

EXECUTIVE SUMMARY

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Place-based drivers and effective management of population growth and change in regional Australia

From the AHURI Inquiry: Inquiry into projecting Australia's urban and regional futures: population dynamics, regional mobility and planning responses

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Executive summary

Key points

- Place-based push and pull factors influence different patterns of population growth and decline across non-metropolitan Australia. The aim of this study is to reveal contemporary push–pull factors influencing population change and identify key policy solutions for managing the impacts of this change.
- Modelling of population change reveals that larger tourism sectors and more graduates in the workforce, as well as increased airport services, are associated with higher population growth in non-metropolitan Australia, while higher dwelling prices have a negative effect on growth. Favourable geographic factors for growth are proximity to the coast and metropolitan cities, and a warmer and wetter climate.
- Respondents to community surveys noted different reasons for moving to selected case study areas, with ‘lifestyle reasons’ selected most by those who had moved to Port Macquarie Hastings, ‘personal reasons’ for movers to Ballarat and ‘employment reasons’ for Broken Hill. Cheaper housing and lifestyle were increasingly important reasons for moving from capital cities to all case study areas within the last five years.
- The likelihood of population churn was high across all case study areas, with the highest number of survey respondents stating they were likely to move away in the next five years coming from Broken Hill (44% of respondents).

- **Poor or inadequate secondary education and tertiary training, health and disability services, crime rates, climate and rising housing costs or lack of availability were stated in interviews as place-based factors for moving from the case study areas.**
- **Policies to support liveability, such as improvements to housing affordability and availability, local health and education services, and local transport infrastructure, as well as funding for regional airports, universities and TAFE campuses could aid population growth and retention.**
- **Coordination across tiers and departments of local, state and federal government and industry is essential to deliver successful place-based solutions to encourage and manage population growth in regional cities.**

Key findings

This study reveals some important trends in population change across non-metropolitan Australia based on key place attributes that determine where people decide to move and when.

Modelling the factors that influenced population change in non-metropolitan Australia from 2011 to 2021 revealed that non-metropolitan cities with more graduates in the workforce and higher tourism and entertainment activity grew faster. Accessibility emerged as a key element: proximity to the coast and to major metropolitan areas emerged as significant positive attributes for growth, while the number of air services was also a positive factor. Meanwhile, higher dwelling prices were found to have a negative impact on population growth. Warmer and wetter climates encouraged population growth.

Reasons for moving to the selected high population change case study areas stated in community surveys largely followed expected trends in Australian and international migration literature, with personal, lifestyle and employment reasons stated most often as key factors in survey respondents' decisions to move. However, the main reasons for moving were differentiated based on the case study location. Lifestyle was the factor selected most by survey respondents who moved to Port Macquarie Hastings (selected by 61% of movers), while personal reasons were selected most by survey respondents in Ballarat (selected by 45% of movers), and employment reasons most by survey respondents in Broken Hill (selected by 58% of movers).

Beyond these main reasons for moving were specific place-based attributes that influenced decisions to move to the case study areas. Access to major cities through strong transport links was a desirable pull factor for Ballarat for those from capital cities, and facilities and services were a pull factor for movers from smaller regional areas. Ballarat also had the highest number of people moving to access better or more affordable housing; however, 'cheaper housing' was also a pull factor to all three local government areas (LGAs) in the study, particularly for those that had moved within the last five years from capital cities. Growing familiarity and acceptance of telecommuting during the coronavirus (COVID-19) pandemic also contributed towards decisions to move from capital cities to Ballarat and Port Macquarie Hastings.

The recent population changes experienced in each of the case study areas posed certain challenges. The key challenges noted in interviews with local government, industry and economic development experts related to insufficient road and water infrastructure, health, and childcare and educational services; insufficient housing supply or growing unaffordability; and, in the case of Broken Hill, the need for key worker attraction to match the growing service demands or prevent further decline.

Despite strong pull factors to the case study LGAs, the likelihood of churn was high across all three areas, which, in some ways, relates to the challenges each face in managing their changing populations. Among the survey respondents in Broken Hill, 44 per cent stated that they were more likely than not to move within five years, while 35 per cent of Ballarat respondents and 30 per cent of Port Macquarie Hastings respondents said they were more likely to move. The possible place-based reasons for moving from each of the case study areas were varied. Gaps in health and education service provision were potential push factors from Broken Hill. Crime rates and the cold climate were regularly cited reasons for considering moving from Ballarat. A lack of affordable housing or rental availability was one of the main reasons stated for possibly moving away from Port Macquarie Hastings, which was the LGA with the highest median dwelling and rental prices. These findings show that place-based attributes are important for determining growth, decline and churn among non-metropolitan cities.

Another key finding was that survey respondents stated that they would most likely move to other regional cities (46% of all respondents) rather than capital cities (30% of all respondents) if they were to move away from the case study areas, which is counter to the overall urbanisation trend in Australia and warrants further investigation into the popularity of mid-sized, regional cities (Crommelin, Denham et al. 2022).

