Final Report

Rural housing, regional development and policy integration: an evaluation of alternative policy responses to regional disadvantage

authored by

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for the

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EXECUTIVE SUMMARY

Introduction

The past quarter century has seen enormous economic and social upheaval in much of Australia's primary industries. This, coupled with Federal and State government policies since the early 1980s, underpinned by a belief that market forces are the most efficient means of ensuring national wealth and prosperity, have affected the viability of many rural service towns. While the intention of these reforms was to improve national economic competitiveness and well-being, there is considerable evidence that they exposed many rural industries to the volatile global economy (Lawrence, 1987; Taylor, 1996: Smailes, 1996; Black et al, 2000: Pritchard and McManus, 2000). Reductions in public spending have also contributed to a decline in the level of services and welfare available in depressed rural areas (see Black et al, 2000; Argent and Rolley, 2000; Pritchard and McManus, 2000; Tonts and Jones, 1997).

Evidence suggests that there is a link between suitable housing infrastructure and well-being of rural people. Despite this, there is paucity of research in this area. This project contributes to research and knowledge on the links between housing and economic and social well-being in rural and regional areas. The main aim of the project is to determine whether a hitherto neglected dimension of housing can be integrated with regional development policy and program responses in Australia, thereby ensuring improved housing and regional economic outcomes. The study focuses on two case study areas, the South-West Forest Region and the Eastern Wheatbelt Region of Western Australia.

One of the ongoing characteristics of regional development programs across all Australian states is the general absence of an explicit housing component despite growing recognition of its centrality in addressing issues of regional disadvantage and promoting sustainable economic development (Beer, 1998; Budge et al, 1992). The findings of this study reaffirm the importance of suitable and affordable housing to rural economic and social well-being and, argues for the inclusion of housing policy as an integral part of a 'whole-of-government' approach to regional development.

Findings and Policy Implications

This study found that:

Housing and Regional Development

The interrelationship between availability and affordability of appropriate housing, the well-being of communities and individuals, and economic development in rural areas is widely recognised by community leaders, business interests, and service providers in those areas.

In particular, as the economic base of a region changes and diversifies, there is a need for housing to support this by catering for and attracting a diversity of in-migrants (people moving into the region), who may at first be largely transient or uncertain of their commitment to the area. At the very least, this seems to call for:

- a wider-than-traditional range of dwellings to cater for different types of households;

- adequate and affordable rental options;

- good quality subsidised accommodation for key professional service providers in both the public and private sectors; and

- housing for people with special physical, social and cultural needs.

Where the market fails to deliver these requirements, it seems almost certain that some kind of intervention is necessary. A number of policy areas are suggested for public and community housing agencies to focus on:

- development of mechanisms to normalise areas of employment-tied housing in areas where the industrial base is changing. This could include enabling individual title and sale; purchasing the housing and either renting or selling it to the residents; where the housing is substandard, offering alternative accommodation or purchasing it from the resident (if owner occupied).

- provision of appropriate key worker housing of adequate quality in order to attract police, education and health professionals to the regions, accompanied by the retention of public services in the regions to ensure an adequate level of services and facilities. In many cases there will be a need to extend this offer to key professionals working in the private sector, such as general practitioners,

- development of strategies to ensure the needs-identification and provision of housing suitable for young people who might otherwise leave the area, the elderly to be able to remain in the area, crisis accommodation, culturally appropriate (especially Indigenous) accommodation that incorporates appropriate modifications for disabled residents

In spite of this recognition, housing intervention does not currently form an integral part of regional development policy, which in Western Australia is institutionally framed as economic development. Nor are regional development issues traditionally considered in the delivery of public housing services. Indeed, Homeswest operates on a statewide basis, with regional offices primarily devoted to stock management, rather than policy development.

However, there is potential for this to change, In the south-west forest area, housing has been brought in as part of a coordinated effort to address the politically charged employment problems resulting from uncertainty in the timber industry.

In the absence of widespread political pressure, such change may be slower to arrive. Better integration, not just between agency policies at the state level, but between state, Federal and local levels of government, could also help to relieve apparent (perceived?) disparities between service to the regions.

This may be particularly important considering that constraints to addressing the above needs differ between localities, and require different responses.

Greater understanding of housing needs at local level could be facilitated by State Housing Authorities having a representative on appropriate committees, such as local Youth Services Committees, and the maintenance of dialogue with community leaders and community groups such as Progress Associations.

It might also help to encourage the establishment of community-based housing associations in non-metropolitan areas, both to enable local management of some housing services and to provide a conduit between local interests and the State housing authorities (see also "Governance" below).

Housing policy-making can be co-ordinated with planning policy, in particular with regard to land use zoning. Planning authorities can also coordinate land release for residential development and provision of physical infrastructure amongst the relevant agencies. Where development costs cannot be recouped by land sale, there may sometimes be a need for state agencies of governance to bear the financial burden of infrastructure provision.

The demand for housing and the consequences at local level tends to be transient; hence the considerable time lapse involved from proving need to development/construction of housing can result in housing provision being inappropriate. Future policy development might focus on identifying strategies to ensure ready availability of land suitable for housing subdivision, addressing such issues as cost recovery and risks of over supply.

Governance and Planning

There is a perception that policies for rural areas are set and implemented at a distance by uncaring and/or ignorant bureaucrats. This suggests that communication and transparency are essential to the activities of governance and policy-making (see also Hillier 1999).

One way to overcome this perception might be to identify a lead agency, located in the heart of the particular area, with the resources to co-ordinate the strategy for overcoming disadvantage, (including budgetary capacity to fund over and above current agency commitments). Ideally, other agencies involved would also be local, and the strategy would incorporate a whole of government approach (joined-up working) including full participation of local people. This would in effect decentralise decision making, and allow for truly collaborative partnerships and collective leadership.

Further, tensions are likely to rise in policy-making when institutions of governance which bear the imprint of the past attempt to address problems of the future, or when regional differences are inadequately explored (see above).

In disadvantaged regions, in particular, for investment to occur, there must be confidence that policies will not change suddenly. Government should maintain a commitment to disadvantaged areas.

This includes maintaining a positive bias towards people and their needs in disadvantaged regions across all agencies of governance, delivered on a sustainable basis.

To facilitate diversification of employment base for economic development in regional and rural areas, possible strategies might include:

- a vision for the area.

- consideration of the 'triple bottomline', not just economic issues;

    identification of areas where there is a 'comparative advantage' over other centres.

- a co-ordinated marketing strategy for the area, including mechanisms to assist the exploitation of development opportunities resulting from this advantage.

- strategies to deliver cost effective, serviced land in a timely manner for commercial/industrial development, including mechanisms to address issues such as cost recovery and the risk of over-investment in the hope of attracting new opportunity.

- a coordinated transport strategy (including roads, rail and public transport).

- possible attention to the physical amenity of townships, to encourage investment, tourism, and longer stays by transient residents.

- a co-ordinated, joined-up, implementation strategy, involving local participation, is essential.

- encouragement of establishment of co-operative ventures,

- partnerships between agencies of government and the private sector.

Exciting advances can be achieved by the community sector, given appropriate institutional support. Community initiatives can help not only to (at least partially) overcome substantive development issues, but also to build social capital in their communities.

Community develops through networks of trust and reciprocity. In certain disadvantaged regions, particularly where disadvantage is accompanied by conflict, there may be a need to intervene to help (re)build community and social capital. It is important to build on existing networks rather than attempt to impose networks from above.

To help build 'community' there needs to be support for community leaders. Purdue et al (2000) propose a model of community leadership and recommend that agencies of governance support the role of community leaders on an on-going basis through training and offering financial and other means of support to meet practical needs.

INTRODUCTION

Within the context of "responding to regional disadvantage", this project is concerned with the potential for incorporating a hitherto neglected housing dimension into the increasingly integrated approach currently being adopted in regional development policy. Many non-metropolitan regions in Australia are experiencing the negative effects of economic restructuring. The provision of appropriate and affordable housing is a vital component of the responses by government and industry to local socio-economic change in these areas (see Chapter 2).

The main aim of the project is:

To examine the extent to which housing policy is and/or can be more effectively integrated with regional disadvantage policy and program responses in Australia, thereby ensuring improved housing and regional economic and social outcomes.

The study focuses on two non-metropolitan areas in Western Australia: the South-west Forest area (see Figure 1) and the Eastern Wheatbelt (see Figure 2). In both areas, there is a nexus between the local housing situation and a range of other socio-economic issues including declining employment opportunities, access to services, and perceived health and educational disadvantage.

In the more remote parts of the state's South-west the traditional economic mainstay of the timber industry is in decline, threatening the viability of a number of towns where a significant proportion of the housing stock is currently in company hands. In this case, it is the working age population and their families who are most vulnerable to housing stress.

In the Eastern Wheatbelt of Western Australia mechanisation and deregulation, both in broad acre farming and in government and commercial service delivery, are resulting in de-population and service withdrawal. These trends inevitably impact negatively upon the local housing market to the detriment of current residents and deter in-migration. Inter alia, they also contribute to a significant ageing of the local population structure, which has the potential to impact significantly on local housing and welfare requirements.

Chapter 2 of this final report summarises the key points from the Positioning Paper (www.ahuri.edu.au/research/) which examined regional development and rural housing policy in Australia and provided a literature review in relation to these issues. Chapter 3 explains the project's research methodology.

Chapters 4 and 5 present the case study data and identify key issues for the South-west Forest area and the Eastern Wheatbelt respectively. Chapter 6 summarises the findings and draws out key implications for housing and regional development policy.

POSITIONING PAPER

Introduction

This Chapter summarises the key points from the Positioning Paper (www.ahuri.edu.au/pubs/positioning/pp_ruralhousing.pdf). The Positioning Paper examines regional development and rural housing policy in Australia, both at a Federal level and respective state government levels, as well as internationally. Additionally, it provides a comprehensive literature review in relation to these issues. Please refer to the Positioning Paper for full details of the literature review and policy context.

Social and Economic Change in Contemporary Rural Australia

The past quarter century has seen enormous economic and social upheaval in much of Australia's agricultural and timber industries. Increasing levels of global production have created market surpluses for many of Australia's key agricultural exports including wheat and wool with a commensurate sharp decrease in farm incomes and profits. This has resulted in de-population and out-migration from rural areas as farming families leave the industry. These changes have affected the viability of rural service towns through lower levels of spending by remaining farmers. The contraction of local economies, closure of services and reductions in employment opportunities have added to out-migration and de-population. In the timber industry, changing attitudes towards the environment have had major ramifications for many small communities. In timber communities, the goal of environmental protection often comes into conflict with the needs of timber companies, workers and their families, who draw their livelihoods from the forests. Evidence from Western Australia suggests the many displaced timber workers do not leave local communities and this has led to concerns about the socio-economic well-being of these remaining residents as well as concerns for the viability of the town should they leave.

