Community development and the delivery of housing assistance in non-metropolitan Australia: a literature review and pilot study

authored by

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EXECUTIVE SUMMARY

Some regional cities in Australia have significant stocks of public housing, and because of the redirection of the role of State Housing Authorities from public housing to welfare housing, priority in housing allocation has been given to those with the greatest need. This has resulted in the concentration into public housing of people with high levels of disadvantage and social exclusion. Economic development programs for these cities need to target public housing tenants (amongst others) if they are to achieve their aims of developing the local economy and reducing unemployment. At the same time, the stock of public housing in these cities represents an asset whose value to the local economy could perhaps be enhanced. The aim of this project is therefore to examine whether there is scope to improve public housing policies by better integrating them with regional, local or community economic development programs, with the goal of improving regional economies and reducing disadvantage and social exclusion.

The project examines the links between public housing and community development in three regional cities in South Australia—Murray Bridge, Port Lincoln and Whyalla. These cities contain sizeable stocks of public housing, and from 13 per cent (Murray Bridge) to 30 per cent (Whyalla) of the total population of these cities in 1996 lived in State Housing Authority rental accommodation. These tenants have above average rates of unemployment and above average rates of non-participation in the labour force. This research found that there is a significant group of public housing tenants in each city who could be assisted into the labour force if the individual disadvantages that currently exclude many of them (and which in many cases are the reasons for them being in public housing), could be reduced.

Many of the tenants of public housing in Australia are socially excluded, in that they have generally low incomes, high levels of unemployment, high levels of welfare dependency, poor educational attainment, poor health, high proportions of single parent families, and limited mobility. They have difficulty entering or re-entering mainstream educational and training programs, and in gaining paid employment. Consequently, State Housing Authorities have often been the lead agencies when governments have attempted to address the problems of social exclusion. However, Australian and international experience has shown that simple manipulation of the housing stock is insufficient to deal with the fundamental problems evident in public housing areas. This is because the approach does not get to the root causes of multiple disadvantage or social exclusion in these areas.

The research uses the analysis of three case studies to identify, and then evaluate, a series of policy proposals. Chapter Four introduces the three regional cities selected for this study—Murray Bridge, Port Lincoln and Whyalla—each of which has significant stocks of public housing. It briefly reviews economic and demographic trends in each city, and then analyses the public housing stock, and the demographic and labour force characteristics of public housing tenants. The case study cities differ in the strength of their economies, their rates of population and employment growth, their levels of unemployment, and their levels of relative disadvantage. These differences in turn create different housing markets, with a static demand for housing in Whyalla and a growing demand in Murray Bridge and Port Lincoln. All three cities, however, have unemployment rates above the State average, and therefore a strong demand for welfare housing.

Key informants were asked their views on the role of public housing in the economies of the three cities. In Murray Bridge public housing was seen as a liability rather than an asset. It was argued that the stock was ageing and not adequately maintained, that the double unit housing was unpopular, that the reduction in the stock was increasing pressure on the private rental market in an area where demand was

increasing, and that many of the residents of public housing did not contribute to the local economy through employment, and were not integrated into the rest of the community. Public housing was seen more as a social problem than as an economic asset. Similar views were expressed in Port Lincoln, but there was greater recognition that a number of workers in the fishing and fish processing industries depended on public housing because of their seasonal employment and low annual income, and that tenants in public housing contributed to the local economy through their spending. In both cities it was argued that the Trust should be assisting economic development by providing accommodation for groups such as students, trainees and apprentices, and low-income workers employed in growing industries. Rental accommodation for both groups was expensive and sometimes difficult to obtain, and private developers were not meeting the need because the return in future capital gains was lower than in Adelaide. In the past the provision of this type of accommodation was the main role of the Housing Trust, but over the last two decades the focus has shifted from housing low-income workers to housing people who are disadvantaged by their circumstances.

Data are presented to show that people in public housing in the three regional cities have levels of unemployment that can't be explained by their concentration in particular age groups and family types, or by their location. We therefore conclude that there is a significant group of public housing tenants in each city who could be assisted into the labour force, if the individual disadvantages that currently exclude many of them (and which in most cases are the reasons for them being in public housing) could be reduced. Informants in all three cities also pointed to the existence of households experiencing second and maybe third generation unemployment. In such households economic and social disadvantage can become entrenched, with negative consequences for individuals, their families and the broader community.

This report argues that economic and social policy makers must be cautious in seeking to transfer overseas experience to Australia, and especially to regional Australia. Any policy response must take account of the limited funding available, the nature of regional labour markets, the weakness of local government and the high levels of disadvantage amongst public housing tenants in Australia. The experience of the capital cities in Australia may be more relevant to regional cities, because some of these constraints are common to all regions in Australia. However, there are still major differences in the size and accessibility of labour markets between metropolitan and non-metropolitan Australia, which need to be kept in mind when evaluating the transferability of projects and strategies from the capital cities. There are also differences in the size and capacity of local governments, which will influence their ability to become involved in community development and urban regeneration activities.

The research has found that the estate renewal strategies followed in the metropolitan cities, which involve the sale of part of the public housing stock and the relocation of tenants, are not likely to be a viable policy for most regional cities. While a small estate renewal project has been completed in Port Lincoln, there is no scope for such a project in Whyalla, because the market for redeveloped housing does not exist, either amongst the existing tenants or amongst private investors. There are no proposals for redevelopment in Murray Bridge. Here social mix is being encouraged by selective sales of public housing, but as in Port Lincoln this leads to a reduction in the public rental stock. There are also more limited opportunities to relocate tenants to a significantly different area in cities like Murray Bridge, with a relatively small public housing stock.

Compared to current practice in Australia, overseas programs to regenerate public housing areas and low-income neighbourhoods place more emphasis on the following broad strategies:

- Linking regeneration programs with economic development, employment, job creation, enterprise development, education and training programs.

- Area-based approaches which emphasise the adaptation of strategies to the local context, integration of programs at the local level, and the use of local agencies.

- Community involvement and community development.

We find there is need for policy innovation in the following areas:

The role of economic development, work and employment

In Europe and the United States, economic development has become central to urban regeneration. If unemployment is a major cause of social exclusion, then assisting public housing tenants into employment is essential in tackling their social exclusion. We argue that 'work' and 'employment' should be seen as including a range of types of work, including voluntary work, collective community self-help activities, informal economy activities, self-employment, and employment in the formal labour market. The organisations providing employment could be private businesses, the public sector, or third sector organisations like cooperatives and non-profit companies. Expanding the range of types of work and types of organisation helps to provide a variety of entry points into work for individuals with varying skills, experience and levels of disadvantage. It is also vital in overcoming the problems of a lack of employment, or of appropriate employment, in regional cities. In small regional labour markets, or where there is limited employment growth, training and job search assistance must be accompanied by an increase in the 'work' available.

Local area-based strategies

The adoption of an area-based approach to the problems of urban areas with high levels of disadvantage and social exclusion, including areas of public housing, has been a common feature of urban regeneration programs in developed countries. It is implicit in the urban renewal programs in Australia reviewed in the Positioning Paper but is the basis of a more comprehensive strategy in Europe. This approach is also a common feature of welfare-to-work programs in developed countries. The advantages claimed for a strategy that identifies and targets specific areas are outlined in the report. However, an area-based approach needs to be accompanied by a recognition that the causes of the problems of disadvantage in public housing areas, and many of the solutions, lie outside these areas. An area-based approach must also look beyond the local area and work to integrate it into the wider urban and regional economy. For these reasons the areas defined for any regeneration program for public housing tenants in regional cities in Australia should be the whole of the city. Furthermore, while such a program would focus on tenants in public housing, it would also include non-tenants with the same types of need, including people in receipt of rental assistance.

The role of community participation and social capital

A number of studies support the argument that community participation is vital to lifting the prospects of disadvantaged communities. The objectives are to ensure that policies and strategies are relevant to local needs and conditions, are seen as legitimate and are therefore fully supported, that local people become mobilised, and that communities develop the capacity to better help themselves through local community organisations. The private sector, particularly local business, must also be seen as part of the community, and can become involved in efforts to make urban regeneration improve the local economy.

However, studies also point to concerns about the ability of communities to become involved. Disadvantaged communities often do not have the skills, experience, resources, confidence, and sometimes trust, to engage in community development. We therefore support a strategy for urban regeneration that includes building community capacity. A key component of community capacity is the concept of social capital, which now ranks alongside physical capital and human capital as a factor in economic development and human well being. It is produced through the relationships or associations between people in a community. Developing the social capital of disadvantaged areas is both a prerequisite for effective community involvement in the process of community development, and a contributing factor to that development.

Implications and Policy Actions

1. The Role of Community Groups

Informants in the three case study cities identified a number of barriers to the employment of unemployed people, particularly the long-term unemployed and those with significant disadvantage. Many of the 'recovery' type programs needed for people with problems such as drug and alcohol dependency, poor motivation, poor literacy and numeracy, or lack of social skills and self-confidence, were claimed to be underprovided in the case study cities. However, many of these programs can be provided by community groups.

A major issue raised by informants was that when new employment became available, as in Murray Bridge, unemployed people were unlikely to get the jobs. A local active labour market program (LALMP) is needed to address this problem. Australian labour market programs offer most of the components of an LALMP, such as recovery programs, job search assistance, training programs, self-employment schemes, subsidies for private sector employment, and the delivery of services by locally based agencies. However, some of the elements of an LALMP are missing (such as social enterprise or intermediate labour market initiatives), local communities have very little scope to influence the employment services delivered in their area, and there are no local partnerships of the type common in Europe. Given the difficulties experienced in the three regional cities in getting disadvantaged and unemployed people, including public housing tenants, into work, some of these strategies are worth examining, and are discussed in the report.

2. Building social capital

As noted earlier many tenants of public housing lack the confidence, motivation, trust and skills to engage in personal or community self-help activities. Social capital in these disadvantaged communities is relatively weak, and needs to be developed before regeneration programs can begin.

3. Social economy strategies

The report reviews a range of social economy strategies that have the potential to provide 'work' and employment for public housing tenants. These could be activities the formal economy, in cooperative activities such as vegetable growing, home maintenance, furniture cooperatives, local exchange trading systems, community services, community arts, neighbourhood security, child care and aged care. Other economic development activities could aim at promoting associations, cooperatives, credit unions, and community businesses to provide a range of services and activities in what is now commonly described as the social economy, the third system or the third sector. Social enterprises are a component of the social economy, and are now an integral part of urban regeneration, welfare-to-work and local development programs in OECD countries.

4. Intermediate labour market strategies

Regional economic development programs in Australia frequently focus on building nationally competitive firms and industries, which are unlikely to be able to employ people from strongly disadvantaged backgrounds, including the long-term unemployed. A strategy that has been used in the United Kingdom is the establishment of intermediate labour market (ILM) organisations, which are a specific type of social enterprise and therefore part of the social economy. ILMs are organisations established to provide temporary wage employment for the long-term unemployed, with simultaneous support to move into the mainstream labour market. They seem particularly suited to regional cities in Australia where there are few jobs for unskilled, long-term unemployed people, no external labour markets to which the unemployed can be connected, and where job creation is therefore essential in reducing unemployment. They have an additional advantage in these cities in that the goods and services they sell are designed to add to the local economy, by delivering something that is missing and inadequately supplied.

5. Entrepreneurship strategies

Self-employment through the development of small businesses is a strategy being tried in Europe and the United States in areas of disadvantage. However, developing successful self-employment and small business in disadvantaged areas is difficult, and some experts advise against this strategy. On the other hand, Australian examples show that the development of self-employment in disadvantaged areas is not impossible.

6. The role of State and Territory Housing Authorities

The South Australian Housing Trust (SAHT), and similar organisations in other jurisdictions, could play a key role in the economic and social regeneration of public housing populations, as well as in the physical redevelopment of the housing stock. The SAHT and its housing managers are the frontline of government contact with some of the most disadvantaged people in our society, it already has a policy of encouraging successful tenancies through early intervention and adequate supports, as well as stable and sustainable communities, and it has well established networks with other agencies to provide assistance to Trust tenants. However, the Trust currently lacks the funding and the staff to effectively extend this role into integrating its activities with the economic development, employment and social capital building programs that we advocate in this report.

7. Integration of programs through an appropriate institution

The report argues that strategies to address social disadvantage in public housing areas must involve an emphasis on work, employment and economic development, together with the coordination and integration of programs in areas such as education, training, employment, enterprise development, housing improvement and the physical environment, and community development. These programs should be delivered through an area-based approach in which strategies are adapted to the local context, and closely integrated at the local level. They should involve the community in their design and delivery, and contribute to community capacity building and the development of social capital.

The achievement of these objectives requires the creation of an appropriate institutional framework. This could be a 'regeneration' agency, managed by a board representing government agencies, tenants, non-government organisations and business, and with a CEO with the status and the independence to lead the development of strategy, negotiate with partners for the delivery and coordination of programs, and represent the partnership. The agency would have the task of coordinating programs across three levels of government, as well as between government, non-profit organisations and business, and of involving the community.

It could also have the task of identifying the target populations, negotiating programs that meet their needs, and developing ways of reaching these populations. Such an agency would serve the whole of a regional city, not just the public housing population, and its task would be to assist the unemployed into 'work' of the types discussed, assist the low-income employed to remain in work, and reduce the extent of social exclusion. Local partnerships of this type are widely used in urban regeneration and welfare-to-work strategies in Europe and North America.

A further development of the regeneration partnership concept is to suggest that partnerships be funded by governments to purchase coordinated packages of services from other agencies, in a purchaser/provider relationship, so giving them much a greater ability to design comprehensive strategies to address specific problems. Governments also need to recognise that reducing social exclusion and unemployment requires time and continuity. A regeneration partnership should be funded for periods of at least three years at a time, with the expectation that funding will be renewed if performance has been satisfactory.

The report outlines a number of specific strategies, based on international and Australian experience, that might enhance the programs already operating to assist unemployed people into work. Given the high level of disadvantage that excludes many public housing tenants from employment (and which in most cases is the reasons for them being in public housing), the lack of success in getting long-term unemployed people back to work, and the restricted job opportunities in regional cities, we believe that current policies are insufficient to reduce welfare dependency amongst public housing tenants in these cities. The strategies we discuss—recovery programs, building social capital, social economy and intermediate labour market programs, and possibly entrepreneurship programs—have all been shown to be effective elsewhere when properly implemented. They were supported by the evaluation groups, with a few expressing reservations about social economy and entrepreneurship strategies, and the proposed role of public housing authorities. The key to the effectiveness of these strategies, however, lies in the establishment of 'regeneration' partnerships at the local level, and the integration of public housing authorities, as the landlord of and point of contact with a large number of socially excluded people, into these partnerships.

CHAPTER 1. INTRODUCTION

1.1   Introduction

This is the Final Report of the project 'Community Development and Housing Assistance in Non Metropolitan Australia: A Literature Review and Pilot Study' with previous products being published on the AHURI website at http://www.ahuri.edu.au/research/research_2000.html.   More detail on the background to this project, and on the review of literature and policy, can be found in the Positioning Paper and the Work in Progress Paper that are accessible at that site.

This Final Report presents the outcomes of this research project and integrates the review of international literature and policy with our empirical findings. It addresses the research questions that underpin this project and suggests pathways for further policy and conceptual advancement.

1.2   The research problem

Over the last few years there has been an increased awareness of the problems confronting rural and regional Australia.[1] In large part, the policies followed by State and Federal Governments to assist the development of the regions have focused on economic development initiatives, and more recently on the provision of services such as telecommunications, health and education. Outside the capitals, very little attention has been paid to the potential role of housing in lifting the quality of life in communities and in generating new economic opportunities. This is despite the fact that there have been a number of projects in the capital cities—such as Rosewood Village in South Australia and the Holdsworthy Estate in Sydney—where the redevelopment of run-down public housing has been used as a catalyst to trigger social and economic change, as well as improve the quality of the housing. Where non-metropolitan public housing has been redeveloped, as in Port Lincoln, the project has not been tied to a program of economic regeneration for public housing tenants.

Some regional cities in Australia have significant stocks of public housing, and as a result of the redirection of the role of State Housing Authorities from public housing to welfare housing priority in housing allocation has been given to those with the greatest need. This has resulted in the concentration into public housing of people with high levels of disadvantage and social exclusion. Economic development programs for these cities need to target public housing tenants (amongst others) if they are to achieve their aims of developing the local economy and reducing unemployment. At the same time the stock of public housing in these cities represents an asset whose value to the local economy could perhaps be enhanced. The aim of this project is therefore to examine whether there is scope to improve public housing policies by better integrating them with regional, local or community economic development programs, with the goal of improving regional economies and reducing disadvantage and social exclusion. In particular, the project will review international experience to see if any of the lessons learned in other developed countries could be applied to regional Australia.

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[1] Regional Australia is defined as Australia minus the Statistical Divisions containing the State and Territory capital cities.

The aims of this project are to:

1. produce a detailed statement on how housing policy can be more effectively integrated with policies designed to address regional disadvantage and policies designed to bring about better housing and regional economic outcomes;

2. review the national policy literature on cost effective approaches to regional disadvantage;

3. transfer the knowledge of the successful regional disadvantage interventions reviewed as part of the AHURI project *Responding to Regional Disadvantage: What Can be Learned From Overseas Experience?* http://www.ahuri.edu.au/pubs/positioning/pp_regdisad.pdf to non-metropolitan localities in South Australia;

4. document and analyse the policy responses to regional disadvantage currently employed in Australia and particularly South Australia;

5. document and analyse the current relationship between housing programs and strategies to address regional disadvantage in Australia and particularly South Australia;

6. document and analyse the role of housing in selected local economies, both as a positive and as a negative factor;

7. identify the potential for adopting alternative strategies to address regional disadvantage based on the international literature, and the benefits these alternatives could provide with respect to quality of life for residents and savings for governments.

This research aims to make a substantial contribution to policy development in the area of community development and the delivery of non-metropolitan housing by:

1. documenting the state of knowledge internationally and in Australia on the range of possible responses to regional disadvantage;

2. performing an evaluative role in identifying models of intervention that could be considered 'best practice';

3. showing how the delivery of housing assistance could make a more positive contribution to the social and economic policy goals of governments;

4. producing guidelines on the range of housing-related regional development strategies available to policy makers and how and when each of them could be most productively applied.

CHAPTER 2. COMMUNITY AND COMMUNITY ECONOMIC DEVELOPMENT

Defining community development is difficult, as many authors and many government bodies have established their own definitions. No clear consensus has emerged on how the term community development should be interpreted, as each perspective has been influenced by the values and judgements of the respective authors and often, in the case of government agencies, by their operational priorities. Indeed, through the latter part of the 1970s and 1980s much of the urban studies and planning literature was consumed by protracted debates on the meaning of the term 'community'.

Despite on-going debates over definitions, it is possible to identify two ways community development has been put into operation in Australia. *In the first instance, community development has been promoted as economic development.* Communities - townships, regions, suburbs, local government areas or cities - have sought to improve their well being by advancing their economic circumstances. *In the second instance, community development has attempted to address social alienation, often by enhancing the stock of social capital in that place.*[2] It is important to recognise these two dimensions in the practice of community development in Australia, as almost invariably they have been pursued by different types of organisations and by personnel with different sets of experience and skills. Community economic development has largely been the preserve of departments of industry, state development or small business, while human services departments, health bodies, social security agencies or departments of rural development have considered issues of social exclusion (for a fuller discussion of the organisation of local economic development in Australia see Beer and Maude 1997). Agencies charged with indigenous development – such as the Aboriginal and Torres Strait Islander Commission (ATSIC) – are one of the few government bodies that straddle both economic development and social development.

The functional and administrative differentiation of community development in Australia into economic development on the one hand and strategies to address social exclusion on the other, has profoundly affected how government programs have sought to advance the well- being of these places and target groups. Community development initiatives in Australia have therefore tended to be segmented. They have not been holistic in their approach. Haughton (1999a) noted the tension between economically focussed approaches to improving local well being and those that dealt with social exclusion. He observed that through the early 1990s

> Community development became the sole province of workers in social work or housing departments. In effect anti-poverty work became less of an integrated strategic approach to improving local well-being and more of a necessary residual activity catering for those bypassed by strategies to improve local wealth creation as the means and ends of improved local competitiveness (Haughton 1999a, p. 7).

In effect, nationally funded organisations in Britain – such as the Urban Development Corporations – held responsibility for economic development while local governments, their social workers and housing workers, were left to cope with those left behind in the drive to harness economic globalisation and improve local competitiveness. Haughton (1999a) showed that it was possible to develop an integrated approach to community development that embraces both the

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[2] For an interesting review of the place of social capital in public policy in Australia see the series of essays edited by Winter (2000).

advancement of the local economy and issues of social exclusion. Haughton's (1999a) model was built upon solid intellectual foundations. The publication *Reconciling Economy and Society: Towards a Plural Economy*, produced by the OECD in 1996 critically examined social exclusion and attempted to integrate Braudel's (1980) writings on the architecture of society into a policy and operational framework. Drawing upon Braudel (1980) the OECD (1996) attempted to

> Establish an architecture of society which sees the economy as consisting of at least three layers: subsistence, the local market economy, and a world economy. The argument broadly speaking is that a policy which addresses just the top layer misses important issues of survival and nurturing at the local level… Rather than constructing policy around a single, flat economy, focussed on building competitive advantage in world markets, it is important to construct policy around all three layers, including policies for everyday survival for the individual (Haughton 1999a, pp. 7-8).

