

WEDNESDAY 18 MAY 2002 | 11:00am – 12:30pm (AEST) | #AHURlwebinar



# Driving population growth in regional cities

## Speaker

Dr Laura Crommelin, UNSW

Dr Akshay Vij, University of South Australia

## Respondent

Diwa Hopkins, Regional Australia Institute

# Welcome

**Dr Tom Alves**  
AHURI (facilitator)

# **NATIONAL HOMELESSNESS CONFERENCE 2022 8-10 AUGUST**

**National Convention Centre Canberra**

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# Chat function

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# Driving population growth in regional cities

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## Speakers

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Dr Akshay Vij, University of South Australia

## Respondent

Diwa Hopkins, Regional Australia Institute



# Presentation

Driving population growth in regional cities

A/Prof Akshay Vij, University of South Australia

Dr Laura Crommelin, UNSW Sydney



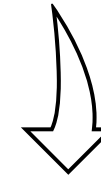


# Part 1

Overview of research agenda

# Research Agenda

Research Inquiry: Population growth in Australia's smaller cities  
Prof Andrew Beer (UniSA)



Understanding what attracts  
new residents to smaller cities

A/Prof Akshay Vij (UniSA)

[Link to report](#)

Understanding the lived  
experience & benefits of  
regional cities

Dr Laura Crommelin (UNSW)

[Link to report](#)

The economic dynamics &  
population change of  
Australia's regional cities

Prof Jago Dodson (RMIT)

forthcoming



# Part 1

Understanding what attracts residents to smaller cities

# Preferences for regional settlement in Australia

*AHURI Webinar on “Driving population growth in regional cities”*

*18 May 2022*

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## **Akshay Vij**

Associate Professor,  
University of South Australia

## **Ali Ardeshiri**

Research Fellow,  
University of South Australia

## **Andrew Beer**

Professor  
University of South Australia

*This study was funded by the Australian Housing and Urban Research Initiative (AHURI)*



# ABS reports a record number of people are leaving Australia's capital cities



Jack Needham

Property



A net 43,000 Australians moved to regional areas from capital cities in 2020. This was the largest net inflow to the regions since this data was first collected by the ABS in 2001.

Source:

<https://www.newcastleherald.com.au/story/7371335/people-are-leaving-capital-cities-at-record-rates-but-where-are-they-going/>

# Living in regional Australia



City center of Goulburn, NSW, Australia, seen at sunrise. Source: Getty Images

Nearly all newly arrived migrants settled in Melbourne and Sydney last year while regional Australia is struggling to survive with a shrinking population. The Australian government is offering migrants new permanent residency pathways provided that they stay in regional areas for four years.

Mid-sized urban areas (populations less than 100,000) lost 23,091 more domestic migrants than they attracted over the period 2011-16

Source: <https://www.sbs.com.au/language/english/living-in-regional-australia>



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# MIGRATION BETWEEN CITIES AND REGIONS:

A quick guide to  
COVID-19 impacts.

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*“Our central projection scenario sees a net shift in migration away from capital cities in favour of regional areas in 2020-21, before gradually returning towards the long-run average.*

*“Underscoring the uncertainty surrounding this topic, surveyed experts were split on the impact of COVID-19. Approximately half expect it to have no impact on migration patterns between cities and regions, with the other half expecting a slight shift in favour of migration from capital cities to regional areas.”*

Source: <https://population.gov.au/docs/the-impacts-of-covid-on-migration-between-cities-and-regions.pdf>

## Research objectives

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1. Examine key drivers of migration flows and settlement patterns across Australia; and
2. Identify key barriers to and opportunities for greater population decentralisation.

