Demographic Challenges in Non-metropolitan Western Australia: Community Development Strategies in a Neo-liberal Economic Environment *

Paper for consideration

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Demographic Challenges in Non-metropolitan Western Australia: Community Development Strategies in a Neo-liberal Economic Environment

Many communities throughout non-metropolitan Australia are experiencing change; changes in service delivery and infrastructure, changes in traditional industries and the industry mix, changes in the demographic and cultural mix of local residents and changes in local and political leadership. Some communities, particularly those in broadacre agricultural areas have experienced significant depopulation and struggle to remain viable, while others, particularly those on the coast, have experienced unprecedented population growth, creating pressure on the local economy, housing, infrastructure, long held traditions and social networks. It would appear that both types of communities often feel threatened and have grappled with change from a number of perspectives; some with more success than others.

In the proposed paper, I will seek to understand why some communities have coped with change better than others and identify the inhibitors and facilitators enabling the optimisation of change for sustainable regional development. Related to this, is the need for greater exploration of the new styles of community leadership and strategies for continued commitment to capacity building and the creation of social capital in non-metropolitan areas of Australia, particularly those experiencing change. The economic, social and environmental implications will be viewed as a set of issues that are indivisible from other policy pursuits.

It is proposed that two regions will be examined, one that has been threatened by depopulation, such as the Central Wheatbelt of Western Australia, and the other to be investigated will be one that has experienced significant coastal growth, such as the Capes region of South West, Western Australia. The coping mechanisms and the regional development strategies of each will be compared and contrasted. An anticipated outcome would be strategies that encourage greater collaboration between the policy makers, authorities and stakeholders, thereby enhancing the capabilities and capacities.

Background

Through out the twentieth century, the Australian population has grown (from 3.8 million at the beginning of the 20th century to 19.7 million in 2002) (Australian Bureau of Statistics 2003b). For much of that time, farming and primary industry production have been key industries in the white history of Australia and, it can be argued, were pivotal in shaping Australian nationhood. Until the mid-1950s, agriculture contributed 85 to 90 percent of the country's export earnings (Alston, 1995). This has now declined to about 30 per cent (Australian Bureau of Agriculture and Resource Economics 2001). Until the latter half of the twentieth century, agriculture had been dominant in macro and micro economies. In the last four decades, the changing relationships between the primary, secondary and the increasingly important tertiary sector, have been profound in Australia. In that time, Australia has integrated its production, realisation of profit and the circulation of financial capital into a rapidly increasing global market, driven by political and economic policies increasingly underpinned by economic rationalist principles. As a consequence, the nature of farming, farming communities and the people whose lives are inextricably tied to these places have been irrevocably changed.

Briefly, fundamental changes to the global economy began after the collapse of the Bretton Woods agreement in 1971 and the ensuing oil price shocks, which together were the catalyst for world recession and inflation. Australia was not immune to these outcomes; high inflation, low economic growth and rising unemployment (Marsden et al. 1993) battered the economy. The Australian agricultural sector was effected by rising input costs, rapidly changing consumer demands, slowing markets and increasing protectionist policies in North America and Europe. Until this time, Australian agriculture had been able to depend on traditional British markets and considerable domestic protectionist policies. From this time on, the decision was made by successive Australian governments to orient the domestic economy to global markets.

Reform, deregulation and liberalised financial policies facilitated Australia's greater engagement with the global economy and from this time, adoption of sophisticated technologies and the growth of the services sector accelerated. Globalisation of the

Australian economy has reinforced the effect of market changes causing continual development in technologies, products, markets and modes of distribution. The philosophies of neo-liberalism and free market mechanisms have guided the Australian Commonwealth and State governments since the late-1970s, with a central aim being the efficient allocation of resources, including government services and infrastructure. An important premise for economic efficiency is a competitive environment and economies of scale (Edwards 2002). This is a marked shift away from government priorities prior to this time, when there was a concern that all Australians, irrespective of where they lived, could expect equity of services and infrastructure. The key structural changes that have taken place are:

- The decline of the primary sector in terms of jobs and output;
- The decline of manufacturing in terms of jobs but growth in output;
- Growth in both jobs and output in the tertiary or services sector; and
- A diminished pubic service and rationalization of government services.

The outcomes of this were a drastic reduction in industry protection exposing Australian primary producers in particular, to volatile market forces in a highly competitive international environment. The majority of Australian agricultural commodity production is exported and therefore, returns are directly affected by international politics, social, environmental and economic activities. The Australian policy changes coincided with declining terms of trade, particularly for agricultural products the world over, at the same time that the costs of Australian imports were escalating (Edwards, 2002; Wiseman, 1998). This cost-price squeeze caused farmers to use their land more intensively to produce more, but prices have continued to drop and so too has real income dropped. Consequently, farm incomes have risen more slowly than wages and farm amalgamations have occurred in many broadacre farming areas in order to achieve economies of scale, thereby maintaining similar rates of return. The overall drop in farming profit margins has contributed to a movement of people away from the land that has continued in Australia since the early 1960s (Pollard 2001).

Despite media reports and popular culture, 'the bush' and rural Australia are not homogenous; in fact, there are considerable differences by State, Statistical Division, Sub-division and even Statistical Local Area (all of which are spatial categories in the

Australian Bureau of Statistics). There is increasing differentiation within rural regions regarding winners and losers in terms of economic advantage depending on access to full time work, skills, resources and the State capital cities. Similarly, the ability of rural communities to survive from a socio-cultural perspective is highly variable (Tonts 2000; Haslam McKenzie 2000). These differences have been exacerbated by international influences that, with the advent of broad globalisation, have intensified economic, socio-cultural and environmental changes in rural Australia.

