

SUSTAINING REGIONS, the newsletter of ANZRSI, 5(3)

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Foreword: ANZRSAI Annual Conference

The 2015 Annual Conference of ANZRSAI will be held at University of Technology Sydney from 1 to 4 December 2015, with a theme of ***Global Cities and Global Regions: Sustainable Futures?*** BITRE has again agreed to be the lead sponsor of this conference.

[conference website](#) .

Our 39th annual conference will be hosted this year by the Centre for Local Government at the University of Technology Sydney. The theme of the conference is "Global Cities and Global Regions: Sustainable Futures?"

This theme builds on a recent special issue of the journal *Local Economy* (Volume 30, Issue 1, February 2015; see the index of contents at <http://lec.sagepub.com/content/30/1.toc>), which included a number of thoughtful articles on regional and local development in Australia and New Zealand. On both sides of the Tasman, the future of regions and regional policy remains a hotly contested topic.

Keynote Speakers include:

Dr Richard Hu (University of Canberra); Professor Lee Pugalís (University of Technology Sydney); Professor Bob Stimson (RSAI Fellow); Professor Stephen Hill (Sohar University); Dr Rob Greenwood (Executive Director, Public Engagement and The Leslie Harris Centre of Regional Policy and Development, Memorial University of Newfoundland); and Professor Michael Hefferan (University of the Sunshine Coast).

Fees for this year's conference are:

- Standard Registration for full conference \$700.00
- Student or Emeritus Registration for full conference \$325.00
- Registration for one day of the conference \$325.00
- Conference Cocktail Reception (Tuesday 1 December, 6.30pm) \$30.00
- ANZRSAI Awards Dining Cruise (Thursday 3 December, 7.00pm) \$120.00

ANZRSAI invites academics, practitioners and policy advisers interested in any aspect of regional science, regional development or regional policy to participate in our 39th annual conference.

Full details of the conference can be found at the 2015 Conference website.

<https://anzrsai.org/conference/conference-2015/>

Opening Seminar and Cocktail Reception

The conference will open with a seminar and cocktail reception co-hosted by ANZRSAI and the Australian Centre for Excellence for Local Government. This will take place in the Aerial Function Centre, Level 7 of UTS Building 10 (235 Jones Street, off Parramatta Road between Wattle Street and Harris Street), beginning at 5:30pm.

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The seminar will involve a presentation by Dr Richard Hu on the topic of “Sustainable Global Sydney”. This will be followed by drinks and nibbles until 7:30pm.

We hope to see you there. There is no “official” hotel for the conference, but the following hotels are within close walking distance of the University of Technology, Sydney.

Hotel Name	Distance from UTS	Website	Phone
The Mercure Sydney	5 minutes	www.mercuresydney.com.au/	02 9217 6666
Capitol Square Hotel	12 minutes	www.rydges.com/capitolsquare	02 9211 8633
Novotel Sydney Central	5 minutes	www.novotelsydneycentral.com.au/	02 9281 6888
Rendezvous Hotel Sydney Central	5 minutes	https://www.tfehotels.com/brands/rendezvous-hotels/rendezvous-hotelsydney-central	02 9212 2544
Metro Hotel Sydney Central	10 minutes	www.metrohotels.com.au/hotels/newsouth-wales/metro-hotel-sydneycentral/welcome/	02 9281 6999
The Vulcan Hotel	5 minutes	http://vulcanhotel.com.au/	02 9211 3283

Australia’s Agriculture Competitiveness White Paper

The five priority areas are:

- A fairer go for farm businesses
 - Competition Commissioner for agriculture in ACCC
 - Information on cooperatives, collective bargaining and business model innovation
 - Regulatory and tax reform
- Building the infrastructure of the 21st century
 - \$500m for developing the nation’s water infrastructure
 - CSIRO’s Transport Network Strategic Investment Tool (TRANSIT) to improve decisions on transport infrastructure investment
- Strengthening our approach to drought and risk management
 - Improved seasonal forecasting
 - Tax and depreciation concessions for investment in water or fodder storage
 - Concessional loans, counselling, insurance, pest management
- Farming smarter
 - Advanced technologies, R&D funding and skilled workers
- Accessing premium markets
 - Improve biosecurity, traceability and access to markets

<http://Agwhitepaper.agriculture.gov.au>

Commentary:

From the Cockatoo

Our thanks go to The Cockatoo Network for extending this courtesy to ANZRSAI. In this issue we include material from several recent issues of the Cockatoo.

From Cockatoo 9 October 2015

Regional Australia Institute

Jack Archer, the CEO of the RAI. Jack indicated that its priorities lie in case studies, employment and education policy, regional cities, ageing, small towns, migration and high growth SMEs. Kim Houghton is in charge of RAI's research function.

Jack has a incisive article on the RAI website where he says the new Turnbull Cabinet is unprecedented in that for the first time 'place' has trumped 'industry' in the Commonwealth Ministry. He says the new focus reflects the increasing evidence that the "success of places within nations" is the cornerstone of a strong economy and citizen quality of life. However Jack correctly point out that 'if this narrative of success is to become a reality, Team Turnbull, their advisors and the public servants will need to develop new tools and approaches to both Commonwealth policy and collaboration with the States and Local Government. This is not instinctual territory for Australian Government.'