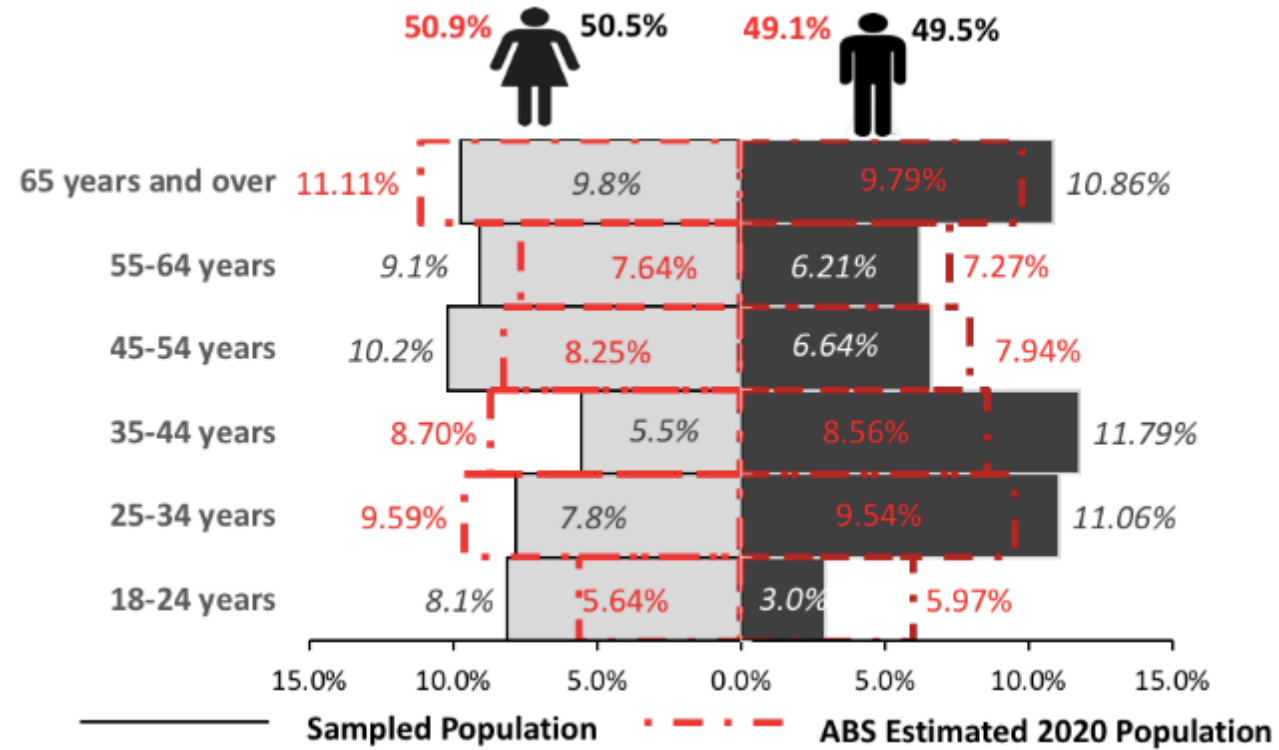


## Data

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Nationwide online survey of 3,012 demographically and geographically representative Australians administered in February 2021:

- Residential and migration histories
- Attitudes towards and perceptions of regional and metropolitan cities
- Stated preference experiment eliciting preferences for regional settlement



**Sample and ABS distributions across different gender and age groups**

<b>State or territory</b>	<b>Sample</b>	<b>ABS (2020)</b>
Northern Territory	0.6%	1.0%
Australian Capital Territory	1.8%	1.7%
Tasmania	2.1%	2.1%
South Australia	7.6%	6.9%
Western Australia	10.1%	10.4%
Queensland	20.6%	20.1%
Victoria	24.6%	26.1%
New South Wales	32.6%	31.8%

