

POPULATION DECLINE AND SERVICE PROVISION IN REGIONAL AUSTRALIA: A SOUTH AUSTRALIAN CASE STUDY

■ Andrew Beer and Robert Keane

A Federal Government sponsored Regional Forum conducted in Whyalla in July 1999 highlighted the service provision problems confronting rural and remote regions in northern South Australia. This paper considers the nature and extent of population loss in this part of Australia and its impact on the quality of life. The paper goes on to consider the sorts of policy responses that are needed both to sustain current populations and guarantee the residents of these regions access to services.

Over the last several years increased attention has been paid to the processes of population loss in non-metropolitan Australia and the related, but not dependent, decline in services for rural and remote populations.¹ As Conway showed, Australians must now question the sustainability of settlement in many established farming areas.² To make matters worse, recent population projections suggest that if recent trends continue the decline of the non-metropolitan population away from the coast is likely to continue in New South Wales and Victoria.³ The electoral backlash associated with the perceived 'neglect of the bush' by Federal and State Governments⁴ has already attracted increased attention to regional issues by governments but it is open to question whether the policies being pursued are either appropriate or sufficient.⁵ This paper examines the problems of population decline and access to services in South Australia's northern regions. It also examines the magnitude of the problems confronting this area and questions whether the sorts of responses being pursued by governments will be able to stem the tide of population loss and provide residents with reasonable access to services.

THE REGIONAL FORUM

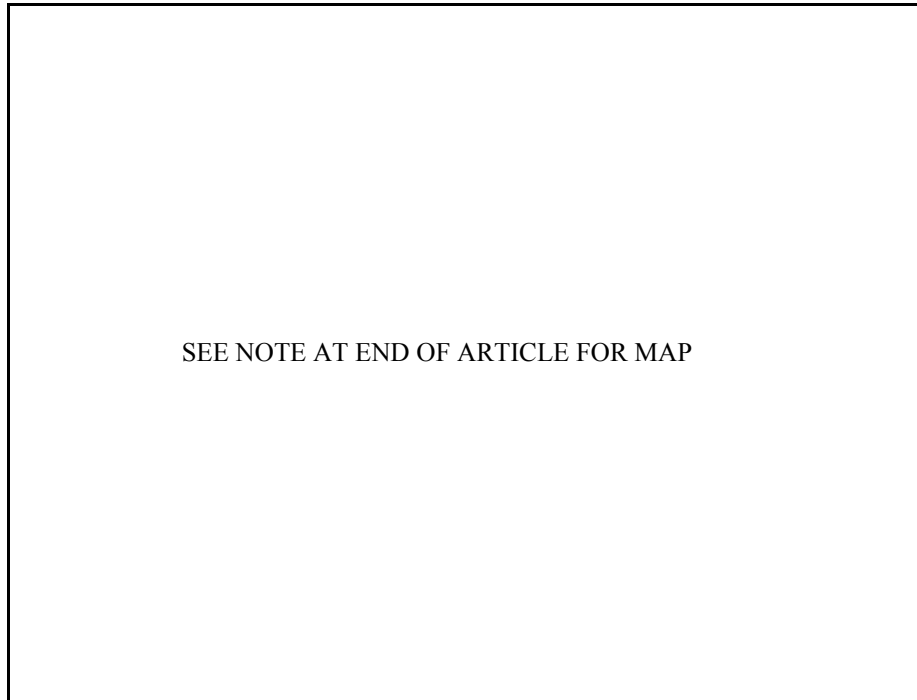
In July 1999 the Federal Government sponsored a Regional Forum in Whyalla.

This Forum (essentially a two day meeting between representatives of the region, Senator Ian McDonald the Minister for Territories, Local Government and Regional Services, and senior State and Federal Government officers) was one of two pilot Forums that had been announced in the previous budget.⁶ The territory covered in this Forum extended much beyond Whyalla. It embraced a number of regions including:

- the Far North;
- the Eyre Peninsula,
- the Mid North, Flinders Ranges, Yorke Peninsula; and,
- the Upper Spencer Gulf cities of Whyalla, Port Augusta and Port Pirie (Figure 1).

A Steering Committee comprised of local government officials, service providers and representatives of regional development boards developed the agenda for the Forum and prepared a Regional Futures Brief for discussion at that meeting.⁷ Significantly, both population loss and access to adequate medical, education, financial, community and social services were identified by the Steering Committee as threshold issues for all regions within the Spencer Gulf area. They were seen to place quality of life at risk and challenge the maintenance of current levels of development. That is, the loss of population and services would reduce the attractiveness of northern

Figure 1: The Spencer Gulf area and constituent regions, South Australia



South Australia for the retention and inward flow of people and investment.

