SUSTAINING REGIONS, the newsletter of ANZRSAI, 3(2)

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EDITOR

This edition of Sustaining Regions the Newsletter of ANZRSAI includes an annotated transcript of a presentation and discussion on Regional Development Australia as implemented uniquely in South Australia. Accompanying this are some regional points from the Commonwealth of Australia budget, extracts from the Regional Australia Institute brief on benefits of the minerals boom, and the release of the regional competitiveness index. To accommodate these, this edition contains fewer research abstracts and news items, but retains notes on the activities of your Council.

We urge you and your colleagues to respond to the First Call for Papers for the 37th Annual Conference of ANZRSAI to be held at the Hervey Bay campus of the University of Southern Queensland from 3 to 6 December 2013. When you do register we urge you to also join ANZRSAI. Standard membership is now only $80 and application forms are available on our website .

Sustaining Regions, the Newsletter of ANZRSAI invites contributions on research, policy and practice relevant to urban and regional communities. These can be commentary, articles, book

reviews, and descriptions of policy initiatives. Contributions must reveal the author; they will not be refereed, and will not enjoy the copyright protection of a refereed journal. Authors seeking refereeing and copyright protection should approach Australasian Journal of Regional Studies www.anzrsai.org.

SELECTED PAPERS

The changing policy environment for regions.

This article provides an edited and annotated transcript of presentations and discussion on: How best can regional development practitioners, researchers and policy makers address the policy approaches of the COAG Regional Australia Standing Committee, the South Australian Regional Development Fund and Regional Development Australia in South Australia? It includes material presented by

- Leon Mills, SA State Director, Department of Regional Australia.
- Trevor Bennett, A/Manager, Outer Adelaide, Agribusiness and Regions, PIRSA.
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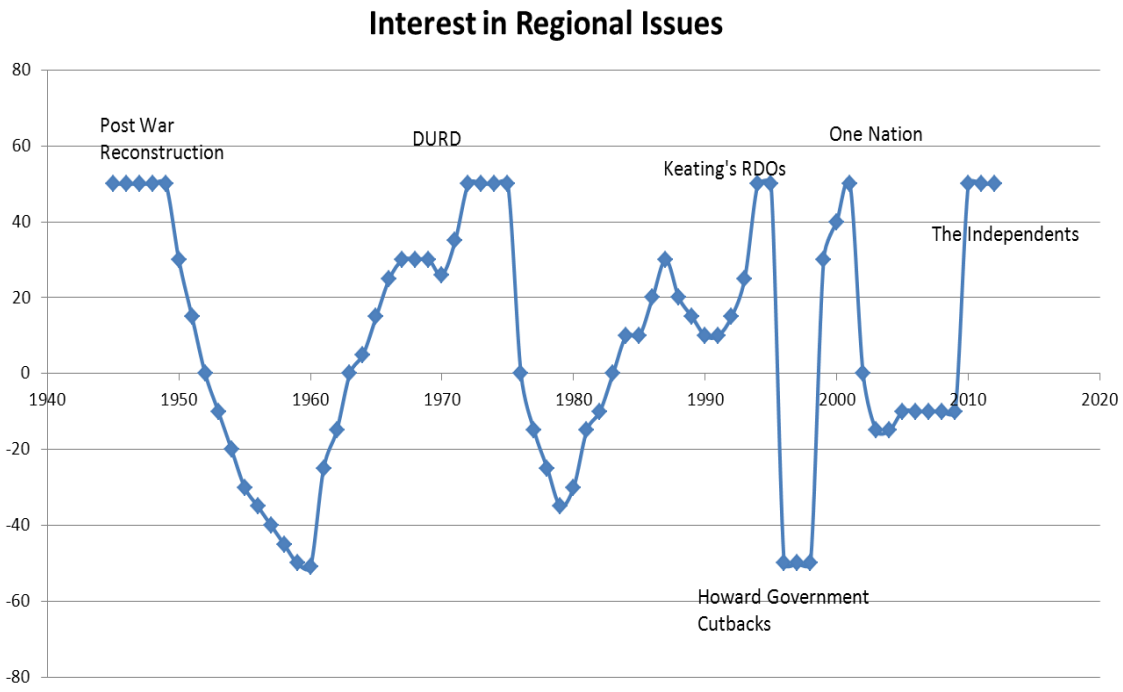
Regional Policy – An Australian Government Perspective

Regional Policy Cycles
(by courtesy of Prof Andrew Beer)



There are peaks and troughs in interest in regional policy in Australia. We are at a peak due to the balance of power in Parliament and the associated commitment to regional Australia.

Commitment to Regional Australia

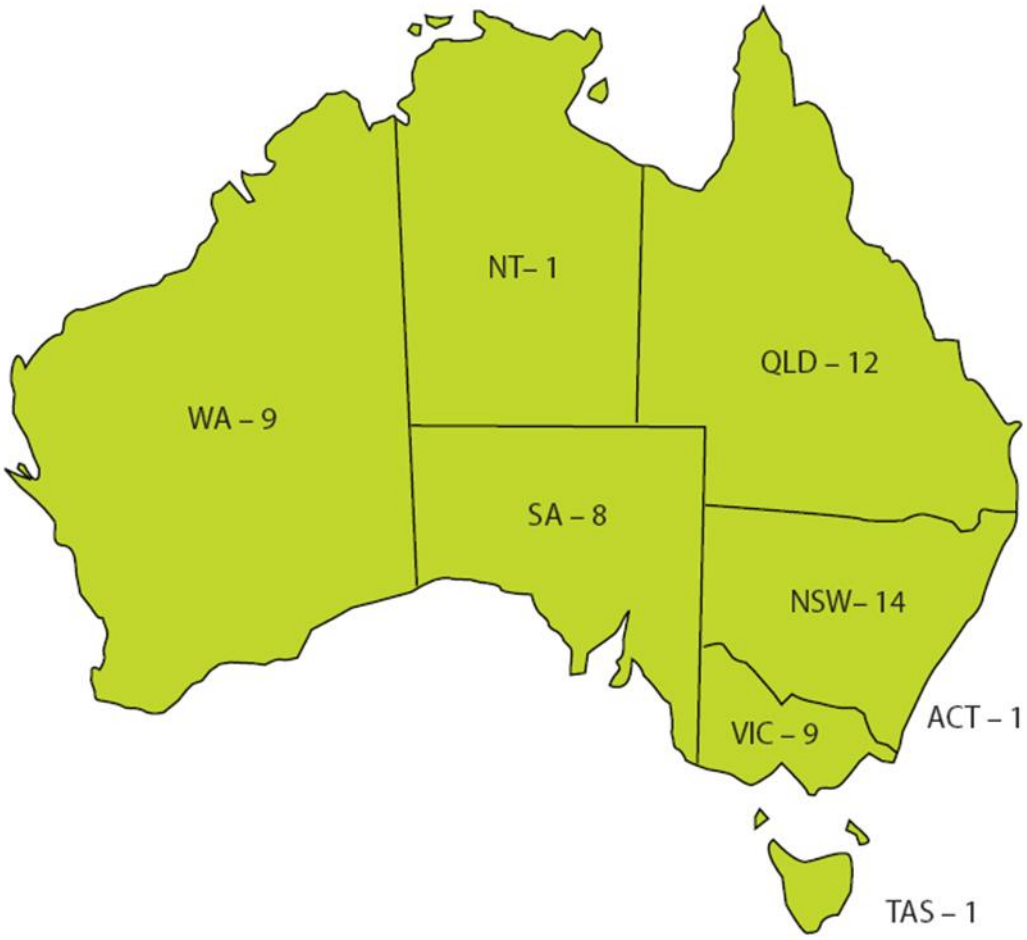
- Appointment of a **Minister for Regional Australia, Regional Development and Local Government**
- Establish the **Department of Regional Australia, Regional Development and Local Government**
- Establish a **Regional Australia and Regional Development Committee of Cabinet**
- Establish a **Regional Development Policy Centre**
- Establish a **House of Representatives Committee on Regional Australia**, and
- Strengthen **Regional Development Australia**

