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EXECUTIVE SUMMARY

FINAL REPORT NO. 377

Understanding the lived experience and benefits of regional cities

From the AHURI Inquiry: Inquiry into population growth in Australia's smaller cities

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Publication Date May 2022

DOI 10.18408/ahuri7126301



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ISBN

978-1-922498-44-1

Key words

Urban planning, regional cities, population settlement, urban amenity.

Series

AHURI Final Report

Number

377

ISSN

1834-7223

Publisher

Australian Housing and Urban Research Institute Limited
Melbourne, Australia

DOI

10.18408/ahuri7126301

Format

PDF, online only

URL

<https://www.ahuri.edu.au/research/final-reports/377>
(full report)

Recommended citation

Crommelin, L., Denham, T., Troy, L., Harrison, J., Gilbert, H., Dühr, S. and Pinnegar, S. (2022) *Understanding the lived experience and benefits of regional cities*, AHURI Final Report No. 377, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/377>, doi: 10.18408/ahuri7126301.

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Acknowledgements

This material was produced with funding from the Australian Government and state and territory governments. AHURI Limited gratefully acknowledges the financial and other support it has received from these governments, without which this work would not have been possible.

AHURI Limited also gratefully acknowledges the contributions, both financial and in-kind, of its university research partners who have helped make the completion of this material possible.

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Executive summary

Key points

- This study investigates the lived experience of regional city residents to: understand how the benefits and disadvantages of regional city life are perceived; and explore attitudes towards population growth.
- The study involved interviewing residents and policy stakeholders in five regional cities across Australia: Albury-Wodonga (Vic/NSW), Cairns (Qld), Mildura (Vic), Whyalla (SA) and Wollongong (NSW).
- The case studies reflect a broad range of different regional city circumstances and issues, including remoteness, industrial strengths, population trends, size and environmental vulnerabilities.
- Key benefits of regional city living were housing types and affordability, community connections, access to nature, and the ease of travel within the city, particularly work commutes.
- Reduced employment and career development options were seen as a downside of relocating to regional cities, particularly for private sector workers. In some sectors, the lower incomes available in regional cities also reduced the economic benefits of lower housing costs.
- Other disadvantages of regional living included lack of access to specialised services (particularly health services) and major city events, as well as concerns about limited public transport.
- Many regional residents questioned whether population growth would benefit them, as it was likely to affect the amenity and lifestyle-based benefits they valued. By contrast, policy stakeholders were more optimistic about growth, seeing it as opening up new opportunities.

- **Many residents (and some policy stakeholders) perceived that policies relating to regional areas were made by metropolitan decision-makers, and were not always informed by sufficient local knowledge.**
- **The findings highlight the need for regional population growth to be designed to benefit regional cities and their residents, as opposed to being perceived as something that happens to regional cities, to which they can merely react.**
- **Regional population growth needs to be supported by long-term strategic planning that addresses specific and place-based development goals for regional cities. This will help to ensure that any growth is of benefit to regional communities, and can reflect the wide variations and diversity in regional conditions.**

Key findings

This research into the lived experience of regional city residents raises questions about the implications of population growth for Australia's regions. The five case studies provide insights into why people choose to live in regional cities, their views on what population growth may mean for them, and whether this growth may impact their preference for regional city living. Cheaper housing, access to nature and open spaces, friendly communities and the comparative ease of local travel were all seen as key positives of living in regional cities, including by metropolitan migrants.

While some shared experiences and concerns emerged from the five cases, there was also variation across the cities, providing further evidence of the different circumstances across regional Australia. For example, Whyalla residents see population growth as vital for the city's ongoing viability given a declining population. In contrast, ongoing growth was often questioned by residents of Cairns, Mildura and Albury-Wodonga due to concerns about diminishing amenity and additional demands on existing services. Wollongong respondents were conscious of the city's growing integration with Sydney, with concerns focused on housing affordability and whether continued growth was sustainable. These variations offer support for arguments in favour of place-based policies for regional city growth that are able to respond to specific local circumstances and development goals.