The population trends explored in this paper are being experienced throughout select regions around Australia. While government has taken a generally 'hands off' approach regarding regional development, it does have a responsibility regarding the provision of public policy and the delivery of regional services. This paper will review the broad national demographic trends within the context of the Australian political system, focusing on particular regional examples from a Western Australian perspective. It will examine the notion of 'winners and losers' and explore the reasons why some communities are proving more resilient than others even though they may be in close proximity to each other and appear to have many physical and even industry similarities.   Examples from Western Australian will be discussed.

The Australian Political System: A Brief Overview

Australia is a federal state with seven different sovereign governments: the Commonwealth and six States. The Australian Constitution outlines the broad framework of the Australian system of government including the distribution of powers between the States and the Commonwealth. There are two levels of government, the Federal or Commonwealth and the State, both of which are independent but intersect in policy-making (Fenna 1998). Importantly, local government is not recognised in the Australian Constitution, and it is therefore an arm of the State. Consequently, local governments in Australia continue to derive their powers solely from State legislation and most of these powers are contained in a Local Government Act in each State.

Over the last sixty years, there has been a great increase in the powers of the Federal Government at the expense of State Governments, largely due to the financial power

of the former. The Commonwealth is a very influential player in regional development because it controls:

- The bulk of the public monies;

- Telecommunications policy and infrastructure which are vital for business growth;

- Australia's signatory to international environmental conventions ;

- Social security;

- Tertiary education provision;

- The national economy;

- International trading relations; and

- Transport networks and funding.

The States have residual responsibility for powers not specifically assigned to the Commonwealth under the Constitution, effectively covering such major policy areas as health, housing, education, land management and law and order within State boundaries. Over time, the State government role has progressively been that of service provider and environmental manager, change agent and mentor. More recently, (since the 1970s) responsibility has increasingly been pushed to the local level.

Local government is the form of government closest to the people and is an important link to the higher levels of government. "In an era where citizens feel remote and disenfranchised from the political process, and powerless in the face of rapid global change, the coalface of politics is local government" (Mackay 1999, p. 39) . However, it has limited resources, depending on the Commonwealth for the bulk of its operational funds with its only tax base coming from property rates. In many respects, local government has a difficult regional development role because its focus is directed at "specific local strengths, weaknesses, opportunities and threats and has to develop bespoke strategies reflecting local circumstance"(Sorensen 1998). The Commonwealth has dominance by virtue of its management of macro-economic events and control of the purse string, devolving grassroots action to local government which provides necessary but rarely sufficient support for a region's economic development (Sorensen, 2002). As it stands now, local government is too

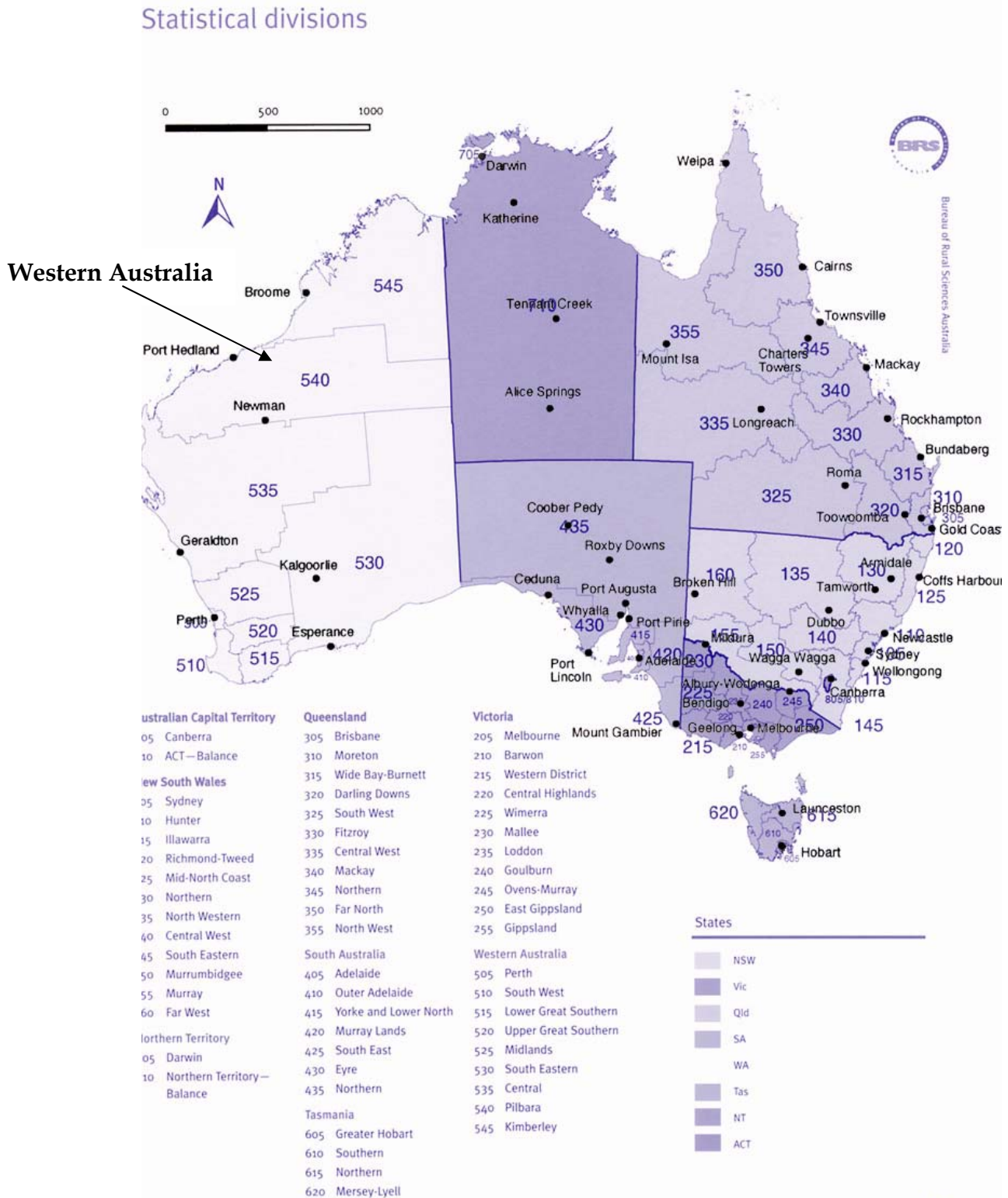under-resourced and too fragmented to provide real solutions to problems of uneven regional development.

