The key role of housing in regional development

What part does housing play in effective regional development, and what role could it play? This report explores the connections between housing policy and regional and local development, drawing on experience from overseas and new research in Australia. David Medhurst, Bill Pritchard and John Lea, from the AHURI Sydney Research Centre, examined linkages between housing policy and regional development in four northern New South Wales towns. Jean Hillier, Colleen Fisher and Mathew Tonts, from the AHURI Western Australia Research Centre, looked at the same issue in two regions of Western Australia — the South-West Forest and the Eastern Wheatbelt.

AHURI Research & Policy Bulletin

KEY POINTS

- Regional development is a national and state issue, because disparities between regions affect the country as a whole, and because local authorities do not have the resources to mount a co-ordinated regional effort. A lack of suitable housing contributes to regional disadvantage in many cases, and housing therefore needs to be part of the solution.

- Suitable housing can make a big contribution to the success of regional development activities, for example by attracting workers to the area and supporting a broader economic and social base.

- Housing is equally significant to the success of local development activities within a region. For example, suitable housing for young singles, and for key professionals such as doctors and teachers, can help to keep rural towns viable.

- Regional development policies based upon an understanding of local circumstances and local participation will be better able to account for major differences across regions and communities including the local housing market.

- Housing policy can be an important part of a whole-of-government approach to regional development, yet the case studies show little evidence of co-ordination between different levels of government, or integration of housing with other services.

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CONTEXT

Many studies have examined regional inequalities in Australia. These inequalities go beyond a simple city-country divide. Some rural regions with particular strengths, such as minerals and viticulture, have done well, while some industrial regions have become worse off. A similar segregation has emerged between prosperous and struggling suburbs in Australia's major cities.

Consequently, there has been a groundswell of interest in regional assistance policies to counter economic and social disadvantage, of which housing is a part. As Brendan Gleeson and Chris Carmichael noted in an earlier AHURI study, overseas policy makers have grappled with similar problems, and developed regional development strategies that could be useful in an Australian context. In particular, Gleeson and Carmichael highlighted the European emphasis on integrating housing assistance within regional social support programs. Recent policy work by the Australian Planning Institute also recommended a co-ordinated, targeted approach to regions that integrates the work of all service agencies to overcome disadvantage.

The new research outlined in this report adds an Australian dimension to the overseas experience of the role played by housing in regional development. The first project examines four northern New South Wales towns: Evans Head and Tweed Heads on the coast, and Wee Waa and Armidale inland. The second project focuses on two case study areas in Western Australia: the South-West Forest Region and the Eastern Wheat Belt Region.

The Western Australian research used in-depth interviews with key informants from state and local government agencies, shire councillors, business leaders and community members. This fieldwork was augmented by analysis using ABS statistics, and policies and plans from government agencies. The New South Wales project relied on focus group discussions with key stakeholders involved in public and community housing, analysed in the context of government data on the social and economic profiles of the towns.

In this bulletin, 'regions' are geographical or administrative areas within a State. 'Effective regional development' means sustainable improvements to the lives of people living in the region, as reflected in social, economic and environmental conditions.

NEW SOUTH WALES CASE STUDIES – BACKGROUND

In broad terms, the North Coast region of New South Wales is growing rapidly, but has high levels of welfare dependence and unemployment and relatively low household incomes. The New England region has a stable or declining population, with many marginalised people.

Evans Head is a small town on the New South Wales north coast with 45% of its 2,600 people being retirees. While the retirees are generally well off, the town's relative isolation has restricted the level of services available to residents, and accommodation is affected by the cyclical influx of tourists.

Tweed Heads, on the Queensland-New South Wales border, is functionally part of Queensland's Gold Coast region. It has a population of around 38,000 people, with many recently arrived as retirees or income support recipients. Sixty per cent of the population earns les than $300 per week, which places pressure on housing and other service providers.

Armidale is a major education and regional service centre for northern New South Wales, with a generally youthful and affluent population of 21,000. Roughly 45% of Armidale's population is enrolled in some form of educational institution, and the education sector is the largest single employer in the town. The ebbs and flows of the student population, linked to the University of New England semesters, constricts the availability of cheap, affordable housing at certain times of the year.

The inland town of Wee Waa has a static population of just under 2,000, with 13% being of Aboriginal descent. The town relies heavily on the cotton industry for employment and income, but the industry is vulnerable to economic cycles and the weather, and the economic benefits are not evenly spread. Youth unemployment is very high, at 34% for those aged 15 to 19 years.

WESTERN AUSTRALIA CASE STUDIES – BACKGROUND

South-West Forest Area

The South-West Forest area supports a range of forest and agricultural based industries, which in 1996 collectively employed over 25% of the area's workforce. Major industries include timber harvesting, horticultural production, and broad-acre farming of sheep, wheat and canola. Vineyards are increasing across the area.

