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Foreword

ANZRS AI 42nd Annual Conference, ANU Canberra, 5-7 December 2018

“Regional Development: Policy, Research and Engagement”

For more than forty years, the Australia and New Zealand Regional Science Association has brought together researchers across academic and policy fields to explore the cutting edge of regional development and regional analysis in Australia, New Zealand and around the world. If your work involves regions, please join us for our 42nd Annual Conference in Canberra.

This year’s conference is hosted by the Institute of Governance and Policy Analysis (IGPA), University of Canberra, in collaboration with the Arndt-Corden Department of Economics, Australian National University. The venue is the Australian National University. To register, or to find more information on the conference, visit the ANZRS AI website at:

www.anzrsai.org

INVITATION FROM THE PRESIDENT



This year is the 42nd Annual ANZRS AI Conference and I am delighted that we are returning to Canberra for this event.

I am very grateful to Yogi Vidyattama at the Institute of Governance and Policy Analysis and to Budy Resosudarmo at the Arndt-Corden Department of Economics, Australian National University for their outstanding work to host the conference at ANU, and to organise an exciting programme of keynote speakers. This will be a conference with something for everyone that has an interest in regional policy and practice.

The core theme of our conference is *Regional Development: Policy, Research and Engagement*. The theme reflects the widespread interest in regional policy reflected, for example in the 2017 review of Regional Development Australia Committees, the current House of Representatives Enquiry into

Regional Development and Decentralisation, and the Transitioning Regional Economies study by the Australian Productivity Commission.

Among other publication opportunities, participants are welcome to submit their paper presented at the conference to the *Australasian Journal of Regional Studies*.

I hope that both the conference program and its location will be an irresistible temptation to join us in December 2018.

Rolf Gerritsen
ANZRS AI President, 2018

TIMETABLE

31 October 2018	Final date for early bird registration. Draft conference program on website.
2 November 2018	Final date for submission of full paper by authors wanting their contribution to be peer reviewed for the conference proceedings or considered for the best paper Awards.
9 November 2018	Final date for conference registration for paper presenters, for their paper to be confirmed in the programme.
23 November 2018	Final program published on the conference website.
5 December 2018	Conference opens at 9am on Wednesday

Further details are located below in the section on About ANZRS AI. For the full story (including plenary speakers), go to:

<https://www.anzrsai.org/assets/Conferences/ANZRS AI-2018-Second-Call-for-Papers.pdf>

Regions at the Ready: Executive Summary

Regions at the Ready: Investing in Australia's Future. House of Representatives Select Committee on Regional Development and Decentralisation, June 2018

“Nearly 9 million people live in rural and regional Australia. Employing around one third of Australia’s workforce, Australia’s regions produce approximately 40 per cent of the national economic output.

“Undoubtedly, the economic success of Australia relies on the economic success of Australia’s regional areas. Australia’s national economic prosperity is underwritten by investment in rural and regional economies. This government investment must be informed by well-coordinated national and regional development strategies.

“With increasing pressures on Australia’s capital cities, investment in rural and regional economies may also help to address many of the problems experienced in metropolitan areas. This includes population growth, congestion, and high cost-of-living expenses.

“On 1 June 2017, the House of Representatives established the Select Committee on Regional Development and Decentralisation to inquire into and report on best practice approaches to regional development, the decentralisation of Commonwealth entities and supporting corporate decentralisation. The aim of the inquiry was to examine ways to build the capacity of rural and regional Australia, and to unlock its latent potential.

21st century Australia

“Regional Australia, like the rest of the nation, exists within a world of increasing complexity, uncertainty and change. Much of which is the result of globalisation.

“The impact of globalisation is a number of so-called ‘megatrends’. These ‘megatrends’ include increasing urbanisation, the ageing of populations, increasing connectivity between and among countries and regions, and rapid technological change.

“This changing modern world has ramifications for the way regional development policy is conceptualised, formulated, and implemented.

Challenges

“The Committee found that rural and regional Australia is currently challenged by two key issues: the perception of regions as ‘second rate,’ and the ongoing trend of people moving to the state capitals.

“The Committee strongly rejects the perception of Australia’s rural and regional communities as inferior to capital cities. Rather, the Committee promotes the value, and advantages of living and working in regional Australia. Far from being a deficit to the nation, Australia’s regions may well hold the answers to many of Australia’s social, economic and environmental challenges. To this end, rural and regional communities must be supported as sustainable, vibrant and enjoyable places to live and work.

Opportunity

“There are clear opportunities presented by our regions. These are broadly encapsulated in the following: people and human capital; capacity and desire to contribute to and share in the nation’s output and growth; natural assets including resources such as land and water; environment and amenity; strong sense of community and identity; uniqueness and diversity.

Regional investment

“Collaborative investment – by the three tiers of government, private sector and community groups – and improving the amenity of rural and regional towns is needed to attract and retain people in regional areas.