The most senior Ministry in the group is held by the Deputy Prime Minister, Warren Truss, who remains as Minister for Regional Development. Josh Frydenberg takes on the new portfolio of Minister for Northern Development. Nigel Scullion has the Indigenous Affairs portfolio, which is the biggest place-based challenge. Fiona Nash takes on Minister for Rural Health in recognition of the longstanding failure of our health system to provide solutions that work in rural places. Paul Fletcher is Minister for Territories.

Lighthouse Projects for regions

As previously advised, we have been meeting with federal agencies to flesh out Lighthouse Projects that can attract international students to regional university campuses i.e. the projects would high-level collaborative projects of direct interest to national governments, that can connect the students with local businesses, and then connect those businesses to counterparts in the nation/region to which the students return. We have a meeting with the Fijian High Commissioner on 13 October, followed by meetings with the Indian High Commission, the Palestinian and Vietnamese embassies. A meeting with the Minister for Higher Education, Senator Colbeck has also been secured for next month.

We would appreciate advice from:

- Any RDA Committees or councils with an interest in helping to facilitate projects.
- Any regional universities keen to increase their international student numbers.

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- Any companies keen to build alliances with complementary companies in Asia, the Pacific, Africa etc.

3rd Australasian Cluster Conference – Adelaide, June 2016

The steering group has endorsed Adelaide as the venue for next year's conference. A tentative date of 9-10 June was set. Suggested international speakers included someone from OECD as well as India. A cluster tour is also on the cards.

The reason why Adelaide was selected is that the SA Government is funding cluster programs to the tune of around \$20 million. It was also the home of the very successful BV 2010 cluster program across 8-9 clusters. Mick O'Neill (now Adelaide City Council) wrote really good summaries of the lessons learned from those clusters. They can be accessed on my old blog www.investmentinnovation.wordpress.com – in the search box, type in 'South Australia's clusters – what worked and why'.

Rural Industry Futures From Cockatoo 18 September 2015:

The RIRDC and CSIRO recently collaborated on a very timely study 'Rural Industry Futures: megatrends impacting Australian agriculture over the coming twenty years' (Sandra Eady & Stefan Hajkowicz). It is especially relevant in the context of PM Turnbull's vision for Australia. Main points as follows:

The world will get hungrier – UN forecasts 70 bigger population – food supply to come mainly from increasing yields. There are competing uses of land for biofuels and urbanisation. Australia has a vital role to play in supplying world food markets and buffering supply shocks.

The world will get wealthier – 1 billion people will move out of poverty and into the middle classes in Asia alone by 2040. Thus an opportunity for Australian rural industries to identify new food types and connect to new markets. The FTAs with China et al provide the framework.

Customers will get pickier – consumers will be increasingly able and motivated to choose food and fibre products with certain characteristics. This has impacts both within and beyond the farm gate. It will increasingly enable the consumer to access, share and validate information about products along the supply chain. Health will be a prominent driver of food choice and consumption patterns. Environment, provenance and ethics will also play a role.

Technologies will transform farm life - advances in digital technology, genetics and materials science will change the way food and fibre products are created and transported.

The rollercoaster of risks will get bumpier - changes in the global climate, environmental systems and the world economy will create new, potentially deeper risks for farmers. As trade globalises there will be more reliance on imported inputs such as fertiliser and fuel, and supply chain shocks will increase. More trade and passenger travel brings greater biosecurity risks. Climate change impacts are not well understood, and the need to cut greenhouse gas emissions will set up competing land uses for both biofuels and carbon storage.

Overall - a bright future for Australian agriculture, laden with deep and diverse opportunity.

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The future will be a challenge for some producers and industries but an opportunity for others. The effectiveness with which Australian agriculture captures these opportunities and avoids the risks will largely come down to innovation.

Research collaboration shrinks as industry shrinks From Cockatoo 11 September 2015

Prof. Ian Young (VC, ANU) gave the Menzies Oration this week, and raised the very interesting point that driving university-industry research is very difficult when industry is going backwards. Extract follows.

The European Union Industrial Scorecard [9] lists the R&D investment by companies around the world. Based on the 2012 scorecard, Toyota has the largest R&D spend at \$11.7b. Australia has only 9 companies in the top 1000. Telstra is the highest ranked Australian company at 125 in the world with a spend of \$1.2b. After this, the magnitude of the R&D spend trails away quickly. The reality is that even if Australian universities are keen to collaborate with industry, there is very little Australian industry with an interest or need of research input. This is not surprising, as I have stated earlier, we simply do not have an economy which is structured in a way that needs such research collaboration with universities.

Do we have little high technology industry because of the inability of our universities to collaborate and commercialize their research or do we have little research collaboration because there is little high technology industry? Clearly a circular argument.

Other issues are almost certainly at play here. The truth is, we have not needed to build a high technology manufacturing sector. We have historically been able to build an affluent society by exploiting our natural resources – agriculture and mining. I think there are also additional broader societal factors at play.

