

**Long-term housing
futures for Australia:
using 'foresight' to
explore alternative
visions and choices**

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EXECUTIVE SUMMARY

This Positioning Paper describes the field of foresight studies (the method for understanding futures) and how this is to be used to provide a framework for identifying the major housing issues which Australia may confront in the longer-term future, i.e. fifteen to twenty years, and their policy implications.

While involving creative interpretations about possible housing futures, the foresight process is grounded in the systematic analysis of structural trends (the 'factors' in the creation of futures) and variables that influence factors to shape possible outcomes (the 'actors'). The process has been little used for housing in Australia, or elsewhere for that matter, so the project is a pilot which, if successful, can be extended to other future housing issues rather than just the ones analysed in this study.

It is important to emphasise at the outset that this project is not about predicting a particular future. Foresight analysis does not aim to be predictive. Rather, it seeks to outline possibilities about the future which emerge from analysis of alternative sets of assumptions about trends and opportunities.

The key aim of this project is simple: to identify and develop in some detail a small number of scenarios about the nature of Australia's housing system in fifteen to twenty years time and then to work through the implications, including those of housing and housing related policy. A secondary aim is to run a collaborative dialogue across a wide range of players in housing provision and policy. The intent here is, firstly, to promote a better understanding of future housing issues in both the private and social sectors and, secondly, to build a better working relationship between university academics and State Housing Authorities and Commonwealth policy and research officers, with the research and policy capacity of both being strengthened. It is also hoped that, by virtue of exposure to foresight techniques, an opportunity will be created for more players to build skills in foresight planning in such a way that it can feed into the strategic planning of housing agencies and firms.

Foresight analysis as outlined here is a field of research utilised internationally across public and private sectors to consider future issues and policy choices that might not be explored within normal operational and short-term decision horizons. It is also a form of analysis that requires a systems-wide approach, and the search for the interrelationships between trends and the causal influences on trends. By understanding the types of events and influences that cause certain trends, governments or organisations are far better placed to consider whether decisions need to be made in the more immediate future in anticipation of possible problems or preferred pathways.

Foresight analysis uses a range of methods to undertake this systematic and holistic process, and the paper discusses the key methods, together with their advantages and pitfalls. A major part of the process is participatory and consultative, such that the issues to provide scenarios for more detailed research emerge from the consultation process, rather than being imposed by the researchers. However, without prejudging the outcomes of the foresight method some of the contemporary housing issues that may be likely to receive consideration in the research process are:

- The relationship between labour market changes and housing consumption;
- Growing inequalities in income and wealth;
- The generational divide, i.e. the perceived or real gap between younger and older cohorts in terms of wealth, housing and employment opportunities, and political power;
- Alternative future directions for major government programs such as public housing and rent assistance;

- Changing lifestyles, housing diversity and the meaning of home;
- The technological revolution, in particular, the information technology revolution;
- Tenure change, including the decline in home ownership and growth in private rental among young persons;
- The contraction in housing affordability;
- The growing awareness of environmental sustainability as an urban and housing issue;
- The ageing of the population;
- Reshaping of housing preferences and location.

As futures research is still in a relatively embryonic stage, the literature review undertaken in Section 4 identifies only a small number of studies that use the method for housing research. It is therefore hoped that, in addition to the aims set out above, the project becomes one of the first housing studies of its type and makes an international contribution to a growing research and methodological area.

The research process of this study is one of interrelated stages, based around three workshop processes. The first workshop will be a combination of environmental scanning and paradigmatic analysis where 'housing experts' are required to identify what they see as key future trends and simultaneously expose the trends and concepts related to the trends to systematic criticism. The objective, given limited resources and probably unlimited housing trends, is to come to some consensus as to what might be the issues warranting more critical and deeper futures analysis.

The second stage flows from the issues identified in stage one. An inputs process will occur where more material is gathered around these issues and, with brief accompanying reports, a second round of workshops will be run where participants will be asked to develop them in some detail, drawing out different scenarios.

The final stage is a validation and policy implications stage where another group of participants are presented with the findings from the second stage and are asked to work through what they would consider to be the policy issues and possible policy responses to issues scenarios. This material, along with that of the second stage, will provide the subject matter for the final report.

1 INTRODUCTION

This Positioning Paper is about Australia's housing futures. It describes the field of foresight studies (the method for understanding futures) and how this is to be used to provide a framework for identifying the major housing issues which Australia may confront in the longer-term future, i.e. fifteen to twenty years, and their policy implications. The project will not be exhaustive in its coverage but will concentrate on a few issues which a workshop panel of housing analysts and influentials will prioritise for importance and policy significance.

While involving creative interpretations about possible housing futures, the foresight process is grounded in the systematic analysis of structural trends (the 'factors' in the creation of futures) and variables that influence factors to shape possible outcomes (the 'actors'). The process has been little used for housing in Australia, or elsewhere for that matter, so the project is a pilot which, if successful, can be extended to other future housing issues rather than just the ones analysed in this study.

It is important to emphasise at the outset that this project is not about predicting a particular future. Foresight analysis does not aim to be predictive. Rather, it seeks to outline possibilities about the future which emerge from analysis of alternative sets of assumptions about trends and opportunities. Futures research also involves an unashamedly qualitative and participative approach to analysing large, interlinked and complex issues.

The project provides the opportunity to apply foresight methodology to the issues of Australia's broader housing system to examine the effect of major economic, technological and social trends, and alternative policy pathways. In analysing the implications of scenarios, questions of winners and losers, housing market processes, lifestyle changes, community sustainability, industry structure and performance (what will be built) and implications for and impacts of government interventions will be explored. This exploration will engage many players and hopefully encourage the wider housing policy community to think in a long-term and systemic way about the impacts and implications of what might confront us in the future.

The key aim of this project is simple: to identify and develop in some detail a small number of scenarios about the nature of Australia's housing system in around twenty years time and then to work through the implications, including those of housing and housing related policy. A secondary aim is to run a collaborative dialogue across a wide range of players in housing provision and policy. The intent here is, firstly, to promote a better understanding of future housing issues in both the private and social sectors and, secondly, to build a better working relationship between university academics and State Housing Authorities and Commonwealth policy and research officers, with the research and policy capacity of both being strengthened. It is also hoped that, by virtue of exposure to foresight techniques, an opportunity will be created for more players to build skills in foresight planning in such a way that it can feed into the strategic planning of housing agencies and firms.

What is foresight? It is a field of research utilised internationally across public and private sectors to consider future issues and policy choices that might not be explored within normal operational and short-term decision horizons. It is also a form of analysis that requires a systems-wide approach, and the search for the interrelationships between trends and the causal influences on trends. By understanding the types of events and influences that cause certain trends, governments or organisations are far better placed to consider whether decisions need to be made in the more immediate future in anticipation of possible problems or preferred pathways.

The literature frequently describes futures studies as analogous to history. The Australian Foresight Institute website, <<http://www.swin.edu.au/afi/Faq.htm>>, states that:

Futures studies is the forward-looking equivalent of history. If history is concerned with origins, roots, where, in some sense, we have collectively been; future studies is about goals, purposes, where we are going, how we get there and the problems and opportunities we will encounter en route.

As in the study of history, there are a number of theoretical and methodological approaches to the study of the future, with foresight analysis one of the most important, in part because the objective is not just academic interest as to what might happen but one of informing the strategic planning and policy process. Tegart (1998) emphasises the importance of defining the aim of a foresight process, which will determine its linkage with decision-making processes. Possible aims include:

- Determining priorities;
- Anticipatory intelligence;
- Consensus generation;
- Advocacy;
- Communication and education.

Several of these aims apply to this project, as set out in the key research questions below:

- What do we understand are the key trends and influences on Australia's housing system?
- Can we develop a better understanding and description of the interrelationships between these trends and influences?
- What possibilities can we anticipate for Australia's housing system in the next ten, twenty or thirty years?
- What implications do these scenarios have for the sort of decisions we face today?
- What are the policy and housing industry implications?

