Positioning Paper

Trends in Australian non-metropolitan housing markets, 1991-2001

authored by

Maryann Wulff, Stephen Legg, Margaret Reynolds, Ernest Healy, Anthony Hooper and Scott Baum

for the

Australian Housing and Urban Research Institute

Swinburne-Monash Research Centre

May 2005

AHURI Positioning Paper No. 83

ISSN: 1834-9250

ISBN: 1 920941 64 9

Australian Housing and Urban Research Institute

ACKNOWLEDGEMENTS

This material was produced with funding from the Australian Government and the Australian States and Territories. AHURI Ltd gratefully acknowledges the financial and other support it has received from the Australian, State and Territory governments, without which this work would not have been possible.

DISCLAIMER

AHURI Ltd is an independent, non-political body which has supported this project as part of its programme of research into housing and urban development, which it hopes will be of value to policy-makers, researchers, industry and communities. The opinions in this publication reflect the views of the authors and do not necessarily reflect those of AHURI Ltd, its Board or its funding organisations. No responsibility is accepted by AHURI Ltd or its Board or its funders for the accuracy or omission of any statement, opinion, advice or information in this publication.

AHURI POSITIONING PAPER SERIES

AHURI Positioning Papers is a refereed series presenting the preliminary findings of original research to a diverse readership of policy makers, researchers and practitioners.

CONTENTS

LIST OF TABLES

LIST OF FIGURES

EXECUTIVE SUMMARY

The positioning paper provides a context for, and introduction to, the project 'Trends in Australian non-metropolitan housing markets (1991-2001)'. The paper begins with a critique of some influential perceptions of non-metropolitan Australia; provides an overview of Australia's settlement pattern; examines various definitions and classifications used in studying non-metropolitan Australia; discusses the nature of housing markets and the implications for developing an information base; and concludes with an overview of policy considerations, including broad changes in policy discourses.

The key objective of the project is to construct a national data base on non-metropolitan housing markets, with which to analyse trends in non-metropolitan housing markets over the period 1991 to 2001. Specifically, our objectives are:

- To construct a national non-metropolitan housing market database for the assessment of trends between 1991 and 2001
- To produce a summary set of change measures documenting rates of growth and decline in housing, population and labour markets in non-metropolitan housing markets
- To develop an analytical framework for classifying non-metropolitan housing markets
- To model the relative contribution of different key features of local housing markets
- To extrapolate relevant advice on policy directions

Perspectives on non-metropolitan Australia

Non-metropolitan Australia comprises a diverse and complex array of communities and housing markets. In sharp contrast to the polarised image of a rural-urban gulf, the non-metropolitan regions of Australia embody a complex geographic setting with dynamic, diverse and even contradictory circumstances. Key parameters such as population, employment, social disadvantage, and housing vary considerably (Baum et al. 1999, Garnaut et al. 2001, O'Connor 2001, Stimson et al. 2001, Hugo 2003). Stimson et al. (2003: 146) refer to the recent emergence of a 'new geography of opportunity and vulnerability of Australia's cities and towns'. Along the same lines, the federal government's report on economic change in country Australia (Productivity Commission 1999) identifies four starkly contrasting regional clusters in relation to combinations of structural change and employment growth between 1981 and 1996. Remote Australia has experienced some of the largest relative growth as well as the sharpest relative decline in population in the past thirty years, and there are almost equivalent contrasts within the intermediate settled rural districts, the latter due in part to environmental factors. This positioning paper argues that a spatial database that provides a general overview as a foundation for housing policy is sorely needed, in some regards similar to Garnaut et al.'s (2001) study of 'influences of employment and population growth in rural Australia'. The construction of such a database is predicated on the basis that not only are there some distinctive features of non-metropolitan Australia, but also that regional housing markets can be differentiated from their urban counterparts. Case studies of specific communities have identified a number of housing market challenges, including problems in the different tenures, falling or escalating house values, high construction costs, poor quality stock, high vacancies or tight rental markets and so forth. This body of research forms part of the background to the project as the identified issues are clearly of public policy concern.

Yet, case study approaches are limited in their scope for generalisation to other places and circumstances and without a national data base to monitor housing markets over time and across regions, effective policy approaches cannot be developed. The database developed in this study will bring together available information on the demographic, economic, social and housing trends in different regions in an effort to address this gap.

Settlement pattern

Australia's distinctive settlement pattern has been a powerful force in shaping the nature and characteristics of non-metropolitan housing markets. Australia is distinguished by its highly urbanised nature, sprawling low-density cities, and the concentration of the population within 50 kilometres of the coast, particularly along the east coast and in the south-eastern corner of the nation. The geography of the settlement system reflects the outcomes of historical population movements, political rivalries and social and economic development. The primacy of Australia's urban system is notable by world standards. Primacy refers to a situation whereby the major city in each region is 'manifestly dominant and at least several times the size of the next largest centre' (Logan et al. 1981: 67). The high level of primacy is especially notable at the state and territory level, especially in the more populous states, where urban systems are dominated by the capital cities. The result is that non-metropolitan Australia consists of numerous small towns dotted across the nation, with only a small number of provincial cities. This has left the housing markets of these towns vulnerable to wider social and economic forces.

Classification schemes

Given the diversity in population, economic circumstance, scale and geographic conditions found across non-metropolitan Australia, the Positioning Paper reviews some of the main classification schemes used in order to determine the applicability for this study. A series of classifications are discussed including those developed by the Australian Bureau of Statistics and others used by individual researchers. The main dimensions appear to be those based on population size, location (in terms of coastal or inland as well as density and access to services) and economic base.

This overview found that housing factors, per se, have generally not been incorporated into any of the classification schemes. As a result of reviewing different classifications, the Positioning Paper proposes that the Bureau of Rural Science classification, based on population size and location, serves as a useful starting point in the research project. Further, we suggest that locations be further disaggregated by population size.

The concept of housing market and implications for the data base

The Positioning Paper suggests the following useful definition of a housing market as:

> 'a contiguous geographic area, more or less clearly bounded, within which it is possible for a household to trade or substitute one dwelling unit for another without also altering its place of work or its pattern of social contacts' (Bourne 1981: 73).

This definition incorporates several distinct features of housing markets, which are addressed in the Positioning Paper: defined spatial area; household; trade or substitution; labour market; and social networks. Further underpinning the concept, is a set of institutions (financial, legal, corporate, governmental) and procedures (real estate practices; housing search behaviours) for bringing together housing supply and demand and allowing dwellings to be traded or exchanged. Supply, as represented in the housing stock, and demand, as affected by the size and composition of households, are central to understanding the market transactions. Housing markets are influenced by broader societal and, increasingly global, external factors. Some of the external determinants that affect supply include interest rates, credit availability, and economic growth. Public policy (such as the shift away from the provision of public dwellings to private rental assistance) is another key external factor that can affect non-metropolitan housing markets. At the micro-level, local housing stocks are changed through renovations, new construction, and vacancy levels.

Population mobility (in and out-migration) and household income distributions are instrumental in affecting the demand for housing. Because housing and labour markets are closely linked, commuting flows as indicated by journey to work patterns also influence demand. Demand-related policies can influence housing demand, as has been evidenced by the movement of rent assistance recipients out of high cost metropolitan regions like Sydney and into non-metropolitan regions (Burnley and Murphy 2004). Changing social demographics (such as levels of fertility, mortality, marriage rates and leaving home patterns) all exert an influence on housing demand.

The broad parameters of supply and demand feature in the data base in terms of dwelling stock indicators and population and household characteristics. The importance of housing policy on local housing markets is denoted by the items related to rent assistance and public housing provision. Labour market characteristics are captured by the inclusion of variables related to journey to work, occupational and industry structures, participation rates, and unemployment. The spatial dimensions are recognised in the use of the Statistical Local Area (SLA) as the unit of analysis alongside the additional information on density, area, and the remoteness index.

Regional policy: Commonwealth and State perspectives

The market discourses of economic rationalism and 'enterprise culture' have permeated virtually every policy setting including the arts, education, health and housing (Smyth and Cass 1998). Economic rationalism has provided the broad rationale and policy prescription for the re-alignment of the role of government in non-metropolitan areas. The notion of enterprise culture has provided a mediating policy discourse for a re-framing of government focused on community renewal, self help and the development of enterprising communities.

Within the Australian Federal system of government, state governments are vested with a more direct role in housing policy and planning, whilst the Federal Government represents the primary source of funding (Tonts et al: 2001). Regional policy and planning has also primarily been undertaken by state governments. This paper reviews a range of state government regional policies.

A primary concern for state and territory governments in Australia since the 1980s has been the economic and social deterioration of many non-metropolitan cities and towns. A particular concern has been the relative inability of regional work forces to adjust to macro-level economic change, including the globalisation of markets and the more competitive, less protected economic environment that has emerged since the 1980s. Many non-metropolitan work forces remain limited in their occupational structure and skill levels and governments often fear that such communities lack the necessary diversity and adaptability in human resources to undergo economic recovery (McKenzie 2003). The recent 'Housing Affordability Strategy' (2004) released by the Queensland Government notes some of the results of these divergent stories:

> 'while rural and regional restructuring continues, a "spatial mismatch" or "ghost town effect" can occur: dwellings become available in some areas where economic activity is declining (or leading to reduced employment), while shortages occur in areas where demand is strong and growing'.

Although the strategic approaches of different state and territory governments vary in detail, they are often similar in the general themes focussed upon and in the measures adopted. The themes emphasised by governments commonly include:

- the identification of opportunities for economic development in regional areas,
- the challenge of adequate and efficient delivery of government services,
- opportunities for the improvement for quality of life in regional areas,
- the facilitation of new investment,
- assistance in maintaining the economic viability of existing businesses,
- job creation,
- skills development and supply,
- adequate infrastructure provision and development,
- the identification of export opportunities and,
- facilitating consultation between private sector interests and different levels of government.

Housing is notably absent in most regional development programs in Australia. Problems of uneven economic adjustment, localised economic decline and demographic change in many regional areas give rise to a number of housing related issues that need to be addressed in order for economic development to occur in regional areas: inadequate housing infrastructure; monotonous dwelling stock; poor standards; diminishing availability of private rental housing and so forth. Hillier, Fisher and Tonts (2002) advocate a whole-of-government approach to help rectify this omission. The uneven geographic distribution of new job creation and job loss may mean that there is a serious spatial mismatch between the location of housing stock and the availability of jobs in some regional areas. Some non-metropolitan housing markets may now be in part defined by such a mismatch.

In conclusion, the diversity of markets outside the capital cities requires sophisticated information for appropriate policy choices. Systematic data on non-metropolitan housing markets are lacking and the complexity of the situation is often underestimated. While case studies provide a partial and selective view of non-metropolitan housing markets, the literature lacks an understanding of broad trends and patterns. This positioning paper provides a background to, and rationale for, the construction and analysis of a national non-metropolitan housing market data base.

1 INTRODUCTION

This positioning paper reviews recent research on Australian housing markets and identifies the key parameters for the study 'Trends in Australian non-metropolitan housing markets (1991-2001)'. The focus of the project is an analysis of the major trends in patterns of change and continuity in relation to a number of key housing indicators. The project aims to analyse trends in non-metropolitan housing markets over the period 1991 to 2001. Specifically, our objectives are:

- To construct a national non-metropolitan housing market database for the assessment of trends between 1991 and 2001
- To produce a summary set of change measures documenting rates of growth and decline in housing; population and labour markets in non-metropolitan housing markets
- To develop an analytical framework for classifying non-metropolitan housing markets
- To model the relative contribution of different key features of local housing markets
- To extrapolate relevant advice on policy directions

The positioning paper provides a context for, and introduction to, the project. The paper begins with a critique of some influential perceptions of non-metropolitan Australia; provides an overview of Australia's settlement pattern; examines various definitions and classifications used in studying non-metropolitan Australia; discusses the nature of housing markets and the implications for developing an information base; and concludes with an overview of key policy considerations, including broad changes in policy discourses.

The term 'non-metropolitan Australia' tends to conjure up an undifferentiated 'other' when compared to metropolitan or capital city Australia. This apparent polarisation has been noted in academic literature and the popular media. For example, Garnaut et al. (2001, 9) cites a number of studies emphasising the 'gulf between city and country' in Australia: Fragar et al. 1997; Strong et al. 1998; National Economics 1999; and Wahlquist 1999. Similarly, Bernard Salt (2001: 135) states that 'when it comes to rates of growth' . . . [Australia] 'might as well comprise two planets' . . . one [of rapid growth] on the coast east of the 'aptly named Great Divide and one [of decay] to the west. Although there has been a long history of episodic challenges such as drought, economic depression and government 'rationalisation' of farm settlement in Australia, in the past thirty years there has been growing public concern with the deterioration of many agricultural industries contributing to more general rural decline 'west of the Divide'. Here, the demise of the family farm and the reduced reliance on traditional farm labour have created a dwindling and rapidly ageing population as a result of outmigration and declining fertility in small towns and their rural hinterlands. Although the causes are subject to considerable debate, underlying the decline is globalisation, a succession of market adjustments, economic rationalist policies, and climatic extremes (Lawrence 1987, Gray and Lawrence 2001, Beer et al. 2003, Cocklin and Dibden 2005). Some strong spatial patterns are evident. Hugo (2005) discusses marked contrasts in population growth and social well-being within non-metropolitan Australia, and his 2003 paper identifies four spatially distinct regions experiencing population decline: dry-farm areas in the wheat/sheep belt, pastoral areas in central Australia, exhausted mining towns, and declining industrial centres. Stimson et al. (2003) refer to more diverse clusters of vulnerability that include declining manufacturing centres and extractive-based settlements, and Alston (2005) notes that the ‘social exclusion’ of groups marginalised by economic downturn and neo-liberal government policies in regional Australia is increasingly problematic. These difficulties are not unique to Australia (see Galston 1995 on the US experience, and Bruce’s 2004 study of social housing in rural Canada). Bruce (2004) finds that: ‘population declines pose a real challenge for making decisions about how best to provide social services. The communities in decline are small in size, generally isolated from larger urban centres, lack a diverse economic base, have a declining economic and employment outlook, have high service costs, and have a limited range of public services.’ Given the broad similarities between Canadian and Australian rural settlement history and geography, the findings are striking. Some commentators have controversially questioned the long term viability of many small rural settlements: Forth (2000), in a comparison of Australia and the American mid-west, suggests ‘there are no long term solutions for most small towns in decline’ and that a ‘managed migration’ into large viable regional centres may be the best solution. Since the 1980s in Australia, significant attention has been turned to the question of rural survival and community sustainability (Gray and Lawrence 2001, Cocklin and Alston 2003, Cocklin and Dibden 2005). Davison’s (2005) historical analysis demonstrates that the nation has long experienced episodic and selective rural decline, but that a significant shift away from political support for rural communities and industry in the past twenty years has made regional Australia far more vulnerable than ever. In terms of non-metropolitan housing the image of rural decline might suggest a surfeit of supply, a deteriorating housing stock, a limited range of housing types, acute shortages in rental properties, and depressed markets.

But contrary to the impression of rural decline, many communities, even in the same region, have maintained stability or experienced considerable growth (Baum et al. 1999). The latter are often coastal communities or inland centres with particular lifestyle advantages, buoyed by a population that has sought early retirement and/or is disaffected with urban living (Burnley and Murphy 2004). Some regional centres such as mining towns, tourist meccas, defence centres, or transport hubs have been buoyed by locational advantages. Stimson et al. (2003) identifies clusters of opportunity around mining, tourism, service provision, and extractive/transformative industries. Garnaut et al. (2001) highlights the remarkable growth of manufacturing businesses and employment in non-metropolitan areas between 1986 and 1996. Some, so-called sponge-cities, and their tiny satellites, are experiencing growth, through in-migration of people, services, and investment, at the expense of neighbouring towns in decline (Productivity Commission 1998, Salt 2001, Beer et al. 2003). A few centres have made remarkable reversals such as in the old mining centres around Cessnock in New South Wales where cheap housing appealed to commuters, holiday makers in search of a second home, and retirees (Holmes et al. 2002). Many are ex-urban or peri-urban growth centres, previously small country towns that are now easy commuting distance from rapidly expanding metropoli (McKenzie 1996). Strong spatial associations are evident, with remarkable growth of rural settlements in coastal areas, particularly in the ‘sun belt’, as well as near the metropolitan fringe. In the thirty years after 1966, Australian country towns generally became more numerous, increased their proportion of the national population, and grew more rapidly than either their metropolitan or dispersed rural counterparts, although the growth cooled considerably in the late 1990s (Hugo 2003). The results of this growth for housing, especially in the larger provincial centres and the vibrant often non-agricultural small towns, are buoyant markets, rapidly rising house prices, increasing approvals and completions, improving housing stock, market differentiation, and supply often being outstripped by demand.