<https://vcdesk.anu.edu.au/2015/09/08/2015-menzies-oration-australia-a-knowledge-future/>

Role of regional capitals From Cockatoo, 21 August 2015

The Senate Rural and Regional Affairs and Transport References Committee is currently convening hearings around Australia on the future role and contribution of regional capitals to Australia, including:

- demographic trends and the changing role of regional capitals.
- current funding provided to regional capitals.
- the benefit of additional funding to regional capitals based on population, demand for services, strategic importance of the region/state/ country.
- investment challenges and opportunities to maintain/grow regional capitals e.g.
- infrastructure, community & human services, communications, natural resources; incentives and policies to support sustainable growth in regional capitals.

These are interesting terms of reference, the origin of which are unknown. If you are a Cockatoo member attending these hearings, you might consider running some of the following thoughts past the Committee:

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- What is a regional capital? The term has no legal standing in Australia – hence little currency. The Committee presumably means regional cities?
- There is a growing school of thought that some form of decentralization incentives are warranted to offset the social and environmental costs of urban congestion and the economic costs of urban housing in Sydney and Melbourne.
- Numerous regional development policies in Europe and North America acknowledge the importance of regional cities, including a regional city/town architecture comprising tier 1 and tier 2 cities and regional towns. Such an architecture should help facilitate the growth of regional Australia.
- There is a real need to feed regional economic analysis into regional policy formulation. This might be done via commissioning expert studies from the government's own BITRE plus ANZRSAL, the Cockatoo Network et al.

The federal government should consider four initiatives for regional cities and towns (1) the part-funding infrastructure audits, (2) improved coordination of federal/state programs based on these audits, (3) enhanced investment attraction efforts by Austrade, and (4) facilitating the development of global value chains and alliances with particular overseas markets.

Senate inquiry on regional capitals From Cockatoo 11 September 2015

This Inquiry is on the future role and contribution of regional capitals to Australia. It is due for completion in December, and is interesting at a number of levels.

- the term 'regional capital' has no legal standing in Australia. The inquiry seems to have originated with a group called Regional Capitals Australia, established about three years ago by WA and Victorian worthies.
- the strengthening of regional cities (or capitals) makes sense – there is a perfectly legitimate argument for decentralisation incentives to bolster regional cities while reducing the social and environmental costs of urban congestion.
- regional communities – regions, cities, towns, villages – don't really rate as a federal policy topic.

The Committee might float the idea of national mosaic of Tier 1 and Tier 2 regional cities. Our contact didn't make any promises. There's a record sixty nine (yes, 69) Senate inquiries currently underway! This suggests the Senate Inquiry won't have much impact – a big part of the problem is that the groups representing regional Australia are too fragmented. They are doing good work, but it's too easy for them to be lost in the Canberra power play.

What is arguably required is a permanent alliance - the intellectual grunt of the Australia NZ Research Science Association (ANZRSAL) combined with the commitment and membership of Economic Development Australia, the Regional Australia Institute, SEGRA, the RCA as above, and our own Cockatoo Network. That really would make federal politicians, especially Ministers and MPs in marginal seats, sit up and listen.

(Note: Expect some discussion at the Annual Conference on this topic.)

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Emissions Reduction Fund

From Cockatoo 11 September 2015

This federal program provides incentives to reduce emissions. There are three elements – crediting emissions reductions, purchasing these reductions, and safeguarding the same. Examples of eligible activities are:

- upgrading commercial buildings
- improving the energy efficiency of industrial facilities
- reducing electricity generator emissions
- capturing landfill gases
- reforesting marginal land
- upgrading vehicles

There is \$2.55 billion available. The Regulator conducts auctions to purchase emissions at the lowest possible cost. The first round of Carbon Abatement Contracts (April this year) were awarded to 43 contractors covering 144 projects. The majority applied under sequestration methods, and landfill and alternative waste treatment methods. Contract lengths range between three and 10 years.

The total value of contracts awarded was \$660 471 500. The average price per tonne of abatement is \$13.95. The contracts will deliver 47 million tonnes of abatement - largest single contract is for 3.5 million tonnes of abatement and the smallest is for 12,000 tonnes of abatement.

OECD report on Productivity

From Cockatoo 14 August 2015

A major report by the OECD, released in Mexico last month, is getting a lot of attention. The key message is that the main source of the weak productivity growth is a breakdown of the diffusion machine.

To address the problem, the report says attention must be focused in 4 areas:

1. Global connections i.e. trade, FDI, global value chains.
2. Experimentation by firms e.g. innovation.
3. More efficient allocation of resources, especially to foster the growth of the most productive firms. Also much scope to better allocate human talent to jobs.
4. Synergistic investments in R&D, skills, managerial capital.

The report has an interesting analysis of skill mismatches (either over-skilled or under-skilled) in selected OECD countries, 2011-12

The worst cases of Spain, Italy, Czech Republic etc. presumably reflect high unemployment among skilled youths. We suggest that the big issue is whether this problem is cyclical or structural – if it's the latter, some more fundamental policy shifts are required than those recommended in this report

<http://www.oecd.org/eco/growth/OECD-2015-The-future-of-productivity-book.pdf>

Getting involved in the Intelligent Communities Forum

From Cockatoo 14 August 2015

Brian Hales (SA) attended the recent ICF Summit. There are some excellent lessons for communities across Australia and beyond. We asked him to explain how communities can get involved.

