RURAL MIGRATION
TRENDS AND DRIVERS

2013
Networked Rural Councils Program

www.ruralcouncilsvictoria.org.au
This paper has been prepared for Rural Councils Victoria (RCV) as part of the Rural Migration Trends and Drivers Toolkit (Project 5.2.1). The toolkit responds to the initial study on rural migration trends and drivers undertaken by RCV in 2012 which recommended a strategic planning framework and tools to help rural communities prioritise their investments in population attraction and retention strategies (RCV, 2012). The study found that these strategies are often developed and implemented without sufficient evidence, robust evaluation processes, or clear objectives such as target demographic groups. This was confirmed in a recent survey of RCV members for this project. The survey found that many councils (75% of responses) lacked the resources and/or information to understand ‘push’ and ‘pull’ migration trends in their community.

The 38 rural councils face a range of challenges associated with economic restructuring and demographic change which impact on their capacity and capability to plan for and adapt to change. Rural Councils Victoria is focussed on supporting growth and delivering economic development initiatives across Victoria. The network is passionate about the liveability and viability of their regional areas, and is dedicated to creating sustainable communities, improving opportunities and improving access to critical services.

The State Government has recognised that the 38 rural councils are often better able to understand and meet challenges by working in collaboration and Rural Migration Trends and Drivers Toolkit is part of a broader policy to empower rural councils to plan and adapt to change in a more sustainable way and participate in decision making processes that impact on their region.

The Rural Councils Victoria work program (‘Networked Rural Councils’) is funded by Regional Development Victoria and managed by Rural Councils Victoria through the Municipal Association of Victoria. The funding commitment is $3.3 million over four years commencing 1 July 2011 through to 30 June 2015.

This paper and associated toolkit was prepared by Geografia in collaboration with Rural Councils Victoria.

For further information about this report contact:
Olwyn Redshaw
Program and Policy Manager - Networked Rural Councils
Rural Councils Victoria
03 9667 5590
oredshaw@mav.asn.au

© Copyright Municipal Association of Victoria, April 2013
The Municipal Association of Victoria is the owner of the copyright in this publication.
No part of this publication may be reproduced, stored or transmitted in any form or by any means without the prior permission in writing from the Municipal Association of Victoria.
All requests to reproduce, store or transmit material contained in the publication should be addressed to Olwyn Redshaw on 03 9667 5590 oredshaw@mav.asn.au.
TABLE OF CONTENTS

GLOSSARY OF TERMS
EXECUTIVE SUMMARY.................................................................i
Top Tips...................................................................................... vi
INTRODUCTION.................................................................................. 1
Report Purpose ............................................................................ 1
Background .................................................................................. 1
RURAL MIGRATION TRENDS AND DRIVERS ......................... 5
Interconnections and Relationships........................................... 5
Global Drivers.............................................................................. 6
Technological Innovation, Trade and Macroeconomic Change...... 6
Changing Cultural Values............................................................ 6
Environmental Change............................................................... 8
Local and Regional Impacts......................................................... 9
Rural Restructuring ..................................................................... 9
Workforce and Employment Changes...................................... 12
Demographic Change .................................................................. 12
Population Diversification............................................................ 16
Amenity and Accessibility............................................................ 17
Governance.................................................................................. 17
Summary..................................................................................... 18
MARKET POTENTIAL AND MIGRATION MOTIVATIONS........... 19
Who Moves?................................................................................. 19
Migration Motivations................................................................. 23
Market Potential......................................................................... 24
LOCAL RESPONSES............................................................................ 26
Attracting Professionals and Skilled Labour............................ 26
Education and Training................................................................. 28
Community Networks and Social Capital.................................. 29
Marketing and Promotions............................................................ 30
Youth Initiatives............................................................................ 31
Business Assistance and Investment Attraction........................ 32
Amenity and Service Improvements........................................... 33
Town Reinvention ......................................................................... 34
Community Resilience and Responding to Shocks.................... 35
Leadership................................................................................... 36
Overseas Migration....................................................................... 37
DECISION MAKING IMPLICATIONS.................................................. 38
REFERENCES................................................................................... 39

Table 1: Population by Region (1996-2011)................................. 2
Table 2: Melbourne-Regional Victoria Migration Trends (1981-2011) ......................................................... 2
Table 3: Rural Victorian Employment by Industry (1996-2011) ................................................................. 9
Table 4: Change in Percentage of Residents Born Overseas (2001-2011) ......................................................... 16
Table 5: Summary of Major Migration Typologies (Rural Victoria) ................................................................. 18
Table 6: Proportion of Population Migrating to Regional Victoria (2006-2011) .................................................... 20
Table 7: Migrants to RCV Municipalities per 1,000 Source Population (2006-2011) .................................................. 21
Table 8: Migration Flows by Region (2006-2011) ................. 22
Table 9: Migrants to RCV Municipalities by Location per 1,000 Source Population (2006-2011) ............................. 22

Figure 1: Population Change in Regional Victorian Towns (1981-2011)................................................................. 3
Figure 2: Projected Net Change in Population in Regional Victoria (2011-2031)......................................................... 4
Figure 3: Rural Migration Influences and Relationships ....... 5
Figure 4: Net Migration From Melbourne (2006-2011) ....... 7
Figure 5: Percentage Change in Composition of Employment by Industry (1996-2011) ........................................... 10
Figure 6: Net Change in The Size of Regional Victoria’s Labour Force (2001-2011)......................................................... 11
Figure 7: Regional to Metropolitan Victoria Migration by Age (2006-2011)................................................................. 12
Figure 8: Net Change in Regional Victorian Population of 15-29 Year Olds (2001-2011)......................................................... 13
Figure 9: Rural Victoria to Regional City Migration by Age (2006-2011) ................................................................. 14
Figure 10: Actual and Projected Population Change by Age Group – Rural Councils Victoria (1996-2031) ................. 15
Figure 11: Income Profile of Residents and Migrants (2006-2011) ................................................................. 19
Figure 12: Migration to Regional Victoria by Point of Origin by Metropolitan LGA (2006-2011) ............................. 20
Figure 13: Net Metropolitan to Regional Migration by LGA (2006-2011) ................................................................. 20
# Glossary of Terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baby Boomer</td>
<td>People born in the post WW2 period (1946-1961). They are a distinct generation from their parents. They are now entering retirement, have accumulated wealth and are mobile.</td>
</tr>
<tr>
<td>Confidence Band</td>
<td>Represents the uncertainty around an estimate of a specified variable. In the case of this project, the 90% confidence band is used to indicate 90% confidence that the variable being measured (e.g. percentage of population by age) should fall within the confidence band. Any values outside of the band are considered statistically significant deviations from the expected value.</td>
</tr>
<tr>
<td>Counter-urbanisation</td>
<td>The process of people moving from urban to rural areas. Largely attributed to congestion and declining amenity in over-crowded cities.</td>
</tr>
<tr>
<td>DIDO</td>
<td>Drive in/drive out workers. Common in mining, construction, agriculture and increasingly the service sector.</td>
</tr>
<tr>
<td>FIFO</td>
<td>Fly in/fly out workers. Most commonly associated with mining and increasingly the service sector.</td>
</tr>
<tr>
<td>Knowledge Cluster</td>
<td>A geographically concentrated system of universities, enterprises and skilled workers in which innovative R&amp;D and production will occur.</td>
</tr>
<tr>
<td>Lifecycle</td>
<td>In the context of this project, the major stages of life, incorporating young dependents (0-14 year olds); working age (15-64 year olds); and retirees (65+ year olds).</td>
</tr>
<tr>
<td>Metropolitan Melbourne</td>
<td>The 2006 ABS Census Metropolitan Statistical Division plus Shire of Yarra Ranges – Part B SLA (i.e. all of the Shire of Yarra Ranges). Metropolitan Melbourne comprises 31 Local Government Areas.</td>
</tr>
<tr>
<td>Net Migration</td>
<td>The difference between immigrants to and emigrants from an area (can be negative or positive).</td>
</tr>
<tr>
<td>Peri-urban</td>
<td>The local government areas immediately adjoining metropolitan Melbourne and/or the major regional cities of Ballarat, Bendigo and Geelong (in the case of this project only, Bass Coast, Baw Baw, Central Goldfields, Golden Plains, Hepburn, Macedon Ranges, Mitchell, Moorabool, Mount Alexander, Murrindindi, Queenscliffe and Surf Coast).</td>
</tr>
<tr>
<td>Regional Cities</td>
<td>The designated ten local government areas which are neither part of metropolitan Melbourne, nor part of the Rural Councils Victoria membership (Ballarat, Greater Bendigo, Greater Geelong, Greater Shepparton, Horsham, Latrobe, Mildura, Wangaratta, Warrnambool, Wodonga). The 38 local government areas that are members of the Rural Councils of Victoria alliance.</td>
</tr>
<tr>
<td>Rural Victoria</td>
<td>The 38 local government areas that are members of the Rural Councils of Victoria alliance.</td>
</tr>
<tr>
<td>Sea-changer</td>
<td>A person/household who chooses to relocate to a rural area, often with a view to scaling back their commitment to work. Usually associated with a move to a rural coastal town. Often used interchangeably with 'downshifting' and similar to tree-changer.</td>
</tr>
<tr>
<td>Sponge City</td>
<td>Regional cities or larger regional centres that absorb population from outlying rural areas.</td>
</tr>
<tr>
<td>Tree-changer</td>
<td>A person/household who chooses to relocate to a rural area, often with a view to scaling back their commitment to work. Usually associated with a move to a rural inland, forested town. Often used interchangeably with 'downshifting' and similar to sea-changer.</td>
</tr>
</tbody>
</table>
Trends and Drivers of Rural Migration

Australian rural migration trends are influenced by an interacting combination of global and regional drivers; with consequences that have locally distinct spatial patterns. Understanding these drivers (causes), local impacts (effects) and reinforcing relationships between them (feedback) is fundamental to implementing successful attraction and retention strategies.

As Figure A shows, while much of the change can be linked to a few global trends, these create many more unexpected flow-on effects. For example:

- Globalisation, environmental change and technological innovation have lowered some trade, communication and mobility barriers; increased competition; reduced labour demand per unit output; and shrunk agribusiness profit margins (compelling, amongst other things, farm amalgamation and diversification);
- In parallel, manufacturing has moved towards larger centres or overseas in pursuit of lower production costs and knowledge-based services have tended to cluster in high amenity urban centres;
- An ageing population and preference for urban living and lifestyle amenity have combined with these other processes to influence the way people move between and within Melbourne and regional Victoria; and
- Technological innovations have emphasised the importance of skills and knowledge and agglomeration economies work to favour clusters of skills in larger centres, in turn, taking some jobs away from rural areas and the services with them.

While the overall system of cause and effect is very complex, in simple terms there are ‘push’ and ‘pull’ factors driving migration to and from the city and regions. The influence of these factors vary according to the age, lifecycle and cultural values of the individual/s considering relocating and the conditions at the points of destination and origin in the migration process.

The current policy context is such that many of these global drivers are not readily influenced by government and yet they are creating a new environment in which rural population attraction and retention strategies must function. Consequently, understanding how they affect migration trends is the first step in developing strategies to drive them.