Other examples of growth are linked to highly casualised primary production and processing; housing investment, however, does not necessarily follow employment opportunities (Beer et al. 2003). An analysis of the south-east region of South Australia, with a burgeoning industry in horticulture, vineyards, and forestry products concluded that 'the buoyancy of the regional economy has not resulted in an effectively functioning housing market' (Beer et. al. 2003: 212). A similar contradictory nexus between growth and housing market trends exists where rapid population growth was found to be associated with increasing disadvantage in thirteen large regional cities and towns classified as 'welfare/retirement clusters' in coastal New south Wales and Queensland (Stimson et al. 2003). In some expanding settlements, existing housing stock was sufficient to cope with population growth (Planning Consultative Council 1982). Many case studies have identified a range of problems including 'market imperfections', a lack of coordination for both rental and freehold (Beer 2003, Nankervis and Haywood 2003), and the only partially successful increasing reliance since the late 1980s by federal governments on market deregulation. In addition, each non-metropolitan region is further complicated by complex and contradictory interests, and often by a range of 'sub-markets', for example at both the upper and lower limits of house prices and rentals. In some rural settlements, the increase in housing demand from a rapidly expanding indigenous Australian population (Taylor 2003, Sanders 1993) may contrast with reductions in the European population or with transformations in the size and aspirations of the family (McDonald 2003, Paris 1993). Sanders (1993) notes that Aboriginal housing and housing policy is particularly distinctive. Marked spatial differences in age distribution and fertility levels are also notable even within the same region (Carmichael and McDonald 2003, Rowland 2003, Berry 1996, Hugo 2005). Consequently, housing markets may be differentiated into 'empty nesters', 'traders', 'second home owners', and 'retirees' (Paris 1993). Housing markets are further divided into rental and ownership markets, and also into private and public/social sectors.

Therefore, in sharp contrast to the image of a rural-urban gulf, the non-metropolitan regions of Australia comprise a complex geographic setting with dynamic, diverse and even contradictory circumstances. There is considerable unevenness in key parameters such as population, employment, social disadvantage, and housing (Baum et al. 1999, Garnaut et al. 2001, O'Connor 2001, Stimson et al. 2001, Hugo 2003, Hugo 2005). Stimson et al. (2003: 146) refer to the recent emergence of a 'new geography of opportunity and vulnerability of Australia's cities and towns'. The Federal government's report on economic change in country Australia (Productivity Commission 1999) identifies four starkly contrasting regional clusters in relation to combinations of structural change and employment growth between 1981 and 1996. Remote Australia has experienced some of the largest relative growth as well as the sharpest relative decline in population in the past thirty years, and there are almost equivalent contrasts within the intermediate settled rural districts, the latter due in part to environmental factors. More subtly, Smailes, Griffin and Argent (2005) provide an analysis of regional communities in south-eastern Australia for the period 1981-2001 based on environment, location and settlement history clusters. They conclude that the nation's 'rural heartland' experienced considerable 'divergence' (if not outright spatial polarisation) and that, despite convergence due to common threats to the agricultural base, communities were characterised by substantial heterogeneity. They also warned policy makers to distinguish between the experiences of rural towns and their hinterlands.

Simplistic stereotypes of city progress and bush decline (along with any lingering critique of 'rural provincialism') are potentially misleading for policy makers, who need to target locations and sectors much more specifically, and coordinate overall policies far more effectively (Hugo 2003). In addition to spatial heterogeneity, there are potentially some significant temporal differences in settlement trends, international influences and policy imperatives even within the study period 1991-2001. On the whole, while housing researchers tend to concentrate their analyses on the larger and perhaps more exciting metropolitan cities (particularly if designated a 'global city'), '…rural markets per se are woefully understudied' (Green and Malpezzi 2003: 83). In part the gap in the literature is due to the same policy dilemma identified in America by Christenson et al. (1994: 44):

> '…without clear [rural] policy goals, a coherent policy database cannot be developed. But without a good database, it is not possible to develop a clear statement of the problem to be addressed, policy prescriptions, or means of implementation.'

Even where important housing market drivers have been identified, such as population size and structure, these are not necessarily ideal policy predictors because 'the current levels of, or trends in, the local population per se bear little relation to the geographies of opportunity and vulnerability' (Stimson et al. 2003: 145). Berry (1996) gives a finely-detailed overview of housing demand and 'outcomes' in Australia. He identifies a wide range of 'social, demographic, economic and locational factors' including 'the relationship between the cost of new house construction and the rate of mobility and internal vacancies in the existing housing stock', but his focus is almost exclusively on metropolitan markets, or on derivative national measures that are based heavily on the metropolitan experience. A spatial database of non-metropolitan housing that provides a general overview as a foundation for housing policy is sorely needed, in some regards similar to Garnaut et al.'s (2001) study of 'influences of employment and population growth in rural Australia'. The construction of such a database is predicated on the basis that not only are there some key distinctive features of non-metropolitan Australia as outlined above, but also that the regional housing markets it contains are also differentiated from their urban counterparts. Particular housing market challenges are described briefly below.

A number of Australian case studies have identified housing market difficulties encountered in particular non-metropolitan towns and communities (Trevor Budge and Associates 1992; Econsult 1989; Fincher and Wulff 2001; Hillier, Fisher and Tonts 2002; Medhurst, Lea and Pritchard 2002; Beer et al. 2003, Nankervis and Hayward 2003). Housing problems have arisen within the different tenure sectors; with housing stock and overall supply; with the construction industry; with problems of cost and price, and with land-use and supply. Paris (1993) discusses the crisis of housing affordability especially for new home owners and low income renters. He suggests that there has been a 'growing mismatch' between the system of housing provision and the needs of a substantial minority of the population. Badcock (2000) also portrays a crisis in home ownership in the 1990s, which may amount to 'a watershed in the history of the Great Australian Dream'. Perversely this occurred despite increased housing affordability. The crisis particularly affected would-be first-home buyers, who remained longer than anticipated in the rental market. The 1990s also marked a rise in what Lloyd (2000) calls 'the New Homelessness' which became widespread in American, European and Australian cities from the late 1980s. For many authors, the 1990s represented a different, and in many cases disturbing, shift in Australian housing markets. The extent to which these changes were felt in non-metropolitan centres, however, is seldom addressed.

In brief, housing policy concerns have been raised about:

→ *Private rental market:* in some non-metropolitan communities, the demand for private rental accommodation is growing, but the supply is very limited. As a result, weekly rents are disproportionately high, often reaching capital city rent levels. In non-metropolitan regions with growing agricultural production, the seasonal or intermittent demand for private rental accommodation is not being met. In declining towns there is often an acute rental shortage due to the lack of incentive for investment in rental properties. Investors tend to be disinterested in investing in country towns either because they view the investment potential as volatile or the capital gains as relatively low (Econsult 1989; Beer et. al. 2003).

- *Public rental sector:* growing need, longer wait times, and an inability of state housing authorities to respond due to funding cut-backs. The availability of public stock varies significantly in regional areas and, in Victoria for example, ‘there appears to be no particular pattern to the distribution of public housing’ (DOI 2002:37).

- *Homeownership sector:* Rising house prices in some ‘turn-around regions’, particularly coastal growth regions, are attracting holiday second home purchasers and spurring house price inflation, but at the same time, blocking access to locally resident first home purchasers. Homeowners in other country areas face the opposite problem – an inability to sell their homes and therefore ending up ‘trapped’.

- *Housing stock:* The housing stock, mainly in the in-land non-metropolitan regions has been criticized for its monotonous uniformity (conventional three bedroom detached dwellings) and consequent inability to meet the growing diversity of demand from different household types or particular needs groups (such as the homeless, aged, or persons with a disability. Moreover, the housing stock has been cited as a deterrent in attracting potential in-migrants to the region.

- *Construction:* The construction costs in many rural and remote communities are so high as to deter or discourage new residential development. Costs can be boosted due to longer transport distances and the costs of special building materials required in certain regions (Fincher and Wulff 2001). Much of non-metropolitan Australia face shortages of skilled labour generally and, more specifically, skilled in the building industry.

- *Cost of housing:* House values can fluctuate greatly in regional Australia, in line with their changing economic situations. Regional Matters (DOI 2002) illustrates this situation for regional Victoria from the late 1980s to 2000. Whereas in 1987, median house prices in Latrobe and the Surf Shire differed by $30,000, the differential in house prices had blown out to $120,000 in 2000 as the Surf Coast prices shot ahead and the Latrobe Valley region fell behind. Trevor Budge and Associates (1992) in studying 22 non-metropolitan towns found that housing values were strongly linked to labour market conditions and access to key services.

- · Land shortages: In areas of rapid growth, for example in the sun belt regions of sub-tropical coastal Australia, there are often acute shortages of appropriately zoned land. Land and infrastructure/servicing costs are often undervalued in small towns where land is relatively cheap. Due to limited demand in smaller settlements, there are often few opportunities to gain economies of large scale from developers purchasing large land areas for housing. In addition to ‘land’, there is increasing concern with shortages of other environmental resources such as water for sustainable development.

These case study-identified housing problems form part of the background to this research project. The issues are clearly of public policy concern. Yet, case study approaches are limited in their scope for generalisation to other places and circumstances and without a national data base to monitor housing markets over time and across regions, effective policy approaches cannot be developed. The database developed in this study will bring together available information on the demographic, economic, social and housing trends in different regions in an effort to address this gap.

2 SETTLEMENT PATTERNS IN NON-METROPOLITAN AUSTRALIA

Australia's distinctive settlement pattern has been a powerful force in shaping the nature and characteristics of non-metropolitan housing markets. Australia is distinguished by its highly urbanised nature, sprawling low-density cities, and the concentration of the population within 50 kilometres of the coast, particularly along the east coast and in the south-eastern corner of the nation. The geography of the settlement system reflects the outcomes of historical population movements, political rivalries and social and economic development. The primacy of Australia's urban system is notable by world standards. Primacy refers to a situation whereby the major city in each region is 'manifestly dominant and at least several times the size of the next largest centre' (Logan et al. 1981: 67). The high level of primacy is especially notable at the state and territory level, particularly in the more populous states, where urban systems are dominated by the capital cities. Apart from Canberra, the capital of the Australian Capital Territory, deliberately chosen in 1908 on an inland site midway between the nation's two most powerful cities, the state and territory capitals were all port cities located on an immense coastline with notoriously few sheltered harbours.

Through the last quarter of the nineteenth century these port cities gained ascendancy over their colonial rivals due to a circular and cumulative process of growth involving a combination of geographic position, competitive advantage, economies of scale, and aggressive marketing e.g. from differential freight rates along the newly-constructing rail networks radiating from the ports (Logan et. al. 1981, Parkin 1982). These factors eventually caused the centralization of processing and light manufacturing away from the provincial towns that had grown during the gold rushes from the 1850s. Metropolitan dominance was well entrenched by 1899 when the American demographer Weber referred to 'the most remarkable concentration … in that newest product of civilization, Australia, where nearly one-third of the entire population is settled in and about capital cities' (in Logan et al. 1981). Federation in 1901 did little to challenge the entrenched colonial situation of half a dozen primate cities dominating their newly constituted states. Around the turn of the century, declining fertility and the rural population drift to the cities both intensified. Attempts during the early 1900s to reverse these trends became a major, but largely unsuccessful, focus of federal and state governments. After many generations of continuing government promotion of agricultural settlement, assisted by heavy subsidization, liberal land laws, and gerrymandering of rural electorates, a profound shift in settlement policy occurred during the interwar years. A combination of declining commodity prices in the 1920s, the expansion of government policies rationalising ill-founded closer and soldier settlement schemes, and the Great Depression of the 1930s, dramatically slowed urban to rural migration. This trend was consolidated in the late 1940s under Commonwealth post-war planning. The high rate of primacy has remained for more than the past century despite substantial growth in the wool and grain growing in the 1950s and some evidence of 'counter-urbanisation' from the 1980s. In this regard, Australia's urban system shows similarities to other dominion capitalist nations, unified by a common dependence on long distance exports of largely unprocessed agricultural, pastoral and mineral commodities. Globalisation in the past few decades has done little to change primacy and metropolitan dominance.

Table 2.1 highlights the dominance of most state capital cities, particularly Sydney, Melbourne, Perth and Adelaide. Brisbane is an exception to this pattern as Queensland is characterised by a series of large towns situated on ample natural harbours along the coast. In Tasmania and the Northern Territory, the port capitals have substantial inland rivals, in Launceston and Alice Springs respectively, but little other urban development.

Table 2.1: Australian capital city population and proportion of population resident in capital cities by state, 2001

Capital city (state)	*Capital city population ('000)*	*State population ('000)*	*Proportion resident in capital city*
Sydney (NSW)	3,997.3	6,317.6	63.3
Melbourne (Vic)	3,366.5	4,650.0	72.4
Brisbane (Qld)	1,627.5	3,665.1	44.4
Adelaide (SA)	1,072.6	1,467.3	73.1
Perth (WA)	1,340.0	1,851.3	72.4
Greater Hobart (Tas)	191.2	456.7	41.9
Darwin (NT)	109.4	201.7	54.2
Canberra (ACT)	311.5	311.9	NA

Source: Burnley and Murphy 2004, p. 24

Note: Overseas visitors included; Australians temporarily overseas not included; figures for metropolitan Statistical Divisions (SDs)

In both Europe and North America, the regional areas contain more highly developed systems of urban centres of varying sizes. Many of these towns and villages historically evolved to service rural economies. The pattern in Britain, for example, is influenced by its small geographic size and dense rail and road network. As noted by Burnley and Murphy (2004: 30), Britain has 'a history of inland villages … some dating from time immemorial'. In contrast, European settlement came to Australia later and the industrial revolution was well advanced. The then newly developed transport technology allowed long distance transport to work relatively efficiently. In both Canada and the United States, earlier European settlement, prior to the industrial revolution, along with a relatively fertile interior 'encouraged a more self-contained and self-sufficient form of settlement' (Logan et al. 1981: 20).

The density of rural land use in regional Australia was limited by environmental constraints including aridity, ineffective, unreliable and unpredictable rainfall, and poor soil conditions, as well as a difficulty or unwillingness to adapt to the land. These environmental challenges were exacerbated by huge distances and high transport costs between population centres, and between producers and markets (Blainey 1966). As noted by Logan et. al. (1981), 'the environmental conditions in non-metropolitan Australia … were never conducive to a high level of population density in most of the areas away from a narrow coastal strip' (Logan et. al 1981: 21). Moreover, these regional areas rarely produced manufactured goods that had world market demands 'and the demand was never there to set up large regional service centres, nor of course were such towns inherited from a bygone era as they were in Europe'. More recently, Burnley and Murphy (2004: 25) noted that Australia's primate city pattern left 'few options outside the state capitals for people and businesses needing city environments to live preferred lifestyles and conduct profitable businesses'.

Nonetheless, the dominance of the capital cities should not obscure the existence of numerous towns and regional cities beyond the major metropolitan centres. These non-metropolitan locations are highly diverse in size and characteristics and have been experiencing uneven development over the last decade.

The powerful forces outlined in this chapter have fostered primacy at each scale in the settlement system since the late nineteenth century – especially at the state level. Until the 1980s, governments widely attributed this to market forces and intervened accordingly with regional policy to redress social, political and economic disparities. During the study period, 1991 to 2001, there was a significant shift in government attitudes to these market forces and the perceived need for, and utility of, interventionist regional policy. Housing markets were subject to both the market forces and the various types of government policy. The extent to which the settlement pattern in general, and housing markets in particular, remained affected by primacy will be an important element of our analysis of non-metropolitan housing markets. In the next chapter, the settlement pattern is examined in greater detail and appropriate methods of classifying different settlement types are identified as a precursor for cluster analysis.