If there is one takeaway from the Intelligent Communities Forum Summit in Toronto it's that the disruption generated by the ever increasing power of information and communication technologies and the commensurate increase in their cost is going to continue and at a faster rate. And much of this has to do with data and how it is managed. Figures from the summit estimate that more data was created in the last 12 months than in the previous 5,000 years combined.

An article in The Australian (5 August) cited New York based CB Insights research which found the biggest single investment area by venture capitalists was in business intelligence, as companies look to discover value in the big data they are gathering from a connected world of social media, customers databases and connected devices.

In the same article, according to McKinsey, "everywhere we look, companies are putting data to use—driving market share, reducing costs, raising productivity, and improving products and services." Finally the article notes that the average lifespan of a major listed company has shrunk from 67 years in the 1920s to just 15 years today.

So given the importance of data, the growing ease of its accessibility and the power of data analytics and the proposition that technologies fuel 80% of economic growth then communities and businesses need to have a framework with which to respond.

The Intelligent Communities Forum's focus is not on trying to predict where and how the disruption will play out, but in equipping communities with the tools to capture the opportunities presented by technology. The framework provided by ICF includes:

Broadband connectivity - Broadband is the new essential utility. It connects computer, laptop or mobile device to billions of devices and users, creating a digital overlay to the physical world that is revolutionizing how we work, play, live, educate, entertain ourselves etc. Intelligent Communities express a clear vision of their broadband future and craft policies to encourage deployment and adoption.

Innovation - This relates to innovation in the private and government sectors with broadband playing a key role. Intelligent Communities pursue innovation through a relationship between business, government and such institutions as universities and hospitals. Investments in innovative technology by government contribute to that culture and improve service to citizens while reducing operating costs.

Digital Inclusion/Equality - As broadband rolls out there is serious risk that it will worsen the exclusion of people who already play a peripheral role in the economy and society. Everyone in the community deserves access to broadband technologies.

Marketing and Advocacy - It is no longer just businesses that are global – so too are communities and increasingly it's cultural assets that determine investment decision making, particularly for creative industries. Regional branding also becomes important.

Knowledge workforce – This is a labour force that creates economic value through the acquisition, processing and use of information.

Sustainability - Improving living standards while maintaining the ability of future generations to do the same, is at the core of sustainability. As growth pushes up against the limits of the ecosystem to provide

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resources and absorb waste, ways to continue growth while reducing the environmental impact of that growth need to be found.

The case studies from the ICF Summit highlight how different communities respond to these challenges.

In Australia, the Australian Smart Communities Association plays a similar role to ICF. It has regular seminars on the topic - on 19 August in the City of Prospect hosted a seminar covering the topics of "Local Smart Communities - what works & what doesn't" and "South Australia - Smart Communities and Smart Initiatives".

Website - <http://www.australiansmartcommunities.org.au>

Email - admin@australiansmartcommunities.org.au

From the Australian Local Government Association

Community Infrastructure initiative of ALGA

In 2007 ALGA commissioned PricewaterhouseCoopers to undertake a study into the financial sustainability of local government. One of the key recommendations from this report was a proposal to establish a federal government 'community infrastructure initiative'. An ideas register was developed to assist ALGA in putting the case for support for such a program. In response to the Global Financial Crisis in 2008, the Government recognised the need to assist councils in meeting the costs of renewing ageing community infrastructure announcing \$1.2 billion in funding for local government as part of the Economic Stimulus measures.

An ideas register is available to help to make the case for another similar funding program.

Round 2 Bridges Renewal Program

Deputy Prime Minister and Minister for Infrastructure and Regional Development Warren Truss announced Round 2 of the Bridges Renewal Program.

The second round of the program will provide \$100 million that will be available only for local government projects (including projects from the ACT Government) to help local councils build connectivity and productivity through replacing bridges and improving access for communities and businesses.

Councils can apply for either:

- a discrete single bridge project, or
- a series of bridgeworks that provide benefits along a key route.

Successful projects will be selected through a competitive, merit-based process with the Department using the information provided by councils to check eligibility and assess projects against criteria such as quantified benefits and improved productivity and access.

Round 2 of the Bridges Renewal Program will be open for proposals until 31 August. Councils are encouraged to discuss priorities with local communities, relevant industry stakeholders, Regional

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Development Australia committees, state road agencies and their state/territory local government associations early in the process.

State of the Regions Report

The State of the Regions (SOR) is a report prepared by National Economics and published annually by the Australian Local Government Association. It is officially launched at the Regional Cooperation and Development Forum, held each June in Canberra.

The latest SOR divides Australia into 67 regions, an increase of two over the 2008 number.

Every local government authority is allocated within a regional types or zone. The regional typologies consist of: Knowledge-intensive regions, Dispersed Metro, Independent City, Lifestyle regions, Resource Based and Rural Regions. The report provides a detailed analysis how these regions are performing and then analyses the likely consequences of current issues, be they demographic, climate change, or telecommunications in nature on the different types of SOR zones.