The implications of this work, and this approach to the understanding of community development, are profound. No longer should economic development be given precedence over the needs of the poorest and most marginalised within society. Community development 'extends beyond the formal economy to consider the needs of the population at large, and that in setting about its task it aims to balance economic, social and environmental concerns, rather than prioritising the economic approach above all else' (Haughton 1999a, p. 8). This is a key lesson from the social capital literature. It recognises that social capital is crucial to the efficient operation of individual firms, regional economies and national economies. This was the core lesson from Putnam's original articulation of the concept (Putnam 1993). While there are a number of definitions of social capital 'all focus on relationships and the ways in which reliable, stable relationships among actors enhance the effectiveness and efficiency of both collective and individual action' (Cox and Caldwell 2000, p. 50).

Haughton (1999a, p.18) argued that balanced community development (or community economic development, CED, to use Haughton's terminology) addresses each of the three tiers identified by Braudel (1980) and the OECD (1996). That is:

- At the level of the subsistence economy attention is given to the non-market and informal sector activity. The intention is to help individuals with basic survival and to build up local kinship and friendship networks;

- The local market economy is addressed by promoting self-employment, small business development and community initiatives, such as co-operatives. Here the objective is to develop an integrated economy where businesses trade amongst themselves thereby reducing the leakage of expenditure and increasing the range of economic activities within the community;

- At the level of the global economy, community development can provide training and work experience to help people overcome social exclusion and assist individuals move into jobs with globally-active firms. Community development is also seen to serve a role in lobbying to ensure the provision, and maintenance, of services and infrastructure.

The model of community development set out by Haughton (1999a) has much to commend it, particularly in the way it integrates concerns with social exclusion/social capital and strategies to promote localities within the global market place. Importantly, it shows that community development initiatives should not focus on just one of the two dimensions of community development practice identified earlier. Each is important, and each can only be successful if promoted in conjunction with the other.

Gibson, Cameron and Vino (1999) thought that the assets-based community development (ABCD) approach established by Kretzmann and McKnight (1993) offered one way to reconceptualise regional economies and achieve some balance between the formal economy and social development. The ABCD approach involves mapping the skills and capabilities of individuals, businesses and institutions in order to mobilise these capacities in the form of local enterprises. This approach clearly builds links between Haughton's (1999) first and second tiers.   Assets-based community development operates at all three levels within the economy and as Gibson, Cameron and Vino (1999, p.34) noted

> In this revisioned economy it is not only the market mediated, commodified capitalist transactions that are included, but also those that do not operate via markets, are provided in kind or take place in non-capitalist settings. In the view of Kretzman and McKnight (1993), when the assets and capabilities of communities are more actively mobilized a diverse array of economic development initiatives is generated and any financial resources obtained from 'outside' can be much more effectively utilised.

Haughton's (1999a) conclusions about the nature and goals of community development – and the resonances his work has with the writings of others - have far-reaching implications for the practice of community development in Australia. His work calls for a more holistic and integrated approach than is currently the case. Moreover, Haughton (1999a) provides solid intellectual and policy reasons for this course of action.

2.1   Community and Community Development

As noted earlier, the terms community and community development are extremely problematic because they have been used in a variety of ways and in a range of contexts.   However, they raise important issues of public policy as increasingly community development has been seen as the locus for broader debates on social policy and the constitution of our society. Atkinson (1999) recognised this and drew upon Foucault's (1979) concept of governmentality to argue that

> the way that we have conceived and constituted the 'social' is currently undergoing a profound change: the language of the social is giving way to the language of community.   The community is being constituted as a 'new territory for the administration of collective existence, a new surface upon which micro-moral relations among people are conceptualised and administered' (Rose 1996, p. 330).

The community then, is increasingly seen both as the point of delivery for social welfare measures and as an active agent in determining and addressing the needs of individuals. There is no better illustration of this conceptual shift than the renaming of the Federal Government's Department of Social Security to the Department of Family and Community Services.

But what does an emphasis on the community mean?   How are 'community' concerns put into operation as social policy? To start with, social capital is seen as an important part of community and community development. Social capital has attracted considerable policy and academic interest in Australia over recent years, but knowledge and experience in this area is just developing (Winter 2000). While drawing on the work of three researchers associated with the development of this concept (Bourdieu, Putnam and Coleman) Winter notes that

> The social capital debate examines the extent to which families, communities, institutions, firms, regions and nations are able to make credible commitments to one another to solve such dilemmas of collective action.

> (Winter 2000, p.21).

In many ways social capital is shorthand for the networks and levels of trust individuals and communities build up in their dealings with each other. Social capital has become an issue of policy and academic interest because authors such as David Putnam have shown that it can make a significant difference to the well being and functioning both of the economy and society.

Community development strategies seek to nurture social capital and empower individuals and the communities they live in. They do so stepping beyond economic development strategies to strengthen social interactions. This includes:

- establishing Local Exchange Trading Systems (LETS) that provide an alternative form of economic activity, and that allow individuals to regain self-esteem through productive activity;

- the establishment of co-operatives and mutual associations that work for the well being of the community. This might include a housing co-operative, a credit union or similar;

- maximizing individual incomes by ensuring individuals receive their full entitlements and are able to take advantage of marginal economic activity (such as baby sitting) that falls within welfare rules (West 1999);

- providing community members with ways of reducing their unavoidable living costs;

- offering opportunities for social interaction and participation in community activities;

- giving communities an opportunity to shape their future. This involves more than just community consultation, it embraces a genuine sharing of power (Atkinson 1999).

Community development strategies are seen as additional to more conventional local economic additional strategies, and recognise that the problems generated by long term unemployment and poor access to decision making cannot be addressed through conventional approaches (Geddes 1999). In large measure contemporary approaches to community development reflect, and are directed at, social exclusion. The nature and definition of which is discussed in the next section.

2.2 Defining Social Exclusion

Social exclusion is a term that has gained considerable currency in social and housing policy debates over the last decade and its origin lies in French writings. Somerville (1998 p.761) has suggested that its spread within the social sciences is 'a result of the Europeanisation of social policy'. Marsh and Mullins (1998, p. 749) note that

> The idea of 'social exclusion' has emerged over a relatively short space of time to take centre stage in political and popular debates about social disadvantage. What is to be done about 'social exclusion' and 'socially excluded groups' is now seen as a key policy concern in many European states.

Marsh and Mullins (1998) went on to comment on the importance awarded to issues of social exclusion by the Blair Labour Government and the establishment within the Cabinet Office of a Social Exclusion Unit, reporting directly to the Prime Minister.

Social exclusion is clearly an important concept, and one that has attracted considerable policy and intellectual interest. Social exclusion has been defined in a number of ways. The Social Exclusion Unit within the UK Cabinet Office suggests that

Social exclusion is a shorthand for what happens when individuals or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown (Social Exclusion Website 1998).

While Mandanipour (1998, p.77) argues

The question of social exclusion and integration, it can be argued, largely revolves around access…to decision making, access to resources, and access to common narratives, which enable social integration

Somerville (1998, pp. 761-2) observed that

There exists considerable variation, however, in the meaning attached to the term…Two meanings of social exclusion appear to be particularly prevalent. The first relates to exclusion from the labour markets of advanced capitalist countries. One general argument here is that due to processes of economic restructuring in these countries a substantial proportion of their populations have been consigned to long-term unemployment. The second meaning, in contrast, relates to the denial of social citizenship status to certain social groups.

Finally, it is valuable to consider Randolph and Judd's (1999) perspective on social exclusion. They identify a number of key points from their review of the literature, all of which have significant policy implications. In their view

- Social exclusion is clearly a multi-dimensional issue, involving social, economic, cultural and political processes
- It refers to joined-up problems, involving a range of interpenetrating processes that, when acting together, reinforce social disadvantage and marginalisation
- It refers to individuals *and* areas – exclusion is both a social and a spatial problem
- It is not just about poverty or income, it is also about access to life chances and non-material attributes and values

(Randolph and Judd 1999, p. 6).

They went on to comment how housing tenure does not figure prominently in definitions of social exclusion, reinforcing the point that social exclusion can occur in all tenures. Randolph and Judd's use of the term 'joined-up problems' is significant, as this language is typical of the social exclusion literature and indicative of a mindset that emphasises the need for holistic solutions. Space or geography is important for Randolph and Judd (1999) as social exclusion is '***reinforced*** by the ***spatial concentration*** of disadvantaged households in certain types of localities and housing, particularly, public housing (p. 8 original emphasis). It suggests that geographically specific policies and programs are needed to counter exclusion.

Clearly there is both convergence and diversity within these different definitions of social exclusion. The high degree of ambiguity in the use and definition of social exclusion is to be expected because, as Marsh and Mullins (1998) pointed out, the term was first promoted within the European Union as 'an alternative vocabulary to that of poverty' (p.751). European nations that could not agree on a definition of poverty, or accept that parts of their population suffered from poverty, could and did agree to strategies to address this far more vague – and less politically sensitive – notion of social exclusion. As a number of authors have observed, social exclusion has a different emphasis to conventionally defined poverty (Marsh and Mullins 1998; Taylor 1998). The latter is a question of the distribution of resources within society,

while the former highlights the relationship between the disadvantaged and the rest of society. It is a concept that focuses on their relations with other actors in society and the economy.

Access to goods and services is seen as a key issue within social exclusion and it is linked to questions of economic restructuring and the marginalisation of individuals within the formal workforce. Groups and individuals are socially excluded when their position within the labour market, or their legal status, or other factors relating to the provision of services, places them at a disadvantage relative to others within society. It is a wide ranging definition of disadvantage, and as Randolph and Judd (1999) argue, it encompasses many of the long-standing debates in the Australian urban studies literature on locational disadvantage and social polarisation (see, for example, Fincher and Wulff 1998).

2.3 Social Exclusion and the Regeneration of Public Housing Estates

Social exclusion has important implications for the implementation of social policy and the management of public housing. Randolph and Judd (1999, p.2) put this into conscious focus arguing that the concept of social exclusion was important because

> It provides us with a framework for understanding the *interconnectedness* of the problems disadvantaged people, families and communities face and the need for an integrated and holistic policy response….Moreover, adopting social exclusion as a framework …allows us to explicitly recognise that policy responses must move well beyond the remit of State Housing Authorities. Tackling social exclusion means much more than fixing-up or selling off public housing estates, especially if it is shown that the problem extends beyond the boundaries of these estates.

Randolph and Judd's (1999) work explicitly recognises the role a number of State Housing Authorities have assumed in addressing social exclusion – and related phenomena – through the redevelopment of public housing estates. As a number of authors have noted (Paris, Stimson and Williams 1985; Industry Commission 1993) the restructuring of the Australian economy from the 1970s resulted in a rapid escalation in the demand for public housing and a consequent shift away from public housing as an alternative tenure for working men and women, to one with an exclusive focus of meeting the needs of those least well off in society. This has resulted in a significant shift in the nature of public housing and public housing tenants. Those in public housing are almost invariably on low incomes – often statutory incomes – with 80 per cent of tenants, and 95 per cent of persons entering the tenure, qualifying for rent rebates. Moreover, as Wulff (1995) and Wulff, Pidgeon and Burke (1995) observed, low-income tenants often find it difficult to enter or re-enter the labour force. The part-time and casual nature of work generally available to public housing tenants, in combination with child care commitments and the income thresholds of State Housing Authorities, can make the transition back to paid work both difficult and unattractive. Those who want work are often poorly skilled and lack the experience and qualifications sought by employers.

Persons in public housing are confronted by complex and multiple disadvantage. Much of the public housing stock is provided in large estates (Forster 1995) and these 'are now associated with populations characterised by the usual litany of social exclusion:

- Chronic unemployment;
- Youth unemployment;
- Poor educational attainment;
- Dysfunctional families;
- Welfare dependence;
- Drug and alcohol misuse; and,
- Crime and other forms of social dysfunction'.

Randolph and Judd (1999, p. 8).

Throughout Australia governments have attempted to address the problems confronting the public housing sector. Urban regeneration has been one strategy pursued by State Housing Authorities. Randolph and Judd (1999, p.9) observed that State Housing Authorities have often been the lead agencies when governments have attempted to confront the problems of social exclusion simply because 'public housing is where those with multiple disadvantage live'. Areas such as Holdsworthy in Sydney, Inala-Ipswich in Queensland, as well as Elizabeth or Salisbury North in South Australia (Lloyd-Jones 1998) have been targeted by large scale redevelopment programs. The redevelopment of part of Elizabeth North into Rosewood Village was one of the first large-scale regeneration programs attempted and it has served as a model for other projects around Australia (Stevens 1995). Typically these programs have involved the demolition of run-down stock, the refurbishment of some portion of the existing stock, and often the construction of additional dwellings, in order to make better use of the land and services. Change to the stock of public dwellings is often accompanied by redevelopment of the physical and social landscape, with greater attention paid to landscape architecture and the provision of community facilities. One goal of these redevelopment programs is to foster greater 'social mix' within the larger public housing estates. This is attempted through the sale of redeveloped dwellings and the provision of new, more attractive, housing.

Randolph and Judd (1999) noted that in their attempts to redevelop large scale public housing estates State Housing Authorities initially focussed on estate design and asset management. This approach, however, often did not get to the root causes of multiple disadvantage or social exclusion in these areas

> Reconfiguring estates, stock improvement, breaking up concentrations of public rental and selective disposals have featured prominently....Important as these initiatives may be, they do not really get at the underlying social problems that communities face or offer long term solutions to moving people back into the mainstream (p. 9).

International experience (Maclennan 1998) and developments across Australia show that simple manipulation of the housing stock is insufficient to deal with the fundamental problems evident in these areas. Indeed the redevelopment of public housing can exacerbate problems as low income people with tenuous connections to the formal labour market could be locked out of the redeveloped housing stock, or occupy the same stock but end up renting from a private, rather than a social, landlord. As Randolph and Judd (1999) commented, the initial waves of public housing redevelopment were often fueled by asset management concerns. Reforms initiated in large measure by the Federal Government and State Treasuries pushed State Housing Authorities to look for better rates of return on their assets and to separate their role as tenant managers from their role as housing providers. To use the language of social exclusion, segmented solutions were being offered to joined-up problems.

More recent attempts at the redevelopment of public housing estates have learnt from the failings of the past. Randolph and Judd (1999, p. 11) note that a number of different types of responses to the problems of large estates are now employed, including asset improvement strategies; partial asset disposal; wholesale asset disposal; non-asset community development; management based strategies (intensive tenancy management) and whole of government approaches, or place management. They give the example of the New South Wales Government's Neighbourhood Improvement Program, which pursued physical and social strategies to achieve the following objectives:

- Effective management of housing services

- Involvement of tenants and the community

- Optimum use of assets

- Community development outcomes

- Increased employment opportunity

- Focussed effective social service delivery

<div align="right">Randolph and Judd (1999, p. 13)</div>

Clearly this strategy is much more complex and multi-faceted than earlier attempts that focussed on the physical redevelopment of housing. In addition, the redevelopment of public housing – and the attack on social exclusion – is now seen to be a whole-of-government issue. That is

> to successfully address the complex needs of a socially disadvantaged community…a more substantial all of government approach is required with more equal commitment from key government agencies and local service providers and pooling of resources to significantly improve place based integration of housing and other services (Randolph and Judd 1999, p. 18).

This approach to social exclusion and the improvement of the welfare of public housing tenants is as multi-faceted as the disadvantage suffered by the socially excluded. It requires integration both within and across tiers of government. To further complicate matters, successful strategies also require integration with the non-government sector, sitting tenants and the broader community. Successful redevelopment strategies must contain multiple elements and address the whole range of discrimination affecting those within these communities.

2.4 Social Exclusion, Social Capital and Community Development

Social exclusion and social capital are important concepts in understanding the development of communities and the provision of housing assistance beyond the capital cities. Social exclusion is important because those in public housing in non-metropolitan communities are often the poorest people in centres that are themselves disadvantaged with respect to services and access to power and/or decision making. Social capital is significant because it is one of the untapped resources of these communities. This section examines questions of social capital and social exclusion and does so through the lens of Taylor's (1998) review of research on remedial action on housing estates in Britain. Her work is used to highlight the relationship between social capital and more conventional approaches to social housing assistance.

Taylor (1998) reviews the results of 33 research projects funded by the Joseph Rowntree Foundation in the United Kingdom into action on social housing estates. Many of these projects examined questions of social exclusion and the redevelopment of public housing estates. Her reading of this substantial body of work led her to conclude that problems on social housing estates have, in the main, been addressed in four main ways:

- Through the promotion of the community approach;

- By changing the landlord;

- By bringing jobs into the housing estate; and,

- The promotion of partnership and community involvement.

Importantly, Taylor (1998) did not see any of these approaches as providing a sufficient response to the problems of troubled housing estates. It is worthwhile revisiting her argument here because of the strong parallels between the British and Australian approaches to public housing regeneration.

Taylor (1998) was very critical of simplistic community approaches to the problems of depressed social housing estates. She argued approaches that suggest that the problems confronting these communities could be resolved by rediscovering community spirit and promoting self help offer little real assistance. In her view

> The 'community approach' has a long pedigree….But this is no magic wand. If the romantic ideal of community exists anywhere, it is certainly not easy to create in the battered, fragmented and divided world of social housing. Hampden-Turner (1996) reminds us that; "those stakeholders disenfranchised by unemployment and by chronic and persistent poverty cannot discharge their communitarian responsibilities to look after themselves, their families, neighbours and communities" (1996 p. 11).

> (Taylor 1998, p. 822)

Taylor (1998) was also dismissive of strategies for dealing with 'difficult' estates that involve changing the landlord or simply bringing in jobs. In the former case, she pointed out that it is unrealistic to expect other landlords to make a better fist of managing estates and housing that was too difficult for well-resourced public sector agencies. In the latter instance, finding permanent employment for those in these estates can be difficult, and poverty traps act as a significant barrier to entry into the formal labour force. From the viewpoint of agencies managing these troubled estates there is a 'Catch 22' in simple job creation schemes: tenants who receive full time work are likely to move out of the area and be replaced by another household with multiple disadvantage. Schemes that provide education, training and employment opportunities therefore work to the benefit of the individual tenant, but may not necessarily solve the long term problems of the housing estate.

Partnership and community involvement programs were reviewed favourably by Taylor (1998). She concluded that contemporary approaches to partnership are more effective than those employed in the past but are still somewhat limited in their impact because they involve an asymmetrical relationship between the tenants and the managing agency. Put simply, in most cases the community is given insufficient power and responsibility to make a significant difference.

In Taylor's (1998) view community action is central to successful redevelopment. Developing and enhancing social capital – through sports clubs, meetings and especially activities focussed around child rearing – is fundamental. Transforming the relationships between communities and service providers is important also. Taylor (1998) highlights the need for greater balance in decision making.

Consultation is not enough, there needs to be a genuine devolution of power and authority if the community is to take responsibility for improving its well being. Approaches that argue residents have to adapt to the agendas of centralised decision-makers are doomed to fail. Taylor (1998) highlights that building social capital, creating an ethos and momentum for community development and finding jobs for the residents of these estates, takes considerable time. There are no speedy solutions, a sentiment echoed in Australia by Gibbons (1998). Access to economic power is the final ingredient Taylor (1998) sees as essential for success in community development and the renewal of public housing estates. Communities can begin to move down this path by establishing local enterprises that meet pent-up demand on housing estates. While incomes are low, gross expenditures are high and more of that income needs to be captured within the community. The views expressed by Taylor (1998) on the revitalisation of public housing estates are important for understanding community development and the delivery of housing assistance in non-metropolitan Australia. Her focus on power relations is important, as is her concern with social capital.

2.5 Social Exclusion, Community Development and Regeneration of Public Housing: A Conclusion

This chapter has considered the literature on community development, social exclusion, the redevelopment of public housing and social capital. It has shown that there are strong linkages between the four and they have important implications for policy development.

The concept of social exclusion recognises that many within society are denied access to society's 'goods' and face social, economic and cultural barriers to improving their life circumstances. Many public and private tenants could be considered socially excluded because of low income, limited formal education or qualifications, poor access to information sources or decision makers, and limited contact with the formal labour market. Strategies that attempt to address the needs of this group **must** take community development as their point of departure. Lesser approaches - such as the refurbishment of the housing stock, simple job creation schemes or the promotion of 'community' – are not likely to address the long term needs of the residents and have low prospects for success. Taking the time to build social capital within the broader community and the population living in public housing appears to be an important first step toward successful policy interventions.

