Transforming the Great Australian Dream: the Quarter vs the 30th of an Acre Block

Martin Mowbray

Urban Research Program
Working Paper No.41
February 1994
TRANSFORMING THE GREAT AUSTRALIAN DREAM: THE QUARTER vs THE 30th OF AN ACRE BLOCK

Martin Mowbray

Urban Research Program
Working Paper No.41
February 1994

SERIES EDITOR:
R.C. Coles

ISBN 0 7315 1914 0
ISSN 1035-3828

Urban Research Program
Research School of Social Sciences
Australian National University
Canberra, ACT 0200
© Urban Research Program, Research School of Social Sciences, Australian National University 1994

National Library of Australia
Cataloguing-in-Publication data:

Mowbray, Martin 1944
Transforming the Australian dream : the quarter vs the 30th of an acre block

Bibliography
ISBN 0731519140

The Urban Research Program is a part of the reorganised Division of Politics and Economics in the Research School of Social Sciences, which came into being in early 1990. Like its precursor, the Urban Research Unit, which was established in 1966, it carries out studies in the social sciences on Australian cities. Work undertaken in the Program is multidisciplinary and ranges widely over economic, geographic, historical, sociological, and political aspects of urban and regional structure and development, as well as more general areas of public policy.

Working Papers are issued on an occasional basis with the intention of stimulating discussion and making research results quickly and easily available. Most papers will be published in final form elsewhere. In some cases, material will be published which, although of specialist interest, has no ready outlet.

Working Papers represent the work of members of the Program or papers presented to a URP-sponsored seminar or conference. In most cases, the Working Papers are Australian in content or relevant to the Australian context. Proposed papers are subject to a preliminary internal review of a committee comprising the Series Editor and the Head of Program. If the review committee deems a paper suitable for possible publication, it is then sent to at least one external assessor for further comment.

The views expressed in these papers are those of the authors and not the Urban Research Program.

Series Editor:
Rita C. Coles
Abstract

This paper is focussed on the expanding phenomenon of long term residency in relocatable dwellings, particularly as it has evolved in NSW. The paper provides a description of the nature of long term relocatable home estates, including their economic and social dimensions, and an account of their metamorphosis from traditional caravan parks. Some serious social implications are reviewed, and particular attention is paid to the role and the substantially economic motives of government in supporting their growth. The analysis is approached by way of a survey of current housing and urban infrastructural supply problems in Australia set within the context of broader economic policy and directions. It concludes that the growth of long term residence in relocatable dwellings will help polarise Australia into housing rich and housing poor.
TRANSFORMING THE GREAT AUSTRALIAN DREAM: 
THE QUARTER vs THE 30th OF AN ACRE BLOCK

Martin Mowbray

Introduction: Resort Style Living for the Working Class
One of Australia’s most innovative and rapidly expanding housing estates is to be found in Sydney’s outer western suburbs. The Meriton Mobile Village is being built in stages on a long featureless slope at Parklea. In mid 1993 the site was made up of 20 or so military straight rows of plain and uniform, pastel coloured, factory built, 2 bedroom relocatable dwellings – for rent at $155 per week. Each residence is on average about five metres from the next and stands on a narrow road. The only fence is made of high cyclone wire to form the perimeter – befitting its immediate neighbour, a state prison. The sole access is via a boom gate, overseen by and controlled from the authoritarian manager’s two storey brick office and residence.

Billed as offering resort style living, the site is being developed by Meriton Apartments Pty Ltd, a company controlled by Harry Triguboff. Mr Triguboff is among Australia’s richest individuals – reported to have a fortune of $420 million and to be gruff and tough. Triguboff is a substantial donor to political parties and has had controversial business dealings with a former New South Wales Minister for Housing. Meriton Apartments is responsible for one development site a month and has built over 20,000 home units and townhouses in Sydney. It would have had sales of around $300 million in 1992–93 (Business Review Weekly 21/5/93; SMH 22/3/93:9).

Such large scale developments as the Meriton Mobile Village are commonplace in the United States, and may well come to proliferate in Australia. There are already many long term caravan and other relocatable dwelling parks in every state. While the Meriton Mobile Village is new and purpose built, and only offers rental accommodation, other developments offer rented sites for dwellings owned or being purchased by their occupiers. The New South Wales government has recently created the legal possibility for relocatable home renters or owners to secure ownership of very small plots of land (of 130 square metres or less), under so called 'community title'.
This paper is focussed on the expanding phenomenon of long term residency in relocatable dwellings, particularly as it has evolved in New South Wales. It provides a description of the nature of long term relocatable home estates, including their economic and social dimensions, and an account of their metamorphosis from traditional caravan parks. Some serious social implications are considered, and particular attention is paid to the role and motives of the state in supporting their growth. The analysis is approached by way of a survey of current housing and urban infrastructural supply problems in Australia and in the context of broader economic policy and directions, which are fundamental to explaining the growth of relocatable dwellings.

**Current Housing Problems**

Australians benefit from housing policy and resources very unevenly. Despite the fact that 70 per cent of dwellings are (fully or partly) owned, home ownership varies sharply with type of household. Married couples with dependent children, for example, are more likely to own a home outright than male sole parents. The latter are in turn, more likely to own a home outright than female sole parents – at 36.8 per cent, 34.8 per cent, and 28.3 per cent respectively. Of married couples without dependent children, who are more likely to be older, 55.3 per cent are outright owners (Cass 1991:11,14). One federal government estimate is that some 200,000 households are unlikely to ever satisfy their housing needs through home ownership (National Housing Strategy (NHS) Issues Paper 6:77).