The core objectives of the SOR are to:

- Present the latest statistical indicators of how Australian regions are performing
- Analyse the indicator trends in terms of growing equality and inequality between Australian regions
- Make suggestions for the policy implications of current Australian regional performance
- Steadily expand the indicators used to measure regional performance
- Describe the reality of regional economics
- Assist local government to understand their regions and to provide useful planning tools

The State of the Regions report provides an annual stock-take of the economic well being of Australia's regions and their prospects for economic development and employment growth.

State of the Regions Report 2015-16: Addressing Regional Inequality

This year's State of the Regions report

This is the 17th State of the Regions Report. The Report is commissioned by ALGA and prepared by National Economics.

The report argues that reducing the inequality of income distribution within and between Australian regions will be pivotal to strengthening Australia's economy and bridging the employment fallout from the subsiding mining boom in low income regions.

The report provides evidence showing the association between income inequality at a regional level and economic growth on a national level. It does this by looking in detail at the structure of regional incomes, including housing and wealth. It argues, with the right type of additional investment, local government is strategically placed to coordinate job-creation policies at the local level to improve Australia's economic performance and hence make an important contribution to national economic growth.

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Further evidence is provided that Australia has under invested in infrastructure, particularly of a transport nature. The need for improved asset management systems is discussed as is the case for additional investment in local roads.

The report includes updates on the aftermath of the mining boom, climate change, Northern Australia and the state of housing affordability of Australia's largest cities.

The State of the Regions report can only be ordered online.

From Centre for Housing Urban and Regional Planning (CHURP)

Please follow this link to view the August 2015 edition of the CHURP Newsletter:

https://www.adelaide.edu.au/churp/news/Newsletter_August_2015.pdf

Please note this is a special short edition of the newsletter in honour of Louise O'Loughlin.

THE CONVERSATION

<https://theconversation.com/explainer-what-are-regional-arts-and-why-do-they-matter-34862>

"Give me location data, and I shall move the world" <http://theconversation.com/give-me-location-data-and-i-shall-move-the-world-46015>

From Goran Roos [https://theconversation.com/economic-complexity-is-the-answer-to-pynes-innovation-problem-](https://theconversation.com/economic-complexity-is-the-answer-to-pynes-innovation-problem-48730?utm_medium=email&utm_campaign=Latest+from+The+Conversation+for+October+13+2015+-+3596&utm_content=Latest+from+The+Conversation+for+October+13+2015+-+3596+CID_40017fbe580d23230ef9069705ca1e3a&utm_source=campaign_monitor&utm_term=Economic%20complexity%20is%20the%20answer%20to%20Pynes%20innovation%20problem)

[48730?utm_medium=email&utm_campaign=Latest+from+The+Conversation+for+October+13+2015+-+3596&utm_content=Latest+from+The+Conversation+for+October+13+2015+-+3596+CID_40017fbe580d23230ef9069705ca1e3a&utm_source=campaign_monitor&utm_term=Economic%20complexity%20is%20the%20answer%20to%20Pynes%20innovation%20problem](https://theconversation.com/economic-complexity-is-the-answer-to-pynes-innovation-problem-48730?utm_medium=email&utm_campaign=Latest+from+The+Conversation+for+October+13+2015+-+3596&utm_content=Latest+from+The+Conversation+for+October+13+2015+-+3596+CID_40017fbe580d23230ef9069705ca1e3a&utm_source=campaign_monitor&utm_term=Economic%20complexity%20is%20the%20answer%20to%20Pynes%20innovation%20problem)

<https://theconversation.com/male-champions-of-change-for-city-women-but-regional-womens-careers-languish-44897>

<https://theconversation.com/the-brandis-effect-on-regional-australia-just-look-at-bathurst-42420>

<https://theconversation.com/the-future-of-australia-post-will-be-off-the-beaten-track-27448>

From Council of Australian Governments

Prime Minister's Communique from Australian Leaders' Retreat 23 July 2015

Extracts: The Leaders had an ambitious discussion about ways in which the Commonwealth and State Governments can cooperate more effectively to make major improvements in the delivery of services to all Australians.

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The Leaders unanimously agreed to focus reform on health, education, infrastructure and housing. ...

Despite considerable increases in resources in recent years, Australian students are falling behind their international counterparts. We must arrest this decline. Increasingly, childcare is the delivery mechanism for early childhood learning. Leaders committed to improving the transition from early childhood learning to school including consideration of an earlier start to school, greater equity in the application of childcare funding to learning for the year before school and improving the standard of teachers which is critical to delivering better educational outcomes.

A better trained workforce is essential to grow our economy and create jobs but there is a misalignment between the jobs we train people for and the jobs business needs doing. We must reform the vocational education and training sector so that training helps young people get jobs when they finish, as well as providing real pathways for older workers to transition between careers. Leaders committed to change that will see a more demand driven system, greater engagement with business about their skills needs to deal with emerging industries and new ways to help support students. Leaders agreed to consider a shift in responsibility for VET to the Commonwealth provided States and Territories could elect to remain TAFE providers within a national system. ...

Leaders agreed that infrastructure was critical to how people live and move around our cities and regions. Local governments also play a role in the Federation by delivering services and infrastructure at the local level with important funding contributions from the Commonwealth and within a legislative and regulatory framework provided by the states and territories. ...