CHAPTER 3. METHODOLOGY

3.1 Introduction

This chapter outlines the main research methods employed to investigate the links between government housing interventions and regional disadvantage. It considers the main research stages in the light of the field experience gained so far.

3.2 Methods Used

The methodology comprised six stages, each of which is outlined in Table 3.1. The three case study communities of Murray Bridge, Port Lincoln and Whyalla were selected on the basis of previous research by the authors (see Beer, Bolam and Maude 1994; Beer and Keane 2000) and had been nominated for study in the research proposal. The three cities reflect the diverse conditions within South Australia's regional cities (Beer 1999): Whyalla is South Australia's second largest city and has experienced profound population and economic contraction since the mid 1970s. Whyalla has a large stock of public housing, much of which was built in the 1950s and 1960s. There is a substantial stock of empty public housing in Whyalla and there are high rates of unemployment. Port Lincoln has a smaller stock of public housing. In the 1990s the South Australian Housing Trust engaged in a redevelopment of some of its worst housing within the city—the Lincoln South estate. Dwellings were refurbished and sold off into the private market, resulting in a significant improvement in amenity. There is a shortage of low cost rental accommodation in Port Lincoln and relatively long waiting lists for public housing. Murray Bridge is only one hour's drive to the east of Adelaide and has had slow, but sustained, growth over the last two decades. There is a substantial stock of public housing in Murray Bridge, but no redevelopment of this stock at this stage. In common with Port Lincoln, there is a substantial Indigenous population in Murray Bridge and unemployment rates are relatively high.

3.3 The User Group

This project has sought to consider ways of better integrating the management of the public housing stock and its tenants with economic development strategies that will benefit the local communities. A User Group was established to ensure the policy relevance of the research being undertaken and as a mechanism for facilitating access to up-to-date information sources.

Members of the user group included:

- housing managers based in Adelaide, as well as South Australian Housing Trust managers responsible for the Trust's programs in the pilot study cities;

- representatives of the local governments from the pilot studies;

- a representative from the Regional Development Board responsible for economic development in that city or region;

- a representative from the South Australian Government's Office of Regional Development.

No.	Stage	Brief description
1.	Review Community Development Literature	Review the literature on community development in Australia and internationally. Examine both academic work on community development, as well as relevant policy documents.
2.	Preliminary Interviews with Regional Actors	Undertake interviews with persons involved in community development and housing provision in each of the pilot study locations. This phase of the research enabled the collection of relevant documents and the cataloguing of additional information sources .
3.	Conduct Focus Groups Considering the Position of Housing in Community Development	Conduct of focus groups in each of the pilot study cities. The focus groups to consider the role of housing in the development of their community, based on their own experiences and ideas from international best practice.
4.	Collection and Examination of Data Relating to Economic and Housing Markets in Each Pilot Study	Collation of Census and administrative data sets on the nature and level of housing need/demand within each city. Labour market processes and characteristics, as well as growth prospects. The gathering of this information has allowed the research to be placed in an appropriate context, and informed the discussion of policy issues.
5.	Interaction with Key Informants	Feedback from the project reference panel. Follow up discussions with policy makers in community development and housing management in Adelaide and the pilot study cities. A seminar reporting the preliminary results of the project will be given under this phase of the project.
6.	Preparation of Final Report	Writing of the final report and presentation of the results to stakeholders.

3.4 Discussions with key regional stakeholders

Two types of discussion have been held with key stakeholders. Conventional interviews were undertaken at the start of the project in each of the pilot study cities. The purpose of these interviews was to gain additional information on the state of housing and community development in each of the cities. Interviews were conducted with housing managers, and also with the providers of social services, income support agencies, local economic development organisations (the Regional Development Boards), local governments, community groups and, where appropriate, the churches. In a number of instances there have been follow up interviews with these persons, either to seek clarification of issues discussed in the original meetings, or to obtain their views on the emerging concepts associated with this project.

Formal focus group sessions were held in Whyalla and Port Lincoln in November 2001 and Murray Bridge in February 2001. Approximately 30 persons were invited to each of the focus groups with attendance ranging from 15 in Whyalla, 9 in Port Lincoln and 10 in Murray Bridge. Invitees included persons directly involved in public housing provision in these cities, as well as service providers and local government officials. One Member of Parliament attended the Port Lincoln meeting. Participants in the focus groups were given a briefing and set of questions to consider through the course of meeting. This briefing was derived from the earlier literature review and challenged participants to enunciate their understanding of the role of public housing in the development of their community, as well as consider alternative perspectives. The major themes covered in both the conventional interviews and the focus group interviews are presented in Table 3.2

Table 3.2: Major field discussion themes

Interviews	Focus groups
The relationship between housing assistance and community development	What role can housing play in meeting the development needs of the community
Nature and level of need within the community	Achievements and defects within the integration of government programs within the city
The state of the housing market	The redevelopment of public housing
The role of public housing in meeting community needs	Client groups within the public housing sector
Integration between housing interventions and other social welfare programs	Alternative policy scenarios
	The division of responsibility and power for the delivery of services

CHAPTER 4. PUBLIC HOUSING, EMPLOYMENT AND COMMUNITY DEVELOPMENT IN NON-METROPOLITAN SOUTH AUSTRALIA: CASE STUDIES

4.1 Introduction

The research reviewed in the previous chapters has shown that strategies to develop communities need to take into account individual circumstances. This research project recognises this requirement, and uses the analysis of three case studies to identify, and then evaluate, a series of policy proposals. This chapter introduces the three regional cities[3] selected for this study—Murray Bridge, Port Lincoln and Whyalla—each of which has significant stocks of public housing. It briefly reviews economic and demographic trends in each city, and then analyses the public housing stock, and the demographic and labour force characteristics of public housing tenants.

4.2 Murray Bridge

Murray Bridge lies 78 kilometres to the east of Adelaide. At the 1996 Census the city had a population of 15,893 persons, of whom 623, or 3.9 per cent, were of Aboriginal or Torres Strait Islander descent. Only 8.7 per cent of the population were born overseas. The economy of the city is based on agriculture, agro-processing, manufacturing and service industries (Beer, Bolam and Maude 1994). Murray Bridge is an important centre for irrigated agriculture (especially horticulture and dairying) and pig and poultry production, and these industries support associated enterprises such as meat processing, the manufacture of irrigation products, and engineering enterprises. There are also some footloose industries, such as the assembly of electrical switchgear. Murray Bridge has long been an important retailing centre for its region, but, with a strategic location on the Adelaide-Melbourne highway and railway, it has recently attracted more national transport and distribution activities. Other emerging industries include environmental industries and tourism (Medlow 1998). Figure 4.1 shows how this economic structure was reflected in employment by industry in 1996. The high percentage of the workforce employed in agriculture is because the boundaries of the local government area of the Rural City of Murray Bridge encompass a large area of agricultural land, unlike the other two case study cities which are essentially urban areas.

Both population and employment in Murray Bridge failed to grow between 1991 and 1996. While there was significant jobs growth in the private sector, this was partly balanced by losses in State government employment (South Australian Centre for Economic Studies 1997a, p. 28). However, since 1996 both employment and population have increased (Table 4.1). Like the other cities, the population is more youthful than the State as a whole, with a higher proportion of children aged 0-14 years, but the slightly lower percentage of young people aged 15 to 24 years indicates some out-migration of youth for education and employment (Figure 4.2). By September 2001 the rate of unemployment was estimated to be 8.7 per cent, not much above the State level and the lowest of the three case study cities[4].

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[3] A regional city is defined as an urban centre with a population of 10,000 or more, located outside the Statistical Division of the capital city of a State (see Beer, Bolam and Maude 1994).

[4] However, according to National Economics (National Economics 2000, pp. 52-59), the apparent fall in unemployment nationally and regionally since the 1996 Census is partly the result of changes in social security policies. These have reduced official unemployment levels by nearly three percentage points nationally, and by varying amounts in each region.

Figure 4.1: Industry structure, Murray Bridge and South Australia, 1996
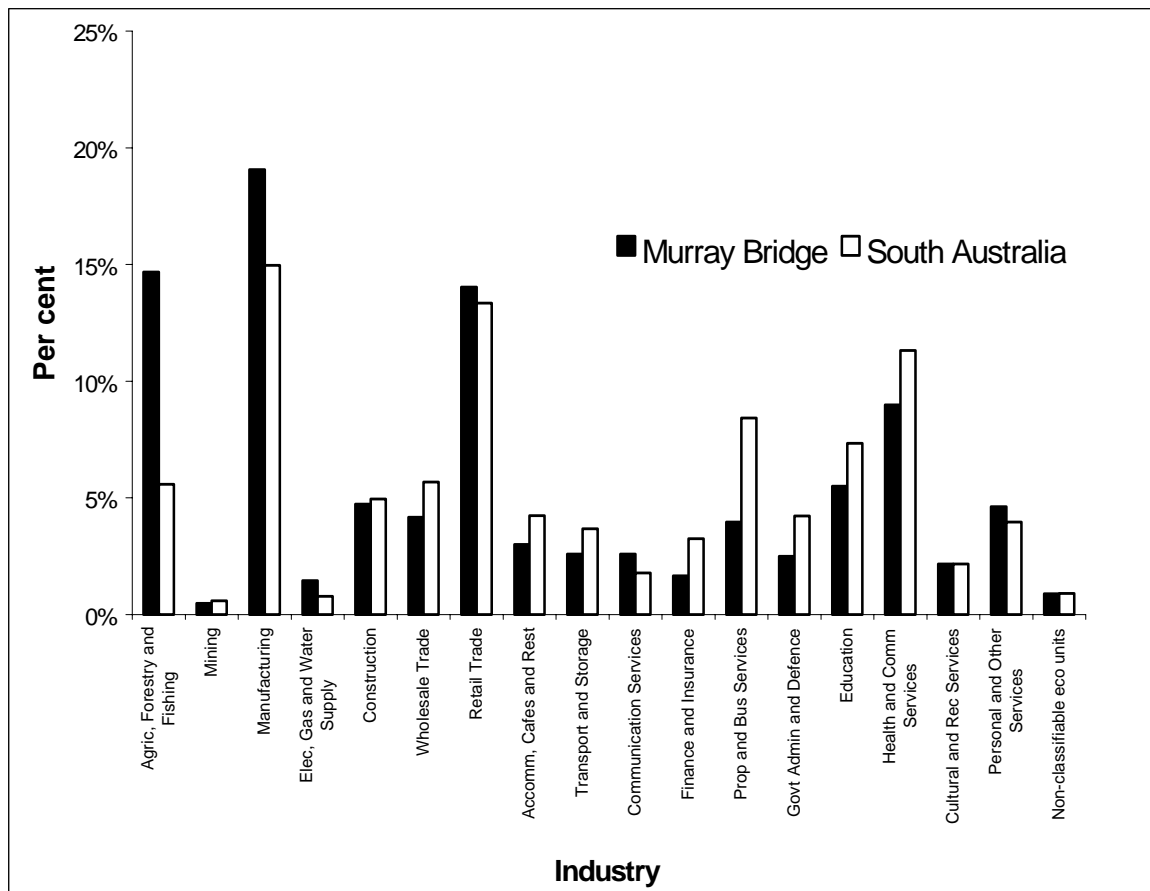
Source: ABS 1996 Census

On the other hand, in 1996 the average weekly individual income of $310 was the lowest of the three cities, and $51 below the average for the State, suggesting that much of the employment in the city is in relatively low wage jobs. Figure 4.2 shows that Murray Bridge had an above average percentage of labourers and related workers, and a below average percentage of professionals and associate professionals, compared to the two other cities and the State as a whole, which partly explains the relatively low income. On the ABS index of relative disadvantage, which measures disadvantage by the 'proportions of low income families, unemployed people, people without educational qualifications, households renting public housing and people in low skilled occupations' (ABS 1998, p. 152), Murray Bridge was marginally the most disadvantaged of the three cities.

4.3   Port Lincoln

Port Lincoln is situated at the southern foot of the Eyre Peninsula, 280 kilometres west of Adelaide by air and 682 kilometres by road. At the 1996 Census the city had a population of 12,182 persons of whom 589, or 4.8 per cent, were of Aboriginal or Torres Strait Islander descent, and 10.3 per cent were born overseas. Port Lincoln is the main retailing and service centre for the Peninsula, as well as a transportation hub and a centre for tourism. The port is a natural deepwater harbour able to take large bulk carriers, and is the principal centre for grain exports from, and fertiliser and petroleum imports into, Eyre Peninsula. Since the 1950s the city has developed a major fishing industry, and this is reflected in the data on employment by industry shown in Figure 4.4. Port Lincoln is the home of Australia's largest tuna fleet, and is

Table 4.1: Selected population and employment data for Murray Bridge, Port Lincoln and Whyalla

	Murray Bridge	Port Lincoln	Whyalla	South Australia
Estimated resident population 1991	16,415	12,530	26,382	
Estimated resident population 1996	16,515	12,857	24,370	
Estimated resident population 2000	17,030	13,305	23,217	
Average annual change in estimated resident population 1991-96 (%)	0.1	0.5	-1.6	0.4
Average annual change in estimated resident population 1996-2000 (%)	0.8	0.9	-1.2	0.4
Aboriginal and Torres Strait Islander population Census 1996 (no.)	623	589	519	20,444
Aboriginal and Torres Strait Islander population Census 1996 (% of total city population)	3.9	4.8	2.2	1.4
Percentage of population aged 0-14 years Census 1996	23.0	24.3	24.2	20.7
Percentage of population aged 15-24 years Census 1996	12.5	12.8	13.8	13.7
Percentage of population aged 65 years and above Census 1996	13.3	13.4	9.9	13.9
Employed persons Census 1991	6,493	4,683	10,700	
Employed persons Census 1996	6,199	4,526	9,137	
Estimated employed persons September 2001	8,411	5,174	10,366	
Unemployed persons September 2001	729	550	1,161	
Unemployment rate Census 1996 (%)	11.9	14.5	13.9	
Unemployment rate September 2000 (%)	11.2	10.7	11.8	7.8
Unemployment rate September 2001 (%)	8.7	10.6	11.2	7.3
ABS Index of relative disadvantage 1996	906	931	913	984

Sources: ABS, Population Growth and Distribution: Australia (ABS Catalogue No. 2035.0); ABS, 1996 Census; ABS, Population by Age and Sex, South Australia (ABS Catalogue No. 3235.4); ABS, Australia in Profile: a Regional Analysis 1996 (ABS Catalogue No. 2032.0); Department of Employment, Workplace Relations and Small Business 2001, Small Area Labour Markets, Australia (smoothed series).

Figure 4.2: Occupations of employed persons, Murray Bridge, Port Lincoln, Whyalla and total South Australia, 1996
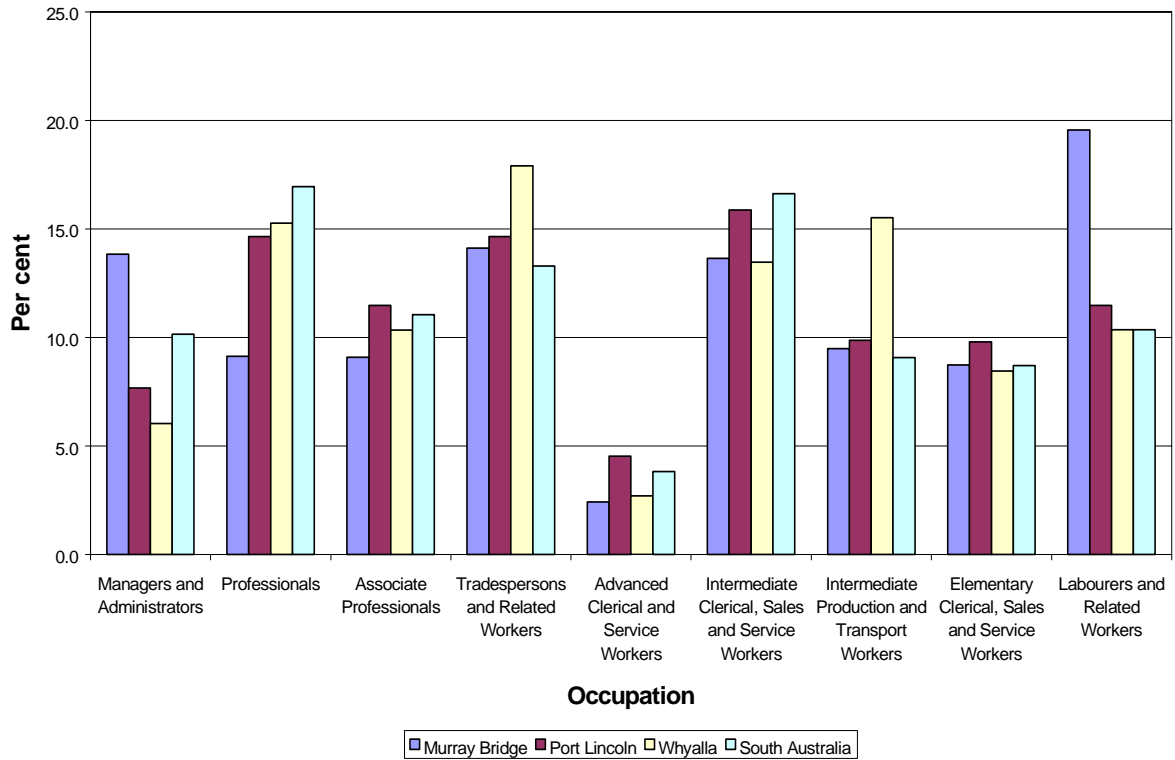
Source: ABS 1996 Census

Figure 4.3: Age sex profile, Murray Bridge, 1996

19
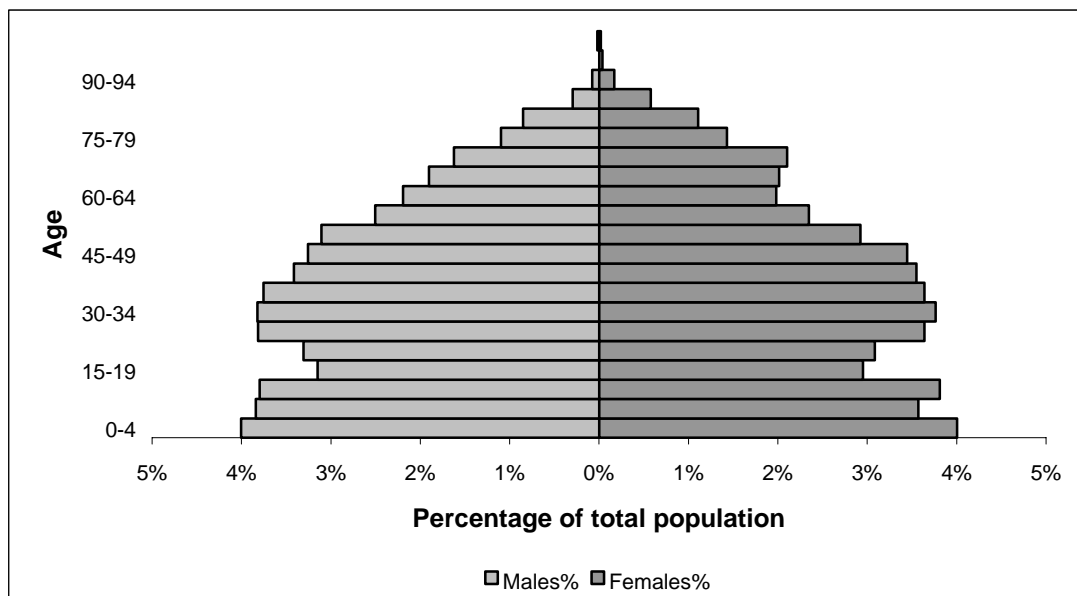
Figure 4.4: Industry structure, Port Lincoln and South Australia, 1996