“Investment in rural and regional communities is four-fold. The first is investment that maintains the infrastructure of towns and cities and provides a basic level of universal services. For example, investment in roads, education and training, information technology, and recreation facilities. This is investment that maintains the status quo of an area.

“The second is catalytic investment. This type of investment drives development and growth, and leads to further investment. For example, the presence of an airport, hospital, university or government department. These investments can set off a chain of related outcomes including population growth, education and employment opportunities, improved social and cultural capital, and related infrastructure investment. All of which can markedly influence and transform the economic and social prosperity of regional towns.

“The third is investment in capacity building of our rural communities particularly education and training and leadership development.

“The fourth is investment in human capital; the employment of people to design and deliver services in rural communities. This investment provides the greatest opportunity for government decentralisation policy.

“Governments have a responsibility to provide and facilitate all types of investment. They have a responsibility to provide adequate services and opportunities for all its citizens regardless of where they live. They also have a responsibility to facilitate catalytic investment, by providing such investment or by creating the conditions for it to occur.

Decentralisation

“It is the Committee’s view that decentralisation – corporate and Commonwealth – must be part of a broader regional development strategy. The Committee found that decentralisation of public and private entities has many advantages, including alleviating congestion and pressure on capital cities.

“Commonwealth decentralisation must work to attract further investment and ‘clustering’ opportunities within towns and communities. For example, the presence of a government agency or function should work to attract relevant industry and businesses, the establishment or expansion of services, and education and training opportunities. To this end, decentralisation should act as a catalyst for social and economic change.

“The Committee recognises that decentralisation may be met with initial resistance by those having to relocate from a capital city to a regional area. It also acknowledges however, that in the long run, decentralisation can result in positive outcomes for government, rural and regional locations, and employees.

“The Committee has set out the basis of a solid Commonwealth decentralisation policy. It insists that any decentralisation of Commonwealth entities must balance the benefits of decentralisation with the requirement for efficient government. In other words, it must not take away from an agency’s ability to perform its functions.

“It also advocates for decentralised Commonwealth agencies or functions to be a ‘good fit’ for the new location. Elements that give rise to a ‘good fit’ include those that give a location a natural advantage for a particular agency. For example, the physical environment, the presence of existing industry or businesses, or the availability of a skilled workforce make a rural or regional town a sensible choice for a Commonwealth entity.

“For the private sector, the Committee asserts that the best way for governments to support corporate decentralisation is to create the policy conditions and framework for private entities to invest in rural and regional areas. Collaboration, the identification of regional development priorities, and investment in rural and regional amenity are ways to do this.

Regional development principles

“The Committee presents 12 principles for building and sustaining regional Australia. These principles challenge traditional thinking about regional development, and set a new foundation for developing the regions, particularly in a modern, globalised and mobile era. The 12 principles emphasize the importance of:

- long term, flexible, and committed policy making;
- decentralised government and corporate entities;
- identified national regional development priorities;
- local education and training to build human capital;
- collaboration between all levels of government, the private sector and community; and
- universal access to reasonable services.

“It is the Committee’s view that all regional development policy should be based on these principles.

The strategy

“Australia as a nation will do best when its regional economy is strong. Strong national growth is dependent on strong regional growth. The Committee sets out a strategy for developing and sustaining regional Australia. The strategy, underpinned by the regional development principles, consists of six elements:

- 1 build the enabling infrastructure for regional development;
- 2 identify national regional development priorities;
- 3 establish a Regional City Deals program;
- 4 strengthen the Regional Development Australia network;
- 5 establish a public sector decentralisation policy; and
- 6 strengthen the role of regional universities.

“The Committee also calls for the preparation of a consolidated government policy on regional Australia; a Regional White Paper, and the establishment of a Joint Standing Committee on Regional Development and Decentralisation.

“The Committee’s call to establish a Joint Standing Committee on Regional Development and Decentralisation recognises the need for an ongoing committee dedicated to examining and progressing the broad issues affecting rural and regional Australia. The Committee should also have responsibility for overseeing the Commonwealth’s decentralisation program.

“The Committee is proud of Australia’s rural and regional communities. In particular, it is proud of the people living and working in these areas, and their attitude and determination to build sustainable regional futures. The Committee shares some of these stories in case studies throughout the report.”

Source: House of Representatives Select Committee on Regional Development and Decentralisation, June 2018, Canberra.

https://www.apf.gov.au/Parliamentary_Business/Committees/House/Former_Committees/Regional_Development_and_Decentralisation/RDD/Final_Report

Examples of Regional Projects

“Since 2010, over 160 Karen (Myanmar) refugees have been resettled in Nhill in north-west Victoria. Local company, Luv-a-Duck, has directly employed approximately one-third of the refugees. Analysis by Deloitte Access Economics estimates that the resettlement plan has added a total of 70 full-time jobs and \$41.5 million to the local economy.

“Sundrop Farms operating since 2010, has recently expanded its facilities in Port Augusta by 20 hectares under a \$150 million project, creating 200 new jobs for the region. Under the project, Sundrop Farms worked collaboratively with the government of South Australia, receiving \$6 million under the state’s Regional Development Fund scheme in the expansion.