EXECUTIVE SUMMARY

About this Document

This paper is part of the Rural Migration Trends and Drivers Toolkit prepared by Geografia for Rural Councils Victoria (RCV). The toolkit responds to the initial study on rural migration trends and drivers undertaken by RCV in 2012 which recommended a strategic planning framework and tools to help rural communities to prioritise their investments in population attraction and retention strategies (RCV, 2012). The study found that these strategies are often developed and implemented without sufficient evidence, robust evaluation processes, or clear objectives such as target demographic groups.

More recently, in a survey of RCV local government officers undertaken as part of this project 1, most respondents (75%) cited lack of resources (including funding) to analyse and understand data as the key constraint to developing effective attraction and retention strategies. The purpose of the Rural Migration Trends and Drivers Toolkit, then, is to assist Victorian rural councils think more strategically about the target population groups they wish to attract and retain by facilitating effective analysis of available evidence, local intelligence and successful examples.

This document provides critical information for the toolkit user to consider when planning for and developing an attraction and retention strategy. It does this by summarising information on:

- The drivers of migration to regional Victoria (the ‘causes’);
- The changes in regional Victoria that have occurred due to new migration patterns (the ‘consequences’);
- Who is moving and where are the points of origin and destination (the individual motivations for migration); and
- How migration trends can be influenced locally (including a description of local experiences and responses).

1 Cited in this document as the ‘Attraction and Retention Survey.'
Figure A outlines the main variables and relationships that are driving rural migration trends in diagrammatic form. It highlights the nature of cause, effect and feedback. So, for example, rural out-migration is being driven by several factors and, in turn, it drives service consolidation, which feeds back to compound the out-migration trend as jobs and then people move to larger centres.
Migration Patterns and Motivations

Over the last few decades, Victoria’s population has grown considerably. This growth has been mostly driven by net overseas migration and it has been concentrated in Melbourne and larger regional centres (the so-called ‘sponge city effect’). This concentration has been attributed to a combination of global economic shifts triggering local rural restructuring, services consolidation, out-migration of young people and cultural changes preferring urban lifestyles. It is a pattern that is evident throughout rural Australia and elsewhere – and, in the current economic and policy context, one that is expected to continue (Figure B).

Figure B shows the concentration of net population growth in the peri-urban region and regional cities of Victoria.

![Figure B: Population Change in Rural and Regional Victorian Towns (1981-2011)](image-url)
In the context of motivation for relocation, the demographic profile of who moves to regional Victoria is instructive. The desire and capacity of more affluent city dwellers, often retirees, to relocate to high amenity locations within three hours’ drive of Melbourne is important for some locations. However, in terms of absolute numbers, older age households (particularly ‘empty nesters and/or ‘downsizers’) are the least mobile. In a study undertaken by Regional Development Victoria (RDV) the data of the last decade or more show that young singles, or young families are far more likely to move to regional Victoria (RDV, 2009). ABS Census data also show that metropolitan to rural migration is also more common amongst mid-income households (ABS, 2011). The motivations for migration vary with age and life stage – with education/work-lifecycle and household formation/dissolution the main drivers.

Notwithstanding the dominance of just a few economic factors in driving migration, surveys of those who have actually moved from Melbourne to regional Victoria (e.g. RDV, 2009, Wilkins et al, 2009) have found a complex mix of factors.

According to the 2009 RDV Relocated Residents survey, the main personal drivers for relocation are:

- Family (48%);
- Employment, (44%); and
- Lifestyle (27%).

Moreover, the end destination says something about motivation. For example, those who relocated to inland areas were more likely to do so to access affordable housing (26%) than coastal newcomers (13%) (RDV, 2009). One study also showed a link between the reason people moved and the distance moved. In general, moves of a short distance (within 5 kilometres) are for housing reasons, moves of moderate distances for family reasons, and relocation over longer distances are most likely to be motivated by work or education (Wilkins et al, 2009).

With respect to where most urban-rural/regional migrants come from, the outer suburbs of metropolitan Melbourne dominate. Even accounting for the size of the local population, outer metropolitan Melbourne ‘supplies’ the greatest share of migrants to regional Victoria. So, for example, the five municipalities with the highest proportion of residents who relocated to regional Victoria between 2006 and 2011 are all outer metropolitan (Cardinia, Wyndham, Melton, Yarra Ranges and Hume).

The relationship between origin and destination is much stronger for rural (RCV) municipalities. That is, not only are outer metropolitan residents more likely to relocate to regional Victoria than inner metropolitan residents, they are twice as likely to move to rural Victoria, than to a regional city. For example, from 2006 to 2011, most outer metropolitan municipalities saw between 1.5% and 2.5% of their population relocate to rural Victoria. By comparison, between 0.7% and 1% relocated to regional cities.

Two other important characteristics of this aspect of migration are that:

1. Regardless of their point of origin in the metropolitan area (i.e. inner or outer metropolitan), for the period 2006 to 2011, someone relocating to rural Victoria was almost twice as likely to move to a peri-urban municipality than another rural council (60.9% of outer metropolitan migrants and 61.9% of inner metropolitan migrants to rural Victoria moved to peri-urban RCV municipalities).

2. There is a greater tendency for people to relocate to rural municipalities on the same side of the greater metropolitan area as their point of origin. So, for example, between 2006 and 2011, 72% of migrants from municipalities that can be described as ‘eastern’ (i.e. east of central Melbourne and including regional councils) moved to RCV municipalities that were also on the eastern side of Melbourne.
Local Responses

While the relationship between population and economic growth is by no means simple, or even certain, there is no argument that, in the long-run, population growth, retention and/or replenishment are essential for maintaining the economic and social viability of rural towns. For three decades now, many rural councils have looked for methods to arrest population decline, retain local residents and capture a greater share of the State’s growth. There have been initiatives, strategies and innovative examples of local communities and councils addressing various aspects of the problem.

These local responses can be categorised as:

- Attracting Professionals and Skilled Labour
- Education and Training
- Community Networks and Social Capital
- Marketing and Promotions
- Youth Initiatives
- Business Assistance and Investment Attraction
- Amenity and Service Improvements
- Town Reinvention
- Community Resilience and Responding to Shocks
- Leadership
- Overseas Migration

The public and academic research into the impact of some of these efforts and others from elsewhere, has pointed to two important findings:

1. There are common global drivers affecting migration patterns but they manifest themselves in different ways in different places.
2. Consequently, there is no one-size-fits-all solution (Miles et al, 2006).

Decision Making Implications

Given the strength of macro level influences and complexity of individual motivational factors, attracting and retaining residents in rural Victoria is a challenging task. Unfortunately, while there have been many efforts, there is limited quantitative evidence of successful intervention and its benefits (McKenzie, 2004).

To design and implement a relevant attraction and retention strategy requires:

1. Quantification of the scale and nature of the problem at the local level.
2. Targeting specific markets to suit specific town characteristics and location.
3. Finding a balance between promotional strategies and realistic assessment of the local potential.

In the Attraction and Retention Survey, the majority of respondents indicated lack of accessible, relevant information about rural migration as the main impediment to effective intervention. This document summarises findings, data analysis and ideas from Victoria and elsewhere that demonstrates how people have successfully tackled the drift away from rural towns. When combined with the decision-making toolkit, it will provide local stakeholders with information and ideas to assist in the preparation of a locally-relevant and ultimately successful attraction and retention strategy.
Top Tips

The following tips were compiled through this research. They focus on the challenges, priorities and solutions.

1. Migration motivations are tied to age and life stage
2. Family, employment and lifestyle are the main reasons people migrate to rural Victoria
3. The natural environment, sense of community and lifestyle are the main advantages of living in rural Victoria
4. The most likely new residents are those currently living in the nearest large town or city, or, possibly, outer metropolitan Melbourne
5. Market segment is tied to local assets – if there aren’t great education facilities avoid targeting outer-metropolitan young families who are interested in schooling choices for their children
6. Welcome newcomers and tourists - helpful information and a friendly visit are most likely to trigger a move
7. Target people with a track record in regional communities or remote locations including experience in developing nations
8. Skilled workers often leave regional areas due to lack of professional development opportunities and career prospects. Non-resident skilled labour, succession planning, training courses and other incentives are possible solutions
9. Prepare new employees prior to relocation and welcome them into the community
10. High quality education facilities can attract investment dependent on skilled workers
11. Demonstrating access (online or physically) to education opportunities can be a cost effective option for improving attraction and retention outcomes
12. Attracting and retaining quality teachers is important to the health of a local community
13. Isolation is often offset by a strong sense of community: this is an important attractor for households looking for a place to live and work and is often missing from urban areas
14. When attracting new residents, welcome the whole family
15. Make sure critical information for a newcomer is readily available
16. Market lifestyle advantages to the appropriate target markets
17. Build up a database of potential movers and provide customised attention
18. Remember events and festivals are promotional tools for new residents as much as they are for tourists
19. Youth believe they will be less successful if they remain in regional areas
20. 30% Of young people who leave regional locations return later on in life. Many rural communities will be more successful by concentrating on attracting young people who have left
21. Maintaining networks of young people through contemporary social media forums can help overcome the concerns young people have about regional living
22. Rates relief for new businesses can be a competitive edge particularly for main street revitalisation
23. The business enterprise/incubator is only successful when tied to business development programmes. Enterprise centres need viable tenants
24. Make sure your town or region is investment-ready
25. Amenity and liveability is consistently a key relocation consideration though not an absolute deciding factor in initial decision-making
26. The creation of vital and inviting town centres is a cost effective investment in liveability particularly for smaller towns
27. Lack of accessible health services is a deal breaker
28. Re-invention must build on historical assets and traditions with a view to future, realistic prospects
29. There are limits to what is achievable under a re-invention model
30. Get the whole community on board – they are a town’s number one asset
31. Communities are resilient – they adapt to change
32. The capacity to adapt is influenced by the attitudes of the town
33. Remaining in town and finding commutable employment is an option for many
34. Good leadership is central to a town’s attitudes and capacity to change
35. Draw on the experience of older residents and facilitate their willingness to transfer knowledge and skills to the next generation of local leaders
36. Mentor young people and new employees and provide them with the support to build local businesses and communities
37. Migration from overseas is usually to metropolitan areas and larger regional centres
38. Those with an established migrant community are most likely to attract more migrants
39. Target migrants with a rural or regional background
INTRODUCTION

Report Purpose
This report is part of the Rural Migration Trends and Drivers Toolkit prepared by Geografia for Rural Councils Victoria (RCV). The toolkit responds to a 2012 RCV study which recommended a strategic planning framework and tools to help rural communities to prioritise their investments in population attraction and retention strategies (RCV, 2012). The study found that these strategies are often developed and implemented without sufficient evidence, robust evaluation processes, or clear objectives such as target demographic groups. This was confirmed by a survey of RCV member officers, 75% of whom stated that the lack of resources, data and information were the main constraints to their attraction and retention endeavours.

The purpose of the Rural Migration Trends and Drivers Toolkit is to assist Victorian rural councils to think more strategically about the target population groups they wish to attract and retain by considering available evidence, local intelligence and successful examples. The purpose of this report is to provide critical background information for the toolkit user to consider when planning for and developing an attraction and retention strategy.

