on information provided by the NSW DOH (see Section 3.4 below). The information given here will provide a statistical background to the research that will be conducted in the subsequent stages of the project. Much of this general demographic and economic data will be taken from a document produced by the Regional Coordination Program – Office of Regional

Communities within the Premier's Department of NSW, entitled *Regional Data Profiles*. This document was released in July 2000.

**Table 3.1: Indicators Used in Researching the Case Study Areas**

<b>Indicator</b>	<b>Data Source</b>
Weekly Family and Household Income	1996 Census of Population and Housing
Labour Force Status by Age and Gender	1996 Census of Population and Housing
Occupation	1996 Census of Population and Housing
Family and Household Type	1996 Census of Population and Housing
Structure of Dwelling	1996 Census of Population and Housing
Nature of Occupancy	1996 Census of Population and Housing
Monthly Housing Loan Repayment	1996 Census of Population and Housing
Weekly Rent	1996 Census of Population and Housing
DOH Waiting List / Tenancy Stripfile Data	DOH Data June 2000

### **3.3 Stage 3 – Preliminary Focus Group Input**

The preliminary research aims were further developed in two focus group meetings in Coffs Harbour during December 2000. The first of these involved officers from the Northern Regional office of the NSW DOH. The second included representatives from non-government housing organisations. These meetings had the role of defining and tailoring research methods and outcomes, and selecting communities for case study. This will also be an ongoing aspect of the research, with two further focus group discussion sessions of this nature planned. The intention here is to ensure that key stakeholders in the housing policy environment are informed of the outcomes of the research.

### **3.4 Stage 4 - Department of Housing Data**

As mentioned in Section 3.2 above, the Northern Regional office of the NSW DOH has agreed to provide the project with data on the allocation of resources throughout the region, contained in a DOH spreadsheet on waiting list/tenancy stripfile data for June 2000. Again, given the theoretical underpinnings of this research that emphasise the need for place-specific analysis, the way in which resources are allocated within the region will shed some light on the DOH's priorities in a given local area. These priorities can then be weighed up against the broader socio-economic profile of that area (Section 3.2), and the local perceptions of the DOH's role in each of the case study regions. The latter information will be determined in the fieldwork stage of the research process – Stage 5 below.

### **3.5 Stage 5 – Fieldwork: Focus Group Discussions**

To explore the issues of this research within local contexts, four case studies will be developed. The selection of these case studies follows extensive discussion between the research team, the Northern Regional office of the NSW DOH, and non-government housing organisations. This aspect of the project relies heavily on the framework devised by the AHURI-funded research of Baum et al (1999). Diverging from traditional approaches to regional development, this research attempted to measure community opportunity and vulnerability around Australia and to provide some generalizations about possible causes of vulnerability. The four case studies include two communities of opportunity (Armidale, Evans Head), and two of vulnerability (Tweed Heads and Wee Waa).

The four case studies are intended to reflect different contexts in which housing interventions are made. In the first instance, communities of various sizes were selected to demonstrate the impact of housing interventions at different scales. Secondly, the broad economic conditions of the case study areas were also taken into consideration. The goal in doing so is to determine how relative levels of regional economic opportunity or vulnerability impact upon housing market conditions and therefore housing assistance. Thirdly, the case study areas were chosen to exemplify the regional diversity of northern NSW which comprises coastal and inland communities whose livelihoods are dependent on a wide range of economic activities.

Not all of the towns in this study were specifically referred to in Baum et al's study, but it is possible to extrapolate from those that are mentioned to locate them within the framework the authors develop. The two large towns – Armidale and Tweed Heads – were chosen not only because of their respective inland and coastal locations, but also because they represent clusters of economic opportunity on the one hand, and vulnerability on the other. According to Baum et. al, Armidale has the advantage of playing a role as an important regional and rural service centre. It is also advantaged by its role as an education centre of national significance. In contrast, although the population of Tweed Heads is increasing quite rapidly, its sun belt location has had made it an increasingly attractive location for the migration of welfare dependent groups. It can therefore be labeled as a cluster of welfare/retirement migration vulnerability (Tweed Heads was not included in Baum et al's study).

Neither of the two smaller case study towns – Evans Head and Wee Waa – were dealt with in the Baum et al report, but their selection for this study is based on broadly similar reasons to those given above. One is coastal, the other inland. Evans Head, given its sun-belt location, is representative of a community which stands to benefit from retirement migration and tourism. Wee Waa, in contrast, is heavily dependent on the cyclical vagaries of cotton production, and can therefore intuitively be labeled in Baum et al's words as an extractive based marginal cluster.

The broad methodology of the field research will be to conduct a series of focus group discussions to determine qualitative information that substantiates the link between regional housing market conditions and government housing assistance. The underlying philosophy will be to gauge the effectiveness of such interventions on the level of well-being in a community. Focus group discussions will be held with key stakeholders, both government and non-government, in the housing policy development and implementation process in the case study towns. Focus group themes will be devised in the light of close examination of the data collected in stages 2 and 4 above, as well as an examination of the broader policy context (stage 1). The aim of the focus group discussion will be to test stakeholder perceptions of the effectiveness of housing policy in meeting key areas of community need as well as achieving departmental goals.

## Chapter 4: Conclusions

Because of the ongoing nature of the research, the aim of this positioning paper is not to provide a detailed assessment of research conclusions. Instead, it outlines the key research questions, the rationale for why they were chosen, the state of the current policy environment surrounding public housing in NSW and the proposed methodology of this research project, focusing on the use of four case study towns. Nevertheless, in light of the research conducted thus far, it is possible to foreshadow the key issue that will help generate the substantive conclusions from the research.

It appears that questions of scale and diversity are fundamental considerations in assessing the relationships between housing policy and regional development. Local contexts differ widely within regional Australia. Hence, analysing the potential role of housing policy in addressing regional disadvantage demands an appreciation of local scale issues. Hence also the hypothesis proposed in this research: *that local housing market conditions primarily determine the range and extent of social and economic impacts of government housing interventions.*

One of the most significant outcomes of this research is expected to be an acknowledgement that locality and local context has significant strategic implications for housing authorities. The concept of locality reinforces the importance of agency and discretion within housing authorities when it comes to decision-making about the geographical allocation of housing resources within a region. The research will encourage housing authorities to take on board the diversity of local contexts in which they allocate resources, in order to generate optimal housing outcomes. In turn, this highlights the importance of management structures that empower decentralized, allocative decision-making within regions.

In addition to the above policy-specific implications, the research has three further general outcomes for the state of knowledge of regional housing policy in NSW. Firstly, it assists in redressing an overall lack of recent literature on this field, with the exception of the work of Minnery and Greenhalgh (1999) and Beer (1997). Secondly, it attempts to integrate a discussion on aboriginal housing issues into the general issue of regional development, an aspect that has largely been ignored in the associated literature. Thirdly, for the first time it documents the regional housing policy experience of NSW through an analysis and critical appraisal of the State's housing plans; information that is currently not available for any Australian state.

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