“Also under the South Australian Government’s Regional Development Fund scheme, Thomas Foods International has received \$2.5 million in funding to contribute to a \$25.4 million upgrade to its capacity, resulting in 200 new jobs in Murray Bridge.

“Australian Paper in Maryvale has received \$5 million support from the Federal and State governments in support of a \$600 million proposal to convert household waste to energy. The project aims to provide the company with an alternative source of power. Australian Paper is the Latrobe Valley’s largest private employer, providing more than 1000 jobs for the region. The new project expects to create 800 new jobs during construction and 46 full time positions.

“FKG Group is currently developing the Toowoomba Technology Park, a 29 hectare facility which will be Australia’s first regional data centre. The Park will utilise Toowoomba’s location as a logistic hub and NBN infrastructure. The Park includes the Pulse Data Centre which has been developed in partnership with the University of Southern Queensland. The Park could eventually generate between 5,000 and 10,000 jobs for the region.

Source: Issues Paper, House of Representatives Select Committee on Regional Development and Decentralisation

*Royal Commission into Misconduct in the Banking, Superannuation and
Financial Services Industry*

Background Paper 18: [Some Features of Financial Services in Regional and Remote Communities](https://financialservices.royalcommission.gov.au/publications/Documents/fsrc-paper-18.pdf)
<https://financialservices.royalcommission.gov.au/publications/Documents/fsrc-paper-18.pdf>

“This paper provides an overview of the ways in which people in regional or remote communities interact with financial service entities.

This paper shows that:

- a) As at 30 June 2017, around 6.9 million people, or around 28% of Australia’s population of around 24.6 million, lived in regional or remote areas.
- b) Around 8 million people, or around one-third of Australia’s population of around 24.6 million, live outside a capital city.
- c) Access to a bank branch, other face-to-face service or ATM decreases as remoteness increases.
- d) Because of the greater distances involved to access products and services, those in regional and remote areas may access financial services in different ways to those in metropolitan areas.
- e) Social, cultural and economic factors can result in members of the Australian population, including those in regional and remote areas, suffering from a lack of access to banking and financial services, or financial exclusion.
- f) People residing in capital cities were more likely to be severely or fully financially excluded, whereas people residing in country areas were more likely to be marginally excluded. [See below]
- g) Three examples of ways in which those in regional and remote areas may suffer from financial exclusion are bank branch closures, relatively high ATM fees and relatively less access to the internet and other digital services.
- h) As a result of financial exclusion, individuals may become more vulnerable to financial stress and can fall into a spiral of debt, hardship and poverty.”

Financial Exclusion pp.12-15

The Royal Commission defines financial exclusion in several ways but gives most attention to the following:

“lack of access to appropriate and affordable financial services and products from mainstream institutions ... on the basis of ownership of three basic financial services and products ... a transaction account, general insurance and a credit card’ (Centre for Social Inclusion, in research commissioned by National Australia Bank, 2015) and discusses the research undertaken by the Centre for Social Impact for National Australia Bank from 2006 to 2013. This latter definition also considers the severity of financial exclusion, noting that people ‘with all three items [a transaction account, general insurance and a credit card] are considered fully financially included; a person holding two is marginally financially excluded; a person holding one is severely financially excluded; and a person holding none of the services or products is fully financially excluded’.37”

Centre for Social Impact research for National Australia Bank

See: Centre for Social Impact research for National Australia Bank, *Eight Years on the Fringe: What has it meant to be severely or fully financially excluded in Australia?* (March 2015), 6, [https://www.nab.com.au/content/dam/nabrwd/About-Us/corporate-responsibility/our-programs-and-initiatives/social-and-financial-inclusion/Eight Years on the Fringe.pdf](https://www.nab.com.au/content/dam/nabrwd/About-Us/corporate-responsibility/our-programs-and-initiatives/social-and-financial-inclusion/Eight%20Years%20on%20the%20Fringe.pdf)

Overview

Overall, while the Global Financial Crisis (GFC) had a clear impact on various economic domains in 2008-2009, recovery was nonetheless fairly quick in many indicators across the country. However, the story is a different one for those on a low income, those at risk of economic instability, and the severely or fully financially excluded. This report presents the story of the severely or fully financially excluded across the country over the 2006 to 2013 period.

Between 2006 and 2013, almost one in six people in Australia were severely or fully financially excluded, that is, they lacked access to two or more basic financial products – a transaction account, credit card and/or basic insurance (Connolly 2014). Over that period, the severely or fully financially excluded were slightly more likely to be women than men; younger, rather than older, adults; and more likely to be living in, rather than outside capital cities. In line with their representation in the broader population, Australian-born individuals consistently made up over 60% of the severely or fully financially excluded segment; however, Aboriginal and Torres Strait Islander Australians and people born overseas in non-English speaking countries were over represented.