RDA previously existed and gained a higher profile following the agreement between the Australian Government and the independent members of Parliament.

Overview of the Department of Regional Australia, Local Government, Arts and Sport

This small department has about 585 staff in 23 locations across Australia. In South Australia officers are located in Adelaide and Port Augusta. 4 Regional Australia staff in SA team:

There are RDAs in every State and Territory.



Focus of the SA RDA Team

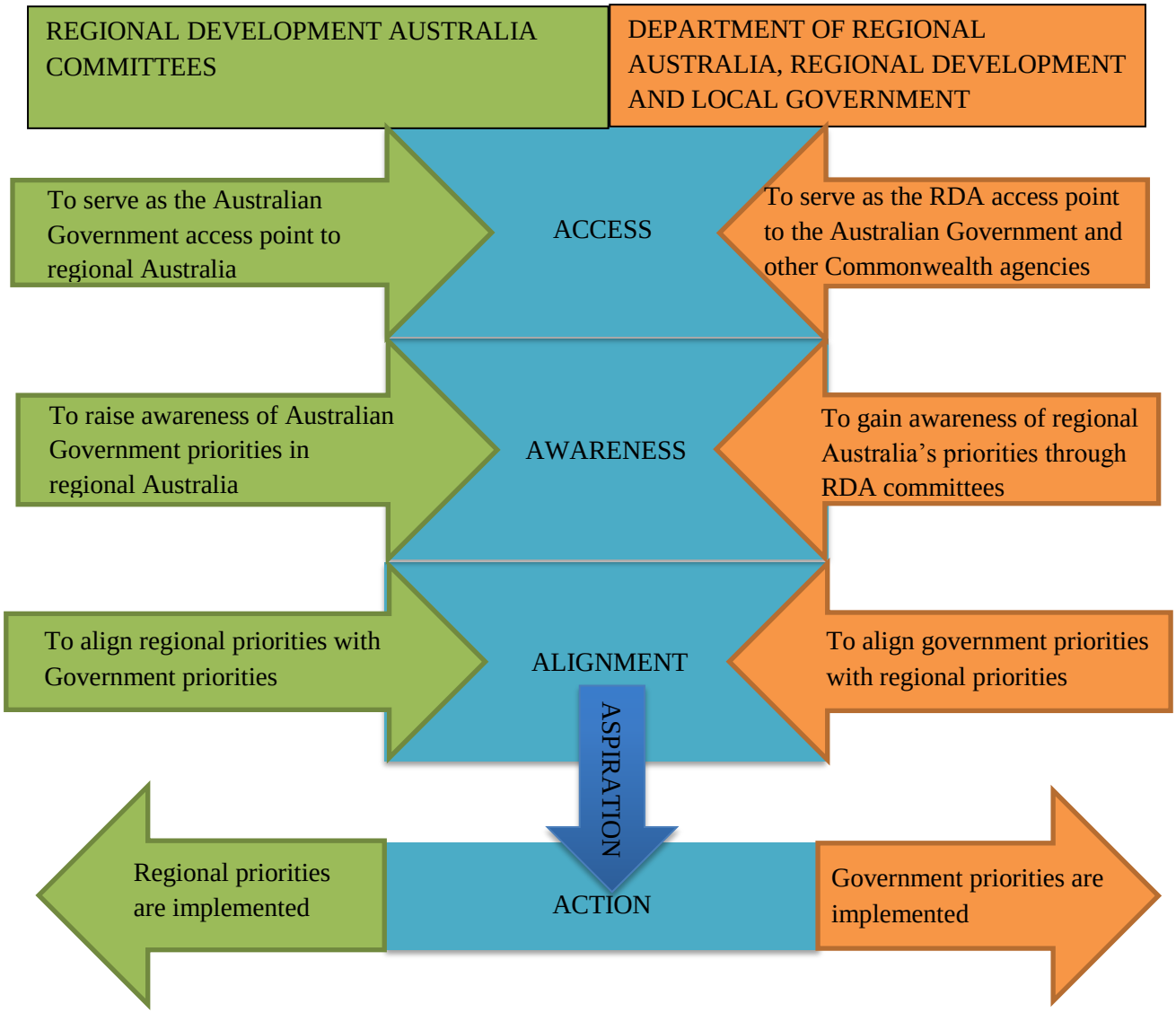
1. Support the RDA network to deliver against its key roles and functions
2. Support the Minister, Parliamentary Secretary and Department Executives
3. Establish/ maintain strong relationships with Commonwealth, State and Local Government
4. Promote, establish and manage place-based initiatives

Regional Development Australia

Roles and functions:

- Enhanced community engagement and consultation;
- Improved regional planning (Roadmaps); strategic plans
- Enhanced whole-of-government approach ('joining the dots at the local level"); coordination
- Enhanced awareness of government programs (NBN, CEF); and
- Improved community and economic development.

RDA and the Department



RDA and the Department have to get the regional community and all three actors, local, state and commonwealth, into alignment. The task is balancing what regions want with the top down priorities of State and Commonwealth governments.

Regional Development Australia in South Australia

A Memorandum of Understanding between the Australian Government, the South Australian Government and the Local Government Association of South Australia sets out the arrangements for RDA in SA. There are 8 RDA's in SA.

Members of RDA boards in SA are jointly appointed by the Federal Parliamentary Secretary, the SA Minister, each of whom is responsible for regional development, and the Local Government Association of South Australia.

Each board has up to 15 members of whom up to half have local government experience. Each board has a Chair, Deputy Chair, Treasurer and Secretary.

Apart from RDA Adelaide, each RDA is an independent, not-for-profit incorporated association. RDA Adelaide is an independent, unincorporated advisory body with Administrative support funded by the Australian Government and provided by the SA Department of Primary Industries and Regions.

The RDAs integrate the functions of the five former Area Consultative Committees and the South Australian Government's 13 Regional Development Boards.