Leaders also supported the Northern Territory Chief Minister's resolve for the NT to become Australia's seventh state by 1 July 2018. The Chief Minister will report on progress at the next meeting of COAG.

At their 39th meeting in April 2015 COAG had considered the following:

White Papers on Federation and Tax Reform

COAG agreed the goal of federation reform is to improve the standard of living and wellbeing of Australians. The current fragmentation of services can create confusion and affect outcomes. Improved arrangements are key to improving the quality of the services Australians receive. The objective of change has to be better services for the people of Australia. COAG also agreed that federation reform cannot be achieved by one level of government alone and that any reallocation of responsibilities between governments should aim to:

- deliver better services – recognising diversity as a strength of federation, it should be easier for people to receive, choose and access high quality services;
- drive economic growth – encourage a productive and efficient economy supporting growth in the standard of living for all Australians;
- be fair – all Australians should be able to receive, choose and access high quality services, regardless of personal circumstances, location or socio-economic background;
- provide clear responsibility – people should be clear which level of government is responsible for services so they can hold them to account; and
- be durable – arrangements need to stand the test of time and be adaptable and flexible enough to accommodate changes required over time.

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COAG acknowledges that an important context for the Federation discussion is the budgetary pressure for all states and territories and the Commonwealth due to the expected growth rates in health and education expenditure and the underlying revenue base over time.

Any federation reform will need the states, territories and Commonwealth to work together to meaningfully address these long-term funding pressures and also look at structural reforms to ensure services can be delivered in the most efficient way.

COAG reiterated that governments need to be certain they would have appropriate revenue to meet their responsibilities. This will be a key consideration of both the Tax and Federation White Papers, which are being progressed together.

Improving Outcomes for Indigenous Australians

All governments agreed that sustained long-term action is still required to address Indigenous disadvantage. The Prime Minister's 2015 Closing the Gap Report showed that governments are only on track to meet two of the Closing the Gap targets. The Commonwealth, states and territories will work in partnership with local communities to develop 'local solutions for local circumstances', noting this is a focus of the recent Empowered Communities Report developed by Indigenous leaders.

The Commonwealth, states and territories will cooperate bilaterally on priority areas, building on and supporting existing initiatives. This includes:

- plans to improve school attendance and educational outcomes of Indigenous students, focusing on low attendance schools including in urban and regional areas;
- identifying actions to improve Indigenous employment and economic participation and capacity building opportunities across the country, including immediate labour market opportunities; and
- improving community safety in areas such as:
 - action on alcohol and substance misuse,
 - steps to reduce contact by Indigenous people with the criminal justice system (both as offenders and victims), and
 - improving policing in remote communities.

COAG agreed that national effort is required in further priority areas including early childhood education, early years and maternal health, and will consider strategies to improve outcomes in these areas at its meeting later in the year. COAG also agreed the report of the investigation into Indigenous land administration and use would be provided to the late 2015 COAG meeting.

Regional Policy and Practice

National Remote and Regional Transport Strategy

On 22 May 2014, the Northern Territory hosted the National Remote and Regional Transport Infrastructure and Services Forum in Alice Springs, attended by 120 industry, government and community representatives from all areas of Australia.

Following the Forum, the Transport Infrastructure Council agreed for the Northern Territory to lead the development of the National Remote and Regional Transport Strategy, in collaboration with the South Australia, Western Australia, Queensland and Commonwealth governments. The Strategy will propose specific actions to address issues faced in remote and regional areas in relation to transport infrastructure, services and regulation.

The public consultation period for the draft Strategy concluded on 31 July 2015. Feedback received through the submissions process has informed the development of the final Strategy, which will be discussed by the Council at its meeting in November 2015.

<http://transportinfrastructurecouncil.gov.au/nrrts.aspx>

A new book from our Vice President Robyn Eversole

Robyn Eversole

The Institute for Regional Development



More effective development – what is required?

The new book *Knowledge Partnering for Community Development* discusses why development efforts often fail, and how innovative solutions can be achieved by bringing different kinds of knowledge together.

Read an interview with the author here:

<https://www.routledge.com/planning/posts/7642>.

The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 12

Roger Wilkins, *The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 12*, Melbourne Institute of Applied Economic and Social Research, The University of Melbourne, © Commonwealth of Australia 2015.

“Effects of region of residence differ for males and females. Holding other factors constant, males living in ‘other urban’ regions are more likely to move into employment than males living in other regions, while females are most likely to move into employment if living in major urban areas, and least likely to move into employment if living in non-urban regions.” :42

“No significant differences in dismissal probability by region of residence are evident. However, consistent with there being more job opportunities in major urban areas, employees living in these areas have a higher assessed chance of finding another job.”:47

Note on Classification of region of residence: There are various ways of characterising the region of residence of sample members. In this report, we primarily characterise regions by population density, classifying households into three categories: major urban (cities with populations of 100,000 or more); other urban (towns and cities with populations of 1,000 to 99,999); and other regions (towns with populations less than 1,000, and rural and remote areas). Note that some analysis in this report combines ‘other urban’ and ‘other regions’ into a single category.