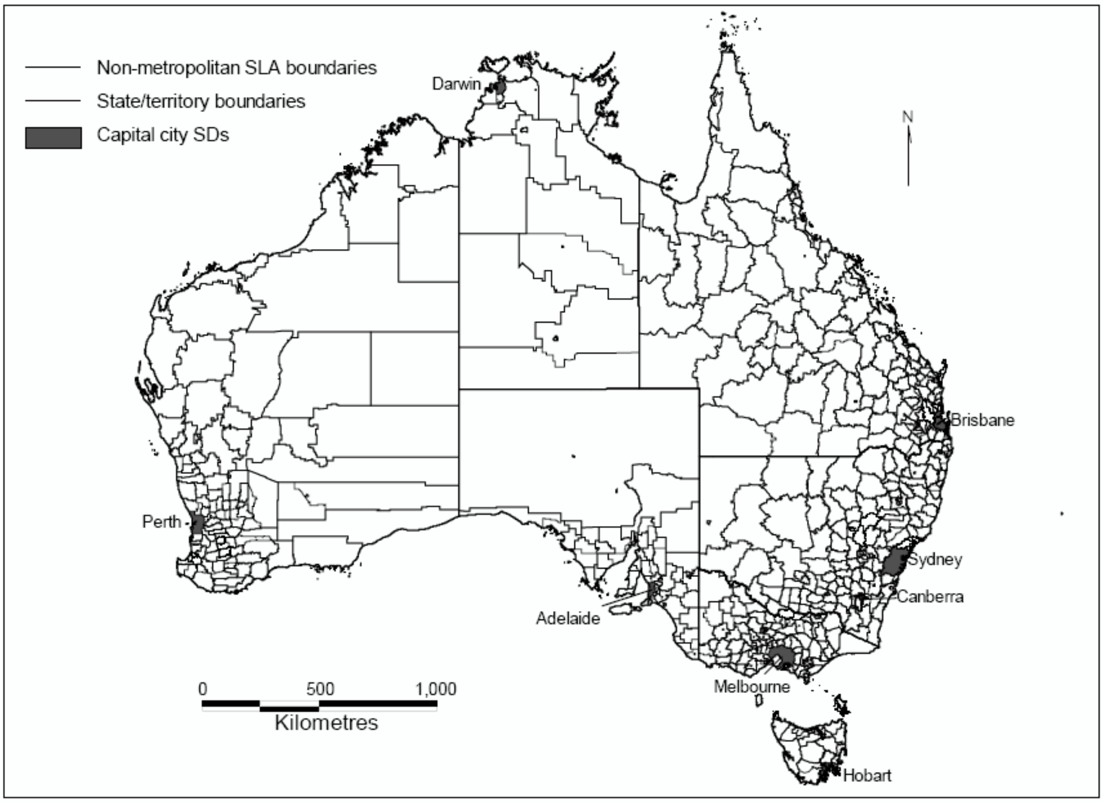
3 NON-METROPOLITAN SETTLEMENTS IN AUSTRALIA: CLASSIFICATION APPROACHES

There has been substantial debate within the ranks of demographers and geographers regarding the appropriate system for classifying non-metropolitan areas. Some classifications are based on, for example, population size, others on geographic location and others on economic factors such as industry and labour force structures[1]. More often, though, research objectives require the classification system to incorporate a combination of these factors. No existing classifications appear to have been developed relating specifically to non-metropolitan housing markets, and very few have even taken housing related factors into account. Ultimately, of course, the classification system chosen or developed will depend largely on the purpose of the project. In the case of the current project, a typology or classification of non-metropolitan settlements is necessitated by the complexity of regional Australia. The classification system we intend to develop will assist us in demarcating different housing markets and, ultimately, facilitate analysis and policy development.

Because the vast majority of data are only available in a spatially aggregated form, an important part of constructing a classification system is the choice of spatial unit. This decision is usually constrained by a number of factors such as the availability and cost of data at the desired scale, areal coverage and boundary changes over time. The smallest spatial unit adopted in the current research is the Australian Bureau of Statistics (ABS) defined Statistical Local Area (SLA). Statistical Local Areas are formed through the aggregation of Census Collection Districts (CDs), the smallest spatial units for which the ABS collects and disseminates census data. There are 1,353 SLAs Australia-wide. The SLA was chosen because it is the smallest spatial unit for which the broadest range and most consistently defined data items can be gathered over time, and for which boundary concordance can be achieved, over time. For the purposes of this study, all 754 SLAs outside of the State and Territory capital cities are defined as 'non-metropolitan'. These are shown in Figure 3.1 below. While this definition of 'non-metropolitan' accords with that used by the Bureau of Rural Science (Haberkorn et al 2004), some researchers prefer a definition based on population size as determined by urban centres.

[1] Other classifications, such as those based on land use or agricultural indicators, do exist (see, for example, Barr 2004); nevertheless, these three broad classifications are most relevant to housing markets.

Figure 3.1: Australian non-metropolitan Statistical Local Areas (SLAs) and capital city Statistical Divisions (SDs), 2001



Source: ABS Census Basics CD Rom (Cat. No. 2045.0, 2001 Census of Population and Housing)

3.1 Population size

Population or settlement size is one of the most commonly used measures for classifying settlement systems (Hugo 2003). Population size can be measured absolutely or in terms of change over time and might be used exclusively to classify settlements or in combination with other factors. Two ABS classifications based on population size are the Urban Centre/Locality (UC/L) Structure and the Section of State (SOS) Structure.

The ABS UC/L Structure groups CDs together to form areas that are based predominantly on population size as enumerated at the last census. According to this classification, ‘an Urban Centre is a population cluster of 1,000 or more people while a Locality is a population cluster of between 200 and 999 people. For statistical purposes, people living in Urban Centres are classified as urban while those in Localities are classified as rural’ (ABS 2001b: 30). Any smaller population clusters or dispersed population is included in the ‘Rural Balance’ of the area.

Table 3.1 shows the shifts that have occurred over the past 35 years in this classification of settlement types. The table shows both the number of urban centres of varying population size for the period 1966 to 2001 and also the percentage of the population that lived in these settlements. Unremarkably, along with overall population increase, there has been increase in the number of centres in each population category between 1966 and 2001, apart from the largest centres whose number remained constant. It is important to note that some of these changes are due merely to population decline/change above or below the category size thresholds and, in some cases, settlements ‘disappear’ when they merge with an expanding urban centre. Interestingly, however, the percentage of the Australian population living in an urban centre (of any size) has increased by 3.2 percentage points over the 35 year period, while the proportion of the population living in very small rural localities (of less than 1,000 people) has been steadily falling over this period. After accounting for 17 per cent of Australia's population in 1966, small rural localities now make up less than 14 per cent.

Table 3.1: Distribution of settlements by size, Australia 1966-2001

Settlement size	*Number of urban centres*					*Percentage of population*				
	1966	*1976*	*1986*	*1996*	*2001*	*1966*	*1976*	*1986*	*1996*	*2001*
500,000 and over	5	5	5	5	5	56.0	57.0	54.5	53.1	54.0
100,000-499,999	4	6	7	8	9	5.4	7.5	8.2	9.2	10.8
20,000-99,999	22	26	41	50	43	6.8	7.1	8.8	9.8	8.8
2,000-19,999	250	285	327	366	364	12.4	12.2	11.6	11.3	10.4
1,000-1,999	178	181	252	312	285	2.2	1.9	2.2	2.5	2.1
Total urban centres	459	503	632	741	2,707	82.9	85.7	85.3	85.9	86.1
Total rural	na	na	na	na	na	17.1	14.3	14.7	14.1	13.9
Total pop'n ('000)	11,599	14,576	15,602	17,881	18,972	100.0	100.0	100.0	100.0	100.0

Source: Hugo, 2001; Hugo 2004 (forthcoming).

The ABS Section of State (SOS) Structure is based upon the UC/Ls current for a particular census. This structure further classifies the UC/Ls into four broad categories:

→ *Major Urban:* urban centres with a population of 100,000 or more that can then be disaggregated into a further three population categories: 100,000 to 249,999, 250,000 to 999,999 and 1,000,000 or more;

→ *Other Urban:* urban centres with a population of between 1,000 and 99,999 providing for a further five population categories: 1,000 to 4,999, 5,000 to 9,999, 10,000 to 19,999, 20,000 to 49,999 and 50,000 to 99,999;

→ *Bounded Locality:* includes all 'localities' but allows for the delineation of two further rural areas with populations of 200 to 499 and 500 to 999;

→ *Rural Balance:* includes the remainder of the state or territory.

The final category is 'Migratory' that includes off-shore, shipping and migratory CDs to complete the full coverage of Australian CDs (ABS 2001b). Again, this classification divides Australia into urban and rural regions. The ABS found, however, that the demand for data that allows comparison between 'city' and 'country' Australia was not being met through the UC/L or SOS structures that are based purely on population threshold levels. These classifications do not include any reference to relative location.

3.2 Geographic location

Accepting that definitions of rural, urban, regional, remote, metropolitan and non-metropolitan (for example) are often not precisely defined or defined differently within various classifications, the ABS identified that the critical idea underlying 'city versus country' was the geographical concept of physical remoteness: how far does one have to travel to access goods and services and opportunities for social interaction? (ABS 2001a; ABS 2003) The problem with the UC/L structure and particularly the SOS structure, is that although a locality or rural area can be identified, it is not possible to determine whether this area is adjacent to, for example, a capital city or it is located in the centre of Australia.

In response to this, the ABS developed the Remoteness Structure as a part of the Australian Standard Geographical Classification (ASGC) for the 2001 Census. This structure groups all Australian CDs into five Remoteness Area (RA) classes, namely: Major Cities; Inner Regional Australia; Outer Regional Australia; Remote Australia and; Very Remote Australia. The sixth class is ‘Migratory’, again including off-shore, shipping and migratory CDs to complete an Australia-wide coverage. The Remoteness Structure is a purely geographical classification based on physical road distance to the nearest town or service centre in particular population size groups (ABS 2003). Table 3.2 shows the distribution of Australian population within each of these RAs by state. The primacy of the major cities is obvious, with around 66 per cent of the nation’s population living in a ‘Major City’.

Table 3.2: Total persons by Remoteness Area and state, 2001

	Major cities	***Inner regional***	***Outer regional***	***Remote***	***Very remote***	***Migratory***	***Total persons***
NSW	4,488,788	1,299,238	475,047	38,278	8,360	1,457	6,311,168
VIC	3,390,393	966,552	248,713	5,744	na	695	4,612,097
QLD	1,864,376	919,872	645,002	96,672	58,332	1,385	3,585,639
SA	1,044,307	179,626	173,003	44,944	16,462	570	1,458,912
WA	1,277,012	217,003	176,451	96,585	63,152	1,805	1,832,008
TAS	na	289,070	153,803	8,504	2,547	917	454,841
NT	na	na	106,476	43,956	50,200	2,097	202,729
ACT	308,456	728	na	na	na	na	309,184
Other Ter	na	604	na	na	2,067	na	2,671
Australia	12,373,332	3,872,693	1,978,495	334,683	201,120	8,926	18,769,249
% of total population	65.92	20.63	10.54	1.78	1.07	0.05	100.00

Source: ABS 2003: 7 (2001 Census of Population and Housing)

The Remoteness Structure is derived from a categorisation of the Accessibility/Remoteness Index of Australia (ARIA). This index was developed in 1998 at the National Key Centre for Social Applications of Geographical Information Systems (GISCA, University of Adelaide). It has since been further developed into ARIA+ and ARIA++. Essentially, these remoteness indexes provide a means of gauging access to services for non-metropolitan Australia by classifying non urban areas according to five categories of remoteness (Hugo, 2001):

→ *Highly Accessible:* locations with relatively unrestricted accessibility to a wide range of goods and services and opportunities for social interaction.

→ *Accessible:* locations with some restrictions to accessibility of some goods, services, and opportunities for social interaction.

→ *Moderately Accessible:* locations with significantly restricted accessibility of goods, services, and opportunities for social interaction.

→ *Remote:* locations with very restricted accessibility of goods, services, and opportunities for social interaction.

→ *Very Remote:* locationally disadvantaged - very little accessibility of goods, services, and opportunities for social interaction.

In summary:

> 'ARIA+, like its predecessor ARIA, is an unambiguously geographical approach to defining remoteness. ARIA+ is a continuous varying index with values ranging from 0 (high accessibility) to 15 (high remoteness), and is based on road distance measurements from 11,879 populated localities to the nearest service centres in five size categories based on population size… An interpolation procedure was used to interpolate the index values for each of the localities to a 1 km grid so that all areas of Australia recorded an index value. Using the interpolated grid surface scores for larger areas such as CDs and SLAs were derived' (GISCA 2004).

Unlike the ABS Remoteness Areas, the ARIA produces a continuous variable and is designed to measure and compare remoteness at any location across Australia. The ABS Remoteness Structure is based on a grouping of this continuous index and is designed to divide Australia into broad regions, not measuring the remoteness of a particular location, but rather grouping regions of similar 'remoteness' for comparative statistical analysis (ABS 2001). Importantly, both are purely geographical measures of remoteness, determined by road distance alone, and do not take into account socioeconomic capacity or any other factors that might influence a person's ability to access goods and services (for example, seasonal road closures) (ABS 2003, GISCA 2004).

In a recent book examining trends in non-metropolitan Australia, Burnley and Murphy (2004) adopted both population size and location to classify areas outside of capital cities. The authors identified three key dimensions related to location and population size that distinguished these areas that had experienced population growth:

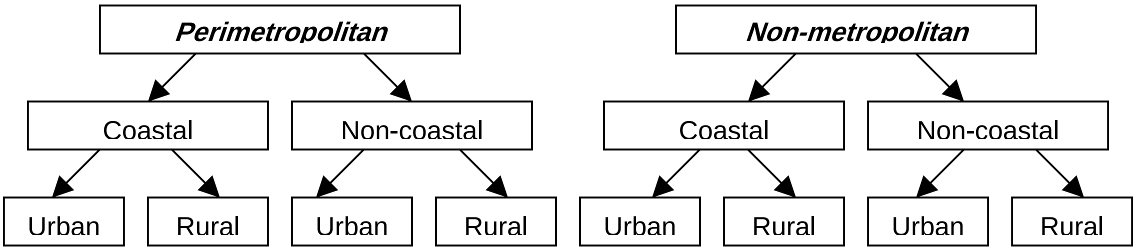
1. Perimetropolitan versus 'non-metropolitan' locations: this dimension defines areas by commuting accessibility to the capital city. The perimetropolitan region begins at the outer boundary of the capital city and finishes at the end of possible commuting distance to city jobs. This distance can differ for each capital city. In Sydney, for example, the authors describe a distance of 100 kilometre straight line distance from central Sydney. This incorporates central coast between Sydney and Newcastle and the Upper Blue Mountains, the southern highlands and the near south coast localities such as Kiama and Kangaroo Valley

2. Coastal versus non-coastal locations: this dimension is self-explanatory, although the authors point out that in general coastal areas tend to have more amenities and services because of earlier coastal growth. High coastal prices, however, may lead to an acceleration of development in inland areas (Burnley and Murphy 2004: 47).

3. Rural versus urban populations: defined by population size, using 1,000 persons as the minimum population required in order to be defined as urban.

Figure 3.2 illustrates the typology put forward by Burnley and Murphy (2004). Basically, communities outside the capital cities can be classified into 14 types. At the broadest level, non-metropolitan communities are located either in the perimetropolitan region of capital cities or further away. Moreover, whether perimetropolitan or non-metropolitan, communities can be further distinguished as either coastal or non-coastal areas. Whether the population is defined as urban (over 1,000 people) or rural provides an additional and final breakdown of communities.