When compared to the broader population or financially included segment between 2006 and 2013, people who were severely or fully financially excluded were consistently more likely to experience a number of poorer economic, social and health outcomes. They were more likely to be unemployed and, if they were employed, they were slightly more likely to have been employed part-time than full time. The severely or fully financially excluded group also had lower levels of educational attainment, were more likely to feel financially unstable, be renting, live alone or in single parent households and experience higher incidences of self-reported mental illness compared to the broader population and the financially included group. However, in spite of their poorer economic and social outcomes, the severely or fully financially excluded group were more hopeful about their financial future than any other group.

This research highlights that financial exclusion is a stubborn problem and that people who are severely or fully financially excluded are at higher risk of poor economic, social and health outcomes. Future research should focus on understanding why the situation has not changed in Australia and whether and where investments in initiatives to improve financial inclusion are having an impact.

http://www.csi.edu.au/media/uploads/Eight_Years_on_the_Fringe_FINAL_FINAL.pdf

Commentary

From Regional Australia Institute

Getting a Better Deal for Regions Involved in Mining

“The issue of how mining companies can support business in regional economies is under the microscope – and late last month our General Manager of Policy and Research, Dr Kim Houghton presented the RAI’s view on this issue to the House of Representatives Parliamentary Standing Committee into Industry, Innovation, Science and Resources.

“This committee has been tasked by the Minister for Resources and Northern Australia, Senator the Hon. Matthew Canavan, to conduct an inquiry into this issue, calling forward many experts from across the country.

“At the Regional Australia Institute (RAI), we meet with many regional leaders around Australia, and this topic remains one of keen interest – not just in big mining regions.

“State governments have also looked into this issue during the last mining construction boom and are still investigating ways in which they can secure the biggest local long-term benefits for mining projects.

“In presenting his evidence to the Parliamentary Standing Committee, Dr Houghton drew on previous research conducted by the RAI through its Benefits of the Boom Policy Paper. This identified the main success factors to help businesses in regional communities. The five factors include:

- The establishment of local development strategies to maximize the benefits of projects as well as helping in managing any risks or uncertainties;
- Platforms for ongoing communication between all parties to ensure outcomes are beneficial for all involved – and where government can play a brokering or facilitating role to address market failure;
- A precise rundown of all roles and responsibilities for stakeholders involved including local and state government, local community and resource companies;
- The establishment of funding arrangements (such as Royalties for Regions or similar programs) that will provide local communities with funds to understand and respond to issues as they emerge; and
- A support system that is separate to EIA frameworks that ensures certainty for community, companies and governments.

While the capital investment and capacity building boom has passed, in the current climate, most jurisdictions across Australia are now looking more closely at mechanisms to get more local benefit from the mining sector.

In Queensland and Western Australia, new legislation has been written to increase local impact by requiring that investors demonstrate local supplier relationships. While this primarily applies to public spending on capital works, the RAI knows that the means and intention is there to push for similar requirements in approving private capital works.

During the hearing, Dr. Houghton provided an insight into the role that procurement plays in mining activities supporting regional economies. He noted that there are many barriers preventing small local businesses from capturing mining industry contracts. The Committee is concerned that one barrier is slow payment by the large companies to the small ones, and Dr Houghton recommended that complaints along these lines be put before the Australian Competition and Consumer Commission (ACCC) for it to examine under the Trade Practices Act.

Public sector procurement is currently being reviewed by the RAI as we look into how it is being used both in Australia and overseas as a tool to promote regional economic development. This work will be finalised later this year and is likely to have some relevance for private sector procurement practices as well.

Furthermore, as part of the RAI's 2018 Intergovernmental Shared Research Inquiry program, a significant body of work relating to regions in transition is also underway. This work analyses how place-based assistance packages can be better designed and delivered in order to help regional communities through times of change.

Dr Houghton encouraged the committee to engage with RAI's research findings as they come to hand, in order to assist those regions experiencing changes in the mining sector. Please [click here](#) for more information regarding the RAI's Regions in Transition work.

THE CONVERSATION

We need to stop innovating in Indigenous housing and get on with Closing the Gap

May 31, 2018 6.01am AEST

Kieran Wong: Adjunct Senior Research Fellow, Monash University

<https://theconversation.com/we-need-to-stop-innovating-in-indigenous-housing-and-get-on-with-closing-the-gap-96266>

“The tenth anniversary of the launch of the Council of Australian Governments’ (COAG) Closing the Gap agenda came and went, with the usual (often exasperated) commentators noting the lack of progress. The Australian Human Rights Commission was critical in its assessment, noting that:

... a December 2017 Australian Institute of Health and Welfare report found the mortality and life expectancy gaps are actually widening due to accelerating non-Indigenous population gains in these areas.”

Young Australians' prospects still come down to where they grow up

September 17, 2018 6.17am AEST

Gerry Redmond: Associate Professor, College of Business, government & Law, Flinders University

Jennifer Skattebol: Senior Research Fellow, Social Policy Research Centre, UNSW

“The [Dropping Off The Edge](#) research program, started by the late Professor Tony Vinson in the early 2000s, identifies the most disadvantaged suburbs and local government areas in each state and territory. This shows that as few as 3% of communities bear a disproportional burden of disadvantage. They are characterised by low rates of education and employment, and high rates of disability, criminal convictions and poverty.”