It does this by summarising information on:
• The drivers of migration to regional Victoria (the ‘causes’);
• The changes in regional Victoria that have occurred due to new migration patterns (the ‘consequences’);
• Who is moving and where are the points of origin and destination (the individual motivations for migration); and
• How migration trends can be influenced locally (including a description of local experiences and responses).

Background
Over the last few decades, Victoria’s population has grown considerably. This growth has been mostly driven by net overseas migration, which, since 1996, accounted for approximately 56% of total growth (natural increase made up 43% and net interstate migration 0.6%) (ABS, 2011). Former urban residents from other nations make up most of the State’s recent population growth, consequently it is no surprise that most of this growth occurred in metropolitan Melbourne and regional Victoria now accommodates a smaller share of the State’s total population. As Table 1 shows, metropolitan Melbourne, which made up 71.8% of the State’s population in 1996, accounted for 84% of the State’s growth to 2011. Almost three quarters of Victoria’s residents now live there. One important conclusion from this is that changes in net overseas migration do not positively correlate with changes in regional growth rates.

While international migration has been very much Melbourne-centric, within the state the migration patterns are a little more complex. Between 1981 and 2011, a net of almost 93,000 Melbourne residents moved to regional Victoria. From a low of 1,970 between 1996 and 2001 the number has since climbed, and between 2006 and 2011 a net annual average of 3,911 Melbourne residents moved to regional Victoria (Table 2). Additionally, for most of the period from 1981 to 2011 there was a shift from rural Victoria to regional cities (the ‘sponge city’ effect) (see Figure 1).

The ten designated regional cities now account for a little over half of Victoria’s non-metropolitan population. This has been attributed to a combination of global economic shifts triggering local rural restructuring, services consolidation and cultural shifts towards a preference for urban lifestyles. It is a pattern that is evident throughout rural Australia and elsewhere – and one that is expected to continue (Figure 2) (DPCD, 2012).

In summary, population change in regional Victoria over the last few decades has been:
• Net positive, albeit slow;
• Spatially uneven;
• Concentrating in larger centres; and
• Accompanied by an ageing trend (as will be explored later).

2 Cited here as the ‘Attraction and Retention Survey.'
Table 1 shows total population for rural Victoria, regional cities and metropolitan Melbourne in the Census years from 1996 to 2011. Despite net flows to Regional Victoria (see Table 2), metropolitan Melbourne now has a greater share of total State population (74.1% in 2011 compared with 71.8% in 1996).

Table 2 shows migration flows (including net) between metropolitan Melbourne and regional Victoria over five year intervals from 1981. Excluding the 1991 to 2001 period (which coincided with significant economic restructuring across the State), every five years regional Victoria attracted an average of a little over 21,000 more people than it lost to the metropolitan area.
Figure 1 illustrates the concentration of net population growth in the peri-urban region and rural and regional cities of Victoria.
Figure 2 shows DPCD VIF2012 projections to 2031. It assumes a ‘business-as-usual’ concentration of population in regional cities and peri-urban municipalities.
RURAL MIGRATION TRENDS AND DRIVERS

Interconnections and Relationships

Australian rural migration trends are influenced by a combination of global and regional drivers; with consequences that have locally distinct spatial patterns. Understanding these drivers (causes), local impacts (effect) and reinforcing relationships between them (feedback) is fundamental to the success of attraction and retention strategies.

In simple terms there are ‘push’ and ‘pull’ factors to and from the city and regions. These factors vary according to the age, lifecycle and cultural values of the individual/s considering relocating. They are also shaped by macro changes, particularly the compounding effects of globalisation, environmental change and technological innovation, which have removed many trade barriers (thus increasing competition); increased productivity (thereby reducing labour demand per unit output); and shrunk agribusiness profit margins (compelling, amongst other things, both farm amalgamation and diversification).

In parallel, manufacturing has moved towards larger centres or overseas in pursuit of lower production costs and knowledge-based services have tended to cluster in high amenity urban centres. An ageing population, preference for urban living and lifestyle amenity, have combined with these processes to ‘push’ and ‘pull’ people between and within Melbourne and regional Victoria (Figure 3).

Without overt intervention, many of these global drivers cannot be readily influenced and yet they are creating a new environment in which rural population attraction and retention strategies must function and they directly influence the capacity of these strategies to effect change. Given their importance, the rest of this section explores these macro and local drivers in more detail.

Figure 3 summarises the main variables and relationships that are driving rural migration trends in diagrammatic form. It highlights the nature of cause, effect and feedback. So, for example, rural out-migration is being driven by several factors and, in turn, it drives service consolidation, which feeds back to compound the out-migration trend as jobs and then people move to larger centres.
Global Drivers

TECHNOLOGICAL INNOVATION, TRADE AND MACROECONOMIC CHANGE

Technology has - and continues to have - a profound effect on agricultural productivity and rural communities. For example, refrigerated transport has opened up new markets; fertilisers have improved crop yields; and larger cropping and sowing machinery have led to production efficiencies.

At the same time though, declining relative prices have not been matched by proportional declines in production costs. This has created pressure to seek productivity gains through larger farms employing fewer people per unit output – the price squeeze. The concomitant switch to corporate farm management has also led to fewer family farms: a dominant driver of population decline in agriculture-oriented Victorian communities (Barr, 2009).

Technology and changing terms of trade have influenced other industries in similar ways. Most notable are:

• The agglomeration of knowledge workers in larger cities (Jones and Tonts, 2003, Haslam McKenzie, 2007);
• The shift of manufacturing enterprises towards lower cost centres either in Victoria, or offshore;
• The consolidation of essential services towards larger towns;
• The changing preference in retail impacting on rural (especially main street) traders;
• The generally negative impact of low cost airfares and the high Australian dollar on domestic tourism; and
• The resource industry demand for labour in remote locations, triggering out-migration and/or price increases.

While these factors have accelerated rural out-migration, they have also created opportunities. For example, information technology has allowed farmers to market their products online. Similarly, webpages and other social media have enabled local communities to cost effectively promote themselves. Online learning has also provided residents previously inaccessible education opportunities, and the NBN promises better health services in regional Australia. The emergence of FIFO/DIDO employment practices means that some smaller communities can retain residents who commute to work in different parts of the state or country.

CHANGING CULTURAL VALUES

Several post-war cultural shifts have affected migration trends and settlement patterns in Victoria. One of the more recent has been the influence of social media and the internet on young people’s desire to experience an overseas ‘rite of passage’ or to seek the independence that comes with moving to a larger city (McKenzie, 2009). Other important cultural shifts include:

• The mass entry of women into the workforce resulting in a demand for more diverse employment options for families, which can only be satisfied in larger employment markets;
• The move towards multiple career paths, again requiring deeper labour markets;
• The emphasis on high quality education driving the need to live in places with more schooling choices;
• The change in migration origins from rural (e.g. southern Italy and regional Britain) to urban (e.g. Kuala Lumpur, Mumbai, Beijing); and
• Broader tastes in recreation and social activities that can only be met in urban centres.

At the same time, counter-urbanisation is also playing a role in forming migration patterns. This is the drift of urban populations towards high amenity bush or beach settings. Towns within a three hour drive of Melbourne are most favoured by people commonly referred to as ‘sea changers’ and ‘tree changers’ (Salt, 2004). This pattern is evident in Figure 4, which shows the migration of Melbourne residents to regional Victoria and their preference for high amenity locations either close to Melbourne, along the coast, or in larger regional cities. Due to their relative affluence, household structure and career stage, this phenomenon has been dominated by Baby Boomers.
In Figure 4 2006-2011 net migration to regional Victoria from Melbourne is shown. It reinforces Figures 1 and 2 revealing the concentration of regional growth in a few parts of the State, primarily around the major regional cities of Ballarat, Bendigo and Geelong, as well as in Melbourne’s peri-urban region.
ENVIRONMENTAL CHANGE

The emerging impacts of climate change on regional Australia are well documented and vary from region to region. According to the Climate Commission, (2012), the three main effects in Victoria are:

• Changes to rainfall patterns – have seen Victoria get drier. This is expected to result in extended drought periods, water shortages and a decrease in river run-off and, as result of this, increased uncertainty for agribusiness;

• Higher temperatures – mean that average Victorian temperatures are now one degree Celsius higher than a decade ago. This will create the conditions for larger and more intense fires, which will have implications for communities in tree-change locations. Extreme heat (and frost in some areas) can also effect crop growth; and

• Rising sea levels – will increase flooding and storm surges in coastal areas. This has already impacted on coastal communities and growth in some of these areas may be restricted, creating demand for rural areas further inland.

Rural Victoria is also faced with other environmental issues including soil degradation, salinity, erosion and, to a limited extent, water and air pollution. Combined with climate change, these environmental issues place pressure on many rural communities and in many instances reduce farming profitability, further accelerating the need for productivity gains and farm amalgamations and conflicts in the use of land for agriculture or residential purposes.
Local and Regional Impacts

The impact of global drivers can most clearly be seen through key indicators such as employment and age profile of the community. These are discussed below.

### RURAL RESTRUCTURING

Technological change and trade globalisation have driven economic restructuring in rural Victoria. Table 3 shows that, since 1996 there has been a net loss of more than 12,250 agricultural and forestry jobs in rural Victoria, with the greatest gains in construction, health care and retail.

<table>
<thead>
<tr>
<th>Industry</th>
<th>1996</th>
<th>2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry and Fishing</td>
<td>48,598</td>
<td>36,347</td>
<td>-12,251</td>
</tr>
<tr>
<td>Mining</td>
<td>1,602</td>
<td>2,334</td>
<td>732</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>30,155</td>
<td>30,994</td>
<td>839</td>
</tr>
<tr>
<td>Electricity, Gas, Water and Waste Services</td>
<td>2,983</td>
<td>3,818</td>
<td>835</td>
</tr>
<tr>
<td>Construction</td>
<td>14,194</td>
<td>28,873</td>
<td>14,679</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>10,733</td>
<td>9,735</td>
<td>-998</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>23,718</td>
<td>32,012</td>
<td>8,294</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>15,483</td>
<td>20,123</td>
<td>4,640</td>
</tr>
<tr>
<td>Transport, Postal and Warehousing</td>
<td>10,300</td>
<td>13,942</td>
<td>3,642</td>
</tr>
<tr>
<td>Information Media and Telecommunications</td>
<td>3,475</td>
<td>2,755</td>
<td>-720</td>
</tr>
<tr>
<td>Financial and Insurance Services</td>
<td>5,071</td>
<td>4,922</td>
<td>-149</td>
</tr>
<tr>
<td>Rental, Hiring and Real Estate Services</td>
<td>2,192</td>
<td>3,179</td>
<td>987</td>
</tr>
<tr>
<td>Professional, Scientific and Technical Services</td>
<td>7,942</td>
<td>11,505</td>
<td>3,563</td>
</tr>
<tr>
<td>Administrative and Support Services</td>
<td>4,250</td>
<td>7,360</td>
<td>3,110</td>
</tr>
<tr>
<td>Public Administration and Safety</td>
<td>13,552</td>
<td>18,523</td>
<td>4,971</td>
</tr>
<tr>
<td>Education and Training</td>
<td>19,017</td>
<td>24,102</td>
<td>5,085</td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>23,151</td>
<td>36,591</td>
<td>13,440</td>
</tr>
<tr>
<td>Arts and Recreation Services</td>
<td>2,507</td>
<td>4,166</td>
<td>1,659</td>
</tr>
<tr>
<td>Other Services</td>
<td>9,583</td>
<td>10,876</td>
<td>1,293</td>
</tr>
<tr>
<td>Inadequately described/Not stated</td>
<td>7,890</td>
<td>7,026</td>
<td>-864</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>256,396</strong></td>
<td><strong>308,983</strong></td>
<td><strong>52,587</strong></td>
</tr>
</tbody>
</table>

Data Source: ABS, 2011

As Table 3 shows, in the 15 years between 1996 and 2011, total labour force size in the 38 RCV councils grew by around 20%. Additionally, the composition of employment shifted towards a few notable industries: construction; retail and hospitality; public administration; and higher level services (e.g. health care and professional, scientific and technical services). Employment in more traditional rural industries such as agriculture and manufacturing either declined or grew marginally in absolute terms, but now make up a smaller share of total employment. These shifts match those of industry change in metropolitan Victoria, although total growth for metropolitan Victoria was 37%, which means that rural Victoria now accommodates 12% of the State’s resident labour force compared with 13.7% in 1996.
The composition of employment by industry in rural councils has shifted broadly along the same lines as the rest of the State, albeit to a lesser extent overall for most industries (Figure 5). For example, the total decline in employment in agriculture, electricity, gas and waste water services and wholesale trade in rural municipalities was statistically significantly higher than for the rest of Victoria.

