

## **LOCAL GOVERNANCE AND REGIONAL DEVELOPMENT: AN INTRODUCTION TO THE SPECIAL EDITION OF AJRS AND STRATEGIC DIRECTIONS FOR RESEARCH**

### **Bligh Grant**

Senior Lecturer, Institute for Governance and Public Policy, University of Technology Sydney, Ultimo, NSW Australia 2007. Email: [Bligh.Grant@uts.edu.au](mailto:Bligh.Grant@uts.edu.au).

### **Roberta Ryan**

Director, Institute for Governance and Public Policy, University of Technology Sydney, Ultimo, NSW Australia 2007. Email: [Roberta.Ryan@uts.edu.au](mailto:Roberta.Ryan@uts.edu.au).

### **John Martin**

Emeritus Professor, Centre for Sustainable Regional Communities, College of Arts, Social Sciences and Commerce, La Trobe University, Melbourne, Vic, Australia, 3086. Email: [John.Martin@latrobe.edu.au](mailto:John.Martin@latrobe.edu.au).

**ABSTRACT:** In December 2015 the Australia and New Zealand Regional Science Association International (ANZRAI) held its 39<sup>th</sup> Annual Conference at the University of Technology Sydney. Prior to the conference the Editorial Board of *Australasian Journal of Regional Studies (AJRS)* and the Executive of ANZRAI agreed to a Special Edition (SE) of the journal entitled 'Local Governance and Regional Development' to be developed and published as part of the outcomes of the conference. In this 'Introduction' the members of the *ad hoc* Editorial Board formed for the SE provide an account of the conference and a concise overview of the papers therein as they relate to the theme of 'Local Governance and Regional Development'. We also reflect upon the strategic directions for research in regional studies.

**KEY WORDS:** Australia and New Zealand Regional Science Association International (ANZRAI); local governance, regionalism; regionalisation, regional development; research paradigms, research strategies.

## **1. INTRODUCTION**

The 39<sup>th</sup> Annual Conference of ANZRAI was convened by the immediate Past President Paul Collits and organised by him, President Paul Dalziel, Bligh Grant and Nicole Campbell from the (then) Centre for Local Government, University of Technology Sydney (UTS:CLG) which has subsequently transformed into the Institute for Public Policy and Governance, University of Technology Sydney (UTS:IPPG). The conference was hosted by UTS:CLG with generous support from Glenn Wightwick, Deputy Vice Chancellor Research UTS.

Attracting approximately 60 participants, the conference boasted no less than five Keynote Speakers: Associate Professor Richard Hu (University of Canberra) who presented on ‘Sustainable Global Sydney’; Lee Pugalis, newly-appointed Professor of Urban Studies at UTS, who discussed ‘Place-based deals: A contractual or consensual tool for regional development?’; Professor Bob Stimson (University of Melbourne) who spoke on ‘Challenges and opportunities for regional science research to be more policy relevant’; Professor Stephen Hill (Sohar University, Oman) on ‘The state of regional science’; Dr Rob Greenwood (Memorial University, Newfoundland) discussing ‘Functional economic regions’ and Professor Michael Hefferan (University of Sunshine Coast) who examined ‘Bridging the policy-to-application gap in Australian regional development’. The conference also adjoined a ‘Symposium on the “White Paper on Reforming the Federation”’, for which Tod Moore (University of Newcastle Australia) was the main presenter.

Alongside the expected trimmings of a Sydney conference (harbour cruise; cocktail reception, etc.) the conference was characterised by significant cohorts of presenters from regional universities in Australia (Central Queensland University; Charles Darwin University; University of New England) and government and industry bodies (Regional Australia Institute; Department of Infrastructure and Development). Notwithstanding this diversity, the five Keynote Presentations reflected two salient themes of the conference *writ large* that have been subsequently reflected in this Special Edition. The first of these is regional studies – both the state and the status thereof. We think that it is entirely appropriate that as regional science conference the 39<sup>th</sup> ANZRAI engaged in some reflection on the *nature* of its

defining area of inquiry. The second theme that emerged throughout the conference that is reflected in the papers contained in this volume is the relationship between regional science, broadly conceived, and public policy. Before returning to these issues with an eye to local governance and regional development, we provide a brief account of the contributions.

## 2. OVERVIEW OF CONTRIBUTIONS TO SPECIAL EDITION

The ‘Call for Papers’ arising from the conference was broadly conceived and designed to reflect the eclectic and indeed problematical nature of regionalism and regionalisation and the ways that elements of the social sciences engage with these concepts and empirics. Otherwise stated, the theme of ‘Local Governance and Regional Development’ was designed to be more inclusive than merely local government on the one hand and economic development on the other hand. This eclecticism is reflected in the suite of papers that now form the Special Edition.