<https://theconversation.com/young-australians-prospects-still-come-down-to-where-they-grow-up-102640>

From the Grattan Institute

The myth of the bulging, out of control Australian city

by Marion Terrill

“Australia’s urban commuters have little to fear from population growth, if recent experience is any guide, according to a new Grattan Institute report.

“Remarkably adaptive: Australian cities in a time of growth shows that the population boom has had little impact on commuting – contrary to frequent media reports.

“The average commute distances and times barely increased over the five years to 2016, even as Sydney and Melbourne’s populations grew at rates among the highest in the developed world, by 1.9 per cent and 2.3 per cent each year. Brisbane, the Gold Coast, the Sunshine Coast, Canberra and Darwin also grew strongly.

“The benign impact of population growth is partly explained by the spread of jobs within the major cities. It’s a misconception that jobs are centred in CBDs, which become harder to get to as cities grow. In reality, fewer than two in ten people work in CBDs, whereas three in ten work in a suburb just away from home.

“The importance of suburban ‘employment centres’ is overblown. Parramatta is the location of only 2.3 per cent of Sydney’s jobs, and Clayton, home of Monash University and medical centre, accounts for only 1.7 per cent of Melbourne’s jobs. In Sydney, Melbourne, Brisbane, Adelaide and Perth, three quarters of jobs are dispersed all over the city, in shops, offices, schools, clinics, and construction sites.

“Even though commutes are not getting much worse, the level of congestion in the largest cities is a problem. Trains, buses and trams can be overcrowded, and commuting times can be unreliable. While most drivers are delayed no more than five minutes getting to work, the delay can be much longer on bad routes.

“But the situation is not spiralling out of control. Migration has not brought cities to a standstill. Cities have coped even though major new projects including Melbourne Metro, WestConnex in Sydney, and Brisbane’s Cross River Rail have not yet been completed.

“People adapt – they are not hapless victims of population growth, depending for their wellbeing on governments building the next freeway or rail extension,” says Grattan Institute Transport Program Director Marion Terrill.

“Governments should focus on facilitating the natural adaptations people make. They should limit zoning and planning barriers to people and firms locating where they want to be. They should follow the ACT’s lead and phase out stamp duty, which effectively locks people into staying put when they otherwise might move house. And Sydney and Melbourne should introduce congestion charges, to encourage drivers who don’t really need to travel at peak times to stay off the most congested roads.

“With these changes, the benefits that draw people to live and work close together can outweigh the congestion and crowding that trigger demands to shut new people out,” Marion Terrill says.

Read the report <https://grattan.edu.au/report/remarkably-adaptive/>

For further enquiries: Marion Terrill, Transport Program Director T. 03 8344 3637 E. media@grattan.edu.au

From the Cockatoo Network

By courtesy of Rod Brown

Dairy farmers need our long-term support

The milk supply chain involves farmers selling their product to dairy processors who process and package the product. Then supermarkets buy the packaged milk from the processors (both private label and branded products) and then sell it to consumers.

The Australian Competition and Consumer Commission (ACCC) handed down a report in April that found that farmers have little bargaining power and are thus price-takers in this supply chain. The power imbalances are two stages - between dairy farmers and processors, and between processors and retailers.

The 200 page report describes a litany of anti-competitive behaviour, as well as simply aggressive business practices that result from a supermarket duopoly. The milk processors also flex their muscle against the dairy farmers, although it’s patchy. For example, in Gippsland there are 15 or so processors operating in a reasonably competitive regional market.

Anyway, the ACCC basically recommended for improved transparency and allocation of risk in the commercial relationship between the processors and farmers. To this end, it recommended a mandatory code of conduct that would basically establish rules and processes so that the various segments of the industry would behave themselves.

The problem with the above is approach is that such rules break down over time, and the bad guys revert to their predatory behaviour.

Addressing the fundamental problem

How can dairy farmers' market position be strengthened? There are at least four ways:

- Nurturing of new forms of collaborate mechanisms to help farmers bargain together to achieve a better farmgate milk price. The old cooperative model has probably had its day (too slow and cumbersome) but techniques that unleash innovation from clusters of gazelle-like companies are timely.
- Investment in value-adding areas like cheese, yoghurt, baby formula and dairy health products. This unshackles dairy farmers from reliance on milk sales. Modest federal/state assistance for such investment is justified given the market abuse that has led to the current circumstances. Assistance should however be restricted to groups of collaborating companies rather than individual companies.
- International alliances to tap investment and market access in emerging dairy product markets. This can be done at a region to region level, and Austrade could be assigned roles in this work.
- Local councils and RDA Committees taking an interest. Why? Dairy farmers are the heart-and-soul of many regions, and there are significant wealth creation opportunities and inter-industry relationships e.g. tourism, engineering, health.