In answering these questions we seek to develop 'anticipatory intelligence' about possible futures for Australia's housing system, and to generate a consensus about the features of these future scenarios. The process of scenario generation also aims to communicate with and educate participants about the major issues, trends and influences which are agreed to have a significant effect on the shape of Australia's housing.

2 THE POLICY CONTEXT: WHY ENGAGE IN A FORESIGHT PROCESS?

Historically, the main method for governments and the private sector in dealing with the future was, and still is, strategic planning. This is largely done within organisations, and requires an organisation to focus on fundamental questions about its purpose, its environment and its future, and then map out the actions to head towards a desired future. The most common method is through what has been called the analytical rational mode of strategic planning which is data-driven, relies on standard 'templates' of activities and formats, e.g. the SWOT analysis, and is regularised in the sense that it is a formal part of the organisation's work (Kearns 2000). More often than not, the timeframe of strategic planning is the very short-term future, e.g. three to five years. In housing agencies around Australia, planning is often constrained by these templates, e.g. any SWOT analysis is structured firstly within the framework of the Commonwealth-State Housing Agreement which limits consideration of other ways of providing housing assistance in the long term, and secondly within the existing institutional structures and beliefs of agencies, i.e. that the best way to provide social housing is through current agency arrangements, e.g. public housing. Moreover, because the external environment is seen to be hard to control or predict, the external elements, e.g. changing demographics and market processes, are acknowledged but this information does not become a core part of the strategic planning process.

Most importantly, in terms of limitations with the strategic planning process, it is conducted at the organisational level. Thus we have dozens of public and community housing agency strategic plans, we have (although rarely made public) the strategic plans of large residential construction companies, and we have the strategic plans of estate agents, financial institutions etc., all operating within their own paradigms and organisational frameworks.

What we rarely have is any systematic analysis of the housing sector as a whole, its long-term directions and social and economic implications. The nearest equivalent are the metropolitan planning strategies of state or territory planning departments, although even here housing is buried among strategic plans for commercial, industrial, retail, transport and recreational activities and processes, and there is little detailed reflective analysis. This fragmentation of strategic planning may also be characteristic of other human service areas, e.g. health and education, but as these are better resourced in terms of research and policy and have a much greater political visibility, one suspects more attention is given to the long-term issues and problems of these sectors.

Thus foresight analysis is necessary because strategic planning fails to confront the big picture. In an environment with low levels of change and complexity, a fairly rudimentary foresight capacity is adequate for continued survival and development. In more complex environments with a high degree of change, a deeper capacity is needed to ensure that strategic planning processes are better informed. In this way, foresight does not replace strategic planning, but complements it.

In the mid-twentieth century, low rates of change and complexity (an age of certainty) meant that a 'linear extrapolative' view was adequate, with the future seen as an essentially linear projected outgrowth of the trends of the past and their implications. This was the essence of the worldview that underpinned much 'strategic planning' in the postwar years (Mintzberg 1994). In an age of greater uncertainty, such a view is manifestly no longer sufficient.

What is confronting us now at the beginning of the twenty-first century appears to be a fundamental shift in both the level of complexity, the amount of change taking place in the wider world, and the degrees of uncertainty and risk. To more adequately understand the future and draw out the policy implications, expansion of our capacities for thinking about and planning for the future is necessary. If we continue to use older capacities without developing newer ones, informed decision making and good policy design may be more difficult.

The above comments about change, uncertainty and complexity apply as much to housing as to society as a whole. Recent studies and observed housing market processes have highlighted how the certainty that appeared to characterise housing for much of the postwar era is dissolving in the wake of major social and economic changes. A whole range of issues with important policy consequences may be identified and will probably emerge in the first workshop of this study where the objective is to scan the issues of future importance. Few such issues have been worked through in any systematic way that could identify the housing implications and the processes shaping them. Even conferences purportedly about housing futures are generally about current problems, with little attempt to tease out the longer-term implications. Below are some of the issues or trends raised by research, conferences and social commentators that could be a basis for foresight analysis. However these are not exhaustive and other may emerge as a result of the foresight process used in this study.

- *The relationship between labour market changes and housing consumption.* This literature has many dimensions, but those which raise probably the most interesting issues include questions concerning how greater casualised workforce participation and labour market uncertainty will shape housing consumption (O'Connor and Healey 2002) Will they affect the form of tenure (e.g. higher or lower rates of home ownership) and locational decision making (which locations provide the best perceived housing outcomes?), and which way does the relationship flow (does housing choice affect labour market choice as much as the latter affects housing?)?
- *Growing inequalities in income and wealth.* Australia, in part related to labour market changes, is experiencing widening divisions of income (Saunders 2003). For how this plays out in the housing market of the future we cannot rely on observations from the past, when the market processes took place against a backdrop of *narrowing* inequality. At least since World War II, housing consumption and home ownership in Australia had reinforced the trend towards equality (Hayward 1992), but the question now has to be asked: are housing market processes such that they will accentuate the re-emergence of inequality? While socio-tenurial polarisation might not have existed a decade ago (Winter and Stone 1998), our housing future may be one of social division by tenure and perhaps by location.
- *The generational divide.* The income and wealth divide is also in part a generational one as the 'baby boom' generation (those born between 1945 and 1970) have largely experienced a history of stable income and, because of high rates of home ownership, an increased wealth base. In the current labour and housing markets, this is not likely to be the experience of many younger households, raising questions about how both 'baby boomers' and 'generation Xers' deal with this issue. The divide is not necessarily one of wealth and income but of lifestyles and values (National Centre for Social and Economic 2003; Salt 2001), which are also likely to impact on housing consumption and create new issues. Is the growth of inner city living, particularly for young people, as much a lifestyle issue as one driven by labour market opportunity? Alternately, we are seeing the 'sea change' process in which people, particularly older ones, are moving to non-metropolitan areas (largely coastal) with effects on local housing markets.

- *Alternative future directions for major government programs such as public housing and rent assistance.* Current Australian forms of housing assistance are largely the result of the housing problems and social and economic structures of the postwar era. How well they are placed to deal with the future and what alternatives there may be are certainly issues that should be raised under the rubric of this research.
- *Changing lifestyles, housing diversity and the meaning of home.* Lifestyles are always in a slow process of change but there is little doubt that household change, migration, globalisation, feminism and recognition of indigenous populations have created greater celebration of, and growth of, diversity and associated lifestyles. Housing is probably the ultimate consumer and investment commodity in which diversity and lifestyle manifest themselves, and do so in complex ways including locational choice, physical design, interior design, how we use a dwelling and any garden it might have – in other words, how we define ‘home’ (Perkins and Thorns 1999; Winstanley, Thorns and Perkins 2002). And, of course, diversity and housing is not just about the consumption of an individual dwelling; it is about the consumption of a collection of dwellings that make up a neighbourhood, street, town or suburb, with different social groupings choosing or constrained to choose different urban, suburban and rural lifestyles. Accommodating to diversity through housing raises a whole range of issues, including ones of important policy relevance, for example, how far should policy levers, such as planning, accommodate to diversity vis-à-vis other goals, such as environmental and economic sustainability? Does greater diversity create sharper social divisions and undermine social capital and local community, or is the opposite the case?. How do the poor and low income earners have their specific housing needs and wants met, or is diversity simply about accommodating to the housing needs of those who can pay for it?
- *The technological revolution, in particular, the information technology revolution.* Changing technology has always had an impact on the home, both directly in terms of new building technologies and indirectly via the effects of labour markets, urban form and household income. The latter is one of the more discussed areas in relation to housing futures, with a growing amount of literature on the effects of the new information technology on urban form and therefore use of the home. At one extreme is the argument that technology liberates us from the imperatives of space and therefore we can live and work more or less where we like. The other argument is that the information revolution will require more face-to-face contact and therefore economic activity will be located in relatively few spatially concentrated areas (Castells 1996, 1997, 1998; Graham and Marvin 2001), with the attraction of these areas shaping how and where people consume housing. Priemus (2003) also developed the idea that the information revolution was and will be a key force reshaping cities and the home, through a combination of physical effects (where activity and people would locate), substitution effects (replacing tasks done by people), generational effects (increasing population mobility and turnover) and enhancement effects (increasing efficiency of urban infrastructure including housing). The Myer Foundation (2003) report on ageing indicates the enhancement effect by pointing to the ‘smart homes’ of the future having the ability to help people with restricted mobility or who need regular monitoring for health or other reasons.
- *Tenure change, including the decline in home ownership and growth in private rental among young persons.* Recent research (Yates 2000; Burke and Ralston 2003) and the popular media have focused on the decline in home purchasing among younger age groups and have largely portrayed it as problematic. Phil Ruthven (2003), who markets himself as a futurist, does not share this view:

the younger people won't want home ownership in the same way that my generation did. You'll find that the gen Xers and the Net generation will be much more in favour of leasing a home for perhaps five or ten years than ever owning it. The average person only owns their home for eight years before they sell and buy something bigger or smaller or somewhere else. The idea you buy a dream home and live there forever was never true. Young people will say, 'I can do more with my money, as long as I'm stable with a lease, and they won't throw me out in six months, I'm happy. I'll put my money where it works better – in shares.'

Whether a decline in home ownership is or is not problematic can only be answered by systematic working through of the implications (what if in twenty years time more and more households retire as renters?) and that is a role for a study such as this.

- *The contraction in housing affordability.* At the end of 2003 the housing market in Australia seemed poised on a cusp of change. A five-year boom appeared to be tapering out (Productivity Commission 2003: 137ff). This boom has reduced affordability substantially, although in some areas more than others (Burke and Hayward 2001). Any futures analysis will have to work through issues of whether this is a long-term structural issue or a shorter-term market phenomenon, with a slow progression back to more affordable levels a real possibility. And if it is the former, what are the implications for different groups and the housing market generally?
- *The growing awareness of environmental sustainability as an urban and housing issue.* Housing, both in its own right and in the form it is provided, e.g. low or higher density, creates environmental pressures such as water and energy consumption, loss of ecosystems through construction, and household waste. As the world becomes more aware of the cumulative environmental effects of social and economic change, the role of housing and housing form is likely to be questioned. Schoon (2001) has attempted to tease out the urban and specifically housing implications of environmentally sustainable cities in the British context, while in Australia the CSIRO (2002) *Future Dilemmas* project outlines a number of housing and environment issues for the future, largely related to energy usage. The work of Peter Newman (2002) on urban form and housing should also be acknowledged, particularly for his observations on the problems of sustainability for low density cities of detached housing.
- *The ageing of the population.* A growing proportion of households in twenty years time will be in the sixty plus age cohort (McDonald 2003). In futures analysis, demographic change is one of the known quantities. What is unknown is how this change will alter how we consume housing and what we produce. We know that some retirees seek out new locations, particularly along the coast, but we also know that this is linked with housing market processes in the cities they are moving from, for example, the Sydneysider who sells a \$600,000 property and buys a \$400,000 unit in northern New South Wales, or the Melburnian who does the same thing for the Gold Coast. As relativities between housing markets change (many coastal areas now approximate Sydney and Melbourne prices), will this process be maintained or will new retirement areas emerge, e.g. Tasmania, and what are the effects on local housing? There are also issues about people who age in place; older owner occupied detached houses may require continuing repair and maintenance, raising issues about the physical and financial ability of older people to do so. The Myer Foundation's (2003) futures analysis of ageing highlights a recurring theme in futures analysis generally, that is, the omission of housing. This large report has only a page or so on housing, and then largely in terms of technical advances as it might assist those with a health problem.

- *Reshaping of housing preferences and location.* A product of many of the processes outlined above is the issue of where Australians will choose to house themselves. As Burnley and Murphy (2003) document, there has been a recent major shift from residence in large metropolitan cities to non-metropolitan locations, many of them along the coast and related to lifestyle decision, but also to some inland cities. A similar theme is explored by Salt (2003) who shows that there are now 3.6 million Australians living on the coast outside a capital city, up from 2.1 million 25 years ago, which he believes is a fundamental cultural change in Australian housing choices. Within cities there has been growth in inner city living and new estates on the fringe at the expense of older established suburban areas. Whether these are long-term trends or short-term ones related to recent housing market changes will need to be explored in this study.

The provision of a more systematic futures framework for understanding our housing futures and the ability to analyse issues such as these is potentially not the only contribution of foresight studies. Its concepts and ideas, often arising from the undertaking of explicit foresight processes and methodologies, assist in the creation of a shared vocabulary for people to use in daily interactions for thinking and speaking about the future. When this effect is widespread and natural, a potentially new form of 'language' is created, specifically suited to discussion of the future. Van der Heijden (1996) calls these discussions 'strategic conversations'. Thus a key goal of any foresight process is simply to make the insights arising from it, such as may be encapsulated in a set of scenarios of the future, a permanent, continuous and *totally normal* part of all planning, strategy or policy making at all levels.

3 WHAT IS FORESIGHT AND WHAT ARE ITS METHODS?

3.1 Foresight and Strategy

It is common for people to be confused about the relationship between strategic thinking, strategy, policy development and strategic planning. The confusion lies essentially in the mistaken belief that these are all the same thing. In fact, they are three quite separate but mutually interdependent activities, with each having a decidedly different focus of interest requiring quite different styles of thinking for their proper execution.

Experts on strategic management have characterised the essential difference between strategic planning and strategic thinking. Mintzberg (1994) says that strategic planning 'has always been about analysis— breaking down a goal or set of intentions into steps, formalising those steps so that they can be implemented, and articulating the anticipated consequences or results of each step'. This clearly requires thinking which is strongly analytical, logical, deductive and pragmatic, in order to ensure that things stay 'on track'. 'Strategic thinking, in contrast', he says, 'is about synthesis. It involves intuition and creativity' to formulate an integrated perspective or vision of where an organisation should be heading. It is generally intuitive, experimental and disruptive (Liedtka 1998) and attempts to go beyond what purely logical thinking can inform. Because information about potential futures is always incomplete, the thinking required for success in this activity needs to be 'synthetical' (as it were) and *inductive*, rather than analytical and *deductive*.

Foresight, then, is an aspect of strategic thinking which opens up an expanded range of perceptions of the options available, so that strategy making and policy making is potentially wiser. Foresight (as strategic thinking) is concerned with exploration (based on limited and patchy information) and options, not with the steps needed for the implementation of actions, which is the realm of strategic planning. The former is intuitive, disruptive and 'what if?' in nature; the latter is goal oriented, pragmatic and 'make it happen/can do!' in nature. The junction between these two activities is the mysterious 'black box' of strategy or policy development itself, where a particular goal or objective is actually set or a decision made. The focus here is on assessing options, examining choices, making a decision, and/or setting a goal, objective or destination, or defining a broad direction for forward action.

Thus, in brief: strategic thinking is about exploring options; strategy or policy development is about making decisions and setting directions; and strategic planning is about implementing actions. Problems arise when one of these activities is elevated to pre-eminence, rather than seen as simply a part of a necessary, and much wider, process – all three are needed and vitally necessary for successfully confronting the strategic environment.

Foresight, therefore, is an element of strategic thinking, which is *an* input into strategy making or policy making, which then directs strategic planning and action. It does *not* replace strategic planning. Rather, it 'enriches and enhances' the context within which strategy and policy is developed, planned and executed. In colloquial terms, foresight and strategic thinking tend to resonate with the question: 'What *might* we need to do?'. In contrast, strategy and policy development ask the question 'What *will* we do?' and strategic planning the question 'How will we do it?'