Per cent

Industry

■ Port Lincoln □ South Australia
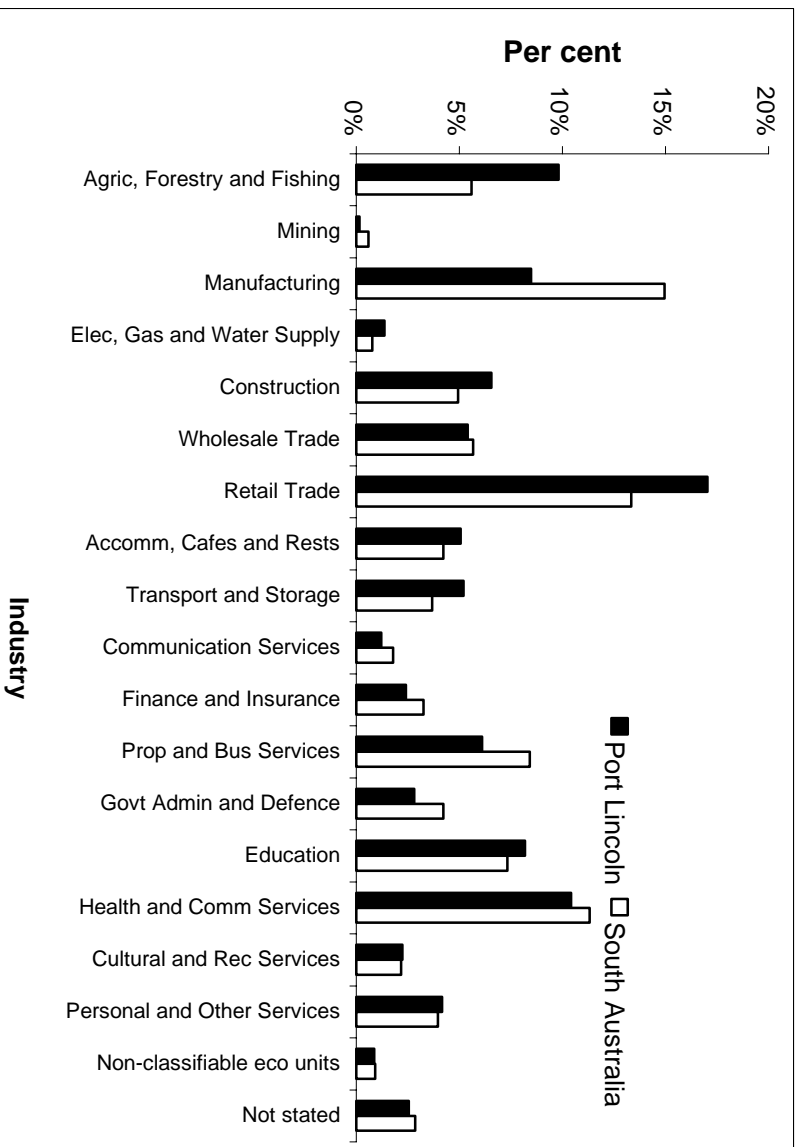
Figure 4.5: Age sex profile, Port Lincoln, 1996 Census

Age

99+
80-84
60-64
40-44
20-24
0-4

Percentage of total population
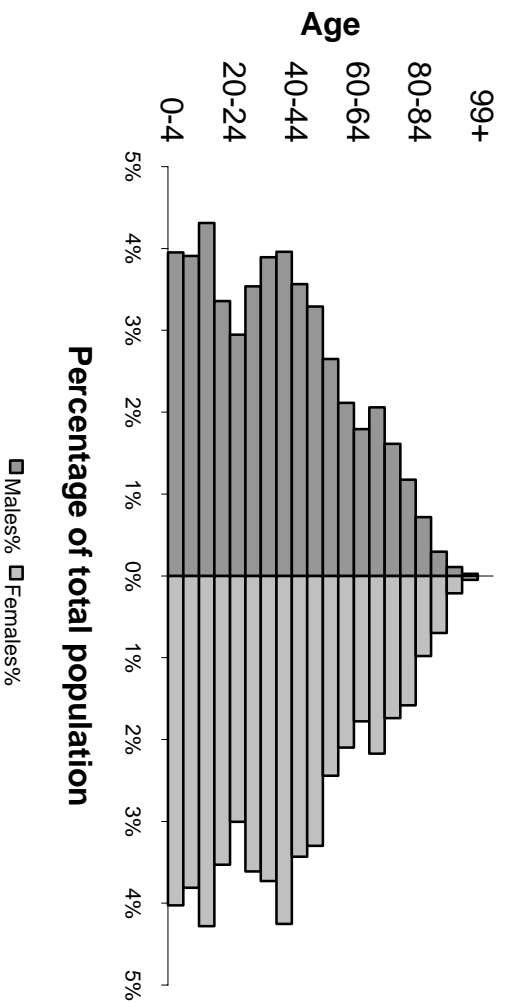
■ Males% □ Females%

also the centre for a substantial abalone, lobster, oyster, prawn and finfish industry. Over recent years there has been a shift to aquaculture methods, with tuna being fattened in floating cages before harvesting, and as on-shore production of abalone has grown. These industries have become major employers, both in direct production and harvesting and in downstream processing, and the seafood industry in the Eyre Peninsula (which is concentrated in Port Lincoln) is estimated to directly and indirectly support nearly 2000 jobs (Eyre Regional Development Board 2000). The role of Port Lincoln as a major regional service centre is also shown in the occupational structure of the city, with higher percentages of professionals, associate professionals, and clerical and service workers than Murray Bridge (Figure 4.2).

Port Lincoln's population has grown faster than that of Murray Bridge over the last decade, and faster than the State as a whole (Table 4.1), reflecting the strength of the city's economy. However, as in Murray Bridge, employment failed to grow between the 1991 and 1996 Censuses, and jobs growth in the private sector over this period was also partly balanced by job losses in State Government employment (South Australian Centre for Economic Studies 1997a, p. 28). Despite the relative strength of the Port Lincoln economy, unemployment stood at 14.5 per cent at the 1996 Census, almost double the South Australian rate of 8.8 per cent. Table 4.1 suggests that there has been employment growth since 1996, but the 1996 and 2001 data are based on different sources and cannot be directly compared. The rate of unemployment only declined to an estimated 10.6 per cent in September 2001, two percentage points higher than in Murray Bridge and over three percentage points higher than the State level. Some of the employment available is also seasonal, especially in the fish processing industries. In 1996 the average weekly individual income of $338 was the second lowest of the three cities, and $23 below the average for the State, again suggesting that much of the employment in the city is in relatively low wage jobs. On the other hand, on the ABS index of relative disadvantage Port Lincoln is the least disadvantaged of the three cities, although still above the South Australian average.

4.4   Whyalla

Whyalla is located in northern Eyre Peninsula near the head of Spencer Gulf, 237 kilometres from Adelaide by air and 396 kilometres by road. At the 1996 Census the city had a population of 23,644, making it the second largest urban area in South Australia. The Aboriginal and Torres Strait Islander population numbered 519, or 2.2 per cent, while 24.7 per cent of the population was born overseas, reflecting the rapid growth of the city as a manufacturing centre since the 1940s. Unlike Murray Bridge and Port Lincoln, Whyalla did not start as a regional service centre, but was established in 1901 (as Hummock Hill) as a shipping port for iron ore from nearby Iron Knob. Broken Hill Pty Ltd (BHP) opened a blast furnace for the production of iron and steel in 1941, and also began building naval ships. In 1944 the Morgan to Whyalla pipeline was completed, which brought Murray River water to the town and removed a major constraint on industrial and population growth. By 1968 BHP had opened an integrated steel works and the population was growing at around 3,000 persons a year, many of them migrants from the United Kingdom and Europe. BHP's workforce in steel production and shipbuilding reached nearly 7,000 in 1970. However, the shipyards closed in 1978, bringing several decades of remarkable growth to an end, and the city's population started to decline from its peak in 1976 of around 33,000.

Iron and steel production remains the core of the economy, with the plant now operated by OneSteel, an independent company formed from BHP's Long Products Division. The company employs around 1,700 workers, a considerable reduction on the peak steelworks workforce of around 5,800 in 1982, although some of the former jobs have been outsourced to local contractors. Other industries include a fractionation plant for the processing and export of liquid hydrocarbons at Port Bonython, a beta carotene extraction plant, engineering and electrical services, and an emerging aquaculture industry. The role of manufacturing in the city's economy is indicated in Figure 4.6, which shows that the percentage of the workforce employed in manufacturing was almost double the level for the State as a whole, and in Figure 4.2, which shows relatively high levels of tradespersons and intermediate production workers. However, the long-term future of the steel industry in Whyalla is uncertain, and this contributes to a lack of new investment in the city, and of confidence in its future. Whyalla also has a major regional hospital, well developed education facilities (including a branch campus of the University of South Australia), professional and business services, major shopping centres, and the infrastructure for a city of up to 38,000 people. It serves as a regional centre for part of the Eyre Peninsula population.

Whyalla's population has been declining since the 1970s, although the rate of decline has slowed and local sources claim the population may have stabilised at around 23,000 at present. Despite its reputation as an ageing population, Whyalla's age structure in 1996 was actually the youngest of the three cities (Figure 4.7 and Table 4.1). However, like the other cities, Whyalla also appears to be losing young people aged 15 to 29 years through out-migration. Employment fell between the 1991 and 1996 Censuses, and unlike in the other two case study cities, there were job losses in the private sector as well as in government employment (South Australian Centre for Economic Studies 1997a, p. 28). Unemployment remains the highest of the three cities, at an estimated 11.2 per cent in September 2001, but it has also been falling. On the other hand, Whyalla's average weekly individual income in 1996 of $369 was the highest of the three case study cities, and $8 higher than the State average, possibly reflecting the higher levels of skill and pay in much of the manufacturing industry in the city, or extra payment for overtime in the BHP plant.[5] On the ABS index of relative disadvantage Whyalla was more disadvantaged than Port Lincoln but marginally less disadvantaged than Murray Bridge.

The case study cities therefore differ in the strength of their economies, their rates of population and employment growth, their levels of unemployment, and their levels of relative disadvantage. These differences in turn create different housing markets, with a static demand for housing in Whyalla and a growing demand in Murray Bridge and Port Lincoln. All three cities, however, have unemployment rates above the State average, and therefore a strong demand for welfare housing.

4.5   Public Housing: The Stock and the Tenants

The three case study cities contain sizeable stocks of public housing, and significant percentages of their populations are public housing tenants. Table 4.2 shows that from 13 per cent (Murray Bridge) to 30 per cent (Whyalla) of the total population of these cities lived in State Housing Authority rental accommodation in 1996.

Whyalla has the largest public housing stock of the three cities, and the largest public housing stock outside Adelaide (Table 4.2). The South Australian Housing Trust was almost solely responsible for the provision of housing during the rapid industrial growth of the city, and by 1983 had constructed a total of 7,026 dwellings for both rental and sale (Marsden 1986, p. 202). Table 4.3 shows that much of the stock in

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[5] The relative income levels of the three case study cities and the State are confirmed by data on taxable income for 1995, in South Australian Centre for Economic Studies 1997a, p. 36.

Table 4.2: Population in State Housing Authority rental accommodation, Murray Bridge, Port Lincoln and Whyalla, 1996 (a)

City	City population	Population in State Housing Authority rental accommodation	Per cent of total city population in State Housing Authority rental accommodation
Murray Bridge	15,893	2137	13.4
Port Lincoln	12,182	2127	17.5
Whyalla	23,644	7190	30.4

(a) Based on place of enumeration, and includes overseas visitors.

Source: ABS Basic Community Profile and special tabulations.

Figure 4.6: Industry structure, Whyalla and South Australia, 1996
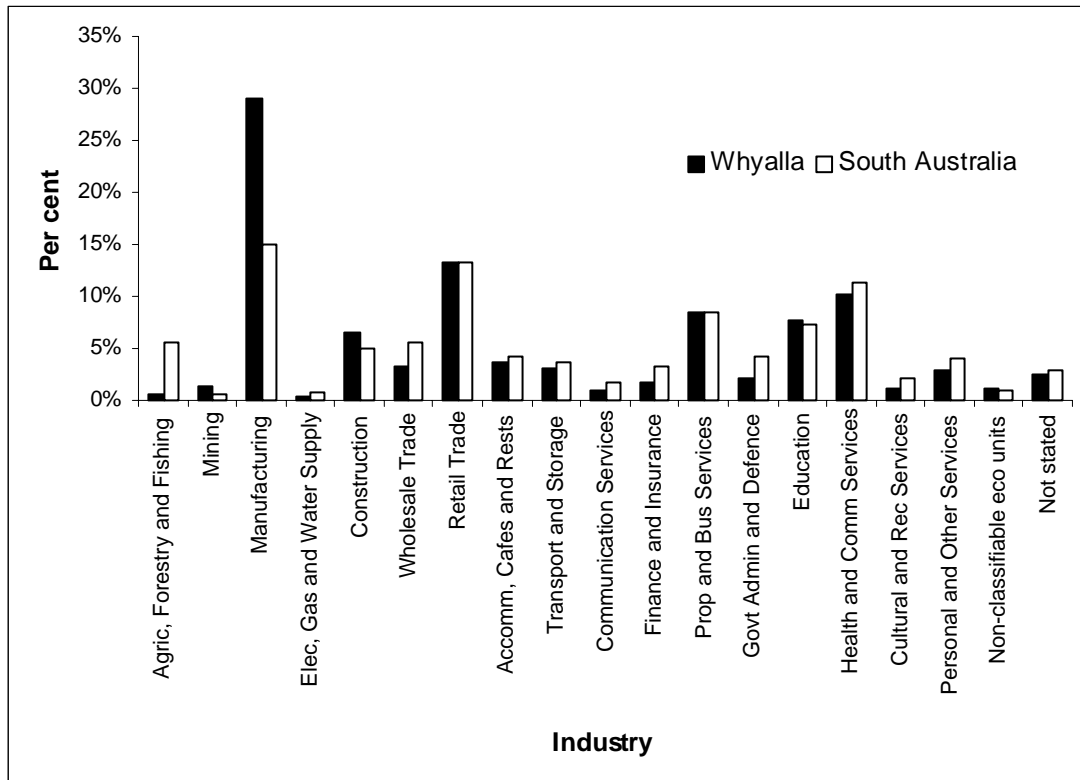
Source: ABS 1996 Census

Figure 4.7: Age sex profile, Whyalla, 1996
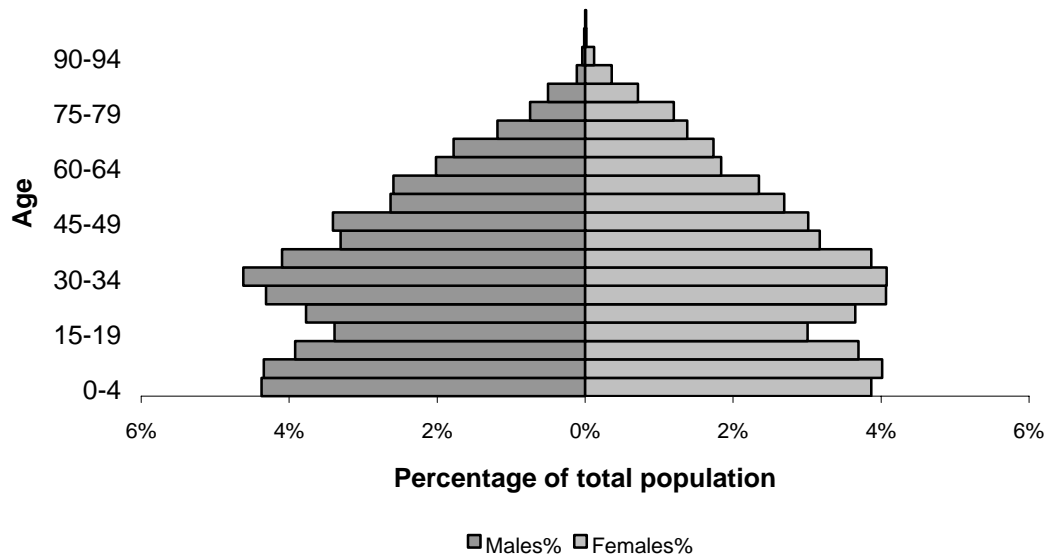
Source: ABS 1996 Census

Whyalla consists of double unit housing, which was typically built by the Housing Trust for industrial workers. Between 1957/58 and 1974/75, when the last one was built, 4,316 double units were constructed in Whyalla (Marsden 1986, p. 200). Many of these houses had design limitations when they were first built, are no longer popular, and are now at the end of their lifespan and in need of major renovation or rebuilding. Detached housing is much more common in Murray Bridge and Port Lincoln, where public housing was constructed as much to alleviate postwar housing shortages as to assist particular industries (Marsden 1986, p. 187).

Trust rental stock has been declining in all three cities in recent years (Table 4.3). The Trust has a policy of disposing of obsolete, ageing and surplus properties in areas of low demand, and investing the capital so generated into building, buying or redeveloping housing in areas of high demand (South Australian Housing Trust 2001b, p. 36). Generally, one new house can be produced for each 3.5 old houses disposed of (Spiller Gibbins Swan 2000, p. 20). Under this policy, Trust houses have been sold in all three case study cities. In Murray Bridge an additional reason for selling has been to change the mix of residents as a means of addressing some of the social problems of large blocks of public housing. However, a criticism of the Trust in Murray Bridge is that funds generated through sales in the city have been reinvested in new housing in other centres, leading to a loss of housing stock from Murray Bridge, despite the growing shortage of rental housing in that city. In Whyalla there is a surplus of public housing because of the decline in the city's population, and the Trust wants to demolish some of the older stock. This plan has been opposed by the City Council, which is concerned about the reduction of the housing stock of the city and the location of the houses to be demolished. Houses have been renovated in all three cities, but only in Port Lincoln has there been a redevelopment project, the Lincoln Gardens Urban Improvement Project. In this project, 157 houses were sold and 57 renovated and retained in public ownership. The project has been successful in generating funds for a major renovation of the housing stock, and in changing the social mix of the area, but it has also reduced the stock of public

Table 4.3: Trust rental stock by house type, Murray Bridge, Port Lincoln and Whyalla, 1995/1996 to 2000/2001

Region	Year	Attached house	One bedroom flat	Double Unit	Brick detached house	Timber detached house	Total (incl. other)
Port Lincoln	1995/1996	73	146	332	57	344	1119
	1996/1997	73	146	287	55	327	1049
	1997/1998	73	146	254	56	295	979
	1998/1999	103	147	219	114	351	934
	1999/2000	105	143	218	117	339	922
	2000/2001	109	143	168	115	324	859
Murray Bridge	1995/1996	348	303	781	537	979	3111
	1996/1997	348	303	762	521	944	3037
	1997/1998	348	300	719	513	903	2936
	1998/1999	366	300	663	571	938	2838
	1999/2000	398	294	615	570	905	2782
	2000/2001	395	290	554	563	850	2652
Whyalla	1995/1996	303	96	3212	106	113	3839
	1996/1997	299	96	3089	97	109	3698
	1997/1998	295	96	2984	90	78	3551
	1998/1999	299	96	2937	86	62	3480
	1999/2000	299	96	2861	86	59	3401
	2000/2001	295	96	2764	81	48	3284

Source: South Australian Housing Trust.

housing in a city with significant housing pressures. There is a shortage of public housing for female victims of domestic violence, for the disabled, and for people who don't qualify for Trust housing but are discriminated against by the private rental market.

Demand for public housing rental accommodation is relatively low in Whyalla and relatively high in Murray Bridge and Port Lincoln. Table 4.4 shows that Whyalla has the lowest numbers of customers on the waiting list in all three categories of housing need, and Murray Bridge the highest. Category 1 includes applicants in urgent need of housing, as identified by the Trust's definition of homelessness. Category 2 includes applicants who are not in urgent need, but for whom other housing options are not suitable or accessible as a long term option, and Category 3 includes applicants who meet the income and assets test but do not have an urgent or high housing need. The policy of the Trust is to house applicants in Category 1 first, and the percentage of new tenants that are priority applicants (i.e. in Category 1) is therefore a good measure of pressure on the housing stock. In 2000-01 this percentage was low in Whyalla and high in Murray Bridge and Port Lincoln.

The major groups with urgent or high housing needs assisted by the Housing Trust are the unemployed, people on low incomes, single supporting parents, youth, people with disabilities, and the aged. Table 4.4 shows some differences in the proportions of these groups between the three cities. For example, while single supporting parents were the largest group of applicants in all three cities in 2000-01, the percentage was highest in Murray Bridge, and Murray Bridge and Port Lincoln also had higher proportions of single parent and female headed households than Whyalla. One reason for this difference is that in both Murray Bridge and Port

Lincoln the Trust provides housing for the families of prisoners sent to the jails in these cities. Whyalla has a particular problem with youth homelessness, and had the highest percentage of tenants aged 15 to 24 years and the lowest median age of tenant. Port Lincoln had the highest percentage of applicants who were unemployed, while Murray Bridge had the highest percentage of applicants who had a disability support pension. On the other hand, there was little difference between the cities in the proportions of tenants aged 60 years and over, and this group occupies about a third of the rental stock. In all three cities the percentage of tenants paying a reduced rent, which ensures that low-income earners pay no more than 25 per cent of their household income on rent, was between 74.8 and 80.2 per cent, demonstrating that public housing in these cities is now essentially welfare housing for low-income individuals and households. Finally, turnover is higher in Whyalla and Murray Bridge than in Port Lincoln, as measured by the number of new tenants as a percentage of existing tenants, and the percentage of tenants with less than two years length of tenure. On the other hand, because of its housing history Whyalla also has the highest percentage of tenants with more than 30 years tenure.