While changes in Australian federal and state government policies since the early 1980s, notably a belief that market forces are the most efficient means of ensuring national wealth and prosperity, were intended to improve national economic competitiveness and well-being, there is considerable evidence that they exposed many rural industries to the volatile global economy (Lawrence, 1987; Taylor, 1996: Smiles, 1996; Black, 2000: Pritchard and McManus, 2000). Reductions in public spending have contributed to a decline in the level of services and welfare available in depressed rural areas (see Black et al, 2000; Argent and Rolley, 2000; Pritchard and McManus, 2000; Tonts and Jones, 1997).

Evidence from the literature suggests that there is a dynamic inter-relationship between indicators of social well-being, eg, access to education, training, employment, health and community services. When one aspect is weak all are affected. It is implicit that housing is included in this equation. There is a similar link between inadequate housing, (whether it is unaffordable, poor quality, has unreasonably high maintenance costs, or unavailable), and poverty, poor health outcomes and generally low living standards (Shucksmith, 1981; Rogers, 1987; Lewis and Sherwood, 1994; Broadway, 2000). Ziebarth, (2000) concludes that the affordability and availability of appropriate housing contributes to regional economic and social development in small rural communities: if such communities do not have a suitable housing infrastructure, arresting population decline and promoting economic growth become problematic.

1996 Census data indicates that housing tends to be less expensive in non-metropolitan compared to metropolitan areas but these figures are not necessarily indicative of the quality of the housing, or its affordability in relation to average incomes in the different areas. Nor doe they provide insights into the extent to which the housing needs of specific categories are being met. Econsult (1989) found that rural housing outcomes are seldom produced by the free interaction of supply and demand factors, but are more often the product of private and public investment. Communities seeking to improve local housing situations must do so within a larger context of economic and political conditions. They must also consider the state's changing priorities between housing construction and renovation. This same study identified that the lower cost of land in non-metropolitan areas is offset against higher construction costs, availability of rental accommodation is often low and entry costs into housing pose major difficulties for low income families in rural areas. Similar conclusions were drawn by Budge et al (1992). Budge et al also identified the 'entrapment' of households in areas heavily dependent on broadacre agriculture. Often the family home is a household's major asset. If it is located in a declining country town, then an inadequate supply of buyers, together with falling prices, may make it difficult to realise the capital that is invested in the family home. Similarly, retirees in declining centres can find it difficult to sell their home in order to buy a smaller dwelling or to move elsewhere (Black et al, 2000).

Contemporary Federal and State government approaches to regional development tend to pay relatively little attention to the role of housing in promoting long term economic and social development. Econsult et al (1989) asserted that a highly significant obstacle to effective housing service delivery in rural areas is the absence of a regional approach to what are demonstrably regional problems. Other studies have also drawn attention to the links between housing and regional and local economic development. Beer (1998) and Clements (1995) note that economic growth can come under threat as a result of shortages in rental accommodation. Clements also noted that the poor quality of the public housing stock in some rural areas was acting as a disincentive to in-migration and population growth. His study also emphasised the need for closer links between housing policy and regional development policy.

Regional Development and Rural Housing Policy in Australia

The Keating Labor Commonwealth Government renewed its interest in regional development policy (Hurley 1994) to the extent that regional development was included in its 1994 *Working Nation* strategy. This strategy promoted the view that "regions should be encouraged to help themselves" (Commonwealth of Australia, 1994:163). Structures put in place under this strategy, however, were dismantled after the John Howard led Liberal-National Party coalition government came to power in 1996. Howard argued that state and local government should take responsibility for regional economic development (Sharp, 1996) and the Federal government would only contribute to regional well-being indirectly through further economic deregulation and reform. This position, however, has been tempered by the resurgence of Pauline Hanson and her One Nation Party including her raising of concerns about the impacts of 'economic rationalist' policy-making on the well-being of rural people.

One of the on-going characteristics of regional development programs across all Australian states is the general absence of an explicit housing component despite growing recognition of its centrality in addressing issues of regional disadvantage and promoting sustainable economic development (Beer, 1998; Budge et al, 1992).

Queensland

In Queensland the responsibility for regional development is spread across a number of state government agencies and supported by approximately 47 Regional Development Organisations, varied in their organisation and created from 'below'. They receive some state government financial support but insufficient to allow them to engage in significant regional development projects or play a significant role in co-ordinating or integrating rural/regional policies.

Beer and Maude (1997) suggest that one of the more significant regional development initiatives in Queensland is the Regional Economic and Development and Future Search program, which provides funding for companies, regional organisations, local governments and community groups to identify, evaluate and promote regional investment opportunities, and to undertake feasibility studies for regional projects. This program does not provide direct funding for regional development, but assists communities to plan for their futures. While there are a number of state government programs aimed at achieving regional economic development, housing tends to remain a separate policy area under control of the Department of Housing. The Department's Rural and Regional Housing Program aims to assist rural and regional communities in providing locally managed long-term rental housing for low income earners, capital funds to eligible organisations, particularly local government, for the construction, rental, acquisition and/or modification of dwellings. The Department also operates a Home Purchase Assistance scheme and manages public rental housing.

New South Wales

The New South Wales government has a long history of active involvement in regional development through funded Regional Development Boards (RDBs) which monitor and promote development, rather than actively engage in regional development projects. The RDOs are supported by an Office of Regional Development which also runs a number of more proactive programs, such as the Mainstreet Redevelopment Scheme (see Beer and Maude, 1997:37). The NSW government also funds Business Enterprise Centres, and has established an Office of Rural Communities within the Department of Agriculture. The government also announced a series of economic development programs as part of its *Rebuilding Country New South Wales Regional Directions Statement* (for a comprehensive discussion see Collits, 2000). However, one of the notable absences from discussions and policy statements on regional development in NSW is housing with these issues left to the Department of Housing. While RDBs do draw attention to rural housing issues, regional development policy and housing policy tend to remain separate in NSW.

Victoria

In Victoria the Bracks Labor government has made the development of regional and rural areas a high priority (see http://www.dsd.vic.gov.au). Regional Development Victoria has whole of government responsibility for shaping policy for regional development and delivers programs to enhance economic and infrastructure development. The government is seeking to enhance the development of rural and regional Victoria in a number of ways which include: supporting new industry development; improving critical transport linkages; linking tourism infrastructure; and improving the links between regional Victoria and the new opportunities offered in education and information technology.

These development initiatives are, in many respects, a continuation of the Kennett government's reform of regional development and local government which amalgamated local government areas and abolished the previous system of Regional Development Boards (Beer and Maude, 1997). This revised structure gave councils a clear directive to pursue economic development in their local areas. While the Victorian approach to regional development provides funding for attracting new industry and investment initiatives, these programs do not incorporate a housing dimension. The Office of Housing in Victoria is located in the Department of Human Services, and offers a range of public housing assistance schemes, but none specifically focused on regional Victoria.

Tasmania

Tasmania was one of the states most affected by economic restricting during the 19080s and 1990s. There are two main components to regional development in Tasmania: RDBs, which operate on similar lines to Queensland and NSW and local government based Business Enterprise Centres (BECs) but neither play an active role in housing provision or policy, the responsibility for which rests with the Department of Health and Human Services. The Department tends to provide assistance to low income earners and does not have a widely recognised role in regional development beyond this.

South Australia

It has been argued that regional development programs in South Australia are constrained by the small size of the state's economy and a relatively low rate of economic and population growth (Beer Maude, 1997). As part of an attempt to address this situation the state government established and Office of Regional Development in April 1999. This office, which develops, co-ordinates and integrates regional strategies is complemented by fifteen state government supported RDBs that aim to facilitate growth, rather than act as developers in their own right. Unlike RDBs in other states, in South Australia they are autonomous rather than government bodies; their boards of management and CEOs are not appointed by the government and their staff are employees of the organisation rather than the government. However, in common with other states, housing is divorced from regional development programs and initiatives. Responsibility for housing in South Australia rests with the Department of Human Services and there are very few programs targeted at rural and regional areas.

Western Australia

Western Australia has a long history of proactive government involvement in regional development and, while there has been something of a retreat from this approach (Tonts and Jones, 1997), successive state governments have maintained regional development structures. Western Australia is divided into nine Regional Development Commission areas, the boards of which have diverse representation, with ministerial and local government appointees and community membership. The Commissions promote 'self help' and encourage, facilitate and monitor development. The various Commissions have tended to be successful in facilitating development in those areas with sufficient economic and social capital to initiate and support local development initiatives, rather than stimulating growth in the smallest and most impoverished communities. Furthermore, the focus of the Commissions is clearly on regional *economic* development.

The Western Australian major policy document *Regional Development Policy for Western Australia* (Department of Commerce and Trade, 1999a) outlines a series of social and economic objectives, including the delivery of 'housing needs and diversity'. As such, it is one of the few recent Australian regional development policy documents that gives explicit attention to rural housing issues. In February 2001 a Labor government was elected to power in Western Australia. Labor's policy document on regional development *A Fair Go For Regional WA* describes the state government's role in regional development as providing key public services, particularly in health, education and police services and essential infrastructure (page 1). Labor is planning to establish a Department of State and Regional Development and a Cabinet Regional Sub Committee and introduce portfolio responsibility for individual regions to cabinet ministers. Through these initiatives, it is argued, people living in regional areas will have adequate opportunity to be consulted and heard in government decision making that affects them. Responsibility for housing under the Gallop Labor government remains with the Department of Housing and Works and is not mentioned specifically in its regional development policy document, nor is there specific mention of regional housing in Labor's housing policy document. Labor acknowledges that the provision of housing is inextricably bound with the creation of sustainable and vital communities, and to this end, will ensure that the old Ministry of Housing/new Department of Housing and Works is fully integrated with the government's proposed administrative structure for planning in Western Australia. This, however, is stated in the context of metropolitan Perth and is, therefore, ambiguous as to its relationship to regional and rural Western Australia.

Responsibility for rural housing issues in Western Australia lies with the Ministry of Housing/Department of Housing and Works. The Ministry of Housing/Department of Housing and Works offers a number of important services in rural areas. For example, Homeswest provides public rental accommodation for low-income earners but in recent years it has tended to reduce the number of new homes built in smaller country towns. The Country Housing Authority (CHA) provides farmers, businesses, service providers and local governments with access to low cost finance for housing purchase/construction and has been involved jointly with local government to provide housing for groups in need. The Government Employees Housing Authority (GEHA) provides state government teachers and police officers with housing throughout rural Western Australia.

Summary

Australia-wide, the responsibility for both housing policy and regional development policy tends to rest with the state governments. The limited policy linkages between the two areas, however, suggest low integration between them. Regional development throughout much of Australia tends to conform to a lightly funded self-help model that eschews proactive government involvement in economic and social development (Cahill, 1995; Mouritz, 1998; Wildman et al, 1990). This is despite the growing recognition that many smaller rural communities do not have the necessary capital to initiate successful revitalisation efforts (Sorensen, 1993). The provision of quality housing for rent and purchase is expensive (and often beyond the means of local communities), but critical in addressing problems such as economic decline, de-population and rural poverty. While some state government housing agencies have engaged in rural housing programs, these are rarely integrated into regional development schemes. Western Australia offers one of the few examples of an attempt to integrate housing within a wider regional development framework. Yet in Western Australia, there also is a tendency to under-emphasise the role of housing in rural economic and social development.