While average real terms weekly earnings have declined over recent years (NHS Issues Paper 1:32), Gross Domestic Product has grown, as has average household disposable income. The latter increase was influenced earlier by real wage increments, and later by greater paid labour force participation of women (NHS Issues Paper 1:30). Nevertheless, there is general agreement that there has been a long term decline in housing affordability, with those on low and moderate incomes worst affected (NHS Issues Paper 1:48).

The Australian Bureau of Statistics (ABS) reports that over the 1980s housing costs grew more rapidly than the overall cost of living. In the five years to 1990-91, total housing costs increased by 43 per cent. This compared to an increase of 31 per cent in the cost of living and a 28 per cent growth in average weekly earnings. Regional variations were considerable (ABS 1992:323). In Sydney and Melbourne each year from 1960 to 1989 median house prices rose
in real terms by 3.5 per cent and 3.3 per cent respectively, with gains greatly dependent on the years of purchase and sale.

The 1988 National Housing Survey (a major Commonwealth review of housing, 1990-1992), indicated that nearly 60 per cent of single parents rented because they could not afford their own homes. Single parents renting private detached dwellings spent, on average, 37 per cent of their incomes on rent (ABS 1992:317, 324). With such data in mind, it is not surprising that privately renting single parents have had the highest incidence of real poverty (Yates and Vipond 1991:241).

While overall, income units (individuals or groups living together and sharing expenditure) spent an average of 12.6 per cent of their incomes on housing in 1988, sole parents spent 36.1 per cent of theirs and, single aged people 65 and over, spent 38.9 per cent (NHS Issues Paper 2:10, 21, 22). Low income private renters in general paid out more than 40 per cent of their incomes on accommodation and the public housing waiting list in 1988-89 was over 197,000 and growing (NHS Issues Paper 2:6, 21, 22).

The position of young purchasers, especially those in lower income categories, has also been grim. In 1988 those in the second income quintile and under 34 years, paid about the same as sole parents on housing – on average 36 per cent of their incomes (NHS Issues Paper 2:18).

Although the federal government’s National Housing Strategy offered assurance that there is not yet any overall ‘housing crisis’ (NHS Issues Paper 1:xiv, 94), it also reported that accessibility of home purchase declined by 50 per cent between 1979 and 1990. However, the rate of owner occupancy remained steady. This is because of the increased propensity to ownership through an ageing population. The home purchase rate of 25-34 year olds however, declined (NHS Issues Paper 2:13).

CSIRO based research, itself a degree less optimistic in its projections on housing affordability than the NHS, stressed the likelihood of increased risk of homelessness – ‘via a trickle down effect’ (Neil and Fopp 1992:191). There is, nonetheless, no accurate current data on the number of homeless people in Australia, though informed sources clearly suggest at least a trend towards

Over the last three years, reduced housing prices and declining interest rates appear to have moderated the affordability problem, particularly for those income units on anything like average incomes or above. Future housing markets are, however, uncertain. In a period of some growth in housing construction since 1991, and during which a degree of pent up demand was satisfied, both the federal Treasury and the building industry forecast a downturn in construction for 1993-94 (Weekend Australian 8-9/5/93:3; SMH 10/5/93:3).

**Future Needs and Costs**

With the assistance of the National Institute of Economic and Industry Research, the NHS identified a range of economic and demographic trends which were seen as likely to promote change in the pattern of demand for housing over the next twenty years. These included an ageing population increasingly likely to live independently, and a growing proportion of childless income units. The NHS forecast was that until at least 2006 the proportion of owner/purchaser occupation of households will remain around 70 per cent. However, the NHS expected that a much higher proportion of such households will be made up of one or two persons 60 years and older.

A significantly lower proportion of owner/purchasers would be younger couples 25 to 34 years – 'Unless house prices remain sluggish and there is a significant turnaround in the state of the economy by the mid 1990s'. The latter age cohort has been seen as increasingly likely to look to the rental housing market, which will have a decreased vacancy rate and be relatively less affordable than at the present. The NHS went on to note the possibility of greater forced dependence of younger people on shared dwellings, institutions and caravans (NHS Issues Paper 1:83).

The Indicative Planning Council has projected an underlying demand for 146,000 new dwellings per annum through the 1990s (NHS Issues Paper 4:11). In Sydney, 80 per cent of additions to the housing stock in the 1980s have been on the metropolitan fringe. If Australian cities are to continue this pattern, another 1.25 million, mostly detached, dwellings will have to be built on semi-rural 'greenfields' locations on the fringes of Adelaide, Brisbane, Melbourne,
Perth and Sydney by 2011. This is a quantity of dwellings roughly equal to the
confirms the likelihood that dispersed low density dwellings serviced by car
transport will continue to characterise growth in the Australian capitals
(Weekend Australian 8-9/5/93:37).

The cost of new serviced subdivisions is considerable, though the correct
figures are contested. The NHS gives the indicative average development
costs on fringe land for the 5 largest cities as $50,800 per allotment – and up to
$71,000 in Sydney. On average, 41 per cent of these costs are recovered and
the balance paid for through the public sector (NHS Issues Paper 4:66).