Figure 3.2: Diagram of the Burnley and Murphy classification scheme



Source: Author's original drawing

In a recent publication, the Bureau of Rural Sciences also combines population size and geographic location to classify non-metropolitan Australia. Haberkorn et. al. (2004) defines non-metropolitan Australia as areas outside of the State and Territory capital cities. Based upon Garnaut et al.'s (2001) classificatory system, Haberkorn et al. (2004) categorise the 753 Statistical Local Areas in non-metropolitan Australia into four types:

→ Regional Cities – (106 SLAs) that contain the whole or part of an urban centre with a population of more than 100,000. Regional city centres are Cairns, Townsville, Sunshine Coast and Gold Coast (Queensland); Tweed Heads, Newcastle and Wollongong (New South Wales), and Geelong (Victoria).

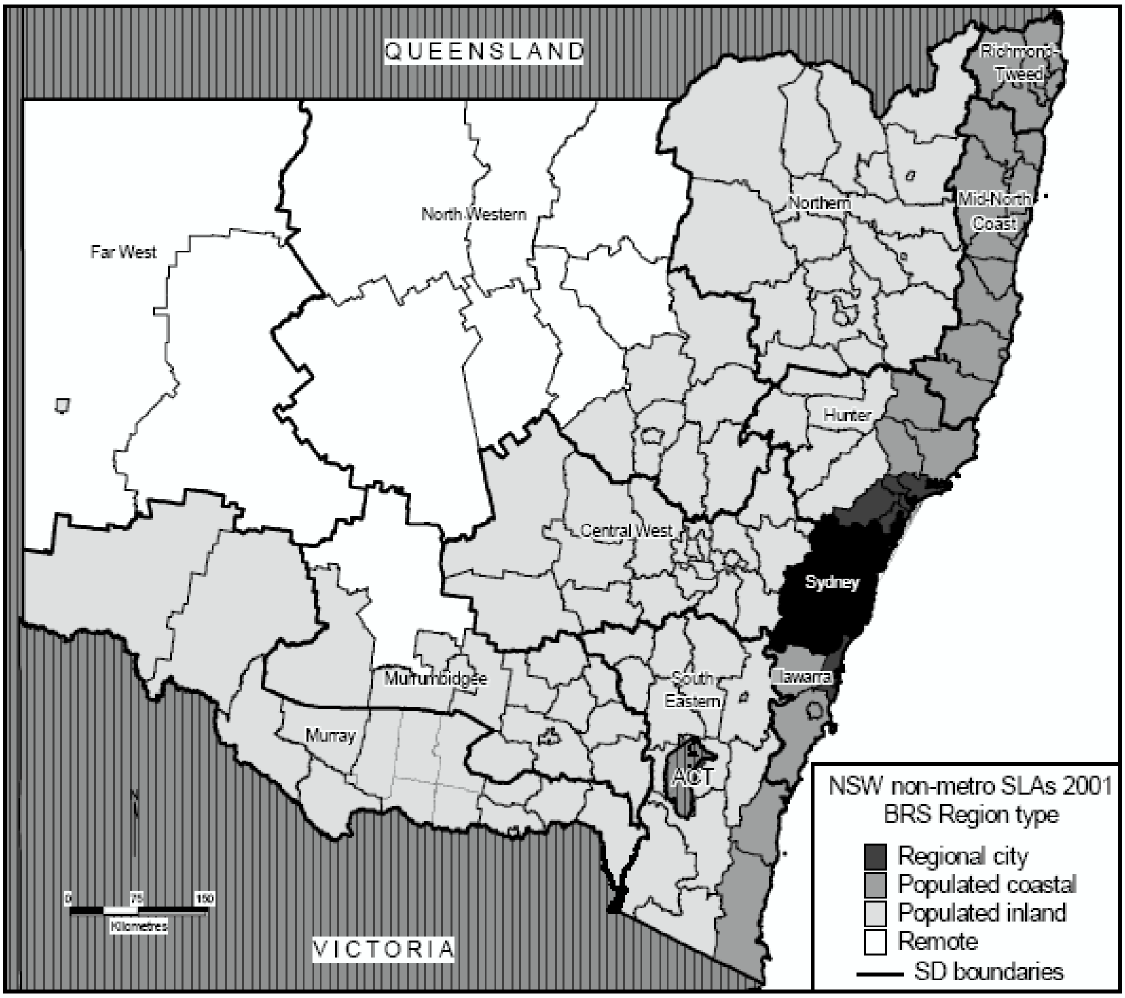
→ Populated coastal – 173 SLAs in the more densely populated areas of Australia, which are generally located within 80km of the coastline.

→ Populated inland – 338 SLAs inland from the coast, but excluding remote.

→ Remote – 136 sparsely populated SLAs classified as 'remote' or 'very remote' in the Accessibility/Remoteness Index of Australia.

To illustrate this classification system, the spatial distribution of these non-metropolitan regions in New South Wales is shown in Figure 3.3. The importance of the coast to population density in NSW is reflected in this figure by the fact that the entire coast of NSW falls into the Populated Coastal category. The only two Regional Cities within NSW are also located on the coast. Population density in NSW declines with distance from the coast.

Figure 3.3: New South Wales SLAs grouped by the Bureau of Rural Science (Haberkorn et al 2004) classification system of non-metropolitan Australia



Source: Derived from Haberkorn et al (2004) using ABS digital census boundaries (ABS Census Basics CD Rom Cat. No. 2045.0)

The report by Haberkorn et al. (2004) provides an array of maps based on this classification across a range of indicators using 2001 Census data. Some of the differences in these areas, aggregated according to the classification scheme, can be discerned from the following summary table.

Table 3.3: Selected indicators, 2001, based on Haberkorn et al.'s (2004) classification

	Total Australia	*Metro*	*Non - metro*	*Regional city*	*Populated coastal*	*Populated inland*	*Remote*
Population 2001 ('000)	18.8	11.9	6.9	1.8	2.2	2.4	0.5
No. of SLAs	1,338	585	753	106	173	338	136
Population density (persons per sq Km)	2.5	321.3	0.9	177.5	6.7	2.3	0.1
Population growth 96-01 (annual average)	1.1	1.3	0.8	1.6	0.9	0.3	0.5
Median age 2001	35	34	37	36	38	36	33
% Indigenous population	2.2	2.2	4.1	2.2	3.2	2.9	20.4
Labour force participation rate 2001	60.3	61.8	57.6	57.1	54.6	59.9	61.9
Unemployment rate 2001	7.4	6.8	8.4	9.5	9.9	7.0	5.5
Mean annual taxable personal income1999-2000	$37,511	$39,451	$33,533	$35,009	$32,383	$32,674	$37,652
% families receiving govt pensions and benefits 2001	39.4	37.6	42.2	42.6	45.5	38.2	46.2

Source: Haberkorn et al. (2004)

The first three columns of data in Table 3.3 provide figures for the whole of Australia, followed by a disaggregation into the two broad categories of metropolitan and non-metropolitan. The final four columns further differentiate the 753 non-metropolitan SLAs. The clear differences in population and population growth, household income, labour force indicators and reliance on social security, suggest that this is a useful schema for housing market research.

3.3 Economic factors

This approach, while emphasising economic variables, also incorporates both population size and geographic location.

Work by Baum et al. (1999) based on 1996 ABS CDATA and ABS Time Series Data for 1986, 1991 and 1996, represents a major effort at ranking Australian communities along a continuum of 'opportunity and vulnerability' based on changes in their populations and economic structures between 1986 and 1996. Their research emanates from the major structural changes that affected Australia between 1986 and 1996 (as measured by indicators of employment growth, unemployment, and income growth) and socio-economic/population composition changes (as indicated by occupation, industrial structure, household income, education, disadvantage, and housing). Only three out of a total of 19 variables related to housing: the proportion of public renter households, proportion of households with 'low incomes' (bottom 40 per cent of the household income distribution) in 'mortgage hardship' (that is, paying more than 30 per cent of income on mortgage payments) and a similar indicator for renters, that is, the proportion of households with low income renters in 'rental hardship'.

The authors classified approximately 500 metropolitan and regional SLAs that fell within three geographic levels:

- Metropolitan city regions (240 SLAs) – a set of SLAs that includes the statistical divisions of Sydney, Melbourne, Brisbane, Adelaide and Perth, Hobart and Canberra. Adjoining SLAs are added to Sydney ('to create a Newcastle-Sydney-Woollongong-Blue Mountains region' (Baum et al. 1999: 15) and Melbourne a Port-Phillip-Western Port Bay region including Geelong and a Sunshine Coast-Brisbane-Gold Coast Region. A ring of adjacent SLA's are added to Perth and Adelaide 'to incorporate long-distance commuter locations' (Baum et al. 1999: 15).
- Large regional cities and towns (122 SLAs) – outside the metropolitan city region, and with populations of 10,000 or more.
- Small regional towns (136 SLAs) – non-metropolitan locations with populations between 4,000 and 9,999 at the 1996 census.

From the above study, Stimson et al. (2003) selected only the 122 large regional cities and towns (SLAs) (with populations over 10,000 in 1996) through applying multivariate cluster analysis and discriminant analysis. The main discriminators were employment in advanced economic sectors and occupations; industry mix of place, and income levels.

The analysis produced four opportunity clusters and three vulnerable clusters. The opportunity based clusters were classified as:

1. Mining-based – above average employment in extractive industries (agriculture and mining) and above average proportion of high income households
2. Tourism based – above average employment in producer services (insurance, banking, engineering, business services)/personal services (recreational services and entertainment), employment growth and population increase
3. Service based – above average employment in social services (public administration, defence and community services) and personal services, above average labour force participation
4. Extractive/transformative based – above average employment in extractive and transformative industries. High income households

Vulnerable clusters were defined as:

1. Manufacturing-based – increases in unemployment, high proportions of single parent households, housing stress
2. Extractive-based – above average symbolic analysts (managers and administrators; professionals) and low income and aged households
3. Welfare/retirement migration – low income households, unemployment single parent families and the aged.

Table 3.4 illustrates the outcomes of this classification approach. A drawback of this predominantly economic approach for the current study is its inability to discriminate settlements between 10,000 and 100,000 persons. Looking at the range of communities listed within each cluster, the table suggests that a range of different housing market types are classified under the same economic headings.

Table 3.4: Stimson et al. (2003) opportunity and vulnerability cluster results

Mining-based opportunity cluster	
NSW	Singleton
QLD	Mount Isa
WA	Kalgoorlie/Boulder; Port Hedland; Roebourne
Tourism-based opportunity cluster	
NSW	Snowy River (Jindabyne)
VIC	Alpine-East (Bright/Mt Beauty)
QLD	Cairns; Douglas-Port Douglas; Mossman
WA	Broome
Service-based opportunity cluster	
NSW	Bathurst; Orange; Armidale; Goulburn; Queanbeyan; Tamworth; Albury; Dubbo; Wagga Wagga
VIC	Ararat; Baw Baw West; Campaspe-Echuca; Glenelg-Portland; Horsham-Central; La Trobe-Traralgon; Mildura; Mitchell-North (Seymour); Wangaratta-Central; Warrnambool; Wellington-Maffra; Wellington-Sale; Ballarat; Colac; Greater Bendigo; Greater Shepparton; Wodonga; Indigo-Beechworth; Macedon Ranges (Macedon)
QLD	Kingaroy; Thuringowa; Toowoomba City; Townsville
SA	Mount Gambier
TAS	West Tamar
NT	Alice Springs; Darwin
Extractive/transformative based opportunity cluster	
NSW	Griffith; Leeton; Maitland; Muswellbrook
VIC	Mitchell-South (Broadford)
QLD	Hinchinbrook (Ingham); Whitsunday (Proserpine/Airlie Beach); Mackay; Gladstone; Burdekin (Ayr/Home H)
WA	Busselton; Harvey; Manjimup; Bunbury; Esperance
Welfare/retirement migration vulnerable cluster	
NSW	Ballina; Bellingen; Byron Bay; Coffs Harbour; Eurobodalla (Batemans Bay/Moruya); Great Lakes (Foster/Tuncurry); Port Macquarie / Hastings; Kempsey; Lismore; Maclean; Nambucca
QLD	Livingstone (Yepoon); Hervey Bay
Extractive-based vulnerable cluster	
NSW	Bega Valley; Cowra; Forbes; Gunnedah; Moree Plains; Mudgee; Narrabri; Parkes; Tumut; Young; Taree
VIC	Campaspe-Kyabram; Gannawarra; Moira-West (Nathalia/Numurkah); Moyne-South (Port Fairy/Koroit); South Gippsland-Central
QLD	Atherton; Bowen; Burnett (Burnett Heads/Bargara); Mareeba; Johnstone (Innisfail)
SA	Murray Bridge
TAS	Huon Valley; Meander Valley (Prospect)
Manufacturing-based vulnerable cluster	
NSW	Broken Hill; Casino; Grafton; Inverell; Port Stephens
VIC	E. Gippsland-Bairnsdale; La Trobe-Moe; La Trobe-Morwell
QLD	Gympie; Maryborough; Warwick-Central; Bundaberg; Rockhampton
SA	Port Augusta; Port Lincoln; Port Pirie; Whyalla
WA	Geraldton; Albany
TAS	Burnie; Central Coast (Ulverstone/Penguin); Devonport; Waratah/Wynyard; Launceston

Source: Stimson, Baum and O'Connor (2003), Table II

4 HOUSING AND HOUSING MARKETS IN NON-METROPOLITAN AUSTRALIA

This section outlines the key elements that define housing markets and the relevance for the non-metropolitan housing market data base. Because the term 'housing market' is so widely used in both academic and popular discourse, it often escapes precise definition. In part, this reflects disciplinary boundaries, with geographers, sociologists, historians and economists treating the concept differently (Paris 1993). Paris (1993) finds that classical economic assumptions about market behaviour are especially problematic, and in an attempt to broaden the analysis, he advocates the use of the term 'housing system' as the outcome of a wide range of interacting variables and relationships beyond that of housing as a mere commodity. Thus, the housing system comprises 'consumers, dwellings, producers, exchange professionals, financial institutions, investors, governments and statutory authorities' (Paris 1993: 30). The housing systems approach more easily facilitates the incorporation of feminist perspectives, thereby transcending tokenistic 'women and housing' categories in what remains a largely ungendered or patriarchal field of research (Paris 1993). In terms of housing theory, Paris (1993: 37) identifies three broad approaches: the *housing system* focus on actors and relationships, the *market* emphasis on commodity relations and transactions, and the *structures of provision* that emphasise the production of housing. The latter two approaches are incorporated into our study, and the 'housing market' concept provides the organising framework with which to determine the necessary (or ideal) data items for the data base. The term 'housing system' is also used extensively in more recent, conventional analyses such as those by Maher (1994) and Berry (1996) where the significance of demand, and its various demographic, cultural, tenurial, and economic factors are emphasised. Berry (1996: 282) identifies no less than 22 major variables driving Australian housing demand. Citing a 1991 National Housing Strategy study of the efficient supply of affordable land and housing (NHS 1991), Berry (1996: 255) also highlights the supply-side of the housing market, which is heavily dependent on the cost, location and availability of developed land, and therefore, 'on both the structure and operation of the land development and house building industries, on the one hand, and the nature and impact of government planning policies and infrastructure service provision, on the other'.

Over 20 years ago, Bourne (1981: 73) provided the following useful working definition: a housing market can be considered as:

> 'a contiguous geographic area, more or less clearly bounded, within which it is possible for a household to trade or substitute one dwelling unit for another without also altering its place of work or its pattern of social contacts' (Bourne 1981: 73).