Regional Development and Rural Housing: An International Perspective

The European Union (EU) takes a leading role in regional social and economic development. It recognises that one of the most important means of ensuring economic and social well-being of rural people is to ensure adequate housing with no major difference in the quality of housing between urban and rural areas or between its member states (Parmentier, 1998). This being said, however, responsibility for housing policy still rests with the member states (Partmentier, 1998).

In Denmark and Belgium housing policies have focussed on promoting home ownership and providing affordable rental accommodation. In Denmark, there is a commitment to providing affordable housing to disadvantaged groups in both urban and rural areas. Sweden, with its deeply embedded social democratic and welfare traditions has probably gone further than any country in the world to ensure that its residents are decently housed (Appelbaum, 1986). Housing policy in Sweden is closely integrated with regional development policy, which is the responsibility of the Lanstyrelse. This agency develops programs that aim to stimulate rural economic and social development.

In the United Kingdom, one of the most important developments in housing policy over the last two decades has been the sale of publicly owned housing. Ramifications of this policy include the opportunity for young, dual career, and largely urban families to move to the countryside (Chaney and Sherwood, 2000). The people are likely to be younger and wealthier than the existing population in rural communities, and are in some cases, 'pricing-out' local residents (Murdoch and Marsden, 1994; Cloke et al, 1991, Milbourne, 1998; Rogers, 1987; Shucksmith, 1981, 1990).

In Scotland, one of the first priorities of Scottish Homes, formed in 1989, was to address rural housing issues, with its most innovative programs being the establishment of ten Rural Demonstration Areas to test and demonstrate innovative policy mechanisms and housing techniques; the development of Local Housing Agencies – private sector organisations set up to provide specified housing services in local areas; and engagement in rural housing regeneration projects.

While housing in the United Kingdom is predominantly the responsibility of the national government, rural development policy is closely linked with the regional development programs of the European Union (EU). For example, the England Rural Development Program is co-financed by the EU and the British Ministry of Agriculture, Fisheries and Food. This program provides a range of support for rural development initiatives, including vocational training schemes, farm business development schemes, environmental protection, and village rehabilitation programs. The policy does not cover issues associated with housing, largely as a result of the funding regulations imposed by the EU. However, this may change under proposed changes to EU regulations that enable regional development funds to be spent on housing projects.

In the United States, housing assistance is a central component of strategies designed to alleviate rural disadvantage and promote regional economic and social development (but see Gleeson and Carmichael 2001). Perhaps the most significant institution in terms of funding that links regional development and housing is the United States Department of Agriculture's (USDA) Rural Housing Service (RHS) through its Farm Labor Housing Program. This program provides funding for farmers, associations of farmers, and other rural employers to construct housing for employees.

In terms of rural development policies and programs, the RHS is closely linked with the USDA's Rural Development program. This agency provides an important role in identifying areas of housing need, and co-ordinating the activities of the RHS with other rural development strategies.

Despite the existence of numerous rural housing and development programs, there remain considerable housing problems and levels of disadvantage in non-metropolitan America (Belden and Wiener, 1999). As in the United Kingdom, counter-urbanisation trends have fostered population and economic growth in many rural areas. While this has the capacity to deliver economic and social benefits, it can also contribute to rapidly rising housing prices, usually to the disadvantage of lower income earners and first home buyers (Ziebarth, 2000).

Summary

While the literature suggests that housing is a critical element of regional economic development and, as such should be seen as an investment rather than a cost, housing policy and regional development policy are often divorced. Indeed, housing as a policy area, is often found to be separated from and/or seen as an adjunct to other areas of policy such as transport infrastructure, education, health and welfare policies in general. This research will examine the extent to which housing policy is integrated with regional development policy in Western Australia within the context of two rural case study areas. As such, it will contribute to what at present is a paucity of research in Australia on the links between regional economic and social development and the role of housing in such development.

RESEARCH METHODOLOGY

Introduction

This Chapter outlines the research methodology used in the research project. It begins by discussing the selection of the case study areas and summarising the reasons for a change in research methodology from that proposed in the original research grant application to AHURI, before outlining the fieldwork and analysis components of the research.

Selection of Case Study Areas

This project researches two case study areas in an attempt to address the main aim of the project, namely:

To examine the extent to which housing policy is and/or can be more effectively integrated with regional disadvantage policy and program responses in Australia, thereby ensuring improved housing and regional economic and social outcomes.

The case study regions have been selected on the basis of previous research (see for example Tonts and Jones, 1997; Hillier, 1998; Hillier, 1999) and in consultation with local governments, regional development organisations, state government agencies and university researchers. Both areas represent non-metropolitan regions negatively affected by economic restructuring, and have unique housing needs which have often been overlooked by policy makers and researchers (see Black et al, 1999; Budge et al, 1992).

The case study regions are:

The South-west of Western Australia, which is experiencing severe adjustment pressures and disadvantage associated with the decline of the timber industry. The shires of Manjimup, Nannup and Bridgetown-Greenbushes are representative of the wider south-west region.

The Western Australian Wheatbelt, which has experienced severe decline and socio-economic disadvantage as a result of agricultural restructuring. The Shires of Kondinin, Kulin and Corrigin are representative of the wider Wheatbelt region.

Summary of Change to Research Methodology Originally Proposed

As outlined in the Research Grant application, the initial intention was for the research team to produce a Discussion Paper stemming from the Positioning Paper. This Discussion Paper was to be distributed to the Project User Group[1] and also to relevant State and Commonwealth government agencies and non-government organisations that are not members of the User Group.

It was further intended that the discussion paper would form the basis of a series of workshops with stakeholders. Workshops would be held (i) in the case study regions, (ii) with members of those agencies that are sent the discussion paper, and (iii) with the User Group. However, in the South-west forest region, the researchers rapidly discovered that there had been an over-saturation of focus groups, workshops and questionnaires and that 'consultation fatigue' had set in amongst many local people. Additionally, the Western Australian state election was called for

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[1] Appendix A provides a list of members of the User Group for this project.

February 2001 and with many stakeholders in election mode, it was considered that respondents would engage in position-taking and, therefore, true opinions would be difficult to obtain. Fieldwork was consequently delayed until mid-February coinciding with fieldwork in the Eastern Wheatbelt case study area and after the WA election was over.

Fieldwork

A total of 45 in-depth semi-structured interviews were undertaken in the two case study areas with staff from state government agencies (including the relevant Regional Development Commission), local government agencies and shire councillors, business leaders, community leaders and community members. Interview questions and themes related to the key research objectives of:

- identifying housing issues in small rural communities,

- examining the links between housing and regional development and

- identifying the extent to which a 'whole of government' approach to regional development policy in Australia includes a housing dimension.

Responses were subsequently analysed using the computer based qualitative data program NUD.IST, to identify the key issues and perceptions emerging from the interviews. (NU.DIST clusters of data were produced around key issues including those of housing, economic development, a whole of government approach and so on, as detailed in Chapter 4.). Primary qualitative data from the south-west forest area fieldwork have been bolstered with access to material from the considerable range of non-AHURI consultation processes in that area.[2]

The results of these consultations have been further analysed in relation to the areas' statistical profiles (ABS 1996) and to the policies, plans and activities of government agencies in the areas (see Chapters 4 and 5).

From these analyses a Work in Progress Paper (www.ahuri.edu.au/research/) was prepared and distributed to members of the User Group. Following consultation with the User Group, policy implications of the research findings were examined (see Chapter 6), and this final report completed.

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[2] Appendix B provides a list of non-AHURI consultation processes accessed for this research.

CASE STUDY 1 - THE SOUTH-WEST FOREST AREA

Introduction

This Chapter reports on the South-west Forest Area case study. Following some brief contextual and background information, it lists the key relevant findings from the in-depth interviews (using the main issues ascertained during analysis of NUDIST data), relating these to current government policies and plans. A brief analysis is then offered, focusing on the roles of housing and coordination in regional development policy and implementation.

For a detailed description of the historical, demographic, economic and social contexts of the case study area and for detail on a wider range of issues emerging from the interviews, refer to the Work In Progress Paper (www.ahuri.edu.au/research/).

Background

The South-west Forest Area essentially comprises the local authorities of the Shires of Manjimup and Nannup and incorporates the townships of Manjimup, Northcliffe, Pemberton, Nannup and Bridgetown (see Figure 1). Manjimup is the main centre for the area's trade and administrative services; however most government agencies have only minor offices there, managed by the regional office in Bunbury[3]. (It should also be noted that the WA Department of Commerce and Trade also recognises the Warren-Blackwood region as an entity, which comprises the Shires of Boyup Brook, Bridgetown-Greenbushes, Manjimup and Nannup.)

The study area supports a range of forest and agricultural based industries, which at the 1996 Census collectively employ over 25% of the area's workforce. Native jarrah, karri and marri forest, together with pine and blue-gum plantations, provide a dominant proportion of the Western Australian sawlog and chiplog production. The western part of the study area is heavily under horticultural production, especially cauliflowers, potatoes and onions, with some recent diversification into soft fruit such as plums and cherries. In the east, the drier climate sees broad-acre agricultural production of sheep, wheat and canola. Vineyards are increasing across the area as is niche market aquaculture production of commodities such as trout, marron, and yabbies.