3.2 Overview of Foresight Methods

Slaughter (1999: 287) has discussed the development and application of 'strategic foresight' and suggested several main types of methodologies that could be employed:

- Input methods;
- Analytic methods;
- Paradigmatic methods;
- Iterative and exploratory methods.

Input methods are used to gather intelligence from a variety of sources; analytic methods are used to analyse and assess factors and their interrelationships, usually as a first step towards deeper and more detailed work; paradigmatic methods seek to deepen understanding; and iterative and exploratory methods are used to explore future states to create the 'forward views', so they are 'prospective' in nature (see Table 1). For the purposes of this study, elements of all four will be used, with an emphasis on input and paradigmatic methods.

3.2.1 *Input Methods*

Input methods are ways of gathering material relevant to the subject areas, e.g. housing, or organisational needs, e.g. a State Housing Authority. One of the simplest methods for constructing a twenty year future context is through posing a number of high-quality questions and then integrating the answers. This method usefully sketches in aspects of the broad arena of the near-term future. It will also highlight emerging issues that may need to be followed up. The strength of the method is that it enables a fairly rapid scan to take place. The main drawback is that, unless carried out skilfully, it can become merely impressionistic.

The selection of key questions to research is an important determinant of the outcome. This method will be used as the first stage of this study, where the potential problems are to be addressed by the use of a facilitator skilled in foresight methods and with the participants chosen for their housing experience such that they provide, in response to the facilitator's questions, meaningful answers and direction for the next research stage.

A more complex and widely used method is the Delphi technique. The Delphi Method is based on a structured process for collecting and distilling knowledge from a group of experts by means of a series of questionnaires interspersed with controlled opinion feedback. This permits an organisation to investigate new areas in some depth and breadth. It is a tried and tested approach to opinion polling which works best when those interviewed are genuinely knowledgeable about the field under study. However, the technique is difficult to administer effectively, and concerns have been raised about the way it reduces diversity and can under-emphasise divergent views.

Environmental scanning is the single most effective data input method available (Choo 1998), providing the basic raw material for the construction and maintenance of the forward view. It is a method for acquiring and using information about events, trends, and relationships in the external environment, in order to provide knowledge to assist in planning an organisation's or industry's future course of action or policy. It, too, requires careful handling, both in terms of the frameworks of understanding brought to bear upon it and the kinds of information to support the foresight process. For this project, much of the environmental scanning has been done in terms of recent AHURI research and reports, as well as publications of industry associations such as the Housing Industry Association. This information then has to be reduced to key themes that can provide input into the foresight process.

3.2.2 *Analytic Methods*

Analytic methods tend to be not so much freestanding methods in their own right, but stages in a larger piece of work. Forecasting and trend analysis have historically been important futures components but are less popular than they once were largely because they are statistical methods of projecting from past data to the future largely uninformed by any social economic or political processes that might change the relevance of past data as a basis for future trends. The former attempts to fit time series data to one of a number of possible curves and to use them to look at future possibilities. The most reliable form of forecasting is demographic analysis, as the key aspects of the data are known quantities, e.g. how many people have already been born, death rates. These can then be projected forward and, with different assumptions, e.g. migration rates, alternative forecasts of likely demographic outcomes created which can play an important information input for other elements of forecasting. Thus, if demographic projections suggest a growth in households by one million over the next decade, what are the housing implications? The most important Australian work as context for this study is that of McDonald (2003) (see Section 4.2).

Trend analysis takes an existing historical trend, e.g. downturns in the rate of ownership or increases in house prices, and projects it forward. Analysis of these projections looks for theories that account for the observed behaviour of the trend, tests assumptions (e.g. is a decline in ownership inevitable?) and attempts to understand the nature of the system. In this way, possible future states can be explored. Both forecasting and trend analysis are obviously vulnerable to unforeseen changes as a result of social economic or political processes, and this may help to explain why they have slipped from favour, other than for the contextual demographic data.

Backcasting takes a very different approach in that it is explicitly normative. It works back from a description in words and/or images of a particular desired end state and attempts to determine what measures would be required to bring this about. An example of this is where we might see, as a desired end state, a return to the home ownership rates of the 1960s. This would then elicit an analysis of the factors causing decline and the ways of reversing it. Backcasting provides a basis for dialogue about long-term policies and a framework for the exploration and design of appropriate strategies.

3.2.3 *Paradigmatic Methods*

Paradigmatic methods are relative newcomers to the futures methodologies arena. This is partly because they do not spring from the still dominant North American context and partly because there are all too few places where they can be taught and learned. Paradigmatic methods recognise that each research or planning method has a distinctive underlying logic and procedure (a paradigm) which can be questioned or challenged. Advanced practitioners in futures methods have been aware of the role and importance of paradigms per se for many years, but this has not yet translated into a widespread capability to employ paradigmatic methods or an understanding of their centrality in futures work generally. Hence causal layered analysis, as the major approach to paradigmatic analysis, probably sounds esoteric to most practitioners. In fact, it is quite straightforward. Any phenomena can be understood in a variety of ways depending on the paradigm that different people use to understand it. Conventionally, one finds simple empirical descriptions that capture surface features of reality, say, housing form and tenure. Yet underlying this is often a different level of meaning, e.g. for some people home ownership is an inherently 'good' tenure and public housing is not. Others might have the opposite view. Causal layered analysis is a way for stripping away the meanings underlying ideas, terms and concepts.

Deeper still is the level of critical discourse or discourse analysis. This focuses upon frames of meaning, the emergence and extinction of discourses, and the active influence of disciplinary paradigms not only on what is thought but also on what can be

thought. This might cast up critical notions of what we actually mean by tenure and whether current tenure forms are relevant to the future. For example, if the private rental sector is subsidised to achieve affordability outcomes and regulated to ensure price controls within certain limits, do we define this as private rental tenure (because it is private landlord ownership) or social housing tenure (defined by the housing outcomes)? Asking these questions can create different emphases for policy debate and analysis.

Finally, there is the level of civilisation, myth and metaphor. Here one finds the deepest worldview commitments expressed, for example, in notions of time, the role of religion (if any) and myths about the 'conquest of nature'. Given the importance of 'home' as an element of personal meaning and identity, housing as an issue is one that can be taken to the deepest level of analysis.

Causal layered analysis therefore provides a richer account of what is being studied than the more common empiricist or predictive orientation which merely skims the surface. Because mastery of the different layers calls for greater critical and hermeneutic skills than traditional foresight methods, it is only just emerging as a tool of analysis.

In summary, empirical futures work has much to contribute about the empirical aspects of real-world trends, events and processes. Taken alone, it tends to miss the shaping significance of the 'social construction of reality' as revealed by paradigmatic methods. Where the latter can be included in a wider process, quite new options and whole new arenas of strategy can be uncovered. For example, when expressed in conventional empirical terms, the 'home ownership' problem may seem irresolvable. Viewed at a deeper level, home ownership may be a set of attributes, e.g. security of tenure and personal freedom, which can be recreated in other tenures. Thus is the decline of ownership a problem to be addressed within ownership, or by offering households in other tenures, e.g. private rental, the attributes which Australians unquestionably associate with ownership? 'The future of housing' may have less to do with ways of, say, reducing the cost of land and the dwelling than with shifting mental frameworks as to what we are trying to achieve from our housing system.

A further paradigmatic method is that of systems thinking which is based on a holistic worldview. It suggests that entities are more than the sum of their parts, and have 'emergent properties' that cannot be reduced to the simpler components from which they are made. Thus we cannot understand the problems of social housing from within the social housing sector but only from analysis of the housing finance and regulatory system in which it is embedded. A systems perspective therefore stresses wholeness, connectivity and the ever present likelihood of surprise. It draws attention to the wider contexts (such as space, time, culture, ecology) in which individuals, organisations, and industries are embedded. Systems thinking provide tools, understandings and concepts that allow practitioners to be systemic in the way they go about their work. As such, it complements other paradigmatic methods.

