

# Regional city populations change due to locally-specific reasons



Based on AHURI Final Report No. 425: Place-based drivers and effective management of population growth and change in regional Australia

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## What this research is about

**This research examines the factors that may be specific to a place (place-based factors) that influence people moving to and from Australian regional urban areas, and considers policy solutions for managing the impacts of this change.**

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## The context of this research

Governments are interested in encouraging migration to regional areas, both to take the 'pressure' off major cities and to foster sustainable growth in regional areas. In addition, the COVID-19 pandemic is thought to have changed populations in non-metropolitan Australia, possibly causing a 'regional revival'.

## The key findings

### People are attracted to regional areas by lifestyle and employment opportunities

Overall personal, lifestyle and employment reasons were stated most often as key factors in research respondents' decisions to move. Cheaper housing and lifestyle were increasingly important reasons for moving from capital cities within the last five years.

Favourable geographic factors for growth are proximity to the coast and metropolitan cities, and a warmer and wetter climate. Select coastal 'sea change' and high environmental amenity 'tree change' regions continue to attract high numbers of migrants, with some areas being the fastest growing regions in Australia (e.g. Sunshine Coast, Gold Coast).

### Connectivity leads to growth in regional cities

Growth is positively related to connectivity, such as by being close to major railways, roads and airports. Internet connection speeds may also be a factor in migration to certain non-metropolitan areas. Technological advancements and favourable economic conditions may have facilitated the ability of former city dwellers to telecommute from smaller regional locations. Air transport availability also emerges as a significant positive attribute for growth.

In addition, towns closer to larger cities and employment centres tend to grow faster in what is often termed the 'gravity effect'. This is associated with greater access to business services and supplies in large cities and to specialised city facilities and consumer services for residents. Larger cities and those close to capital cities are also less likely to face the stigma of rural disadvantage. Access to hospitals and available health infrastructure can be significant considerations for potential in-migrants, especially for households with specific health care requirements.

### Lower dwelling prices attract people

Lower dwelling prices may also attract people to non-metropolitan regions. House prices have long been considered a driver of migration for those seeking cheaper housing or home ownership, particularly those moving out of higher-priced capital cities.

## COVID effects on regional population migrations may be overestimated

COVID-19 had some impact on population change in the regions. Increased familiarity with telecommuting and working from home is a possible driver for migration to regional areas. At the same time, being less tied to a physical workplace enhanced the opportunity for moves for lifestyle and personal reasons. However, some of the impacts of COVID-19 on migration trends may be overstated or misunderstood, and non-metropolitan population growth may be, instead, more due to population retention in regional areas rather than an exodus from capital cities.

‘Both population increase and decrease cause infrastructure and service challenges.’

## People leave regional cities to avoid natural disasters and for better services

Poor or inadequate secondary education and tertiary training, health and disability services, crime rates, climate change impacts and rising housing costs or lack of availability were seen as place-based factors that might cause people to move from regional cities.

A possible deterrent to relocating to some non-metropolitan regions may be the recent natural disasters that affected many locations across Australia. Widespread bushfires and flooding events may have influenced increased in- and out-migration from select regional locations and increased concerns about disaster risk in vulnerable locations.

For coastal regional areas, risks such as sea level rise, storm surge and bushfires represent critical development constraints. All these factors will present challenges for local government, which is tasked with planning for, and accommodating the infrastructure, housing and service needs of, changing populations in locations vulnerable to natural disasters.

## Population migrations create infrastructure and service burdens

Both population increase and decrease cause infrastructure and service challenges. Population decrease can mean a retraction of services and/or mean that services cost more per person, especially for services with fixed costs such as water supply. Population decrease can also lead to housing problems, including abandonment, asset depreciation and a decrease in the quality of housing stock and services in general.

Population increase can create infrastructure and service shortfalls, while rapid population increases can create housing and rental market booms, especially in tourist destinations where the loss of long-term rental housing to holiday letting creates tight rental markets.

Population growth can change the demographic make-up of a community, while population loss, particularly due to out-migration of young people, can lead to social and economic decline. Many areas in Australia are experiencing skills shortages, and this is most pronounced in remote and very remote areas. The continued out-migration of young adult populations who might otherwise undertake entry level and essential work is contributing to a skills shortage in non-metropolitan Australia. Further, ageing populations in regional Australia put pressure on health services in areas that have long struggled to attract health care workers in sufficient numbers.

## Education and tourism centres create growth

The long-term Census data modelling suggests the university sector has grown at a greater rate than the overall economy; therefore, towns with a greater university presence stand to gain faster growth. Towns with more university graduates may have grown more because of in-migration of professionals able to work remotely, or because highly skilled jobs are growing faster in all sectors across Australian non-metropolitan urban areas.

Towns with higher tourism and entertainment activity grow faster. This may be due to the expansion of tourism/entertainment industries themselves, and/or to the lifestyle suggested by the presence of such industries, which, in turn, encourages more in-migration of locationally mobile sections of the population, including retirees.