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[3] Appendix C lists the government departments with a presence in the South-west Forest Area and the community services available in the Shires of Manjimup and Nannup.
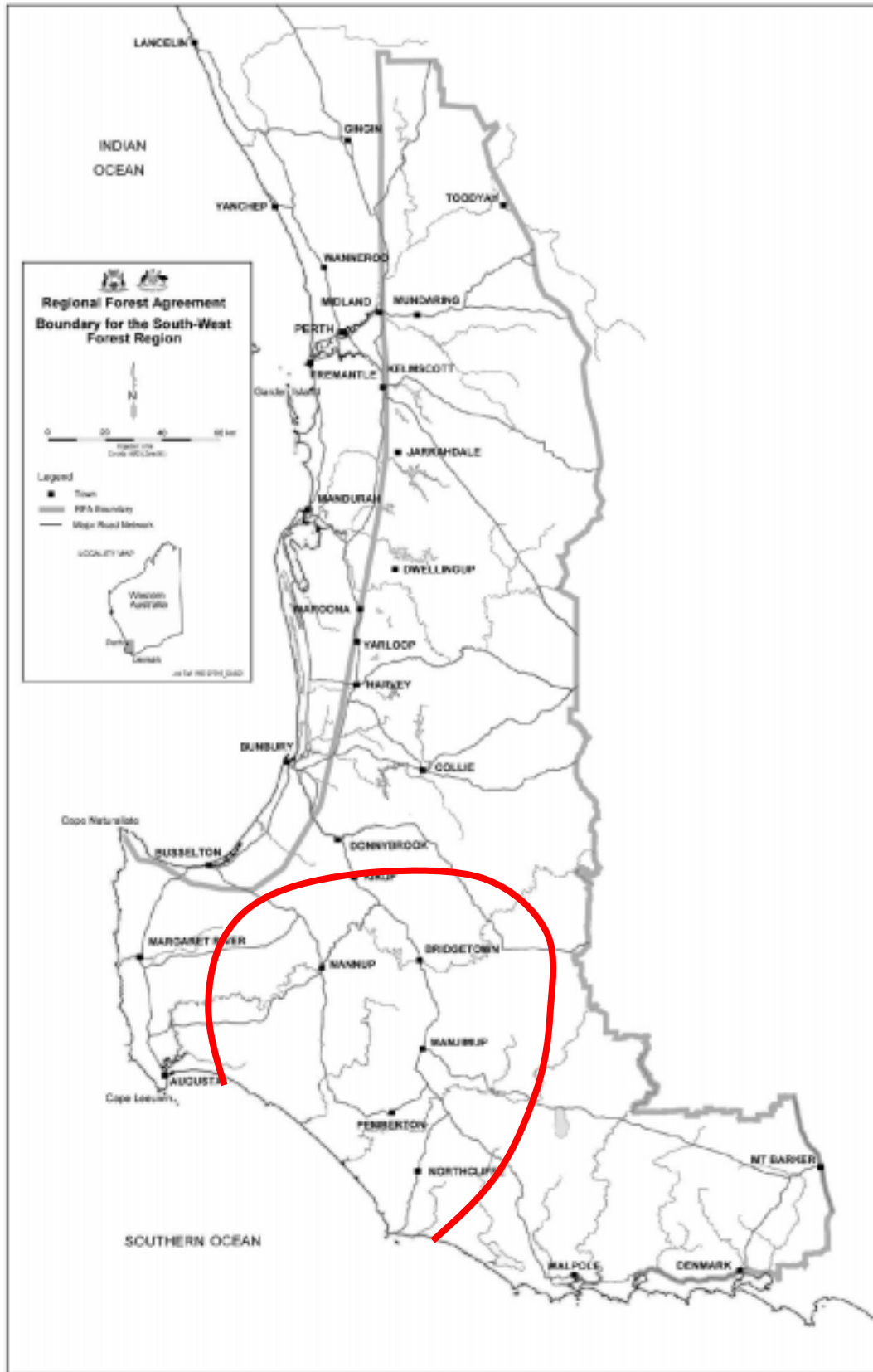
Figure 1: The South-west Region and the AHURI study area

The area's economy is under pressure, however, from the outcome of the WA Regional Forest Agreement (CALM, 1999) and the current Labor government's commitment to cease logging in old-growth forests. In 1998, the RFA - and in particular its provisions for continued logging in old growth forests - became the focus in Western Australia of extensive high profile controversy between conservation interests, the timber industry, and timber workers fearful for their future employment. The political intensity of this conflict was such that it led to the abolition (or comprehensive restructure, at least) of the responsible government department, and is generally acknowledged as a major factor in the defeat of the Liberal government in 2001.

The horticultural industry is also under current threat as market prices have declined for soft fruit to a level below viable harvesting. Unemployment, while low in relation to State and National averages, appears to be on the increase, and the timber-reliant town of Pemberton has suffered some population decline.

Population levels overall, however, are fairly stable, with inmigration of early retiree 'lifestylers' balancing outmigration and death rates. This trend contrasts with an average annual growth rate for the southwest as a whole of 2.5% in 1999 (SWDC, 2000: 9).

Educational and professional qualifications are extremely low and annual household incomes are among the lowest in Western Australia. Home ownership is relatively low, with the proportion of households living in rental properties at 27% some three times greater than the Western Australian average of 9%.

The 1996 Census indicated only some 178 Aboriginal people resident in the study area, with 124 of these persons living in Manjimup.

Findings: Housing and Regional Development

When asked how housing figures in regional development, Don Punch, Director of the South-west Development Commission, replied that it links into

> "what is commonly called the triple bottom line of regional development, which is social, environmental and economic interaction, and housing really interfaces across to both the economic and the social and it also flows back into the environmental."

Housing, then, is recognised as having broad implications for regional development policy. Although the first "issue" that all respondents mentioned was related to employment, housing clearly emerged as having a number of important roles in terms of overcoming regional disadvantage, including:

- directly affecting residents' quality of life and financial resources;
- potential to encourage or discourage in-migration and stability;
- being in itself a site for local investment;
- potential to attract or deter quality employees, particularly in the service and administration sectors;
- presenting opportunities for culturally and demographically diverse resident groups;

This section presents the issues raised by interview respondents with respect to each of these roles, and outlines some government policy and community-based responses

Quality of life

Money

> "These people are on low wages. They go from week to week and they are not currently eligible for our assistance in terms of Homeswest housing. Nor will they be until they lose their jobs." (Ministry of Housing/Department of Housing and Works officer, Bunbury Regional Office)

The quote above, originally about workers in the timber industry, can be extended to describe a housing-related poverty trap experienced by many in the in the South-west area. With over 70% of households earning less than $52,000 per annum (1996 Census), and little certainty about the nature of future employment in the region, there is clearly a need for a range of low-cost housing.

The Ministry of Housing/Department of Housing and Works has a construction program to increase their Homeswest stock and reduce waiting lists. This involved the construction of nine rental houses in 1999-2000 and a further six in 2000-01. However, DHW also acknowledges that this will not meet the expected demand, and that eligibility for these homes is constrained by central policy. Rather, the majority of low-income earners must look to the private market to meet their accommodation needs.

Real estate agents interviewed for this project reported a scarcity of private rental accommodation throughout the area, which contributed to rental prices being rather high (in January 2002 a typical 2-bedroom home in West Manjimup rented for $130 per week (*The West Australian,* 2/2/2: 69) comparable to a "middle of the range" metropolitan suburb in Perth (two-bed villas in Tuart Hill rented for $115-135 per week in January 2002).

Further, the majority of respondents reckoned house prices to be overpriced. In April 2001 prices ranged from $90,000 - $170,000 at Manjimup, $100,000 - 115,000 at Pemberton, and $179,000 - $250,000 at Bridgetown. The upward trend was expected by respondents to continue (and has done so. For January 2002, *The West Australian* (2/2/2) listed indicative prices as follows: Manjimup, $215,000; Pemberton, $150,000 - $500,000 (the latter for a 65 ha property); and $180,000 -$875,000 in Bridgetown (the latter for 38 acres).) The trend is driven by a shortage of land (see 4.3.3 below) and a steady influx of relatively wealthy "lifestyle" retirees.

Security

The uncertainty surrounding the future of south-west industries affects the security not only of workers' employment, but in many cases of their housing as well. In Manjimup, for example, over 150 households are established in properties tied to their employment. In Pemberton, more than 30% of the population lived in company houses in April 2001.

When Whittakers timber mill closed in 1999, MoH/DHW was called upon to assist the retrenched workers, and took over six houses from the receivers of the mill to ensure that these tenants had some security of tenure. According to a regional officer, however, MoH/DHW's ability to continue to do this is limited, as much of the company housing is below their standards. The officer further mentioned that 57 company houses in Pemberton were in "such poor condition that I would choose not to take them on".

In general moreover, converting tied mill houses to individual ownership is a lengthy business, as they are located on Crown land with no separate titles. However,

Bunnings/SoTiCo have commenced the process of subdividing these parcels and offering the properties to their tenant employees at reduced prices. Several of Bunnings/SoTiCo's houses, however, cannot be so treated, as altered environmental requirements mean that they are now located in the mill's buffer zone.

More generally, employment uncertainty places workers' private ownership of homes at risk. MoH/DHW has responded to this issue by providing bond assistance to any homeowner in the regions wishing to move to gain employment opportunities, but unable to sell their property during the economic downturn. They also provide financial counselling and assistance with restructuring or refinancing home loans, in particular through the Keystart program.

Comfort

As indicated above, there is at least a perception that many households, particularly in Pemberton, are living in substandard housing. According to real estate agents, much of the existing housing stock is old, which means not only that it is in need of repair, but that it does not conform to contemporary expectations of comfort, for example:

> "The company housing is below our standards. It has outside toilet facilities and that is a standard that we do not deal with any mor*e*." (MoH/DHW regional officer)

In response to this, MoH/DHW has brought forward its refurbishment program with fifteen houses across the Region upgraded in the 1999/2000 program. A further fourteen houses will be upgraded in 2000/01, in Manjimup, Bridgetown, Boyup Brook and Walpole. The refurbishment program is a Ministerial initiative to ensure that the standard of country housing is brought in line with the standard of the Ministry's metropolitan stock. Where possible contracts are let to local companies or successful tenderers are encouraged to use local sub-contractors.

A further issue identified by several respondents was the need to cater for residents with special needs. See 4.3.5 below for more detail.

Population

The problems noted above are seen to disadvantage the south-west area, as quality of life is a key factor in location decisions taken by both migrants and investors. Anecdotal examples were given, by several respondents, of people leaving the area (and, indeed, deciding not to come in the first place) because of inadequate, too-expensive, or non-existent housing options (See 4.3.4 below). It has been noted that the study area, while attracting some retirees, has failed to match the wider region's growth.

Investment

The most frequently mentioned issue with respect to local investment was a shortage of land, either for residential development or for industry. Although there are large vacant parcels of land in the area, these are all either unallocated Crown land, or in fragmented ownership. Several instance were reported of landowners in these areas not wishing to release their land for development, and in particular, not agreeing to sell to the Ministry of Housing/Department of Housing and Works.

In the case of the former, as the respondent from DOLA pointed out, land release is subject to the provisions of the Native Title Act, making it less straightforward than in the past:

> "If we can't find any previous extinguishing tenure then the land might have been held in a freehold capacity or a lease and we have to go through Future Acts process and that requires us to consult, advertise, and negotiate and that could take a long time – 12 months, 2 years – so that can be a real restrictive factor" (DOLA officer).

The Ministry for Planning (MfP) has commenced two major activities to address the perceived land shortage. A land release survey for the entire south-west forest area will produce an inventory of physical and social infrastructure, land availability, servicing constraints, environmental and engineering issues, and other relevant information for each town. In the Warren Blackwood region, a "developer's intention" survey is also being carried out to ascertain plans for vacant lots over the next five years. The intention is to determine how much and which land will be suitable for residential (or other) zoning in the local authorities' town planning schemes.

The Local Planning Authorities at the Shires of Manjimup, Nannup and Bridgetown are currently in process of reviewing their Town Planning Schemes which identify new land areas to be zoned for residential development. The land shortage also features as a specific issue to be addressed in Manjimup Shire Council's consultant's brief to devise a Local Planning Strategy for the Shire of Manjimup. However, and somewhat surprisingly, it does not appear in the South-west Development Commission's (SWDC's) Warren Blackwood Action Statement (see 4.4 below).

Exacerbating the costs and delays associated with the land shortage, according to several respondents, are infrastructure problems, notably the relatively high cost of headworks such as sewerage:

> "When you provide a fully serviced block of land, the cost of providing the services on top of the initial cost of the land means that the selling price you have to charge for the land, to get a return on your investment or just to cover your costs, is often well beyond the sale price or the value of the land." (MfP officer, Bunbury regional office)

In Bridgetown in particular, topographical considerations make sewerage provision difficult, a factor which has contributed to the development of the "Bridgetown Ring", an area of larger lots zoned 'special residential' or 'special rural' and allowing for onsite sewerage disposal. This has created a virtual "noose around the town" (real estate agent) for when the opportunity arises to develop smaller residential lots.