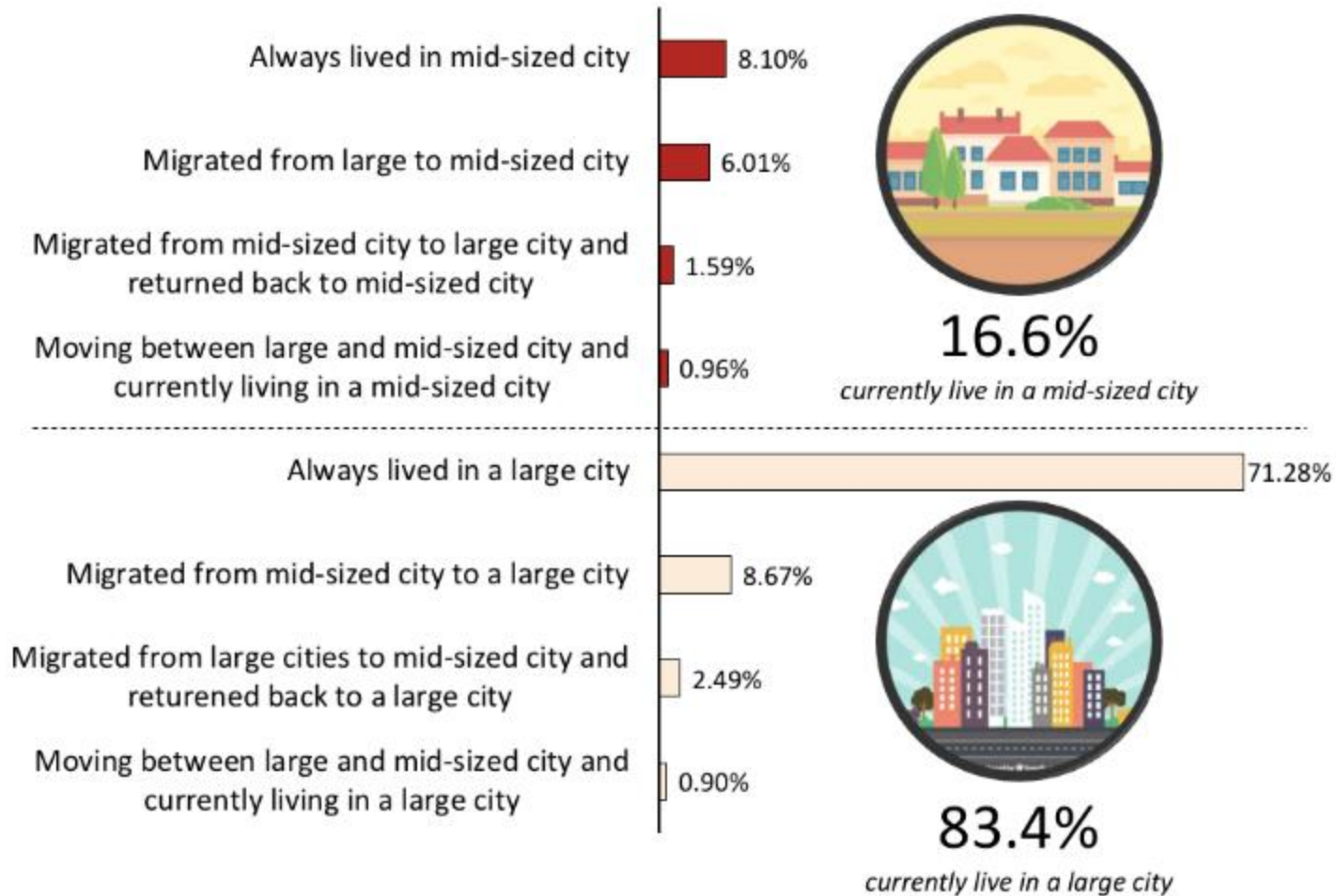
**Sample and ABS distributions across different Australian states and territories**

## Data

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**Migration patterns as a function of current city of residence**