Three main themes were shared across the case studies. First, regional residents were concerned about growth diminishing the lifestyle appeal of their cities. Even in Whyalla, where residents saw population growth as important to the city's ongoing viability, residents suggested that there was a limit to how much growth the city could handle before it would diminish amenity. Participants used phrases such as 'village feel' and 'small town' to encapsulate the lifestyle they value and why they are reticent about growth. This sense of disquiet indicates that regional growth policies need to show how population growth will benefit regional communities, rather than be something that just happens to them.

Second, the concern regarding population growth was evident in participant views on essential services. Many participants were frustrated with existing levels of service provision and raised concerns about the likelihood of increasing demands on health and education as a result of population growth. This indicates that residents see governments as unlikely to provide the additional investment needed to manage growth effectively. Recurring examples included reports of an undersupply of general practitioners across regional Australia, and limited access to specialised services in both health and education. The latter was a particularly pronounced issue in remote locations due to the time and costs of travel to major cities, where these services predominate.

Third, affordable and spacious housing and house blocks were seen as an essential element of regional city living, and are of considerable appeal to residents arriving from the larger cities, particularly young families. The availability of this traditional housing offer in regional cities was seen as a crucial part of maintaining the appeal of regional living for some participants. However, the difference between metropolitan and regional housing costs was felt to have lessened as a result of regional population growth during COVID-19. Participants also noted that while regional housing markets are often more affordable, it is not always possible to maintain income levels when moving from a major metropolitan area to a regional city. Some participants who had relocated from metropolitan areas found they had to adjust their expectations of work and career when faced with regional labour markets. While some regional stakeholders related how they had built a successful career in local government or the health sector in regional cities, others referred to adjusting expectations, 'parking their ego' and also to planning a return to metropolitan areas in response to employment and career opportunities. This made assessments of the greater affordability benefits of regional living versus metropolitan living more complex than they might initially appear.

These key findings from the research indicate challenges for policy makers responsible for regional population growth policies. For pro-growth policies to be well-received in regional areas, it is essential that they are perceived as beneficial by local residents. There is already a perception amongst regional communities that growth will diminish key aspects of their lived experience: the small town feel and community connections. The research also indicates that a primary focus for growth policy should be on improving regional labour markets, which would then attract population. This extends further than providing more jobs, and includes the need to consider how long-term career aspirations can be fulfilled in non-metropolitan Australia. More broadly, the findings indicate that policy making needs to be approached from a regional perspective, with the goal of making regional Australia an attractive place to live and work, rather than approached as a solution to metropolitan population pressures.

Policy development options

As stated above, a key insight from the research is the importance of making clear what the benefits of population growth are for regional cities and communities. Translated into policy recommendations, this means it is important to clearly define what problems are being addressed by regional population growth. The difference between current metropolitan and regional city populations means there is limited capacity for regional population redistribution to significantly minimise metropolitan population pressures, at least in the short- to medium-term. The focus, therefore, should be on how population growth may address regional issues.

A second key policy recommendation is to adopt long-term strategic planning for regional Australia, including consideration of the economic and social roles that regional cities play in the national settlement system. Planning for regional growth will ensure that benefits from additional population (e.g. better services and stronger economies) can be realised, while minimising the diseconomies of scale and the impact on the 'village feel' of regional cities. Demonstrated long-term commitments to goal-oriented plans may also address the reticence of regional residents towards population growth, by making clear the benefits and providing assurance that they will be realised.

The variations between regional cities affirms previous recommendations for place-based policies for regional city growth and development. While five case studies cannot be representative of all regional cities in Australia, the evidence from the places included in this research underscores the importance of policies responding to individual circumstances and goals. This extends the focus on regional problem solving discussed above, as it suggests that these problems are location specific, not generic to all regional areas.