The role of councils is of potentially great importance. They could be helping to lobby federal/state governments, raising community awareness of their local dairy industry, and providing rate holidays for new productive capacity.

We plan to put specific proposals to put to government. Please contact us if you'd like to join in.

30 minute cities and a national chief planner?

Infrastructure Australia, our infrastructure watchdog, has savaged a Parliamentary Committee that has proposed lowering the discount rate on infrastructure investment from 7 to 4 per cent, effectively adding millions of dollars in future value to projects that would otherwise be considered of marginal value.

Infrastructure Australia's acting CEO, Anna Chau, said that reducing the discount rate to 4 per cent would be a form of "intergenerational theft" because it reportedly risks saddling the economy with C-grade investments. She said "We wouldn't do this for kids in our schools, just as we wouldn't lower the standards in our hospitals, so why should we do it for our major infrastructure projects?" she said. This is pretty courageous hyperbole from a bureaucrat, but good on her for speaking her mind!

But the committee's 476-page report did back the idea of a national population plan, and a national chief planner to drive regional infrastructure and settlement. This latter could be valuable. Think about it – a person or agency that provides a holistic overview of how the pieces fit together. The Parliamentary

Committee also recommended prioritising 30-minute cities, and establishing "value capture" (private funding of infrastructure in exchange for property) as a fundamental principle.

These recommendations are worthy of further consideration. If your council has a view, take it up with your local federal member in the first instance. Calls to cut the 7% discount rate have been backed by the Grattan Institute and the NSW Business Chamber because of the current low-interest rate environment. In any event, Infrastructure Australia is not the sole arbiter of the Parliamentary Committee's recommendations!

International Students to the Bush

Last month the Prime Minister raised the prospect of sending more international students to regional campuses. This inference was that it might be done via changes to temporary visa allocations.

The rationale is that more international students in regional Australia would (i) help build regional economies and social cohesion, (ii) give them a better, more rounded learning experience, and (iii) take pressure off our cities.

This is all wonderful stuff. But we've got to improve the attractiveness of the regional universities. It's unfair to dragoon students to universities with little support infrastructure or no part-time jobs to help them earn their way.

From the Productivity Commission

Murray-Darling Basin Plan: Five-year assessment (Overview & Recommendations) August 2018

Draft Report: Key points

- The Basin Plan is a significant step change in resetting the balance between environmental and consumptive use of water and establishing a new sustainable water management system.
- The Plan is a major investment — \$13 billion in total and \$4.9 billion is still to be spent by 2024.
- Significant practical progress has been made.
 - Recovery of water entitlements to bridge the gap between poorly managed historical use and the new Sustainable Diversion Limits is almost complete.
 - New management arrangements, including those for managing both environmental watering and water trading are in place and are working well.
- An immediate improvement is nevertheless required in two important elements of the Plan.
 - The development and accreditation of Water Resource Plans is behind schedule. Basin Governments should agree to extend the 2019 deadline where there is a material risk to the quality of plans.
 - Basin Governments should substantially revise the Basin Plan Evaluation Framework and develop a monitoring strategy. This will enable the impacts of the Plan to be evaluated and communicated effectively in 2020 and 2025, and the Plan to be reviewed in 2026.

- In the future, there will also be major challenges and risks to implementing the measures to adjust Sustainable Diversion Limits by 2024.
 - The agreed package of supply measures (including constraints easing projects) is ambitious. If key projects fail, environmental benefits will be delayed and the additional costs to tax payers are potentially in the order of \$480 million. Basin Governments should establish sound governance and funding arrangements and develop an integrated plan to manage delivery of the projects. The current timeframe is unrealistic and should be extended.
 - Projects to ease or remove delivery constraints and achieve enhanced environmental outcomes are unlikely to be completed by 2024. The Australian Government consequently risks bringing forward significant expenditure for an asset that cannot be effectively used for many years. It should instead align additional water recovery with progress on easing constraints and include strategies to mitigate socioeconomic impacts.
- These complex challenges are made more difficult because of the way Basin Governments have developed and agreed to the projects. The process has lacked transparency and candour with stakeholders who are concerned about potential impacts.
- There are major shortcomings in the current institutional and governance arrangements and these pose a significant risk to successful implementation. Now is the time for Basin Governments to do some heavy lifting and provide strategic direction.
 - Basin Governments should take joint responsibility for leading implementation, not leave it to the Murray Darling Basin Authority (MDBA).
 - The Basin Officials Committee should be assigned responsibility for managing the significant risks to successful implementation, including the integrated program of projects.
- The MDBA has two main roles: supporting Basin Governments to implement the Plan; and ensuring compliance with the Plan (in its role as regulator). These roles are conflicted and the conflicts will intensify in the next five years.
 - The MDBA should be separated into two institutions — the Murray Darling Basin Corporation and the Basin Plan Regulator.
- This is an opportunity to make important ‘stitch in time’ changes to ensure an effective Plan. Failure will be costly for the environment and tax payers and undermine confidence that the significant investment in the Basin Plan has been worthwhile.