**FIGURE 5: PERCENTAGE CHANGE IN COMPOSITION OF EMPLOYMENT BY INDUSTRY (1996-2011)**

Figure 5 shows the net change in proportion of employment by industry between 1996 and 2011. The green dots show the total change for all RCV councils. The black dotted line is the average change for non-RCV councils (i.e. metropolitan and regional cities). The grey band is the 90% confidence band for non-RCV councils. We can view this band as the ‘expected change’. This means that, where the green dot falls outside of the grey band, there has been a statistically significantly different change.

Data Source: ABS, 1996-2011; Geografia, 2013
Although in total, compositional change has largely mirrored the rest of the State, jobs growth and decline in rural Victoria has been spatially uneven, with the net change in jobs paralleling population change. That is, overall there have been net losses in the size of the labour force in northwest Victoria due to agriculture restructuring and gains in high amenity locations in peri-urban Melbourne and larger regional cities (Figure 6).

**FIGURE 6: NET CHANGE IN THE SIZE OF REGIONAL VICTORIA’S LABOUR FORCE (2001-2011)**

Figure 6 shows the pattern of regional resident labour force growth mirroring that of population growth (as per Figures 1, 2 and 4).
FIFO/DIDO employment practices also enable rural towns to accommodate residents who may commute for work elsewhere.

DEMOGRAPHIC CHANGE

The economic and cultural shifts have changed the demographic profile of rural Victoria. The most pronounced effect has been the net out-migration of young people and net in-migration of people 30 years and above – often tied to lifecycle, career or education (Figures 7 and 8). Within regional Victoria, the same pattern occurs. That is, younger residents move to the larger regional centres (Figure 9).

Access to education is obviously a primary driver of the migration decisions of young people. Research has found that young people who do choose to remain in regional locations often do so to be close to family and friends; to benefit from smaller classes; because they lack entry qualifications for a capital city university; or due to the costs of living (McKenzie, 2009). Motivations such as this are discussed in more detail in the second part of this document.

WORKFORCE AND EMPLOYMENT CHANGES AND TURNOVER

Economic restructuring has been matched by workforce structural changes, including increased career and physical mobility. The shift towards multiple career pathways means that fewer people are likely to live in one place or work at one company for their entire lives. This has a direct bearing on retention strategies; as has been suggested: “Three year residents [in rural towns] are more likely than thirty-year residents” (McKenzie, 2003: 50). This relates to the importance of population replenishment. That is, a certain degree of population turnover can be good for a community as it introduces new ideas.

Other notable changes include the growth in part-time employment and the rise of casual labour contracts. In 2006, around 34.4% of regional Victoria’s workforce were employed part-time. In 2011 this had risen to 39% (ABS, 2011). The demands of industry, especially in remote locations, has impelled the introduction of FIFO/DIDO employment. While not as significant in Victoria as elsewhere, major projects (e.g. the Wonthaggi desalination plant and western Victorian wind farms) impact both positively and negatively on regional towns, especially during the construction phase.

FIGURE 7: REGIONAL TO METROPOLITAN VICTORIA MIGRATION BY AGE (2006-2011)

Data Source: ABS, 2011

Figure 7 shows the net out-migration of 15-29 year olds from regional Victoria and the net in-migration of those aged 30 and over.
As Figure 8 shows, there has been significant out-migration of 15-29 year olds from regional Victoria. Exceptions to this are found in some of the regional cities and peri-urban municipalities (e.g. Mitchell).
Figure 9 indicates that, within regional Victoria, younger people have gravitated towards the regional cities and rural Victoria has only had a net gain over the regional cities amongst 30-44 year olds.
RURAL MIGRATION TRENDS AND DRIVERS

As noted in Table 2 and Figures 7 and 9, migration is not always a one-way street. One study found that 30% of young people who migrate to cities move back to a regional location at a later period in life (Hillman and Rotham, 2007). This is often tied to the education needs of their children or, in later life, for individual health and lifestyle reasons (Miles et al, 2006).

Overall, though, youth out-migration in regional areas exacerbates the effect of ageing-in-place and in-migration of older age cohorts from Melbourne. This has resulted in a significant increase in the number and proportion of retirees in regional Victoria. The consequence is that, while the median age for all Victorians has increased, the rate of change in regional Victoria has been both higher and from an older median age in 1996. This is a trend which is expected to continue for the next 20 years (Figure 10).

Figure 10 uses data from the VIF2012 projections for rural Victoria. It shows the expected growth in the number of rural residents by lifecycle cohort. The largest growth (in percentage terms) is amongst those aged 65 and over (a 104% increase in numbers between 2011 and 2031).
As a direct result of national skills shortages and the increase in overseas migration, Australia, including rural Victoria, is more diverse. For example, Table 4 shows that, while regional Victoria has a lower proportion of people born overseas compared to Melbourne, there have been marked changes in the last decade, especially in RCV municipalities.

### TABLE 4: CHANGE IN PERCENTAGE OF RESIDENTS BORN OVERSEAS (2001-2011)

<table>
<thead>
<tr>
<th>REGION</th>
<th>2001</th>
<th>2011</th>
<th>% DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>RCV LGAs</td>
<td>8.7%</td>
<td>9.9%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Regional Cities</td>
<td>10.9%</td>
<td>11.5%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Regional Victoria</td>
<td>9.8%</td>
<td>10.7%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Metropolitan LGAs</td>
<td>28.7%</td>
<td>31.8%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Victoria</td>
<td>23.3%</td>
<td>26.1%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Australia</td>
<td>21.6%</td>
<td>24.4%</td>
<td>2.7%</td>
</tr>
</tbody>
</table>

Data Source: ABS, 2011

Table 4 shows that between 2001 and 2011, the percentage of Australian residents born overseas increased from 21.6% to 24.4%. For rural Victoria the increase was a little over half of that (from 8.7% to 9.9% of residents) and one third that of metropolitan Melbourne.
AMENITY AND ACCESSIBILITY

Amenity and local services influence the extent and nature of demographic change. Most notably, there is a well-established positive correlation between skill level and mobility. This means that highly skilled people will readily move to high amenity locations, making them more economically competitive places (Glaeser, 2008). In essence, high amenity attracts and retains the skilled workforce necessary to function at the upper end of the production chain.

For example, knowledge economy clustering is spatially linked to liveability, housing, transport and services tailored to the cultural characteristics of skilled workers (Johnson, 2012; JVSN, 2001). In a survey commissioned by the British Government (Communications Group, 2009), 3,000 international business leaders were asked what makes a city worth living and investing in. Of the responses:

- 37% listed location as one of the top reasons;
- 32% said quality of housing; and
- 39% said good access to arts and culture.

Lifestyle and liveability have driven the sea and tree change movement to peri-urban Victoria. By contrast, lower level education services and perceived lack of youth activities drive the out-migration of young people from other parts of the State. As well as high level amenity, accessibility to basic services, employment hubs and affordable housing also influence rural migration. This includes the concentration of social and economic disadvantage in locations where affordable housing can be found (Birrell et al, 2002; DPCD, 2011).

GOVERNANCE

Finally, public policy settings have had a part in shaping Victorian migration trends. As well as broader policy principles that have framed public responses to global trends (e.g. tariff reductions), there have been policies that influence change in a particular industry and, therefore, community. For example:

- Policies with respect to forestry and dairy have affected regions reliant on these activities and, in some cases, led to industry contraction and local economic restructuring;
- State and Commonwealth policies to centralise services according to a hierarchical assessment of towns and cities has reinforced the ‘sponge city’ effect;
- Carbon pricing has started to influence regional Victoria by triggering a proliferation of renewable energy projects; and
- Local government planning schemes do have the capacity to influence migration patterns by stimulating housing and industry investment.

Furthermore, in the Attraction and Retention Survey, rural council staff cited a combination of a lack of resources and access to necessary data, as the key constraint to addressing out-migration.
RURAL MIGRATION TRENDS AND DRIVERS

SUMMARY

The regional and local reactions to global and local drivers have created a very different set of economic and demographic landscapes than what was found in regional Victoria only a few decades ago. The landscape varies, particularly depending on the location with respect to metropolitan Melbourne, the coast or the larger regional cities. The response of individuals to these changes has also varied.

Most notably, there has been movement of younger people to larger urban centres; the migration of outer metropolitan residents, primarily to peri-urban Victoria; and the counter-urbanisation trend dominated by older residents seeking a lifestyle change, focusing on coastal, peri-urban or other high amenity locations.

**Peri-Urban Coastal**
- Dominant Change Character: retirees; young working families
- Direction of Change: growth
- Main Drivers: lifestyle amenity; employment
- Share of Total Popn (2011): 8%
- Avg. Ann. Growth Rate (%96-11): 2.9% to 3.7%
- Total Growth (96-11): 17,928
- Municipalities: Bass Coast, Queenscliffe, Surf Coast

**Peri-Urban Inland**
- Dominant Change Character: young working families; retirees
- Direction of Change: growth
- Main Drivers: housing affordability, infrastructure provision
- Share of Total Popn (2011): 32%
- Avg. Ann. Growth Rate (%96-11): 0.6% to 1.9%
- Total Growth (96-11): 40,171
- Municipalities: Baw Baw, Central Goldfields, Golden Plains, Hepburn, Macedon Ranges, Mitchell, Moorabool, Mt Alexander, Murrindindi

**Other Coastal**
- Dominant Change Character: retirees, some working families
- Direction of Change: growth
- Main Drivers: lifestyle amenity
- Share of Total Popn (2011): 14%
- Avg. Ann. Growth Rate (%96-11): -0.3% to 0.6%
- Total Growth (96-11): 3,713
- Municipalities: Colac-Otway, East Gippsland, Glenelg, Moyne

**Other Inland**
- Dominant Change Character: agribusiness retirees
- Direction of Change: decline
- Main Drivers: housing affordability, economic restructuring, environmental change
- Share of Total Popn (2011): 46%
- Avg. Ann. Growth Rate (%96-11): -0.6% to -0.12%
- Total Growth (96-11): -8,150


Table 5 summarises these changes and provides an indicative assessment of how the 38 member RCV councils fit within the spectrum of this change.