Producing Dwellings in a Dry Economic Environment
Governments are confronted with projections of a substantial underlying
demand for housing and related urban infrastructure. As articulated by the
National Housing Strategy, the federal government’s responsibility is seen as
one of ensuring the availability of 'more affordable and appropriate housing
choices' in order to meet future needs (NHS Issues Paper 7:118).
Nevertheless, despite a limited number of modest and highly selective
increases in public expenditure, current economic orthodoxy remains
overwhelmingly against any significant move towards concerted growth in
public resource commitment to housing and related problems. There seems
little doubt that governments, with bipartisan agreement, will remain
committed to minimising intervention and expenditure on social objectives.
Investors guided by high profile and self appointed custodians of economic
rectitude, such as US credit rating agencies Moody’s and Standard and Poor’s,
do much to strengthen government’s resolve on monetary and fiscal policy
settings.

The NHS affirmed the stance that 'governments will be unable to increase
resources available for housing assistance' and will have to try new
approaches. These will entail effective targeting 'towards those in greatest
need'. 'At a time of fiscal restraint', the NHS said, governments must
determine 'how to assist lower income renters and home purchasers in cost
effective ways' (NHS Issues Paper 1:xiii, xv).

In this view, essentially what is required is selective (micro) economic reform.
In summarising its view of future policy challenges, the NHS argued that
governments, in association with industry and unions, must 'take advantage of opportunities that world economic growth presents'. Greater productivity should be sought, the NHS suggests, through investments in education and training and infrastructure, award restructuring, encouragement of exports, minimisation of 'burdens on industry' and effective financial sector management (NHS Issues Paper 1:xiii,87).

If Australia succeeds in catching up with 'world best' practice in terms of productivity, there should be no 'housing crisis' (in terms of significantly worsened housing affordability) between now and the year 2006. (NHS Issues Paper 1:xiii)

Burke and Hayward have suggested that expenditure on housing may be reduced in favour of a commitment to investment in industry which would produce exports or import replacements, and thereby reduce the current account deficit:

with the increasing need to concentrate resources in the trade exposed sectors of the economy, governments may well seek to find ways to redirect resources away from housing. As has already been the case in the 1980s, attempts may be made to both lower housing expectations and housing standards. (Burke and Hayward 1990:126)

The NHS has helped substantiate this speculation with formulations such as that housing 'is arguably an area from which investment capital may need to be redirected if high current account deficits are to be reduced' (NHS Issues Paper 1:17; see also xiii, 87). On a related tack, the NHS suggested that its own proposals for housing reform may significantly contribute to 'the micro-economic reform agenda and to building a stronger, more competitive Australian economy' (NHS Issues Paper 7:11).

Part of the overall discussion about housing policy and economic growth is the argument that, because of tax advantages, there is over investment in housing in Australia. Pender and Ross, for example, suggest in an EPAC publication that the concessional treatment of housing in the tax system distorts investment decisions. They reason that while taxation of imputed rent (market rental value) of dwellings 'would be a political and administrative nightmare' other
measures to redress the problem may be warranted. They list as alternatives; ‘requiring better returns from water and sewage authorities, broadening land taxes, introduction of capital gains taxation on principal residence and introduction of betterment taxes’ (Pender and Ross 1993:13,27).

It is important to recognise that the implication behind much of such discussion is that the domestic, dwelling based, environment is essentially one of consumption – or perhaps reproduction. Whilst the NHS, for example, allows that housing is an investment good, as well as a consumption good, it does so in rather limited terms. These appear to be confined to points about untaxed imputed rental income and capital gains (NHS Issues Paper 1:17). Otherwise, investment in housing seems to be projected as a drain on the real economy – and as an alternative to investment in economically productive activity. In this, there is a perception that investment in housing, crowds out investment in production. Amongst other things, this understanding tends to ignore the value of domestic, predominantly female, labour. The home is itself a site of production. The amount of wealth generated in the home may well be sensitive to the physical nature of the dwelling and its land. Little interest in this issue is evident in the current discourse.

It should be noted that in the recent housing and urban policy discourse, it has become commonplace to also attribute excessive investment in housing, and in inappropriate housing, to historically prevailing below-cost, publicly subsidised, prices for new housing developments (NHS Issues Paper 1:17). The currency of such formulations has provided a normative context for the state’s urban and housing policies.

Policy Directions
In view of the electoral sensitivity of the issue of housing affordability, and particularly projected costs of meeting future demand, a range of programmatic directions concerning housing and the shape of Australian cities has emerged.

A key mode of approach to housing supply focuses on financing and pricing, including the search for and development of alternative methods of housing finance. Acceptable ideas include, for example, facilitation of access to an individual’s superannuation savings to finance home deposits, tax advantaged housing bonds (to raise investment capital); reverse equity loan schemes (in
which equity in a home can be converted to income); mortgage insurance arrangements (to reduce vendor risk and allow lower interest charges); and encouragement of increased use of shared home purchase schemes (which facilitate fractional owner equity in a dwelling – with rent payable on the balance).

Another trend with currency is the call for revised residential land development pricing regimes. New serviced allotments should be priced so that they encourage more efficient use of resources. Claims on public expenditure, it is argued, can be contained by pricing services in new development areas so as to better reflect their true costs. This can be achieved through greater recovery of real costs of installation of roads, open space and services by public providers. Up-front levies by local governments on developers, who may then pass on costs to consumers, constitutes one popular device. Another is the levying of special rates directly on consumers. Alternatively, local governments may require developers to install amenities, such as recreation centres, themselves – as a condition of development approval.