The first paper is ‘Sovereign states, separate spheres and visions of regional Australia’ by Tod Moore. In a context where the pace of reform *processes*, principally in the form of governmental inquiries, but not necessarily reform *itself*, is so pervasive, this first contribution is set against the specific backdrop of the Reform of the Federation White Paper and the Re:Think Tax White Paper, both initiated by the (then) Abbott Government in 2014 and still to run their respective courses. Despite this immediate backdrop, Moore reminds us that the question of regionalisation, conceived of as the spatial subdivision of any one political territory, set against regionalism, conceived of as endemic, political subdivisions of the same, have been perennial in Australia and are engorged with politics. Examining the history of movements to abolish the states while nevertheless clarifying the concept of sovereignty in the context of federalism, Moore argues that the so-called ‘clean lines’ approach to authority between state and federal tiers will, if embraced at all, render a system that remains remote to local and regional concerns. Moore’s account is steeped in a profound understanding of the history and theory of Australian federalism inclusive of the concept of sovereignty.

In an approach that is almost diametrically opposed in method, but nevertheless reaching quite similar conclusions to those of the first paper, the second contribution to the SE, by Robert Stimson, William Mitchell, Michael

Flanagan, Scott Baum and Tung-Kai Shyy again takes issue with *de jure* regions such as Local Government Areas (LGAs) (or indeed sovereign states) as the basis for mapping economic regions. On the contrary: Stimson et al. build a portrait of functional economic regions by applying the Intramax procedure to journey-to-work (JTW) data incorporating gender for the decade 2001-11. The result is four large regions (East Coast plus South Australia; Western Australia; Tasmania and the Northern Territory) which are then mined on the basis of gender and skills to produce more finely-grained maps of functional economic regions.

In his contribution to the SE in the third paper entitled ‘De-siloing and defining recurrent land tax revenue in Australia’, Vince Mangioni commences with the premise that Australia’s overall tax effort ought to increase and that an equitable way of achieving this is by increasing recurrent land tax whilst at the same time reducing transaction taxes on property, the latter of which are less efficient and are in effect a mobility tax. Mangioni provides a concise account of the history of land tax in Australia, from non-capital improved to capital-improved valuation. The paper also provides an account of the bases of value that are used to assess recurrent land tax in contrast to other forms of property taxes, arguing that recurrent land tax being imposed by both state and local government is unfortunate and that the quantum of tax from this source is comparatively low by international standards.

In ‘Autopsy of municipal failure: The case of Central Darling Shire’, Joseph Drew and Nicole Campbell provide a forensic account of an empirical example of local government failure. They commence by emphasising the unique situation of remote and very remote councils in NSW and Australia more generally: In essence, they are monopoly service providers *par excellence* and as a consequence are faced with extraordinary demands to provide a range of services to property and people, as well as facing significant staffing challenges. Drew and Campbell provide then, an account of the process of placing Central Darling Shire into administration from December 2013 until September 2020. As well as questioning the probity of the public inquiry leading to the extended period of administration (‘Notably, the Commissioner of the Public Inquiry into the Central Darling Shire liquidity crisis was also the Chair of the NSW Local Government Grants Commission’). They also make specific recommendations for changes to

Financial Assistance Grant (FAG) funding aimed at ensuring the financial sustainability of rural, remote and very remote councils that occupy such a pivotal role in these areas.

The fifth paper in the SE by Tony O'Malley is entitled 'Governance and regional incomes in Australia'. The author's stated aim is to test the proposition that it is the local availability of transaction governance services (over and above those industries that transform inputs into outputs) that are the main cause of variations in inter-regional incomes. In this regard the author follows a long tradition, in the Australian context at least, of being concerned with services traditionally associated with metropolitan centres producing wealth. For instance, perusing U. R. Ellis' (1933) *New Australian States* it is clear that, while the advocates for new states in North Queensland, the Riverina and New England sought separation for functional reasons, they were also acutely aware of the wealth that would accrue to them if they had their own capital cities. O'Malley separates transformation from transaction industries before methodologically incorporating regionalism and conducting linear regression analysis, finding that not just the services, but also regional governance generally make a strong contribution to local incomes.