Workforce

It has been noted that in-migration and stability are affected by a shortage of affordable and adequate housing in the area. This problem was cited by several respondents as affecting prospective workforces and retaining young people in the area. For example, resort and hotel managers complained about the difficulty of attracting and keeping workers from outside the local area due to a shortage of rental accommodation and the high costs of available rentals.

Employment in the south-west region has a high profile, the result of extensive debate over the old-growth forests issue, particularly leading up to the 2001 State election. One response to fears about local employment has been the introduction by MoH/DHW of concessional housing loans for businesses which employ retrenched workers and assist in keeping families in the region, and low interest loans for local authorities to implement projects/schemes which assist local business and/or

families. This is seen as a way to both relieve the housing shortage and to encourage local employment.

The WA Department of Training, at the same time, has put a retrenchment coordinator into the three factories which announced closure plans in 1999: Simplot (potatoes), Whittakers (timber mill) and Bunnings (timber mill). Each employee was offered the opportunity to meet with a coordinator to ascertain their training needs in order to find new employment, and the coordinators made contact with prospective employers to try and place the retrenched workers. Employers were also offered training assistance of up to $1000 to help the retrenched workers develop the requisite skills for their new job. These initiatives support the MoH/DHW's actions noted above.

While the issue cited above might appear to be industry's problem rather than the community's, it extends to workers that provide essential services, such as doctors. Key worker housing is deemed important to act as an incentive to attract key employees in both public and private sectors. As the respondent from Warren Blackwood Health Services stated,

> "you're competing in a small market and the physiotherapists, or a doctor, those people have got a lot of options where they can go and work. We are competing with places like Bunbury, Albany along the coast. And sand, sun and surf is a pretty big draw. So we have got to have as good or superior facilities to get them to say 'I'll have a go at Manjimup."

Not only does there need to be reasonable accommodation, but the houses need to have reasonable facilities in them. The Health Services respondent quoted instances of people being shown "little old timber houses from way back in the logging era" which were below expectations and rejected.

The CEO of the Shire of Nannup also complained about the shortage of key worker housing. He estimated that another four of five houses would make all the difference in Nannup.

The issue also affects the public sector. In the mid-1990s the then Liberal government in WA decided that public sector agencies should concentrate on their 'core business' and that provision of housing for public servants moving to country areas was not 'core business'. Agencies were required to sell off any such housing on their books. The Ministry for Planning respondent from the Bunbury regional office also commented that

> "it is government policy south of the 26th parallel that when you come to these areas, you find your own place. I find that a bit of a difficulty, because if you employ a specialist or a professional officer from over east there is nowhere for them to go while they are trying to get themselves established."

Several respondents claimed that government agencies have subsequently lost some key staff "because we didn't have decent accommodation" (John McGeddon - Warren Blackwood Health Services, interview). As this respondent continued:

> "I can recall three occasions where staff were thinking about moving and the housing was not suitable". People "aren't prepared to buy their own homes and rent is generally very expensive. … They are not going to leave the city and go out bush to live in sub-standard housing".

The WA State government now appears to have recognised the problem. The Government Employees Housing Authority procured seven dwellings in the Region in 1999/2000 with up to twelve programmed for 2000/01. The contrast should also be noted with the Wheatbelt study region where GEHA housing has been of continuing importance throughout the 1990s (see Chapter 5).

Social diversity

A major need in disadvantaged regions is economic diversity. In the south-west, for example, tourism and service industries are seen by stage and local authorities as strong possibilities for future economic growth, filling the gap left by the decline in the traditional mainstays of timber and agriculture. Economic diversity means social diversity. This, in addition to national trends (reflected in the study area) towards an aging population and wider variety of household types, mean that there is a need for a wider range of accommodation, and accommodation catering for people with special needs. Respondents were clearly aware of this, and cited a number of related issues.

> "Young single people are leaving home, but not leaving town" (Ministry of Housing/Department of Housing and Works officer, Bunbury).

There is an increasing demand for singles accommodation at affordable prices. However, there are very few single units available (none were advertised for rental during the period of study), and the Ministry of Housing/Department of Housing and Works is unable to allow "three or four youth to share a [Homeswest] house".

The Regional Youth Development Officer, a regional officer from the Department of Family and Children's Services (FACS), and a regional officer for the Aboriginal Affairs Department (AAD) both reported that the region had an inadequate supply of appropriate crisis accommodation related to domestic violence, young people walking out from home, single parenting etc.

> "The accommodation agency is located in Bunbury and the regional co-ordinator simply does not have the infrastructure in place to deliver to the south-west forest area." (Regional Youth Development Officer)

> "There is not a lot of rental accommodation around for Aboriginal people; specifically young mothers trying to get away from domestic violence. Often they are placed in a women's refuge, but that is not culturally appropriate." (AAD regional officer)

> "The scarcity of accommodation also affects young women who become single parents and who wish to leave the family home." (FACS regional officer)

This is considered particularly important during a period of rapid socio-economic change: the stress levels of the RFA period may be expected to lead to increased levels of mental and financial stress, domestic violence and so on. (FACS regional officer).

The AAD officer also reported special housing needs on the part of Indigenous families in general, which tend to be larger than the norm for non-Indigenous families. 1996 Census data indicate the average household size for Indigenous familles in Manjimup to be five persons compared to an average of under three persons for non-Indigenous families. Neither Homeswest nor the private market caters adequately for extended families of more than six people and many Indigenous households become overcrowded.

There is no aged accommodation at Boyup Brook or Bridgetown, both of which have an ageing demographic base. However, in 2000 the Ministry of Housing/Department of Housing and Works began construction of some seniors' accommodation at Bridgetown.

Other relevant findings

An overriding impression was gained from the in-depth interviews conducted with stakeholders at State, Regional and local levels that most of the respondents working in the State and Regional offices in Perth and Bunbury respectively, had relatively little knowledge of the study area.[4] This is despite the fact that most of those interviewed currently sit on either the Steering Group or a Working Group of the SWDC's Warren Blackwood Action Statement. It is somewhat disturbing that policies and strategies of such importance for regional development and the lives of local people in the south-west forest should be decided and implemented largely by officers of governance with such knowledge levels of the area.

As one local respondent (who preferred not to be identified) phrased it:

"Public servants come down all the time in their cars for the week, make a few rash promises and bugger off again leaving people like me to hold the can."

There is a definite local perception about a general public sector lack of knowledge (and caring?) about the Manjiump-Pemberton area. There is a need to have local input to policy decisions and their implementation.

In the Western Australian public sector, regional development is the responsibility of nine independent regional development commissions, who's enabling legislation focuses primarily on economic development (usually interpreted as job creation). Within this framework (and that of government policy at the broad level), each commission has some freedom to set its own priorities and strategic direction.

The South-west Development Commission regards itself as the peak government agency for the whole of the south-west region, with a strong coordination/facilitation role. It has adopted two foci for regional development in the area:

1. to attract and assist new industries to establish private jobs growth, particularly within the timber industry in terms of new opportunities for timber manufacture and support of the craft timber industry, but also looking at possible new directions for horticulture, tourism, viticulture etc, and

2. to work with local communities to both support the industrial change process and also to restore some sense of confidence to the people.

To translate these general directions into action, an extensive consultation exercise, resulting in the return of 130 "Community Comment" forms and five workshops attended predominantly by business interests, was undertaken. The outcome was the Warren Blackwood Action Statement (WBAS) (SWDC, 2000). The actions in the WBAS focus mainly on economic diversification through research, marketing and lobbying for funds, and do not directly address social issues such as housing. However, it also provides support for community initiatives, such as seed funding for Manjimup on the Move (subsequently extended with funding from the Department of Training and Youth Affairs.)

Manjimup on the Move is concerned with raising the image of the area and working through local community volunteers to achieve change. Strategic directions taken to date include provision of a Community Resource Centre (a building has been donated by the Shire), a health resort (at the feasibility study stage), provision of a community bus and the staging of tourism festivals.

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[4] With all ten public servants interviewed in regional offices in Bunbury, interview tapes and transcripts reveal that questions about the study area received responses which either commenced with a few words about the study area and then reverted to giving detail of the Bunbury area, or consisted of a statement such as 'I'm not sure about the Manjimup-Pemberton area, but in Bunbury ....'. Persistent probing by the interviewer elicited little information besides that on Bunbury.

Also investigating the economic future of the area is a community-based team led by Denise Jenkins, formerly the president of the Manjimup Chamber of Commerce and Trade. Ms Jenkins has forged links across the ideological divide between the Australian Conservation Foundation and the West Australian Forest Alliance, the Department of Conservation and Land Management, local business, trade unions to proactively look into the possibility of cooperative adaptive environmental assessment and management in the region. Although not yet fully funded, this exercise has helped to galvanise the fractured communities and generate commitment to a sustainable future for the area.

Reflection

The past 30 years in Australia have seen a "spectacular process" (Harding, 1998: 234) of institutionalisation of environmental and regional development issues within the structures and processes of governance, leading to the establishment of numerous bureaucracies and legislation at national, state and local levels.

For both environmental and regional development policies to be effective, however, they must deal with the incompatibility of, and tensions between, the differing frames of the actors involved; eg the relatively short-term aspirations and economic values of some actors, the longer-term aspirations of conservation of other actors, and the capacity of institutions of governance. The Western Australian situation, represented by the south-west RFA process and its aftermath, provide a concrete example of Eder's (1996) suggestion that environmental concerns can lead to a legitimation crisis of institutions of governance, unable to respond effectively to the challenges posed. Not only has WA witnessed the demise of the Court Liberal administration, in part due to the old-growth logging debate, but the current situation of regional disadvantage poses serious challenges to the various agencies of governance and their ability to coordinate effective policy responses.

The economics of the south-west forest region are entwined in the tentacles of globalisation. For example, trees native to WA, growing in government-'owned' Crown Land, are logged by transnational companies and transformed into wood products including charcoal and woodchips which are shipped to Japan for the manufacture of woodpulp; horticultural produce is destined increasingly for Asian markets, whilst international tourists visit the area.

We can see, therefore, that the south-west forest region represents what Amin (2000) has termed 'stretching social relations and institutions across space' as agencies and institutions interact across global, national, State, regional and local scales. Places, such as the townships of the south-west, are placements of organisational practices, whether these be the practices of the RFA, State agencies, such as the Ministries of Housing, Planning and so on, or the practices of local networks such as that formed by Denise Jenkins.

This research has not sought to expose "facts" as such, but to probe these institutional networks and practices in relation to what those involved in them see as the area's major challenges.

Housing

The key role of adequate housing (in terms of both numbers and quality) is obvious from the issues outlined above. The inadequate supply of housing for purchase or rent not only drives up prices, but prevents key worker relocation and stymies investment in the area. Quality housing is required for people at all lifecycle stages and not simply the child-rearing stage.

However, the findings also demonstrate, at the State level, a traditional separation of housing policy from regional and rural development policy. The former appears to be considered purely a matter of service provision to those unable to compete in the market, rather than a strategic matter. The responsibilities of the Ministry of Housing/Department of Housing and Works, and the conditions under which they are carried out, are clearly defined, with little scope for regional or local variation.