At the core of policy reform is the concept of urban consolidation – referring to measures intended to lift residential density, by increasing the density of dwellings or of the population, or both. Governments, at least at the federal and state level, are in agreement that housing densities need to be raised. This is meant to diminish the overall costs of the land component of housing and infrastructure provision. Higher densities are also seen as a necessary condition for increased efficiency in access to infrastructure and services and reduction of the consequential negative environmental impacts of sprawl. Medium, high and mixed density housing are to be encouraged, and detached dwellings made more compact – on smaller lots, to conserve space. This approach has been adopted for both development at the urban fringe, as well as in established urban areas.

Population decline in older suburbs, state policies hold, should be reversed or arrested, through urban infill techniques such as encouragement of dual occupancy of existing detached dwelling sites (e.g. 'granny flats') and redevelopment of redundant industrial land. Residential use of inner cities should be encouraged, through recycling commercial buildings and new high density residential construction. Encouragement may be offered through
incentives, by relaxing rules to allow, for example, more floor area than otherwise permitted.

As an indicator of this trend in urban planning, state governments now have target densities of 14-15 dwellings per hectare on the metropolitan fringe. These contrast with 8-10 dwellings per hectare densities (Australia, Parliament 1992:84) to which some areas cling, especially it would appear the more affluent localities. They have also granted automatic dual occupancy entitlements to residents in established suburbs, and the states are trying to eradicate obstacles to more medium density, townhouse style, developments in both new and established suburbs.

The exemplar for many facets of the current approach to urban reform, including consolidation, is the Building Better Cities program announced in the 1991-92 federal budget. In this initiative, the Commonwealth is meant to provide $816 million to the states over five years to help finance specific urban renewal projects to model improved co-ordination, improved land use strategies, linkage of housing with infrastructure, services, employment, training and environmental enhancement.

One existing approach with consolidation objectives is the Greenstreet program, a joint Commonwealth/State enterprise which originated in the early 1980s. It is a limited scale trial and demonstration program officially aimed at making homes more affordable. Features are: use of smaller allotments; zero lot lining; reduced front, rear and side set-backs; house siting and orientation to optimise light, privacy and visual amenity; elimination of street footpaths; narrower streets without through traffic; overground stormwater run off and common trenching for utilities. The technical base for Green Street designs is the Australian Model Code for Residential Development - Urban (AMCORD - Urban).

Critics argue that savings from Greenstreet type approaches, especially as used by the private sector, have not been passed on to consumers; projects tend to be targeted for the middle and higher income groups, rather than for those most in need; and reduced engineering requirements, as in thinner road paving and less durable pipes, may result in higher maintenance costs and greater profits for developers. There have also been very strident criticisms of the efficacy of urban consolidation strategies as a whole (see review in Australia Parliament...
Some of these criticisms question the assumptions upon which the cost saving potential of urban consolidation programs are based. Others take up equity considerations, especially in respect of the questions of who benefits and who pays?

Relocatable Dwellings as Settlement Policy

The development of relocatable dwellings as permanent accommodation may be seen as part of overall government urban and housing policy, although it does not figure prominently in the Commonwealth discourse. Relocatable (also called manufactured, mobile, movable or transportable) homes and relocatable home estates offer features consistent with financially oriented and consolidation approaches, as well as other policy directions. The Commonwealth and New South Wales governments have, for example, recently published *Planning and Design Guidelines for Manufactured Home Estates* for use nationally. These guidelines (for developers, local councils, prospective residents, MHE operators, etc.) are in line with the Australian Model Code for Residential Development - Urban (Hassell Group 1993:i). The Commonwealth has also financed production of model guidelines for meeting needs of permanent residents of Caravan Parks and Manufactured Home Estates through physical planning and construction (Geggie and James 1992). Features of relocatable dwellings and MHEs consistent with broader government urban and housing policy include:

1. They are seen as more affordable than orthodox dwellings, thereby addressing government concern with affordability;

2. Factory located construction offers greater productivity potential for both labour and capital;

3. Factory and modular construction also offers potential for lifting the building and construction industry's export/tumover ratio, seen by government as low (Wilson 1993:2);

4. The smaller average size of the relocatable dwellings and their land economise on land use, as well as materials, issues which bear on both affordability and ecological sustainability;
5. The smaller average size of the dwellings better match diminishing household sizes;

6. The modular, add on, form of manufactured dwellings allows greater flexibility in meeting changing household needs, at least notionally;

7. Privatised supply of supporting infrastructure (such as access roads, 'pipes and wire') amenities, recreational infrastructure, and even policing, facilitate user pays financing;

8. When built on older caravan parks, existing 'holiday' infrastructure may be redirected to support longer term accommodation;

9. The history and form of manufactured housing lend themselves to centralised control of building approval, by-passing some variable and unwieldy local government building codes and approval processes which add to the cost of providing housing;

10. Through their typical location, manufactured home estates (MHEs) facilitate decentralisation, without costs to the state;

In addition, manufactured homes and manufactured home estates embody features which assist in their own legitimation. For example, despite their economical size, they emulate traditional detached dwellings on their own blocks of land. The notional ideal of medium density living can be achieved within the ambit of single detached dwellings. A complementary positive ideological feature is to be found in the idyllic image fostered by the industry. This is of freedom and a relaxed, informal, healthy and uplifting alternative, lifestyle. The very names of estates, using terms like, haven, refuge, retreat, sanctuary, garden village, leisure park, Mecca and Valhalla proliferating, exemplify this ideology.