The information in Table 5 provides a summary of the main recent migration trends for regional Victoria. RCV municipalities are broadly categorised to illustrate the main growth drivers and outcomes. More detail on this is provided in the toolkit.

The motivations for relocation are discussed in more detail in the next section of this background paper.
MARKET POTENTIAL AND MIGRATION MOTIVATIONS

The macro-scale factors described in the previous section define the context for urban-rural migration patterns and in the present political and economic framework, they are difficult drivers to overcome. They also closely relate to the personal motivations that influence individual or household relocation decisions and understanding these motivations is essential to the success of attraction and retention initiatives.

This section examines these issues and describes some of the work that has been carried out to investigate who moves and why. By understanding this, attraction and retention strategies can be targeted at demographic groups that are more likely to consider a move to regional Victoria.

WHO MOVES?

In the context of motivation for relocation, the profile of who moves to regional Victoria is instructive. The desire and capacity of more affluent city dwellers, often retirees, to relocate to high amenity locations within three hours’ drive of Melbourne has been discussed earlier. However, contrary to expectations, in terms of overall numbers, older age households (particularly ‘empty nesters and/or ‘downsizers’) are the least mobile. The data of the last decade or more show that young singles, or young families (RDV, 2009) and mid-income households (ABS, 2011) have been moving to regional Victoria in far greater numbers (e.g. Figure 11).

FIGURE 11: INCOME PROFILE OF RESIDENTS AND MIGRANTS (2006-2011)

The income profiles in Figure 11 show that mid-income households (between $1 and $800 per week) are more likely to relocate to regional Victoria than those with no income or very high incomes.

With respect to where most urban-rural/regional migrants come from, the outer suburbs of metropolitan Melbourne dominate (Figures 12 and 13). Even accounting for the size of the local population, outer metropolitan Melbourne ‘supplies’ a greater share of migrants to regional Victoria. So, for example, the five municipalities with the highest proportion of residents who relocated to regional Victoria between 2006 and 2011 are all outer metropolitan (Cardinia, Wyndham, Melton, Yarra Ranges and Hume).
Figure 12 shows the LGA of origin for migrants to regional Victoria from 2006 to 2011. In terms of numbers and percentages (of total point of origin population), the outer metropolitan LGAs dominate.

The relationship between origin and destination is much stronger for rural (RCV) municipalities. That is, not only are outer metropolitan residents more likely to relocate to regional Victoria than inner metropolitan residents, they are twice as likely to move to rural Victoria, than to a regional city. For example, from 2006 to 2011, most outer metropolitan municipalities saw between 1.5% and 2.5% of their population relocate to rural Victoria. By comparison, between 0.7% and 1% relocated to regional cities. Table 6 summarises these and other trends.

Table 6: Proportion of Population Migrating to Regional Victoria (2006-2011)

<table>
<thead>
<tr>
<th>DESTINATION</th>
<th>OUTER METRO LGAS</th>
<th>FROM ALL METROPOLITAN LGAS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TOTAL MIGRATION</td>
<td>NET MIGRATION</td>
</tr>
<tr>
<td>To Rural Councils</td>
<td>1.6%-2.6%</td>
<td>0.7%-1.2%</td>
</tr>
<tr>
<td>To Regional Cities</td>
<td>0.7%-1.1%</td>
<td>0.1%-0.4%</td>
</tr>
<tr>
<td>To Regional Victoria</td>
<td>2.4%-3.6%</td>
<td>0.9%-1.5%</td>
</tr>
</tbody>
</table>

Data Source: ABS, 2011; compiled by Geografia, 2013

The data in Table 6 highlight the importance of outer metropolitan municipalities to regional in-migration. Net migration is generally twice as high (in terms of percentage of population at the point of origin) in outer metropolitan LGAs compared with inner metropolitan LGAs.
Part of the reason outer metropolitan residents are more likely to relocate to regional Victoria is due to demography. Young families occupy a large share of outer metropolitan households, and, as is discussed in the next section, age and income affect the propensity to migrate, with younger people (often seeking economic advantage) more likely to relocate to regional Victoria than older, more affluent people. It should be no surprise, then, that there is a relatively high out-migration rate from outer metropolitan Melbourne to rural Victoria.

However, even when controlling for age and income, outer metropolitan residents still have a greater propensity to migrate than inner metropolitan residents. This suggests other variables are driving the movement and given the motivating forces behind migration (i.e. the ‘pull’ factors) and the widely acknowledged undersupply of infrastructure and employment in outer metropolitan Melbourne (e.g. Geografia, 2013), it is reasonable to conclude that the lack of both job opportunities and family and lifestyle amenities ‘push’ outer metropolitan residents to rural Victoria.

Three other important characteristics of this aspect of migration are:

1. **Outer Metropolitan Areas** - regardless of their point of origin in the metropolitan area (i.e. inner or outer metropolitan), for the period 2006 to 2011, someone relocating to rural Victoria was almost twice as likely to move to a peri-urban municipality than another rural council (60.4% of outer metropolitan migrants and 62.4% of inner metropolitan emigrants moved to peri-urban RCV municipalities). This suggests people are making a complex trade-off between access to urban amenities, affordable land and rural lifestyle (see Table 7).

2. **The Neighbourhood Effect** - there is a greater tendency for people to relocate to rural municipalities on the same side of the greater metropolitan area as their point of origin. So, for example, as Table 8 shows, 91.8% of outer metropolitan migrants to RCV municipalities on the eastern side of Melbourne came from municipalities that can be described as ‘eastern’ metropolitan (see also Table 8).

3. **Eastern Metropolitan Migration** - overall, eastern metropolitan municipalities were the source of a much higher number (and proportion) of migrants to RCV municipalities between 2006 and 2011. Of the almost 38,000 people who moved from Greater Melbourne to RCV municipalities, 25,200 or 68% of them came from eastern metropolitan municipalities, despite only accommodating 56% of the metropolitan area’s population.

### TABLE 7: MIGRANTS TO RCV MUNICIPALITIES PER 1,000 SOURCE POPULATION (2006-2011)

<table>
<thead>
<tr>
<th>DESTINATION</th>
<th>FROM OUTER METROPOLITAN LGAS</th>
<th>FROM INNER METROPOLITAN LGAS</th>
<th>FROM ALL METROPOLITAN LGAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peri-Urban RCVs</td>
<td>15.5</td>
<td>9.8</td>
<td>11.9</td>
</tr>
<tr>
<td>Other RCVs</td>
<td>9.7</td>
<td>6.2</td>
<td>7.5</td>
</tr>
<tr>
<td>All RCVs</td>
<td>25.2</td>
<td>16.0</td>
<td>19.4</td>
</tr>
</tbody>
</table>

Data Source: ABS, 2011; compiled by Geografia, 2013

Between 2006 and 2011 it was one and a half times as likely for an outer metropolitan resident to move to rural Victoria as it was for an inner metropolitan resident. As Table 7 shows, for every 1,000 residents in outer metropolitan Melbourne, 25.2 moved to rural Victoria, compared with 16/1,000 from inner Melbourne. In turn, peri-urban RCV councils received one and a half times as many of these emigrants than other RCV councils.
### TABLE 8: MIGRATION FLOWS BY REGION (2006-2011)

<table>
<thead>
<tr>
<th>DESTINATION</th>
<th>FROM OUTER EASTERN LGAS</th>
<th>FROM OUTER NORTHERN LGAS</th>
<th>FROM OUTER WESTERN LGAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peri-Urban RCVs (east)</td>
<td>91.8%</td>
<td>5.2%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Peri-Urban RCVs (north)</td>
<td>21.2%</td>
<td>65.8%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Peri-Urban RCVs (west)</td>
<td>25.5%</td>
<td>14.8%</td>
<td>59.7%</td>
</tr>
<tr>
<td>Other RCVs (east)</td>
<td>86.0%</td>
<td>8.3%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Other RCVs (north)</td>
<td>64.3%</td>
<td>20.4%</td>
<td>15.3%</td>
</tr>
<tr>
<td>Other RCVs (west)</td>
<td>58.1%</td>
<td>16.8%</td>
<td>25.1%</td>
</tr>
<tr>
<td>All RCVs (east)</td>
<td>89.3%</td>
<td>6.5%</td>
<td>4.2%</td>
</tr>
<tr>
<td>All RCVs (north)</td>
<td>36.5%</td>
<td>49.7%</td>
<td>13.8%</td>
</tr>
<tr>
<td>All RCVs (west)</td>
<td>37.6%</td>
<td>15.6%</td>
<td>46.8%</td>
</tr>
</tbody>
</table>

Data Source: ABS, 2011; compiled by Geografia, 2013

Victoria's peri-urban regions have absorbed a statistically significantly higher share of migration from metropolitan Melbourne than the rest of regional Victoria. The spatial patterns indicate proximity is an important factor in migration decisions.

### TABLE 9: MIGRANTS TO RCV MUNICIPALITIES BY LOCATION PER 1,000 SOURCE POPULATION (2006-2011)

<table>
<thead>
<tr>
<th>DESTINATION</th>
<th>FROM OUTER EASTERN LGAS</th>
<th>FROM OUTER NORTHERN LGAS</th>
<th>FROM OUTER WESTERN LGAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peri-Urban RCVs (east)</td>
<td>8.91</td>
<td>0.96</td>
<td>0.96</td>
</tr>
<tr>
<td>Peri-Urban RCVs (north)</td>
<td>2.44</td>
<td>14.42</td>
<td>4.85</td>
</tr>
<tr>
<td>Peri-Urban RCVs (west)</td>
<td>1.82</td>
<td>2.02</td>
<td>13.89</td>
</tr>
<tr>
<td>Other RCVs (east)</td>
<td>6.21</td>
<td>1.14</td>
<td>1.34</td>
</tr>
<tr>
<td>Other RCVs (north)</td>
<td>4.08</td>
<td>2.47</td>
<td>3.15</td>
</tr>
<tr>
<td>Other RCVs (west)</td>
<td>2.47</td>
<td>1.37</td>
<td>3.47</td>
</tr>
<tr>
<td>All RCVs (east)</td>
<td>15.11</td>
<td>2.10</td>
<td>2.30</td>
</tr>
<tr>
<td>All RCVs (north)</td>
<td>6.52</td>
<td>16.89</td>
<td>8.00</td>
</tr>
<tr>
<td>All RCVs (west)</td>
<td>4.29</td>
<td>3.39</td>
<td>17.36</td>
</tr>
</tbody>
</table>

Data Source: ABS, 2011; compiled by Geografia, 2013

Table 9 shows the same data from Table 8, but this time as the number of migrants per 1,000 residents in metropolitan LGAs. It demonstrates the value in considering ‘neighbouring’ outer metropolitan LGAs as important new sources of new migrants.
This ‘neighbourhood migration effect’ occurs in intra-regional migration as well. That is, most of the migrants from eastern RCV municipalities who move to other RCV municipalities do so in the same region. In most cases, the same again can be seen in the migration from Regional Cities to RCV municipalities. That is, people are moving from regional cities to their own ‘peri-urban’ regions (e.g. from Wangaratta to Indigo).