Reason for move	Full sample	Currently living in a mid-sized city (16.6%)					Currently living in a large city (83.4%)				
		Always lived in mid-sized cities	Migrated from large to mid-sized cities	Migrated from mid-sized cities to large cities and returned back to mid-sized cities		Moving between large and mid-sized cities (currently living in a mid-sized city)	Always lived in a large city	Migrated from mid-sized cities to large cities	Migrated from large cities to mid-sized cities and returned to a large city		Moving between large and mid-cities and currently living in a large city
				Reason for move to large city	Reason for return to mid-sized city				Reason for move to mid-sized city	Reason for return to large city	
Employment and industry related issues	27.3%	22.4%	23.2%	31.3%	31.3%	38.0%	17.3%	29.1%	42.7%	29.3%	37.6%
Being close to family	21.2%	32.5%	23.2%	8.3%	18.8%	21.5%	31.1%	18.8%	16.0%	17.3%	14.0%
Place of birth	10.9%	8.4%	20.4%	10.4%	6.3%	6.3%	15.0%	21.8%	5.3%	22.7%	6.5%
Better quality of life	8.9%	10.3%	7.2%	4.2%	8.3%	8.3%	11.2%	1.1%	4.0%	8.0%	4.8%
Education	8.0%	5.2%	8.3%	18.8%	10.4%	3.9%	6.7%	13.8%	9.3%	8.0%	5.4%
More affordable housing	5.1%	5.7%	7.2%	8.3%	2.1%	5.9%	3.2%	2.3%	5.3%	2.7%	2.7%
Attractive environment	3.7%	3.2%	2.8%	2.1%	4.2%	2.9%	3.0%	1.5%	2.7%	2.7%	7.0%
Higher income	2.1%	1.5%	0.6%	2.1%	2.1%	0.0%	1.6%	1.9%	1.3%	1.3%	2.7%
Better prospects to raise children(s)	1.6%	1.5%	0.6%	4.2%	2.1%	1.5%	1.8%	1.1%	1.3%	0.0%	1.1%
Better services (e.g. healthcare, banking, retail, etc.)	1.3%	1.2%	0.6%	0.0%	0.0%	0.5%	1.7%	0.4%	2.7%	1.3%	2.7%
Health related reasons	1.2%	0.0%	0.6%	0.0%	2.1%	0.0%	0.6%	0.8%	1.3%	0.0%	2.7%
Live in community with similar backgrounds	1.0%	1.5%	1.1%	0.0%	0.0%	1.5%	0.5%	0.0%	0.0%	1.3%	1.6%
Greater sense of community and belonging	1.0%	1.2%	0.0%	0.0%	2.1%	1.0%	1.1%	0.8%	0.0%	0.0%	2.2%
Amenities and entertainment facilities	0.8%	0.2%	0.6%	0.0%	0.0%	1.5%	0.8%	0.8%	0.0%	0.0%	2.7%

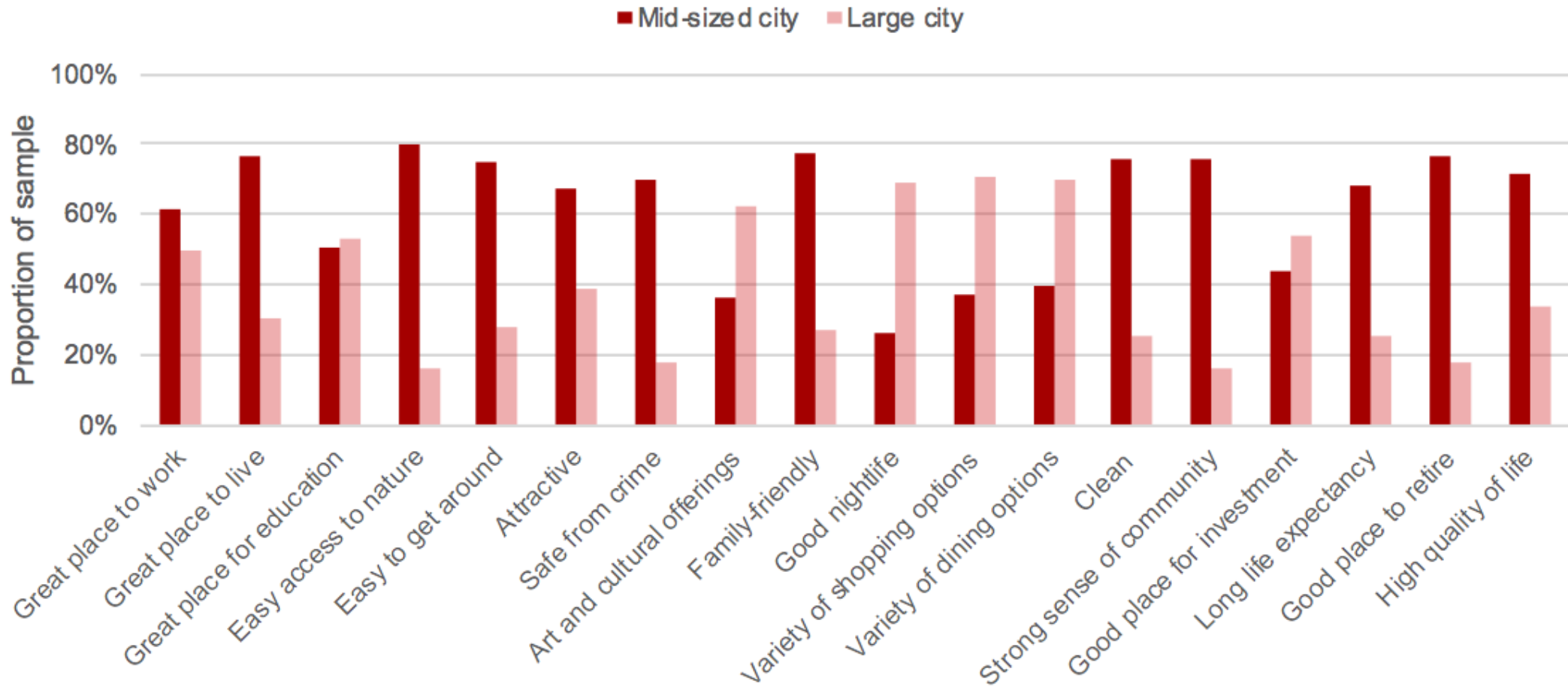
Reasons for settlement in different cities, as a function of migration histories