This definition incorporates several distinct components of housing markets:

→ *Spatially defined area:* The housing market differs from most other markets in that it is locationally fixed. Spatial boundaries, accordingly, are intrinsic to the definition. The geographical definition of a housing market is hotly debated and different researchers often employ different spatial units, sometimes because of data constraints. In general, a housing market is usually no larger than a capital city (for example, the 'Sydney market' or the 'Perth market'), but large metropolitan areas, in particular, are usually thought of as segmented into smaller 'sub-markets'. Research by Bourassa et. al (1999, 162) identifies several factors that distinguish sub-markets including: property type, the socioeconomic characteristics of geographical areas or households, spatial boundaries, or market areas as perceived by real estate agents. Sub-markets 'may be broadly defined as quasi-independent subdivisions in an urban housing market' (Bourne 1981: 86). Scottish research into housing market areas suggests that 'self-contained' housing market areas' should take into account the search process that people go through when looking to buy or rent housing (Jones 2002) In this research project, data is collected at the spatially defined 'Statistical Local Area'. This does not automatically designate these units as 'housing markets, but is a starting point for data collection and analysis. Some of the larger non-metropolitan cities, such as Newcastle or Geelong, are likely to have 'sub-markets, whereas this is less likely, but not impossible, in smaller rural and remote communities. Paris (1993: 19) and Beer and Paris (1989) highlight the difficulties of finding geographically discrete sub-markets for housing due to the enormous substitutability between various aspects of 'housing, cost, dwelling type and size, tenure and location'.

→ *Household:* the household (rather than individuals) is the basic unit of analysis in studying housing markets. This is because the housing market is responsive to changes in the number of households in the population, and only indirectly to the actual number of people. ABS defines households as a person or group of persons who usually reside and eat together and households can include all related individuals or unrelated individuals who share a housing unit. Any demographic or social change (such as marriage or divorce, fertility levels, and so forth) that affects the household will have an impact on housing demand. The number, composition, and socio-economic characteristics of households are key forces in shaping the demand for housing (Berry 1996). For example, the trend towards living alone, both among the elderly and middle aged, is one of the projected strongest influences on Australia future housing demand.

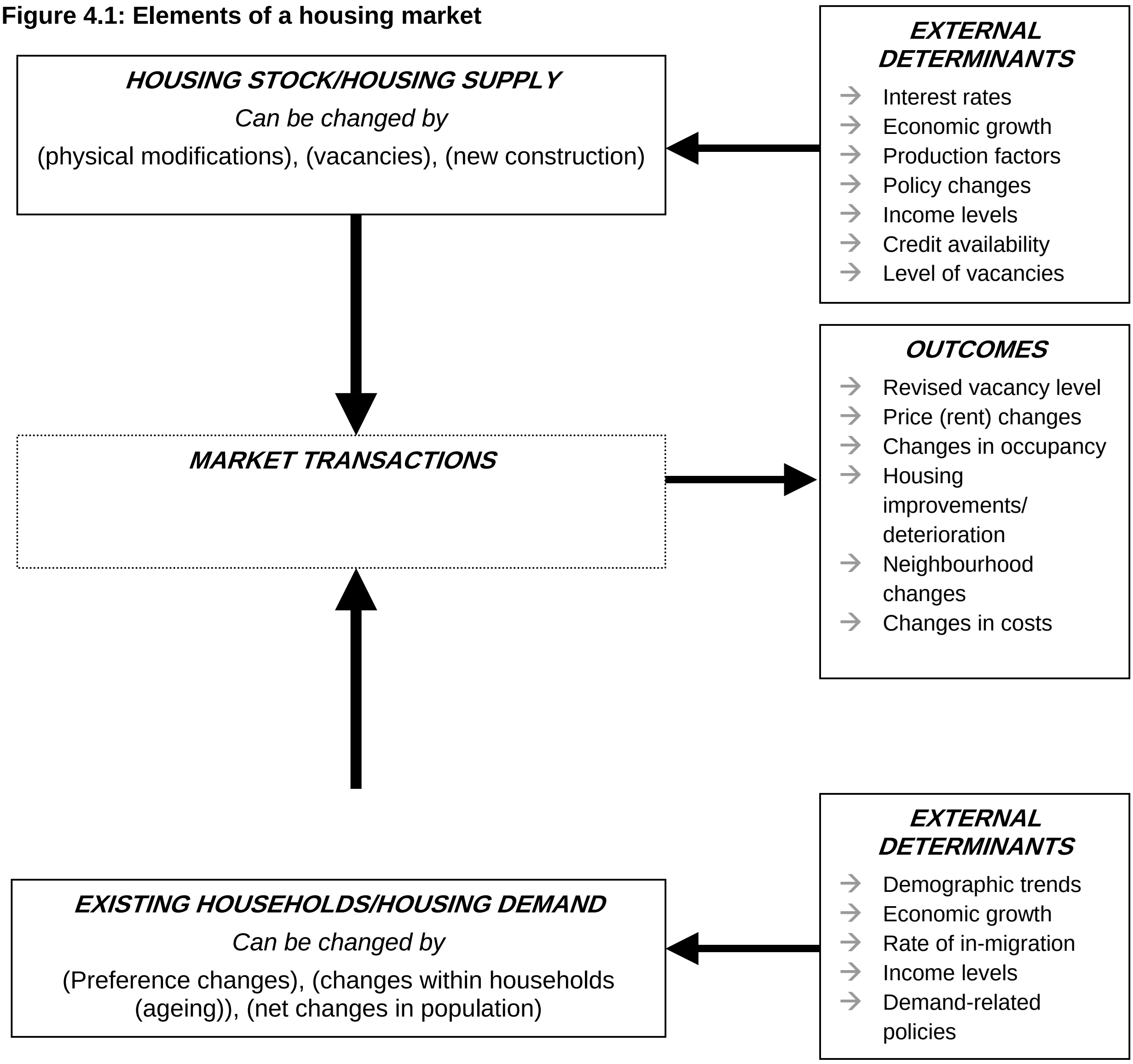
→ *Trade or substitution* – Economists such as Bourassa et. al (1999) and Green and Malpezzi (2003) emphasise the trade or substation principle, This means that to be designated as a housing market, the goods (dwellings) traded or exchanged in a market transaction should be close substitutes for each other. Green and Malpezzi (2003: 30) state this principle as follows: 'fundamentally, for a place to be defined as a housing market, it must be homogenous in at least one dimension, and almost certainly in more than one. It is this homogeneity that allows different houses to be substitutes for one another'. In other words, a household should be able to substitute a $150,000 dwelling for another in the same price range, or a separate detached dwelling for an equivalent within the same housing market.

→ *Place of work (labour market)* – Local housing markets are intertwined with local labour market in numerous ways: through the impact of jobs on the local economy and housing market; through the effects on house prices and rents; through the effect on attracting or deterring in-migrants; through commuting patterns that allow households to stay in the same town and so forth. AHURI research has documented the strong housing and labour market links within metropolitan Melbourne (O'Connor and Healy 2002) and the fact that most people work and live within the same region.

→ *Social aspects* – the geography of local housing markets is often related to patterns of neighbouring or in more recent literature, to levels of social capital. Despite the abstractness of the 'housing market' concept, housing markets reflect real locations with local community characteristics.

Figure 4.1, derived from Bourne (1981), illustrates the broad range of factors that need to be considered when attempting to understand housing markets.

Figure 4.1: Elements of a housing market



Source: Adapted from Bourne, L. 1981, The Geography of Housing, Edward Arnold Ltd. P. 75

The central idea of a market is that it is 'primarily an economic market within a given political framework' (Bourne 1981: 72). Underpinning the concept of the 'housing market' is a set of institutions (financial, legal, corporate, governmental) and procedures (real estate practices; housing search behaviours) for bringing together housing supply and demand and allowing dwellings to be traded or exchanged. Supply, as represented in the housing stock, and households, the basis of demand, are central to understanding the market transactions. Housing markets are influenced by broader societal and, increasingly global, external factors. Figure 4.1 points to some of the external determinants that affect supply: interest rates, credit availability, economic growth. These factors influence the level and rate of investment, builders' costs, and ancillary infrastructure costs. Public policy (such as the shift away from the provision of public dwellings to private rental assistance) is another key external factor that can affect non-metropolitan housing markets. At the micro-level, local housing stocks are changed through renovations, new construction, and vacancy levels. Inevitably, supply is the product of the housing industry, with its distinctive patterns of 'organisation of housing production and exchange, and the institutions and actors involved' (Paris 1993: 131). The industry comprises the 'production of housing land, the manufacture of building materials, and house building' (Paris 1993: 132).

Population demographics and household incomes are crucial factors in driving the demand for housing. Population mobility (in and out-migration) and household income distributions are instrumental in affecting the demand for housing. Because housing and labour markets are closely linked, commuting flows as indicated by journey to work patterns also influence demand. Demand-related policies can influence housing demand, as has been evidenced by the movement of rent assistance recipients out of high cost metropolitan regions like Sydney and into non-metropolitan regions (Burnley and Murphy 2004). Changing social demographics (such as levels of fertility, mortality, marriage rates, leaving home patterns) all exert an influence on the housing demand.

Markets are the product of complex human interactions involving a range of quantifiable and non-quantifiable factors. Attitudes and perceptions of different local areas (sometimes as 'hot' or 'cold'; or declining or 'about to take off') exert an influence on the market, but are difficult to define or measure. Perceptions and changing preferences for coastal living or 'the bush' have played a large role in 'the big shift' (Salt 2001) and the 'sea change' (Burnley and Murphy 2004). Changing perceptions or preferences of different locations, however, are difficult to obtain and measure and nearly impossible to monitor consistently over time. Nonetheless, while the emphasis in constructing the data base in this research project is on numeric or quantitative data, 'we should not lose sight of the fact that much of the important information we rely on is non-numeric or qualitative' (Bourne 1981: 34).

This brief overview of the forces and influences shaping and defining local housing markets suggests the breadth of information required for the ideal non-metropolitan housing market data base. Table 4.1, taken from our research proposal, outlines the proposed data items to be included in the data base. As can be seen, the broad parameters of supply and demand feature in terms of dwelling stock indicators and population and household characteristics. The importance of housing policy on local housing markets is denoted by the items related to rent assistance and public housing provision. Labour market characteristics are captured by the inclusion of variables related to journey to work, occupational and industry structures, participation rates, and unemployment. The spatial dimensions of markets are embedded in the use of the statistical local area as the unit of analysis alongside the additional information on density, area squared, and the remoteness index.

Table 4.1: Proposed data items included in non-metropolitan housing data base

Topic	*Examples of key variables*
Housing stock	Tenure/landlord type Dwelling type/ inc caravan and improvised housing Number of bedrooms Building approval data including number of new building approvals and costs Dwelling commencements
Housing assistance characteristics	No. of public housing units No. of Rent Assistance recipients by income unit type, 96 & 01 Total $ RA paid (96 and 2001)
Population characteristics	Age Country of birth Indigenous Population growth
Household characteristics	Household type Household type by life cycle stage Household income Crowding indicator (persons per bedroom)
Prices, rents, affordability	Weekly rent paid Weekly mortgage repayments State house price sales data
Economic and labour market variables	Journey to work Occupational structure Unemployment rates Labour force participation rates Industry structure
Other housing market conditions	Unoccupied private dwellings Non-private dwellings
Migration and mobility	% residential turn-over (5 yrs) Net migration In and out migration flows (see data source above) by SSD, labour force status and age of reference person
Geographic indicators	Population Density ABS Remoteness Area structure and/or ARIA Area km2

Source: Proposal to AHURI, October 2003

The majority of these data items can be sourced to ABS, particularly through the Integrated Regional Database and the ABS Time Series data. These two data sources offer the benefit of consistent definition and spatial concordance over time. Nevertheless, not all items are available for the three census years (1991, 1996 and 2001) aimed for in the study. Other data, held by different state governments, such as house and unit sale price data are more difficult to obtain. The ABS Rural and Regional Statistics National Centre (RRSNC) are discussing with the Canberra ABS Office the possibility of collecting this information in a consistent form for all states.

An ABS special matrix on journey to work patterns will provide the commuting patterns that underpin the housing/labour market nexus. Some rent assistance data is available on the Integrated Regional Database and, if further data are required and available, we will liaise with the Commonwealth Department of Family and Community Services about the possibility of including it on the database.

The Australian Bureau of Statistics (Trewin 2001) provides a useful framework for assessing housing circumstances in the context of housing's contribution to individual and social wellbeing. The ABS framework is reflected in the proposed structure of the non-metropolitan housing data base. ABS, for example, identifies a range of 'housing issues (demand, supply, and outcomes) and 'measurement tools' (demand counting units, supply counting units, and measures of outcome). Each of these issues and measurement tools are further subdivided into the different key variables that are pragmatically chosen as potential empirical indicators. Thus, demand is a function of growth in population pressures, numbers of households, their wants and needs, and economic capacity. Supply is a function of the present stock of dwellings, future possibilities, and the quality, cost, type and location of dwellings.

5 REGIONAL POLICY DISCOURSES AND CHANGING HOUSING AGENDAS

Reflecting broader globalisation trends, the last 25 years have witnessed dramatic paradigmatic shifts in Australian public policy settings. In a number of countries, including Australia, this transformation has been evident in policy arenas beyond the narrowly economic domain. The market discourse of economic rationalism and 'enterprise culture' has permeated virtually every policy setting including the arts, education, health and housing (Smyth and Cass 1998). An integral aspect of the economic rationalist critique of Keynesian public policy has been the claim that interventionist policies have severely damaged the enterprising spirit of the nation. The reinvigoration of a culture of enterprise within Australian society has been taken up by the Hawke and Keating Federal Labor governments and by the Howard Liberal/National Party coalition government as an important policy direction. Economic rationalism has also become an important policy tenet at the state and territorial level. Paris (1993) identifies three broad trends in Australian housing policy between the 1960s and 1990s. The first is demographic change, but the other two, financial deregulation and economic restructuring, reflect a transformation in the policy discourse.

The notion of enterprise culture was first popularised by the Thatcher Government in Britain in the 1980s. Fairclough (1989, 1992, 2000) has examined how the notion of enterprise culture came to permeate policy discourse, noting that the Blair Government has continued to implement policy heavily influenced by the tenets of enterprise culture. He suggests that what is distinctive about the policy impact of enterprise culture is the way it has recast the role of government who now seek social change by 'engineering peoples' culture from above'. Employing the techniques of critical discourse analysis, Fairclough (1992) introduces an important element into the analysis of policy and shows how ideas come to be dominant in policy formulation and implementation. He suggests that:

> '…accounts of social change need to give more serious attention to discourse than they have in the past, and to the question of how discursive change relates (instantiates, constitutes or reflects) to social and cultural change. … Social and cultural changes are largely changes in discursive practices' (Fairclough, 1995: 96).

Marston (2002) has applied critical discourse analysis to the housing field, arguing that it provides a tool to 'analyse and critique policy debates'. Critical discourse analysis (CDA) seeks to challenge dominant discourse and meanings that underpin policy formulation and implementation. According to Marston (2002), if researchers use critical discourse analysis in this way it can open up new methods of inquiry. Alternative voices can provide insights into the way issues are problematised and policies formulated. Fairclough (1992, 1995) argues that control of the policy discourse allows for dominant meanings to be interpreted and enacted through policy formulation and implementation. Marston (2002) believes that housing researchers could usefully employ aspects of a CDA approach to challenge their own assumptions as well as the research briefs that inform much of their research practice.

His study of the impact of public housing reform in Queensland included interviews with a cross section of players including representatives of the housing bureaucracy, public housing tenants and community groups and textual analysis of policy documents (Marston 2002). Contestation around the implementation of the reform discourse of marketisation and enterprise culture emerged from the interviews. The reforms are explained in economic discourse as necessary and appropriate on the grounds of efficiency, leaving objectors both within the bureaucracy and tenants with little room to resist the changes. Policy transformations on this scale often leave individual actors with few choices in terms of their daily practice. These transformations have been reflected in substantial discursive shifts in the housing field, particularly in relation to the provision of social or public housing sector by state governments. These discursive shifts associated with housing policy reform identified:

> 'Inefficiency came to be closely associated with the public service, while efficiency and modernity became associated with private rental practices and private enterprise more generally' (Marston 2002: 87).

The transformation of policy discourse has also been evident in the portrayal of the role of government in policy. For example, Gray and Lawrence (2001) in discussing the transformation of regional policy suggest that:

> 'The regional development agenda is no longer development for the sake of the non-metropolitan regions, but rather one of ensuring that the regions do not adversely affect the nation's economic condition by ensuring that they get on with their own development' (Gray & Lawrence 2001: 113).