Each RDA covers a region based on state government administrative areas. In the spirit of the tripartite funding model, the RDA boundaries are based on the SA Government administrative boundaries which roughly align with regional LGA boundaries (built up from Local Government/ABS SLA regions). These were adopted across the State Government prior to RDA establishment. The last update of the SA Input-Output Model (about 5 years ago) was also based on these boundaries.

For more information on SA Government regional boundaries:
http://www.sa.gov.au/subject/Housing,+property+and+land/Building+and+development/South+Australia's+land+supply+and+planning+system/South+Australian+Government+regions#Uniform_boundaries_for_South_Australian_government_regions

South Australian RDA Model

A unique tri-partitite funding partnership which delivers:

- Commonwealth: State: Local operational funding (35:35:30 post 30 June 2013)
- Leveraged operational funding (project funding)
- Integrated 'one-stop-shop' service delivery
- Capacity (average 15 staff, but reducing post 30 June)
- Links to key stakeholders
- Community profile
- Local intelligence
- Consultative mechanism for government agencies
- Co-ordination across three spheres of government at the local level

SA is the only RDA model in Australia that attracts funding from all three levels of Government. After 30 June 2013 the shares changed. The Commonwealth and Local Government commitments remain the same but the State contribution falls. The impact on RDAs is uneven.

Having the three levels of government involved gives RDAs a capacity to leverage funds, provides a one stop shop and consolidates staffing. Some interstate RDA's have very few staff. The SA RDAs have strong community links, a raised profile, and good access to intelligence. Consultation at local level for all three levels of government allows co-ordination and leveraging of state and federal programs with local government at local level.

COAG Regional Australia Standing Council (RASC)

- Co-ordinates across the three spheres of government at the national level
- Established to support sustainable growth in regional communities through a national cross-government approach to regional development
- Members include State/Territory Ministers for Regional Development, the NZ Minister for Regional Development and the President of the Australian Council of Local Government
- RASC is chaired by the Federal minister for Regional Development and Local Government, the Hon Anthony Albanese MP

The RASC has had two meetings. The RDAs work at the regional level; RASC can negotiate at the national level.

COAG Regional Australia Standing Council (RASC)

On 5-5 July 2012, the inaugural meeting of RASC in Alice Springs noted the five key determinants of long-term regional economic growth:

- Human Capital
- Sustainable communities and population growth
- Access to international, national and regional markets
- Comparative advantage and business competitiveness
- Effective cross-sectoral partnerships and regional planning

These 5 key determinants for long term economic growth were based on OECD studies and research. They provide a common framework for a holistic approach to regional development which takes account of the 5 elements.

Cross-sectoral partnerships are treated as government to government, not knowledge base to knowledge base, industry to industry, or region to region. (Ed.: This may not reflect the literature.)

COAG Regional Australia Standing Council (RASC)

On 18 April 2013, Minister Albanese convened a meeting of RASC in Hobart which agreed to:

- Work to address impediments to investment in local government infrastructure; and
- Establish a Regional Economic Development Framework, to promote regional economic growth that builds on the key determinants of growth

The impediments were identified in a consultancy on local government infrastructure. The Regional Economic Development Framework builds on the experience of the RDA's with the application of the five key determinants of growth.

To complement the work of the Department and the RDA's, Minister Crean decided to work with the other levels of Government to provide a focused, co-ordinated, cooperative place-based approach to regions faced with significant economic change, and restructuring.

The places range from the whole of Tasmania, three LGA's in the Latrobe Valley, the SA Murray-Darling Corridor and Upper Spencer Gulf. The choices were made in conjunction with state Governments.

Upper Spencer Gulf

A place-based approach because

- A region at risk – cities dependent on large single employers
- Considerable opportunities in the USG – with at least 24 projects worth over $35 billion over the next decade
- Provides the opportunity to strengthen, diversify and transform the regional economy and boost South Australia's economy
- The region requires support from all levels of Government to take this opportunity. No one level of Government can make it happen.

Region has opportunities for investment in renewable energy.

USG Governance Arrangements

To support work in the Upper Spencer gulf, the MOU approved the development of two bodies

- Upper Spencer Gulf Alliance – comprising relevant Commonwealth and State Government Ministers, President of LGASA and other LGA reps
- Upper Spencer Gulf Working Group – key Commonwealth, SA and Local Government officials.

The 3 cities (Port Augusta, Port Pirie, and Whyalla) are in the Alliance.

The Working Group is made up of senior officials from three RDAs, three local councils, Primary Industries and Regions SA, and Department of Regional Australia.

Informing that group will be two reference groups, one in Canberra and one in Adelaide, made up of people from across the agencies of Government.

Key outputs of the USG Working Group

- "Upper Spencer Gulf Strategy for Regional Transformation" approved by the USG Alliance on 28 February 2013
- Action Plans, based on the five key determinants of long-term regional economic growth, have been developed, progressed and updated
- Wide range of initiatives identified through the Action Plans are being systematically resourced and implemented

The Upper Spencer Gulf Strategy has

- Local ownership
- Drawn from previous studies and reports (building on the existing evidence base) and new opportunities identified
- Structured on 5 key determinants of economic growth (agreed to by COAG Standing Committee on Regional Australia)
- SWOT analysis of each determinant

Following the Strategy, five Action Plans were developed. Action Plans include a blend of initiatives. Some are funded and under way and others are new initiatives to fill gaps and may still require funding. They are not just a shopping list but address the 5 determinants of growth.

USG Action Plans

- One for each of the 5 key determinants
- Content provided by Reference and Working Group members
- Prioritized by Working Group (including regional Local Government priorities)
- Balance key existing initiatives with emerging projects
- Further developed through bilateral discussions with stakeholders
- Traffic light report holds partners accountable
- A work-in-progress, changing daily as new information comes to hand

Accountability is reinforced because progress is reported at a public forum every 2 months.

Priority Initiatives

The priority initiatives give on the ground meaning to each of the five objectives.

1. Human Capital

Education and skills training are critical to assisting local people to tap into the benefits of economic transformation.

- Renewable Energy Research & Training Centre (Whyalla)
- Integrated early childhood services hub (Port Augusta)
- Expanded Aboriginal Employment mentor Program
- Funding for Local Employment Co-ordinator

2. Sustainable Communities and Population Growth

Councils are continually improving the social amenity of their cities, making them attractive places to live, work and visit.

- (Whyalla) Middleback Theatre and Arts Precinct (RDAF application)
- Port Pirie CBD Upgrade (RDAF application)

3. Access to Markets

The Regional Mining & Infrastructure Plans, managed by DIT, are identifying and prioritizing major infrastructure projects. Smaller projects, and those not directly related to mining, have been included in Action Plans.

- Whyalla airport terminal upgrade (RDAF funded)
- Port Augusta airport terminal upgrade (USGEZ / RDAF)
- Advocacy for third party access to Arrium's Whyalla harbour

4. Comparative advantage and business competitiveness

Industry, RDA's and government are working to build business competitiveness and regional comparative advantage.