## Data

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- **Attitudes towards and perceptions of regional and metropolitan cities**
- Stated preference experiment eliciting preferences for regional settlement



**Proportion of respondents that used particular characteristics to describe mid-sized cities and large cities in general**



## Data













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Nationwide online survey of 3,012 demographically and geographically representative Australians administered in February 2021:

- Residential and migration histories
- Attitudes towards and perceptions of regional and metropolitan cities
- **Stated preference experiment eliciting preferences for regional settlement**

Imagine that you could choose to relocate to either of the following two urban areas. Which would you prefer to relocate to? For reference, we show the same attributes for your current city of residence.

Hover your cursor over the  symbol for further information.

	City 1	City 2	Adelaide
 <b>Distance from the coast</b>	200 km	On the coast	11 km
 <b>Population size</b>	100,000	500,000	1,165,639
 <b>Unemployment rate</b>	6%	6%	8%
 <b>Urban centre classification</b>	 Mixed function city	 Mixed function city	 Mixed function city
 <b>Average home value</b>	\$650,000	\$1,040,000	\$474,099
 <b>Average annual income</b>	\$85,000 per annum	\$60,000 per annum	\$73,118 per annum
 <b>Average daily commute time (to and from work)</b>	50 min	70 min	50 min
 <b>Average monthly cost of living per person (excluding housing)</b>	\$1,300 per month	\$1,400 per month	\$1,200 per month
 <b>Climate condition</b>	Cool temperate	Hot humid summer, warm winter	Mild temperate

<b>I would prefer to relocate to this city:</b>	<input type="radio"/>	<input type="radio"/>
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Example scenario from the stated preference experiment

#	Attribute	Range of values
1	Distance to coast	on the coast; 37.5 km, 75km, 200km, 600km
2	Population size: mid-sized cities	5k; 10k; 25k; 50k; 75k; 100k
	Population size: large cities	250k; 500k; 750k; 1m; 1.5m; 2m; 2.5m; 5m
3	Average annual income per person	\$55k, \$60k, \$65k, \$70k, \$75k, \$85k, \$90k, \$100k
4	Unemployment rate	3%, 5%, 7%, 9%, 11%, 13%, 15%
5	Urban centre classification	industry city; service city; connected city; coastal lifestyle city; mixed function centre; agricultural city
6	Average home sales value	\$240k, \$400k, \$560k, \$650k, \$720k, \$880k, \$1.04m, \$1.2m
7	Average daily commute time (minutes)	20, 30, 40, 50, 60, 70, 80, 90
8	Average monthly cost of living for single person (excluding rent)	\$1k; \$1.1k; \$1.2k; \$1.3k; \$1.4k; \$1.5k
9	Climate classification	hot humid summer, warm winter; warm humid summer, mild winter; hot dry summer, warm winter; hot dry summer, cool winter; warm temperate; mild temperate; cool temperate; alpine