ACCESS TO SERVICES

The regions of northern South Australia suffer from poor access to services. Access to health, education, information technology, banking, transport, telecommunications and community services can be difficult for rural and remote residents in South Australia. Moreover, the situation appears to be deteriorating. A number of factors have contributed to this situation: the privatisation and commercialisation of public sector utilities has reduced service levels and/or increased costs; the private sector has rationalised operations — withdrawing branches to only the largest and most profitable centres; and the State and Federal Governments have cut many programs crucial to the 'bush'. For example, many families in the Far North have relied on sending their

children to Adelaide for their secondary education. They have been adversely affected by the decision of the Howard Government to remove subsidies for education hostels, effectively making these hostels as expensive as boarding schools. Local schools are too small to offer a comparable level of education.

Some of these problems are, of course, of long duration. Access to telecommunications has always been difficult and in many areas even basic telephone services are limited. This point was highlighted by the Human Rights and Equal Opportunity Commission's report *Bush Talks*:

Oodnadatta, essentially a remote Aboriginal community, has a fixed number of phone services available. A person can get a new line only when someone else gives one up (ie when someone dies or leaves). The lines are of very poor quality and calls often drop out.⁸

Health services

Health services are one of the most telling indicators of the problems confronting regional Australia as they are one of the critical areas where service provision is sparse and where poor access contributes to population loss, lower quality of life and the leakage of expenditure.

Problems with access to health services are evident throughout northern South Australia. Access to GP⁹ services is surprisingly poor in each of the Upper Spencer Gulf cities, with 1,600 persons per GP in Whyalla in 1992, 1,300 persons per GP in Port Augusta and 1,400 per GP in Port Pirie.¹⁰ This compares very unfavourably with the 1:873 ratio in Adelaide and the State-wide non-metropolitan average of 1:1,173. Access is even poorer in the Flinders Ranges with one GP for every 2,000 persons, while in aggregate terms the Eyre Peninsula has reasonable access to GPs, with a ratio of 1:1,200. However, there were just 10 practitioners to cover the entire area of the Eyre Peninsula outside Port Lincoln (72,000 square kilometres) and the situation appears to have worsened over the last decade with some communities — notably Kimba — reporting difficulties in retaining a GP.

The Far North suffers from very poor access to GP services.¹¹ In 1992 the region recorded in excess of 2,000 persons per GP, the worst ratio in the State. Roxby Downs had a significantly better ratio with one GP per 1,300 persons, but Coober Pedy had just one GP for 2,200 persons. Poor access to primary health care has contributed to poor health outcomes in the Far North. There is evidence of under-use of services in the Flinders Ranges (by up to 30 per cent) while the residents of the Eyre Peninsula are also 15 to 30 per cent less likely to consult a doctor when compared against State

averages. Residents of the Far North, however, are by far the most parsimonious in the use of medical expertise. They were 70 per cent less likely to consult a GP when compared with the South Australian population as a whole. This is despite the fact that the Far North is an area of high health risk. This risk rating reflects the remoteness of the locality, but also lifestyle factors and the substantial Aboriginal population.¹² Risk factors such as crowded housing, unmanaged dogs, poor nutrition, dust, poor water quality and effluent disposal have long been associated with poor health status and remote Aboriginal communities. The Far North also has a high alcohol risk compared with the rest of country South Australia and there are higher levels of obesity within the region. Vaccination rates among children are low.

It is worth remembering also that the 'technological fix' of remotely accessing health services through video link ups or the Internet can be a mirage. The residents of Far North South Australia have reported problems in securing Medicare payments for consultations at which the doctor does not actually attend.¹³ The physical presence of a GP is therefore significant both for the quality of the service and its affordability.

POPULATION DECLINE IN THE REGIONS

A sparse — and now falling — population is one of the factors that have contributed to historically low levels of service provision in northern South Australia. The State's population is projected to grow by a little over two per cent between the 1996 and 2001 census and most of this growth (10.8 per cent) is expected within the outer metropolitan area. Regional South Australia is expected to decline a further 1.2 per cent

with the greatest losses in areas away from Adelaide.¹⁴

The regions of the Spencer Gulf area are landscapes of population decline. The population of the four regions has fallen from 177,157 in 1986 to 168,559 in 1996. This is a loss of nearly five per cent of its population. This decline is expected to continue with projections suggesting further losses in the order of 1.2 per cent by 2001.