**Nature of Relocatable Dwellings**

Permanent, so called relocatable, dwellings span from once roadworthy caravans or buses with metal, canvas or vinyl annexes to new factory made houses. The latter range, at one extreme, from say the (44 square metre) *Melrose*, with a bedroom and lounge /kitchen, selling for $47,000, plus transport, assembly and installation. Towards the other end of the
manufactured home spectrum we can find the (80 square metre) *Fairweather* with 3 bedrooms, including an en suite, lounge room, dining room and breakfast nook. It will be decorated in heritage colours, and cost around $80,000, plus transport, assembly and installation.

Sites vary just as much. Residents may reside in a prim manufactured home estate called *Strathview Garden Village*, with a nicely located and landscaped site, accessible to transport, providing appropriate and well maintained amenities, including a community centre and pool, and a personable, if despotic, management. A large proportion of the residents will be retirees, owning the dwelling and paying up to $100 a week site rent. Then they may reside in the caravan park called *The Stockade* situated on a barren, ungrassed and unpaved paddock, with inadequate and grubby amenities. It is remote from everything, but an overpriced and understocked store, and operated by tyrannical and intrusive management. A large proportion of the residents will be long term unemployed people with children, renting dwelling and site for maybe $75 a week. Most sites are between these extremes.

**Prices**

Purchase and installation of a transportable dwelling may cost between $50,000 and $100,000, plus $50 to $100 a week for site rent and use of amenities – comparable perhaps with 2 bedroom apartments. A report prepared for the NHS suggests that the cost of renting or buying a unit in a caravan park may be significantly less than that for comparable housing options of renting or buying a dwelling. On a short term basis, rental of a site for a fully owned van is said to provide savings of 59 to 70 per cent over the purchase of a home unit, and 35 to 55 per cent over rental of a home unit. However, where there is long term asset appreciation in traditional dwellings, the cost advantage of caravan living rapidly evaporates (Richards 1991:48-9). And, when factors such as cost per square metre or the higher price of loans are considered, the cost advantage may hardly have existed in the first instance.

Heilpern's view is that, for renting, cost comparisons are not all that marked. She suggests that caravan park rentals are maintained a little below conventional housing (Heilpern 1988:59). Still, 84 per cent of families in Heilpern's sample of 4,032 permanent caravan park residents, chose caravan
living because other accommodation was too expensive – only six per cent lived in parks solely by choice (Heilpern 1988:27)

Numbers
Census data do not distinguish all types of relocatable dwellings from other accommodation. The 1991 national census recorded 192,900 persons living in 103,100 caravans and houseboats in Australia (ABS 1993a). Caravans provided long term accommodation for 1.3 per cent of families, and 3.5 per cent of sole-parent families (Cass 1991:59). Despite doubtful legality of long term residency, a third of the occupants of caravans in parks had been there 5 years previously (Richards 1991:5). It is highly likely that, because of the illegality of much long term caravan residency, official statistics significantly understate the situation.

Long-term residency of such dwellings is increasing. Some official data indicate that between 1981 and 1985 it grew by 53 per cent. From 1986 to 1989 the number of long-term sites occupied by long-term residents rose by 52 per cent (NHS Issues Paper 6:58). There is, however, considerable variation between states, ‘with Queensland housing more than twice the national average as permanent caravan park residents’ (NHS Issues Paper 6:58). In New South Wales the number of notified long term sites in caravan parks grew by 5.5 per cent a year between 1989 and 1992. There were 222 registered caravan parks predominantly or totally made up of long term sites (Department of Local Government and Co-operatives 1992a:5).

A consultant’s report to the New South Wales government predicts that, in the longer term, 75 per cent of MHE sites will be sold under community title (Department of Local Government and Co-operatives 1992a: Appendix 1), thus enabling individual site ownership.

Over the last few years many states have reviewed their legislation and regulations on caravan parks and moveable dwellings (Richards 1991 Appendix 2). Subsequent changes fit within the overall trend of micro economic reforms in urban planning and housing policy in Australia.

Developments in New South Wales
The first step in restructuring the conditions for relocatable housing was taken in 1986 with the introduction of Ordinance 71 (Caravan Parks and Movable
Dwellings). This instrument and its accompanying innovations (*State Environmental Planning Policy 21 – Movable Dwellings, and Department of Planning Circular 108 – Guidelines for the Location of Caravan Parks Accommodating Long Term Residents*), brought legal recognition and official state support for permanent residency in caravan parks. Very little effort was made to police or enforce the new provisions.

Subsequently, the government moved to provide for a sharper distinction between more traditional caravan parks and residential estates dedicated to manufactured homes. In 1992 a replacement *State Environmental Planning Policy 21* was introduced, for caravan parks only. At the same time the *Local Government Act* and *Ordinance 71* were amended to allow leases of up to 20 years, instead of 5 years. Complementary changes were made to the *Residential Tenancies Act*, and a Mandatory Code of Practice was to provide only slightly more protection for long term residents of caravan parks and manufactured homes on leased land.