In all Australian States and Territories there is a myriad of institutions and agencies working for the development of localities and regions. Currently, the responsibilities for regional development policy are spread across numerous departments and agencies from all tiers of government. The Constitution does not list regional development as an area where the Commonwealth has policy-making responsibility. Generally the States have primary responsibility although the delineation of regions and the provision of administrative arrangements for regional affairs are not covered directly under either the States' or Commonwealth's jurisdictional constitutions. Rather, the establishment and operation of regional organisations and the delineation of regional boundaries to cover specific governmental activities (for example, the delivery of services or the operation of a department or agency) lies wholly within the arrangements of a particular jurisdiction. Thus, we see regional delineation and operational arrangements for both Commonwealth and State bodies causing overlaps and gaps in service provision.

Globalisation, Western Australia and Regional Development

Western Australia is a vast State, comprising 2.5 million square kilometres. Western Australia produces 29 per cent of the nation's exports (Australian Bureau of Statistics 2004b). Spread over vast distances, the majority (73 per cent) of the State's population of 1.9 million people live in the capital city, Perth (see Figure 1). While many people live in the city, it is argued that most Western Australian's lifestyles and livelihoods are closely linked to the regional, or non-metropolitan Western Australian industry base with 83 per cent of the State's exports (Department of Local Government and Regional Development 2003) coming from the regions.

In the past, the Western Australian State government implemented policies that contributed to economic development, while also attempting to anticipate the social needs of the rural population. It provided and maintained public services and infrastructure, such as schools, hospitals, police stations, courthouses, libraries and roads, and a much more generous per capita basis than was the case for urban areas (Greble 1979).

Figure 1. Australia, detailing statistical divisions

Statistical divisions

Western Australia

ustralian Capital Territory	Queensland	Victoria	Western Australia
05 Canberra	305 Brisbane	205 Melbourne	505 Perth
10 ACT—Balance	310 Moreton	210 Barwon	510 South West
	315 Wide Bay-Burnett	215 Western District	515 Lower Great Southern
ew South Wales	320 Darling Downs	220 Central Highlands	520 Upper Great Southern
05 Sydney	325 South West	225 Wimerra	525 Midlands
10 Hunter	330 Fitzroy	230 Mallee	530 South Eastern
15 Illawarra	335 Central West	235 Loddon	535 Central
20 Richmond-Tweed	340 Mackay	240 Goulburn	540 Pilbara
25 Mid-North Coast	345 Northern	245 Ovens-Murray	545 Kimberley
30 Northern	350 Far North	250 East Gippsland	
35 North Western	355 North West	255 Gippsland	
40 Central West			
45 South Eastern	**South Australia**	**Tasmania**	
50 Murrumbidgee	405 Adelaide	605 Greater Hobart	
55 Murray	410 Outer Adelaide	610 Southern	
60 Far West	415 Yorke and Lower North	615 Northern	
	420 Murray Lands	620 Mersey-Lyell	
lorthern Territory	425 South East		
05 Darwin	430 Eyre		
10 Northern Territory— Balance	435 Northern		

States

NSW
Vic
Qld
SA
WA
Tas
NT
ACT

This map has been reproduced with the permission of the Bureau of Rural Sciences (2000).

This resulted in the establishment of an intricate web of cross-subsidised public services and infrastructure in the State's agricultural areas. However, with the advent of a greater engagement with globalization within an economic rationalist policy framework, economic policy became a prime focus, pressuring governments to reduce their social expenditure. It became increasingly difficult for State and Commonwealth governments to justify current levels of service provision, despite those communities contributing a significant proportion of the nation's wealth through large scale commodity production. As a result there have been significant social, environmental, economic and cultural changes in non-metropolitan Western Australia and many people have gone from the region. These changes are threatening sustainability in many rural and regional communities as the sense of wellbeing in many of the communities experiencing these changes has been compromising, subsequently impacting on the standard of living and residents' sense of community. The continuing social and economic restructuring is placing enormous stress on individuals, families, relationships, social and community organizations (Kenyon & Black 2001; Lockie & Bourke 2001).

## Demographic Changes 1901 – 2001

Despite popular culture, Australia has always been highly urbanised. In 1933, more than one in three Australians lived in rural areas but by 1976, the proportion had fall to one in seven (Gray & Lawrence 2001) and since then, the move to metropolitan areas has accelerated. Salt (2001; 1992) has documented population change over two decades and has found that while people of all ages were leaving mostly inland non-metropolitan areas, young people were notably over-represented, leaving rapidly ageing populations.

While it is clear that there has been non-metropolitan population decline, it is important to note that the changes are occurring in a spatially uneven manner (see Figure 2). The Australian population continues to grow steadily (approximately 1.1 per cent annually) (Australian Bureau of Statistics 2003b) and cities are the most populous with 64 per cent of Australians residing in one of the seven capital cities although regional centres are gaining population, often from their own regions (Salt 2001; Gray & Lawrence 2001; Salt 1992). Smaller settlements and those areas which are predominantly dedicated to broadacre agricultural production are those areas

most prone to depopulation. According to the Australian Bureau of Statistics (ABS), the number of farming families declined by 22 per cent nationally (Australian Bureau of Statistics 2003a) which equates to 31,800 people. Single industry cities such as Whyalla in South Australia, Mt Isa in Queensland and Broken Hill in New South Wales (all of which are towns dedicated to servicing the mining industry), are also vulnerable and have battled against industry and population diminution.