- Identify gaps in expertise and capacity in local suppliers to bid for work from major companies (DMITRE – MIPO), responding to a lack of capacity to capture work
- Port Pirie Transformation Package
- Department of Defence opening of Woomera for exploration
- Algal biofuels pilot at Whyalla

5. Intergovernmental partnerships and integrated planning

The three levels of government will work towards integrated planning and governance

- Regional Mining Infrastructure Plans (1.5bn)
- SEWPAC investment in Regional Sustainability Plans (including $400k for building local Government capacity)
- USG Planning Roundtable to explore alternative regional planning and governance models

SEWPAC is the Federal Department of Sustainability, Environment, Water, Population and Communities. About $200,000 of research has been funded. The Australian Government is investing $29.2 million over four years to promote sustainable development in high growth regions across Australia through the Sustainable Regional Development program. This program is one of the measures under Sustainable Australia - Sustainable Communities: A Population Strategy for Australia. The program will facilitate strategic assessments under Australia's national environmental law - the Environment Protection and Biodiversity Conservation Act 1999. The focus of this program is to protect Matters of National Environmental Significance and is to be delivered through regional sustainability planning in selected high growth regions.

The Australian Government will consult with state and territory governments to nominate appropriate regions to participate in the Sustainable Regional Development program. These regions will be involved in regional sustainability planning, and may include one or more local government areas. Additional support may be available through a non-competitive grant to one local government authority in each selected region. The funds are to support activities to further increase the capacity and engagement of the community in developing and implementing the plan.

Regional Development Australia Fund (RDAF)

$1b over 5 years sourced from mining tax

- Economic and community infrastructure
- Local government & Not-for-profit
- >$500,000 and < $15m
- Projects must align with RDA plans/priorities
- Round 1: $150 million was allocated to 35 projects across Australia, $15.9m was allocated to 6 projects across SA.
- Round 2: $200 million allocation. $27.88m allocated to 7 projects across SA
- Round 3: Providing up to $50million for projects for small towns in regional Australia
- Round 4: Providing up to $175 million for strategic infrastructure projects in regional Australia

RDAF is another component of the Federal Government's commitment to regional development. South Australia has done well out of rounds 1 and 2.

RDAF Round 1

South Australia: 6 projects with RDAF grants totaling $15.89M ($150m nationally)

- APY Art Centres 2030 - $2.84m
- Tanunda to Gawler Shared Bicycle/Walking Path - $4.81m
- Energizing the Flinders – Green energy infrastructure project - $0.91m
- Port Lincoln Airport upgrade - $4.5m
- Streaky Bay Oval Precinct development - $1.72m
- Port Pirie Men's Shed and Community Centre Complex Rebuild Project - $1,11m

The local RDA got in early with the Bike path and has obtained funds for further links in Round 3. An aim in future rounds is to complete links from the southern Flinders to the Kangaroo Island ferry.

In the RDAF, the Commonwealth looks for matching funding from other partners.

RDAF Round 2

South Australia: 7 projects with RDAF grants $27.88m ($200m nationally)

- The leukemia Foundation Patient Village - $3.9m (Built in Adelaide for regional patients, supported by all SA RDA's)
- Far North Regional Community/Sports Hub – Port Augusta-$5m
- Coober Pedy "Water for Growth Project" - $0.9m
- Northern Region Affordable Housing Initiative - $5m (Port Augusta)
- Keith and Districy Sport and Recreation Centre upgrade - $0.8m
- Lucky Bay Harbour Extension - $2.2m
- Wakefield Region Water Supply Upgrade - $10m

Adelaide based project shows that metro projects can show benefit.

RDAF Round 3

Round 3	RDAF	Total
Targets small towns with less than 30,000 population	$3,459,498	$7,076,437
Adelaide Hills Sculpture Trail Development	$400,000	$520,000
Gawler Youth Recreational Precinct (Youth Precinct)	$120,420	$373,920
Hewett Shared Use Path – Regional Connector Upgrade Project	$172,826	$369,109
Port Augusta Airport Terminal Upgrade	$435,600	$1,014,350
Major Refurb of Quorn & Districts War Memorial Swimming Pool	$500,000	$1,499,968
Mundulla Bowling Club Greens Upgrade	$115,600	$231,200
Renmark Town Centre Revitalisation	$376,280	$868,313
Waikerie Sports Precinct – Stage 2 Development	$441,272	$767,427
Infrastr Pinnaroo Wetlands Walking Trails & Recn Open Space	$110,000	$220,000
Whyalla Airport Terminal Upgrade	$300,000	$600,000
Hallett Tourism Precinct Redevelopment	$77,200	$154,700
Rattler Trail Development Project	$410,300	$457,450

Summary

Local – Local Government and RDAs are 'joining the dots'

Regional – RDA's are applying place-based approaches to regional transformation

National – RDAF provides a bucket of money to attract cocktail funding at local and State levels.

In summary, the Commonwealth policy approach is to acknowledge sovereignty at the local level and attempt to embed this approach across Government at all levels so as to avoid the process from being unpicked in future. The effort in Upper Spencer Gulf has been devoted to overcoming silos and to addressing the needs of three RDA regions which are experiencing rapid structural change. The availability of national money available helps very much.

Discussion

Regional development requires a network view about how actions link together, giving a future view of regional connectivity. In the past regional aspirations have been thwarted by not connecting the dots internally or externally.

Over time local political territories reassert themselves and may reverse efforts to join the dots between the various networks and levels of government which intersect in regions. See Harrison, John. 2013. Configuring the New 'Regional World': On being caught between territory and networks. Regional Studies, 47, 1, pp. 55-74.

The approach as described does not seem to link together the related but different knowledge bases held by different regions. These inter-regional linkages are keys to regional innovation and development. Very often regional innovation fails because regions do not establish links with sources of related knowledge residing outside the region. There is a tendency for locals to know each other well, to assume that the locals are best-in-class, and therefore not to see related knowledge bases outside the region as having anything to contribute to local innovation and growth. Regions often do not know what they do not know. The result is that regional know-how does not benefit from advances in related know-how elsewhere and productivity and innovation stops.

Regions in USG have tended not to look outside their boundaries, to make connections and so have become unable to win work with outsiders. The regional fabrication and maintenance sector in USG did not look outside the boundaries or even want a relationship with their fellows in Broken Hill.

By connecting with related and practical knowledge bases elsewhere a region can create the capacity to innovate. See Asheim, B. T., Boschma, R. and Cooke, P. 2011. Constructing regional advantage: Platform policies based on related variety and differentiated knowledge bases. Regional Studies, 45(7), pp. 893-904.

Economic development requires commercial and market drivers. The tri-partite system described seems to establish a system connecting governments but without connections to business and commerce. The RDA networks bring local commerce and industry together to catalyse projects and research within their regions, but the outside business world may be omitted. On the ground, business and commerce have to join the process in order to be part of the action, but where is the linkage to the world of business and commerce outside the region? The RDAs make those contacts with internal and external business and commerce.

There is a long history of failures of Government to manage coordination in and between regions suffering from lock-in. USG Common Purpose Group, on which a report has been prepared, had experiences of trying to break out of these difficulties and was frustrated by the enmity between the three cities, the learned incapacity of regional firms to tender for projects managed outside the region, such as the Darwin to Alice Springs Railway, and the need for up-skilling. Meetings had to be on neutral ground at the University and the TAFES.