Key informants were asked their views on the role of public housing in the economies of the three cities. In Murray Bridge public housing was seen as more of a liability than an asset. It was argued that the stock was ageing and not being adequately maintained, that the double unit housing was unpopular, that the reduction in the stock was increasing pressure on the private rental market in an area where demand was increasing, and that many of the residents of public housing did not contribute to the local economy through employment, and were not integrated into the rest of the community. Public housing was seen more as a social problem than as an economic asset. Similar views were expressed in Port Lincoln, but there was more recognition that a number of workers in the fishing and fish processing industries depended on public housing because of their seasonal employment and consequently low annual income, and that tenants in public housing contributed to the local economy through their spending. In both cities it was argued that the Trust should be assisting economic development by providing accommodation for groups such as students, trainees and apprentices, and low-income workers employed in growing industries. Rental accommodation for both groups was expensive and sometimes difficult to obtain, and private developers were not meeting the need because the return in future capital gains was lower than in Adelaide. In the past the provision of this type of accommodation was the main role of the Housing Trust, but over the last two decades the focus has shifted from housing low-income workers to housing people who are disadvantaged by their circumstances.[6]

In Whyalla the issue was not a shortage of housing but a surplus. Some argued that the infrastructure of housing and services developed in Whyalla would assist the city attract industries servicing the growing mining industry in the region. The Council also saw the stock as a potential asset that could be developed as retirement housing for people from country South Australia, to create a new source of employment for the city. Despite the surplus, there is a shortage of appropriate housing for the aged, a lack of high quality private rental accommodation and owner occupation housing, and inadequate appropriate youth housing and accommodation for people with disabilities. The housing market can also be seen to have failed in Whyalla because while there is a substantial surplus of low quality public rental housing, it can be difficult to secure higher quality rental housing in the private rental market.

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[6] We were sometimes told that the Commonwealth-State Housing Assistance Agreement prevents the provision of housing assistance to the former group, but the 1999 Housing Assistance (Form of Agreement) Determination states that 'the purpose of funding is to assist those whose needs for appropriate housing cannot be met by the private market'. This would seem to permit funding where there is market failure, although spending for this purpose would simply further reduce the housing provision for disadvantaged groups.

Table 4.4: Characteristics of Housing Trust tenants, Murray Bridge, Port Lincoln and Whyalla

	Murray Bridge	Port Lincoln	Whyalla
Number of category 1 customers on the waiting list 30.6.2001	38	8	3
Number of category 2 customers on the waiting list 30.6.2001	142	44	20
Number of category 3 customers on the waiting list 30.6.2001	969	271	224
Priority allocations as a percentage of all allocations 2000-01	48.7	55.9	11.9
Percentage of tenants female, 27.12.2000	61.6	60.0	52.2
Percentage of tenants aged 15 to 24 years, 27.12.2000	7.4	5.5	11.2
Percentage of tenants aged 60 years and over, 27.12.2000	31.1	32.8	33.2
Percentage of single households 2000-01	47.7	48.2	59.8
Percentage of single parent households 2000-01	22.2	24.3	17.6
Percentage of households with couples 2000-01	14.4	13.4	12.5
Percentage of households with couples and children 2000-01	11.4	11.3	6.9
Percentage of rental applicants with supporting parent payment as main source of income 2000-01	36.7	29.5	30.4
Percentage of rental applicants with New Start allowance as main source of income 2000-01	17.0	21.6	19.6
Percentage of rental applicants with a disability support pension as main source of income 2000-01	15.7	13.6	10.9
Percentage of tenants paying reduced rent 2000-01	80.2	78.3	74.8
Median length of tenure (years), 27.12.2000	7.2	10.1	10.3
Percentage of tenants with less than 2 years length of tenure, 27.12.2000	13.6	8.5	13.4
New tenants as a percentage of existing tenants 1999-2000	15.0	16.6	20.8

Source: South Australian Housing Trust.

4.6 Unemployment and Non-Participation in the Labour Force Amongst Public Housing Tenants

Public housing tenants in the three case study cities have above average rates of unemployment and above average rates of non-participation in the labour force. Figure 4.8 compares the employment status of State Housing Authority tenants aged 15 years and over in Murray Bridge, Port Lincoln and Whyalla with the overall rates for South Australia at the time of the 1996 census. This graph shows that the percentage of persons aged 15 years and over who are either unemployed or not in the labour force is from 49 per cent (Whyalla) to 78 per cent (Murray Bridge) higher than the State average amongst male State Housing Authority tenants, and from 43 per cent (Whyalla) to 46 per cent (Murray Bridge) higher amongst female State Housing Authority tenants. These figures suggest that, if barriers to employment could be overcome, there is considerable scope to reduce unemployment and non-participation in the labour force amongst public housing tenants in the three cities.

The next set of graphs test to see if this scope still exists if rates of unemployment and non-participation in the labour force are standardised by age, family type and city, as Housing Authority tenants may be concentrated in particular age groups or family types compared to the total State population. It is also possible that public housing tenants in Murray Bridge, Port Lincoln and Whyalla may have above average levels of unemployment or non-participation in the labour force because of economic conditions in these cities. Figures 4.9 and 4.10 show employment status by age group for males and females separately, and in all age groups and both sexes the percentage of Housing Authority tenants either unemployed or not in the labour force is considerably higher than the State percentages for the total population in each age group.

Figures 4.11 and 4.12 show employment status by family type. The graphs suggest that the percentage of Housing Authority tenants who are unemployed is consistently higher than the overall State level in each family type, while the percentage of tenants who are not in the labour force is higher than the State average in the majority of family types. Finally, Figure 4.13 compares the employment status of Housing Authority tenants with the rest of the population aged 15-54 years in the three regional cities, and shows that Housing Authority tenants have consistently higher levels of unemployment and non-participation in the labour force. The data presented here therefore show that people in public housing in the three regional cities have levels of unemployment that can't be explained by their concentration in particular age groups and family types, or by their location. We therefore conclude that there is a significant group of public housing tenants in each city who could be assisted into the labour force, if the individual disadvantages that currently exclude many of them (and which in most cases are the reasons for them being in public housing) could be reduced. Informants in all three cities also pointed to the existence of households experiencing second and maybe third generation unemployment. In such households economic and social disadvantage can become entrenched, with 'negative consequences for individuals, their families and the broader community' (Community Services 2000b, p. 3). The rest of this report reviews the Australian and international research findings on policies and strategies that might help achieve the aim of assisting as many of these people as possible to gain some form of employment, and therefore to reduce the problem of social exclusion in these regional South Australian cities.

Figure 4.8: Employment status of persons aged 15 years and over by sex, State Housing Authority tenants, Murray Bridge, Port Lincoln and Whyalla, and total South Australia, 1996

Figure 4.9: Employment status of males aged 15-64 years by age group, State Housing Authority tenants, Murray Bridge, Port Lincoln and Whyalla, and total South Australia, 1996

Figure 4.10: Employment status of females aged 15-64 Years by age group, State Housing Authority tenants, Murray Bridge, Port Lincoln and Whyalla, and total South Australia, 1996

Figure 4.11: Percentage of persons unemployed by family type, State Housing Authority tenants, Murray Bridge, Port Lincoln and Whyalla, and total South Australia, 1996

Figure 4.12: Percentage of persons not in the labour force by family type, State Housing Authority tenants, Murray Bridge, Port Lincoln and Whyalla, and total South Australia, 1996
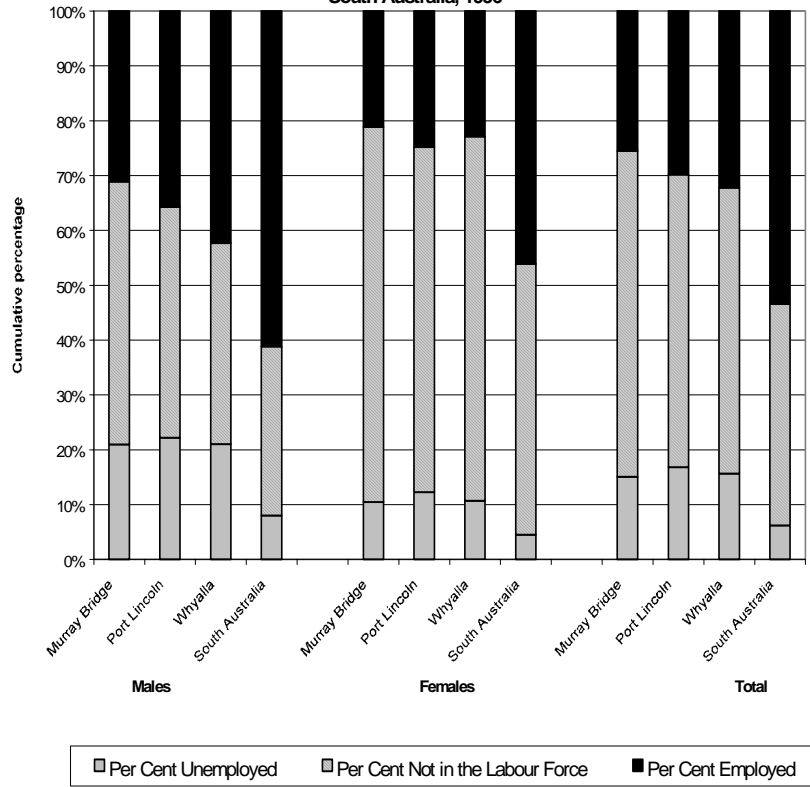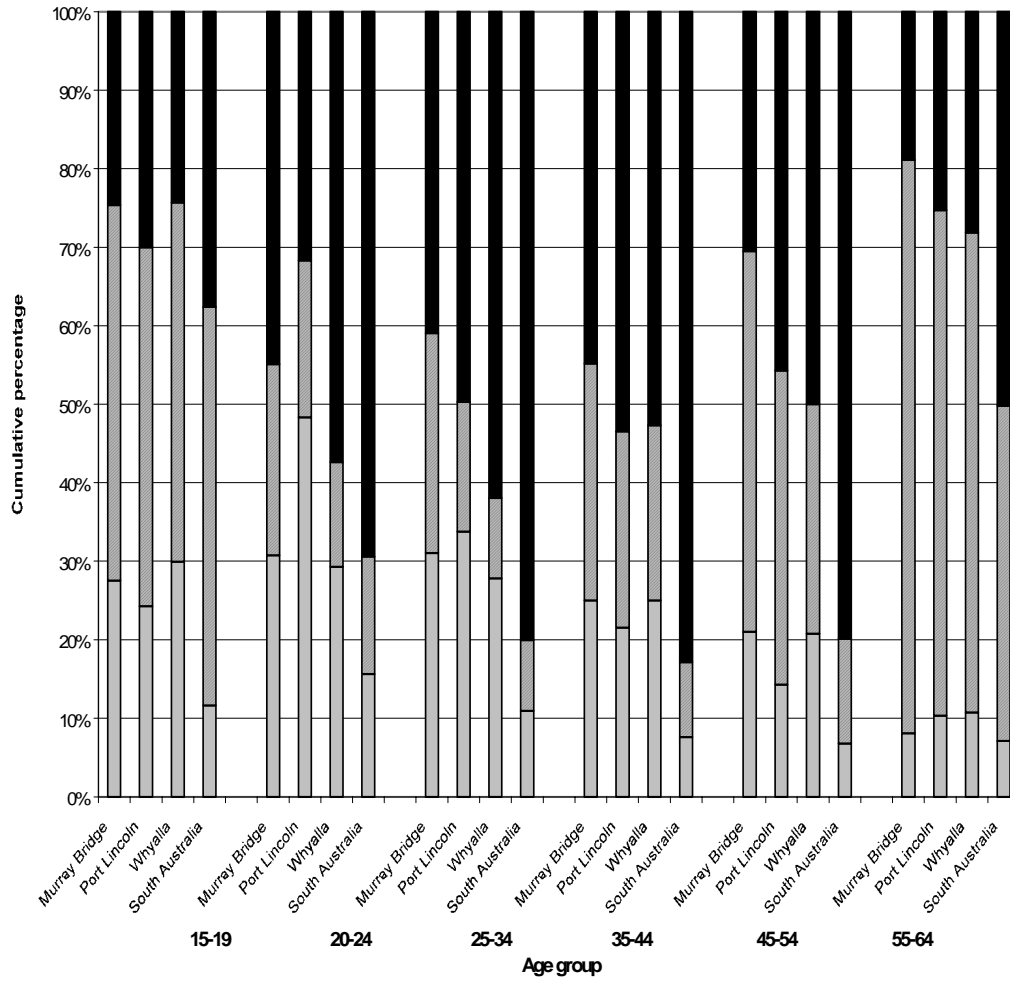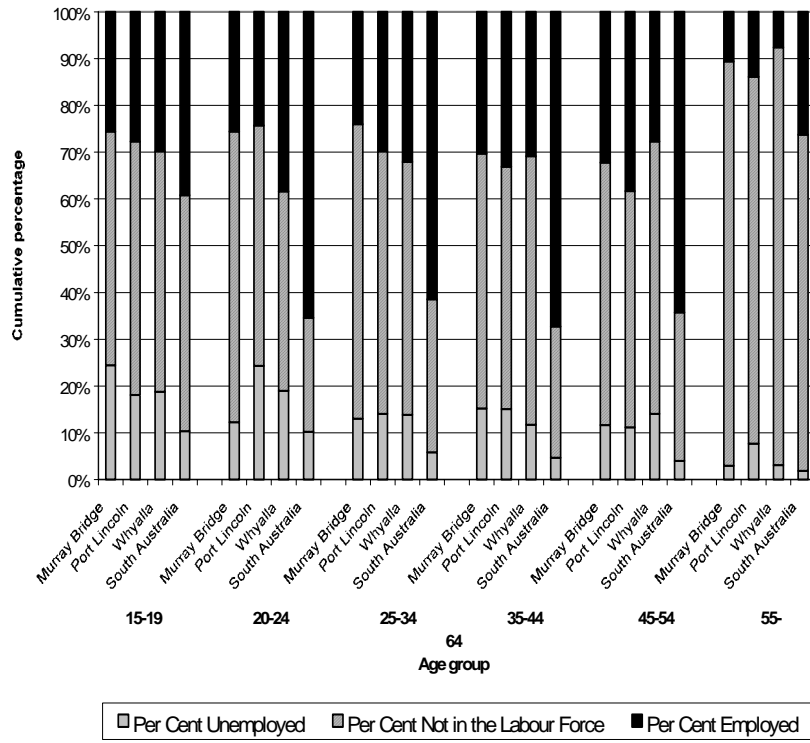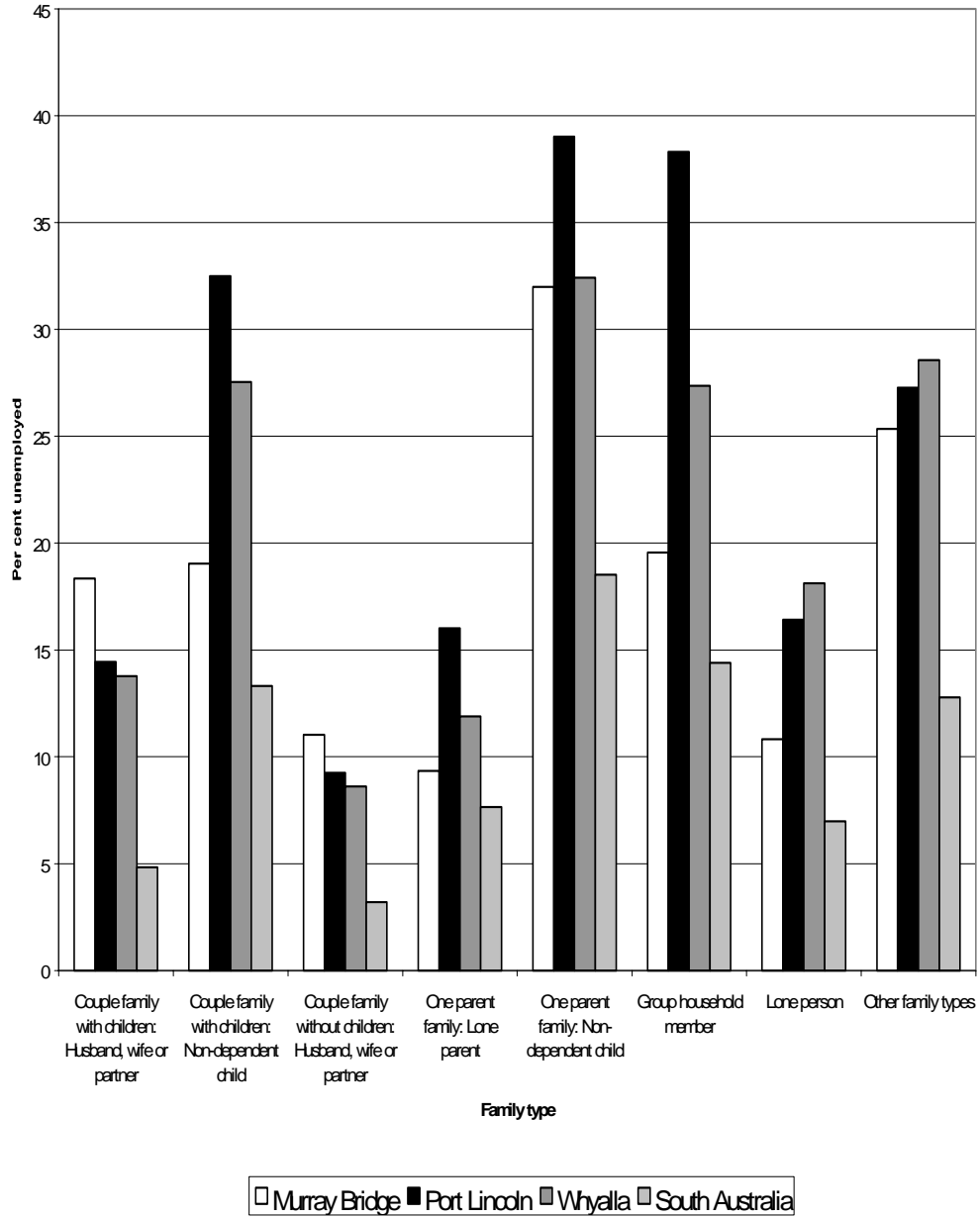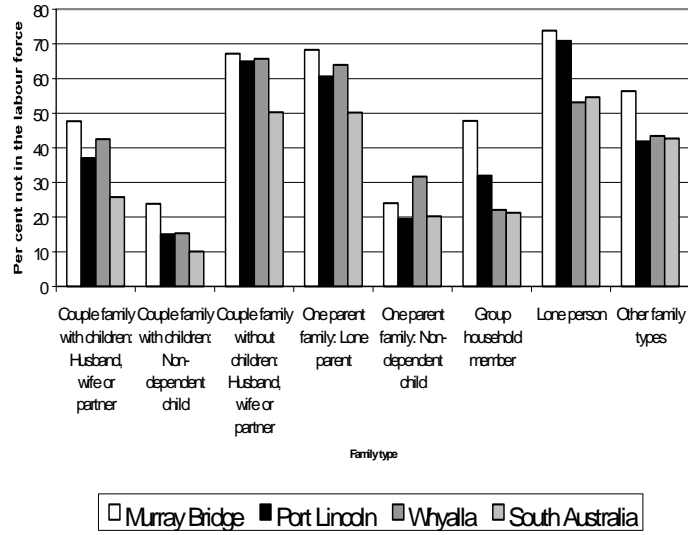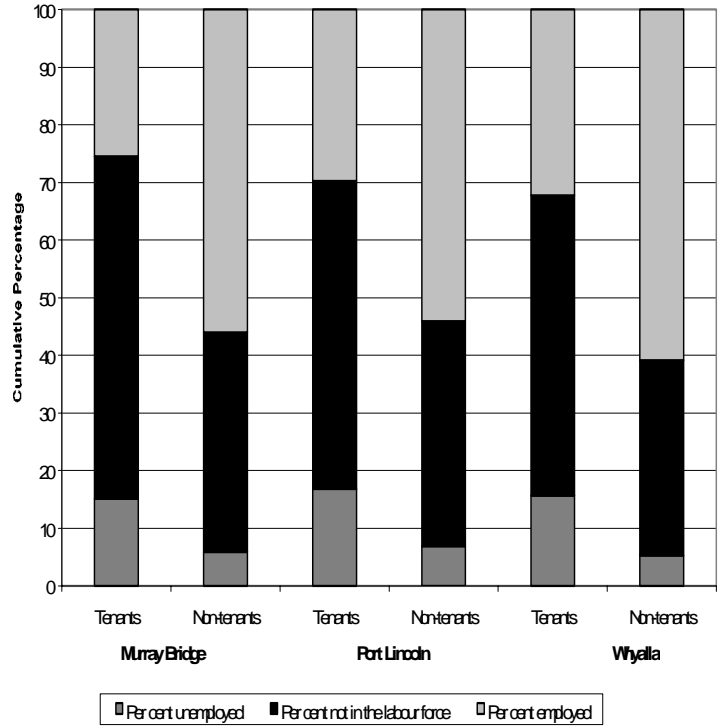

Murray Bridge Port Lincoln Whyalla South Australia

Figure 4.13: Employment Status of Persons Aged 15-64 years by Landlord Type, Murray Bridge, Port Lincoln and Whyalla, 1996

CHAPTER 5. BETTER MANAGING COMMUNITY DEVELOPMENT AND PUBLIC HOUSING IN AUSTRALIA'S REGIONAL CITIES

5.1 Introduction

This chapter draws on Australian and international experience in public housing redevelopment, community development and regeneration projects, and employment programs, with the aim of identifying some broad strategic principles or approaches that have the potential to improve housing, employment and welfare outcomes in the three case study cities. Because the approaches we review are either from other countries, especially Europe, or from metropolitan Australia, we first discuss some of the problems of transferring this experience to regional cities.

