

**Rural Housing, Regional Development and Policy Integration: An Evaluation of
Alternative Policy Responses to Regional Disadvantage**

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This paper is the Executive Summary of an identically titled report to AHURI by Hillier and Fisher (2001).

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

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

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

This study found that:

1. In terms of *processes* of policy-making in disadvantaged regions, tensions are likely to rise in policy-making when institutions of governance which bear the imprint of the past attempt to address problems of the future. The research also suggests that communication and transparency are essential to the activities of governance and policy-making.
2. In disadvantaged regions, in particular, for investment to occur, there must be confidence that policies will not change suddenly. Government should "stick to its guns" (interview respondent) and maintain a commitment to disadvantaged areas.
3. There is a perception in rural areas of 'implementing policies at a distance'.

4. Community develops through networks of trust and reciprocity (see Hugman et al., 2000). In certain disadvantaged regions, there may be a need to (re)build community and social capital. It is important to build on existing networks rather than attempt to impose networks from above.
5. Despite the interrelationship between availability and affordability of appropriate housing, the well-being of communities and individuals; and economic development in rural areas, housing policy does not form an integral part of regional development policy
6. Public sector employees are an integral part of rural communities, both through the services they provide and the economic contribution they make. The provision of quality housing is an important consideration for professional people to move to rural areas.
7. There is an under-supply of 'special purpose' accommodation in the case study areas.
8. In areas of tied housing, this tenure impacts markedly on local housing infrastructure.

Economic Development Related Findings

9. Diversification of employment base is important for economic development in rural areas.
10. The provision and maintenance of adequate services and facilities are important in ensuring the ongoing vitality and viability of rural communities.
11. The lack of serviced land suitable for commercial/industrial development is an impediment to attracting new opportunity to rural areas.
12. 'Townscaping' of rural settlements may encourage people to stay in, or use them as a 'stop-off'. The economic benefits from such activity would be positive for the community.
13. A fully participatory co-ordinated vision and strategy for provision of improved transport facilities may be necessary in rural areas.
14. Pressure may need to be placed on banks and other financial lending agencies to show more tolerance of borrower circumstances in disadvantaged regions.
15. There should be consideration given to active support for development of an alternative community economy (see Gibson-Graham, 1996; Gibson et al, 2001).
16. There needs to be a positive bias towards people and their needs in disadvantaged regions across all agencies of governance, delivered on a sustainable basis.

Implications for Policy

This was a smaller scale study involving two case study areas, but despite there being implications specific to each area, some issues arose that are generic and suggest a number of implications for policy. In particular

- To overcome the perception of ‘policy-making at a distance, a lead agency, located in the heart of the particular area, needs to be identified with the resources to co-ordinate the strategy for overcoming disadvantage, (including budgetary capacity to fund over and above current agency commitments). Other agencies involved, ideally should also be local. There must be a whole of government approach (joined-up working) which includes full participation of local people. Decision-making should in effect be decentralised incorporating truly collaborative partnerships and collective leadership.
- State Housing Authorities should be cognisant of the need to develop strategies to facilitate greater understanding of housing needs at local level. This could include State Housing Authorities having a representative on appropriate committees, such as local Youth Services Committees, and the maintenance of dialogue with community leaders and community groups such as Progress Associations.
- To help build ‘community’ there needs to be support for community leaders. Purdue et al (2000) propose a model of community leadership and recommend that agencies of governance support the role of community leaders on an on-going basis through training and offering financial and other means of support to meet practical needs.
- Housing policy-making should be co-ordinated with planning policy, in particular with regard to land use zoning. Land release for residential development and provision of physical infrastructure should be co-ordinated amongst the relevant agencies. Where development costs cannot be recouped by land sale, state agencies of governance should be funded to bear the financial burden of infrastructure provision.
- State agencies should recognise the transient nature of demand for housing and the consequences at local level of the time lapse involved from proving need to development/construction of housing. Strategies should be developed which facilitate the ready availability of land suitable for housing subdivision addressing such issues as cost recovery and risks of over supply.
- State Housing Authorities and/or local government/Community Housing Associations should be cognisant of the need for, and strategies be developed that ensure the provision of, housing suitable for:
 - a) young people who might otherwise leave the area;
 - b) the elderly to be able to remain in the area;
 - c) crisis accommodation;
 - d) culturally appropriate (especially Indigenous) accommodation; and
 - e) that incorporate appropriate modifications for disabled residents.

- In areas of tied housing, mechanisms should be in place whereby the State Housing Authority works with appropriate agencies to consider the following as relevant:
 - Enable individual title and sale,
 - Purchase the housing and either rent or sell to the residents,
 - Where the housing is substandard, offer alternative accommodation or purchase from the resident (if owner occupied).
- Community Housing Associations should be encouraged to establish in regional and rural areas.
- To facilitate diversification of employment base for economic development in regional and rural areas, possible strategies should include:
 - i. A vision for the area
 - ii. A co-ordinated marketing strategy for the area
 - iii. A co-ordinated, joined-up, implementation strategy is essential.
 - iv. Encouragement of establishment of co-operative ventures,
 - v. Partnerships between agencies of government and the private sector.
- Centres should be assisted to identify areas(s) where they have a ‘comparative advantage’ over other centres, and assistance given to exploit possible development opportunities resulting from this advantage. This process should be participatory.
- State and local government must be cognisant of the need for serviced land for commercial/industrial development and have strategies in place to deliver cost effective land that provides regional opportunity in a timely manner. Such strategies will need to address issues such as cost recovery and risks of over investment in the hope of attracting new opportunity.
- Regional settlements should be townscaped if necessary in order to attract investment and/or tourism. People should be encouraged to stop in settlements or use them as a ‘stop-off’ rather than rush through or use a by-pass.
- A fully co-ordinated vision and strategy for provision of improved transport facilities may be necessary and should be funded adequately. This may include upgrading roads, public transport services, consideration of using freight rail lines for passenger use etc.
- To ensure the provision and maintenance of adequate services and facilities in rural areas, there should be non-rationalisation of public sector services in key service centres. To assist facilitate this, State Housing Authorities should provide appropriate Key Worker Housing of adequate quality in order to attract police, education and health professionals to the regions. Public sector policies and strategies should go beyond the economic to consider the triple bottom line.

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