As discussed above, a major component of the enterprise culture agenda, derived from market discourse, is the promotion of alternative policy frameworks. The revival of a culture of giving has also been an integral part of the shifting policy response to the challenge posed by a range of social issues. For example, a key policy of the neo-liberalist Thatcher Government in the United Kingdom was the revival of philanthropy and a concomitant promotion of corporate partnerships with the voluntary sector (Deakin 1995). Similarly in Australia, the Howard Liberal Government initiated Community Business Partnerships in 1999 to promote corporate philanthropy. The discourses associated with such programs emphasise corporate responsibility and the potential for corporate philanthropy to promote the adoption of strategic business practices by the not-for-profit sector (Porter and Kramer 1999). At the public policy level, such programs also indicate the emergence of a new compact between the economic and social spheres, mediated and partly initiated by the state. Predicated on maintaining – even reducing – corporate taxation, the compact seeks to provide resources for the social sphere that emanate from corporations rather than from the state. In turn, the state uses moral suasion and tax incentives to promote corporate giving. Similarly, community foundations are promoted as locally responsive and controlled sources of funds to build community capacity and contribute to the economic and social renewal of regions.

The notion of enterprising individuals, communities and regions taking on responsibility for their development is contrasted with the heavy hand of interventionist regional policies directed and implemented by central governments remote from the action. Economic rationalists argue that these policies are often responsible for distortions in regional economies that disadvantage rather than assist non-metropolitan Australia. Stilwell (2000) is one of the few regional policy analysts arguing for active government policies on decentralisation and regional development. Both Labor and Coalition Federal Australian governments have retreated from a commitment to, and focus on, specific regions for development, to a more aspatial, largely sectoral approach. This sectoral approach focuses on 'establishing an economic and social environment for Australia's regions encouraging job creation and growth'. But, in sharp contrast to any retreat, the current Federal Coalition Government claims a massive increase in expenditure on new initiatives under its 2001 wide-ranging policy package 'Stronger Regions, A Stronger Australia' of more than 17.5 billion dollars in addition to at least 18 billion dollars on existing programs since 1996 (Commonwealth Department of Transport and Regional Services 2005).

The 2003 report ‘Regional Business – A Plan for Action’ was an important element in the Government’s new strategy. It cites Garnaut’s (2001) findings that housing availability and the ‘interplay between housing costs, employment opportunities and amenity values’ are important influences on peoples’ decision to remain or leave regional Australia. The ‘Plan for Action’ also identifies changes to fringe benefit taxation, concessions on housing, and home ownership schemes, as a factor in the increasing reliance on fly-in/fly-out schemes in some remote mining communities, and first home buyer schemes as significant in some attraction and retention of skilled labour. But apart from suggested research into potential benefits of regionally-based Home Ownership scheme initiatives, it finds ‘no compelling reason’ to change existing regulations. Housing remains only a limited element in that report. None of the fifteen major sectors identifies as Federal Government programs and services directed to ‘regional individuals, community groups, local authorities and other organisations’ in the annual Commonwealth Regional Information Directories is devoted to housing. The Federal programs and services noted in the directory relate only to about half a dozen small, specialist housing and accommodation schemes dealing with the needs of the disabled, Defence Force personnel, Aboriginal and Torres Strait Islanders, veterans, and young people at risk of homelessness (Commonwealth Department of Transport and Regional Services 2002).

In the midst of wide-ranging policy debates, the role of housing remains relatively hidden from view, often consigned to the margins of debate. Potential disadvantage for the poor from this transformation has been identified for both rental markets (Yates and Wulff 2000, Maher and Les 1997) and public housing in general (Jones 1990). Paris (1993) finds that, as a result of the policy shift towards greater market reliance, distributional inequalities have worsened because of greater encouragement for investment in housing by the wealthy and because there has been an increasing inter-generational transfer of housing-acquired wealth which exacerbates differentials between home owners and tenants.

In relation to issues affecting non-metropolitan Australia (including housing), the dominance of economic rationalist approaches to policy settings continued throughout the decade of the 1990s despite evidence of widespread disillusionment with many of the resultant policies and their impacts. The well documented rise of the One Nation Party (Tonts et al 2001) and the closure of many services contributed to a range of policy initiatives in the late 1990s. One of these, the Regional Australia Summit 1999, largely endorsed existing policy approaches whilst also introducing the discourse of self help and partnerships into the policy mix. As with most regional policy (Trevor Budge and Associates 1992) the Summit largely ignored the pivotal role of housing in the sustainable development of regions. The potential for political conflict and a clash of discourses on housing policy is inevitable given the inherent conflict represented by the housing market: ‘housing is both a social need and a source of investment profit, and hence housing policy generates conflict, political debate and interest mobilisation’ (Paris 1993: 14).

In the context of the development of an enterprise culture, individual regions are exhorted to become enterprising, to identify the entrepreneurs within their communities and to develop foundations that can garner local wealth for use in local projects. The Federal Government’s role has been recast as a facilitator of these local self help initiatives by amending tax and related legislation to make it easier to establish community foundations. These changes are often portrayed as being a pragmatic compromise between the excesses of either a market approach, or too great a reliance on state intervention (Beer et al. 2003). Recent research into trends in Australian philanthropy (Hooper 2004) has revealed concern within the philanthropic sector itself that the public policy promotion of philanthropy may be associated with a diminished role for government in funding needed infrastructure in regional areas. Gray and Lawrence (2001) argue that the Regional Australia Summit held in 1999 marks the consolidation of this shift in regional policy with the subsequent launching of the Foundation for Rural and Regional Renewal and its active funding support for the establishment of community foundations.

The development of community foundations in rural and regional Australia is in part a response to the perceived policy failure of successive governments in non-metropolitan Australia. The well documented cases of service closures and council amalgamations have been highlighted as examples of policy failure. Interestingly many of these shifts in policy have been influenced by the tenets of economic rationalism. Economic rationalism has provided the broad rationale and policy prescription for the re-alignment of the role of government in non-metropolitan areas. Enterprise culture has provided a mediating policy discourse for a re-framing of government focused on community renewal, self help and the development of enterprising communities. The Federal Government's assertion that 'governments can best help regions by helping them help themselves' through a 'do-it-yourself' process of economic development was based on the assumption that territorial disparities have persisted despite decades of direct government intervention and industrial protection (Commonwealth of Australia 2003, 14-15).

Within the Australian Federal system of government, state governments are vested with a more direct role in housing policy and planning, whilst the Federal Government represents the primary source of funding (Paris 1993; Berry 1996; Tonts, M. et al. 2001). Moreover, regional policy and planning have also been undertaken primarily by state governments. This distinction has remained, although Australian governments at all levels have given much greater attention to 'local factors', especially impediments to structural change.

State governments have historically developed and maintained stocks of social housing. In non-metropolitan areas, state housing authorities in the post war period provided employee housing for state funded services including schools, railways and electricity. Many non-metropolitan settlements also retain a proportion of social housing that was established in the post-WWII period to provide affordable housing for low income earners. The policy shift in the 1980s and 1990s (described above) resulted in the selling of a substantial proportion of the housing stock in a number of states. In addition, there has been a move at both Commonwealth and State levels away from the policy of social housing as a relatively universal, accessible and affordable housing option for those on low incomes to a narrower focus on welfare housing (Jones 1990). Berry (1996: 264) notes that public housing in Australia is increasingly 'welfare housing', providing state-subsidised shelter to (some of the) economically vulnerable households most adversely affected by the process of economic restructuring and growing inequality . . .' The Commonwealth State Housing Agreement and Rent Assistance have reflected this trend (Tonts et al. 2001). These negotiated agreements are a distinctive element of the complex relations between Commonwealth and state governments in regard to Australian housing policy, and the resulting system sees the states as the direct providers of public housing, with the Commonwealth providing cheap loans for construction (Paris 1993). Nevertheless, public housing represents 'less than five percent of the total housing stock, in comparison, for example, to over 20 per cent in Britain' (Berry 1996, 242).

The shifts in policy settings have occurred at a time of substantial demographic change in non-metropolitan Australia. These demographic changes reflect the divergent stories of growth and decline within non-metropolitan Australia. The recent 'Housing Affordability Strategy' (2004) released by the Queensland Government notes some of the results of these divergent 'stories': 'while rural and regional restructuring continues, a "spatial mismatch" or "ghost town effect" can occur: dwellings become available in some areas where economic activity is declining (or leading to reduced employment), while shortages occur in areas where demand is strong and growing'.

The challenge for policy makers is how to respond to these demographic changes within the current policy context (Paris 1993, Berry 1996). The historical policy emphasis on home ownership has persisted, whilst the relative role of social housing has diminished. The 'Great Australian Dream' of home ownership remains dominant (Berry 1996, Badcock 2000). Historically, it was fuelled by an 'expanding population, a prosperous economy, government policies to directly encourage the tenure and a specialist housing finance sector' (Beer 1993: 171). The private rental market has reflected the divergent stories of growth and decline. For example, Beer et al (2003) has documented examples of private rental market failure in non-metropolitan Australia. He notes that in the south east of South Australia the private rental market had failed to provide an adequate supply of affordable housing. The shortage of housing (both public and private) has substantial impacts on regional development. The shift away from a public housing model to a welfare housing emphasis (as noted above) has severely diminished the housing options available in non metropolitan Australia (Beer et al 2003). Given these broad shifts in the policy discourse, the section below considers the range of policy options pursued in contemporary Australia, specifically as they relate to non-metropolitan housing.

6 RECENT POLICY ISSUES AND PRACTICES – AN OVERVIEW

This section provides an overview of the problems of non-metropolitan regions and settlements in adjusting to the relatively rapid economic and demographic change of the past two decades or more, particularly as they are perceived by state and territory governments. Given the relative paucity of specifically regional housing policy initiatives at the federal level (as examined in Chapter 5), the discussion below focuses particularly on state and territory schemes. An understanding of the underlying economic and demographic processes that have driven change in non-metropolitan areas is necessary for analysing changes to the supply and demand of housing in non-metropolitan locations. This is because housing market outcomes are principally the product of diverse processes. These relate to: the skill levels and skills relevance of local communities; the spatial fit of residential and work locations; the geography of business investment; and the demography of labour supply and workforce growth, including workforce adaptability and training opportunities.

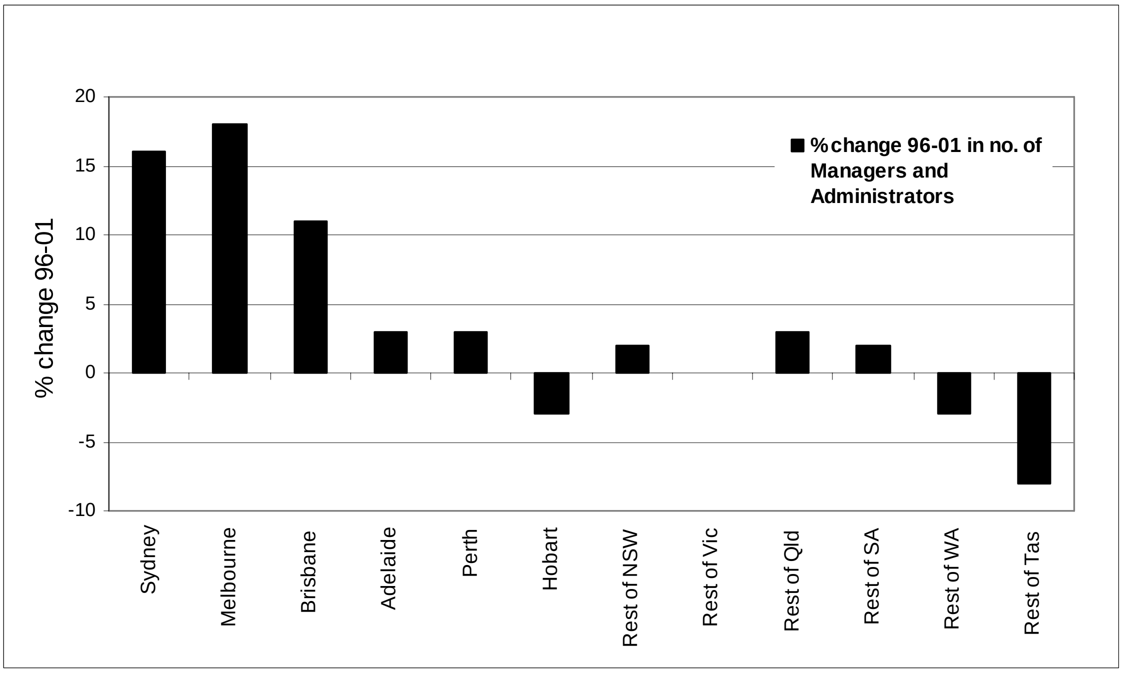
A primary concern for state and territory governments in Australia since the 1980s has been the economic and social deterioration of many non-metropolitan cities and towns, including settlements in remote regions. The NSW Minister for Regional Development and for Rural Affairs, Harry Woods summed up this concern with the statement:

> '…most country centres have not matched the economic growth seen in major capital centres like Sydney. Slower growth has led to the loss of investment, jobs and people from country centres' (NSW Government 1999).

A particular concern for governments has been the relative inability of regional work forces to adjust to macro-level economic change, including the globalisation of markets and the more competitive, less protected economic environment that has emerged since the 1980s. Many non-metropolitan work forces remain limited in their occupational structure and skill levels and governments often fear that such communities lack the necessary diversity and adaptability in human resources to undergo economic recovery (McKenzie 2003).

A broad comparison of occupation data for employed persons between 1996 and 2001 shows that not only do capital cites have higher rates of jobs growth in most cases, but stronger rates of growth in the more skilled occupations relative to regional areas. Specifically, most capital cities had significantly higher rates of growth in the managerial, administrative and professional occupations relative to their respective regions. This is illustrated in Figure 6.1 which focuses on one particular occupational category, 'Managers and Administrators'.

Figure 6.1: Percentage change in number of employed persons in the occupational category 'Managers and Administrators' by capital city and state remainders, 1996-2001



Source: ABS, IRDB 1999; IRDB 2001.

Sometimes regional economies adjust well, but communities decline. Even where regional economies have been able to remain relevant in challenging economic conditions, increased economies of scale and improved productivity have often meant a reduction in demand for labour (particularly unskilled labour), and increased long-term unemployment, particularly for older workers. In some cases, such as in the mining industry, improved communications and extractive technologies have meant that jobs have become fewer, more highly skilled and more often located in head office locations in metropolitan centres (Juriedini and Healy 1998: 57). As a result, older populations in regional areas are sometimes characterised by higher than average rates of welfare dependency and hidden unemployment (Healy 2002).

Decline in local regional economies and labour markets is often linked to growing demographic imbalances and social problems, with a net decline in younger persons, as they move to larger population centres or capital cities for greater education and work opportunities (Barr 2004). Population ageing may present serious welfare challenges in regional areas and this is not always in areas characterised by population decline. Culpin, Nugent and Truscott (2000) argue that, while the inland regions of New South Wales are projected to experience a fall in population of 37,000 people between 1996 and 2026, coastal regions will experience particularly high population growth rates through internal migration. They foresee that:

> 'Over the next 30 years, the population living in coastal New South Wales is projected to grow by 440,000 people, or 28 per cent. This represents almost one-third of all growth projected for the state' (Culpin, Nugent and Truscott 2000).

Such growth, however, will lead to a severe imbalance in the age structure of coastal regions that are currently popular retirement destinations. There is a projected half a million persons residing in the coastal regions of New South Wales by 2026 (Culpin, Nugent and Truscott 2000), and even greater growth is predicted for south east Queensland (Barker 2004).

Many regional communities are characterised by outdated and run-down infrastructure, including housing stock, and are unable to generate sufficient local investment to correct the situation. An associated fear is that such infrastructural deficiencies may discourage the investment necessary to revitalise regional or small town economies that have suffered from economic adjustment pressures. Situations may arise where there are insufficient or inappropriate dwellings and other social or economic infrastructure, even though outside investment or the in-migration of necessary skilled personnel may otherwise be forthcoming.