In 1993 the New South Wales government introduced an ordinance it had developed in conjunction with the industry, to provide specific standards, procedures and requirements for the licensing of manufactured home estates. The new Ordinance was glibly said to 'enable affordable new lifestyle opportunities through the construction of sophisticated home estates' (Department of Local Government1993:3). Key provisions of the *Manufactured Home Estate Ordinance* are:

- provision for minimum lot size of 130 square metres (compared to about 1000 square metres for the 'quarter acre block');

- provision for subdivision under the *Community Land Development Act 1989* (The so-called community titles legislation);

- provision for up to 10 per cent of the estate site area to be devoted to community facilities;

- provision for certification of the standard of manufactured homes, by-passing local government building codes. (see Department of Local Government and Co-operatives 1992b:5)
Most significantly, the 1993 regulatory provisions allow for individual tenure on MHEs, by way of site leases for up to 20 years, or ownership of both site (through community title subdivision) and home, as in standard residential estates.

New South Wales community titles legislation includes the *Community Land Development Act 1989*. It is meant to stand alongside strata subdivision and conventional subdivisions, but adds provision for common property and facilities. It also adds provision for an association, made up of the owners, similar to the body corporate of the strata titles legislation. The community titles legislation is, however, more flexible – allowing for mixed uses, multi-tiered management (community, precinct and neighbourhood associations), staged development and themed development. Voting rights in the association and maintenance levies are in proportion to privately owned site values (see Land Titles Office 1992).

All these changes amount to the facilitation of much smaller homes and residential blocks than had been feasible in the recent social and political environment.

The relative size of relocatable dwelling lots can be seen from the following comparisons. Sydney's first building blocks were meant by the Colonial Office to be 836 square metres (60 feet x 150 feet) per dwelling (Daines and Harris 1984:108). Literally, the so called traditional 'quarter acre block' is about 1,000 square metres, but in practice perhaps twenty per cent less. A modern developer working to urban consolidation principles may provide 'conventional' lots at 600 square metres, 'courtyard' lots at 450 square metres and 'villa' lots at 350 square metres. Under the Manufactured Home Estates Ordinance (cl.19) of the New South Wales *Local Government Act* the minimum area for the site of a relocatable dwelling is 130 square metres. Under Ordinance 71 (cl.22) the minimum area for the site of a caravan for long term habitation is 80 square metres.

The government has defined manufactured homes as 'self-contained dwellings which are manufactured off-site in major sections and transported to a site for installation' (Department of Planning 1992:1). It saw MHEs as 'a medium density communal type of development which includes some form of community facilities and services in addition to the normal residential services
of water, electricity, sewerage and drainage' (Department of Planning 1992:2). In Planning and Design Guidelines for MHEs, manufactured homes are reported as being 'very similar to conventional homes except that they are built in a factory' (Hassell Group 1993:1).

These definitions centre on method of production, rather than nature of the product itself. However, relocatable homes are treated differently in various respects. Acceptability of building designs is determined by state governments, rather than at the local level. Similarly, minimum lot sizes, lower than for other detached dwellings, are determined by state government. For such reasons, the Royal Australian Institute of Architects (1992:2) has commented that manufactured homes, as conceived in New South Wales, constitute a separate class of housing.

In the late 1970s a New South Wales Parliamentary Joint Committee on Parks for Mobile Homes and Caravans firmly opposed permanent residency in such parks, 'for reasons of public health and public safety' and because they represent 'a serious departure from long-accepted community standards' (Mueller and Collie 1980: 23, 72). It is obviously difficult to reconcile this, unexplained, formulation with the no less glib reason that the Department of Local Government offered in 1993 for the state's effective, but unacknowledged, about-face. Introduction of the MHE ordinance was, the Department said, to 'enable affordable new lifestyle opportunities through the construction of sophisticated home estates' (Department of Local Government 1993:3).

Another Department (Planning) offered a somewhat fuller, but still inadequate, account in explaining that manufactured homes evolved from tourist accommodation and, later, long term accommodation in caravan parks. Their emergence was attributed, first, to supply – 'an expanding manufactured housing industry producing bigger and more sophisticated dwellings' and second, to public demand. Manufactured homes grew because of 'an increasing demand for this development for economic and lifestyle reasons. People are seeking affordable housing and are attracted to the community environment that manufactured home estates provide' (Department of Planning 1992:1). The Department of Planning went on to acknowledge the government's role in the rise in popularity of manufactured homes:
The State Government recognises that MHEs provide a housing alternative to conventional residential development. It sees MHEs' contribution in terms of increasing housing choice and availability of affordable accommodation. It therefore wants to encourage and facilitate their development. (Department of Planning 1992:2)

Such explanations are less than frank. They ignore the plain fact that governments are as anxious to find means for deflecting infrastructural costs away from themselves, as solving home affordability problems for consumers. The official explanations also ignore the motives of the caravan park and manufactured housing industry.

A New South Wales government consultant's Regulatory Impact Statement (Department of Local Government 1992:7) for the new ordinance, and amendment to the enabling local government legislation, managed to be more candid, especially in regard to commercial ramifications. Listed as effects of the Manufactured Home Estates Ordinance were: stimulating investment in this form of housing; attracting capital for manufactured home development; increasing production of manufactured homes; facilitating private gain from site ownership; and lowering the cost of borrowing by consumers (by introducing land title so that banks might provide housing loans – at least on land content – instead of personal overdrafts).