**Range of attribute values used in our SP experiments to describe each urban area across different scenarios**

	<b>Class 1 Metropolitan enthusiasts</b>	<b>Class 2</b>	<b>Class 3</b>	<b>Class 4 Regional enthusiasts</b>
<b>Share of sample population</b>	16 per cent	21 per cent	54 per cent	9 per cent
<b>Preferences for city size</b>	Prefer larger cities	Preference for smaller cities, ceteris paribus	Neutral	Very strong preference for smaller cities
<b>Sensitivity to other city characteristics</b>	Care about wages, distance to coast, and access to urban amenities, insensitive to other attributes	Care about unemployment rates, insensitive to other attributes	In descending order of importance, sensitive to wages, living costs, housing costs, commute times, unemployment, and distance to coast	Insensitive to any other city characteristics
<b>Settlement and migration history</b>	Highly likely to have always lived in large cities, and reluctant to leave large cities	Highly likely to be currently living in large cities, but have lived in mid-sized cities in the past, and open to moving to one again	Proportionally split between large and mid-sized city residents	Most likely to be currently living in a mid-sized city, or have lived in one in the past
<b>Attitudes towards large and mid-sized cities</b>	-	Do not view large cities as good places to live, would move to smaller cities if offered support for home ownership	View mid-sized cities as good places to retire, would move to smaller cities if offered support for post-retirement living	-
<b>Demographic characteristics</b>	More likely to be younger, higher-income professionals that are single or part of a couple, and with no children	More likely to be a mix of young individuals living in single or shared households, and middle-aged individuals living in households with children. Tend to be university-educated and employed full-time in high-wage managerial or professional jobs in white-collar sectors.	More likely to be older, lower-income individuals without a college degree that are employed part-time or retired	More likely to be older, lower-income individuals without a college degree that are employed part-time or retired

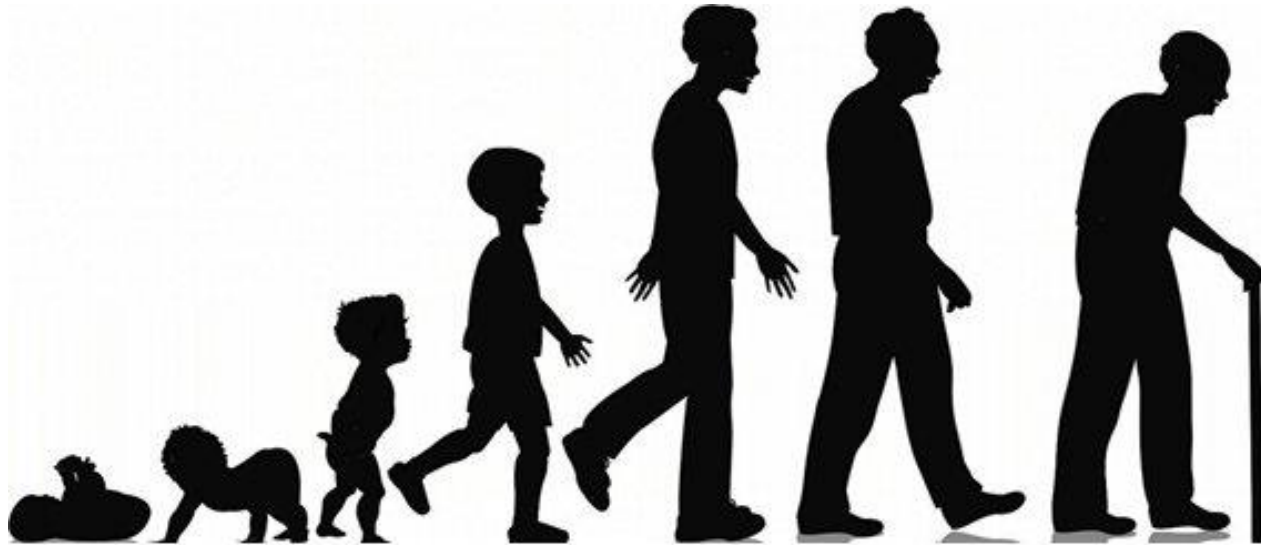
**Narrative summary of different segments in the sample population**