The lived experience of regional residents also provides insights for policy that may serve to attract migrants from major cities in Australia. A key motivator for regional relocation is an existing connection to the regional city, including family, friends and previous tourism-based experiences in the area. As noted above, the major concern reported was employment, with the quality of jobs and prospects for career development seen as a shortcoming of regional cities. This was particularly the case for people who had relocated from major cities and worked in the private sector. The lower wages on offer were also seen to diminish the advantage of cheaper housing in regional cities. Other disadvantages metropolitan migrants encountered were reduced access to entertainment and sporting

events, and the challenges some new residents encountered establishing friendships, networks and connections in regional cities. This indicates that regional attraction policy needs to be seen as a comparison between the migration destination and origin cities. Policy should also target people whose stage-of-life most closely aligns with the attractions of larger housing, community activities and easier commutes, such as young families.

The research also indicates a limited capacity for smaller cities to substantially affect population-related issues in Australia, even as the COVID-19 pandemic has stalled international migration and thus national population growth. Issues associated with population growth have been felt most acutely in the capital cities, particularly Sydney, Melbourne and Brisbane. The significant difference in the population of those cities in comparison to smaller regional cities underscores the limited effect regional relocations may have. Based on the evidence from Wollongong, population growth in locations close to metropolitan centres seems to be transferring metropolitan growth issues to regional cities, increasing housing costs and congestion in particular. Therefore, population settlement policies need to tackle these issues, while also benefitting the parts of regional Australia where population is stagnant or in decline, such as Whyalla. For the national settlement structure, an underlying issue indicated by this research is that the gap between Australia's major cities and smaller cities means that there are few 'middle ground' options available, which could provide both diverse career opportunities and the lifestyle and housing benefits of regional areas.

The study

Inquiry

This research is part of a wider AHURI *Inquiry into population growth in Australia's smaller cities*.

The Inquiry responds to two overarching research questions:

1. What is the capacity of Australia's smaller cities to assist in managing national population growth, including international and national migration?
2. Which policy instruments and programs are most likely able to redirect population movements to these locations?

This study

In order to help address these two Inquiry questions, this project was designed to inform future policies supporting sustainable long-term regional growth by: identifying key factors shaping the lived experience of residents in regional cities; and determining how these experiences contribute to resident attraction and retention.

The task of achieving sustainable growth in regional cities as part of a broader population settlement strategy involves multiple interconnected challenges for policy makers. Understanding the on-the-ground complexities of these interconnected challenges, and how they play out differently in different regional areas, is an essential part of developing effective and targeted population settlement strategies. This project is designed to inform this policy making process by examining the perspectives of both residents and stakeholders across a diverse mix of regional cities. It looks at both the key drivers of migration decisions – employment, housing and amenity – and the factors that shape decisions whether or not to stay in smaller cities, including local services and social connectedness. In addition, it considers how regional residents feel about the prospect of regional growth.

To achieve this, the project addresses two research questions:

1. What are the place-based experiences of residents in regional centres?
2. To what degree do residents of smaller cities benefit in terms of housing and employment outcomes, as well as incomes? How are these benefits perceived, and do they assist in retaining residents and employers?

Five case studies were selected across four states: Albury-Wodonga (NSW/Vic), Cairns (QLD), Mildura (Vic), Whyalla (SA), and Wollongong (NSW). These case studies were selected to reflect a broad range of defining features, including:

- size: from Whyalla with 21,501 residents to Wollongong with 261,896 (in 2016)
- economic drivers (including key regional industries): tourism (Cairns), resources/manufacturing (Whyalla), agriculture (Mildura), metropolitan satellite (Wollongong) and key anchor institutions (defence) (Albury-Wodonga)
- current growth dynamics, including cities that were both growing rapidly (Cairns, Wollongong) and shrinking (Whyalla).

In each case study city, a resident focus group was conducted, involving between 7–14 local residents, followed by longer one-on-one interviews with 2–3 selected focus group participants. In addition, in each city, 4–6 stakeholder interviews were conducted with a selection of representatives from local government, the social services sector, key industry groups, and community groups. In total, the project involved 43 focus group participants and 26 stakeholder interviews, conducted between November 2020 and May 2021.



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