While many hinterland locations have struggled to maintain a viable population base and therefore services, other non-metropolitan locations, mostly in coastal locations have struggled to keep up with population growth. Since the 1970s, there has been a rural-urban turnaround, a phenomena referred to as counterurbanisation (Burnley & Murphy 2004; Mitchell 2004; Hugo 1996), in select parts of Australia and those areas are most commonly coastal and to a lesser degree, select communities within 100 kilometers of the coast (Tonts 2000). As shown in Figure 1, the trend is patchy and tends to be focused on "the metropolitan fringe and coastal areas with environmental amenity, [which] are attracting the great bulk of population increase and redistribution" (Maher & Stimson 1994).

Figure 2: Non-metropolitan Population Change
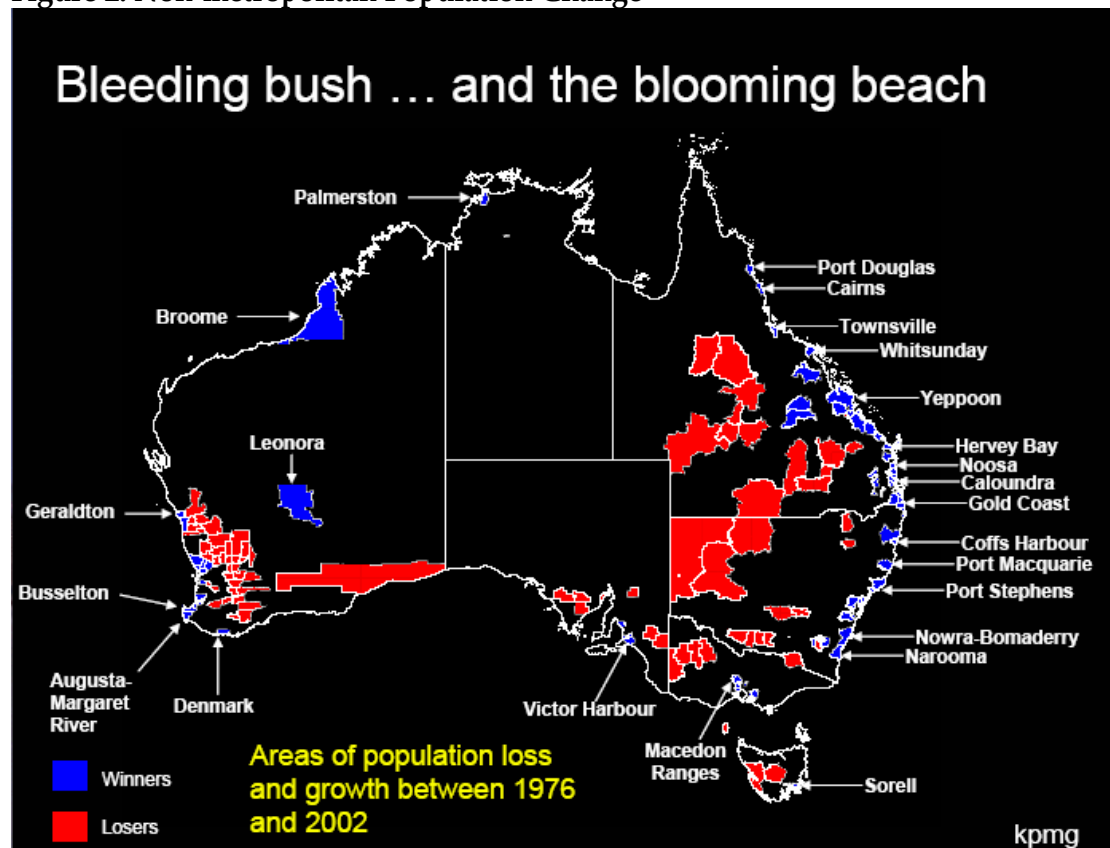
Source: (Salt 2004)

Australian Bureau of Statistics data (Australian Bureau of Statistics 2004a) released earlier this year show that the population growth of Australian coastal areas is outstripping other parts of rural Australia while rural areas continue to decline. In 2003, 70,000 people moved to coastal areas, which was 7 per cent more than the previous year. The trends in Western Australia reflect those of the rest of Australia. Localities such as Busselton, Margaret River, Denmark and Jurien (between Perth and Geraldton) have all boomed as 'weekender' and sea change[1] destinations. As disposable income and leisure time has increased for some and transport and road access has improved, these localities are now affordable and an easy three hour drive from the capital city Perth. Consequently, these coastal locations draw a high proportion of their migrants from the capital cities (Haslam McKenzie & Johnson 2004; Salt 2004; Gray & Lawrence 2001).

The Social Implications of Population Increase

With their increase in popularity, coastal locations attract new housing as people build holiday homes, permanent homes for the 'sea changers[3]' (Burnley & Murphy, 2004) as well as investment homes for rent to tourists (Salt, 2001) and permanent residents. While the growth does exert considerable pressure on the available infrastructure, it also brings with it a variety of social issues. In a number of these locations, up to a third of the properties are owned by wealthy Perth or to a lesser degree, overseas residents who use the properties for a short period over summer and then leave the properties vacant. Most absentee landowners have invested in substantial and often luxurious holiday homes, usually occupying premium real estate with coastal views, thereby driving up the value of property and therefore local government rates (Sanders, 2000; Economic Consulting Services, 1999). While there is clearly some wealth residing and investing in these localities, research

[1] The word 'seachange' (or words *sea change*) have become important in the Australian vernacular, underscored by the Australian Broadcasting Corporation (ABC) series of the same name. It has come to represent people wanting to escape the city to pursue Arcadian, nostalgic or alternative beachside lifestyles.