5.2 The relevance of International and Metropolitan Australian Experience to Australian Regional Cities

Transferring the experience of housing and community development projects from one country to another, or even from one region to another within the same country, can be difficult. Differences in the nature of the problem being addressed, in economic conditions, in community attitudes and culture, and in governmental structures make the uncritical transfer of ideas risky. 'In addition, the programmes and approaches that [lead] to success in one locality [are] often precisely because of their "fit" with the local environment' (Conway and Konvitz 2000, p. 766).

There are four major constraints on the transfer of international experience to regional cities in Australia. First, the funds available to spend on government programs in Australia are relatively limited by developed country standards. This is partly because Australia has an overall low level of taxation. The OECD reports that Australia's total tax revenue was around 30 per cent of GDP in 1998, the fifth lowest in the OECD table, while tax revenues in the European countries whose experience is drawn on in this project ranged from around 35 per cent to just over 50 per cent of GDP (OECD 2000, p. 88). In addition, Australia does not have access to the supra-national funds available to members of the European Union. This difference in government financial resources severely constrains the ability of any Australian government to implement programs similar to those in most other OECD countries. For example, Gleeson and Carmichael (2001, pp. 36-37) calculate that if Australia was to spend the same per capita as the EU on regional policy it would have to commit approximately $24 billion over the period 2000-2006. In contrast, Australia has a recent history of central government withdrawal from programs in both housing and regional and community economic development.

A second constraint on the transfer of international experience is that many OECD programs are designed to assist people to gain employment in labour markets that already exist within the same or nearby urban areas. However, the populations of Australia's regional cities generally only have access to one or two relatively small and isolated labour markets. There is no significant labour market accessible to Port Lincoln residents outside the city and its immediate surrounds, while Whyalla residents have access to labour markets only in Whyalla and Port Augusta. Murray Bridge residents do have access to the Adelaide labour market, but the cost of travel excludes many low-income people from this market. Single supporting parents, a significant group in public housing in the city, would also find it difficult to work outside Murray Bridge. In addition, within their own city residents have to compete with people from Adelaide and the Adelaide Hills for local jobs. The small size and relative isolation of many of Australia's regional labour markets means that programs

to assist unemployed people find jobs must place more emphasis on local job creation, and therefore on community economic development and employment generation, than is generally the case in other OECD countries.

A third difference between Australia and most OECD countries that constrains the transfer of experience is a difference in governmental structures. Australia's Federal system adds an extra layer, absent in many other countries, which increase the problems of achieving whole-of-government approaches. Although there are examples of growing coordination between agencies at one level of government (McPherson and Wood 2001), there are fewer examples of good coordination between all three levels of government. In addition, local government, which plays a major role in urban regeneration and community economic development in many OECD countries, is relatively weak in Australia. This can be illustrated by the share of total tax revenue raised by local government. In 1998, local government raised 3.5 per cent of total tax revenue in Australia, compared to the OECD average of 8.9 per cent in federal countries, and 13.2 per cent in unitary countries (OECD 2000a, p. 21). This financial weakness, and consequent dependence on the higher levels of government, makes it difficult for local government in Australia to undertake the same role as its counterpart in many OECD countries. In addition, Australian local governments are responsible for a narrower range of functions than those in most comparable economies (Worthington and Dollery 2000).

A final issue is the difference between OECD countries and Australia in the type of people in public housing. While public housing continues to be relatively widely provided in many OECD countries, and is not restricted to those who are unemployed or otherwise disadvantaged, housing policies in Australia over the last decade have increasingly restricted access to public housing to people with high levels of disadvantage (Badcock 1997; Caulfield 2000). Consequently, it will be relatively harder to assist public housing tenants in Australia to move out of welfare dependency and into the labour force than in many of the countries we draw on for their experience.

We must therefore be cautious in seeking to transfer overseas experience to Australia, and especially to regional Australia. Any policy implications must take account of the limited funding available, the nature of regional labour markets, the weakness of local government and the high levels of disadvantage amongst public housing tenants in Australia. The experience of the capital cities in Australia may be more relevant to regional cities, because some of these constraints are common to all regions in Australia. However, there are still major differences in the size and accessibility of labour markets between metropolitan and non-metropolitan Australia, which need to be kept in mind when evaluating the transferability of projects and strategies from the capital cities. There are also differences in the size and capacity of local governments, which will influence their ability to become involved in community development and urban regeneration activities.

5.3   Housing Estate Redevelopment Strategies

Many of the tenants of public housing in Australia can be considered to fit the concept of social exclusion discussed earlier, in that they have generally low incomes, high levels of unemployment, high levels of welfare dependency, poor educational attainment, poor health, high proportions of single parent families, and limited mobility. They have difficulty entering or re-entering mainstream educational and training programs, and in gaining paid employment. Consequently State Housing Authorities have often been the lead agencies when governments have `attempted to address the problems of social exclusion, simply because 'public housing is where those with multiple disadvantage live' (Randolph and Judd 1999, p. 9). Areas such as Holdsworthy in Sydney, Inala-Ipswich in Queensland, and

Salisbury North and The Parks in Adelaide have been targeted by large-scale redevelopment programs. In these programs funds raised through the sale of houses, and of land made available through the demolition of run-down stock, are used to fund the redevelopment of the remaining housing stock and to build new housing, and sometimes to retire government debt. Change to the stock of public dwellings is often accompanied by redevelopment of the physical and social landscape, through landscape architecture and the provision of community facilities. One goal of these redevelopment programs is to foster greater 'social mix', in order to reduce the social and economic problems thought to be associated with concentrations of disadvantaged people. This is promoted through the sale of redeveloped dwellings and the provision of new and better quality housing, with the aim of attracting new and different types of residents, as well as through the relocation of displaced tenants to areas with less disadvantage. Another aim is to make better use of the land and services. Some more recent urban renewal projects have broadened their objectives to include ensuring community involvement in the project, developing local training and employment opportunities, and increasing community spirit and pride, as in the Salisbury North Urban Improvement Project. (Arthurson 1998; Badcock 1997; Randolph and Judd 2000, p. 28; Spiller Gibbins Swan 2000).

Australian and international experience (Randolph and Judd 1999; Maclennan 1998; Stevens 1995) has shown that such urban renewal projects are insufficient to deal with the fundamental problems evident in public housing areas. This is because the approach does not get to the root causes of multiple disadvantage or social exclusion in these areas.

> Reconfiguring estates, stock improvement, breaking up concentrations of public rental and selective disposals have featured prominently... Important as these initiatives may be, they do not really get at the underlying social problems that communities face or offer long term solutions to moving people back into the mainstream (Randolph and Judd 1999, p. 9).

Indeed the redevelopment of public housing may exacerbate problems, as low income people with tenuous connections to the formal labour market may be unable to afford the redeveloped housing stock, or may continue to occupy the same stock but end up renting from a private landlord, or may suffer from the breakup of their communities and networks through relocation (Badcock 1998). There is also concern that this form of redevelopment will reduce the stock of public housing for low-income households (Arthurson 1998). Randolph (2000, pp. 11-12) concludes:

> I would suggest that over the long run the problems of housing authorities, and more importantly the people they house and who are characterised by social disadvantage, are not addressed by physical renewal. It is going to be more, not less, difficult to manage a fully residualised welfare housing system that large scale renewal and disposal policies will create. Nor are policies that simply shift disadvantaged households around the public housing stock and exclude many more to a much less preferable life in the private rented sector likely to help those tenants involved. A key question must be are these types of intervention really benefiting the community that suffers from disadvantage?

Similarly, Spiller, Gibbons and Swan (2000, p. 29) conclude that:

> There is an emerging concern that while the reductions of the public rental presence have resulted in a better outcome for public rental tenants who remain, there may be costs imposed on relocated tenants and on those waiting for accommodation in the area.

Amongst the case study cities only Port Lincoln has a redevelopment project, the Lincoln Gardens Urban Improvement Project, which is the only public housing redevelopment project in South Australia outside Adelaide. The project is a joint initiative of the City of Port Lincoln and the South Australian Housing Trust, with the aim of 'improving the quality of housing, renewing infrastructure and [creating] a better mix of public and private housing' (Project Brochure) in Lincoln South, where most houses were double units built in the 1940s. As noted earlier in this report, the project has been successful in generating funds for a major renovation of the housing stock, and in changing the social mix of the area, and some claim that it has also changed the perceptions and attitudes of the remaining public housing tenants. Community development work was an important part of the project, and support was provided for a Community House located within the redeveloped area. On the other hand, the project has reduced the stock of public housing in a city with significant housing pressures, as only a quarter of the houses renovated have been retained as public rental housing. Relatively few of the previous tenants purchased a renovated home, and consequently the majority relocated to other parts of the city. Informants suggested that the social problems of the area were simply moved to the remaining concentrations of public housing in Port Lincoln, or were scattered around the city. Another criticism of the project was that the primary school lost large numbers of children as families moved out, and is in danger of closure. The project therefore seems to have experienced the same successes and problems as projects in the larger cities.

There is no scope for a similar project in Whyalla, because the market for redeveloped housing does not exist, either amongst the existing tenants or amongst private investors. There are also no proposals for a redevelopment project in Murray Bridge. Here social mix is being encouraged by selective sales of public housing, but as in Port Lincoln this leads to a reduction in the public rental stock. There are also more limited opportunities to relocate tenants to a significantly different area in cities like Murray Bridge, with a relatively small public housing stock. We therefore argue that the estate renewal strategies followed in the metropolitan cities, which involve the sale of part of the public housing stock and the relocation of tenants, are not likely to be a viable policy for most regional cities.

Compared to current practice in Australia, overseas programs to regenerate public housing areas and low income neighbourhoods place more emphasis on the following broad strategies (Conway and Konvitz 2000; Maclennan 1998; OECD 1998; United Kingdom, Social Exclusion Unit 2001):

1. Linking regeneration programs with economic development, employment, job creation, enterprise development, education and training programs.

2. Area-based approaches which emphasise the adaptation of strategies to the local context, integration of programs at the local level, and the use of local agencies.

3. Community involvement and community development.

The next sections review each of these areas in order to identify the broad strategic principles that might underlie an alternative approach to improving the welfare of public housing tenants in regional cities in Australia.

5.4 The Role of Economic Development, Work and Employment

In Europe and the United States, economic development has become central to urban regeneration. Reviewing British experience, McLennan (1998, p. 51) writes:

> …within urban regeneration, economic development has moved centre stage. Work restores individual self-esteem and brings income back to deprived neighbourhoods. People in work help to stabilise neighbourhoods and reconnect them to the outside world.

In the United States the Hope VI program of the Clinton administration also placed more emphasis on community development and economic participation (Spiller, Gibbons and Swan 2000, pp. 7-8). The social value of employment is recognised by writers from a range of disciplines, and the role of work in reducing social exclusion is also widely recognised. For example, the McClure Report on the Australian welfare system (Department of Family and Community Services 2000b, p. 3) stated that:

> Participation in paid employment is a major source of self-esteem. Without it, people can fail to develop, or become disengaged from, employment, family and community networks. This can lead to physical and psychological ill health and reduced life opportunities for parents and their children.
> …
> Just as with jobless families, the problems facing job poor communities can be self-reinforcing. The most disadvantaged regions have poorer educational, social and transport infrastructure as well as reduced employment opportunities. Without intervention, the cycle of decline in disadvantaged areas may continue despite employment gains in the economy overall.

If unemployment is a major cause of social exclusion, then assisting public housing tenants into employment is essential in tackling their social exclusion.[7] The analysis of Census data undertaken earlier in this report showed that public housing tenants in the three case study cities have higher levels of unemployment and non-participation in the workforce than the average levels in South Australia, and higher levels than amongst non-public housing residents in the three cities. Increasing the participation of public housing tenants in the workforce is therefore an essential component of a strategy to reduce social exclusion in these public housing estates.

This conclusion is supported by Randolph (2000, p. 15), in a review of community renewal in public housing estates in Australia:

> Community renewal must integrate physical renewal and asset management strategies *and* social and economic renewal strategies. It's not enough to simply 'build' the problem away by dispersing disadvantaged communities through redevelopment under the guise of social mix. Neither will a reliance on community focussed social initiatives be enough to make a long term difference. Job and skills training to help residents access available jobs and employment generation strategies also need to be part of the mix …

In Australia there has been a lack of integration between economic development programs and the social welfare programs that tackle social exclusion. Community or local economic development has largely been the preserve of departments of industry, state development, small business or employment and training, and of regional development agencies and local government, and their programs have largely involved business attraction and expansion, and a range of training and

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[7] An emphasis on employment is congruent with the Federal Government's policy of preventing and reducing welfare dependency among working age people, and developing 'a system that engages all people of working age in active social and economic participation' (Australia 2001).

employment schemes. Issues of social exclusion, on the other hand, have been addressed by human services departments, housing authorities, health organisations, social security agencies and offices for rural communities, and their activities have largely involved income support, housing provision, personal skills development, education, training, and job search schemes. Furthermore, the firms and industries which economic development agencies generally seek to assist often don't employ people with significant disadvantage.

As discussed by Haughton (1999a and b) there is considerable scope for community economic development programs that address the needs and capabilities of many disadvantaged people who are unable to compete for jobs in the global economy, but which at the same time contribute to the development of local economies. 'Work', therefore, does not necessarily need to be in the mainstream economy.

> In an economic environment in which the demand for paid work is greater than the supply, and in which emphasis is placed on labour-market participation as a means of inclusion in the active society, there are strong arguments for re-examining the definition of 'work'. Cappo and Cass (1994) have proposed a definition of 'work' to include any form of participation that is socially useful from the standpoint of private and public welfare. They suggest that such a broader definition might include voluntary work in community-based services and activities and caring for dependants. Exposure to voluntary work equips people also for participation in the formal labour market, often by creating links with networks that might lead to employment, but also to maximise societal and personal benefits from involvement in socially useful activity and social networks—including activity for which there is 'payment'—such involvement should be encouraged, when possible, by information and incentives and be chosen freely rather than being imposed or enforced. (Herbert and Smith 1997, pp. 35-36)

Much of the 'work' advocated in the quotation above is in the subsistence level of the local economy, as described in Chapter 2. Other economic development activities could focus on the local market level of the economy:

> where the focus might be on promoting self-employment, small businesses, community enterprises and co-operatives, aiming to create a thriving integrated economy, where businesses actively inter-trade and bring about the twin local benefits of reducing economic leakage (spending which would otherwise go towards buying goods and services externally) and providing a greater local range of activities for local people and businesses. (Haughton 1999a, p. 18)[8]

We therefore argue that 'work' and 'employment' should be seen as including a range of types of work, including voluntary work, collective community self-help activities, informal economy activities, self-employment, and employment in the formal labour market (Macfarlane 1997). The organisations providing employment could be private businesses, the public sector, or third sector organisations like cooperatives and non-profit companies. Expanding the range of types of work and types of organisation helps to provide a variety of entry points into work for individuals with varying skills, experience and levels of disadvantage. It is also vital in overcoming the problems of a lack of employment, or of appropriate employment, in regional cities. In small regional labour markets, or where there is limited employment growth, training and job search assistance must be accompanied by an increase in the 'work' available.

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[8] See also Douthwaite 1996, Imbrosio 1995 and Shuman 1998 on approaches to community economic development and community regeneration that emphasise greater local self-reliance.

5.5 Local Area-Based Strategies

The adoption of an area-based approach to the problems of urban areas with high levels of disadvantage and social exclusion, including areas of public housing, has been a common feature of urban regeneration programs in developed countries. It is implicit in the urban renewal programs in Australia reviewed earlier, but is the basis of a more comprehensive strategy in Europe. An OECD document concludes:

> Policy innovations in several Member countries in the 1990s demonstrate a growing consensus about the need for area-based, multi-sectoral policies to address urban deprivation. (OECD 1998, p. 130)

This approach is also a common feature of welfare-to-work programs in developed countries (OECD 1999b). The advantages claimed for a strategy that identifies and targets specific areas are outlined below:[9]

1. An area-based approach permits the 'diversity and complexity of local circumstances' to be taken into account (OECD 1998, p. 121). The specific history and causes of problems in each area can be studied, and the understandings gained incorporated into the choice and design of strategies (Mclennan 1998, p. 46). An OECD report argues that:

    ...a key strength often attributed to local involvement in the design and management of welfare-to-work policies is the ability to design services that are more adapted to local circumstances. This is partly based on the idea that local actors have greater information than central ones on these issues, by virtue of their proximity to local employers, community groups, employment service providers and so on, and because of their wide range of overlapping competencies. (OECD 1999b, p. 41).

2. In an area-based approach, local communities have more opportunity to influence the choice of strategies and the ways they are implemented (Taylor 1998, p. 827), and this is likely to increase the effectiveness of these strategies. This point is developed in the next section.

3. Local human and resource assets can be identified and used (Mclennan 1998, p. 47). An OECD report concludes:

    A third key strength of local involvement in the design and management of welfare-to-work policies is the ability to mobilise people, employers, and community groups in support of national policy objectives, based on the exploitation of common local issues and objectives and the existence of local forums and networks. This can help access additional local expertise, resources and support from the social partners to increase the scale of delivery and to address local problems that are preventing policy from working effectively.

4. The programs of different agencies can be coordinated at the local level (Conway and Konvitz 2000, p. 753), in order to achieve the objective of integrating social and economic development programs within an overall strategy agreed on by all parties.[10]

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[9] See also Campbell, Foy and Hutchinson 1999, pp. 200-203.

[10] 'Strategy is a concept predicated on an overall vision that is shared by all the actors involved—one that binds the proposed measures solidly together. It gives purpose to action by placing it in a wider context that is known and understood by all actors. In this regard, the shaping of strategy takes on special significance. Because the process creates an interface among the actors involved and places each of them in learning situations, it forms the core of a partnership-based approach. The definition of strategy is a key element in the final outcome. This collective process alone will determine each actor's commitment to achieve agreed goals.' (OECD 1998, p. 119)

5. Local agencies and actors can be used in the delivery of programs, in order to provide additional sources of information, additional delivery networks, and better flows of information from the target communities. However, the aim is to transform and add to mainstream services through local involvement, not to replace them (Mclennan 1998, p. 46).

6. An area-based approach allows 'different solutions to emerge in different areas, reflecting local needs and conditions' (Randolph and Judd 2000, p. 102), provided that the programs and policies of central agencies at the State and Federal level are flexible. ...'programme regulations designed rigidly at the central level risk prohibiting activities that could be appropriate in particular local circumstances that are difficult to predict and legislate for centrally. By giving local groups the flexibility to design provision within a broad range of permitted activities, programmes can tap into local facilities or activities that might otherwise be missed' (OECD 1999b, pp. 41-42).

However, an area-based approach needs to be accompanied by a recognition that the causes of the problems of disadvantage in public housing areas, and many of the solutions, lie outside these areas (Conway and Konvitz 2000, pp. 753 and 769). An OECD report argues that:

> ...it is also the case that local initiatives on their own are not sufficient to tackle the [welfare-to-work] problem. Tight labour markets need to be achieved if job opportunities are to be found for previous welfare recipients and this task is as much national as local. The OECD Jobs Study identified a range of conditions that contribute to reducing unemployment at national and international level, including a stable and conducive macroeconomic environment, flexible product and labour markets and investment in skills and innovation. Equally, nationally-set tax and benefit regimes have important impacts on the demand for work. In sum, local initiatives need to be complemented with appropriate national and international policies. (OECD 1999b, p. 45)

An area-based approach must also look beyond the local area and work to integrate it into the wider urban and regional economy (Conway and Konvitz 2000, p. 769).[11] This breaks down isolation, links people with potential employers, and develops the bridging and linking social capital that is often poorly developed in disadvantaged areas.[12] In addition, an area-based regeneration strategy must avoid reinforcing the stigmatisation of some areas, a problem that is apparent in all three of the case study cities. Strategies

> ...that target overly restrictive geographical areas can have the unwanted effect of spotlighting certain areas and labelling them as "abnormal", and for this reason, should be avoided. The definition of target areas should, in all cases, emphasise the re-integration of distressed areas into the wider urban economy. (OECD 1998, p. 122)

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[11] Such an approach fits the outward-looking strategy for housing estate regeneration in England and Scotland advocated by Hall 1997. For a radical critique of the area-based approach see Oatley 2000 and Chatterton and Bradley 2000.