Although the strategic approaches of different state and territory governments vary in detail, they are often similar in the general themes focussed upon and in the measures adopted. The themes emphasised by governments commonly include:

- the identification of opportunities for economic development in regional areas,
- the challenge of adequate and efficient delivery of government services,
- opportunities for the improvement for quality of life in regional areas,
- the facilitation of new investment,
- assistance in maintaining the economic viability of existing businesses,
- job creation,
- skills development and supply,
- adequate infrastructure provision and development,
- the identification of export opportunities and,
- facilitating consultation between private sector interests and different levels of government.

Broadly speaking, in addressing these issues, governments distinguish between economic assistance to private sector business and community assistance, where the latter is focussed on cultural and quality of life outcomes. Despite the increasing devolution of housing policy to the state and territory level, the themes listed above are remarkably similar to those targeted by the Federal Government's 'Stronger Regions, A Stronger Australia' scheme. The remainder of this chapter outlines major features of housing policy at the state and territory level.

6.1 New South Wales

In the view of the NSW government, 'Regional Australia has received an unfair share of the pain of structural change (NSW Government 1998). Unbridled market forces, it is argued, have contributed to the restructuring and rationalisation of agriculture and manufacturing and to the deregulation and centralisation of many services. While it is recognised that some regional cities have prospered, it is also emphasised that many small towns have had difficulties in attracting population and investment. This pattern is problematic given that regional NSW has relatively few large population centres, but many that are small. One in five local government areas in regional NSW had populations less than 10,000 persons (NSW Government 1998). Increased metropolitan dominance together with the narrow economic base of many regions has made it, '…difficult for them to achieve the economies of scale necessary to compete…' (NSW Government 1998)

Explicitly rejecting the idea that 'markets alone can deliver capital and resources on a fair basis', the NSW government accepts a key role in the provision of basic infrastructure in regional areas and actively intervenes in fostering programs to revitalise communities and economies (NSW Government 1998).

The *Regional Business Development Scheme* provides an example of the type if initiative adopted by the NSW government to re-invigorate regional areas under economic stress. It offers financial subsidies and assistance in areas like skill straining and personnel re-location for local, interstate or international businesses expanding or relocating in regional locations (NSW Government 1998). Through the *Country Lifestyles Program*, the government attempts to attract skilled labour to regional areas, in part through the promotion of the positive lifestyle benefits of regional NSW. It is hoped that the retention of skilled persons on the basis of lifestyle appeal will provide a necessary pre-requisite to future business investment and expansion in regional locations.

6.2 Victoria

The Victorian government also considers the maintenance of a viable skills base as essential to the economic and community well-being of non-metropolitan populations. Its *Community Regional Skills Program* provides targeted funding to both communities and private enterprise to help overcome skill shortages which may be an impediment to investment and further job creation. Similarly to NSW, the Victorian government operates a *Small Towns Fund*, which finances a number of relatively small projects aimed at infrastructure improvement, industry assistance and tourism-based beautification amongst other things (Victorian Government 2004). The Victorian government also provides assistance to business considering either establishing or expanding regional operations and has established a number of advisory offices across regional Victoria.

As in NSW, the Victorian government is committed to non-metropolitan population growth and to encouraging a resettlement of persons from metropolitan to regional areas. Indeed, the Victorian government has set a population growth target for 'provincial' Victoria of 1.75 million by 2025 (McKenzie 2004). Yet, as in the case of NSW, it is likely that regional population growth will be aged relative to the metropolitan population.

6.3 Queensland

Increasing metropolitan dominance is also expected to be a feature of Queensland's development, including population growth. Queensland major cities and towns are expected to absorb the greater part of the predicted additional one million people over the next decade (Queensland Department of Local Government and Planning 2004). This development pressure is heavily concentrated in the state's Southeast. While six out of ten Queenslanders currently live in the Southeast, eight out of ten overseas migrant settlers in 2002, for example, chose the Southeast to live (Recent Population and Housing Trends in Queensland 2003).

Pronouncements by the Queensland government concerning the unevenness of economic development and population growth are couched in essentially similar terms as those made by government authorities in Victoria and New South Wales. The expected pattern of concentrated population growth in metropolitan and coastal South East Queensland does not augur well for other regional areas and remote locations.

'In regional Queensland, many inland towns are facing challenges associated with a decline in population and economic well-being. At the same time, the community has high expectations for amenity and livability outcomes to be delivered in cost effective, socially appropriate and environmentally sustainable ways' (Department of Local Government and Planning, State budget 2003-04).

Attracting and keeping skilled and professional personnel to remote locations in Queensland has been an issue in Queensland. In 2003, for example, the Queensland Teachers Union highlighted the poor condition of Queensland government-subsidised housing in some remote locations. In some areas, where there may be no rental housing market, they argued that 'It's not only a matter of encouraging them to come to those centres but also encouraging them to stay on for a little while' (ABC TV News 2003).

The provision of sufficient and adequate accommodation for work forces in regional locations where there is rapid economic growth is also a concern in Queensland. This issue of widespread concern is discussed below under the South Australian section.

6.4 South Australia

An issue of concern for all state and territory governments is the supply of suitable and affordable housing for workers in regional areas that are undergoing rapid economic growth. In 2001, the South Australian government established a National Working Group on Regional Workforce Accommodation to explore possible solutions to this problem. As such, it was recognised that this was an issue of national significance, it being predicted that some of the fastest growing regions up to 2008 would be in regional and remote areas (South Australian Office of Regional Development 2002: 1).

It was foreseen that regional workforce accommodation shortages may become 'a major impediment to the growth of non-metropolitan regions' (South Australian Office of Regional Development 2002: 1). The modest incomes of workers in regional areas, as well as the seasonal nature of some work, means that appropriate housing often needs to be temporary and affordable. At the same time, more permanent workers need longer-term accommodation. Supplying appropriate accommodation for professionals further adds to the complexity of the task.

In addition to commissioning further study into the issue, the South Australian government has devoted significant financial resources to assisting those on low incomes to undertake home ownership in regional areas of need. Nevertheless, the South Australian government holds that the government provision of housing would not be adequate to satisfy demand. Nor is it expected that purely market-based solutions will be satisfactory. As a result, government - private sector partnerships are recommended to provide work force accommodation in regional areas (South Australian Office of Regional Development 2002: 3).

It is expected that such partnerships would involve a collaborative approach by federal, state and local governments in providing incentives to the private sector, through tax breaks, cheap loans, the provision of below cost land, subsidised infrastructure provision and the promotion of alternative housing forms (South Australian Office of Regional Development 2002: 5).

6.5 Western Australia

With approximately 70 per cent of Western Australia's (WA) population residing in Perth, the Western Australian government, in 1999, commissioned a survey of resident attitudes to living in regional WA, in part to ascertain whether more could be done by government to ensure that residents could be attracted to and remain in regional areas. A primary purpose of the study was to identify the key factors that determine people's decisions about where they live in that state.

The study found that persons residing in regional WA were highly mobile, with only 16 per cent having grown up in their current area of residence. Further, one in five persons reported having moved residence three or more times in the preceding decade. About two-thirds of the respondents indicated that they intended to remain within regional WA.

A key factor motivating residential mobility amongst regional residents was employment. Fifty-four per cent of regional respondents felt that job security was a concern. Between the nine regions surveyed, this figure ranged from 43 to 67 per cent. An average of 70 per cent of regional residents felt that there was a need for a wider range of job opportunities. An average of 65 per cent felt that there were not many career opportunities for persons with higher education.

While more than 40 per cent of Perth residents indicated that they were open to the possibility of living in regional areas, 28 per cent of those most open to regional life, but who had not moved, cited career structure as a key factor.

It is remarkable that this survey, which covered respondent's perceptions of regional life relating to matters as diverse as health care, education, environment, perceptions of community and employment, did not include a focus on housing as a factor which may help determine peoples' residential choices (Western Australian Department of Commerce and Trade, The Ministry for Planning, The Regional Development Council and the Western Australian Regional Development Commissions 1999).

6.6 State regional plans and housing market implications

A number of housing related issues can be identified in relation to the problems of uneven economic adjustment, localised economic decline and demographic change in many regional areas. Some recent housing research argues that, although there is evidence of a link between the availability of suitable housing infrastructure and the well-being of rural people, and that a wider-than traditional range of dwellings is needed for economic development to occur in regional areas, there has been a general absence of an explicit housing component in regional development programs in Australia. A whole-of-government approach to regional development is therefore advocated to help rectify this omission (Hillier, Fisher and Tonts 2002: v-vi).

Lack of investment in appropriate housing of a suitable standard may be associated with both work force transience (high housing turnover) and low housing turnover, where there is a stable resident population (Medhurst, Lea and Pritchard 2002: 27). In either case, lack of investment in housing in a stagnant or declining economic environment may lead to diminishing availability of private rental housing of a reasonable standard. Recent case study research in Armadale NSW, for example, concludes that serious gaps exist in the private accommodation market, a situation that posed particular challenges for disadvantaged communities (Medhurst, Lea and Pritchard 2002: 23). Insufficient investment in new housing stock may also mean that the available dwellings are inappropriate to the needs of low-income and demographically unstable populations, where the incidence of one person households is becoming more frequent. As a result, some people may have no alternative but to share rental dwellings in group household situations where compatibility with fellow householders is uncertain (South West Regional Housing Council 1995).

The uneven geographic distribution of new job creation and job loss may mean that there is a serious spatial mismatch between the location of housing stock and the availability of jobs in some regional areas. Some non-metropolitan housing markets may now be in part defined by such a mismatch. For low income workers in rural and small town situations, access to affordable housing may mean residing a considerable distance from place of work. How prevalent is it for persons who work in large and medium-sized regional cities to commute large distances at considerable cost from out of town for reasons of housing affordability (South West Regional Housing Council 1995)? Even where rental costs do not form a disproportionate part of the income of low-income persons, costly long-distance home to work commutes which result from inappropriately located cheap rental dwellings may be seen as a little recognised form of housing stress.

The increasingly centralised location of basic services, such as health care and education, may add to spatial mismatch problems between housing markets and job markets. A poor fit between the locations of affordable housing and available jobs may mean that low-income unskilled persons or persons in need of skills upgrading cannot easily access training opportunities (South West Regional Housing Council 1995).

In summary, the brief survey of state and territory housing policy in this chapter has identified the following issues relating to housing markets:

- Inadequacies of supply, tenure, accessibility, design, amenity, turnover, and quality of housing stock;
- Problems with housing costs and prices, affordability (including housing assistance schemes), rental markets, and challenges for investment;
- Challenges of market regulation and coordination, and increasing reliance on cooperative relations;
- ‘Market failure’;
- Spatial mismatch between job and housing locations, and consequent relation to ‘journey to work’ commuting;
- Location-specific problems of decline and deterioration in housing stock, lowered prices and inadequate investment in suitable accommodation, contrasted with rapid population growth with limited housing stock, rapid price and costs rises, and difficulties of supply meeting demand.

7 CONCLUDING REMARKS

Systematic data on non-metropolitan housing markets are lacking and the complexity of the situation is often underestimated. While case studies provide a partial and selective view of non-metropolitan housing markets, the literature lacks an understanding of broad trends and patterns. This positioning paper provides a background to, and rationale for, the construction and analysis of a national non-metropolitan housing market data base.

The first section of this Positioning Paper puts forward the purpose and rationale for the database. Non-metropolitan Australia is made of a complex range of housing markets that have been affected in different and unexpected ways by economic and social change. Our knowledge of what is going on in towns and regions outside the major capital cities, derived mainly from case studies, remains limited. The forthcoming database, therefore, will gather together relevant population, labour market, and housing market information in order to provide a general overview of trends that can be used to underpin policy development.

In preparing the proposal for this study, the research team reviewed different ABS defined spatial units in order to determine which was most appropriate. After considering a number of factors, including the availability and cost of data at a consistent scale, areal coverage, and boundary changes over time, the SLA (statistical local area) was selected. There are 754 SLAs outside of the State and Territory capital cities. Major ABS and academic classification schemes were reviewed in this paper so that data can be presented in a format that captures trends in different types of housing markets. The main dimensions are based on population size, economic base and location (in terms of coastal or inland locations; population density and access to services). Housing factors, per se, have generally not been incorporated into any existing classification schemes. The Positioning Paper proposes that the Bureau of Rural Science classification, based on population size and location, serves as a useful starting point in the research project.

Constructing a spatial housing market database involves more than simply adding census variables to a spreadsheet. The purpose and rationale for the database needs to be understood in advance in order to help determine the range of variables required. The spatial unit on which data will be collected must be specified and the way in which these units can be classified for the purposes of data presentation considered.

Since the database is designed to collect systematic information on non-metropolitan housing markets, the Positioning Paper reviews the somewhat taken for granted term – 'housing market'. A housing market contains a wide range of elements captured within the allied concepts of supply (the housing stock) and demand (the number, composition and socio-economic characteristics of households), and the interaction between the two (sales, rents, turn-over and so forth). Indicators measuring supply and demand factors will be incorporated into the database. A housing market is also a bounded spatial area that is closely related to local labour markets. Labour market indicators and commuting patterns (the latter for the ABS Journey to Work Matrix) will be included. The influence of housing policy on local housing markets will be examined through the inclusion of variables related to the public rental stock and the number of rent assistance recipients.

Because of the intended use of the database as a policy tool, the Positioning Paper overviews recent regional policy discourses, issues and practices. Policy discourses involving economic rationalism and enterprise culture are affecting decisions made about non-metropolitan towns. Moreover, different state and territory governments' strategic approaches emphasised several common themes around economic development, efficient delivery of services, the need for new investment, job creation, skill development and supply and the provision of infrastructure. Many policy reports suggest that the 1990s were a distinctive period in housing market change (growth in private rental assistance, problems with housing affordability, expansion of private rental market etc.) but there is little evidence of the way in which these changes played out in non-metropolitan places.

Drawing from the Positioning Paper, the next stage of this project will involve the continued development of the database, including the construction of indicators and assessment of a variety of data issues concerning availability, definition, measurement, and quality. Preliminary analyses of population and housing trends, based on the proposed classification scheme, will provide important feedback on the utility of the main database.

REFERENCES

Alston, M. 2005, ‘Social Exclusion in Rural Australia’, in Cocklin, C. and Dibden, J. eds. *Sustainability and Change in Rural Australia,* University of New South Wales Press, Sydney, pp. 157-170.

Australian Bureau of Statistics (ABS) 2001a, *Outcomes of ABS views on remoteness consultation, Australia*, Information Paper, Catalogue Number 12440.0.00.001.

Australian Bureau of Statistics (ABS) 2001b, *Australian Standard Geographical Classification*, Catalogue Number 1216.0.

Australian Bureau of Statistics (ABS) 2003, *ASGC Remoteness Classification: Purpose and Use*, Census Paper No. 03/01.

Australian Productivity Commission 1998, *Aspects of Structural Change,* Australian Government Publishing Service, Canberra.

Australian Productivity Commission 1999, *Impact of Competition Policy Reform on Rural and Regional Australia,* Australian Government Publishing Service, Canberra.

Badcock, B. 2000, ‘Home Ownership and the Illusion of Egalitarianism’, in Troy, P. ed. *A History of European Housing in Australia*, Cambridge University Press, pp. 254-268.

Barker, R. 2004, ‘*The northern drift: recent demographic & urban development trends in coastal Queensland’*, Paper delivered at National Coastal Urbanisation Symposium, Brisbane, 29 March.

Barr, N. 2004, *The Micro-Dynamics of Change in Australian Agriculture 1976 – 2001*, Australian Census Analytic Program, Catalogue Number 2055.0.

Baum, S. O’Connor, K. and Stimson, R. 2003, *Hot Spots and cold spots Revisited: What’s Hot and What’s Not @ 2001 Census,* Paper presented at the 27th Australia and New Zealand Regional Science Association International Annual Conference, 28th September to 1st October, The Esplanade Hotel, Fremantle, Western Australia.

Baum, S., Stimson, R., O’Connor, K., Mullins, P., and Davis, R. 1999, *Community opportunity and vulnerability in Australia’s cities and towns: Characteristics, Patterns and Implications*, The University of Queensland Press for the Australian Housing and Urban Research Institute, Brisbane, Queensland.