Policy development options

Policies that encourage economic growth and the creation of local jobs remain a key instrument to grow and maintain regional populations, as employment is a key migration driver to non-metropolitan Australia. Supporting local business development, particularly in growth sectors such as tourism, hospitality, tertiary education and renewable energy, could help attract new residents, retain local youth and diversify local economies in non-metropolitan areas. Enhancing internet connectivity and physical transport infrastructure in remote and outer regional areas could also shift commuting zones further outwards and allow people to live in regional areas more confidently, while maintaining employment, study and social ties to major centres.

Housing and lifestyle factors have become more influential on decisions to move to non-metropolitan areas within the last few years, particularly for those moving from capital cities heavily impacted by the COVID-19 pandemic. There is an opportunity to leverage this 'regional revival' through marketing the unique lifestyle attributes of non-metropolitan areas to capital city residents (e.g. building on campaigns such as Move to More and Evocities). However, efforts to maintain housing and rental affordability and liveability need to be implemented urgently in non-metropolitan Australia to maintain 'cheaper housing' and 'different lifestyle' as pull factors, and limit the impact of population growth on communities and local housing markets. Limiting short-term rental accommodation (STRA), providing state and federal government support to build appropriate social and affordable housing, and increasing or attracting trade workers/building inspectors to aid housing construction are potential policy solutions, as well as upgrading and developing air, road and rail services, and health and education infrastructure and services.

In addition, key worker attraction and retention is essential to support growing regional populations (Haslam McKenzie 2011). Government and industry incentives such as grants can be effective for filling vacancies; however, they may only be temporarily effective. Non-cash incentives, such as ensuring childcare, combined with broader approaches to maintain liveability and housing affordability could continue to attract and retain key workers, as with the broader population more generally.

A main takeaway from this study is the importance of timing policy responses with population change and adapting attraction and retention agendas accordingly. Being able to effectively anticipate population growth is critical for timing appropriate interventions to ensure population retention. Local planners in non-metropolitan areas should have access to accurate growth forecasting and research resources to be able to plan as effectively as possible, and should also be able to put in place temporary measures to meet unexpected demand resulting from rapid growth (e.g. through Temporary Local Planning Instruments).

However, another major challenge to being able to keep pace with population change is that governance of the different needs of new residents (e.g. health, housing, transport and education) is delivered by multiple public and private sector bodies beyond the scope of local government. Therefore, state and federal government and industry cooperation is essential. Opportunities for cooperation through strategic planning between different tiers of government and industry in communication with local communities should be sought for areas of high population change. Government bodies like the Department of Primary Industries and Regional Development in NSW¹ could facilitate the interactions between different tiers of government, community and stakeholders to identify appropriate policy responses to the population challenges faced in non-metropolitan cities.

The study

Building directly on previous AHURI research on regional population growth, connectivity and planning (Gurran, Forsyth et al. 2021), the findings of this project quantify place-based push-pull factors influencing contemporary population shifts in non-metropolitan Australia. The study also explores the impacts of these trends for affected communities, examining the role of local, state and federal governments in responding to population growth and change trajectories.

This study is part of a wider AHURI *Inquiry into projecting Australia's urban and regional futures* that aims to investigate the population dynamics and regional mobility trends impacting regional and urban Australia and planning and policy responses. This study specifically aims to identify contemporary, place-based push and pull factors that influence population change in non-metropolitan urban centres and investigate how LGAs adapt and manage growing and changing populations.

Stage 1 of the research identified key factors influencing population change in Significant Urban Areas (SUAs) of non-metropolitan Australia by modelling variables associated with population change identified through a literature review. The models used 2011, 2016 and 2021 Census population and employment data, as well as property, climatic, geographical and air service data from various sources.

Stage 2 of the research involved selecting three LGAs experiencing high population change identified in Stage 1 and examining them in greater depth. Port Macquarie Hastings (NSW), Ballarat (Vic) and Broken Hill (NSW) LGAs were chosen as examples of a coastal lifestyle city, inland manufacturing regional centre and mining resource town, respectively, as they are each experiencing different population challenges. A community survey was conducted in these case study areas to identify contemporary push-pull factors relevant to these different locations. Respondents were asked about their reasons for moving to each case study LGA (where applicable), their experiences and the different place attributes of their area, and, finally, the potential likelihood and reasons for leaving the case study LGAs.

Finally, 19 local government, industry and economic development knowledge holders from the three LGAs were interviewed to identify the challenges they faced, as well as policy development options for managing population change.

¹ Prior to 1 July 2024, during the period that this report was prepared, the Department of Primary Industries and Regional Development was called the Department of Regional NSW (DRNSW). The updated departmental name is used throughout the report except where it relates to pre-1 July 2024 interviewee organisational affiliations and relevant direct quotations.



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