[12] Some writers distinguish between social bonds, bridges and linkages. *Bonding* develops in the relationships among members of families and ethnic groups, but bonding ties can become exclusive of outsiders and assist the pursuit of narrow group self-interest. *Bridging* social capital develops in the more distant relationships with friends, associates and colleagues, and through participation in a range of associations and groups. These bridging linkages between small groups and the wider community may be needed to promote social capital that is for the common good. *Linking* social capital is developed by relationships with individuals and institutions with power, and determines 'the capacity of individuals and communities to leverage resources, ideas, and information from formal institutions beyond the immediate community radius.' (OECD 2001a, p. 42)

For these reasons the areas defined for any regeneration program for public housing tenants in regional cities in Australia should be the whole of the city. Furthermore, while such a program would focus on tenants in public housing, it would also include non-tenants with the same types of need, including people in receipt of rental assistance. Randolph (2000, pp. 5-7), for example, in an analysis of Census data for Sydney, shows that while disadvantage is clearly associated with public housing, there are extensive areas with high levels of disadvantage outside the public housing sector.

5.6 The Role of Community Participation and Social Capital

A number of studies support the argument that community participation is vital. For example, in a review of OECD strategies for distressed urban areas, Conway and Konvitz (2000, pp. 757-758) write:

> Local participation in the design and management of initiatives which aim to address the problems of distressed urban areas is a critical component to the success of these initiatives.

Likewise, Maclennan (1998, p. 47) concludes:

> Many studies within Joseph Rowntree Foundation's Action on Estates Programme showed that even the most ambitious urban regeneration schemes are unlikely to work unless founded on a solid base of community participation.

The objectives of community involvement are to ensure that policies and strategies are relevant to local needs and conditions, are seen as legitimate and are therefore fully supported, that local people become mobilised, and that communities develop the capacity to better help themselves through local community organisations.

The private sector, particularly local business, must also be seen as part of the community, and can become involved in efforts to make urban regeneration improve the local economy (OECD 1998, pp. 108-111). In addition, employer involvement in labour market programs is essential in ensuring that training is closely related to the needs of local employers, and that unemployed people can gain the work experience that they lack (Campbell 2000).

We therefore support Randolph's (2000, p. 14) recommendation that:

> New community-based (and community led) agencies are needed that will encourage and facilitate effective community renewal with an emphasis on participation in local decision making ... on neighbourhood-based renewal initiatives.

However, studies also point to concerns about the ability of communities to become involved. Disadvantaged communities often do not have the skills, experience, resources, confidence, and sometimes trust, to engage in community development. Taylor (1998) therefore proposes a strategy for urban regeneration that includes building confidence and social capital.[13]

> This is more than the creation of community spirit. It means empowering residents by developing hard skills, experience, networks (within and beyond the estate), organisations, and vision. (Taylor 1998, p. 825)

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[13] See also Duncan and Thomas 2000; Wood 2000.

Community capacity building[14] involves:

> ... development work which strengthens the ability of community-based organisations and groups to build their structures, systems, people and skills. This enables them to better define and achieve their objectives and engage in consultation, planning, development and management. It also helps them to take an active and equal role in partnerships with other organisations and agencies. Capacity building includes aspects of training, consultancy, organisational and personal development, mentoring and peer group support, organised in a planned manner and based on the principles of empowerment and equality. (Duncan and Thomas 2000, p. 2)

Service providers and agencies, whether government or non-government, also need to learn to work with communities in ways which involve more than consultation. Their capacity to support and work with communities must be developed if community participation is to be successful. At the same time the involvement of these communities will need to be supported by government and non-government agencies, as their level of disadvantage means that they do not have the resources to engage in community development on their own. (OECD 1998, p. 105). Experience also shows that developing community capacity takes several years, and may need to be started well before the introduction of those components of the regeneration program that depend on community involvement.[15] However, how far public housing communities in regional cities can go in community participation in regional cities in Australia is unknown. As noted in an earlier section, the level of disadvantage amongst public housing tenants in Australia is probably higher than in Europe, because of the selection criteria for such housing, and tenants may therefore be less able to participate. Randolph (2000, p. 14) warns that '...the limits of effective community involvement also need to be understood, with a basic principle that communities should have options on how far they wish to be involved.'

Social capital, as discussed in Chapter 2 is a key concept. Social capital now ranks alongside physical capital and human capital as a factor in economic development and human well being. It is produced through the relationships or associations between people in a community. These associations take place within families, neighbourhoods, ethnic groups, religious groups, schools and other educational organisations, community organisations, cooperatives, professional associations, business associations, firms and non-profit organisations (OECD 2001a, pp. 45-48). By working together in these groups people develop shared norms, values and understandings, and a wide range of social connections. The density and quality of successful associations can produce communities with extensive interpersonal and intergroup networks, high levels of cooperation, low levels of social isolation and exclusion, high levels of access to information, and high levels of interpersonal trust and reciprocity.

Social capital contributes to human welfare and well being in three main ways. First, there are well documented positive relationships between social capital and life expectancy, physical health, emotional health, child abuse, crime rates, and reported levels of well being or happiness (OECD 2001a, pp. 52-55). Second, social capital enables communities to work together to solve common problems, using the shared norms, values and understandings, and the wide range of social connections that constitute good social capital. Third, high levels of social capital increase the access of individuals to further education and to employment.   This is because well developed networks of social relations provide individuals with a variety of role

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[14] For a critical analysis of the concept of 'community capacity building' see Banks and Shenton 2001.

[15] 'Helping residents develop skills for core work in regeneration partnerships takes time and this work needs resourcing *in advance of regeneration programmes*' (Mclennan 1998, p. 48).

models, and access to sources of information about employment and assistance in job seeking. This both improves the efficiency of labour markets and reduces social inequality and social exclusion (OECD 2001a, pp. 56-59). Developing the social capital of disadvantaged areas is therefore both a prerequisite for effective community involvement in the process of community development, and a contributing factor to that development. However, it is important to take note of Randolph's comment that:

> While social capital may well be a factor in the complex range of issues surrounding social disadvantage, it is just one. The material position of the socially disadvantaged is not central to the social capital debate, and is therefore largely ignored. (Randolph 2000, p. 4)

5.7   Conclusion

This chapter has reviewed some broad approaches that international and Australian experience suggest might help to improve the social and economic welfare of public housing tenants in regional cities, and help more of them obtain employment. Ideas have been drawn from the literature on urban regeneration, community development and welfare-to-work programs. The chapter has argued that programs to reduce social disadvantage amongst public housing tenants in regional cities should:

- emphasise employment and economic development;

- be area-based; and

- emphasise community capacity building and community involvement.

CHAPTER 6: POLICY IMPLICATIONS

6.1 Introduction

This chapter outlines some specific strategies for implementing these approaches, again based on international and Australian experience. It also reports on the comments received from key people in the three regional cities who were asked to evaluate a list of proposals. A document outlining eight proposals was sent to 20 informants, drawn from Job Network providers, SAHT regional managers, community workers, local government officers and the regional development boards. Eleven written responses were received, and another nine people were interviewed on some of the proposals. These are referred to below as the 'professional group'. A further six responses were obtained from a client group attending a Community House activity. These are referred to below as the 'client group'. Both groups were also asked to rate the extent to which they thought that these programs are already being adequately provided in their city. An earlier set of strategies was discussed with two senior officers of the SAHT, and their comments were used to develop the final set of proposals. While these responses do not constitute a comprehensive and rigorous evaluation of our proposals, they do provide useful comment on their value.

6.2 Overcoming Barriers to Employment

Informants in the three case study cities identified a number of barriers to the employment of unemployed people, particularly the long-term unemployed and those with significant disadvantage. These included:

- lack of skills in relation to the jobs available
- poor literacy and numeracy;
- drug and alcohol problems;
- lack of confidence;
- inability to benefit from formal classroom training programs;
- lack of a work ethic;
- lack of motivation;
- lack of a financial incentive to work;
- lack of transport;
- discrimination against unemployed people by employers;
- shortage of jobs, especially unskilled and semiskilled jobs; and
- lack of childcare in workplaces.

Many of these barriers are being addressed through Centrelink funded programs, such as the Community Support Program (to be replaced by the Personal Support Program in July 2002), the Job Placement, Employment and Training Program, the Job, Education and Training Program, and the Intensive Assistance Program. However, informants felt that personnel and programs in the regional cities were unable to cope with the need, that many people who would benefit from these programs were unaware of them or were not being referred to them, and that underfunding and high case loads reduced the effectiveness of some of the programs.[16] For example, for people with mental health problems there are no resident psychiatrists outside Adelaide, and only a limited number of mental health specialists.

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[16] These problems should be reduced by the new Personal Support Programme, which will provide more places and increased funding for service providers

Many of the 'recovery' type programs needed for people with problems such as drug and alcohol dependency, poor motivation, poor literacy and numeracy, or lack of social skills and self-confidence, were claimed to be underprovided. However, many of these programs can be provided by community groups. The experience of such groups, including Community House in Port Lincoln, shows that they can create activities and programs that develop motivation and self-esteem, teach basic skills, and prepare people for the next step in gaining employment. This next step could be a return to formal education, vocational training, or employment. These programs operate at minimal cost, and often draw on community resources such as volunteers. However, they need funding to employ professionals and support staff, and to maintain their facilities. Most operate on one-year grants and contracts, and lack the level, continuity and flexibility of funding to be fully effective. Consequently the proposal put to informants in the three regional cities was:

<u>Funding should be provided to community groups to increase the provision of recovery programs in regional cities.</u>

This proposal was supported by both the professional and the client group, who either strongly agreed or agreed with the statement. The professional group thought that these programs were already being partly provided, but no one thought that they were being adequately provided. The client group's responses ranged from 'partly provided' to 'not being provided'.

In relation to some of the other barriers to employment, informants in the regional cities suggested that SAHT policies could act as a disincentive to people earning an income, because it could lead to higher rent and pressure to move out of public housing. Others argued that Commonwealth Government welfare policies also acted as a disincentive, as people who entered low paid jobs often found that the loss of benefits and entitlements, combined with increased taxation and the costs incurred in working, left them with little or no increase in disposable income.[17] However, discussion of these issues is beyond the scope of this report.

A major issue raised by informants was that when new employment became available, as in Murray Bridge, unemployed people were unlikely to get the jobs. This may be because of lack of transport, lack of work experience, lack of motivation, unwillingness of employers to take on unemployed people, or other reasons. The problem of unemployed people, especially the long-term unemployed, failing to benefit from jobs growth is a common one (Campbell with Sanderson and Walton 1998, pp. 3-5).[18] To address this problem Campbell (2000, p. 657) writes:

> ...we believe that an LALMP [Local Active Labour Market Policy] is particularly relevant to those localities (neighbourhoods, communities and local authority areas) where long-term unemployment is particularly high and is either unresponsive to significant employment growth or occurs in localities experiencing weak or non-existent net jobs growth.

Australian labour market programs offer most of the components of an active labour market policy, such as recovery programs, job search assistance, training programs, self-employment schemes, and subsidies for private sector employment.[19] They also have some of the components of a <u>local</u> active labour market policy, in that services are delivered by locally based agencies. However, some of the elements of an LALMP are missing, such as social enterprise or intermediate labour market initiatives, local communities have very little scope to influence the employment

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[17] See Department of Family and Community Services 2000b, pp. 25-31.

[18] ACOSS (2001a) states that in April 2001 the chance of a person unemployed for less than a month getting a job within the next four weeks was 35 per cent, compared to 9 per cent for a person unemployed for 1-2 years.

[19] It is beyond the scope of this report to enter the debate over the adequacy of these programs. See, for example, ACOSS 2001b, Eardley, Abello and Macdonald 2001 and OECD 2001b.

services delivered in their area, and there are no local partnerships of the type common in Europe. Given the difficulties experienced in the three regional cities in getting disadvantaged and unemployed people, including public housing tenants, into work, some of these strategies are worth examining, and will be discussed in the sections below.[20]

6.3 Building Social Capital

Many tenants of public housing lack the confidence, motivation, trust and skills to engage in personal or community self-help activities. Social capital in these disadvantaged communities is relatively weak, and needs to be developed before regeneration programs can begin. Government agencies, including those belonging to local government, could help develop social capital in the following ways:[21]

1. Assist existing voluntary groups to develop their capacity, and new ones to establish themselves and gain funding. Local government, for example, can provide advice, contacts and initial financial support. Support for organisations such as Community House in Port Lincoln, which develop social skills and confidence, and which enable people to learn to work together cooperatively, is one way of developing social capital in public housing areas. An excellent example of a community group that brings together young people at risk and retired skilled tradesmen is The Shed Project at Hackham West in Adelaide.[22]

2. Avoid imposing too many formal requirements on small non-profit organisations. If they are forced to adopt the corporate practices of larger for-profit organisations, their capacity to build social capital will be diminished.[23]

3. Maximise the involvement of residents in the work of government, especially of those often excluded (e.g. youth, single parents), through public meetings, consultation groups and community forums. These forms of participation help to create social capital by providing opportunities for people to work together, but only if decision-makers then listen to, and take into account, the views of citizens.[24] This will involve developing a range of participation methods to suit different groups.

4. Support the arts and cultural activities, which have the potential to create bridging social capital, and to develop into industries.[25]

5. Assist community groups that can create bridging social capital by linking different sections of the community together, such as cultural and sporting groups.

6. Conduct neighbourhood forums to find out people's needs, and then assist the community to form groups to provide answers to the problems that are raised.

7. Provide leadership and management training for community leaders, as well as training for professionals who need to learn how to work cooperatively with the community.

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[20] See also OECD 1999b, Chapter 4.

[21] See also Mclennan 1998, Taylor 1998.

[22] The Shed teaches unemployed young people skills in woodworking, metalworking and painting. Volunteers estimate that at least half their time with participants is spent on personal rather than technical matters, talking about the problems and lives of the participants and developing good relationships between the younger participants and the older volunteer staff. More formal counselling from the YWCA and a range of support agencies reinforces the informal counselling at The Shed. Participation builds confidence, self-esteem and motivation.

[23] Lyons 2000, p. 187.

[24] Lowndes and Wilson 2001, p. 638.

[25] Case studies of the role of community arts in regeneration projects in Wales are reported in Dwelly 2001.

8. Promote volunteering. 'Policy options include both demand-side measures to encourage funding of organisations which make effective use of volunteers, and supply-side measures which encourage employers to offer time off for some sorts of community activity.'[26]

9. Provide information about community services, activities and events to connect people to their community and its networks.[27]

10. Assist schools to develop school-to-work relationships with businesses.

11. Encourage business involvement in community activities, such as:

- financial support for community organisations and projects;

- partnerships with community groups;

- support for community forums and consultations;

- sharing of managerial and technical expertise;

- corporate volunteering,[28] and

- involvement in school-to-work programs.

The proposal put to informants in the three regional cities was:

Governments should increase support for organisations that can help communities develop social capital.

This proposal was also supported by both the evaluation groups. Nine of the eleven in the professional group responded 'strongly agree', along with five of the six in the client group. Most also felt that such support was only being partly provided at present.

6.4 Social Economy Strategies

In the previous chapter it was argued that work need not be necessarily in the formal economy. It could be in cooperative activities such as vegetable growing, home maintenance, furniture cooperatives, local exchange trading systems (LETS),[29] community services, community arts, neighbourhood security, child care and aged care. There are some excellent Australian examples of ways of promoting these types of activities in disadvantaged neighbourhoods, including public housing areas and rural communities, in the 80 projects funded by the Community Research Project[30] of the former Commonwealth Department of Social Security. Many of these projects generated incomes and employment for the participants, and are therefore more likely to interest low-income, unemployed people than formal volunteering activities that have no material benefits.[31] The report on these programs concluded:

> The Community Research Project demonstrated that the promotion of voluntary involvement in community-based initiatives can be an effective additional means of helping people on low incomes to find new ways of improving their personal and family living standards. (Smith and Herbert 1997a, p. 65)

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[26] OECD 2001a, p. 69.

[27] Murphy and Thomas n.d.

[28] Murphy and Thomas 2000, but heed the warnings by the same authors in Murphy and Thomas n.d.

[29] There are currently around 160 such groups in Australia (Meade and McGlone-Healey 2002).

[30] See Herbert and Smith 1997; Smith and Herbert 1997a and 1997b. For United Kingdom examples see Macfarlane 1997, chapter 6.

[31] On ways to encourage formal volunteering in low-income communities see Macfarlane 1997, ch. 5.

In addition:

> ...a number of projects funded under the Community Research Project provided benefits to the communities in which they operated—increased social cohesion, the provision of community facilities, training programs, a basis for attracting government funds, strengthened community identity, coordination of efforts for the development of community and regional initiatives, and so on.
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> ...
>
> For communities established around a major industry that has weakened or disappeared—such as rural communities where primary industries are in decline or market and public services are being withdrawn—or for communities with no underlying industrial base, formal labour market opportunities are a finite commodity. ... Although the formal labour market in the local area may not be able to generate new or additional opportunities there still exists a range of possibilities for the generation of job opportunities through secondary industries and other alternative areas. In the case in the Community Research Project, reported possibilities included the establishment of community gardens, cheap retail outlets, community centres, infrastructure for the organisation of 'whole of community' events, new small business ventures, tourist attractions (including markets), tool libraries, the maintenance of public property (such as common greens), labour market training and other courses and, for one project, a reliable alternative source of household energy. (Smith and Herbert 1997a, pp. 37-38)

Other economic development activities could aim at promoting associations, cooperatives, credit unions, and community businesses to provide a range of services and activities in what is now commonly described as the social economy,[32] the third system or the third sector.[33] In a survey of eight countries in the European Union it was estimated that the third sector accounted for about 6.6 per cent of total employment, with a considerable potential for expansion, as well as involving a substantial number of volunteers (Campbell 1999, pp. 10-12). Campbell argues that job creation through the third sector is likely to be characterised by two features:

> First, most local service provision to meet needs is <u>labour intensive</u> and, all else being equal, can tackle the low 'employment intensity of growth' problem that exists in many communities when local development takes the form of capital intensive projects, technologically sophisticated manufacturing plants or distribution centres which employ relatively few people. Second, <u>local services to meet local needs</u> offers a form of development which tends to reduce 'leakages' from the local economy and so 'internalise' it thereby reducing dependence on events outside the locality and maximising the local impact of the expansion of the Third System. This is because jobs tend to be accessed by local people who spend their wages largely locally and the goods/services can also often be purchased locally. This is in marked contrast to the 'weak' local effects of some major local developments because of their weak local supply chains and strong linkage into the global economy. (Campbell 1999, pp. 13-14)

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[32] In Sweden the social economy is defined as '...organised bodies which have primarily social purposes, are based on democratic values and are organisationally independent of the public sector. Their social and economic activities are conducted mainly in associations, cooperatives, foundations and similar bodies. Activities in the social economy have the public good or the good of their members, not private interests, as their principal driving force.' (Westlund 2001, p. 2)

[33] In Europe the third system 'refers to the social and economic fields represented by cooperatives, mutual companies, associations and foundations, along with all local job creation initiatives intended to respond, through the provision of goods and services, to needs for which neither the market nor the public sector currently appear able to make adequate provision.' (European Commission, accessed at europa.eu.int/comm/employment_social/empl&esf/3syst).

Social economy activities also increase the employability of their workers, and contribute to building social capital. In addition, the experience of Sweden is that the social economy has been particularly important in sparsely populated and rural areas, where it has sometimes been 'the only opportunity for a district to survive and develop' (Sweden, Ministry of Industry, Employment and Communications 2001, p. 15). This suggests that a social economy strategy may be particularly appropriate for regional cities in Australia, especially those with little or no growth in employment. It is a strategy supported by the McClure Report on welfare reform (Department of Family and Community Services 2000b, p. 47), who use the Federal Government's Rural Transactions Centre Program as a 'good example of the way disadvantaged communities can be supported in providing services that would otherwise not be available.'[34]

Social enterprises are a component of the social economy, engaging in business activities to fulfil their social aims, which may be job creation, training or the provision of local services. They differ from the rest of the social economy in that they are commercially viable businesses operated to at least cover their costs.[35]

> Although they are based in the non-profit sector, social enterprises are intended to be economically viable businesses that balance their budgets by successfully combining market revenues, public grants, non-monetary resources (voluntary work) and private grants. Because they operate at a distance from the public sector, they have been able to demonstrate a capacity to find innovative and dynamic solutions to the problem of unemployment and exclusion. However, unlike market sector entities, they are not constrained by the imperative of profit making. They are particularly active in training and reintegrating disadvantaged groups into the labour market and in revitalising distressed areas through the provision of new products and services of community benefit. (OECD 2000b, p. 8)

In Europe one aim of social enterprises is:

> ...to get people back into work by helping them to gain practical experience in an environment similar to those found in a normal private sector firm. Re-acquainting young people to working practices and routine is seen as an important way to mobilise young people and integrate them back into active society. (OECD 1998, p. 127)

Social enterprises are now an integral part of urban regeneration, welfare-to-work and local development programs in OECD countries. Social enterprises are growing in Australia, supported by organisations such as The Smith Family, the Brotherhood of St Laurence, and Adelaide Central Mission, so the experience and expertise to manage these activities already exists in this country.[36]

The proposal put to informants in the three regional cities was:

<u>Public housing authorities, or the agencies suggested in section 6.8, should work with other government agencies to promote activities in the social economy.</u>

This proposal was generally supported by both the professional and the client groups, but three of the eleven in the professional group were either neutral or strongly disagreed. One thought that these activities would require a high level of training and support, while another was unsure that it was an appropriate activity for

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[34] For further material on the third sector and its contribution to employment and local development see Borgaza, Olabe and Greffe 1999, Hart and Macfarlane 1999, and Lloyd, Granger and Shearman 1999. There are some cautionary comments from UK experience in Lawless 2001 and McArthur 1993.