Beer, A. and Paris, C. 1989,’The Spot Purchase Program and Melbourne’s Housing Market’, in *The Spot Purchase Study*. Canberra, AGPS.

Beer, A. 1993. ‘’’A Dream won a crisis born?’ Home Ownership and the Housing Market”, in Paris, C. 1993. *Housing Australia,* Macmillan Education Australia, South Melbourne, pp. 147-172.

Beer, A., Maude, A. and Pritchard, B. 2003 *Developing Australia’s Regions: Theory and Practice,* University of New South Wales Press, Sydney, NSW.

Berry, M. 1996, ‘Housing Demand and Housing Outcomes in Australia: Past Developments and Future Possibilities’, in Chung, H. and Lee, D. eds. *Globalization and Housing Industry*, Korea Housing Institute, pp. 233-297.

Blainey, G. 1966. *The Tyranny of Distance*. Sun Books, Melbourne.

Bourne, L. S. 1981, *The Geography of Housing*, Edward Arnold, London.

Bruce, D., Carter, T., and Starr, E. 2004, *Social Housing in the Context of Rural Depopulation*. A Working Paper Prepared for the Canadian Mortgage and Housing Corporation, Ottawa, Canada.

Burnley, I. and Murphy, P. 2004, *Sea Change: Movement from Metropolitan to Arcadian Australia*, University of New South Wales Press, Sydney.

Carmichael, G.A. and McDonald, P. 2003, 'Fertility Trends and Differentials', in Khoo, S. and McDonald, P. eds. *The Transformation of the Australian Population, 1970-2030,* University of New South Wales Press, Sydney, pp. 40-76.

Christenson et al. 1994, *Rural Data, People & Policy – Information Systems for the 21st Century*, Westview Press, Boulder.

Cocklin, C. and Dibden, J. eds. 2005, *Sustainability and Change in Rural Australia,* University of New South Wales Press, Sydney.

Cocklin,C. and Alston, M. eds. 2003, *Community Sustainability in Rural Australia: A Question of Capital?* Academy of the Social Sciences in Australia, and Centre for Rural Social Research, Charles Sturt University, Wagga.

Commonwealth Department of Transport and Regional Services 2003, *Commonwealth Regional Information Directory 2002-2003,* Canberra.

Commonwealth Department of Transport and Regional Services 2005 (website): http://www.dotars.gov.au/explore.aspx?facet=Regional+Development, (accessed March 2005)

Culpin, A., Nugent, S. and Truscott, J. 2000, 'Population projections for New south Wales – a regional analysis', *People and Place*, vol. 8, no. 1, pp. 12-20.

Davison, G. 2005, 'Rural Sustainability in Historical Perspective', in Cocklin, C. and Dibden, J. eds. *Sustainability and Change in Rural Australia,* University of New South Wales Press, Sydney, pp 38-55.

Deakin, N. 1995, 'The perils of partnership: The voluntary sector and the state, 1945-1992', in Davis-Smith, J., Rochester, C., Hedley, R. eds., 1995, *An Introduction to the voluntary sector,* Routledge, London.

Department of Infrastructure (DOI) Victoria 2002 (2nd edition) *Regional Matters: An Atlas of Regional Victoria*, Melbourne, Victoria.

Econsult (Australia) 1989, *Rural centres housing study*, Canberra: AGPS.

Fairclough, N. 1989, *Language and Power,* Longman, London.

Fairclough, N. 1992, *Discourse and Social Change,* Blackwell Publishers, Cambridge.

Fairclough, N. 1995, *Critical discourse analysis: the critical study of language,* Longman, Harlow.

Fairclough, N. 2000, *New labour, new language?,* Routledge, London.

Fincher, R. and Wulff, M. 2001, 'Moving in and Out of Disadvantage: Population Mobility and Australian Places', in R. Fincher and P. Saunders eds. *Creating Unequal Futures: Rethinking Poverty, Inequality and Disadvantage,* Allen and Unwin, Sydney, pp. 158-93.

Ford, T. 1997, *Population Trends in Adelaide's Peri-Urban Region*, Prepared under the Research Program of the Geodemographic Research Group, www.planning.sa.gov.au/.

Forth, G. 2000, '*Following the Yellow Brick Road and the Future of Australia's Declining Country Towns',* Paper delivered at the First National Conference on the Future of Australia's Country Towns, Bendigo, June.

Fragar, L.J., Gray, E.J., Franklin, R.J. and Petrauskas, V. 1997, *A Picture of Health: A Preliminary Report of the Health of Country Australians,* Australian Agricultural Health Unit, Moree.

Galston, W.A. and Baehler, K.J. 1995, *Rural Development in the United States, Connecting Theory and Practice and Possibilities*, Island Press, Washington.

Garnaut, J., Connell, P., Lindsay, R. and Rodriguez, V. 2001, *Country Australia – Influences on Employment and Population Growth,* Australian Bureau of Agricultural and Resource Economics, Research Report 2001.1, Canberra.

GISCA. 2004. About ARIA+ (Accessibility/Remoteness Index of Australia) http://www.gisca.adelaide.edu.au/products_services/ariav2_about.html (accessed October 28 2004).

Gleeson, B. and Carmichael, C. 2001, *Thinking regionally, acting locally: lessons for Australia from Overseas housing and regional assistance policies,* Research & Policy Bulletin prepared by the Australian Housing and Urban Research Institute UNSW - UWS Research Centre.

Glover, J., Harris, K. and Tennant, S. 1999, *A Social Health Atlas of Australia*, Public Health Information Development Unit, University of Adelaide, SA, Open Book Publishers.

Government of Western Australia 2004, *Housing Strategy WA Issues Paper- Regional Housing,* Office of Policy & Planning, Department of Housing and Works, Perth.

Gray, I. and Lawrence, G. 2001 *A Future for Regional Australia: Escaping Global Misfortune*, Cambridge University Press, Cambridge.

Green, R. and Malpezzi, S. 2003, *A primer on US Housing Markets and Housing Policy*, The Urban Institute Press, Washington, D.C.

Haberkorn, G., Kelson, S., Tottenham, R., and Magpantay, C. 2004, *Country Matters: Social Atlas of Rural and Regional Australia*, Bureau of Rural Sciences, Canberra.

Healy, E. 2002, 'Disability' or 'Disadvantage': spatial variation in the Disability Support Pension recipient rate 1996-2001', *People and Place*, vol. 10, no. 3, pp. 68-82.

Hillier, J. Fisher, C. Tonts, M. 2002, *Rural Housing, Regional Development and Policy Integration: An Evaluation of Alternative Policy Responses to Regional Disadvantage,* Australian Housing and Urban Research Institute, Murdoch University & Curtin Research Centre.

Holmes, J., Hartig, K. and Bell, M. 2002, 'Locational disadvantage and household locational decisions: changing contexts and responses in the Cessnock district of New South Wales, Australia, 1964-1999', *Australian Geographical Studies*, November, vol. 40, no. 3, pp. 300-322.

Hooper, A. 2004, *Australian Philanthropy: From Benevolent Gift to Strategic Investment?* PhD Thesis, Deakin University

Housing Affordability Strategy 2004, Queensland Government. http://www.housing.qld.gov.au/new_approaches_to_housing/strat_affordable.htm.

Hugo, G 2000, *What is happening in rural and regional populations?* Paper presented at the First National Conference on the Future of Australia's Country Towns, June 29-30th, 2000, Bendigo, Victoria.

Hugo, G. 2003, 'Changing Patterns of Population Distribution', in Khoo, S. and McDonald, P. eds. *The Transformation of the Australian Population*, 1970-2030. University of New South Wales Press, Sydney, pp. 185-218.

Jones, C. 2002, 'The definition of housing market areas and strategic planning', *Urban Studies*, vol. 39, no. 3, pp. 549-564.

Jones, M.A. 1990 (3rd edition), *The Australian Welfare State*, Allen & Unwin, Sydney.

Jureidini R. and Healy, E. 1998, 'A decade of change in industry employment: Melbourne and Sydney compared', *People and Place*, vol. 6, no. 3, pp. 54-68.

Kemeny, J. 1992, *Housing and social theory,* Routledge, London.

Lawrence, G. 1987, *Capitalism and the Countryside – The Rural Crisis in Australia,* Pluto Press, Sydney.

Logan, M. I., Whitelaw, J. S. and McKay, J. 1981, *Urbanization: the Australian Experience*, Shillington House, Melbourne, Victoria.

Maher, C. A. and Les, M. 1997, '*The Geography of Renting'*, in Second Joint Conference: Institute of Australian Geographers and New Zealand Geographical Society, New Zealand Geographical Society Conference Series No. 19, New Zealand Geographical Society, Palmerston North, pp. 195-200.

Main Roads and Queensland Transport 2000, *4-seeable futures: transport portfolio scenario-based planning for the Queensland Department of Transport and the Queensland Department of Main Roads, 2000–2025*, Queensland Government, Brisbane.

McDonald P. 2003, 'Transformations in the Australian Family', in Khoo, S. and McDonald, P. eds. *The Transformation of the Australian Population, 1970-2030,* University of New South Wales Press, Sydney, pp. 77-103.

McKenzie, F. 1996, *Beyond the Suburbs: Population change in the major exurban regions of Australia,* Commonwealth Department of Immigration and Ethnic Affairs, Canberra.

McKenzie, F. 2004, Regional Skills shortages: An Overview of Demographic, Economic and Social Change, *Sustaining Regions*, vol. 3, no. 1, (Spring), pp. 5-15.

Maher, C. 1994, *Melbourne's Future Housing Market: A Generalised Forecast*, Victorian Department of Planning and Development, Melbourne.

Marston, G. 2002, Critical Discourse Analysis and Policy-Orientated Housing Research, *Housing, Theory and Society,* 19, pp. 82-91

Medhurst, D., Lea, J. and Pritchard, B. 2002, *Housing assistance and regional disadvantage,* Final Report, Australian Housing and Urban Research Institute, Melbourne.

Nankervis M., Hayward D., and Burke T. 2003, *Residential property markets in small country towns; some methodological issues and scoping study results*, Consultancy Report for Vic Urban, Institute for Social Research, Swinburne University of Technology, Hawthorn, Victoria.

National Economics 1999, *State of the Regions 1999*, Clifton Hill, Victoria.

National Housing Strategy 1991, *The Efficient Supply of Affordable Land and Housing: the Urban Challenge, Issues Paper 4*, AGPS, Canberra.

Newton, P. Baum, S. Bhatia, K. Brown, S. K. Cameron, A. S. Foran, B. Grant, T. Mak, S.L. Memmott, P. C. Mitchell, V. g. Neate, K. L. Pears, A. Smith, N. Stimson, R. J. Tucher, S. N. and Yencken, D. 2001 *Human Settlements*, *Australia State of the Environment Report 2001 (theme report),* CSIRO Publishing on behalf of the Department of the Environment and Heritage, Canberra.

NSW (New South Wales) Government 1998, *Rebuilding Country New South Wales – directions statement on regional growth and lifestyle.*

O'Connor, K., Stimson, R.J., and Daly, M. 2001, *Australia's Changing Economic Geography: A Society Dividing,* Oxford University Press, Melbourne.

Paris, C. 1993, *Housing Australia*. Macmillan Education Australia, South Melbourne.

Parkin, A. 1982, *Governing the Cities – The Australian Experience in Perspective*. Macmillan, South Melbourne.

Planning Consultative Council, Victoria. 1982, *Strategies for Country Towns: A Study in the Hamilton Region*, Victorian Government.

Porter, M.E. and Kramer M.R. 1999, *Philanthropy's New Agenda: Creating Value,* in Harvard Business Review, November-December 1999.

Queensland Department of Local Government and Planning 2004, *State budget 2003-04,* Ministerial Portfolio Statements.

Recent Population and Housing Trends in Queensland. 2003. http://www.housing.qld.gov.au/new_approaches_to_housing/discussion/attachment.htm

Rowland, D. 2003, 'An Ageing Population – Emergence of a New Stage of Life?', in Khoo, S. and McDonald, P. eds. *The Transformation of the Australian Population, 1970-2030,* University of New South Wales Press, Sydney, pp. 238-265.

Salt, B. 2001, *The Big Shift: Welcome to the Third Australian Culture,* Hardie Grant Publishing, South Yarra.

Sanders, W. 'Aboriginal Housing', in Paris, C. 1993. *Housing Australia*. Macmillan Education Australia, South Melbourne, pp. 212-227.

Smailes, P., Griffin, T., and Argent, N., 2005, 'The Changing Social Framework', in Cocklin, C. and Dibden, J. eds. *Sustainability and Change in Rural Australia,* University of New South Wales Press, Sydney, pp. 80-102.

Smyth, P. and Cass, B. eds. 1998, *Contesting the Australian Way - States, Markets and Civil Society,* Cambridge University Press, Cambridge.

South Australian Office of Regional Development for the Standing Committee of the Ministerial Council on Regional Development, 2002, *The need for co-ordinated government action to address the shortage of workforce accommodation in regional Australia.*

South West Regional Housing Council. 1995. Regional Needs Assessment. Warrnambool, Victoria.

Stilwell, F. 2000. 'Ways of Seeing: Competing Perspectives on Urban Problems and Policies' in *Equity, Environment, Efficiency: Ethics and Economics in Urban Australia*, ed. P.N. Troy, Melbourne University Press, Melbourne, pp. 13-37.

Stimson, R. and Baum, S. 2003, Cities of Australia and the Pacific Islands, in S.D. Brunn, J.F. Williams, D.J. Zeigler eds., *Cities of the World: World Regional Urban Development*, Rowman and Littlefield, Colorado.

Stimson, R., Baum, S. O'Connor, K. and Mullins, P. 2001, 'Australia's regional cities and towns: modelling community opportunity and vulnerability', *Australasian Journal of Regional Studies*, 7, pp. 23-62.

Stimson, R., Baum, S., and O'Connor, K. 2003, 'The Social and economic performance of Australia's large regional cities and towns: implications for rural and regional policy', *Australian Geographical Studies*, vol. 41, no. 2, July, pp. 131-147.

Strong, K., Trickett, P., Titulaer, I. and Bhatia, K. 1998, *Health in Rural and Remote Australia,* Catalogue Number PHE-6, Australian Institute of Health and Welfare, Canberra.

Taylor, J. 2003, 'Indigenous Australians: The First Transformation', in Khoo, S. and McDonald, P. eds. *The Transformation of the Australian Population*, *1970-2030,* University of New South Wales Press, Sydney, pp. 17-39.

Tonts, M. Fisher, C. Owens, R. Hillier, J. 2001, *Rural Housing, Regional Development and Policy Integration: Positioning Paper,* Australian Housing and Urban Research Institute, Murdoch University & Curtin University Research Centre.

Trevor Budge and Associates 1992, *Housing and services in rural and remote Australia*, Background Paper no. 12 for the National Housing Strategy, Canberra.

Trewin, D. 2001, *Measuring Wellbeing Frameworks for Australian Social Statistics,* Australian Bureau of Statistics, Canberra.

Wahlquist, A. 1999. *Demographic and social changes in Australia*, Keynote Presentation to the Regional Australia Summit, Department of Transport and Regional Services, Canberra.

Western Australian Department of Commerce and Trade, The Ministry for Planning, The Regional Development Council and the Western Australian Regional Development Commissions 1999, *Living in the Regions – the Views of Western Australians,* Conducted by Patterson Market Research in conjunction with Focused Management and Hames Sharley.

Yates, J. and Wulff, M. 2000, 'W(h)ither low cost private rental housing?', *Urban Policy and Research,* Vol. 18, No. 1, March, pp. 45-64.

AHURI Research Centres

Queensland Research Centre

RMIT-NATSEM Research Centre

Southern Research Centre

Swinburne-Monash Research Centre

Sydney Research Centre

UNSW-UWS Research Centre

Western Australia Research Centre

Affiliates

Charles Darwin University

National Community Housing Forum

AHURI
Australian Housing and Urban Research Institute

Australian Housing and Urban Research Institute

Level 1 114 Flinders Street, Melbourne Victoria 3000

Phone +61 3 9660 2300 Fax +61 3 9663 5488

Email information@ahuri.edu.au Web www.ahuri.edu.au