Regional development policy, on the other hand, is open and flexible, directed from within the region, and concerned with strategy, rather than service provision. This appears to offer the potential for the integration of policy to do with social infrastructure such as housing; however the activities of the main coordinating agency for regional development, the South-west Development Commission, are *framed by statute* to promote economic rather than social development. Its Warren Blackwood Activity Statement reflects this.

In spite of this separation, there seem to be some changes underway in the south-west forest area. The Ministry of Housing/Department of Housing and Works has become an important player in government's attempts to address the politically charged employment issues in the timber areas, going beyond its traditional service provision role to support those faced with unemployment, and to provide housing-based employment incentives. These tentative steps towards better integration may be purely to do with crisis management, but demonstrate a potential that can be realised with adequate political will.

A Whole of Government Approach

A significant obstacle to effective housing service delivery is the absence of a whole of government approach to problems of regional disadvantage. Despite the efforts of the South-west Development Commission to coordinate agency policies, the interviews with respondents indicated not only the level of disparateness of agency mindsets, but a lack of detailed knowledge of the study area of personnel located in relatively distant Perth State or Bunbury Regional offices.

A whole of government approach is clearly necessary in order to address the issues listed in this Paper.

CASE STUDY 2. WHEATBELT SHIRES OF CORRIGIN, KONDININ AND KULIN

Introduction

This chapter reports on the findings from the Eastern Wheatbelt case study. To give these findings context, a brief summary of demographic, economic and social indicators is first provided. For a detailed description of the demographic, economic and social contexts of the case study area, please refer to the Work In Progress Paper (www.ahuri.edu.au/research/).

The Wheatbelt region of Western Australia covers an area of 154.000 square kilometres and accounts for over fifty percent of the state's broadacre farming - dominated by wheat and sheep. Unlike most other regions in the state, the Wheatbelt does not have a single major urban centre, with the population in each of the four largest centres being quite small in relation to the hinterland they service. Thus, the region has the most widely dispersed population in Australia. Half the Wheatbelt population is spread across more than thirty urban centres, with the other half living in small cluster of less than 200 people each. The Wheatbelt region also has the most fragmented local jurisdiction in the country, with forty four local government areas (42 shires and 2 towns).
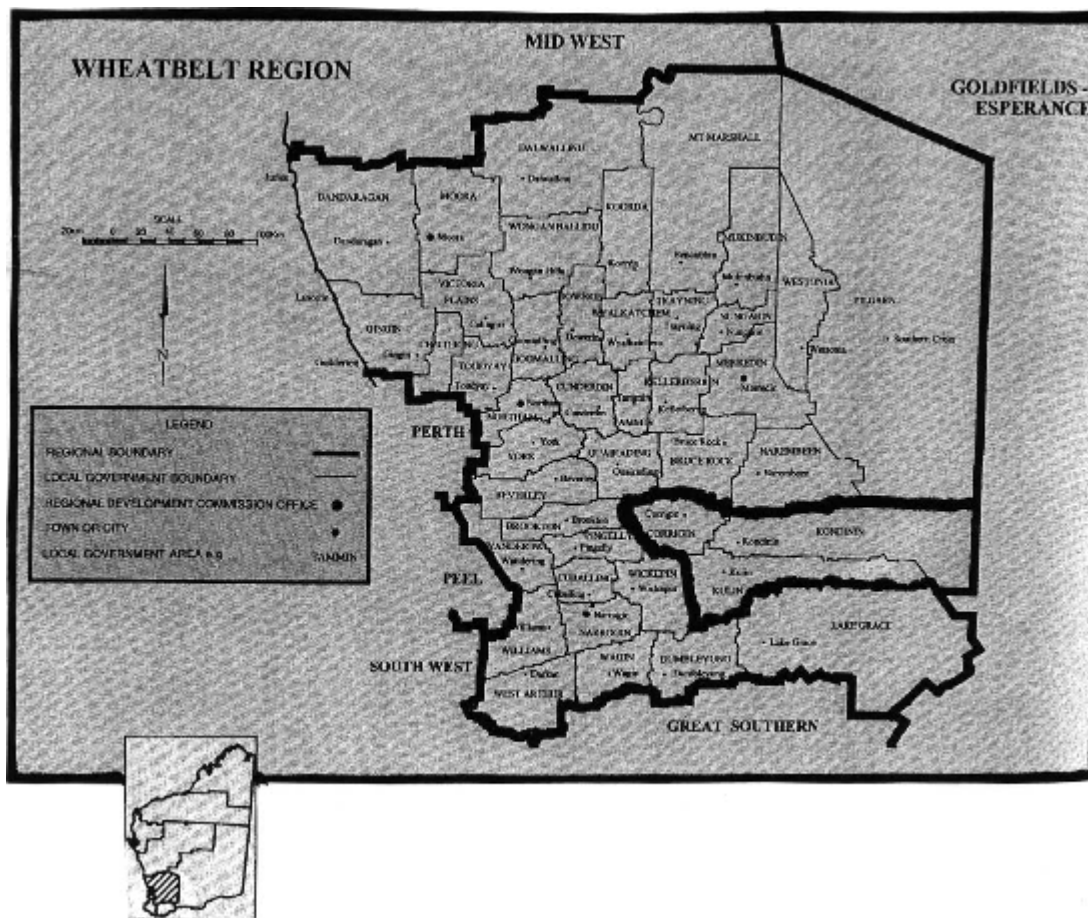

Figure 2: The Wheatbelt Region and the AHURI study area

The Eastern Wheatbelt case study area comprises the local authorities of the Shires of Corrigin, Kondinin and Kulin and incorporates the townships of Corrigin, Kondinin, Kulin and Hyden (see Figure 2).

As at the 1996 Census, the population of the case study area was 3,406. The Wheatbelt region as a whole has one of the highest median ages in the state and is grossly under-represented in the 15-25 year age group. While the population of the Shires of Corrigin, Kondinin and Kulin fluctuate marginally from year to year, they have been on a steady decline for approximately 15-20 years.

Agriculture is the dominant industry in the case study area accounting for 51.58% of the workforce's employment in 1996. Median incomes within the townsites are low, at $330-$399 per week for individuals. The dominant housing type is a single storey, single dwelling on a sizeable block and this housing type accounted for 95.26% of households in 1996. A higher proportion of the population in the case study area (56.1%) own their houses outright than in other rural areas in Australia. A correlate of this is the lower than average proportion of houses being purchased at 13.3%.

Findings: Housing issues

Respondents in the eastern Wheatbelt showed a high level of concern about housing. In particular, they highlighted links between housing issues and regional disadvantage issues such as quality of life, opportunities for local investment, attracting and keeping key service personnel, and catering for those with special needs. From the data, six main issues have been identified:

1. poor housing quality;
2. very low house and land values;
3. scarcity of land for development;
4. lack of private rental accommodation;
5. inadequate accommodation for key professionals;
6. special needs.

This section outlines each of these issues, before some brief reflection is provided in Section 5.3.

Quality

The study area is characterised by an abundance of low cost, low quality housing. The urban areas in the Wheatbelt are, statistically, low income and the housing stock reflects this. Moreover, interviews with local residents suggest that farmers have historically tended to direct their finances towards income producing activities rather than the house. Similar trends have been reported in other parts of Australia, where farmers tend to reinvest profits into the farm business, rather than into personal assets (Lawrence, 1987). The legacy of this in the Wheatbelt tradition remains apparent, with a majority of dwellings being constructed of cheap materials such as asbestos.

The only exception mentioned by respondents is what David Singe, CEO of the Wheatbelt Development Commission (WDC), termed "the Wealthbelt" - a pattern of higher quality homes following the best farming land from Moora, through Cunderdin to Corrigin, and a number of expensive homes built by farmers on their retirement to the township of Corrigin. Corrigin, therefore, has a number of brick houses dating

from the 1960s through to the present time. In the Shires of Kondinin and Kulin the inferior quality of the private housing stock and higher proportion of public housing reflects generally lower wealth levels.

The Homeswest housing stock in the Wheatbelt is ageing, largely due to the Ministry of Housing/Department of Housing and Works's (MoH/DHW's) policy of concentrating capital in areas of highest demand (see 5.2.2 below). Therefore, much of the public housing is in poorly maintained asbestos buildings. MoH/DHW has a policy of disposing of old and hard-to-maintain stock, and people are able to purchase these houses at low cost. On average these houses sell for between $40,000 and $70,000. However, according to a representative of the Wheatbelt Development Commission the region's low incomes and high construction costs mean that once in private ownership, poor maintenance can become an ongoing problem. In addition, it was estimated by the Wheatbelt Development Commission that the cost of building a house locally is 30% to 50% higher than in the metropolitan area.

Values

Reflective of low rural returns, real estate agents reported that the housing market in the study area has been flat for the past three years, with an oversupply of houses on the market agricultural workers leave the region. While major employers such as the public sector and agribusinesses do form a relatively substantial market for good quality houses (see Section 5.2.5), the quality of most houses for sale is poor (see 5.2.1 above), and the possible return on their sale is low.

At the time of the study, house prices ranged from $18,500 to $125,000 in Corrigin, reflected the wide range in quality as well as the relatively small contribution the land itself makes to the asking price (see Figure 3).

Figure 3: House for Sale in Corrigin - $18,500

For some vendors, selling at a lower price makes it impossible to realise the capital invested in the family home which may have been purchased at a time of higher rural incomes, higher demand for and, hence, higher cost of housing. As an example, the owner of the one house for sale in Hyden is considering dismantling it and taking it away rather than selling it at a deflated price in the current market.

The low value of land in the area also combines with high headworks costs to discourage investment in the area. The cost of putting in infrastructure such as water and power to housing lots is expensive - approximately $25,000 - $30,000 per quarter acre block - and buyers are not prepared to pay a price for land that factors in these costs. Unfortunately, the Department of Land Administration (DOLA) is bound by policy preventing it from accepting financial losses for the release of Crown land. In general, this leaves the local government authorities to bear the brunt of subdivision losses, simply in order to enable development. They seem to have accepted this burden: according to Ian Davies, a Councillor for Corrigin Shire, the need for serviced, developable land at realistic prices is "the biggest problem that Corrigin faces."

The Shire of Kulin for example, is selling vacant building lots for $2,000 each. The Shire of Corrigin is selling subdivided vacant land at $5,000 per block. It is estimated that vacant blocks in a planned future Shire of Corrigin subdivision will be priced at approximately $10,000 - $12,000. Thus the Shire will recoup approximately 50% of subdivision costs.

In contrast, lots in a private subdivision on the outskirts of Corrigin are un-competitively priced between $14,950 and $25,000, reflecting the actual cost to the developer for infrastructure, and comparable to the cost of a developed lot at the lower end of the market. Because of the relatively high costs associated with these blocks, only a handful has been sold.