“Holding other factors constant, selfreported general health is higher in more socio-economically advantaged regions, with a move from the bottom SEIFA decile to the top SEIFA decile increasing the health measure by 4 for both males and females. (See Note below for an explanation of SEIFA.) This may reflect differences across SEIFA deciles in individuals’ characteristics, such as educational attainment. It could also in part reflect better access to health services in higher SEIFA deciles; however, seemingly at odds with this hypothesis is that, holding other factors constant, living in a major urban area lowers health compared with living in a non-urban area.” :56-57

Life Satisfaction and place. “No significant differences across the states and territories are evident, with the exception that a significant positive effect of living in Queensland is evident for females. Population density, by contrast, is an important factor for both males and females. (See Box 2.7 on page 18 for information on the region variables.) Towns smaller than 1,000 people and non-urban areas increase life satisfaction the most, closely followed by urban areas outside the major cities. Thus, other things being equal, the major cities are the least desirable places to live. This is somewhat counteracted by the effects of socio-economic disadvantage of the area in which an individual lives, since the most advantaged locations tend to be located in the major cities. Moving from the lowest SEIFA decile to the highest SEIFA decile acts to increase life satisfaction by 0.6 for males and 1.0 for females.” :58

“...Characteristics of the local neighbourhood appear to be very important factors in life satisfaction, for both males and females. Neighbours helping out and doing things together have large positive effects on life satisfaction, while noise from aeroplanes, trains or industry, homes and gardens in bad condition, people being hostile and aggressive, and burglary and theft all significantly decrease life satisfaction. Loud traffic noise also significantly negatively impacts on females’ life satisfaction. No significant effects are, however, evident for rubbish and litter lying around, teenagers hanging around on the streets, and vandalism and deliberate damage to property.” :58

Note on Socio-Economic Index for Areas (SEIFA):

Constructed by the Australian Bureau of Statistics (ABS) using Census data, SEIFA is a suite of four indexes that can be used to explore different aspects of socio-economic conditions by geographic areas. For each index, every geographic area in Australia is given a SEIFA number which shows how disadvantaged that area is compared with other areas in Australia. In analysis presented in this report, the SEIFA index used is the Index of Relative Socio-Economic Advantage and Disadvantage, which is derived from Census variables such as low income, low educational attainment, unemployment, and dwellings without motor vehicles. For more information, see ABS (2009).

Conferences and Study Opportunities

Have you registered for the ANZRSAI Annual Conference in Sydney, 1-4 December, 2015. Do it now!

Our 39th annual conference will be hosted this year by the Centre for Local Government at the University of Technology Sydney. The theme of the conference is "Global Cities and Global Regions: Sustainable Futures?"

Full details of the conference can be found at the 2015 Conference website.

<https://anzrsai.org/conference/conference-2015/>

Regional Science Association International

Philosophy and research approach of Professor Stan Czamanski

In his Introduction to Regional Science (Prentice-Hall, 1975, p. 2), Walter Isard wrote:

“In brief, regional science as a discipline concerns the careful and patient study of social problems with regional or spatial dimensions, employing diverse combinations of analytical and empirical research.”

Professor Czamanski’s research exemplified the analysis of social and economic problems with regional and spatial dimensions. In doing so, he chose judiciously the right combination of analytical and empirical research methods from his tool box to address the specific issue at hand.

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CURRENT RESEARCH

Regional Science Policy & Practice

7(1) March 2015

Pages 1-23

Henry Wai-chung Yeung

Regional development in the global economy: A dynamic perspective of strategic coupling in global production networks.

A Regional Science: Policy & Practice lecture presented at the Annual North American Meeting of the Regional Science Association International, Washington, DC, 12–15 November 2014.

Abstract: This paper rethinks the trajectories of regional development in an era of economic globalization. It argues for a more dynamic perspective on regional development that must incorporate both endogenous regional assets and strategic imperatives in global industries. Premised on theoretical advances in research into global production networks (GPNs) and global value chains (GVCs), a dynamic perspective of strategic coupling is further developed and reconstructed in this paper to demonstrate how regional development can result from the interaction effects of these regional assets and GPN logics. This perspective also points to different modes of strategic coupling for understanding the changing pathways of regional development. Several key issues for regional policy and practice are outlined to substantiate this call for a shift towards a dynamic and multi-scalar view of regional development in today's global economy.

Regional Science Policy & Practice

7(3) August 2015.

Pages 103-117

Economic shift-share effects and spatial agglomeration regarding inter-regional disparities of labour market in the USA

Tsunetada Hirobe

Abstract: This paper provides an empirical perspective by applying dynamic shift-share techniques to the US labour statistics. As a conclusion, the proportional effect evaluated by the employment statuses of the civilian non-institutional population 16 years of age and over does not play a sufficient role to control most sharp variations of unemployment rates even though that would be an effective stabilizer for suppressing relatively minor fluctuations. Only the regional effect can play the role enough to do so. Thus the action of that effect is demonstrated to the utmost under the condition that employment rates are regionally balanced in a consistent situation.

Pages 119-139

Estimating state and sub-state economic effects of a carbon dioxide tax policy: An application of a new multi-region energy-economy econometric model.