**TOP 3 TIPS**

1. More young, working age people move to rural Victoria than older ‘sea’ and ‘tree’ changers
2. Low to mid-income earners are more likely to relocate than more affluent households
3. A significant majority of new regional migrants come from the outer metropolitan (growth) areas of Melbourne

**MIGRATION MOTIVATIONS**

The motivations for migration vary with age and life stage – with education/work-lifecycle and household formation/dissolution the main drivers (DPCD, 2011a). Notwithstanding the dominance of economic factors in driving growth, change and migration, surveys of those who have actually moved from Melbourne to regional Victoria (e.g. RDV, 2009, Wilkins et al, 2009) have found a complex mix of factors.

According to the 2009 RDV Relocated Residents survey, the main personal drivers for relocation are:

- Family (48%);
- Employment, (44%); and
- Lifestyle (27%).

Moreover, the end destination says something about motivation. For example, those who relocated to inland areas were more likely to do so to access affordable housing (26%) than coastal newcomers (13%). One study also showed a link between the reason people moved and the distance moved.

**In general:**

- Relocation within 5 kms is for housing reasons;
- Up to 8kms, for neighbourhood reasons;
- Up to 13kms, for family reasons; and
- Up to 77kms, for work or education.

In summary, moves within a region were most likely associated with housing, while inter-regional moves were more likely to be tied to health/relationships, lifestyle and employment/education (Wilkins et al, 2009).

The experience of those who have moved provides further insight into migration motivations. Sixty percent found their experience better than expected and 70% were very likely or likely to remain in the region for the next five years. Professionals (29%), administrative workers (16%) and community/personal service workers are the most common occupations, while health care employed the most people (18%), followed by accommodation and food services (9%) (RDV, 2009).
Perceptions of the advantages and disadvantages of living in regional Victoria also provide insight. Surveys suggest that the natural environment (51%), the community (49%) and lifestyle (42%) are the main advantages. The perceived disadvantages were poor services/facilities (33%) and distance to Melbourne (17%). Common elements missed included shops/restaurants (33%), friends and families (38%) and culture entertainment (27%). 39% said it was difficult or very difficult to find employment for partners (RDV, 2009a). For skilled workers, there are other factors to consider. A study into what encouraged skilled workers to relocate and/or stay in a regional location found that career opportunities, lifestyle and salary are critical.

Other dis/incentives were:
- Distance to major centres;
- Job opportunities, including those for partners;
- Workloads;
- Professional isolation;
- Social infrastructure; and
- Education options for their children.

Many locations were able to attract graduates who saw relocation as an opportunity to gain experience before moving to a higher paid job in the city or coastal area. In this sense, some regional locations are seen as professional nurseries (Miles et al, 2006).

The reasons skilled workers leave regional locations are lack of: career options; professional support; career pathways; development opportunities; and mentoring (Geiner and Allan, 2001). Again, family issues are cited as a major factor influencing where a professional would be willing to take up a position and/or stay. Social and support networks, therefore, are important; as are availability of jobs for spouses; education for school children; and availability of quality housing (Miles et al, 2006).

While Census data show that around 2% of Melburnians moved to regional Victoria between 2006 and 2011 (approximately 76,000), a recent survey found that nearly 11% were considering a move in the next three years (RDV, 2011). With a further 39% stating they would consider the move one day, this equates to some 1.6 million potential movers.

Though these intentions are not reflected in the evidence from the last twenty years, the study provides a useful indication of the size of the pool of potential movers, as well as the factors that can influence the shift from intent to action. Essentially it suggests that there is a substantially larger portion of the metropolitan population who would relocate given the right mix of incentives and they are composed of several market segments.

These are:
- Those ‘up for a change’ (29%) – looking for a more exciting life, career opportunities and opportunities to live in a close knit community;
- Those who want to ‘slow down’ (18%) – they are looking for a more relaxed lifestyle with open space;
- ‘Concerned families’ (15%) – are looking for a better life to raise children and escape the costs and pressures of city life;
- ‘Urbanites’ (25%) – looking for a more relaxed and affordable lifestyle; and
- ‘Former residents’ (12%) – looking to go home to enjoy the benefits of regional Victoria and be with family and friends.

3 Though many intended to do so within commute distance to Melbourne and the actual likelihood of moving was low.
The barriers to relocation vary between the market segments, such that:

• Those ‘up for a change’ are concerned about the difficulty of finding housing and schools, whether or not they will be able to make new friends, their city responsibilities and finding the time to do proper research on their proposed destination;

• Those who want to ‘slow down’ are concerned about the costs of moving, availability of local services and missing friends and family in Melbourne;

• ‘Concerned families’ are apprehensive about accessing schooling for their children and whether or not they can find well paid jobs for both parents;

• ‘Urbanites’ were concerned that they would out miss on the benefits of Melbourne lifestyle and their family obligations; and

• ‘Former residents’ did not report any barriers to relocation.

For all potential movers, the most appealing aspect of relocation was living and working in a small country town; and commuting to a regional centre was the least appealing. To some extent this is at odds with actual trends and with other studies which indicate that people often move in a staged process: e.g. from capital city to peri-urban region or regional city and then possibly to a smaller community thereafter; and vice versa for regional residents who migrate to cities (DPCD, 2011). In other words, outside of some coastal and peri-urban areas, small towns will struggle to attract residents directly from Melbourne and so, a more strategic approach would be to attract residents from regional centres. Similarly, most overseas migrants now come from larger cities and have city-centric skills and interests. Again, moving to rural towns may occur as a staged process over time, via regional cities or peri-urban regions. Obviously targeting overseas migrants with rural backgrounds could bypass this pathway.

Notwithstanding this general research into motivations and intentions, for the sake of defining a town’s prospects, it is useful to understand the actual triggers that convert a potential mover into an actual mover and what makes them decide where to relocate. Actions that have triggered a move include: an invitation from a friend; advertisement that gave an indication of a desirable lifestyle; or helpful information about jobs prospects.

Visiting the area is the top information gathering activity and highlights the link between tourism, marketing and population and retention strategies. This was followed by real estate websites, and then efforts to gather information on the availability of public transport infrastructure and education.

In general terms, the potential mover follows the following decision-making process:

1. Decide the general area or areas in which they want to live;
2. Visit the area in which they are interested in living;
3. Look at the specific facilities in the area in which they are interested in living;
4. Look into out housing prices (rental or purchase) in the area they are interested in;
5. Establish work opportunities/find a job; and
6. Ask friends and relatives for their advice.

All of these factors – from the final triggers, to the individual’s/household’s decision-making process – are, in essence, about gathering information to assist in making informed decisions and allowing people to assure themselves they have considered the risks associated with relocation. In designing and prioritising attraction and retention strategies for rural communities, these personal motivations, potential target markets and decision-making process are all critical considerations.

TOP 3 TIPS

1. The most likely new residents are those currently living in the nearest large town or city, or, possibly, outer metropolitan Melbourne
2. Market segment is tied to local assets – if there aren’t great education facilities avoid targeting outer-metropolitan young families who are interested in schooling choices for their children
3. Welcome newcomers and tourists - helpful information and a friendly visit are most likely to trigger a move
While the relationship between population growth and economic growth is by no means simple, or even certain, there is no argument that, in the long-run, population growth, retention and/or replenishment are essential for maintaining the economic and social viability of rural towns. Recognising this, local communities and councils have made concerted efforts to respond to population decline through attraction and retention interventions. A recent survey of rural councils found that the main population attraction initiatives were the Regional Victoria Living Expo; investment attraction; housing and land initiatives; and marketing (most notably via purpose-designed websites). Of those with specified target markets, the focus was on skilled professionals and families. The most commonly employed retention initiative was stemming the flow of young people through investment in education and employment opportunities, followed by business assistance, industry development and investments in liveability/amenity.

While it is important to note, that, in terms of solutions, no ‘one-size-fits-all’, the Attraction and Retention Survey found:

- 69% of respondents said a database would assist them develop and implement attraction and retention strategies;
- 62% of respondents reported that migration research was essential for this; and
- 81% said case studies would also assist in their efforts.

This speaks to the need for a common process, or resource base from which to develop unique solutions.

Attraction and retention responses in Victoria, and elsewhere in Australia and overseas can be categorised by their core objective. These are:

1. Attracting Professionals and Skilled Labour
2. Improving Education and Training Opportunities
3. Building Community Networks and Social capital
4. Business and Investment Incentives
5. Retaining Young People
6. Investments in Liveability Amenity
7. Reinvention of Towns in Transition
8. Marketing and Promotional Activity
9. Attracting Overseas Migrants

The following sections provide some insights into initiatives that have been tried and tested; outlining the details about the strategies potentially available to local communities as well as an indication of likely success factors.

**LOCAL RESPONSES**

Attraction and retaining professionals has been problematic in regional Australia for several decades. Part of the challenge is that it is often not financially viable to provide professional services in small towns, particularly those experiencing population decline (e.g., a medical practice). Lack of access to a local peer network or career development opportunities also discourage professionals from establishing themselves in regions. This relates back to the proximity and amenity issue discussed earlier.

Population growth alone provides no guarantee of ensuring there is either a sufficient number of skilled workers, or a good match between local skills demand and supply. In response to the challenges associated with ensuring satisfactory access to skilled labour, both employers and policy makers have implemented a mix of strategies. For example, at the national and state level, programs have included:

- The Regional Partnerships Program;
- Australia Job Search;
- Harvest Trail Guide;
- National Skills Shortages Strategy;
- National Industry Skills Initiatives;
- Rural Retention Program; and
- Support for GPs and Regional and State-Specific Migration Schemes.
Local responses often focus on stimulating business investment, which will then attract more skilled people. This includes marketing and business migration initiatives; investments in education and training; infrastructure and amenity improvements; and jobs for spouses. Miles (et al, 2006) and Haslam McKenzie (2007) note the following initiatives:

- Coordination of several employers to target and attract professional couples;
- Welcome packages for new residents that include essential information;
- Promotional campaigns that highlight the benefits of the region;
- Developing a professional community (e.g. monthly BBQs in Hervey Bay);
- Partnerships between business for transfers and rotational schemes;
- Co-operative partnerships to ‘share’ professionals (the shared services model);
- Succession planning tied to the family ‘lifecycle’;
- Engaging recruitment agencies with specialised techniques and explicitly targeted markets; and
- Creating virtual communities to maintain connections between current and former residents.

TOP 3 TIPS

1. Target people with a track record in regional communities or remote locations including experience in developing nations

2. Skilled workers often leave regional areas due to lack of professional development opportunities and career prospects. Non-resident skilled labour, succession planning, training courses and other incentives are possible solutions

3. Prepare new employees prior to relocation and welcome them into the community

Some have also argued for taxation benefits, district allowances and government financial support to stimulate relocation/retention (Haslam McKenzie, 2007). Some of the national industry skills councils are also now taking into account the spatial dimension of skills demand in their industries, including working with local government. For example, Agrifoods Skills Australia has facilitated the piloting of skills programs in regional Australia that address locally-specific skills shortage issues (e.g. the Make it Work program in Narrabri, NSW and the School-to-Work transition program in Eurobodalla, NSW – Ord, 2013). The overall approach at the national/state scale is one of structural packages to assist in addressing market failure in attracting skilled workers to regional Australia.