Land availability

In addition to its unwillingness to bear financial losses, DOLA requires that communities prove the need for housing prior to it releasing land. The problem for local communities lies in the considerable time lapse between demand being proven and housing being completed: DOLA must meet the provisions of the Native Title Act (see 4.3.3) and administer the title changes before development can even begin. This is particularly important in country towns where a high level of market segmentation can exist. For example, while there is an abundance of older style ex-public housing in these towns, there is often a shortage of land for new housing developments. Where this land does exist it tends to be relatively expensive, as in the case of the private subdivision in Corrigin (5.2.2). Thus, the lag time between DOLA recognizing the need to provide land for housing and the construction of new dwellings means that many who were in need of housing have simply moved on, or their circumstances and hence, housing requirements have changed. Even if demand can be established at the local level, there is no guarantee that DOLA will act to alleviate the situation (see also Clements, 1995). The issues surrounding land title and availability are clear examples of the need for better coordination and policy integration between state and local levels of government.

Rental accommodation

Despite the current rural downturn, a number of interviewees pointed to the ongoing shortage of private rental accommodation in the study area. It was also pointed out that much of the rental accommodation tends to be older style housing and is often not suited to the needs of residents. The limited availability of rental housing is reflected in the high cost of private rent in the Wheatbelt case study region. In Kondinin for example, private rentals (when available), start at about $120 per week, and the quality of the property is inferior compared to similar rents in most suburbs of the Perth Metropolitan area.

In Corrigin, a large proportion of properties available for rent through real estate agents are houses that are actually for sale. This means that renting is not only expensive, but insecure. Owners are prepared to let the houses until they are sold, but once a purchaser has been found, they could be lost to the rental market.

In Hyden the 3 vacant houses in the town at the time of the study – 2 Homeswest properties and one on the market – are unavailable for rent. Here they have used tourist cottage accommodation at the 'Lakeside Resort' for permanent residents. This accommodation is better quality than a lot of houses in the town, is air-conditioned, has the telephone connected and is well designed:

> "…people want to live somewhere nice and why should you have to compromise just because you happen to live in a rural area" (Jane Mouritz, President Hyden Progress Association, 19 February 2001).

Hyden provides an example where a very proactive community sees housing issues and economic and social well-being as intrinsically linked. The town has shown a willingness to take a 'bottom-up' approach to regional economic development, by investing financially and 'in-kind' to the development of housing infrastructure to assist in attracting new businesses and people to the area.

As an example, the local community identified that a plumber and auto electrician were required in the town. Having being unsuccessful in a previous attempt to arrange rental accommodation for a hairdresser who wanted to set up business in the town, the Hyden Business Development Corporation (HBDC) was formed under the umbrella of Hyden Progress Association. The company arranged a loan to build a house for the plumber. The house has since provided accommodation for a metal fabricator. HBDC now owns about $500,000 worth of capital in the community.

> People need a positive reason to come and live in a community. Now do you just advertise, plumber needed, country town that's 360k's from Perth. Who will come? But if you can offer that it's a great place to live and there's good accommodation, and there's work, then that might get them here (Jane Mouritz, President Hyden Progress Association, 19 February 2001).

Rental accommodation, and a variety of housing options, is crucial to a region undergoing socio-economic changes, and there are numerous anecdotal instances in the case study area of people being housed inappropriately. For example a young single man employed in a local agribusiness, is living in the Kondinin retirement village. Similarly, in Hyden a young single male is housed in an asbestos three bedroom house in the town, in spite of having no furniture and no free time to look after the large yard. Shearers and other itinerant workers in Corrigin live at the hotel or the caravan park because of a lack of appropriate and affordable rental accommodation.

There are further instances in Hyden where people have been forced to buy a property due to a lack of private rental accommodation even though this was not their preferred option. Clearly, people in such circumstances could easily be lost to the town, unless they have established that their long term future is in the locality.

Key professionals

> If you want to have professional people come out here, they don't want to live in a dog box. It really boils down to that and I don't see why they should, quite frankly (David Singe, CEO, WDC)

The provision of appropriate and affordable housing is considered as pivotal by both public sector and private sector professionals in their decision to take a rural post, and agribusiness/agricultural professionals to move to other rural areas.

In all three case study shires the public sector (local and state) is a significant employer, accounting for 8 to 13% of the workforce, or 20% to 27% in the townships. GEHA housing is provided for school teachers and police officers as well as other public servants in certain areas outside the Metropolitan area south of the 26th parallel and, according to the Wheatbelt Development Commission, the region has the second highest number of GEHA houses in the state. This is, in part, due to the large number of towns in the Wheatbelt and remains true despite the recent restructuring that has occurred in government service provision.

Corrigin District Hospital provides accommodation for the Director of Nursing, and both Corrigin and Kondinin District Hospitals have out-dated, inappropriate and, significantly, empty single nurses' quarters attached.

At the local government level, the three case study shires all provide accommodation for some of their own staff and for the local doctor. The Shire of Corrigin also provides accommodation for the local dentist.

The problems experienced in attracting health professionals to rural areas are well documented. Both Kondinin and Corrigin Shires are involved in the River Medical Group. In return for an annual payment of between $50,000 and $75,000 the Group guarantees continual medical practitioner services. In addition to this financial cost, the Shire provides the doctor with good quality housing, a car and "whatever he needs to stay for his quality of life" (Ian Davies, Shire of Corrigin Councillor).

Attracting nurses to country hospitals is proving just as difficult. At both Kondinin and Corrigin District Hospitals there is no accommodation for registered nurses or other nursing staff apart from 1960's style single nurses' quarters: private bedroom but communal bathroom and kitchen facilities. Both hospitals rely on agency staff, but individual agency staff, professional network considerations aside, are unwilling to go to a hospital where communal style accommodation is the only type available. Hence, the hospital [who said this?] reports an almost continual staffing crises.

As one example, Corrigin District Hospital has recruited a career nurse from Zimbabwe on a 2-3 year contract. A crucial part of attracting this nurse was the provision of appropriate, affordable accommodation as part of the overall remuneration package. The hospital intends to either update the nurses' quarters or purchase another house in Corrigin to help attract other nursing professionals.

Given the available housing stock in Corrigin, however, purchasing a suitable house may prove difficult. The Health Department of Western Australia has certain criteria for house purchase including a requirement that the building is generally less than 20 years old and, if it is planned that the house will accommodate more than one employee, that it has two bathrooms.

Traditionally, nursing and teaching have been occupations filled by women with their income secondary to that of their partner. As such the local schools and hospitals have been able to ride, to a certain extent, 'on the back' of male farmers and other male workers. For example, the physiotherapist and occupational therapist at Kondinin District Hospital and both of the two registered nurses at Corrigin District Hospital are all married either to a farmer or to a male employed locally. Similarly at

Corrigin District High School, all but two of the staff are female and a number have been in the district for many years, married to local people. In all these circumstances, employment related housing has not been required.

Kondinin District Hospital, however, has exhausted the local resource pool for nurses and for its future professional staffing requirements will need to look beyond the local area for recruitment. At the schools in Corrigin several teachers are nearing retirement age which will lead to major staff changes the near future. As it is likely that teachers will be recruited from outside the area, GEHA housing will be required to attract them. However, the current GEHA housing stock is fully occupied, and therefore insufficient to meet the contemplated future demand, a situation which will be compounded by the shortage of appropriate private rental accommodation.

Interviews with representatives from local government and various state government agencies suggest that there is a general dissatisfaction among tenants with the quality of GEHA housing in the study area. Concerns range from inappropriate location of the housing and poor general maintenance to major structural faults. According to a number of interviewees, part of the problem to stems from a remote bureaucracy located in Perth or larger regional centres such as Northam. A representative from one of the local shires councils argued that GEHA tends to be ignorant of housing trends in small country towns.

In contrast to the poor state of GEHA housing, the shires in the region are continually upgrading their staff accommodation with the view of attracting better employees. There is recognition at local government level that not only is the building of good quality housing an investment in the local community, but also a recognition that you need good quality houses to attract good quality staff. Ian Davies suggests that:

> "Inland, if you haven't got a house then they [staff] won't come here. Simple as that".

Professionals employed in the private sector, including the finance sector and agribusiness, have similar housing needs to those in the public sector. For example, the incoming Site Supervisor at Co-operative Bulk Handling (CBH) in Corrigin was not prepared to accept the position unless suitable accommodation was provided for him. CBH, in a similar fashion to the local shires, responded by building a new Manager's residence and the old Manager's residence was handed down to the site supervisor. This indicates the willingness of both local government and the private sector to see housing as an investment, rather than a cost. It also recognises the interrelationship between appropriate housing, the economic well being of their business enterprise, and community well being.

Special needs

There is no crisis accommodation in any of the case study shires. The nearest women's refuge is in Narrogin, or alternatively, Northam. Corrigin and Kondinin District Hospitals both act as an avenue for people in crisis.

There is aged accommodation in all three case study shires. Corrigin has a specific nursing home and frail aged units. Kondinin has permanent care at the hospital, Kulin has aged accommodation and Hyden has relatively new seniors accommodation.

There is low income, young singles accommodation available in Corrigin (built by the council) and units are being built in Kondinin. Hyden has two sets of low income young singles accommodation available, a third set planned, but still the demand outstrips supply.

The establishment and ongoing management of the young singles accommodation in Hyden provides a very effective model of community involvement in addressing local housing needs and their impact on economic and social development (see Figure 4). A committee of young people was formed in Hyden to oversee the planning, design and construction of the units. This process brought young people together and gave them a profile in community management as a 'specialist team'. Ongoing management of the units is undertaken at community level. Selection procedures for prospective tenants involves a point system developed by the management committee incorporating points for: requiring housing for employment purposes, inappropriate current accommodation, low income, and community participation. This last requirement has been included to promote a volunteer ethic, and has been used as grounds for the refusal of prospective tenants. According to a Hyden respondent, the project has "turned the town around". The entire community has benefited from the provision of young singles accommodation in Hyden. Tenants work or run businesses in the town and some have gone on to purchasing their own homes and raising families in the town. The accommodation was largely funded through the local government, with some support from the State government.

There is no purpose built disability accommodation in any of the Shires, although in Hyden, the management committee is seeking to design one of its future singles units to cater for, specifically, a certain young man with an intellectual disability. There is no GEHA housing, certainly in Corrigin, suitable to house anybody with a walking dysfunction.

Figure 4: "Mallee Villas" young singles accommodation, Hyden

Reflection

The eastern Wheatbelt, like the south-west, has become unavoidably dependent on global factors. Its commodities-based economy has placed it at a disadvantage: its industries have become more and more marginal as international prices have fallen, and its population has suffered their consequent 'rationalisation'. However, it differs from the south-west forest in at least three vital aspects:

- Broadacre farming, unlike logging or timber milling, has been dominated until very recently by self-employed investors, rather than large companies. Moreover, that self employment is inextricably linked to land ownership.

- The decline of the Wheatbelt's agriculture has not been associated with the kind of high profile political controversy that characterised the forests debate. This is in spite of the fact that at both State and Federal levels (farming-related) salinity, rather than (forestry-related) habitat destruction, is considered Australia's most pressing environmental problem (Beresford *et al.*, 2001).

- It seems to have been far more difficult to identify alternative industries or large scale development opportunities for the Wheatbelt than for the south-west.

These factors have clearly affected both the housing issues perceived by respondents in each area, and government responses to them.