Productivity Commission 2018, Murray-Darling Basin Plan: Five-year assessment, Draft Report, Canberra. <https://www.pc.gov.au/inquiries/current/basin-plan/draft>

CONFERENCES and STUDY OPPORTUNITIES

Regional Studies Blog

Professor Paul Dalziel, Executive Officer, ANZRSAI has recommended the Regional Studies Association Blog, which has been running since 2010. Each post is an easy-to-read piece between 500 and 750 words on a topical issue in regional studies.

The site is currently featuring blogs on The European Week of Regions and Cities (Dr. Phil Tomlinson), The Political Economy of Capital Cities, The Latest UN-Habitat Report Revealing the Growing integration of African Cities into the World Investment Network: The State of African Cities 2018: The Geography of African Investment (Professor Ronald Wall), and Universities and Regional Development (Paul Benneworth). The link is <http://blog.regionalstudies.org/>.

Notice from PRSCO: 59th ERSA Congress | 27-30 August 2019, Lyon, France

Cities, regions and digital transformations: opportunities, risks and challenges

More information: <http://ersa.org/events/59th-ersa-congress/>



The Rise of Right-Populism: Pauline Hanson's One Nation and Australian Politics

Bligh Grant · Tod Moore · Tony Lynch . Editors

Abstract: If viewed merely in term of Australia's electoral politics, Pauline Hanson and her Party are of minimal interest compared with the main political parties and are prone to dysfunction at the parliamentary level. However, if we choose to look at their impact upon Australian politics more generally and on society writ large, they have unquestionably played a salient role since 1996. Noting that Hanson has now enjoyed two iterations of electoral success in Australia's federation, the first in the 1990s and the second from 2016, the literature generated from the first iteration is reviewed. The issue of racism, particularly toward Australia's Indigenous population, and more pointedly the hostility directed toward a state that was perceived as favoring Indigenous Australians are discussed, alongside the policy themes of immigration, engagement with Asia, economic policy, and the broader impact that Hanson was having on Australia's polity. The emergent literature on populism, in particular in Australia, is also examined. The discussions contained in this book are then described, organized into the four themes of IDEATION, ELECTION, POLICYANDPOLITICS, and COMPARISON. Circling back to the concept of populism and the nature of Australian politics, we argue that populism generally, and right populism in particular, will continue to have an impact upon Australian politics, understood as an electoral phenomenon and more generally.

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CURRENT RESEARCH ABSTRACTS

Regional Science Policy and Practice

9/2 June 2017

Andres Rodriguez-Pose, Gilles Cols

The determinants of foreign direct investment in sub-Saharan Africa: What role for governance?

Abstract: For the past quarter of a century, foreign direct investment (FDI) flows have grown exponentially across the world. Sub-Saharan Africa has, however, lagged behind and only lured on average a mere 2 per cent of global FDI. The investment that the region attracts tends, moreover, to be concentrated in a number of commodity-rich countries. Natural resources and the size of national markets have generally been considered as the main drivers of FDI. The quality of local institutions has, by contrast, attracted less attention. This paper uses institutional data for 22 countries in order to demonstrate that the quality of governance plays a far from negligible and enduring role in the distribution of FDI in sub-Saharan Africa. It is shown that factors such as political stability, government effectiveness, lower corruption, voice and accountability, and the rule of law not only are more important determinants of FDI than the size of local markets, but also that their influence on the capacity of African countries to attract FDI is long-lasting.

<https://doi.org/10.1111/rsp3.12093>

10/3 Aug, 2018

Pages: 145-160

Luc-Normand Tellier, Jérémy Gelb

An urban metric system based on space-economy: Foundations and implementation

Abstract: An urban metric system (UMS) is here implemented in order to henceforth solve the numerous problems stemming from the absence

of a mathematical definition of the boundaries of the various concepts of urban areas. It is based on space-economy, especially, land-rent theory, the concepts of attractive and repulsive forces, as well as vector fields. The system is applied to the central cities, agglomerations and metropolitan areas of Montreal, Toronto and Quebec City. Based on the proposed UMS, a synthetic index of urban sprawl is defined and computed for the studied metropolitan areas.
<https://doi.org/10.1111/rsp3.12141>

Papers in Regional Science

97(3) Aug 2018

Pages 467-484

Samuli Leppälä

Theoretical perspectives on localized knowledge spillovers and agglomeration

Abstract: Empirical evidence shows that innovation is geographically concentrated, but whether localized knowledge spillovers provide a logically valid explanation for this phenomenon is unclear. I show that in the context of cost-reducing R&D spillovers between Cournot oligopolists the explanation is plausible: localized knowledge spillovers encourage agglomeration, but whether this leads to higher levels of effective R&D depends on the extent of the spillovers, the number of firms, and the industry's R&D efficiency. Contrary to the earlier theoretical work, this illustrates a context, in which the localized knowledge spillover explanation is actualized, and provides necessary conditions, which can be empirically tested.
DOI: <https://doi.org/10.1111/pirs.12256>