(Haslam McKenzie & Johnson 2004; Selwood, Curry & Jones 1996; Selwood & Tonts 2004) shows that the critical mass of wealth visits when the sun is shining. They then return to their city address or overseas in the cooler months to create the wealth that drives the growth that is evident in the construction and development industries, but which does not contribute to regional development or to year-round regional consumption, thereby guaranteeing a more reliable marketplace for goods and service providers.

As noted by Murphy (forthcoming 2004, p. 13), jobs and business opportunities follow population growth but the nature of demand in communities such as growing coastal locations tends to be "at the low-end of the service economy…. because the economies are narrowly based and not dynamic". Stimson, Baum and O'Connor (2003) have identified a number of characteristics that consistently describe the sustainability and self-sufficiency of a number of categories of coastal towns around Australia. Many of these coastal communities, including Hervey Bay, Burnett and Bowen in Queensland, Nambucca in New South Wales and Exmouth, Manduarah and Busselton in Western Australia have grown rapidly but are in fact vulnerable (Burnley & Murphy, 2004; Stimson, Baum & O'Connor, 2003). Non-metropolitan coastal towns (65%) dominate the bottom twenty towns in terms of per capita income Australia-wide and are prone to high unemployment. They often have a low proportion of high income households, small shares of commercial investment, a below average proportion of persons with a university degree, a low proportion of full time labour participation and a high incidence of social security recipients (O'Connor 2004). Other indicators of vulnerability include a relatively high incidence of single parent families compared to the State average, underemployment, a significant number of households paying high proportions of their incomes on housing and a considerable proportion of aged households.

Permanent residents of coastal communities are likely to be made up of a proportion of retirees, many of whom are on fixed incomes and are unlikely to invest after purchasing their place of residence. This cohort of residents is potentially demanding of infrastructure such as health and transport services. The sole source of income of a proportion of residents, albeit not significant in most locations, is social security. Social security payments are portable and obviously social security

recipients can live where they choose and many have chosen to live in scenic places such as coastal communities where there is the possibility of casual seasonal work in the agricultural or tourism industries. The trend for transient income-support recipients into sea change localities and the ensuing social issues has been well-documented (Burnley & Murphy, 2004; *The Sydney Morning Herald,* 3 July, 2002; *Weekend Australian,* 17 January, 2003; (Phillips 1998). However, as noted by Burnley and Murphy (2004, p. 230), "price inflation resulting from the influx of money from the cities is a strong trend and has negative implications for affordability", particularly for cheaper housing such as caravan parks. Data (Australian Bureau of Statistics 2003b) also shows that young families move to coastal locations looking to take advantage of possible job opportunities from seasonal work (for example, during the grape picking season and high tourist visitor periods) and the high percentage of privately owned small businesses that often follow population growth locations. These types of jobs are however fickle and prone to market volatility, contributing to the volatile population movements of the younger, unskilled family cohort. Research undertaken by Burnley and Murphy (2004, p. 207) show that in many high population growth communities "there are diverse socio-economic groups, but with a status bipolarity towards professionals and unemployed persons". This clearly sets up a number of controversial issues including a 'divide' between permanent residents or 'locals' and absentee landowners.

Population growth, as noted earlier, brings change and potential conflicts as residents try to balance lifestyle while maintaining the beauty and integrity of a place as well as putting in place infrastructure that many expect in a fully developed community. The concern of many 'locals' and absentee landowners/second home owners alike is that development will not only change the landscape, but, in the long run, will undermine property values and tourism development potential. Residents of growing coastal communities around Australia regularly voice concern about future development and the continued growth, giving rise to the contradictions of the 'drawbridge', NIMBY (not in my backyard) LULU (local unwanted land uses), GOOMBY (get out of my backyard) and BANANA (build absolutely nothing anywhere near anything) responses. Phillips (1998), Burnley and Murphy (2004), identify these responses as typical of 'gentrified' sea change areas, noting that growth restrictions would immediately result in land price inflation; beneficial for

current landowners but limiting access to the broader population and potentially displacing lower socio-economic 'locals' due to rising housing costs. They suggest that 'nimbyism' is, typically, indicative of gentrification, but also "unconducive to economic growth and therefore prejudicial to the prospects of workforce age populations"; exactly that age cohort that has struggled to maintain stability in these communities.

It is becoming clear that the bipolarity referred to by Burnley and Murphy (2004), has the potential to be divisive and undermine the community. Gradually, communities are recognizing that all residents have a sense of appreciation and ownership of their community and 'special place' but unless there is an understanding of the drivers of local and regional economic development and the broader social contexts, then the essence of the place could be eroded. A refocusing on a sense of community and place may restore some of the creative human aspects associated with sustainability and consequently, viability.

The Social Implications of Population Decrease

As global economies, alliances, markets and trends have changed, there have been significant social, environmental, economic and cultural changes in the communities that support them. This is particularly evident in those communities which have limited industry diversity, such as broadacre agriculture and mining communities. The shift towards a market-led allocation of resources has resulted in the rationalisation and withdrawal of many public services from small rural communities (Wiseman 1998). Increasingly, public services and the employment and development that they generate are being concentrated into larger regional centres (Tonts 2000). While such changes are arguably efficient and even percipient, they do not necessarily accommodate the needs of the local community and inevitably have a flow-on effect. Insistence on self-reliance and the cutting of funding in the name of community autonomy to meet the demands of restructuring depletes community resources and the pillars of social capital.