Sociology describes how the embeddedness of social networks is established historically. The Upper Spencer Gulf towns were each dominated by one or two major industries the former Commonwealth Railways and ETSA, Shipbuilding and BHP/OneSteel/Arrium steel, and BHAS/Pasminco/Nyrstar lead smelting. What brings them together? Dominant local employers inadvertently create social dependency in their local communities who see the employer as a guarantor of employment and as a source of funds for community projects. Outsiders are seen as a threat to local suppliers and other beneficiaries of the local employer. Social dependency turns inwards discouraging efforts to look outside the region for new knowledge or ideas. If dependency is entrenched then it will re-emerge to frustrate the good intentions of newly arrived managers and government officers seeking to address community and economic development.

In South Australia the RDA process has been welcomed by some old timers who see it as lifting local planning to a new level. Having Minister Crean visit and pay attention helped. There are now better personnel in the Councils. CEO's are working together, addressing issues more professionally. But a long history of failures raises doubts as to whether these changes will endure. All would be delighted if it did.

The new SA Regional Development Fund.

The current SA funding agreement with RDA ends on 30 June 2013.

Up until this time there has been a long standing arrangement, running for over 20 years, between the Government of South Australia and the Local Government Association of South Australia to provide funds, at a ratio of 3:1, for Regional Development Boards to undertake regional economic development. In 2010 the state budget commission recommended that with the entry of the

Commonwealth into tripartite funding of RDAs, the SA Government should not continue with the former Regional Development Board funding model.

The new SA Regional Development Fund commencing on 1 July 2013 arose from a Ministerial decision around March 2012 in response to the entry of the Commonwealth seeking joint funding for SA RDA's.

The previous Regional Development Infrastructure Fund, which focused largely on power, water and telecommunications infrastructure, has been restructured into the Regional Development Fund which will have $3 million per year for programs that support regional economic development, employment and the attraction of new investment.

Stream 1 - $1.4 million per year (indexed) - provides support to the non-metropolitan Regional Development Australia (RDA) committees to attract funds to deliver projects that facilitate regional economic development that align with South Australia's Strategic Plan targets and priorities. Under Stream 1 RDA's can make application for funding from $50,000 to a maximum of $200,000 each year for eligible projects. Matching funding is not required.

Under the previous arrangements some of the RDA's had been very effective and had obtained as much as $500k from State funds. While this is a significant change for those RDA's, the financial environment has changed, and improves the situation of other RDA's. Stream 1 applications have been assessed and all RDA's have some funding.

Stream 2 - $1.6 million per year - Stream 2 provides contestable funds to support private sector businesses, industry associations, community organizations, regional local government, and the non-metropolitan RDA committees. It provides funds to deliver projects that develop and support the food value chain and contribute to the SA Government priorities of 'Growing Advanced Manufacturing', 'Realizing the Benefit of the Mining Boom', and 'Clean and Green Food as a Competitive Edge'.

Stream 2 is perhaps more aligned to the old regional development fund. Applicants can access funding from $50,000 to a maximum of $200,000 each year for eligible projects. Stream 2 does require matching dollar for dollar funding, thus requiring the applicants to demonstrate that these projects reflect their funding priorities. Applications are prioritized according to the matching funding they can leverage. Stream 2 applications are just now being finalized.

The previous model was adapted to the SA Regional Development Board model which was singularly focused on economic development. Under the RDA model there had to be some change to accommodate the community development goal and the Commonwealth Government involvement. Now community volunteers are getting together to improve their communities.

The program retains in SA a heavy focus on economic development unlike other states. The government has a range of key performance indicators (KPI's) for the new model which continue a focus on economic development. The fund identifies targeted projects all with economic outcomes and KPI's.

Questions

In an RDA, the new system has developed a series of related projects in food, wine and tourism development and related areas such identifying associated infrastructure for industry development.

Performance is monitored under the Resource Agreement with RDA's using seven KPI's. RDA's are required to report monthly, quarterly, 6 monthly, and annually for Federal and State governments. When about 140 projects have been undertaken this creates a large administrative burden.

The process does not determine whether a project has met all its objectives, because some objectives are not measured or measurable. RDA's can use two or three performance measures and audit purchases. In other words, projects are measured on inputs. Because RDA's are the catalysts of projects, it is very difficult for SA Government to measure what may have been the input of others to a project. This makes it difficult to measure the net benefit of say a walking trail relative to an airport terminal. In effect this leaves evaluation measuring the size of the investment and whether the project is complete.

The funders look for indications of benefit, such as head count for a walking trail or an airport terminal. Sometimes the funding converts an investment, for instance where an investor is considering another site. In other cases, a can-do attitude in a region may convert an investment or may help an investor to structure their ideas into a viable project and successful grant application. Sometimes an RDA will come up with an idea and find partners for it. The funding helps make a difference where an investor is considering another location, or where infrastructure can make a difference, or where funding helps to find partners to work with the investor.

No projects have resulted in unused infrastructure. There may be a fall back option. There can always be dropout companies. In all cases where the investment was made the infrastructure was used and did not become a white elephant. The funding body always retains an option to require repayment of funds advanced to business for a project which does not proceed.

Editor: This is an edited transcript of an ANZRSAI network meeting held at Carnegie Mellon University in Adelaide on 6 June 2013. Thanks to all the named and un-named participants.

REGIONAL AUSTRALIA: STRENGTHENING COMMUNITIES
Commonwealth Budget 14 MAY 2013

Australia is riding a wave of great change. We are an island nation blessed with natural advantages sitting on the doorstep of the Asia-Pacific region. Soon this region will become not just the largest consumer of goods and services on the planet, but also its largest producer. Australia's place within this region offers enormous opportunities and regional Australia, the source of almost three-quarters of export earnings, is key to ensuring our success during this Asian Century.

The Australian Government has backed the regions to take advantage of all that the Asian Century offers. We have made big investments in nation-building infrastructure, creating faster, smoother transport links that are critical in helping us reach national and international markets. We also continue to fund the roll-out of the National Broadband Network (NBN), which will provide high speed broadband to 100 per cent of Australian premises. NBN construction and planning will continue to focus on regional Australia, offering unprecedented access to health and educational opportunities as well as the global marketplace.

We have addressed regional liveability via the Education Investment Fund and the Health and Hospitals Fund. This has been backed by our flagship Regional Development Australia Fund, worth almost $1 billion. We have supported projects that attract investment, create jobs and meet

community needs with the help of Regional Development Australia Committees that are functioning right across the country. The 2013-14 Budget builds on these investments, through carefully targeted expenditure on infrastructure, environmental sustainability, employment, education and drought assistance for Australia's farmers. All these initiatives support a forward looking Australia, with a skilled, healthy and connected population equipped for the future.