The pattern of population change has been patchy with the Mid North, Yorke Peninsula and Flinders Ranges gaining population over the decade — with numbers rising from 69,691 in 1986, to 71,386 in 1991 and 72,988 in 1996 — largely as a result of the settlement of retirees in a number of Spencer Gulf coastal towns, such as Wallaroo, Moonta and Kadina along the eastern coast of Spencer Gulf. Projections suggest this trend will continue. The Far North has seen the biggest loss in percentage terms over the last decade, with its population falling from 15,078 in 1986 to 12,336 in 1991 and 10,737 in 1996. The Far North, however, is predicted to show a recovery of 1,244 by 2001, due mainly to increased mining and the opening of Woomera as a detention centre for illegal immigrants. Elsewhere, the picture is bleak. The Upper Spencer Gulf cities have seen the biggest losses with their combined populations falling from 61,523 in 1976, to 59,444 in 1986, 56,627 in 1991 and 53,055 in 1996. A further loss of more than 3,400 persons is expected by 2001. Between 1991 and 1996 all three centres recorded losses ranging from 0.9 per cent for Port Pirie, 1.2 per cent for Port Augusta and 1.6 per cent for Whyalla. Whyalla and Port Augusta have the highest forecast losses of 2,374 and 1,052 respectively. The loss of population from the Eyre Peninsula

has been less dramatic but the fall from 32,944 in 1986, to 31,118 in 1991, 31,779 in 1996 and a predicted decline of 1.8 per cent by 2001, still represents a significant slump.

It is a matter of concern that the overall population of these four regions is expected to fall further, at least in the short term (Figure 2). Governments allocate services according to population numbers so that a fall in the number of residents is compounded by the withdrawal of services. Port Augusta, Port Pirie and Whyalla are actively seeking to boost their populations. They recognise that there will be an on-going cycle of service loss and employment loss unless they can stop the outflow of their population.

EMPLOYMENT

Employment opportunities are clearly a critical factor in determining population gains and losses. The depth of the problem confronting this part of Australia is highlighted by the fact that the Spencer Gulf area as a whole accommodated some 68 per cent of South Australia's employment loss between 1991 and 1996, despite having just 14 per cent of the State's population.¹⁵

All four regions are confronted by challenges to their major industries: in addition to the vagaries of the weather, agriculture has suffered from restructuring over the last two decades, heavy manufacturing (the mainstay of the economy in Whyalla and Port Pirie) is in decline, and resource based industries often do not offer long-term employment. As Table 1 shows, all regions have suffered a decline in full-time employment over the last decade and the number of part-time jobs has not grown at a sufficient rate to make up the shortfall. With

the exception of the Far North, unemployment rates are high and rose over the decade to 1996.

One bright prospect is the development of mineral resources in the Gawler Craton. The Gawler Craton occupies

most of the North West of South Australia and is likely to produce significant quantities of gold, silver, nickel and other metals. This development is likely to have a significant impact on Port Augusta and Whyalla, as the mines are likely to

Figure 2: Projected population losses to 2001, non-metropolitan South Australia



Table 1: Number of full time and part time jobs by region and unemployment rate, 1986-1996

Region	Full time employment			Part-time employment			Unemployment rate (%)	
	1986	1991	1996	1986	1991	1996	1986	1996
Upper Spencer Gulf	16,873	14,901	12,575	5,212	5,868	6,628	13.2	13.5
Mid North, Yorke Peninsula and Flinders Ranges	20,962	18,825	18,214	6,185	7,452	8,338	9.9	10.5
Eyre Peninsula	10,314	8,336	8,235	3,172	3,679	4,115	10.2	10.5
Far North	6,149	4,049	3,377	1,234	1,313	1,267	5.8	6.7

Source: Australian Bureau of Statistics, Census, 1996

operate as Fly in-Fly out concerns. Port Augusta and Whyalla, along with Adelaide, are likely to be the major places of residence for workers.¹⁶ It is estimated that mining in the Craton will generate \$190 million in additional expenditure in South Australia, much of which will take place in Whyalla and Port Augusta. The State Government has also recently announced the development of a magnesium processing plant at Port Pirie with a full-time staff of 300 that will generate \$250 million in export sales annually.¹⁷ However, the on-going leakage of expenditure from the region through the loss of retail sales, health, financial and other services to Adelaide and other centres and the low operating staff numbers in resource-based industries suggest these developments may only offer a partial solution to the broader problems confronting these regions.