3.2.4 Iterative and Exploratory Methods

Iterative and exploratory methods are those which permit a substantive definition or exploration of future states, options or strategies. The best known and certainly the most successful of these is the art and practice of *scenario building*. This approach is typically one whereby three different economic and social scenarios are constructed (using a combination of the methods discussed in Section 3.2.3) and the topic being researched, e.g. housing, worked through for how each of the scenarios might play out in terms of implications. Scenario building has often been seen as a keystone methodology within futures studies and foresight work and for this reason it is sometimes taken to be the only one, but this is obviously not the case. Moreover, it is not an unproblematic methodological process as there are three key problems.

First, while there are certainly interpretive elements in all scenario building, the focus tends to be on the external tracking of possible events and situations. In other words, these 'future worlds' may tend to foreground empirical elements and to hide, or obscure, non-empirical factors, that is, they measure only that which is measurable, hence an emphasis on economic scenarios rather than social or political ones. Second, standard approaches to scenario building tend to accept current social reality as unproblematic, as just 'being there'. They can overlook the vital role of critique and critical analysis (in-depth understanding of issues of social construction, social legitimation and power). Thus, superficial scenarios can be readily assimilated into existing power structures, inequities and dysfunctions without anyone being aware of the fact. The third and possibly most serious criticism of standard scenario building is that it allows and encourages individuals and organisations to explore future divergence in a kind of free-floating way that bears little or no relation to either the actual dynamics of the economic and social system or the existing policy levers. The foresight analysis then becomes an abstract rather than an applied or practical process. Finally, more time can go into creating the scenarios and discussing them than into the issues area, e.g. housing, that is to be analysed.

Visioning is a workshop process which may use simple scenarios or it may not. One approach begins with the identification of organisational problems, past successes and preferred future outcomes, with the preferred future state carefully explored to find out how it operates. Resources and steps are identified in the present that could lead the organisation in desired directions. One of the problems, particularly if taken beyond the individual organisations to society-wide or economy-wide issues such as housing, is that, for most people, visions are projections of their own ideological thinking: free marketers see a future with more free markets, social democrats see one which is essentially the opposite. How can we evolve a visioning strategy that will have sufficient legitimacy for participation with these different ideologies? For this reason, this study will not involve a lot of visioning strategy, unless it emerges collectively from the participants and can transcend their own differences. *Backcasting* is a variant of this approach, except that much more attention is paid to working back from the desired future to the present. Stages, steps and dynamics of change are all carefully considered. In short, visioning and backcasting are two ways of delineating normative futures and then locating the mechanisms by which they could be achieved.

Futurescan is a middle-level iterative and exploratory method. It can be carried out much more quickly than full-scale scenario building and its results are more provisional. It is based on two full-day workshops. The first carries out an analysis of the organisation or issue area such as housing, and then derives a long list of trends and events that could affect its future. These are prioritised and the 'top ten' items are entered into a cross-impact matrix which shows the driving forces each item, the inhibiting factors in its environment, and the different potential impacts of a scenario. The output is embedded in a smaller number, e.g. three, 'scenario shells', that is, simple and partly preconstructed pictures of the near-term macro future. Each 'picture of a future' is then examined and a number of strategic options are derived, then tested for relevance and effectiveness. In short, futurescan is a simple, 'front end' and middle-range technique. One drawback is that it can be used as 'window dressing' if a commitment to the implementation of outputs is lacking. Alternatively, it is a very effective way of providing participants with some of the tools of foresight analysis. Futurescan will be an important part of this study. Table 1 summarises the methodologies of foresight.

Table 1: Futures methodologies for strategic foresight: Uses and limitations

INPUT METHODS	
Delphi	Taps broad arena of opinion; works best when participants know subject well; reduces diversity; difficult to administer
Environmental scanning	Provides raw material for forward view; requires integration of high-level cognitive ability and sophisticated data processing; enables a dynamic view; vulnerable to paradigm constraint unless some form of paradigmatic method (see below) is used.
ANALYTIC METHODS	
Cross-impact	Assesses relative impacts of factors on each other; can reify issues, forces; best used as part of larger process; differences of view about uses and features of the method
Forecasting and trend analysis	Qualitative and quantitative approaches; dependent upon quality of concepts, data, information; vulnerable to unforeseen factors; less used now than in the past
Backcasting	Normative; works back from desired state; used to determine feasibility and measures required to achieve desired end; best for complex, long-term issues; provides basis for dialogue, policy; fairly recent; few evaluations available
PARADIGMATIC METHODS	
Causal layered analysis	Considers phenomena at progressively deeper levels; problematises language, power, framing of issues; can be challenging for those unused to this kind of paradigmatic work
Critical futures studies	Focus on the influence of underlying assumptions, worldview commitments etc. and processes for renegotiating these; challenging for the uninitiated but highly productive
Systems thinking	Based on holistic worldview; stresses emergent qualities that are more than the sum of constituent parts; places emphasis on wholeness, connectivity, context and surprise; permits practitioners to be systemic
ITERATIVE AND EXPLORATORY METHODS	
Scenarios	Standard, high quality, futures technique; future 'stories' based on carefully constructed 'scenario logics'; opens out a wide range of strategic options applicable to different conditions; demanding to carry out successfully, but also one of the most productive methods
Visioning	Process for setting up desirable (normative) futures and then identifying resources and steps towards goals; useful way of moving beyond present constraints and limitations; but susceptible to misuse; hence demands disciplined application; similar to backcasting
Futurescan	Workshop method using cross-impact and 'scenario shells' to create three contrasting futures, each of which yield strategic options; an easy-to-use 'front end' method; can be misused if outputs not implemented

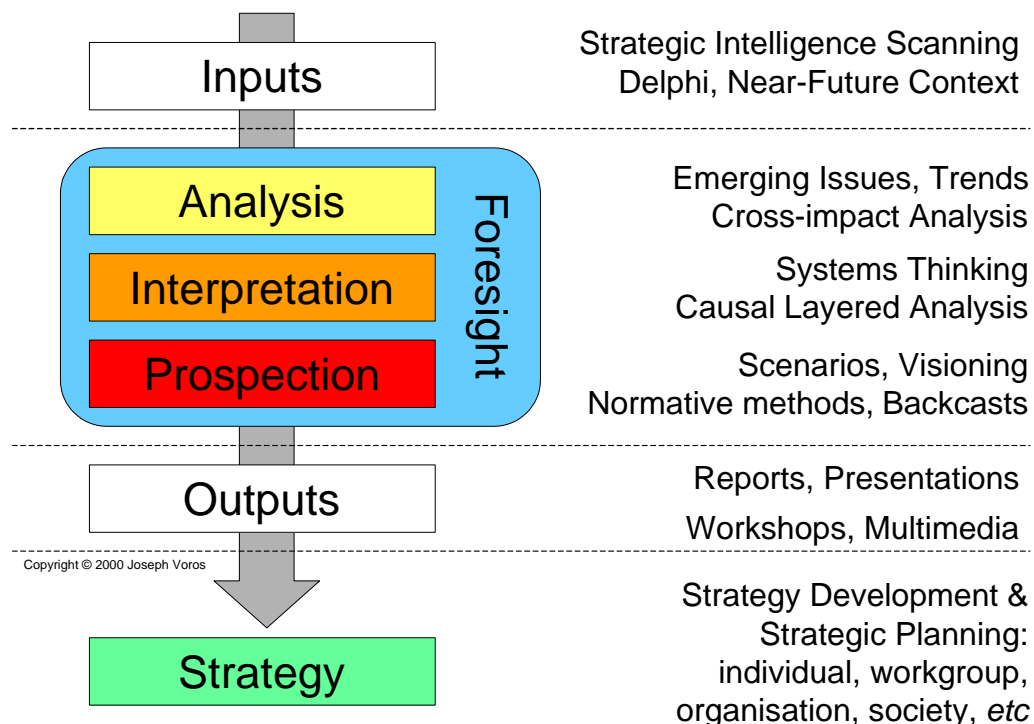
Foresight analysis is not about the normative view of the ideal, or desired, city or housing form. It is a method, not a theory or an ideology, although one of its roles is to help critically analyse the degree to which any view about the future is grounded in quasi-utopian or dystopian notions of change, seeing it as inherently positive or inherently negative (see Section 4.2). For example, as the research progresses, some participants may make links between housing and social capital or between housing and community, and suggest that these are potentially part of the urban and housing problem. Given the ambiguity and the value laded nature of such concepts, it is important that the research be conducted in such a way as to work through whether these are well grounded positions or simply reflections of an accepted dystopian (or utopian) paradigm, e.g. the nostalgia of community.