Employers facing skills shortages tend to offer a combination of financial, employment and lifestyle incentives and training programs. This includes:

- Workforce flexibility and FIFO;
- Use of skilled migrants;
- Extended annual leave;
- Bonded scholarships and other short-term retention plans (in recognition of career mobility);
- Paying sporting clubs and costs of settling into a new community;
- Offering occasional use of subsided short term accommodation in high amenity/service locations;
- Targeting professionals with third world/developing nation experience;
- Leave without pay for study;
- Rent assistance;
- Student tours and placements; and
- Preparing and training people for prior to taking up remote locations.
The question of effectiveness and feasibility is determined by the cost of provision and access; the relevance of courses to the local economy; and the capacity to attract and retain quality teaching staff. To address the latter, which is often influenced by teacher turnover, Western Australia and South Australia have spent time preparing teachers to work in regional locations, and in some places mentor or buddy programs have been implemented to assist new employees adjust (Haslam McKenzie, 2007). The WA Department of Education and Training has developed a marketing campaign to target mature teachers who had previously taken a career break to recommence in regional locations. In South Australia online midwifery courses have been offered to allow people to up-skill and remain in regional locations.

**TOP 3 TIPS**

1. High quality education facilities can attract investment dependent on skilled workers
2. Demonstrating access (online or physically) to education opportunities can be a cost effective option for improving attraction and retention outcomes
3. Attracting and retaining quality teachers is important to the health of a local community

**EDUCATION AND TRAINING**

Education and training services are considered a key element of regional development. Primary and secondary schools are seen as a means of retaining young families in otherwise low amenity locations; as are setting up or expanding tertiary facilities (e.g. Hamilton) and the introduction of private schools and/or training colleges.

While the cost effectiveness and impact of tertiary institutions in regional locations has been questioned with respect to the impact on post-compulsory participation rates in regional Victoria (Daley and Lancy, 2011), statistical analysis undertaken by Geografia (2012) for the RDV Loddon Mallee North region found that proximity to education institutions has had a direct and quantifiable impact on population growth (particularly amongst 15-64 year olds) in and for some distance beyond regional centres, where most of these facilities are located. Most certainly, places with good access to private and public secondary and higher education facilities use this as part of their promotional strategies and it has been cited as a contributing factor in business investment decisions as it enables employees to attract higher quality staff.
As discussed earlier, family/partner integration and local labour market capacity to support dual-careers are important determinants in relocation decisions. Research has shown that community networks have been effective in supporting this by helping people to find jobs or support partners in integration into local communities. Some local governments have even formalised ‘partner network’ sessions.

A lack of information about a region for potential new residents (as opposed to tourists) was reported as a problem (e.g. no awareness of what the region offered in terms of local education, health services or sporting club). One successful example that addressed this was a local business and primary school partnership to produce a DVD about the school and community life (Becker et al, 2011).

**TOP 3 TIPS**

1. Isolation in regional Australia is often offset by a strong sense of community: this is an important attractor for households looking for a place to live and work and is often missing from urban areas

2. When attracting new residents, welcome the whole family

3. Make sure critical information for a newcomer is readily available

**COMMUNITY NETWORKS AND SOCIAL CAPITAL**

Research has found that the sense of isolation in regional areas can be offset by stronger formal and informal social networks, and greater knowledge and use of local facilities and services (e.g. Pretty et al, 2002; Becker et al, 2011). This is an important advantage that regional settings have over urban areas, particularly fast growing outer metropolitan suburbs. Sense of community is a major attractor for people seeking a place to live (and stay).

As one study found: “A welcoming community that embraces newcomers and is tolerant of change is likely to not only attract new people to town, but those who have relocated are more likely to stay, or return after going away for whatever reason. The residents become the community’s marketing instruments” (Haslam-McKenzie 2007: 2). Yet, many local councils who invest in community festivals and events do not view these significant investments through the lens of attraction and retention (RCV, 2011).

A range of initiatives have been implemented to build a sense of community. These include “welcoming the whole family” – where remote and regional communities have prepared promotional material that focuses on the entire experience of working and living in regional Australia. For example, Broken Hill focused on making new residents feel welcome, while the Goldfields Esperance Development Commission (WA) have developed a 1-2 day package that is tailored to interests of specific family members. While costly, the latter project was successful in cases where it targeted a specific skill set (Haslam-McKenzie 2007). Recently the Southern Grampians Shire Council instituted an ‘Open Day’ for potential investors who had expressed interest in the region at the 2012 Regional Victoria Living Expo (Expo). In the Attraction and Retention Survey one respondent also noted the importance of working with local business groups (e.g. chambers of commerce) to “foster a sense of collective support and strength”.

As discussed earlier, family/partner integration and local labour market capacity to support dual-careers are important determinants in relocation decisions. Research has shown that community networks have been effective in supporting this by helping people to find jobs or support partners in integration into local communities. Some local governments have even formalised ‘partner network’ sessions.

A lack of information about a region for potential new residents (as opposed to tourists) was reported as a problem (e.g. no awareness of what the region offered in terms of local education, health services or sporting club). One successful example that addressed this was a local business and primary school partnership to produce a DVD about the school and community life (Becker et al, 2011).
MARKETING AND PROMOTIONS

Marketing and promotion of towns and regions is a widely adopted local government initiative to attract new household and business investment, as well as visitors. The strategies vary from selling land cheaply or giving away free homes to prospective movers, to tourism and lifestyle advertisements, webpages (e.g. Wellington’s promotional site http://www.saleandwellingtonshire.com.au/), conventions stalls (most notably the highly regarded Regional Victoria Living Expo (Expo)), business prospectuses; and events and festivals. For example, the community of Ayre in Queensland was keen to attract allied health professionals so actively promoted the local lifestyle to attract a professional to the region permanently (SCORD, 2004).

The newly established Regional Victoria Living Expo is considered the most successful new resident attraction strategy for Victorian rural councils (RCV, 2012). Councils were provided with the opportunity to market to, and compile a database of, potential movers. Following council feedback on the 2012 Expo, in 2013, RCV supported rural councils to deepen their relationship with potential movers made at the Expo by providing a toolkit for councils to plan and host an Open Day in their townships and regions.

A similar example is the Tasmanian Department of Economic Development’s stall at an Emigrate Expo in the UK. This focused on matching potential immigrants to skills gaps. It should be noted, however, that the documented number of people attracted directly from this initiative is limited (SCORD, 2004). Nonetheless, expos, marketing and other information dissemination strategies again speak to the importance of proactively presenting information to potential movers.
The RCV (2012) study into rural migration trends suggested that the focus should be on attracting young people back to rural settings. This confirms earlier work that found that 30% of young people who leave regional locations return at a later stage in life (Hillman and Rotham, 2007). In other words, rather than trying to tackle the ‘rite of passage’ associated with moving to a larger centres, rural communities should look at making sure these young people are incentivised to come back once they have experienced some part of their lives elsewhere. One initiative designed to do this is maintaining a network (perhaps via social media) of residents (Haslam-McKenzie, 2007).

The South Australian Government introduced a scheme of this nature in 2001. Called “Bringing Them Back Home”, it was aimed at ex-residents now over 30 years old. A survey conducted as part of the project found that the reasons for returning focused on lifestyle (family, friends, environment and housing prices). Conversely, lack of access to good employment opportunities was the main disincentive. Iowa and Minnesota in the USA have undertaken similar initiatives with considerable success (Forth, 2002).

**TOP 3 TIPS**

1. Youth believe they will be less successful if they remain in regional areas
2. 30% Of young people who leave regional locations return later on in life. Many rural communities will be more successful by concentrating on attracting young people who have left
3. Maintaining networks of young people through contemporary social media forums can help overcome the concerns young people have about regional living

---

4 However, DPCD population projections indicate a total increase in the number of 15-24 year olds in rural councils.
Changing the planning regulations is also considered an effective mechanism for attracting business investment. The focus is on ensuring certain locales are “investment ready” either through progressing planning scheme changes to create a perception of competitive advantage and as a demonstration of a responsive planning system, or actual investment in basic infrastructure – though, again such investments are usually only within the capacity of larger centres. Notably, one respondent to the Attraction and Retention Survey emphasised the importance of streamlined planning approval systems for facilitating investment. This concern was also raised as a priority issue through case study analysis in research carried for DPCD into small towns in regional Victoria (DPCD, 2012a).

**TOP 3 TIPS**

1. Rates relief for new businesses can be a competitive edge particularly for main street revitalisation
2. The business enterprise/incubator is only successful when tied to business development programmes. Enterprise centres need viable tenants
3. Make sure your town or region is investment-ready

**BUSINESS ASSISTANCE AND INVESTMENT ATTRACTION**

There are numerous examples of direct business assistance and investment attraction programs around Australia. One of the more regularly used is the business incubator or enterprise centre. While successful when tied to other business development programs, the costs associated with developing one usually mean they are limited to larger centres, or as joint developments such as the Wimmera Development Association and its cornerstone Horsham Business Enterprise Centre.

Other strategies include council offering rates relief particularly for targeted areas (e.g. main streets). The Carnamah Shire in Western Australia went to the extent of subsidising and facilitating construction of three factory units and residences to attract skilled tradespeople. A mechanic specialising in repairs for agriculture machinery and electrician specialising in refrigeration were attracted as a result of this (SCORD, 2004).

Nearby Morawa Shire Council have made pro-active investment their policy priority. For example, expecting construction industry growth at mine sites in the region (although not in the Shire), they invested in upgrades to the council-owned caravan park so they were able to offer temporary accommodation for construction workers without affecting the seasonal tourist market (pers. comm. Williams, 2012). The Attraction and Retention Survey also reported the successful development of a small business incubator in Horsham by AusIndustry and the Wimmera Development Association (representing five western Victorian councils).
Main street revitalisation is one of the more common investments of this nature. Not only can it bring new life back into often moribund town centres (thereby assisting local retailers often facing increasing competition from larger centres in larger towns), but it can also stimulate further business investment and even convert tourists to new residents as they recognise the cultural and social vibrancy of the town.

TOP 3 TIPS
1. Amenity and liveability is consistently a key relocation consideration though not an absolute deciding factor in initial decision-making
2. The creation of vital and inviting town centres is a cost effective investment in liveability particularly for smaller towns
3. Lack of accessible health services is a deal breaker

AMENITY AND SERVICE IMPROVEMENTS

According to a Michigan University (2009) study, two thirds of college educated people chose a place to live based on quality of life first, then whether they could find a job. As noted earlier, the UK survey of business leaders also highlighted the importance of quality of life, drawing a particularly strong link between this and highly qualified skilled labour. Not surprisingly, then, the general consensus is that local investment in quality of life is an important mechanism for attracting and retaining talent (Pretty et al, 2002). The Attraction and Retention Survey also received responses that acknowledged the importance of making towns “more attractive places”.