Housing

The affordability and availability of appropriate housing is recognised as a basic inherent factor in attracting in-migration, investment and hence economic development. However in this area, housing issues remain largely divorced from regional development policy, and public housing policy remains purely concerned with service provision.

The peculiarities of the region have led to the unusual situation where current private housing supply outstrips demand, and yet the cost of land remains higher than its projected market value. Central government strategies including proving demand for land and directing public housing funds to areas of 'greatest need', and demanding recoupment of costs from land development, do not address housing needs in this situation.

Moreover, it seems that no effort has been made by the State in this case to make allowances for the area's special needs, with that responsibility falling to the local government authorities and community sector. However, the local authorities throughout the Wheatbelt are fragmented and very small, and ill-equipped to take on a coordinated regional effort.

Local capacity

In the perceived absence of State action, the community sector in Hyden has specifically taken on the role of addressing housing and regional disadvantage issues in an integrated manner, in particular with respect to enhancing the rental market to encourage in-migration (especially of key professionals), and promoting community involvement through the management of its youth housing. This provides a good example of what this sector can achieve given adequate support.

CONCLUSIONS

This Chapter highlights the findings from the research project across the two case study areas, and suggests a number of policy implications and recommendations.

Introduction

Policy-making in areas of regional disadvantage is "about managing change and moving in new directions" (Director, South-west Development Commission). It involves consideration of the triple bottom line of sustainability: economic, social and environmental interaction. Housing interfaces across all three yet findings from this current research indicate that there is a tendency to under emphasise the role of housing in rural economic and social development.

In areas of regional disadvantage, diversification is almost always necessary – of economic base, of services and facility provision - if sustainability is to be achieved. A *coordinated* whole of government approach, which incorporates a housing dimension, is also required in order to avoid duplication and/or shortfall of effort.

Findings and Implications for Policy

This was a small scale study involving two case study areas, but despite the findings being specific to each area, some issues arose that are generic and suggest a number of implications for policy. These are outlined under related key findings below.

Housing and Regional Development

- The research indicates that interrelationship between availability and affordability of appropriate housing, the well-being of communities and individuals, and economic development in rural areas is widely recognised by community leaders, business interests, and service providers in those areas.

  In particular, as the economic base of a region changes and diversifies, there is a need for housing to support this by catering for and attracting a diversity of in-migrants, who may at first be largely transient or uncertain of their commitment to the area. At the very least, this seems to call for:

  - a wider-than-traditional range of dwellings to cater for different types of households;
  - adequate and affordable rental options;
  - good quality subsidised accommodation for key professional service providers in both the public and private sectors; and
  - housing for people with special physical, social and cultural needs.

  These specific requirements, and the failure of the market to deliver them, were repeatedly raised by respondents in the study areas. It seems almost certain, therefore, that some kind of (non-market driven) intervention is necessary. A number of policy areas are suggested for public and community housing agencies to focus on:

  - development of mechanisms to normalise areas of employment-tied housing in areas where the industrial base is changing. This could include:
  - enable individual title and sale,

- purchase the housing and either rent or sell to the residents,

- where the housing is substandard, offer alternative accommodation or purchase from the resident (if owner occupied).

- provision of appropriate key worker housing of adequate quality in order to attract police, education and health professionals to the regions, accompanied by the non-rationalisation of public services in the regions to ensure an adequate level of services and facilities. In many cases there will be a need to extend this offer to key professionals working in the private sector, such as general practitioners,

- Development of strategies to ensure the needs-identification and provision of housing suitable for:
    - young people who might otherwise leave the area,
    - the elderly to be able to remain in the area,
    - crisis accommodation;
    - culturally appropriate (especially Indigenous) accommodation
    - that incorporate appropriate modifications for disabled residents

- In spite of this recognition, housing intervention does not currently form an integral part of regional development policy, which in Western Australia is institutionally framed as economic development. Nor are regional development issues traditionally considered in the delivery of public housing services. Indeed, Homeswest operates on a statewide basis, with regional offices primarily devoted to stock management, rather than policy development.

  However, there is potential for this to change, as evidenced by the expanded role of the Ministry of Housing/Department of Housing and Works in the south-west forest area. Here, housing has been brought in as part of a coordinated effort to address the politically charged employment problems resulting from uncertainty in the timber industry.

  In the absence of widespread political pressure, as in the eastern Wheatbelt, such change may be slower to arrive. Better integration, not just between agency policies at the state level, but between state, Federal and local levels of government, could also help to relieve apparent (perceived?) disparities between service to the regions.

- This may be particularly important considering that constraints to addressing the above needs differ between localities, and require different responses.

  For example, in the south-west, a forested area where employment has historically been primarily with large companies, problems include inadequate freeholded land for development, and house/land values that are perceived as too high. In the eastern Wheatbelt, economic development has historically been linked to individual land ownership and clearing. This has led to a situation where land values are perceived as too low.

- Greater understanding of housing needs at local level could be facilitated by State Housing Authorities having a representative on appropriate committees, such as local Youth Services Committees, and the maintenance of dialogue with community leaders and community groups such as Progress Associations.

  It might also help to encourage the establishment of community-based housing associations in non-metropolitan areas, both to enable local management of some housing services and to provide a conduit between local interests and the State housing authorities (see also "Governance" below).

- Housing policy-making can be co-ordinated with planning policy, in particular with regard to land use zoning. Planning authorities can also coordinate land release for residential development and provision of physical infrastructure amongst the relevant agencies. Where development costs cannot be recouped by land sale, there may sometimes be a need for state agencies of governance to bear the financial burden of infrastructure provision.

- The demand for housing and the consequences at local level tends to be transient; hence the considerable time lapse involved from proving need to development/construction of housing can result in housing provision being inappropriate. Future policy development might focus on identifying strategies to ensure ready availability of land suitable for housing subdivision, addressing such issues as cost recovery and risks of over supply.

Governance and Planning

- There was among the respondents a perception that policies for rural areas are set and implemented at a distance by uncaring and/or ignorant bureaucrats. This suggests, firstly, that communication and transparency are essential to the activities of governance and policy-making (see also Hillier in Greed, 1999).

  One way to overcome this perception might be to identify a lead agency, located in the heart of the particular area, with the resources to co-ordinate the strategy for overcoming disadvantage, (including budgetary capacity to fund over and above current agency commitments). Ideally, other agencies involved would also be local, and the strategy would incorporate a whole of government approach (joined-up working) including full participation of local people. This would in effect decentralise decision making, and allow for truly collaborative partnerships and collective leadership.

- Further, tensions are likely to rise in policy-making when institutions of governance which bear the imprint of the past attempt to address problems of the future, or when regional differences are inadequately explored (see above).

  In disadvantaged regions, in particular, for investment to occur, there must be confidence that policies will not change suddenly. Government should "stick to its guns" (interview respondent) and maintain a commitment to disadvantaged areas.

  This includes maintaining a positive bias towards people and their needs in disadvantaged regions across all agencies of governance, delivered on a sustainable basis.

- To facilitate diversification of employment base for economic development in regional and rural areas, possible strategies might include:
  - A vision for the area.
  - Consideration of the 'triple bottomline', not just economic issues.
  - Identification of areas where there is a 'comparative advantage' over other centres.
  - A co-ordinated marketing strategy for the area, including mechanisms to assist the exploitation of development opportunities resulting from this advantage.
  - Strategies to deliver cost effective, serviced land in a timely manner for commercial/industrial development, including mechanisms to address issues such as cost recovery and the risk of over-investment in the hope of attracting new opportunity.

- A coordinated transport strategy (including roads, rail and public transport).
- Possible attention to the physical amenity of townships, to encourage investment, tourism, and longer stays by transient residents.
- A co-ordinated, joined-up, implementation strategy, involving local participation, is essential.
- Encouragement of establishment of co-operative ventures,
- Partnerships between agencies of government and the private sector.

- This research also demonstrated that exciting advances can be achieved by the community sector, given appropriate institutional support. Denise Jenkins' environmental management network and the Hyden Progress Association's approach to addressing the town's housing issues are good examples of this. They have helped not only to (at least partially) overcome substantive development issues, but also to build social capital (see Hugman et al 2000; 2001) in their communities.

Community develops through networks of trust and reciprocity (see Hugman & Sotiri, 2000). In certain disadvantaged regions, particularly where disadvantage is accompanied by conflict, there may be a need to intervene to help (re)build community and social capital. It is important to build on existing networks rather than attempt to impose networks from above (see, for example, Purdue et al 2000).

To help build 'community' there needs to be support for community leaders. Purdue et al (2000) propose a model of community leadership and recommend that agencies of governance support the role of community leaders on an on-going basis through training and offering financial and other means of support to meet practical needs.

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Appendix A.
Members of Project User Group

The User Group for this project comprises a representative from each of the following agencies/organisations:

- Ministry of Housing, now the Department of Housing and Works (Western Australia)

- The Wheatbelt Regional Development Commission

- The South-west Development Commission

- Anglicare (WA)

Appendix B.

List of non-AHURI Consultation Processes Accessed for South-west Forest Case Study

The most recent and most comprehensive process was that undertaken by the South-west Development Commission for the *Draft Warren Blackwood Action Statement,* (2000). Detailed results of consultations were made available to the research team and obviated having to conduct extensive surveys in what could have been an unproductive situation.

Other consultative studies and plans produced by agencies of governance, utilised during this research, include:

- Agriculture Western Australia – *Profile of Natural Resource Issues in the South-west Sustainable Rural Development Region,* 1999.
- Department of Commerce & Trade – *South-west Economic Perspective,* 1999.
- Ministry for Planning – *Warren Blackwood Regional Planning Strategy,* 1997.
- Regional Development Council of Western Australia - *Western Australian Regional Development Policy*, 2000
- South-west Development Commission – *Warren Blackwood Shire Profiles & Activities,* 1999
- South-west Development Commission Youth Subcommittee 2029 – *Comment on Issues & Actions of the Warren Blackwood Development Plan,* 2000.
- Western Australian Council of Social Service South-west Network – *Rebuilding our Communities: a report on the social needs of the south-west region,* 2000.
- Western Australian Tourism Commission – *Partnership 21 Tourism Program,* 1999/2000.
- Western Power – *Transmission Plans 2000-2005,* 2000.
- Health Department of WA/South-west Health Forum – *Health Services in the South-west 1998-2006.*

Local community groups have also produced plans and strategies:

- Blackwood Basin Group – *Blackwood Basin Group Business Plan 2000 & Beyond,* 2000.
- Boyup Brook Country Music Club – *Strategic Plan 1998-2003,* 1998.
- Pemberton Progress Association – *Pemberton Community Profile,* 2000.
- Pemberton Progress Association/SWDC – *Pemberton Community Planning Day Report,* 1999.
- Northcliffe Family Centre – *Rural Communities Program Community Plan,* 1999.

AHURI Research Centres

Sydney Research Centre
UNSW-UWS Research Centre
RMIT Research Centre
Swinburne-Monash Research Centre
Queensland Research Centre
Western Australia Research Centre
Southern Research Centre
ANU Research Centre

Affiliates

Ecumenical Housing Inc
Northern Territory University
National Centre for Social and Economic Modelling