3.3 A Generic Foresight Process Framework

Combining the essential ideas of Mintzberg’s separation of roles and responsibilities of strategic thinking, strategy development and strategic planning, a broad phase-based approach of Horton (1999) and the specific methodological suggestions of Slaughter (1999), Voros (2003) developed a generic framework for foresight work. This was designed to be scalable and applicable to all levels and degrees of human interaction, from individual to workgroup to organisation, and even higher still, i.e. an issue area such as housing.

The four major elements of the process are: inputs, ‘foresight work’, outputs and strategy (which can also be considered to be equivalent to policy development) are shown in Figure 1.

Figure 1: The foresight framework, with some representative methodologies indicated



A detailed form of the foresight process can be seen in Figure 1, with some of the methodologies applicable at each step. The process is designed to be as general as possible so that it can be applied on any scale, from the individual level to workgroup to department to branch to organisation to society. The strategy 'phase' as portrayed in a box is really an attempt to denote in a diagram the highly complex and continuing strategic or policy development processes that go on in their respective contexts. One should remain mindful of this simplification and not regard the diagram as somehow undervaluing the role of strategy or policy development.

Let's look at the four major elements in more detail.

- **Inputs:** This is the gathering of information and scanning for strategic intelligence. Many methods, techniques and frameworks exist, of which environmental scanning is perhaps the best known. The tools and techniques of 'competitive intelligence' are relevant here. It is also where, in workshop formats, the client group are asked for their ideas and insights, through brainstorming of ideas or asking a set of key questions designed to open out the thinking about the near future (Slaughter 1996). This will be the first stage of this futures project whereby 'housing experts' will be asked to identify the key housing issues that Australia will face in the future.
- **'Foresight work':** This can be conceived as comprising three broad phases that follow a logical overall sequence. The first step is:
 - **Analysis**, which is best considered as a preliminary stage to more in-depth work, rather than as a stand-alone technique. Common tools here include trend analysis and, cross-impact matrices. The goal is to seek a 'first cut' at creating some order out of the bewildering variety of ideas and data which the inputs step usually generates. For this project, this stage will take place prior to the first expert workshop, to provide context, then again after it, but this time to put flesh on the ideas developed at the workshop. The results of the analysis are then fed into a second step:
 - **Interpretation**, which seeks to 'probe beneath the surface' (Slaughter 1989) of the analysis to look for deeper structure and insights. This is the realm of critical futures studies (Slaughter 1999: 203), causal layered analysis (Inayatullah 1998), systems thinking and other 'depth' approaches to futures thinking. The third step is the actual creation of forward views:
 - **Prospection**, which is a word coined by Voros (2003) to denote 'the activity of purposefully looking forward to create forward views'.¹ This step is where various views of alternative futures are explicitly examined or created. It is where scenarios, visioning and normative methods are located in a broader foresight process. Voros locates backcasting methods here, even though they tend to be analytical by nature, because they presume the existence of a forward view.

Both interpretation and prosppection will be used at two subsequent rounds of workshops, where participants will explore in more detail the issues raised at the first workshop and start visioning how certain issues will be played out. For example, if many young people do not achieve home ownership, what will be the implications in twenty or thirty years time for pensions, superannuation, lifestyles, use of the home, and where houses are consumed?

¹ From 'pro' = 'forward', 'spect' = 'look', and '-tion' = the noun form of the action; thus, 'prospection' (the stress falls on the second syllable). This word also acknowledges the French school of futures work and their term *la prospective*, as well as the wider European use of the term 'prospective thinking'.

- **Outputs:** The outputs of foresight work are both tangible and intangible. Tangible outputs would include the actual range of options generated by the work. Thus the final report from this study will have a range of possible key housing scenarios which can then be used by the wider housing community for information and debate. Intangible outputs would include the changes in thinking engendered by the whole process, especially the insights generated in the interpretation step and by the creation of forward views in the prospection step. The intangible outputs from this study are likely to be raised awareness of foresight analysis for the participants and, hopefully, some new ways of thinking about housing issues. This may be the more important form of output because of the potential to alter the very mechanism of strategy or policy development itself, namely, the perceptions of the mind(s) involved. At this point, foresight has done its real job: the generation of an expanded perception of options available. This output now feeds into:
- **Strategy:** The final part in this framework is that of strategy (or equivalently policy) development, about which very little will be said here, given the earlier discussion about the relationship between foresight, strategy and planning. Since foresight has done its job, it now hands over the output for consideration by others in making decisions and directing strategic actions for implementation (i.e. the more familiar activities of strategy and policy development and strategic planning). Of course, the results of the strategy or policy process need to be constantly fed back into the inputs of the overall foresight framework. Another product of this research may be the more systematic inclusion of futures thinking in strategic planning processes by policy researchers and policy influentials.

One very important use for the generic framework is in the design of specific foresight processes, interventions or projects. With an overall generic foresight framework, one may use the concept of 'flow' through the general process to design and create specific instances of the process, using methodologies and tools appropriate to the context in which it will be employed. This is a considerably more flexible approach to foresight praxis than simply arriving with a single methodology in hand and being bound to use it (as some consultants have been known to do). As the old saying goes, 'If you've only got a hammer, then everything looks like a nail'. The generic process framework is designed to allow easy customisation to suit the specific needs of the particular project or foresight commission; it is a template from which to forge a new tool appropriate to the circumstances in which it is to be used.

4 LITERATURE REVIEW

4.1 Foresight Literature

When Herman Kahn (1960, 1962) developed the first formal scenarios at the Hudson Institute, he was drawing on human capacities that had existed from the dawn of time to consider, and respond to, the not-here and the not-yet. The context that concerned him was the Cold War and, in particular, the strike/counter-strike ideology of the time. *On Thermonuclear War* and *Thinking About the Unthinkable* elevated the use of scenarios for military purposes way beyond their earlier use in simple war games. So, from the outset, the exploration of divergence was driven by military and strategic considerations. It took a little longer for this methodology to be integrated into strategic planning and organisational decision-making.

Since the 1980s there has been a flourishing industry of foresight experts, with Godet (2001), Hamel and Prahalad (1994), Raskin (2002) and others adapting the ideas to commercial and public organisations. Much of this has a private sector organisational focus, although some such as Salmon and Linares (1999), Slaughter (2003) and Schwartz (1991) have tried to give the foresight analysis more general relevance.

The point was, and remains, that a useful response to the irreducible uncertainties associated with forecasting was to shift the focus of anticipatory work to new ground, that is, to set aside hopes for accuracy in favour of two other valuable gains: exploration of divergence and preparation for change. This was a very successful move, leading to the widespread use of scenarios in many different contexts, as discussed below. Moreover, the tools involved were less esoteric than the maths that supported rigorous forecasts. You no longer needed a doctorate to use the new methods. All you really needed was a small group of willing participants, a whiteboard and a felt-tip pen. The methodological bases of scenario building are conceptual exploration and simple group processes. Since the approach was readily understood and easily mastered, it spread out and assumed prominence as the central keystone methodology of futures work.