[35] On social enterprises see the documents at www.sel.org.uk, which is the website of Social Enterprise London, and OECD 1999a.

[36] See also the Australian examples in Gibson and Cameron 2001, pp. 18-19.

public housing authorities. Most stated that social economy activities were not being provided in their city. None of them mentioned the Group/Community Cooperative Enterprise Development program available through Centrelink, which would appear to be designed to assist enterprises in the social economy.

6.5 Intermediate Labour Market Strategies

Regional economic development programs in Australia frequently focus on building nationally competitive firms and industries, which are unlikely to be able to employ people from strongly disadvantaged backgrounds, including the long-term unemployed. A strategy that has been used in the United Kingdom is the establishment of intermediate labour market (ILM) organisations, which are a specific type of social enterprise and therefore part of the social economy. ILMs are organisations established to provide temporary wage employment for the long-term unemployed, with simultaneous support to move into the mainstream labour market (Marshall and Macfarlane 2000, p. 1)

> The main aim is to give those who are furthest from the labour market a bridge back to the world of work. It is about improving the participant's general employability. This involves targeting the long-term unemployed (usually over 12 months) or people with other labour market disadvantages.

> The core feature is paid work on a temporary contract, together with training, personal development and job search activities. Although some ILM operators offer the option of a wage or staying on benefits, the majority would say the wage is an essential ingredient (to help recruitment, retention and progression). (Marshall and Macfarlane 2000, p. 2)

ILMs provide a comprehensive re-engagement package.

> ILM experience has shown that the best way to engage people who are very distant from the labour market is to offer a wage and meaningful work. From there, progression in terms of skills development and confidence follows. The emphasis is on work disciplines and employability skills, but the package includes training to a qualification, personal support, career planning and aftercare support. (Marshall and Macfarlane 2000, pp. 6-7)

ILMs are more expensive than standard labour market programs, but in the United Kingdom they generally have a higher success rate when measured by long-term employment (Marshall and Macfarlane 2000, pp. 40-48). They have been successful in '...enabling people who are unable to find or maintain employment to obtain the motivation, skills and work experience they need in order to work their way permanently out of welfare into work' (Marshall and Macfarlane 2000, p. 52). They seem particularly suited to regional cities in Australia where there are few jobs for unskilled, long-term unemployed people, no external labour markets to which the unemployed can be connected, and where job creation is therefore essential in reducing unemployment.

They have an additional advantage in these cities in that the goods and services they sell are designed to add to the local economy, by delivering something that is missing and inadequately supplied.

> Real goods and services are produced. The organisation is a producing and trading enterprise, making and providing goods/services for the local community which are either not currently provided or not provided effectively to particular communities of groups. This is important, not only in that the activity is 'socially useful' in so far as needs are met which would otherwise not be, but also in minimising substitution and displacement effects. Indeed ILM actions are likely to lead directly to a net increase in jobs. (Campbell with Sanderson   and   Walton   1998,   p.   31)

ILM activities in the United Kingdom include childcare (which has the added advantage of assisting some people to gain training while others are employed learning to care for their children), youth work, recycling, environmental programs, home renovation, landscaping, information technology support, and call centres (Marshall and Macfarlane 2000, p. 12). Such activities belong mainly to the local level of the economy as defined in the previous chapter.

All of the elements of an ILM are provided in the case study cities, but by different agencies and through different programs, and therefore cannot be accessed by an individual as a coordinated program. We are so far aware of only one example in Australia of an organisation that claims to be an ILM and this is in Sydney, where job opportunities are much greater and more varied than in regional cities.[37] An ILM in a regional city will need to be carefully designed so that it provides a service or produces a commodity that is currently lacking, and therefore adds to the local economy rather than competing against existing businesses. The organisation must also train people in skills that can be transferred into a range of jobs, as employment opportunities in any one area are likely to be limited in these small economies.

The proposal put to informants in the three regional cities was:

Appropriate non-government organisations or other bodies should be assisted to establish Intermediate Labour Market organisations in regional cities.

This proposal was again supported by both the evaluation groups. All of the professional group either strongly agreed or agreed, and the majority felt that this activity was not being provided in their cities. Several commented that ILM training must lead to employment, or people would simply become discouraged if forced back to further training or job preparation. Areas suggested for an ILM included technical training (since there are trade skills shortages in regional area), environmental rehabilitation and conservation, day care, house maintenance and plant propagation.

6.6   Entrepreneurship Strategies

Self-employment through the development of small businesses is a strategy being tried in Europe and the United States in areas of disadvantage.

> ...the goal is to convince local residents that they are capable of creating a business—and thus their own jobs—if they have an idea or some special skill. Recent efforts in the UK and France have focused particularly on creating regular employment out of hitherto informal services such as child care, other care services, maintenance and handywork, etc. (OECD 1998, p. 127)

This strategy is also advocated in the McClure Report (Department of Family and Community Services 2000b, pp. 50-52). However, developing successful self-employment and small business in disadvantaged areas is difficult, and some experts advise against this strategy. For example, Nolan (2001), an OECD expert onemployment and local development, advises against using the promotion of self-employment and micro-enterprise as a solution to social exclusion, on the grounds that self-employment programs work best with people who are motivated, experienced and have human and financial assets, and that self-employment can result in '...low and volatile earnings, long working hours, and limited social security.' On the other hand, Australian examples, such as the Enterprise in the Community program established in Salisbury North in Adelaide, show that the development of self-employment in disadvantage areas is not impossible.

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[37] This is the Sydney ITeC Repair Centre, an electronics repairs business that employs 120 staff, and whose objective is job creation through labour market training and enterprise development.

The proposal put to informants in the three regional cities was:

Public housing authorities, or the agencies suggested in section 6.8, should work with other government agencies to establish appropriate entrepreneurship programs for public housing tenants.

Seven of the professional group agreed or strongly agreed with the proposal, while three neither agreed nor disagreed and one disagreed. All but one of the client group agreed or strongly agreed. Some noted that entrepreneurship programs already existed, such as the New Enterprise Incentive Scheme and the Self Employment Development Scheme, but felt that there was a high failure rate amongst new businesses assisted by these programs, and insufficient support after establishment. Others were sceptical that such programs could be effective, and felt that they were not a priority at present.

6.7 The Role of State and Territory Housing Authorities

The South Australian Housing Trust, and similar organisations in other jurisdictions, could play a key role in the economic and social regeneration of public housing populations, as well as in the physical redevelopment of the housing stock. The SAHT and its housing managers are the frontline of government contact with some of the most disadvantaged people in our society, it already has a policy of encouraging successful tenancies through early intervention and adequate supports, as well as stable and sustainable communities, and it has well established networks with other agencies to provide assistance to Trust tenants. However, the Trust currently lacks the funding and the staff to effectively extend this role into integrating its activities with the economic development, employment and social capital building programs that we advocate in this report.

The proposal put to informants in the three regional cities was:

The South Australian Housing Trust should be funded to employ specialist staff, or engage third parties, who can develop the role of the Trust in the social and economic development of public housing tenants.

Nine of the professional group agreed or strongly agreed with the proposal, and two disagreed or neither agreed nor disagreed. The response of the client group was similar. Comments from the professional group were that the SAHT was already moving in this direction, with the appointment of Housing Support Coordinators in the regional offices, but was only concerned with social issues and not economic issues. An interviewee also felt that many people did not know that the Housing Support Coordinator existed. Another comment was that the SAHT could play a key role as a referral agency, rather than providing support services internally.

6.8 Integration of Programs through an Appropriate Institution

> It has taken time to recognise that the answer [to the problems of distressed urban areas] does not depend solely on the level of social investment made by the central government in a particular area or on the adjustment of welfare regimes to target particular groups over others. The need for public policy to address both social and economic objectives in an integrated way is forcing administrations to re-evaluate not only specific programmes but also the way policy instruments, originating from different branches of government, interact with one another. (OECD 1998, p.102)

Earlier sections of this report have argued that strategies to address social disadvantage in public housing areas must involve an emphasis on work, employment and economic development, together with the coordination and integration of programs in areas such as education, training, employment, enterprise development, housing improvement and the physical environment, and community development. These programs should be delivered through an area-based approach in which strategies are adapted to the local context, and closely integrated at the local level. They should involve the community in their design and delivery, and contribute to community capacity building and the development of social capital.

The achievement of these objectives requires the creation of an appropriate institutional framework. This could be a 'regeneration' agency, managed by a board representing government agencies, tenants, non-government organisations and business, and with a CEO with the status and the independence to lead the development of strategy, negotiate with partners for the delivery and coordination of programs, and represent the partnership. The agency would have the task of coordinating programs across three levels of government, as well as between government, non-profit organisations and business, and of involving the community. It could also have the task of identifying the target populations, negotiating programs that meet their needs, and developing ways of reaching these populations. As argued earlier, such an agency would serve the whole of a regional city, not just the public housing population, and its task would be to assist the unemployed into 'work' of the types discussed above, assist the low-income employed to remain in work, and reduce the extent of social exclusion. The lead role in the formation of such regeneration partnerships could be taken by local government, with funding from Commonwealth Government programs such as the Stronger Families and Communities Strategy, and the involvement of local community leaders would be essential in getting wider community and business support. An important point made by one interviewee in a regional city (and confirmed by international experience) was the need to identify the benefits, in terms of outcomes, for each agency in a partnership. For example, for local government the outcome could be increased rate revenue and reduced maintenance costs for public infrastructure, for the Commonwealth the outcome could be a reduction in welfare payments, for the Regional Development Board the outcome could be increased employment, for the community the outcome could be reduced crime and vandalism and stronger sports teams, and so on. A formal agreement establishing the partnership would identify these outcomes and the role of each partner.

Support for a regeneration partnership strategy comes from a number of sources. For example, an OECD report on distressed urban areas states that: 'In the context of both decentralisation and territorial policymaking, partnership has become the model of choice' (OECD 1998, p. 111).[38] Carter (2000, p. 37) writes:

> There is an emerging consensus in Europe, and increasingly in the UK, that in order to address the interconnected problems facing many urban areas there is a need to develop strategic frameworks at the urban regional level. This consensus is based on the premise that successful urban regeneration

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[38] This report also outlines some of the conditions for successful partnerships (OECD 1998, pp. 112-113). See also OECD 1999b.

> The research of the European Foundation highlights a number of additional factors that assist in the building and sustainability of partnerships:
> - clear identification of the benefits to be gained (by each partner);
> - strong leadership;
> - a strong local identity;
> - active involvement of local actors in the shaping and implementation of strategy;
> - devising new solutions to problems;
> - co-operating to obtain new resources.

requires a strategically designed, locally based, multi-sector, multi-agency partnership approach.[39]

Local partnerships are also widely used in welfare-to-work strategies in Europe and North America. The Interim Report of the Reference Group on Welfare Reform (Department of Family and Community Services 2000a, Appendix 6) states:

> Welfare reform in OECD countries has increasingly recognised the importance of different sectors of the local community acting in partnership to solve local problems, such as long term unemployment. Partnerships between community organisations, businesses and government have increased scope to identify needs and opportunities in the local community and to bring together diverse services and assistance. If given the flexibility to find creative solutions, even within a national framework, their achievements can be impressive.[40]

In the context of welfare-to-work programs, Campbell, Foy and Hutchinson (1999, p. 205) argue that a partnership involves more than cooperation, and more than coordination of existing actions, because partnerships are seeking to do more than could be done by the organisations working separately. An effective partnership should generate both a more efficient use of resources, and an innovative set of policies and solutions. The benefits of a partnership approach therefore include:

- the establishment of a framework for collaboration between a broad range of agencies, making possible innovative and integrated solutions to local problems;

- the development of a long-term strategic framework (Carter 2000);

- the enhancement of mainstream economic and social policies (Conway and Konvitz 2000, p. 756);

- greater responsiveness to local conditions and needs; and

- better political commitment.

A further development of the regeneration partnership concept is to suggest that partnerships be funded by governments to purchase coordinated packages of services from other agencies, in a purchaser/provider relationship, so giving them much a greater ability to design comprehensive strategies to address specific problems. Randolph and Judd (2000, p. 102), for example, recommend that:

> There is a strong case for a major new separate funding mechanism outside current state and federal government structures, to break away from the silo mentality of service providers and to take the strain of managing the whole problem away from the State Housing Authorities.

This strategy is supported by Spiller Gibbins Swan (2000, p. 52) in a review of overseas experience of public housing estate renewal. They write that:

> The case studies [of overseas experience] have revealed that successful examples of community renewal seem to have one thing in common; there is funding available that is contingent upon productive partnerships being formed. The prospect of funding and hence of concrete outcomes being formed is a catalytic factor in bringing community leaders to the fore and in galvanising community interest and action.

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[39] Other studies of the partnership approach include Carley and others 2000. Carter 2000, Conway and Konvitz 2000, pp. 755-760, Lichfield 2000; OECD 1999b; Taylor 2000; and Young 2000. For an Australian example of a partnership at the neighbourhood level see Randolph 1999.
[40] See also OECD1999b.

This raises the prospect of developing a new model for community renewal in areas of concentrated social disadvantage. A pool of funds could be created, not from extra grants (although these would be desirable), but from pooling a proportion of existing funds from a range of program areas. For example, funds could be pooled from housing, education, training, employment and related budgets (from all levels of government) to be applied in the most effective way to achieve community renewal in the area in question.

Governments also need to recognise that reducing social exclusion and unemployment requires time and continuity. A regeneration partnership should be funded for periods of at least three years at a time, with the expectation that funding will be renewed if performance has been satisfactory.[41]

The proposal put to informants in the three regional cities was:

<u>'Regeneration' agencies be established in regional cities with significant public housing populations, with the task of developing and coordinating programs to assist tenants gain paid or unpaid work.</u>

This proposal was generally supported by both the evaluation groups. Seven of the professional group strongly agreed, two neither agreed nor disagreed and two responded 'don't know'. Almost all stated that integration was not being achieved at present. Comments emphasised the lack of integration between programs, and the limited extent of interagency cooperation, which some attributed to the competitive contract system through which agencies were funded. Agency staff developed their own personal networks of cooperation, but there were no formal agreements between agencies to facilitate this cooperation.[42] While there was growing coordination between State Government agencies, the lack of coordination between the Commonwealth and the State was identified as a major problem, as was the lack of trust between these two levels of government and local government. Several of those interviewed saw considerable benefits in a partnership approach that permitted more local control over how funds were allocated, and so enabled funds to be used more strategically.

6.9 Conclusion

This chapter has outlined a number of specific strategies, based on international and Australian experience, that might enhance the programs already operating to assist unemployed people into work. Given the high level of disadvantage that excludes many public housing tenants from employment (and which in most cases is the reasons for them being in public housing), the lack of success in getting long-term unemployed people back to work, and the restricted job opportunities in regional cities, we believe that current policies are insufficient to reduce welfare dependency amongst public housing tenants in these cities. The strategies we discuss—recovery programs, building social capital, social economy and intermediate labour market programs, and possibly entrepreneurship programs—have all been shown to be effective elsewhere when properly implemented. The key to their effectiveness, however, lies in the establishment of 'regeneration' partnerships at the local level, and the integration of public housing authorities, as the landlord of and point of contact with a large number of socially excluded people, into these partnerships.

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[41] Randolph and Judd (2000, p. 102) suggest a ten year strategy, and write that: 'we must move away from the current approach of ad hoc, short-term and unlinked policy initiatives that do not embed themselves properly once completed'.

[42] There are, however, examples of short-term cooperation between agencies to run programs to meet specific needs, such as the Adolescents at Risk Pilot Program in Murray Bridge.

CHAPTER 7. CONCLUSION

This research project set out to understand how housing policy can be more effectively integrated with regional disadvantage policies, as well as document national and international best practice in this field. The project focussed on three case study sites – Whyalla, Murray Bridge and Port Lincoln – and recognised that some regional cities have large stocks of public housing. The substantial public sector housing stock could act either as an asset or a liability for these places: on the one hand it offers inexpensive accommodation, while on the other it can contribute to the concentration of disadvantaged persons who may need considerable social and community support. There was clear evidence from our case studies of the dual role public housing could play. There was excess (vacant) public housing in Whyalla, while the redevelopment and sale of public housing at Lincoln South in Port Lincoln was seen to have contributed to a shortage of affordable accommodation.

Our research has found that the estate renewal strategies followed in the metropolitan cities, which involve the sale of part of the public housing stock and the relocation of tenants, are not likely to be a viable policy for most regional cities. While a small estate renewal project has been completed in Port Lincoln, there is no scope for such a project in Whyalla, because the market for redeveloped housing does not exist, either amongst the existing tenants or amongst private investors. There are no proposals for redevelopment in Murray Bridge. Here social mix is being encouraged by selective sales of public housing, but as in Port Lincoln this leads to a reduction in the public rental stock. There are also more limited opportunities to relocate tenants to a significantly different area in cities like Murray Bridge, with a relatively small public housing stock.

We conclude that the policy instruments available in the three pilot sites are somewhat limited and the experience of other countries would suggest a different range of governmental interventions. In part, international experience indicates a greater level of involvement in addressing the needs of disadvantaged persons in public housing estates. More fundamentally it reflects a shift in attitude away from dealing with the symptoms of disadvantage to early intervention and capacity building, both at the level of the individual and community. Social exclusion is a key concept, as is social capital. Social exclusion needs to be addressed by a range of measures some of which are directed at the individual, while others are directed at the community level. There are a range of strategies that could and should be introduced to these areas: these include Social Economy measures; Intermediate Labour Market programs; entrepreneurship programs; and community capacity building. Significantly, key informants in Whyalla, Murray Bridge, and Port Lincoln generally supported the policy initiatives proposed in this document.

This report has argued that current public housing policies have created, and will continue to maintain, concentrations of disadvantaged and socially excluded people in regional cities, with above average rates of unemployment and above average rates of non-participation in the labour force. These concentrations represent costs to the community, as well as to the individuals themselves, in terms of financial support, underutilised human resources, unrealised human potential, educational underachievement, dysfunctional households and social problems (OECD 1998, pp. 63-71). Policy towards residents of housing estates with high levels of disadvantage has so far been to provide them, through a range of Commonwealth and State programs, with the same services and assistance as the rest of the population. Because these concentrations of disadvantage are the result of government policy, we argue that governments have a responsibility to examine strategies that are specifically targeted to the circumstances of these places.

Through this research project we have examined the literature on urban regeneration programs in Australia and overseas, and presented the arguments for the incorporation of economic development and employment strategies into regeneration programs. Our field work and the analysis of data sets indicates that this is particularly necessary in regional cities where employment opportunities for public housing tenants, who increasingly lack skills and good work experience, are very limited. We argue that successful regeneration must involve increasing the number of public housing tenants in work, but that this depends on successful employment creation programs in regional cities. We also argue that 'work' must be defined more broadly to include the subsistence level of the economy, as in the short term it is unlikely that there will ever be enough jobs in the mainstream economy to provide full employment. As importantly, subsistence level employment is an important step in providing socially excluded persons with the life skills and work skills necessary to eventually find work in the formal economy.

A redefinition of 'work' and the recasting of employment assistance strategies to take a broader perspective presents a challenge for governance. To date the provision of housing assistance and regional economic development have been very separate domains. The two areas have been administered by different departments and there has been very little overlap in their functions. This report argues both that a 'whole-of-government' approach is needed and that specialist agencies should be established to undertake regeneration activities along the lines indicated in this report. These agencies would work in collaboration with other public sector bodies, including state government departments, local government and Commonwealth Government departments. This approach would clearly identify functional responsibility with a specialist agency and free the South Australian Housing Trust from the burden of large-scale redevelopment and tenant support programs. Significantly, the policies, attitudes and approaches suggested for Whyalla, Murray Bridge and Port Lincoln could be applied to regional cities across Australia and/or areas of disadvantage in the capital cities.

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