Population levels overall are fairly stable, with immigration of early retiree 'life stylers' balancing people leaving or dying. Annual household incomes are among the lowest in Western Australia.

Eastern Wheatbelt Region

The Wheatbelt region of Western Australia accounts for more than half of the State's broad-acre farming, dominated by wheat and sheep. Within the Wheatbelt region, the Eastern Wheatbelt case study area has a

population of around 3,400, but numbers have been steadily declining for 20 years.

Agriculture is the dominant industry and employer in the case study area, and agricultural industries have become increasingly marginal as international commodity prices have fallen. Farming-related salinity is also a major problem.

FINDINGS

NEW SOUTH WALES

Local housing market conditions can adversely affect the ability of people on income support to meet their housing needs. Specific local factors include seasonal fluctuations in rental costs related to tourism and university semesters, and the role of temporary accommodation, such as caravans, in providing an "overflow" service for low-income groups.

The Department of Housing's actions in reducing conglomerations of public housing and selling properties to tenants are viewed positively.

Those in both government and non-government housing agencies prefer informal channels for inter-agency communication, as against regular formal meetings and forums.

In Tweed Heads and other northern coastal areas, the absence of informal friendship and family networks amongst recently arrived people on income support places extra pressure on housing providers to give other forms of help.

WESTERN AUSTRALIA

Housing services are not integrated into regional development policy, which in Western Australia is framed as economic development. Regional housing offices manage housing stock, rather than contributing to policy development.

In the South-West Forest area, housing has been included as part of a coordinated effort to address the employment problems resulting from uncertainty in the timber industry.

From the interviews little evidence was found of co-ordination between housing agencies and regional development agencies.

In the Wheatbelt town of Hyden, an active Progress Association encouraged regional economic development by investing financially and 'in kind' to develop housing as a way of attracting new businesses and people to the area.

Respondents, such as resort and hotel managers in the South-West Region, noted that a shortage of

affordable and adequate housing made it harder to attract workers and retain young people in the area. Other respondents made the same point about attracting key health professionals such as doctors and nurses, with good housing deemed important as an incentive.

POLICY IMPLICATIONS

- Previous research internationally has shown that housing is a key part of social disadvantage in particular regions. As Gleeson and Carmichael found in earlier research, there is a strong case, based on overseas experience, for integrating housing support within regional development programs. This allows assistance to be better targeted to meet specific needs, and ensures that help given at the local level (e.g. housing, crime prevention, community renewal) is reinforced by assistance at a regional level (e.g. employment programs, industry location, infrastructure development).

- The previous research also noted a trend overseas for regional development programs to be governed and funded at a regional level, and applied at a local or neighbourhood level by people who understand local needs. This model is worth considering for Australian contexts.

- The Western Australian research confirmed the need for regional assistance to go beyond purely economic measures. Economic steps, such as job creation, are unlikely to lead to sustainable regional development if social factors, such as health services and housing, are below par. A co-ordinated approach that integrates a range of housing, health and community care providers is needed.

- Furthermore, the Australian case studies showed that social, economic and environmental factors have a combined impact on regional development. Housing interacts with all three dimensions, yet it currently plays a minor role in regional development efforts. Using housing policy to reinforce broader regional support programs warrants further consideration. An example from the Western Australian research is providing housing for key workers, such as doctors or teachers, to enable better service provision and hence more viable towns.

- The case studies highlighted the importance of local knowledge in framing effective housing and regional development programs. Greater understanding of housing needs at a local level could be promoted by State Housing Authorities having a representative

on appropriate committees, such as local Youth Services Committees, and by talking regularly with community leaders and community groups such as Progress Associations. Regional housing offices could also broaden their service role to include local input into policy making and implementation.

- Regional development programs also need local participation to be effective. In Western Australia, the example of the Hyden Progress Association showed what can be achieved by community initiative. In New South Wales, housing stakeholders preferred informal communications between housing and other agencies, rather than formal meetings. The policy implication from these examples is that community participation should be an important part of regional development efforts.

- The case studies show that there is no 'one size fits all' approach to effective regional development. Every region has different challenges and strengths. This suggests that targeted research, planning and local participation are needed to make regional development programs work well. This is consistent with overseas experience, where universal programs are giving way to programs tailored to regions or local areas that have the greatest need.

FURTHER INFORMATION

For more information about these projects see the following final reports:

Rural housing, regional development and policy integration: www.ahuri.edu.au

Housing assistance and regional disadvantage: www.ahuri.edu.au

Another related AHURI project is:

Responding to regional disadvantage: what can be learned from the international experience? www.ahuri.edu.au

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