We are targeting regional roads and rail through the second phase of the Nation Building Program. The overarching objective of the program is to lift Australia's productivity and it will do this by focussing on four cornerstone themes: Moving Freight; Connecting People; Safety; and Innovation. We are continuing our historic investment in interstate freight rail and regional roads, improving connectivity between key growth areas and markets. We are continuing our Roads to Recovery and Black Spot programs, making our roads safer for everyone and making it easier for drivers in regional areas to get around.

The 2013-14 Budget will include initiatives that address region-specific circumstances. For example, the Australian Government will allocate $99.4 million over four years in new farm household support payments under reforms to the National Drought Program to help farmers better manage risk and prepare for future challenges, including drought. The 2013-14 Budget also provides $9.9 million over the next two years to upgrade airstrips in remote Australia under the Regional Aviation Access Program, improving safety and accessibility for remote communities. A total of $3.5 million will be available to connect job seekers and workers affected by structural change to jobs in growth industries and regional areas experiencing labour and skill shortages. A further $15.7 million will allow Local Employment Coordinators in Australia's most vulnerable regions, 13 of which are outside capital cities, to continue their valuable work connecting people to jobs.

The 2013-14 Budget follows an honourable Labor tradition of providing opportunity for all Australians, no matter what their circumstances or where they live. It targets productivity growth, so essential to lay the foundations for Australia to capitalise on the opportunities of the Asian Century.

Anthony Albanese
Minister for Regional Development and Local Government

Catherine King
Minister for Regional Services, Local Communities and Territories

Source: The Australian Government Department of Regional Australia, Local Government, Arts and Sport

Editor's comment

The spatial reporting of estimated expenditure by the Department of Regional Australia, Local Government, Arts and Sport for the budget years 2013-14 to 2016-17 given on page 162 has some interesting details.

The total funds allocated to the Regional Development program change from $332m in 2013-14, to $458m in 2014-25, to $298m in 2015-16, and $142m in 2016-17. Apart from 2013-14, the majority of these funds have no specific allocation to a regional or a non-regional purpose, and maybe allocated to meet future commitments of the Regional Development Australia Fund.

The funds allocated to the Local Government program change from $1,164m in 1013-14, to $2,367 in 2014-15, to $2,470 in 2015-16, and $2,575 in 2016-17. Local Government accounts for 49.7% of portfolio expenditure in 2013-14, 64.4% in 2014-15, 69.4% in 2015-16 and 72.7% in 2016-17. There is a steady annual allocation to Local Government Financial Assistance Grants of approximately $2.2b. The 2013-14 allocation appears to drop because approximately $1b of it was brought forward into the current Financial Year to assist with flood recovery.

Budget Joint Media Release

The Honourable Anthony Albanese MP and The Honourable Catherine King MP

This year's Budget delivers new investments in infrastructure to create faster and safer transport links, as well as measures to protect and grow jobs and support families in regional communities.

Regional Australians will be big beneficiaries of the next phase of the $60 billion Nation Building Program being announced as part of this year's Budget.

The next phase of the Program (2014-15 to 2018-19) provides significant additional funding towards a $4.1 billion 10 year package to upgrade and maintain the Bruce Highway – Queensland's major north–south transport corridor which links the northern regional centres of the State with Brisbane.

In addition, the 2013-14 Budget provides:

- $500.0 million for a 10 year capital works program along the Midland Highway – the critical north-south road link in Tasmania;
- $307.8 million for a package of works along the section of the Great Northern Highway (Western Australia) between Muchea and Wubin;
- $317.5 million for a package of works between Toowoomba and Miles on the Warrego Highway (Queensland);
- $257.5 million for construction of the next stage of the duplication of the Princes Highway West (Victoria) between Winchelsea and Colac; and
- $85 million for the Anangu Pitjanjatjara Yankunytjatjara (APY) Lands (South Australia) to upgrade sections of the 210 kilometres of main access road between the Stuart Highway and Pukatja, and improve 21 kilometres of community roads.

These highway packages will improve safety through intersection upgrades; road widening; construction of additional overtaking lanes; realignment of sections; and regeneration of sections.

The 2013/14 Budget will also deliver:

- $14.3 billion in additional funding over seven years from 2012-13 to roll out DisabilityCare Australia (the National Disability Insurance Scheme) across the country by 1 July 2019, ensuring that all Australians with significant and permanent disability get the care and support they need, when they need it;
- $9.8 billion in additional funding over six years to deliver a fairer funding model for all schools, and the evidence based reforms in Labor's National Plan for School Improvement;
- $300 million through the Early Years Quality Fund to attract and retain qualified professionals in early childhood services, including in regional and remote areas of Australia;

- $99.4 million over four years in new farm household support payments under reforms to the National Drought Program which move away from crisis assistance, to measures that help farmers better manage risk and prepare for future challenges, including drought;
- $15.7 million in 2013-14 to support 20 Local Employment Coordinators, 10 Jobs and Skills Expos and a $4 million Flexible Funding Pool to support job seekers in 20 of Australia's most vulnerable regions;
- $3.5 million for the Labour Mobility and Relocation Assistance for Job Seekers program that will connect up to 600 job seekers impacted by structural change in the economy with employment opportunities in growth industries and regional areas that have labour and skills shortages; and
- $10.0 million over the next two years to upgrade airstrips in remote Australia under the Regional Aviation Access Program.

These new initiatives build on our existing commitments that are already strengthening Australia's regions.

In 2013-14, the Government will continue the rollout of our Regional Development Australia Fund (RDAF), building on the first two rounds which invested $350 million to leverage projects worth $1.2 billion. Already 75 projects are underway, ensuring people living in rural and regional Australia are getting the services and support they need.

The Government has provided national leadership on water reform through its Water for the Future initiative. The Sustainable Rural Water Use and Infrastructure Program, has committed more than $4.8 billion for infrastructure upgrades to secure the future of irrigated agriculture in the Murray Darling Basin and beyond, including supporting more efficient irrigation in Tasmania.

In addition, the Government will commence rolling out the $669 million Caring for our Country - Regional Delivery Component from this year. This will allow regional Natural Resources Management organisations to deliver projects that protect our natural resources, encourage sustainable production of food and promote innovation in Australian agriculture.

The Government will also continue the rollout of the National Broadband Network. Regional Australia is being prioritised in the NBN rollout. Towns like Armidale, Coffs Harbour, Gosford, Townsville, Toowoomba, and Willunga are already connected to the NBN, with many more regional areas to follow.

Federal Labor's national health reform agenda has also provided significant funding to improve access to health services for regional Australia. For example, under the $5.0 billion Heath and Hospitals Fund, 25 Regional Cancer Centres are being established, which when operational will provide world-class treatment for over 7,600 additional patients annually and over 127,000 additional chemotherapy treatments each year.

Australia's regional communities are central to our national identity and economic prosperity. The Federal Labor Government will continue to work with them to maximise their economic potential.

Meanwhile in Canada: Demise of the Federal Rural Secretariat

By courtesy of Ray D Bollman (RayD.Bollman@sasktel.ca)
note from Dee Ann Benard, Alberta Rural Development Network {exec.dir@ardn.ca}

The Government of Canada eliminated the Rural Secretariat on May 9th, when they laid off the 13 remaining staff members. In about a year they went from 92 staff members to none. Responsibility for non-financial co-operatives was transferred to Industry Canada on March 4th, 2013.