Quality of life relies on many things, the most basic of which is good (and equitable) access to education, jobs and health care. Apart from education facilities and passenger rail services, the amenity most effective at attracting people is health services (Geografia, 2012); whether in the form of base hospitals, or medical centres. As an example of a local initiatives to address this, Urana (NSW) (pop 450) built a new medical suite and residence to successfully entice a new GP.

With the exception of high amenity lifestyle locations (e.g. Lorne), recent migration history has shown that, in isolation, “high amenity” quality of life factors are not major drivers of growth. Obviously then, resource commitments to amenity and service improvements for the purposes of stimulating population growth should reflect this fact. Nonetheless, while alone they may not have a substantial impact, high amenity features are still an important part of the mix to both attracting and retaining people. Once access to basic services and employment are assured, they can be the catalyst for converting potential movers to actual movers.

5 By this we mean everything from arts venues to café strips and recreational shopping opportunities.
The reinvention of the purpose and economic function of a town is at the heart of many of the most successful transformations of rural towns. Often this starts with a process of rediscovering historical roots but also includes a recognition of where the town’s future lies. For example, the township of Cummins on the Eyre Peninsula reinvented itself around its history as a rail town and a future that included tourism. It now boasts a railway café; carriages in the caravan park; and an annual race. This has led to other investments including a furniture and wood restoration business, florist, community bank, medical centre expansion and a facility for training and abalone export (SCORD, 2004).

In Victoria, Beechworth and Yackandandah are two successful examples of towns that have embraced their heritage and leveraged it into viable tourism industries. In turn, these have expanded the local economy and stimulated population growth.

TOP 3 TIPS

1. Re-invention must build on historical assets and traditions with a view to future, realistic prospects
2. There are limits to what is achievable under a re-invention model
3. Get the whole community on board – they are a town’s number one asset
The capacity to adapt can also be affected by the attitudes of the town. That is, to what extent the local community can galvanise themselves to, amongst other things, lobby for public funding; attract business investment; and raise the town’s profile as a tourism destination. Overall, then, community resilience can be an intangible but important factor in ensuring a town’s survival despite major economic shocks.

**TOP 3 TIPS**

1. Communities are resilient – they adapt to change
2. The capacity to adapt is influenced by the attitudes of the town
3. Remaining in town and finding commutable employment is an option for many

**COMMUNITY RESILIENCE AND RESPONDING TO SHOCKS**

The DPCD recently completed a study into a number of small towns in rural Victoria who have faced the closure of a major industry. The central finding was that, contrary to the belief that the loss of a major employer would lead to unemployment, population decline and housing price depreciation, small towns are resilient and able to adapt (McKenzie, 2012). While there are diverse patterns, the study suggests closures may be “as much a symptom of decline as a precipitator” and that broader demographic and economic restructuring trends drive change. There is also no evidence of a consistent relationship between economic shocks and house price responses.

In all the case studies reviewed in this particular project, out-migration was relatively small, and even those who did move were replaced by others. The closures did, however, change the age and social structure, as working families moved out, others, seeking more affordable housing, moved in. There was also evidence of displaced workers remaining in the towns but accessing employment opportunities elsewhere. This potential can be improved via investment in transport infrastructure.

The work also found evidence of local businesses adapting by widening their activities to spread their risk across several activities (much as the agribusiness sector has done over the last few decades). Modernisation of aspects of some businesses was also a noted response. In some cases, losses have been offset by gains in the services sector. This is not to overlook the importance, though, of the decline of local manufacturing capacity and its effect on undermining investment confidence.
The attitudes, and ultimately the success of a town are strongly influenced by the local leadership capacity in government, business and the community (Kenyon and Black, 2001; McKenzie, 2012). This is broadly recognised in the ‘local champion’ concept that is embodied in many approaches to local town revitalisation. One important element of this is the trend towards gradual retirement\(^6\), which is creating a pool of experienced older professionals with the time and willingness to give back to the community: an important local asset that needs support.

Borrowing the idea from the USA, in 1998-99, the Victorian State Government rolled out a program that provided young people with opportunities to become more entrepreneurial (the Youth Enterprise South West program). The rationale behind this and subsequent efforts is that stimulating the generation of entrepreneurial skills would enable young people to start businesses and contribute to the town’s growth, as well as become more involved in their community. This particular programs focus was on encouraging young people to stay or return to their place of origin and become the towns’ future leaders (Forth, 2002).

\(^6\) That is, stepping down from full-time employment to part-time and/or committee, mentoring and board roles.

TOP 3 TIPS

1. Good leadership is central to a town’s attitudes and capacity to change
2. Draw on the experience of older residents and facilitate their willingness to transfer knowledge and skills to the next generation of local leaders
3. Mentor young people and new employees and provide them with the support to build local businesses and communities
Canadian research has found that people were more likely to move to a location where there was an established immigrant community. Consequently, successful initiatives have included encouraging visits, testimonials and feedback from other migrants; marketing the local strengths; and providing housing for larger families. Important to the success of some programs was ensuring new arrivals had access to language and skill programs, volunteer mentoring and promoting local clubs and leisure activities, including free short-term membership (Musabekova, 2009).

An interesting success story is Steinbach, an agricultural service town in central Canada. With a population of 13,500 people, the town implemented a successful immigration strategy by engaging an immigration consultant to actively recruit labour from Germany. Between 1999 and 2004 over 1,300 German residents emigrated to Steinbach. The plan’s success was due to partnerships with government and community (particularly the effective communication to the community about why immigration was benefiting the town); media campaigns; and local leadership (Musabekova, 2009).

TOP 3 TIPS
1. Direct overseas migration is usually limited to metropolitan areas and larger regional centres
2. Those with an established migrant community are most likely to attract more migrants
3. Target migrants with a rural or regional background

Attracting overseas migrants or the use of temporary migrant workers are common practices in regional Australia. However, Australia's leading demographers suggest that the potential contribution to population growth outside of metropolitan areas is limited and that, absent major against-trend Federal and State intervention, most net overseas migration will centre on the major cities (Birrell, 2012; McDonald, 2012). This is partly a function of the type of migrant (most of whom are from large cities and not predisposed towards rural living) and partly a function of the major macro trends driving centralisation and agglomeration economies and the strategic policy response to this that defers to market-led and individual's decisions. Where it is notable in regional Australia, direct overseas migration is generally associated with humanitarian entrant programs; short-term major projects; or (often seasonal) labour-intensive agricultural activities.

While, in some sense Canada has a similar population centralisation trend to Australia’s, there are examples of smaller Canadian towns that have been able to offer an alternative destination for new arrivals by leveraging from the perceptions of greater personal safety and sense of community in some rural settings. Moreover there have been concerted efforts by associations, business and local government to actively pursue overseas immigrants including recruitment drives and welcome packages.
However, despite these dominant migration trends, technological, economic and cultural shifts have created opportunities to attract and retain residents. To begin with, there is sufficient evidence to say that the demand for jobs, amenities and services, while pulling people to larger centres, may also be pushing people from outer metropolitan Melbourne and to regional Victoria. Technological and transport improvements that enable businesses to operate in regional settings may also encourage urban to rural migration.

Given the strength of these motivational factors, attracting and retaining residents in rural Victoria is a challenging task. Unfortunately, while there have been many efforts, there is limited quantitative evidence of the direct benefits of some of this (McKenzie, 2004). What is clear is that no-one-size-fits-all and that, in most instances, a tailored solution is required. While the solution is unique, the approach is broadly common. That is:

1. Quantification of the scale and nature of the problem at the local level.
2. The targeting of specific markets to suit specific town characteristics.
3. A balance between promotional strategies and realistic assessment of the potential for a town or municipality.

The tips in this document are an assembly of findings and ideas from many examples from Victoria and elsewhere where people have successfully tackled the drift away from rural towns. When combined with the decision-making toolkit, they should provide local stakeholders with sufficient information and ideas to prepare a locally-relevant and ultimately successful attraction and retention strategy.
REFERENCES


Birrell, B., Dibden, J. and Wainer, J., 2002, Regional Victoria: Why the Bush is Hurting, Centre for Population and Urban Research, Monash University


Climate Commission, 2012, The Critical Decade: Victorian Climate Impacts and Opportunities, Canberra

Daley, J. and Lancy, A., 2011, Investing in Regions: Making a Difference, Grattan Institute, Melbourne

DPCD, 2011, Change and Disadvantage in Regional Victoria: An Overview, Department of Planning and Community Development, Melbourne

DPCD, 2012, Victoria in Future 2012, Department of Planning and Community Development, Melbourne

DPCD, 2012a, Understanding Smaller Settlements, report by Planisphere and Geografia to Department of Planning and Community Development, Melbourne


Geografia, 2012, Loddon Mallee North Connectivity Analysis, report to DPCD, Melbourne

Geografia, 2013, Employment and Skills Gaps in the Outer Metropolitan Growth Areas: Stage 2 Report, report to National Growth Areas Alliance, Melbourne


Hillman, K. and Rothman, S., 2007, Movement of Non-metropolitan Youth Towards the Cities, LSAY Research Reports. Longitudinal surveys of Australian youth research report; n.50 http://research.acer.edu.au/lsay_research/54


JVSVN, 2001, Next Silicon Valley: Riding the Waves of Innovation, Joint Venture Silicon Valley Network Working Paper, San Jose

Kenyon, P. and Black, A., 2001, Small Town Renewal: Overview and Case Studies, Rural Industries and Development Corporation, Perth


McKenzie, F, 2009, Regional Youth Migration and the Influence of Tertiary Institutions, Department of Planning and Community Development, Melbourne

McKenzie, F, 2012, Trajectories of Change: How Regional Communities Adapt to the Closure of a Major Industry, ANZRSAI Conference 2012: Connecting Regions: Research, Practice and Policy, University of Wollongong


Michigan State University, 2009, Innovative Strategies for Talent Retention and Attraction in Rural Regions, Center for Community and Economic Development, Michigan State University Board of Trustees

Musabeka, H., 2009, Attraction and Retention of New Canadians into Rural Communities, Newfoundland and Labrador Association of Community Business Development Corporations, Newfoundland

Ord, R., 2013, Personal Communication, Ross Ord, Manager Workforce Development, Agrifood Skills Australia, Canberra


RCV, 2012, Rural Migration Trends and Drivers, Rural Councils Victoria, Melbourne

RDV, 2009, Relocated Residents Survey (ASCET Group and the Centre for Regional Innovation and Competitiveness the University of Ballarat), Regional Development Australia, Melbourne

RDV, 2009a, Attitudes and Target Profiling (Shop Science), Regional Development Australia, Melbourne

Salt, B., 2005, The Big Shift, Hardie Grant Books, Melbourne

SCORD, 2004, Attracting and Retaining Skilled People in Regional Australia: A Practitioners Guide, Department of Transport and Regional Services, Standing Committee of Regional Development, Canberra

Victorian State Government, 2006, Inquiry into Retaining Young People in Rural Towns and Communities, Rural and Regional Services and Development Committee, Parliament of Victoria, Melbourne


Williams, D., 2012, Personal Communication, David Williams A/CEO Shire of Morawa, Morawa
Further information
For more information contact Rural Councils Victoria at:
Level 12/ 60 Collins Street Melbourne
GPO Box 4326 Melbourne 3001
PH: 03 9667 5555
www.ruralcouncilsvictoria.com.au