Probably the most useful literature for wider applications than the organisation are reports from international and national agencies, including:

- APEC Center for Technology Foresight, <<http://www.apectf.nstda.or.th/>>;
- European Commission, Scenarios Europe 2010, <http://europa.eu.int/comm/cdp/scenario/index_en.htm>;
- New Zealand Government Foresight Project, <<http://www.morst.govt.nz/foresight/>>;
- Norway 2030, <<http://www.norway2030.net/>>;
- OECD International Futures Programme, <<http://www1.oecd.org/sge/au/oecdifp.htm>>;
- UK Government Foresight Programme, <<http://www.foresight.gov.uk/>>;
- UK Government New Horizons Programme, <http://www.odpm.gov.uk/stellent/groups/odpm_science/documents/pdf/odpm_science_pdf_025900.pdf>

Nations with current or recent foresight projects include Denmark, Germany, Ireland and the United Kingdom (James 2001: 13). The CSIRO had its Ecumene project and the *Future Dilemmas* report, both concerned with developing scenarios of possible futures for Australian society, particularly from an environmental perspective. Some of

these national studies are very broad and comprehensive, others focus on a specific sector, often one that is particularly influenced by developments in science and technology (e.g. transport, biotechnology), as is the emphasis of the APEC work. Some have an urban focus, e.g. OECD and United Kingdom, but even here there is not a lot that is really housing specific, other than the environmental issues or the implications of the IT revolution on the use of the home. Cocks' (1999) text growing out of the Ecumene project has one reference to housing, and then only in relation to possible environmental advances. *Future Dilemmas* also has an urban chapter, but the section on housing is limited to quite narrow environmental implications. Canada has an Urban Futures Institute which puts out publications on housing and urban issues. These are heavily based on population projections (similar to McDonald) but, by virtue of being city specific, are more detailed. For example, the study of Vancouver to 2040 by Baxter and Smerdon (1999) provides ideas which can be incorporated into this research study. These include analysis of likely housing and planning implications of different demographic growth outcomes at the local level, e.g. effects on housing type and tenure.

4.2 Housing Futures Literature

The literature on housing futures is not substantial, and some which is labelled as such often does not justify the title, with the term 'futures' being a hook to engage an audience or readership, but having no real reference to the future or systematic methodological analysis to link housing with the future. For example, *Future Visions of Urban Public Housing* (Preiser 1994) turns out largely to contain descriptions of current issues, with only the most minimal attempt to link them to the future. The same comment could be made about most papers presented to the AHURI/Myer Foundation 2003 conference on Housing Futures in an Ageing Australia (<<http://www.ahuri.edu.au/general/event/index.cfm?action=calendar>>). While rich in content about current issues and problems, few made little explicit reference to the future other than suggestions of the necessary changes in policy levers to prevent these from worsening.

In terms of more academic analysis of housing futures, the most common is that devoted to estimating household growth and the demand for housing (Urban Futures Institute 1999; Myers 2001). The most important Australian work of this type is the AHURI report by McDonald (2003), although the *Future Dilemmas* population projections are also useful. McDonald used 1996 census and population data to project population and (unlike the CSIRO study) household numbers nationally for states and territories and 71 regions in Australia through to 2011. The model produced estimates of households by type, with each being further identified by the age and sex of a household reference person. The household numbers were then linked to dwelling requirements by structure and tenure. The project is currently being validated by another study by McDonald, using 2001 census data to see how the projected data fits actual growth between 1996 and 2001. This study will use these projections as contextual information, including the key point that that an additional 1,149,000 dwellings are projected to be required by 2011, raising implications about the capacity of industry to deliver and questions about in what form, where and for whom. Beer (2000) has undertaken similar analysis for Adelaide, examining recent and impending changes in housing demand and supply, and identifying the drivers that shape demand, including economic and income growth, preferences, affordability and a range of demographic and social factors. He argues that much future building activity will be redevelopment and in-fill, with the private rental sector gaining in importance.

Housing studies which have used foresight methods, e.g. scenarios, are relatively rare although there is a growing United States literature with much of it focused around urban development and housing form. Freeman (2000) uses scenario planning to illustrate the housing development implications of four development scenarios: continuation of current practices and policies regarding both sprawl and social equity:

adoption of smart growth initiatives to combat sprawl without any consideration of the equity implications; an equity-driven approach without any attempt to combat sprawl through smart growth; and smart growth initiatives that are tempered by a concern for social equity. Myers and Gearing (2001) use demographic projections mixed with analytic interpretation of studies of traffic congestion, crime, immigration and associated enhanced urban vitality, growth of cafe culture, and fashion trends in an attempt to draw out the preferences for denser urban environments.

A very different type of housing futures study is the United Kingdom Housing Corporation's *Women and Housing 2020*. This was concerned with working out what women would like to see from their homes and neighbourhood by 2020. 'Tenure invisibility', more tenure options, greater flexibility in home layouts and greater access to services suggested the need for neighbourhoods which are more mixed and more difficult to categorise as rich or poor, good or bad, but nevertheless could be branded or identified by their overall image or character. How this could be achieved is not explained (Andrews and Townsend 2002).

Two substantial housing studies which explicitly use scenarios as the framework for futures analysis are those of Morgan (1996) and Manning, King and Yates (1988). Morgan's Canadian study used three scenarios of economic conditions to narrow the issues: an evolution of current trends; a deflationary environment; and a more radical technological, economic and demographic transformation. Why these three were chosen, and how the elements that make them up were determined, is not clear. Much of the text is spent describing the elements of the scenarios as much as actual housing futures and, while provocative and interesting possibilities are raised, they are not followed through in any depth, or policy implications teased out. For example, in the evolution of current trends, a process which we can already identify occurring in Australia is outlined, that is, the emergence of the cash rich and the house poor, but it is not worked through in terms of the effects on housing consumption, housing maintenance or policy initiatives, e.g. reverse mortgage annuities.

Manning, King and Yates' study of Victorian housing futures is similar in terms of approach, but much narrower in outcome. It uses an environmental scanning analysis to identify important issues, and then uses three scenarios to work through how these would play out. The three scenarios again are economic ones: an optimistic scenario; a structural adjustment scenario; and a 'business as usual' scenario. The latter two assume various degrees of economic problems, including falling real income, increasing unemployment and shortages of funds for housing. Fifteen years on, the economic scenario closest to reality is the optimistic one (high growth, low inflation), but the housing outcome is closer to those predicted for the other scenarios, that is, contracting public housing, declining affordability, and increasing dependence on private rental. As in Morgan's study, while broad housing implications were identified, there was no detailed analysis of possible trends or policy implications. Both studies tend to imply that the real policy issue is avoiding a negative economic scenario, on the assumption that a positive one would create the best housing outcomes. Yet, as the last decade has illustrated in Australia, good economic conditions will not guarantee good housing outcomes unless the appropriate policy levers are in place to make a more explicit connection between the two. One of the aims of this study is to suggest where the levers might be needed, and in what form.

Other Australian housing studies focusing on future trends or issues are Burke and Hayward (2001) and Badcock and Beer (2000), although neither use any of the methods of foresight analysis. The former study was commissioned by the Victorian Department of Infrastructure to assist in developing a metropolitan strategic plan to 2030. The objective was not to project population or household trends, as these are done in-house by the department, but to identify and raise future housing issues of sufficient importance to warrant policy attention. The low budget did not allow for any substantial technical analysis implicit in a number of methods reviewed above. Rather,

the study was driven by a form of systems analysis whereby trends in the Melbourne housing system could only be understood by connecting housing to the wider social, economic, environmental and policy context. It therefore tried to draw out the implications of labour market changes, the growth in households in poverty, the shifts to greater marketisation, and general planning and social policy reforms. Thus the study drew attention to how educational changes, e.g. the switch to private schooling, were affecting housing markets in the areas where private schools were concentrated, and how labour market changes, e.g. greater casualisation, were creating an increasingly polarised urban form, with major falls in affordability in the inner and middle rings but improving affordability in older outer suburbs, a spatial trend largely neglected in the affordability analysis dependent on aggregated urban data such as the Productivity Commission report (2003). Badcock and Beer's approach was also somewhat discursive and, by projecting housing affordability trends into the future, highlighted how home ownership would become a remote possibility for many households and how private rental would become more important. The method appeared to assume that economic and social conditions will remain unchanged and did not allow for any market corrections, e.g. falls in house prices for prolonged periods. This raises the question of the degree to which housing affordability problems are structural (and a future policy levers problem) or cyclical (and therefore dependent on market processes).