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**Narrative summary of different segments in the sample population**

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**Narrative summary of different segments in the sample population**



## Strong lifecycle effects

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- **Young adults** are most likely to move due to education opportunities
- **Middle aged adults** are most likely to move due to employment opportunities
- **Older adults** are most likely to seek places that can support post-retirement living

## Policy development options

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- 1. Develop higher education institutions in regional centres:** On average, mid-sized urban areas have had net out-migration rates of 30 per cent for young adults over the period 2011-16, and our analysis finds that these individuals place the greatest importance on employment and education opportunities
- 2. Develop local employment opportunities in regional centres:** One-in-five Australians is open to moving to a mid-sized city if it could offer comparable employment and education opportunities to large cities
- 3. Develop digital infrastructure in regional centres to support remote working and long-distance learning:** Widespread adoption of remote working and long-distance learning arrangements during the COVID-19 pandemic could make employment and education opportunities available in regional centres
- 4. Develop physical infrastructure for post-retirement living in regional centres:** One-in-two Australians view mid-sized cities as excellent places to retire, and would be encouraged to move there if they could get support for post retirement living in terms of healthcare, home ownership and access to other amenities.





# Part 2

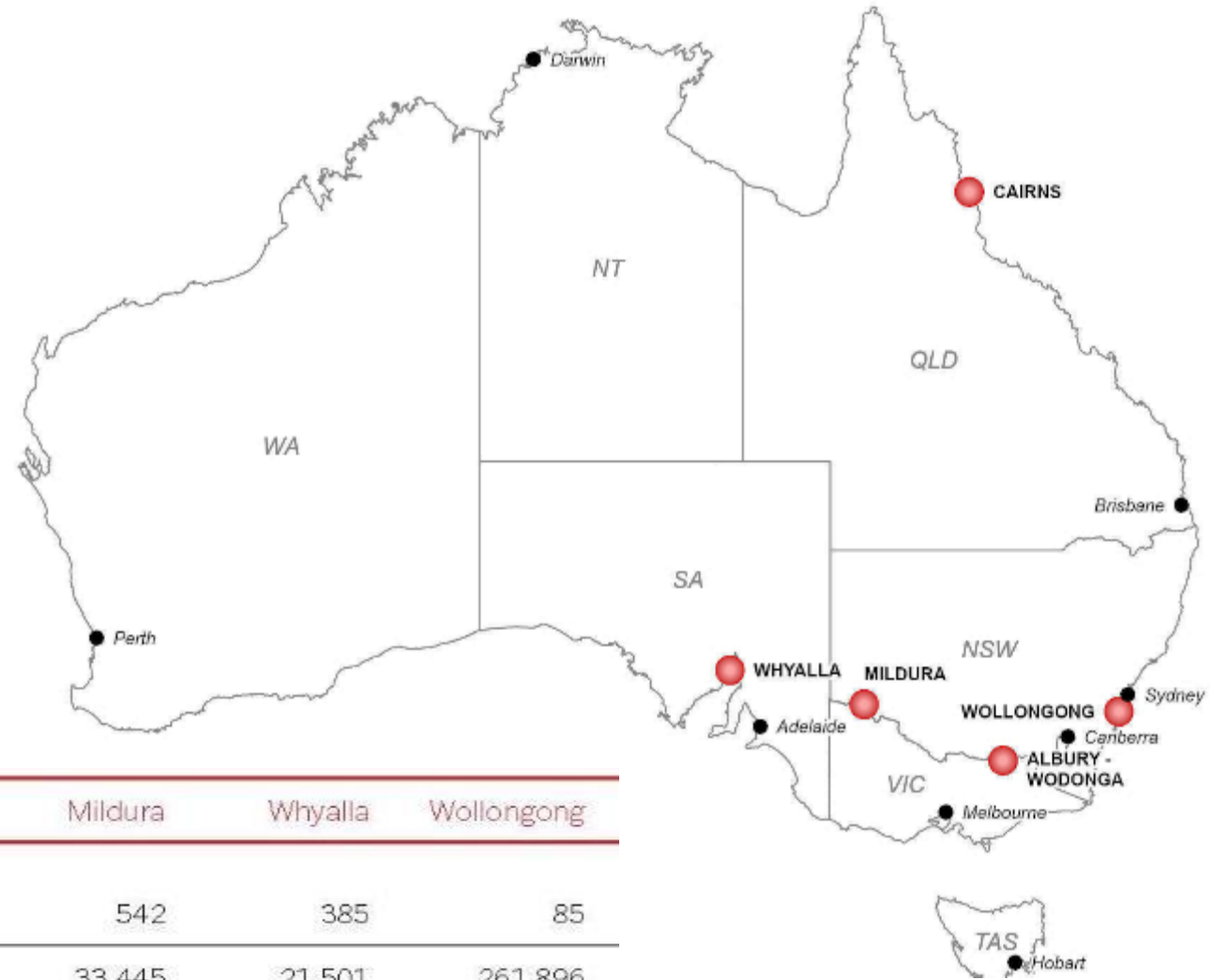
Understanding the lived experience &  
benefits of regional cities