Research (Haslam McKenzie 2002; Tonts 1997) has found that there have been some painful social costs associated with agricultural and economic restructuring with negative impacts on large and small enterprises. Even profitable farms and

businesses are experiencing social issues that undermine the efficacy and economic returns of the enterprise and ultimately, the community. For example, the incidence of mental and other stress-related illnesses have increased, the inability of young farmers in particular to find partners (Kent 2004) and young people cannot see a future for rural or even regional Australia (James 2001) and they drift to cities for education and work and usually stay there. As a consequence, these communities are ageing, with the median age of farmers increasing from 47 years in 1986 to 51 years in 2001 (Australian Bureau of Statistics 2003a). Data (Alston 1998; Haslam McKenzie 1999) indicate that women bear the brunt when social services in rural communities are reduced. Isolation and limited support for women are consistent reasons for them wanting to leave a rural situation. Regions, which are losing population or employment because of a perceived lack of good business opportunities, lose capital and potential entrepreneurs and therefore vibrancy and optimism, continuing the cycle of pessimism and devaluation.

There is an awareness (Cox 2001; Edgar 2001; Gray & Lawrence 2001; Scanlon 2000; Winter 2000; Putnam 1993a) that one of the important determinants of regional development is the capacity of people to live, learn and work together in a happy and constructive environment. Social capital is a concept that relates to social cohesion and it has the potential to engender vitality in rural communities:

> *(It) comprises all the formal and informal social relationships, institutions and groupings that build systems of values, trust and mutual support. Social capital can also be defined as the sum of values and constructive social relationships that express and generate the culture of place.*
> (National Economics 1999)

The importance and contribution of a sense of place and sense of community have been highlighted in numerous research (Black & Hughes 2001; Kenyon 2001; Moore 1997; Stayner 1999) and are often the difference between the existence of a future for a community and its demise. Furthermore, as warned by Putnam (1993b), that should the quality of the social fabric of a community or society generally be overlooked, then ultimately all facets of society will pay for it.

Many people have gone from the region, and the demographic mix of those that are left is very different from that of 40 years ago. As a consequence, towns look different, as do the landscapes. The challenge for those living in the region and

Australian policy-makers generally, is: What strategies can be implemented that might sustain the region, enabling it to be viable from economic, social, environmental and cultural perspectives while at the same time being a responsive global citizen? Those communities that have coped better with the challenges of globalisation and restructuring have tended to be those communities where people have looked to their own resources and developed their capacities through value-adding and regionalization. Rarely has this been achieved in isolation but rather, through community self-determination and collaboration with agencies with strong links to broader networks including government.

Communities Successfully Accommodating Change

As noted by Elkington (1997), the sustainability agenda is complicated and is far more than harmonising the traditional bottom line with environmental considerations. It is claimed by Elkington and others (Horwitz & Heller 2001; Hussen 2000; Daly 1996; Daly 1990) that if these two are tempered with social justice and cultural dimensions, then sustainability is a possibility, although not necessarily guaranteed. The push by government for Australian communities to be more self-determining and self-reliant has shifted the focus of community development to local leadership. While populations in the broadacre farming areas of Western Australia, (the most population and services depleted region of the State) have continued to diminish over the last thirty years, local leadership has often been confined to an ageing few, many of whom have had a long tenure on formal leadership positions. New styles of leadership were seen as potential catalysts for looking at persistent 'problems' from a new or different perspective.

A Western Australia State government funded but local-driven strategy was devised to develop new regional leaders and broaden community perspectives towards regional business and social opportunities. The program, *Progress Rural WA*, acknowledged the need for regional economic viability but understood the value and contribution of socio-cultural and environmental considerations in the quest for community and regional survival. The *Progress Rural WA* programs aimed to widen community leadership and were designed to encourage participants to be transformational leaders; to empower those around them and support them in the process of change. The outcomes of the program over a five-year period

demonstrated that devolving decision-making to communities regarding their future, encouraging community promotion of local attributes and the development of community leadership can progress social and economic capital, thereby re-building, at least in the short term, vigorous and sustainable rural and regional communities. *Progress Rural WA* showed that some small communities may have the potential to turn themselves around by working with government support rather than entirely being on their own.

There were several examples of communities moving beyond parochial small town insularity and reaching out to other communities close by to develop a more holistic, collaborative regional development strategy. As Tonts (1996) noted, pitting small towns against each other inevitably spells the demise of one while the other will survive, but probably only for a finite period before it too suffers at the hands of a larger regional centre. Some examples include:

- A State-wide on-line community marketing initiative using electronic information technology to promote rural and regional businesses. Government has assisted with the technical start-up but community members have raised funds to employ IT technicians, a web designer and administrative support.

- The establishment of Telecentres throughout rural areas to enhance the availability of information technology in the community, to teach local people computer skills and in several instances, to re-establish a local newsletter. Government provides the basic infrastructure but the community undertakes the facility feasibility and ongoing staffing of the centre. Telecentres offer a user-friendly and efficient facility for the communication of information as well as an informal local venue for the coming together of people. Telecentres have enormous potential for filling a variety of practical, social and emotional needs. There have been examples of information sharing and networking for issues related to suicide and other mental health needs. The advantages of email electronic network lists include their accessibility at any time and participation can be passive and cost efficient.

- The establishment of a Youth Advisory Centre in several communities, all of which are loosely linked. Several government departments (including Family and Children Services, Community Development, Local Government and

Regional Development and Department of Agriculture provide ongoing email newsletter links.

- Mine rehabilitation groups which co-ordinate community groups collecting seeds and planting of small trees.