A more complete account of the reasons for the legalisation and state support for development of MHEs has to recognise the following factors:

1. The sense of regularising the historical practice of illegal permanent habitation of caravan parks, which was probably increasing. It was difficult for the state to supervise long term caravan living if it was officially illegal.

2. Housing affordability for the poor had reached a low ebb in the mid to late eighties and demand for alternative and cheaper forms of housing grew.
3. Governments have sought low cost means for extending the range of dwelling stock – in order to meet growing electoral pressures to deal with the housing affordability problem suffered by lower income groups.

4. Governments have been increasingly reluctant to provide public housing commensurate with demand.

5. An ageing population with increasing numbers of retirees seeking retirement style accommodation, especially in coastal locales with amenities.

6. Governments have sought ways to promote private sector responsibility for new housing provision – a trend evident internationally (Harloe 1993).

7. Sections of the housing industry have acquired a better appreciation of profits to be made through manufacturing relocatable dwellings and developing MHEs. Cities, from their beginning, have offered a terrain on which opportunities for concentrating surplus wealth might be found (Childe 1950).

8. Governments have also sought to respond to pressures from the housing industry to allow and support alternative housing forms which are profitable.

9. Cognate reforms and innovations in planning and housing provisions made over the last decade or more have paved the way. These included policies on dual occupancy of existing residential properties and multiple occupancy of farms ('hamlet development'), various forms of support for medium and higher density housing, as well as the New South Wales community titles legislation of 1989.

10. There has been, moreover, a micro economic climate which has lent itself to organisational and procedural reform. Financial and industrial practices have been restructured and deregulated, and standards have been rationalised and, frequently, relaxed.
11. Most importantly, perhaps, governments have been under intense pressure to contain, if not reduce or defray, the (increasing) costs of providing urban infrastructure. Some of this pressure has been self induced. As a result they have introduced a range of measures thought to facilitate more economical provision of infrastructure (such as Greenstreet and AMCORD). Governments have also made greater use of means for privatising costs or services themselves (e.g. developer levies and private estates).

12. Economic orthodoxy has supported deflection of capital away from investment in, effectively, low income housing.

Social Conditions and Manufactured Home Estates
Limited information is available about the social impact and relevance of MHEs. Collection of most relevant data on MHEs has been carried out by, or on behalf of, bodies with a commitment to promoting MHEs. Further, since MHEs are undergoing rapid growth and change, many issues and problems are still to become clear. For example, there are as yet no MHEs on sites owned by their occupants in New South Wales.

There is, however, enough evaluative data to give rise to serious concerns about the future of the MHE form of development. These concerns tend not to appear in the official discourse, especially that disseminated by the state government. Disquiet about social control is one such concern.

Matters of importance include the degree of control or interference with personal freedoms found in many (long term) caravan parks and MHEs. This extends to the obstruction of efforts to organise a collective voice for residents. Managers are able to select who should and should not be residents and have greater access to strategic information than orthodox landlords and estate agents. They are generally resident and frequently occupy vantage points judiciously located at the place of access to the estate. They oversee, and sometimes control with a boom gate, comings and goings. Visitors of all descriptions may have to obtain authorised entry, and visitors fees are commonplace – even for family. Mail is often received centrally and personally distributed by management. Phone use may even be overseen and
rationed, as well as run for excessive profit. Intervention in the personal affairs of residents, occasionally to the point of harassment, appears commonplace.

A sunny piece in an industry magazine, *Australian Relocatable Homes* (November 1992:49) nicely illustrates the point about control:

> During two visits to the park, I had the feeling that this was Neighbourhood Watch at its ultimate. And without being organised...

> As seems to be the norm in most residential parks, pets are frowned upon at *Virginia*. The only exceptions are those in a cage, or an aquarium. While the park is not designed primarily for children, grandchildren are most welcome, during holidays or weekends...

In her report *Going Nowhere*, Heilpern (1988:21) provides a vignette about May and Eric who live in a central coast park they call 'stalag'. Some fellow residents are paid caretakers and cleaners and are designated 'security' by the management. These personnel wear uniforms and police the estate, handing out fines for parking infringements or illegal use of clothes airing racks, and yelling at residents who set tables outside for a meal.

The ultimate sanction in caravan parks and MHEs in New South Wales is the right of management to summarily evict residents, long leases notwithstanding. This prerogative is the more draconian where residents own their dwelling and are, therefore, faced with the very considerable financial penalties of relocation or sale under pressure.

The capacity of private sector managers for control of the lives of working class people who have been induced by circumstances to live on MHEs is obvious. A range of other problematic futures are also evident.

1. The distributive effect of the private provision of infrastructure tends not to be measured. Rents and levies which support estate amenities become a substitute for state collected taxes used for financing infrastructure. In the case of MHEs, the charges fall only on the residents and are, thus, highly regressive. Capacity to
pay elements of more traditional methods of financing urban infrastructure, are by-passed.

2. MHEs occupied by low income groups are prone to entail reduced living standards and loss of amenity, compared with orthodox residential communities. Very compact lightweight dwellings laid out on a grid plan are likely to compromise privacy. Yards with dimensions of 3 by 3 metres, or less, do not allow much scope for gardening or games.

In token recognition of such problems, the federal and New South Wales governments provide small amounts of funds for caravan park workers in regions like the Hunter, Illawarra and western Sydney to provide services such as support of craft, play and social groups, as well as parenting skills. These services are somewhat loosely styled as community development but, because their operation is contingent on the approval of park managements, they have mainly integrative functions.