Paradoxically, while city and housing futures have not figured very much in contemporary academic analysis, they have been a central focus of a specific type of futurist writing, that is, the popularist literature on urban utopia or dystopia. Much of this is premised on certain assumptions about housing form and the relationship between housing form and social relationships. Utopia is some idealised vision of a future society which can relate to the nature of social relationships or the physical form of a society, notably, the layout of towns and cities and the form of housing. History is replete with authors writing about what represents utopia, and groups or individuals trying to create some real manifestation of a utopia (Fishman 1982; Hall 1996). In nineteenth century Britain, some wealthy industrialists used their resources and political power to create new communities around their equally new factories, with housing constructed and laid out along what were believed to be model principles. In many cases, these included facilities such as schools and medical centres, at a time when no such facilities were available to most workers. Examples of these utopian towns, whose remnants can still be seen today, include Robert Owen's New Lanark (near Glasgow), Bournville (in Birmingham) and Port Sunlight (near Liverpool). Many of the principles embodied in these model industrial towns tried to bring to an urban environment the characteristics of a traditional rural village, with a village square and dwellings located around it to encourage a sense of community. The same principles underpin much of the 'new urbanism' affecting housing and urban design in the United States and certain lifestyle developments (new housing estates) on the fringe of Australian cities (Katz 1994; Dutton 2001).

By contrast with those who might be called the applied utopians were the theoretical utopians who, often enthused by the potential of technology, saw in it the ability to create new urban forms that would free people from the tyrannies of the existing city. Increasingly from the late nineteenth century onwards, and peaking in the 1920s to 1940s, they envisaged cities of skyscrapers, personal flying machines and freeways which were inaccurate in their details but quite insightful in their broad outlines. Even today we get the occasional media stories about the future home made of plastics or other advanced material, shaped in all different forms, and with exotic appliances that are to liberate women (less often men) from the constraints of the traditional home. In fact, the Australian house has remained relatively unchanged by technology, with changes in social relations being much more important in their effects on the form of the dwelling and how we use it.

That the leap in human progress and wellbeing that was to follow logically from the application of technology to the city and the house did not occur to the degree imagined, or instead of being a panacea became part of the problem, reflects a major weakness of much futurist literature: an emphasis on technology and an underplaying of the nature of social relations and political and institutional realities.

For every conception of cities and technology as utopian there is another which perceives them in negative or dystopian terms. The emergence of the city, particularly in its modern industrial form, was viewed with some trepidation. Compared to the stability, order and sense of community that were perceived to attach to traditional rural life, the city was seen by many as alien and threatening, with Toennies (1955, first published 1877) in his concept of *gesellschaft* being the first to academically identify rural society with notions of good (community solidarity) and the city with the negative, individualistic, superficial and transitory. The city has been seen as a breeding ground for disease, loose moral values, and threats to existing institutions and the related power elites. For the rich and powerful, an urban crowd was a danger; the mobilisation of large numbers in protest movements could encourage riot, dissent and the undermining of established order (Hall 1996: 364).

Anti-urban sentiments, i.e. dystopian views of cities, while always under the surface, tend to reappear at episodic intervals; they are often related to a wider crisis in society rather than to any change in the city per se, although it is the city that becomes the focus of the criticism. The Great Depression of the 1930s was accompanied by anti-urban sentiment, which was seen again in the 1970s when the long boom came to an end and tensions arose in cities, particularly in the race-torn United States. Now Australia and much of the West have entered a new age of uncertainty and again there is the emergence of a negative view of cities, with debates about the decline of community and the demise of social capital being grounded in the view that these are a part of a systemic urban problem (Etzioni 1993; Talen 1999; Kunstler 1996).

The utopian image of rural communities versus the dystopian image of large cities is captured in the media. Rural communities are typically portrayed in rosy and nostalgic terms: there is a strong sense of mutual support, everyone knows everyone else, crime is low key and undertaken by outsiders or some of the town's idiosyncratic individuals. *Ballykissangel*, *Heartbeat*, *Sea Change*, *Hamish MacBeth* and *Northern Exposure* are relatively recent television shows set in small towns with loveable characters and idyllic landscapes or seascapes. By contrast, shows that require narratives of the seamier and more violent side of life are embedded in large cities, such as *NYPD Blue* and *Wildside*. The film genre is even more dystopian, typified at fifty year intervals by Fritz Lang's *Metropolis* and Ridley Scott's *Blade Runner*.

One of the dilemmas in housing and urban futures analysis is to get around, or control for, interpretations of the future that are based on utopian or dystopian ideologies rather than grounded in some sort of systematic analytical process.

5 WHERE TO FROM HERE?

Over the course of the early months of 2004, a series of three workshops will be run parallel with the gathering of empirical material relevant to housing futures (the input stage). The first will be a combination of environmental scanning (see Section 3.2.1) and paradigmatic analysis (see Section 3.2.3) where fifteen to twenty 'housing and urban experts' are required to identify what they see as key future trends and simultaneously expose the trends and concepts related to the trends to systematic criticism. For example, not only might the new urbanism (the growth of new urban forms based on 'community' planning principles) be identified as an important trend, but the issues will be subjected to critical analysis: what does new urbanism really mean in the Australian context, is it a trend that will have major effects, is it problematic that it is worth developing in more detail? The objective of this first workshop, given limited resources and probably unlimited housing trends, is to come to some consensus as to what might be the two or three issues warranting more critical and deeper futures analysis.

The second stage flows from the issues identified in stage one. An inputs process will occur where more material is gathered and, with brief accompanying reports, a second round of workshops will be run where participants will be asked to develop them in some detail, perhaps drawing out different scenarios, e.g. the future of ownership, and the potential problems for different social groups (by age, household type, ethnicity) and for different locations (metropolitan, regional), and the unintended consequences (cross-impacts) for other issues areas, e.g. income support, labour markets, health.

The final stage is a validation and policy implications stage where another group of participants are presented with the findings from the second stage and are asked to work through what they would consider to be the policy issues and possible policy responses to issues scenarios. This material, along with that of the second stage, will provide the subject matter for the final report.

The project essentially combines a number of methods in achieving its outcomes. It will use input methods of environmental scanning supplemented by analytic methods of cross-impact analysis and forecasting and trend analysis (in the latter case, building on the work of others, e.g. McDonald and the CSIRO). At the level of paradigmatic method, the approach is a causal layered analysis in that it considers issues at progressively deeper levels, but infused by systems thinking in that the objective is to have a holistic view on each of the issues, placing emphasis on connectivity and context. These methods have been selected as those most appropriate for a smallish budget and a complicated issue area. Scenarios will also be used, but in an inversion of conventional scenario method. This usually assumes three or so demographic or economic scenarios and analyses an issue within each of them. Here the approach is to take an issue and work through possible scenarios for those issues. The end workshop will have an element of futurescan in that the objective is to create three 'scenarios shells' of contrasting futures, each with strategic or policy lever options.

6 CONCLUSION

Foresight studies (the method for understanding futures) has been little used to examine the housing issues which Australia may confront in the longer-term future, i.e. fifteen to twenty years, and their implications for policy. This project does not aim to predict a particular future, but to outline possibilities and engage many players in a way which will encourage the wider housing policy community to undertake long-term and systemic thinking about the impacts and implications of what might confront us as housing issues and problems in the future. The objective is as much one of process (raising awareness of the potential of foresight studies as a strategic tool) as it is about product (a report which documents key housing issues of the future). As this paper has shown, the process is not without its problems, and it will be interesting to evaluate at the completion of the project how much foresight studies can offer to the field.

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