The Rural Secretariat website http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1180113350292&lang=eng still states the following:

"Almost one third of Canada's population - approximately nine million people - live in rural regions. The Government of Canada is helping rural Canada develop and maintain strong, adaptable and vibrant communities.

"Working with key federal departments and agencies, including natural resource departments, the voluntary sector and non-government organizations, the Rural Secretariat develops initiatives that support the development of innovative and competitive communities."

REGIONAL AUSTRALIA INSTITUTE

Australia's first online index and interactive map of regional competitiveness

On 26 June, the Regional Australia Institute released [In]Sight, the nation's first online index and interactive map tracking the competitiveness of Australia's 560 Local Government Areas (LGA) and 55 Regional Development Australia (RDA) regions.

Modelled on the World Economic Forum's Global Competitiveness Report, [In]Sight was developed in collaboration with Deloitte Access Economics and combines data from sources including the Australian Bureau of Statistics and the Social Health Atlas of Australia.

RAI invites you to explore the potential of this revolutionary tool and see what insights the interactive map can uncover for you, and how it can meet your needs and interests.

[In]Sight spans ten themes and 59 indicators specifically tailored to reflect the fundamentals of sustainable growth in Australia, capturing the competitiveness of LGAs and RDAs according to current economic performance and drivers of future success.

Here at the RAI, we believe that this suite of information, presented in a deep, layered but easy-to-use tool is going to change the way Australia has, until now approached regional policy.

Beyond that, it will empower every town, every region and all levels of decision making to have the best, richest information at their fingertips. So please, step through the portal now at http://www.regionalaustralia.org.au/research-policy/insight/, bookmark it on your tablet or computer and see what [In]Sight can reveal for you!

Dear Reader: Please send your comments to Newsletter anzrsai@anzrsai.org and we will provide a summary in the next edition.

Regional Australia Institute has also issued a policy briefing on how regions can retain the benefits of a local mining boom. The key points follow.

REGIONAL AUSTRALIA INSTITUTE

REGIONAL POLICY BRIEFING April 2013

BENEFITS OF THE BOOM?

Effective local strategies are the key to regions capturing long term benefits from the resource boom.

Key Points

- Jobs and wealth derived from resources projects flow mainly to connected capital cities and larger regional centres rather than to small towns close to the project. The long-term socio-economic benefits of resource projects for smaller regional communities are not assured simply by the presence of a project.
- Maximising the net socio-economic benefits of resources projects for regional communities should be a clear goal of resource development.
- Capturing a share of indirect and induced economic activity will determine whether a community experiences net benefits from a project.
- Communities that do not have an effective strategy for managing these issues may experience negative outcomes. The consternation over FIFO work patterns is reflective of the wider challenges in the current resources development systems in Australia.
- Governments should consider whether the Environmental Impact Assessment framework provides an appropriate umbrella for socio-economic issues in the future. Its emphasis on external expert driven impact assessment and compliance focussed regimes is at odds with the locally negotiated outcomes and strategies needed to achieve net socio-economic benefits for local communities.

For details see the RAI website.

References (Note the contributions of papers ANZRSAI members and publications)

[i] National Mining Association, 2012, 'The Economic Contributions of Mining', pp. 2-3 http://www.nma.org/pdf/economic_contributions.pdf

[ii] Haslam McKenzie, F & Hoath, A 2012, 'Socio-economic impacts of a long distance commuting workforce on a source community', presented at EDEC Colloquium on Regional Economics, Hervey Bay,1st-2nd December 2012

[iii] Pritchard, B 2005'Beyond the resource enclave: Regional development challenges in northern remote Australia', Journal of Australian Political Economy, No.55, p.84

[iv] The Age, 'Dream Time, Boom Time', 6 March 2013, accessed 8 March 2013, http://www.theage.com.au/national/dreamtime-boomtime-20130305-2fiup.html#ixzz2OWXtWYHf
[v] Evans, N & Sawyer, J 2009, 'The mining boom: Challenges and opportunities for small businesses in regional South Australia', Australasian Journal of Regional Studies, Vol. 15, No. 3.
[vi] OECD, 2012, 'Promoting Growth in Regions', OECD Publishing.
[vii] Measham, T & Fleming, D 2012, 'Mining and Regional Development- Case Study: Coal seam gas extraction in Queensland', presented at the ANZRSAI Conference, Wollongong, 5-7th December, 2012
[viii] Akbar, D & Rolfe, J 2012, 'Regions in transition: Changing dwelling demand and housing market in Surat Basin, Australia', presented at EDEC Colloquium on Regional Economics, 1st-2nd December 2012
[ix] Ibid.
[x] Australian Government (Department of Water, Sustainability and Environment), 'Agreement between the Commonwealth of Australia and the State of New South Wales', accessed 4 March 2013, http://www.environment.gov.au/epbc/assessments/bilateral/nsw.html

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CURRENT RESEARCH

Papers in Regional Science

92(2) 2013

This special issue is devoted to Regional Labour Markets.

Members seeking a compact and up to date review of regional labour market analysis should read the introduction New advances in the analysis of regional labour markets by Uwe Blien, Stephan Fuchs and Georg Hirte on pages 243-247. (doi:10.1111/pirs.12041)

285-304: Regional inequalities and the impact of 'matching technology' on the arrival rate of employment offers: A theoretical and empirical analysis

Stilianos Alexiadis
Konstantinos Eleftheriou
Peter Nijkamp

In this paper a 'search and matching' framework is used to examine the impact of advances in information technology on regional inequalities. While the relevant literature analyses the impact of technological progress with respect to changes in regional productivity, we take an alternative perspective: changes in the arrival rate of job offers and employment opportunities. Simulation experiments complement the theoretical framework, while some empirical evidence using a sample of NUTS 2 and NUTS 3 regions in Europe is also presented.

305-328: Living and working in ethnic enclaves: English Language proficiency of immigrants in US metropolitan areas

Julia Beckhusen
Raymond J.G.M. Florax
Thomas Graaff
Jacques Poot
Brigitte Waldorf

We use data on Mexican and Chinese immigrants in the US to calculate the average marginal effects of residential and occupational segregation on immigrants' ability to speak English, and similarly the effects of English fluency of family members. Our results confirm that residential segregation is generally inversely related to English language proficiency of immigrants, except for skilled Chinese immigrants. Allowing for occupational fixed effects, the minority

population share at the place of work is relevant for proficiency in English among skilled Chinese, but not for Mexicans and unskilled Chinese. We also find that the presence of English-speaking adults in the household increases the probability of immigrants' proficiency in English.

329-343: Modelling geographical graduate job search using circular statistics

Alessandra Faggian
Jonathan Corcoran
Philip McCann

Theory suggests that the spatial patterns of migration flows are contingent both on individual human capital and underlying geographical structures. Here we demonstrate these features by using circular statistics in an econometric modelling framework applied to the flows of UK university graduates. While the traditional statistical techniques applied in economics do not fully account for the complexity of mobility flows, these techniques to study directionality are still relatively unexplored. The database used includes observations on around 30,000 British graduates. Our results suggest that a higher level of human capital is associated with more unidirectional flows as higher human capital migrants selectively target specific labour markets.