## Regional city case studies reveal reasons for moving and future intentions

Community surveys were conducted in three regional cities: Port Macquarie Hastings, Ballarat and Broken Hill.

### Main reasons for moving to a regional area: ‘Work’, ‘personal reasons’ and ‘lifestyle’

The main reasons respondents selected for moving to the case study areas were work; personal reasons; lifestyle; wanting to live in the specific case study area; and housing-related reasons. However, there were key differences in the most commonly selected reason for moving, and this is where place-based drivers seem to emerge.

The reason selected most often by people moving to Port Macquarie Hastings was 'lifestyle', with this option selected by 61 per cent of migrants to the area; the next highest ranked option was 'personal' at 41 per cent. The reasons for moving to Ballarat were less clear, with 'personal', 'work', 'housing' and 'lifestyle' selected at similar frequencies. The main reason selected for moving to Broken Hill was 'work', with 58 per cent of migrants selecting this option; the next highest ranked reason for moving was 'lifestyle' at 37 per cent.

### Future intentions predict a high level of churn

The likelihood of moving within 12 months or five years was highest in Broken Hill; 27 per cent of Broken Hill respondents stated that they were more likely to move away in the next year and almost 44 per cent stated they were more likely to move away within the next five years. For Ballarat, around 35 per cent of respondents, and for Port Macquarie, 30 per cent of respondents, stated that they were more likely to move than stay. This suggests a high level of churn in these case study areas.

In all surveys, younger respondents were more likely to leave in the next one to five years than any other age group. This presents future challenges for the case study cities in retaining young adult populations.

Personal reasons and work were the most highly stated motivations for moving from all three case study locations. However, perceptions of inadequate services, such as primary and secondary education, tertiary education and training, and health and disability services, contribute to moving decisions.

### Regional population changes can create a 'burden'

Interview participants from each of the case study areas discussed the burden of changing population on local infrastructure.

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Having sufficient facilities and services to support growing communities was a major concern. More and better health, educational and recreational facilities and services that meet the needs of the community were seen as future challenges. A decreasing population and lack of educational services can create a feedback effect of further decreasing numbers and closing schools.

Housing was a key concern in all case study LGAs. Housing concerns related to availability of stock, diversity of stock, affordability of rents and property ownership, and quality of housing stock.

In each city, a lack of efficient and reliable public transport was cited as a key factor in creating car dependency. Transport challenges affected the current liveability of the case study areas, with road congestion, lack of local transport and affordable transport to other centres cited as impediments to further population growth.

### In tandem with local upskilling, an external workforce needs to be attracted

A key challenge to filling vacancies for key employment sectors is that local residents may not have requisite skills. The stakeholders considered local education and training opportunities to be important for upskilling more workers.

Attracting key workers into areas is challenging. While incentives, such as large rent subsidies, are offered to those who will agree to take placements, housing challenges, reduced services (i.e. childcare) and other factors of liveability, and lack of job opportunities for a spouse, can be a disincentive.

### What this research means for policy makers

#### Local area growth policies need to be for the benefit of the local area

The research raises a number of implications for policy development. Efforts to shift population into non-metropolitan areas need to be driven by the needs of the local area and not by metropolitan planning agendas (e.g. to reduce congestion or housing shortages/lack of affordability), as this can simply cause the shifting outwards of transport, social and housing impacts.

#### Location 'liveability' leads to long term, thriving populations

The liveability of a location is very important in creating a healthy and 'deep' population, i.e. one that stays and thrives in the region. Overcoming blockages to liveability, such as childcare, housing needs and supply, and transport infrastructure, requires creative solutions. Local governments could consider prioritising childcare provision as part of council business or increasing childcare places in existing facilities if councils already run daycare centres.

## Population growth requires Government working together with industry and private sector

Whole of government coordination, including the different tiers of government (local, state and federal) and across departments (justice, health, education), as well as cooperation with industry and private sector, is required to meet the changing needs of rapidly changing populations in a timely and efficient manner. Increased funding and support from state and federal governments for housing, infrastructure upgrades and essential services are required in both population growth and decline scenarios.

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## Growth areas need adequate infrastructure and stocks of new residential land

Local governments need to ensure that adequate stocks of new residential land to meet future growth are zoned and serviced. State governments need to recognise tourist centres as focal points in state infrastructure policies and plan and fund infrastructure such as schools and hospitals to cope with increased populations.

## Growth areas need diversified employment and educational opportunities

The growth and focus on key industries for a local area needs to be matched with coordinated efforts to diversify local economies. This will ensure that areas are better insulated against the growth and decline of specific sectors.

Improving university education opportunities in regional cities could involve special federal government allocations for extra regional student places and increased capital funding of regional student accommodation.

## Preparing for natural disasters builds community growth

Preparing for the impact of climate change and natural disasters simultaneously builds community and population resilience. Initiatives to increase disaster preparedness could reduce forced moves in the future.

## Methodology

This research analysed population change and place characteristics through statistical modelling and conducted a community survey in three case study areas together with interviews with local council and economic development representatives.

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### To cite the AHURI research, please refer to:

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