

Bureau of Infrastructure, Transport and Regional Economics

The evolution of Australian towns

Report 136

Department of Infrastructure and Regional Development
Canberra, Australia

© Commonwealth of Australia 2014

ISSN: 1440-9569

ISBN: 978-1-922205-64-3

May 2014/INFRA2107

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An appropriate citation for this report is:

Bureau of Infrastructure, Transport and Regional Economics (BITRE), 2014, *The evolution of Australian towns*, Report 136, Canberra ACT.

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Foreword

This report examines long-term change in Australia's settlement structure by investigating the number, location and population size of towns over three Censuses (1911, 1961 and 2006).

The rationale for this approach was to look beyond the immediate issues facing regional communities and identify the broader context in which change occurs. Recognising long term trends and the processes that drive them is central to improving our understanding of the past, present and future of regional development.

As a result this report identifies strong trends in the evolving shape of the settlement pattern and the key processes that have brought about change. Key findings relate to the process of centralisation which has been pervasive across the nation and the rise of amenity as a driver of change. The report also covers changes in the relative influence of industry and households.

The mechanisms driving change are described in terms of technology and economics. An underlying theme is the role that transport has played in the early development of towns and its continuing role today. The economic concepts used are relatively simple and although more complex theories and mechanisms are examined, the analysis is firmly grounded in basic microeconomic theory. It is supported by earlier quantitative work by the Bureau relating to the spatial patterns of household living costs.

The study was undertaken by the Bureau's Regional Research team. The report was authored by Geoff Frost, Dr Karen Malam and Lucy Williams. The report is based entirely on original research work within BITRE, undertaken by the authors and Dr Adam Malarz who made a substantive contribution to the statistical regression analysis presented in Chapter 10.

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May 2014

Acknowledgements

The authors would like to acknowledge the assistance of fellow BITRE staff members who have provided advice for the development of this report, including Dr Gary Dolman, Leanne Johnson, Dr Catharina Williams, Dr Afzal Hossain and Dr Vidisha Carmody, along with contribution by members of the Policy Development Unit and the Regional Economic Policy unit within the Department of Infrastructure and Regional Development.

While BITRE is grateful for the assistance provided, the views expressed in this report are those of BITRE and should not be attributed to any other individual or organisation.

At a glance

- Over the twentieth century, the strong long-term settlement pattern trends in Australia were increasing centralisation of population and activity, a decline in rural inland towns and growth in coastal locations.
- There are six broad groups of factors that influenced settlement pattern change across Australia over the twentieth century—geography, history, industry, the provision of goods and services, amenity and investment—which interacted and generally reinforced one another creating very powerful forces for change.
- Changes in the settlement pattern can largely be explained by routine economic processes, with the key factors being competition, market size and turnover leading to economies of scale. These changes were triggered by, amongst other things, technological advances and increasing wealth.
- Better mobility forced retailers and service providers in small towns into competition with retailers in other towns, effectively establishing competitive regional markets. This has taken the form of 'town versus town' competition, as consumers choose between shopping centre options to satisfy their needs across a range of goods and services.
- Industry activities have favoured large regional centres as they accessed factors of production, sought profitable distribution points and developed centres of manufacture.
- The relationship between industry and towns weakened as industry sought inputs and markets further afield. Small rural towns now need industry much more than industry needs small rural towns.
- Towns and regions need to be competitive providers of goods and services. Having a local industry does not necessarily translate into substantial economic benefits for towns.
- Amenity was very important to the shifts in Australia's settlements patterns. This occurred as the household rather than industry gained importance as a key decision maker in shaping settlement patterns.
- There was a shift in emphasis away from employment and industry toward amenity factors as key shapers of settlement patterns in more recent years. This change was driven by increased personal mobility, wealth that longevity as well as a growing capacity to live away from places of work.
- Towns remain important economic and social units, but now operate as part of larger regional markets. Today, towns are interconnected, as people and businesses conduct their activities at a distance and across traditional regions.
- Pressures on settlement patterns are likely to continue in the form of centralising of activity, technological advancement, households seeking amenity and firms facing greater competition. This will provide both challenges and opportunities for towns and government into the future.

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