David C. Warren, Zachary A. Wendling, Jacob Bower-Bir, Henry Fields, Kenneth R. Richards, Sanya Carley and Barry M. Rubin

DOI: 10.1111/rsp3.12060

Abstract: This paper discusses an innovative econometric approach for modelling how national or state-level energy policies can affect state and sub-state economic outcomes using the new Indiana scalable energy-economy model (IN-SEEM). This model – which can be modified and scaled to investigate other states

and sub-state regions – is used to analyse the economic effects of a carbon dioxide (CO₂) tax on the state of Indiana and two of its most populous regions. Results of this analysis offer a proof-of-concept for an econometric approach that allows for sub-state analysis of energy policies. Further, the policy analysis finds that without a mechanism for recycling CO₂ tax revenues back into the economy, a CO₂ tax of between \$15 and \$45 per ton will have a significant negative effect on the state economy and the two regions examined. While we find the tax to be an effective means of reducing energy consumption and thus CO₂ emissions, total employment and gross state product per capita are forecast to decline 4.0 and 3.2 per cent, respectively, for the state given a \$15 per ton CO₂ tax in the year 2025.

Pages 141-161

Public involvement in waste management research and decision-making: A case study

Caitlin P. Youngquist, Jessica R. Goldberger, John Doyle and Stephen S. Jones

DOI: 10.1111/rsp3.12061

Abstract: A collaborative effort between researchers at Washington State University and a small US town is used to highlight the challenges of community involvement in waste management decision-making. The role of the US land-grant co-operative extension system in achieving effective community engagement around waste management and other challenging issues is also explored. Four concepts for resilient decision-making are used as a framework for examining the merits of this project. The case study includes information gathered through in-depth data collection and analysis over 32 months by engaging in participant observation and conducting a mail survey of 374 households.

Journal of Regional Science 55(4)

Pages 513-539

The impact of skill-specific migration on regional unemployment disparities in Germany

Nadia Granato, Anette Haas, Silke Hamann and Annkatrin Niebuhr

DOI: 10.1111/jors.12178

Abstract: Differences in regional unemployment are still pronounced in Germany, especially between eastern and western Germany. Although the skill level seems important for the relationship between regional disparities and labor migration, corresponding empirical evidence is scarce. Applying dynamic panel models, we investigate the impact of labor mobility differentiated by educational attainment of the workers on regional unemployment disparities between 2000 and 2008. The impact of low- and medium-skilled migration is consistent with traditional neoclassical reasoning, suggesting that labor mobility reduces differences in regional unemployment rates. In contrast, the migration of high-skilled workers tends to reinforce disparities.

Pages 540-559

Firm heterogeneity, multiplant choice, and agglomeration

Hisamitsu Saito

DOI: 10.1111/jors.12163

Abstract: We examine the organization and location choice of heterogeneous firms in a two-region economy. When some high-productivity firms engage in multiplant production, a reduction in transport costs causes two changes in a small region: the closure of plants by high-productivity multiplant firms and the relocation

of low-productivity single-plant firms to the region. In the presence of high-productivity multiplant firms, therefore, a decline in transport costs reinforces the spatial sorting of firms by productivity, enlarging the productivity gap between large and small regions. Conversely, reducing investment costs weakens the spatial sorting effects on regional productivity disparities.

Pages 560-584

Entrepreneurship, information and growth

Devin Bunten, Stephan Weiler, Eric Thompson and Sammy Zahran

DOI: 10.1111/jors.12157

Abstract: We examine the contribution to economic growth of entrepreneurial marketplace information within a regional endogenous growth framework. Entrepreneurs are posited to provide an input to economic growth through the information revealed by their successes and failures. We empirically identify this information source with the regional variation in establishment births and deaths. To account for the potential endogeneity caused by forward-looking entrepreneurs, we utilize instruments based on historic mining activity. We find that the information spillover component of local establishment birth and death rates have significant positive effects on subsequent entrepreneurship and employment growth for U.S. counties and metropolitan areas

Pages 585-608

The urban-rural gap in university attendance: Determinants of university participation among Canadian youth

K. Bruce Newbold and W. Mark Brown

DOI: 10.1111/jors.12197

Abstract: Based on existing work, there are clear differences in the incidence of degree holders

across the urban-rural hierarchy in favor of large urban areas. In large part, this gradient can be traced to the higher probability of obtaining a degree among residents of larger urban centers. Utilizing data from the Youth in Transition Survey (YITS), this paper explores factors that may account for university participation among Canadian youth. It asks whether this difference is due to local access to universities, family characteristics (e.g., parental income, education, and immigrant status), and local labor market characteristics that may increase the incentive for urban youth to attend university.

Pages 609-625

Wages, rents, unemployment, and the quality of life: A consistent theory-based measure

Matthias Wrede

DOI: 10.1111/jors.12176

Abstract: Combining a spatial equilibrium model with a search-matching unemployment model, this paper analyzes the willingness to pay for regional amenities and the regional quality of life when wages, rents, and unemployment risk compensate for local amenities and disamenities. The results are compared with those obtained from the Rosen-Roback approach. We demonstrate that the traditional approach gives too much weight to the wage differential if search frictions are significant. Furthermore, the paper confirms that the wage curve is negatively sloped for quasi-linear utility. Specifically, the wage rate increases and the unemployment rate decreases in response to an increase in the amenity level if the amenity is marginally more beneficial to producers than to consumers.

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