- Regional Branding and Promotion project. The Regional Branding group based in the Central Wheatbelt covers the largest area in Western Australia and in many ways, faces the greatest challenges due to distance and a fragmented transport and services infrastructure. Nonetheless, this entrepreneurial initiative is a useful case study for demonstrating how, with the interest and support of government and through the building of capacity in social capital, these rural communities have shown resilience in the face of economic and social decline. While many of the participants in the Regional Branding group remain committed to their community and industry, many are willing to try new ways of value-adding, marketing and collaborating in order to achieve competitive advantage in a global environment. Their appreciation of market demand for perfection and value has stimulated co-operation, mutual understanding of their different communities' and industries' challenges and advantages as well as the formation of a forceful lobbying group. The Regional Branding initiative has succeeded in overcoming elements of community and small town parochialism, replacing it with a commitment to collaboration, regional pride and determination for success. The concept of capacity building has confirmed that process-related considerations deserve equal attention with the more visible concerns of investment in product-related activities.

The *Progress Rural WA* programs aimed to widen community leadership and were designed to encourage participants to be transformational leaders; to empower those around them and to support them in the process of change. The program aimed to give them specific leadership tools and knowledge that could be used to initiate and drive community social and economic development. The *Progress Rural WA* programs demonstrated that economic outcomes on their own do not necessarily guarantee community longevity, but that integration with the less tangible but equally important dimensions of social and environmental considerations can

enhance community sustainability with ongoing support and encouragement of government.

None of the Western Australian coastal communities cited in Figure 2 participated in the *Progress Rural WA* programs. The reason for this is largely due to these communities being generally fragmented and because diminution of infrastructure is not usually an issue in these communities. To date, only one coastal town in Western Australia has recognized the need to come together as a community to co-determine their future and that is the Shire of Augusta-Margaret River. While broadacre agricultural industries are still important to the Augusta-Margaret River local economy, new industries have developed, such as viticulture, agricultural value-added produce and boutique artisan production, tourism and leisure industries such as surfing as well as traditional fishing. Furthermore, sophisticated infrastructure has enabled people to access a broad range of services and to enjoy lifestyles often considered more common in the city. The community boasts good infrastructure, being well serviced by roads, a comprehensive health service, a range of schools and good water and energy infrastructure, all of which are key to the realization of business opportunities and future development. The notion of e-commerce and tele-commuting from Augusta-Margaret River is no longer restricted to the realms of dreamers.

This relative wealth has also fragmented the community. The local population has quadrupled in the last two decades and the newcomers are a mix of retirees, semi-retirees who have also developed small businesses around the tourist trade, people who have sought a lifestyle change and who have established small viticulture or horticultural businesses, surfers and service industry workers. There are many of the 'local' or 'old timers' who remember the area as a sleepy and often struggling farming town with cheap land and poor services. As well, there is a significant proportion of landowners in the Shire who are mostly absentee landowners and only visit the area periodically. It is this group who bear the brunt of local angst. As observed by Burnley and Murphy (2004) and O'Connor (2004), this cohort are relatively wealthy, drive up local land prices and buying up productive farming land for lifestyle rather than practical purposes. They do however represent significant

buying power and many would like to live longer in the area if there were work opportunities.

The Shire of Augusta-Margaret River acknowledges the myriad different stakeholder groups in the Shire and recognize the often potentially destructive perceived differences between them. In the quest to integrate the community more successfully, the Shire has joined with Australia's **C**ommonwealth **S**cientific and **I**ndustrial **R**esearch **O**rganisation (CSIRO), a national organization dedicated to providing new ways to improve quality of life through research and development, with the aim of developing more resilient rural communities inclusive of all of their constituents. To that end, the partnership between the Shire of Augusta-Margaret River and CSIRO is drawing together a comprehensive range of stakeholders, documenting the community history and assets, ascertaining community threats and then moving forward to determine an agreed sustainable future. This is achieved through comprehensive community consultation over a two year period with all the diverse community groups and stakeholders, including absentee landowners.

As noted earlier, a challenge facing many coastal locations is the need to broaden their range of activities. Rather than differentiating itself from neighboring local government areas, Augusta-Margaret River, recognizes the potential advantages of cementing regional linkages and developing clusters of local businesses to provide firms and markets with economies of scale and scope. The notion of agglomeration and regional clusters has been a popular approach in regional development (Beer, Haughton & Maude 2003; Beer, Maude & Pritchard 2003; Porter 1998) for some time. Beer, Maude and Pritchard (2003) recognize the inherent challenges for relatively remote places such as Augusta-Margaret River and advocate the 'virtual cluster' whereby firms are linked in collaborative relationships across regions (and even nations) through information technologies. O'Connor (2003) suggests:

> *A way of thinking about this involves recognizing the importance associated with physical environments as work places, which opens up the possibility that individuals and firms will establish in a region because of the environmental attractions rather than because of the existing base of activity. This is associated with the idea that some particular 'lifestyle' dimensions, associated with clean and green environmental circumstances and often expressed as anti-urban values act as important influences upon the firm and residential location decisions.*

The physical attractiveness of a locale such as Augusta-Margaret River area may entice 'lone eagles'[2] , thereby enticing social diversity and high quality educational opportunities.

Tourism is an important industry to the local economy but as already noted, it is fickle with unpredictable returns. Industry investigations undertaken for this research show that the industry remains highly seasonal with high volumes restricted to school holidays and the summer months. It would appear that the sector is oversupplied in the local area and profitability for many businesses is marginal. Those businesses that are accurately meeting their target market, providing diligent service and maintaining supply are likely to find some success, but it would appear that generally, there is poor understanding of the market and inconsistent supply of product and service. In short, amateurism is undermining the potential of the tourism sector. The community is now attempting to address these problems through a public campaign to better understand the market and provide more reliable and friendly service. There is a general acceptance that all residents must share 'their place' and be more welcoming if repeat business is to be secured. There is a growing understanding that the 'drawbridge' and 'nimby' phenomena discussed earlier are unhelpful. A local campaign to welcome newcomers and understand the economic importance of visitors and tourism is likely to give the area a commercial advantage.