3. Small houses and yards may also bring a loss of domestic productive opportunities. Consumption goods and pleasures are generated in the more traditional Australian domestic environments. In 1988, more than ninety per cent of homes owned or being purchased were single detached dwellings (ABS 1992:314) and approximately 85 per cent of Australians buy a home at some stage in their lives (NHS Issues Paper 1:9). Small blocks also limit scope for alternative approaches to water, waste, and sewerage management, which may well become more environmentally critical in the future.

4. The spread of MHEs is likely to magnify social and economic segmentation of urban areas. The concentration of poorer people, especially those who rent and may be more transient, and handicapped in exercising influence, may effectively lead to reduced environmental amenity. The absence of an articulate and demanding middle class may make it easier for governments to neglect services and for the corporate sector to provide inferior services.
5. A move away from more traditional forms of owner occupied housing is likely to result in loss of chances for the (tax free) capital gains that have been enjoyed by some home owners. MHEs made up of low income groups on the outlying fringe and hinterlands of cities are relatively unlikely to undergo significant, if any, increases in value. Cheap forms of construction are likely to depreciate in value. The unpredictable need to relocate a dwelling from a rented site will certainly restrict its resale value. An effective form of income previously available to many working class Australians, partly through sweat equity in the home, will be diminished.

6. To date, relocatable home purchasers have not been eligible for home loans. They have had to rely on much more expensive personal loans or hire purchase. The advent of the possibility of title to land may affect this situation, but this is not as yet clear. Advent of cheaper loans may well result in higher purchase prices.

7. Pensioner residents of caravan parks and relocatable home estates do not receive rate discounts or deferred rate benefits from local governments.

Conclusion
Recent efforts by governments to support the growth of relocatable dwellings have coincided with a period of diminished housing affordability for low income groups. At least as significantly, they also coincide with a strengthening interest of government in finding means for privatising responsibilities for the installation and maintenance of urban infrastructure and reducing demands on public housing. At the same time, and within a general deregulatory environment, governments have sought to reduce perceived legal, political and social barriers in the way of more flexible forms of housing. The latter quest has facilitated development of smaller residential blocks and cheaper housing, including relocatable dwellings for lower income groups. Such claims as those about providing more choice and generating freer lifestyles are simplistic, if not mischievous. They have tended to obfuscate negative social and economic consequences of the rise of relocatable dwellings. The latter may entail lower housing standards and aspirations,
privatised responsibility for community amenities, reduced civic rights and freedoms, and fewer opportunities to accumulate wealth through housing.

The advent and rise of legal long term residence in caravan parks and relocatable housing estates represents a new form of compressed living – using considerably less resources than conventional dwellings with similar population densities. Relocatable dwellings appear to be particularly adapted for occupation by lower income groups and, in their more up-market variation, by retirees. The diminished size of housing in this form stands in some distinction to the growing average size of new dwellings. This contrast constitutes further evidence of an increasingly socio-economically polarised nation. Broader trends towards greater variations in the distribution of income and wealth in Australia may be matched by greater distinctions in types of basic housing stock used by rich and poor people.
References


Australian Bureau of Statistics 1993a Australia in Profile, ABS Canberra.


Burke T. and Hayward, D. 1990 Housing Melburnians for the next twenty years: problems, prospects and possibilities, Urban Policy and Research, 8(3), September 122-51.


Childe, V. G. 1950 The urban revolution, Town Planning Review, 21(1), April, 3-17.

Daines, D. R. and Harris, S. 1984 Planning in New South Wales to 1980, in Stephen Harris (ed.) Town Planning Background Notes, School of Town Planning, University of New South Wales, Kensington, p.107-122.

Department of Local Government 1993 Perspectives, 1, Feb/Mar, p.3).


Hassell Group 1993 *Planning and Design Guidelines for MHEs*, New South Wales Department of Planning and the Commonwealth Department of Health, Housing and Community Services, Sydney.

Heilpern, S. 1988 *Going Nowhere – A Report on Permanent Caravan Park and Mobile Home Residents on the Central Coast of New South Wales* [for the Central Coast Tenant's Advice and Housing Referral Service Inc.]


National Housing Strategy 1991 *Australian Housing: The Demographic, Economic and Social Environment*, Issues Paper 1, Canberra, AGPS.


Richards, P. 1991 *Long-Term Caravan Park Residency* [Draft], Department of Health, Housing and Community Services, Canberra.

Royal Australian Institute of Architects 1992 *Comments on Department of Planning Initiatives for Manufactured Home Estates*, Housing Committee, New South Wales Chapter, Sydney.


No 23. Greig, Alastair W., *Retailing is More Than Shopkeeping: Manufacturing Interlinkages and Technological Change in the Australian Clothing Industry*, August 1990 [out of print] [since published as ‘Technological change and innovation in the clothing industry: the role of retailing’, *Labour and Industry* 3 (2 & 3) June/October 1990].


No 30. Peel, Mark, Planning the Good City in Australia: Elizabeth as a New Town, February 1992 [out of print].


No 40. Randolph, Bill, A Review of Community Housing in Australia, November 1993

No 41. Mowbray, Martin, Transforming the Great Australian Dream: The Quarter vs The 30th of an Acre Block, February 1994

**URU Monographs**