POPULATION, EMPLOYMENT AND SERVICES

The regions discussed in this paper all suffer from poor access to services and this situation has worsened over the last decade. Increasingly, both central governments and private businesses locate their facilities in order to achieve the greatest possible efficiencies. Regions such as those in northern South Australia are disadvantaged because they lack the

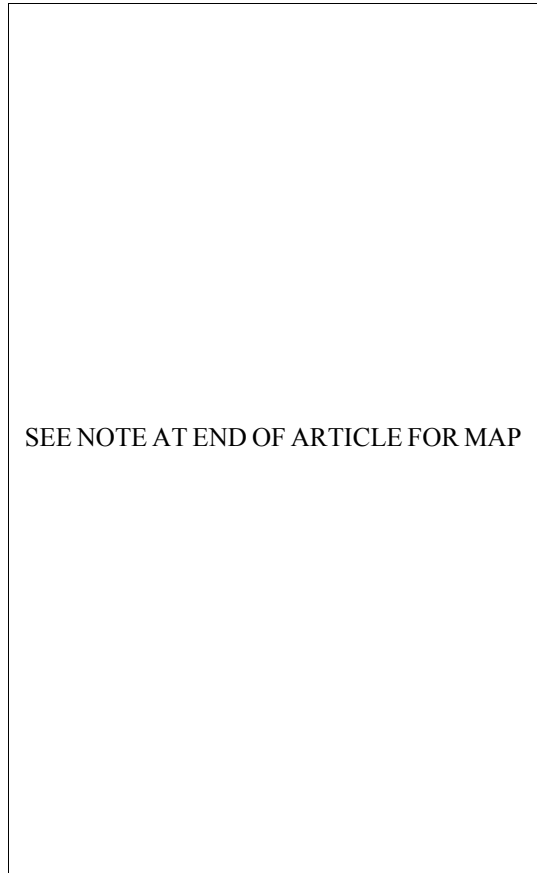
population numbers needed to secure a good level of service provision. That is, their relatively small populations make them uneconomic locations for health, financial, retail and other services. Importantly, whole regions are now made up of these 'non-economic' urban centres, so travelling to a regional centre may not be possible or affordable. Poor access to services makes these towns and regions less attractive places for business start ups or the location of branch plants,¹⁸ and this in turn contributes to high rates of unemployment and further population loss (Figure 3). The greater the 'hollowing out' of the local economy, the greater the vulnerability to external shocks and the greater the propensity for further population and service losses.

Over the period 1986 to 1996 the biggest losses of employment in northern South Australia were in the basic export-oriented industries. Some 6,000 jobs were lost from agriculture, mining and manufacturing and this figure far exceeds likely replacement by new mines, farming ventures or manufacturing plants. Employment in property and financial services grew over the decade (800 extra jobs), while employment in education and government administration fell (3,500 jobs lost), community and health employment rose (1,500 jobs) and tourism related employment rose by 800

positions. Importantly, there has been growth in employment in those sectors that are growing nationally, but their expansion within the regions considered in this paper has not kept pace with the shedding of labour elsewhere, nor with the rate of growth in the capitals.

Policies and actions are needed to give areas such as northern South Australia access to 'sunrise' industries. The Keating Government sought to connect Australia's regions to the globalised economy via the Regional Development Program¹⁹ while the Howard Government has attempted to achieve the same objective by 'wiring' regional Australia to the Internet through the 'Networking the Nation'

Figure 3: Services, employment and population loss



program. While these initiatives are important first steps, both approaches fail to address the longer term need to foster regional industries through longer term co-ordinated strategies.

The Hawke, Keating and now Howard Governments attempted to force Australian industries to become world competitive by dismantling tariff barriers. This strategy has disadvantaged non-metropolitan (and to a certain extent non-Sydney and Melbourne) industries to a greater degree as it has re-emphasised the competitive advantages of a central location, particularly in the fast growing industry sectors. This has helped create a very 'brittle' regional Australia: on the one hand much of the nation's wealth and export earnings are still generated off the land, while on the other hand the very survival of these industries is threatened by the withdrawal of the supporting service industries and associated population. Encouraging strength within regional economies is important as it is only by improving regional economies that governments and communities will be able to break the cycle of employment shedding, population loss and the departure of services from non-metropolitan regions.