Winners and Losers

It is clear that economic reform has had uneven outcomes for all of Australia, not least the non-metropolitan regions (Pusey 2003). Similarly and not unrelated, Australia has a very uneven population distribution (Hugo 2003) with rural areas consistently depopulating while beach locations continue to grow every year (Shepherd 2003). There are both winners and losers in this period of unprecedented change. As noted by numerous commentators (Sorensen 2002; Kenyon & Black 2001; Beer, Maude & Pritchard 2003) large-scale producers, those who are willing to innovate and communities and individuals which demonstrate new and strong

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[2] Highly skilled individuals whose work is usually global in nature and linked by telecommunications rather than proximity or locality.

styles of leadership are those most likely to succeed, while those communities and individuals which have struggled to adapt have been overcome by the forces of change. As noted by Sorensen (2002, p. 263), "the viability of small-town business and its capacity to adapt to changing circumstances is closely tied to both the health of the local community and the quality of community – especially the wealth, diversity and cohesiveness of its social and human capital". Therefore, even though local government is not a constitutionally recognized tier of government, it has a very important role in regional economic development. This was borne out in the work undertaken for this paper and is further reinforced by recent work (Plowman et al. 2003) indicating that local governments which are the most vibrant are those where *leadership* rather than *leaders* thrive. The *Progress Rural WA* programs really flourished in those communities where local government, both the elected members and perhaps more importantly, the paid employees, actively supported and engaged with the programs and local participants. In co-ordinated campaigns, they galvanised community effort to take advantage of the opportunities being offered through the *Progress Rural WA* programs. They targeted business development, raised local capital, identified available workforce skills and determined training needs for both labour and management.

For many in small rural, regional and remote communities, survival requires a good knowledge of local networks, time, an understanding of the administration of community projects, knowledge of potential funding sources and the motivation to make a commitment to community development. Importantly, the skills and capacity development, once developed, are intrinsic and of long-term benefit to the community. In all of the communities which were involved in the *Progress Rural WA* project, the local commitment to the initiatives was the key to success. Where there is a lack of effective leadership, insufficient human and economic resources, a sense of defeatism or apathy (Sorensen & Epps 1996; Tonts 1999) or difficult economic circumstances in the community, effective business and economic development is less likely to materialise.

In rural and remote areas of Western Australia there are many small towns with less than 5,000 residents, and their "spheres of influence are at risk unless they become forward looking, ready to take on new ideas, risks and look for opportunities in this

new, emerging environment" (Collitts 2000). Observers of this scenario (Collitts 2000; Forth 2000; Sorensen 1993) have seen many small towns find themselves stuck in, as Collitts (2000) aptly terms, 'quicksand' in responding to the challenges of the 'new economy'. Edgar (2001, p. 110) states that "two thirds of investment in regions comes from local, already-existing businesses, and the more effective regions are those able to attract new investment, expand the range of regional infrastructure and invest in the training of skilled people". Flora's (1998) research has found that those communities with stable infrastructure were more likely to develop diverse community networks through which trust and social capital was developed and legitimacy established.

Social capital was found to be particularly important if and when a part of the community was threatened, economically or socially, and it consequently reinforced a 'sense of place'. It would appear that the intangible but nonetheless crucial elements of social capital and 'sense of place' are key elements missing from those growing beach side communities that see themselves threatened by population growth.

Conclusion

Globalisation has brought unprecedented rates of change in many regions of non-metropolitan Australia and, while this paper has focused on two Western Australian regions, the unevenness of both the positive and negative effects of population change on regional development is typical throughout Australia. The changes have been due to a variety of 'push' and 'pull' factors including depopulation in those areas which are usually limited to one primary resource, such as farming or mining, where there has been unparalleled efficiency drives and restructuring of the industries in line with neo-liberal economic principles. This has encouraged the pursuit of economies of scale and the wholesale harnessing of technology over labour inputs, causing large numbers of people and families to leave the industry sector and often the local community. These policies have influenced the rationalization of service and infrastructure provision in communities which has subsequently undermined the confidence of many regarding the future of small towns and communities in particular.

At the same time, there is a growing proportion of the population, particularly those who have become disenchanted with city living, moving to non-metropolitan coastal locations. While these towns are unlikely to have the problems with the provision of basic infrastructure, such services are often stretched and these communities also struggle to cope with the economic and social changes. Both types of communities feel threatened and have grappled with change from a number of perspectives; some with more success than others.

There is no simple solution to the problems of decay and growth, particularly as government at State and Federal levels is reluctant to engage in proactive regional development initiatives. This paper has shown that new styles of leadership and the encouragement of non-traditional leaders to step forward was an important break with the past, and sparked new networks and initiatives to deal with old problems. It has also demonstrated that where government provides meaningful guidance to communities attempting to help themselves, then sustainable outcomes are more likely. As noted in this paper and others, (Cocklin & Alston 2003; Black & Hughes 2001; Kenyon & Black 2001; Tonts 2000) the corralling of local people and resources in partnership with agencies such as government, thereby building local capacity, has resulted in productive outcomes for communities and even regional sustainability. An important ingredient is the willingness and commitment of local residents to drive new development agenda, often using new skills and collaborating across diverse, previously unknown, networks, including those of government. It is the presence of these catalysts which are often the difference between a community being a winner or loser in the restructured landscape.

While many of the projects presented here are relatively small in scope, their impact has been broad, often prompting further initiatives. The hallmark of these successes has been a combination of both economic development but also community involvement and achievement, thereby enhancing quality of life.

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