The sixth paper is 'A test of the role of universities in regional development: The case of international education students in the Northern Territory' by Rolf Gerritsen. With its focus on the tertiary sector as an element of regional development, Gerritsen reminds us that 'regional economic development is becoming core business for many American universities' with institutions in Europe following this trend. The author examines the prognosis for increased export income, by way of international fee-paying tertiary students, for the Northern Territory. Gerritsen argues that higher education can move from being the NT's 11<sup>th</sup> biggest export earner in 2014 to its fifth largest export and second largest services export in due course and as such does not merely represent a form of horizontal fiscal equalisation as posited by some.

The seventh paper for the SE derives from research undertaken by the (then) Australian Centre of Excellence for Local Government (ACELG) that operated between 2009 and 2015 that has now been fully subsumed by UTS:IPPG. In their article: 'Community expectations for the role of local government in regional Australia: Meeting the challenges of slow burn', Catherine Hastings, Liana Wortley, Roberta Ryan and Bligh Grant probe data from ACELG's on-going 'Why Local Government Matters' research for

attitudinal differences to local government in metropolitan and non-metropolitan areas based upon the Australian Classification of Local Governments (ACLG) developed for the Local Government National Reports (see DIRD 2016). The results confirmed much previous research: Against a background of the gradual depletion of rural and regional Australia's 'first among equals' economic status *and* taking into account the realities of sudden catastrophes (particularly environmental), Hastings et al. conjecture that the concepts of 'the close economy' and 'the local state' depict community attitudes to local government service provision and (in particular) their role in economic development in non-metropolitan areas.

In the eighth paper entitled: 'New regional development paradigms: An exposition of place-based modalities' Lee Pugalis and Nick Gray unpack the contemporary emphasis on 'place-based regional development'. Initially the authors problematise the distinction between a perceived 'old' regional development paradigm and 'new' place based modalities, asserting that the core of the place-based approach is the assumption 'that all places can grow when policymaking is attuned to spatial particularities'. They then move to critically examine the ensemble of ideas comprising the new paradigm, inviting the reader to consider the relation between what they label as 'the geography of policy' on the one hand and 'geographies of governance' on the other while emphasising the ways that place-based approaches to policy are vulnerable to what they label 'neoliberal capture'. Indeed; the 'return of place' is not simple, yet in emphasising the link between onto-epistemological concerns, policy and politics, the authors make a contribution that sits at the heart of our concerns in framing the Special Edition.

### **3. OBSERVATIONS AND STRATEGIC DIRECTIONS FOR REGIONAL RESEARCH**

In sum, all of the contributions to this edited collection are concerned with the relationship between regionalism and localism on the one hand and policy *for* development on the other hand. They can, nevertheless, be located along a continuum marked by concerns with defining place at one end (understood politically (Moore), economically (Stimson et al.; O'Malley) and experientially (Hastings et al.)) and particular public policy concerns at the

other – taxation, specifically as it relates to local government (Mangioni); fiscal redistribution (Drew and Campbell); higher education and regional development (Gerritsen) and problematisng broad changes in policy emphasis (Pugalis and Gray).

Equally, it is important to note what is absent from this special edition. The lack of any explicit engagement with Indigenous concepts of regionalism (political, economic and experiential, for example) and the policy concerns surrounding these is unfortunate, to say the least. This is more so the case because the body of scholarly work in this field continues to grow and as such it is important that a more consistent and fruitful dialogue between this and orthodox scholarship of the same is actively prosecuted.

The other elephant in the room of this volume – notwithstanding that the topic was actively canvassed by several participants at the conference – is metropolitan regionalism. In this regard, the prescription for research is again not merely to engage more vigorously with the idea of metropolitan regionalism (although in the Australasian context it must be conceded that we have much to learn from overseas experiences, both historically and contemporaneously). Rather, again it is to orchestrate and prosecute a research agenda that sees more traditional areas of regional research in the antipodean context engage with metropolitan regionalism, and to ensure that policy with respect to ‘global cities’ (for example) is inclusive of a reasonable account of non-metropolitan issues.

Finally, as editors of this Special Edition we would like to sincerely thank all members of ANZRAI and other conference attendees for submitting papers and expeditiously attending to blind reviews, as well as to other scholars that assisted in the review process. As editors, we were faced with the proverbial ‘embarrassment of riches’ in this regard, with many more submissions than the maximum of eight papers that could be included in the one volume. Nevertheless, we as an editorial group can assure those authors whose papers are still in the process of review and resubmission that, if deemed worthy they will be placed in later numbers of this edition of the journal.

Next year’s conference will be hosted by the Royal Melbourne Institute of Technology. We look forward to seeing you there.