CONCLUSION

The May 2000 Budget offered some relief to non-metropolitan Australia with greater funding for health services outside the capitals. The subsidy for fuel costs and the removal of some taxes on exports will help non-metropolitan industries be more competitive on international markets. However, we need to ask if these measures will generate viable communities that

can sustain and improve current levels of service provision. A five year funding program to attract medical practitioners to country centres will not necessarily offer a long-term solution. Poor access to services will continue to diminish quality of life outside the capitals as long as the economies of non-metropolitan areas remain vulnerable and central governments ignore equity issues when considering their expenditures. Other advanced economies achieve a more

equal distribution of economic opportunities, facilities and services. It is time Australia learnt this lesson and planned for both industry and services away from the metropolitan areas. As a society we could allow some centres to slowly decline and then vanish — and there are already many such examples across northern South Australia — but we must recognise that this could come at a political, social and economic cost few of us would be willing to pay.

References

- ¹ See, for example, F. McKenzie, *Population Decline in Australia: Impacts and Policy Implications*, AGPS, Canberra 1994; House of Representatives Standing Committee on Primary Industries and Regional Services, *Time Running Out: Shaping Regional Australia's Future*, AGPS, Canberra, 2000
- ² K. Conway, 'Can Rural communities survive? The case of Hopetoun,' *People and Place*, vol. 3 no. 3, 1995, pp 11-15
- ³ See, M. Deacon, 'The Future of population growth in Victoria,' *People and Place*, vol. 8, no. 1, 2000, pp. 1-11, and A. Culpin, S. Nugent, and J. Truscott, 'Population projections for New South Wales — a regional analysis,' *People and Place*, vol. 8, no. 1, 2000, pp. 12-20
- ⁴ R. Davis and R. Stimson, 'Disillusionment and disenchantment at the fringe: explaining the geography of the One Nation Party vote at the Queensland election', Paper presented to the Australian and New Zealand Regional Science Association International, Conference, Tanunda, 21-23 September, 1998, Unpublished
- ⁵ It is notable that in its first budget the Bracks Government in Victoria repaid the 'regional' voters that helped sweep it to power by allocating funds for substantial non-metropolitan infrastructure projects.
- ⁶ J. Anderson and I. McDonald, *Regional Australia: Meeting the Challenges*, AGPS, Canberra, 1999
- ⁷ Spencer Gulf Area Regional Forum Steering Group, Regional Future Brief, 22-23 July, 1999, Whyalla
- ⁸ Human Rights and Equal Opportunity Commission (HREOC), *Bushtalks in Port Augusta*, 1999, p. 1
- ⁹ GPs are defined here as medical practitioners who performed more than 1,000 GP services for which Medicare payments were claimed. This definition includes part-time practitioners and follows J. Glover, M. Shand, C. Forster, and T. Woolacott, *A Social Health Atlas of South Australia*, Second Edition, SA Health Commission 1996
- ¹⁰ See Glover, et al., op. cit.
- ¹¹ This does not include the Royal Flying Doctor Service
- ¹² South Australian Health Commission, The Northern and Far Western Region, 1998
- ¹³ HREOC, op. cit.
- ¹⁴ Population Projections, South Australia, 1996-2001, Department of Transport and Urban Planning, 1998
- ¹⁵ Spencer Regions Association Area Consultative Committee, 'The vision of the Spencer Regions,' Unpublished, Whyalla, 1998
- ¹⁶ C. Woodward, 'Gawler Craton Infrastructure Advance Planning Study', Executive Summary, Unpublished, 1999
- ¹⁷ *The Advertiser*, 20 May 2000, p. 5.
- ¹⁸ Non-metropolitan regions often struggle to attract and retain professionals; A. Beer, A. Bolam, and A. Maude, *Beyond the Capitals: Urban Growth in Regional Australia*, AGPS, Canberra, 1994
- ¹⁹ A. Beer, 'Economic rationalism and the decline of local economic development in Australia,' *Local Economy*, vol. 13, no. 2, 1998, pp. 52-64

FOR FIGURE 1, FIGURE 2, AND FIGURE 3 PLEASE EMAIL Sue.Drummond@monash.edu.au AND I WILL SEND YOU THE MAPS INVOLVED IN THE PRINT VERSION. UNFORTUNATELY DUE TO TECHNOLOGY AT THE TIME THE ARTICLE APPEARED IN PRINT THE MAPS WERE UNABLE TO BE ELECTRONICALLY INCORPORATED INTO THE ARTICLE. SORRY FOR ANY INCONVIENCE.