# Research questions & approach

- What are the place-based experiences of residents in regional cities?
- To what degree do residents of smaller cities benefit in terms of housing and employment outcomes?
  - ↳ How do residents feel about the prospect of growth?
  - ↳ How is Covid-19 impacting regional experiences?
- Focus groups with between 7-14 residents in each city
- Stakeholder interviews with local government, key service providers, major employers etc.



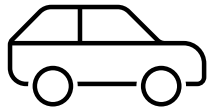
# Case study cities



	Albury - Wodonga	Cairns	Mildura	Whyalla	Wollongong
Distance by road to state capital (kms)	553/327*	1,681	542	385	85
Population - 2016	89,007	144,733	33,445	21,501	261,896
Population Growth 2006—2016	13%	27%	11%	2%	12%

# Key benefits of regional city living

Reaffirms past research re importance of lifestyle factors:



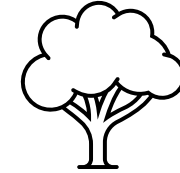
Quicker  
commutes &  
more free time



More affordable  
& spacious  
housing



Greater sense of  
community &  
belonging

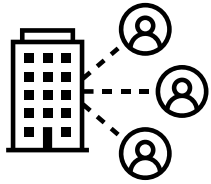


Better access to  
natural  
environments

Amenity is the ‘it factor’ – desire for regional lifestyle prompts consideration of whether other factors can be made to stack up

# Key disadvantages of regional city living

For those who've moved, lifestyle benefits outweigh these disadvantages:



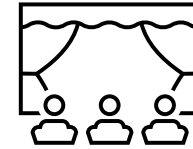
Reduced career opportunities



Tight access to essential services



Declining housing affordability



Less access to cultural, sporting events

# Nuanced responses to growth

- Most participants open to growth if it doesn't diminish lifestyle benefits
- Concern growth will further strain already scarce services (health, education, social housing)
- Concerns about environmental impacts
- Greater enthusiasm if it isn't already happening (e.g. Whyalla)



# Need for place-based planning

While key themes cut across cities, many concerns were localised, e.g.:

- Impacts of administrative complexities for border cities → Albury-Wodonga, Mildura
- Important role as major support hubs for broader regions → Cairns for Cape York, Mildura for Sunraysia
- The loss of support structures (e.g. migrant settlement) formerly provided by major companies → Whyalla, Wollongong
- Specific challenges in satellite cities with growth driven by commuters → Wollongong



# Final thoughts

- Notable that sense of amenity / ‘town feel’ existed across case study cities, despite different sizes
- Regional residents need to feel growth is intended to benefit regional areas, not just something that happens *to* them – i.e. a solution to metropolitan growth pressures
- Strong strategic planning needed to ensure growth doesn’t undermine the amenity benefits which make regional living so appealing







# Audience Q&A

Submit questions for presenters

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A blurred background image showing several people in a meeting or workshop setting, with their hands and arms visible as they interact with documents or equipment.

Thank you  
for attending!

# THANK YOU FOR ATTENDING!

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<https://www.ahuri.edu.au/events/driving-population-growth-regional-cities>

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