437-438 Book Review by Hannu Tervo Interregional migration and public policy in Canada. Kathleen M. Day and Stanley L.Winer. Montreal & Kingston, London and Ithaca: McGill-Queen's University Press, 2012. (Carleton Library Series 223.) 408 pp., 81 tables, 94 figures, 7 appendices, index. Paperback $34.95, cloth $95.00. ISBN 978-0-7735-3745-3.

"The question is to what extent internal migration is policy-induced and to what extent economic and other reasons dominate the migratory behaviour."

438-440: Book Review by Trudy-Ann Stone

Business Networks in Clusters and Industrial Districts: The Governance of the Global Value Chain Fiorenza Belussi & Alessia Sammara (eds). London/New York: Routledge, 2009. 418pp. $43.56. ISBN: 978-0-415-53985-2..

440-442: Book Review by Vesa Harmaakorpi and Anne Jalkala

Complex Adaptive Innovation Systems.Philip Cooke. London and New York: Routledge. 2012. 256pp. £75. ISBN 978-0-415-60375-1.

442-444 Book Review by Jenny Sjöholm

Creative industries and innovation in Europe: Concepts, measures and comparative case studies.Luciana Lazzeretti(ed). London: Routledge, 2012. 328 pp. £85.00. ISBN: 978-0-415-67740-0..

REGIONS & PRACTICE

Does the farmer want a market?

by Katrina Phelps

Walking around an array of appealing sights and smells in a swarming shed with a fresh coffee in one hand and fudge sample in another, seems to be a popular way to spend a Saturday morning in the Barossa Valley.

The shed is actually a weekly farmers market which is certainly popular with visitors, but is it a priority for local farmers?

A new research project being undertaken in UniSA's School of Commerce will explore

why participation rates in such markets by small to medium farmers is actually quite low in Australia.

Researchers on the project, Dr Valerie Kupke and Dr Geoff Page, say there is real interest by communities to establish their own farmers markets and when expressions of interest are called for from potential stallholders there are plenty of applicants from value adders who make products like jam, cakes and biscuits, but generally there are not applicants from the farmers who produce the staples.

"The farmers are not lining up to supply, and a farmers market will not thrive without supplying all the staples," Dr Page said.

"There has been significant publicity in rural media about stallholder shortages and still applicants are not coming forward.

"So we are going to try to find out what the issues are that prevent farmers growing for farmers markets.

"We hope to provide means for farmers markets' managers to overcome barriers to participation by local producers; and also raise awareness of the potential of the markets as alternative pathways to viability for local producers."

Dr Kupke says while internationally there is a body of work on farmers markets, research within Australia has so far been very limited.

"The Australian Federal Government has drawn up a national food plan which promotes farmers markets as an important means of ensuring Australia's food security, quality, affordability and sustainability," Dr Kupke said.

"The plan also recognises that the city still depends on rural Australia for a great deal of its sustenance; economically, environmentally and socially, and that in this context, farmers markets can act as important points of contact between city and country, creating support for and interest in the rural sector.

"There are lots of benefits, yet many farmers in Australia remain outside this particular food services sector."

The project is funded by the Royal Institution of Chartered Surveyors (RICS) UK Research Trust. The RICS Research Trust has an established reputation for supporting research related to urban and rural land use across the world.

Dr Kupke said this project ties in closely with the RICS research agenda of encouraging a greater integration of research between the rural sector and urban areas.

The year-long project will focus on two case study areas – the Adelaide Hills and the Barossa Valley.

For more information about the project, please contact Dr Geoff Page on geoff.page@unisa.edu.au or phone 08 8302 0855; or Dr Valerie Kupke on valerie.kupke@unisa.edu.au or phone 08 8302 0440.

Acknowledgement: UniSANews is the source of this article and Katrina Phelps is the copyright owner. The article is reprinted courtesy of University of South Australia, UniSANews and Katrina Phelps.

Growing Gains/Growing Pains Webinar

(Supplied by courtesy of Ray D. Bollman, University of Saskatchewan)

The Harris Centre for Regional Policy and Development, Memorial University of Newfoundland, Canada, recently hosted a session exploring the industrial boom taking place in the Southwest Avalon region of

Newfoundland. The webinar examined how can citizens and communities best take advantage of these opportunities and contend with these challenges? Webinar presenters included Mark Shrimpton (Senior Associate, Stantec Consulting Ltd), Heather Hall (CRRF board member and Postdoctoral Fellow at Memorial University), and Bill Hogan (Mayor, Town of Placentia).

If you missed the webinar you can view it online - click here.

Factsheets on Promoting Welcoming Communities for Immigrants to Canada

Bollman, Ray D. (2013) "Factsheet: Employment Rate of Immigrants by Sex, Canada, 2006-2012." Pathways to Prosperity Bulletin (London, Ontario: University of Western Ontario, Pan-Canadian Project on "Pathways to Prosperity: Promoting Welcoming Communities in Canada", March) (http://p2pcanada.ca/library/factsheet-employment-rate-of-immigrants-by-sex-canada-2006-2012).

Bollman, Ray D. (2013) "Factsheet: Location of Immigrant Arrivals in 2012." Pathways to Prosperity Bulletin (London, Ontario: University of Western Ontario, Pan-Canadian Project on "Pathways to Prosperity: Promoting Welcoming Communities in Canada", March). (http://p2pcanada.ca/library/factsheet-location-of-immigrant-arrivals-in-2012).

Regional Australia Update

Omitted for this issue in view of the long article on Regional Development Australia.

37th ANNUAL CONFERENCE

ANZRSAI invites academics, practitioners and policy advisers interested in any aspect of regional science, regional development or regional policy to participate in our 37th annual conference, hosted this year by the University of Southern Queensland at Hervey Bay. ANZRSAI welcomes contributions on any topic related to regions. The core theme for this year's conference will focus on:

REGIONS THAT WORK:
RESEARCH, PRACTICE AND POLICY
(HERVEY BAY,
3RD – 6TH DECEMBER 2013)
The conference will be held at the Fraser Coast campus of the University of Southern Queensland at Hervey Bay.

The Call for Papers and links to the home page for the conference and other relevant material can be obtained from the website at:
www.anzrsai.org

ABOUT ANZRSAI

ANZRSAI Council

At its April 2013 meeting Council agreed an institutional membership structure intended to assist institutions with a specialist interest in regions to extend membership to their staff at a discounted rate.

Council has noted a need to re-establish AJRS in the major journal citation databases in order to monitor the impact of AJRS and to identify the most cited in AJRS articles.

A revised brief for an upgrade of the ANZRSAI website is in preparation and will give priority to meeting the needs of researchers, practitioners, regional research institutions and members.

Council is concerned about the need to follow up members about payment of membership dues.

ANZRSAI Council 2013

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