Pages 485-500

Anthony Howell, Canfei He, Rudai Yang, C. Cindy Fan

Agglomeration, (un)-related variety and new firm survival in China

Abstract: We study empirically the effects of five different dimensions of agglomeration – specialization, diversity, related variety, unrelated variety, and city size – on the survival chances of new entrepreneurial firms in China. Consideration is further given to studying the mediating effects of local subsidies on new firm survival given different existing local industrial structures in those regions. In support of the ‘regional branching’ hypothesis, we find that increasing local related variety has a stronger positive effect on new firm survival than other types of agglomeration. We also find that receiving comparatively fewer subsidies motivates firms to seek out and benefit from local existing economies, which in turn, positively influence their chances of survival. By contrast, agglomerated firms that receive relatively more subsidies tend to be more likely to face financial distress leading to eventual market exit. The findings thus reveal that both the intensity and the location of state support matters in terms of optimizing positive agglomeration effects on firms' post-entry performance and survival. DOI: <https://doi.org/10.1111/pirs.12269>

Pages 501-518

Lisa Östbring Rikard Eriksson Urban Lindgren

Relatedness through experience: On the importance of collected worker experiences for plant performance

Abstract: We demonstrate that multiple cognitive dimensions exist between employees in knowledge intensive business services (KIBS) and that these dimensions interact in their influence on plant performance. Knowledge and cognitive distance are measured as formal knowledge and industry experience. Pooled OLS

regressions with year, industry, and region-fixed effects are used to estimate the impact on plant performance. The results suggest that the commonly found negative impact of similarity in formal knowledge on plant performance may be reduced by high human capital ratios or high levels of similarity in experience. Moreover, the organizational structures associated with single-plant and multi-plant firms, generate different plant performance outcomes of knowledge variety. DOI: <https://doi.org/10.1111/pirs.12273>

Pages 519-547

Matthias Firgo Peter Mayerhofer

(Un)related variety and employment growth at the sub-regional level

Abstract: Empirical results on the link between growth and diversity in (un)related industries proved to be highly dependent on the specific regional, temporal and econometric context. Using highly disaggregated employment data at the sub-regional level, we find that higher employment growth in Austria is mainly linked to unrelated variety. However, in-depth analyses by sectors and regional regimes illustrate substantial heterogeneity in the results, with services and a large number of relatively small non-urban regions driving the overall results. Thus, our findings argue against structural policy conclusions based on assessments neglecting the specific sectoral and regional context. DOI: <https://doi.org/10.1111/pirs.12276>

Pages: 549-567

Cilem Selin Hazır, James LeSage, Corinne Autant-Bernard

The role of R&D collaboration networks on regional knowledge creation: Evidence from information and communication technologies

Abstract: We investigate how R&D networks impact regional innovation, considering alternative connectivity structures based on co-publications, co-inventions and projects supported by the EU-FP. Patent activity impacts on ICT during 2003–2009 for 213 European regions are quantified using a spatial Durbin model. Findings indicate that local knowledge flows to proximate regions are influenced by: proximate regions that are not collaboration partners, proximate collaboration partners, and distant collaboration partners. Evidence on the role of distant collaboration partners is found only for co-invention networks. DOI: <https://doi.org/10.1111/pirs.12267>

Australasian Journal of Regional Studies
24(2), 2018.

Pages 124-146

Scott Baum, Michael Flanagan, William Mitchell and Robert Stimson

Wage inequality across Australian labour market regions

Abstract: This paper considers the patterns of inequality in wage and salaries across labour markets in Australia. Using data sourced from the Australian Taxation Office and the Australian Bureau of Statistics, the paper develops several measures of wage and salary inequality and considers both the regional differences in, and the potential drivers of, inequality at the regional level. The research reported illustrates the uneven nature of the wage inequality issue across Australian regions, illustrating the regional winners and losers in terms of inequality outcomes, and suggests that a number of regional level factors may be important in understanding the differences in inequality outcomes reported.

Pages 147-167

Joe Branigan and Fariba Ramezani

Assessing the value of public infrastructure at a regional level: Cost Benefit Analysis supplemented by Economic Impact Analysis.

Abstract: Evaluation of regional public infrastructure projects is needed to ensure the effective and efficient use of scarce taxpayer funds. There are several methods used to evaluate public infrastructure projects, including cost benefit analysis (CBA) and economic impact analysis (EIA). CBA is widely used by governments to estimate the real social value of a project. However, CBA does not necessarily account for regional impacts such as the effects on employment and growth and, thus, may not be adequate to properly measure regional impacts against related government policy objectives. Governments can use EIA to capture these impacts as an adjunct to CBA. This paper reviews the pros and cons of both CBA and EIA and presents an empirical analysis of both appraisal approaches. Both approaches are applied to a case study of the proposed South West Illawarra Rail Link (SWIRL), which is a \$1.6 billion infrastructure project designed to improve the railway connectivity between Greater Sydney and the Illawarra region..

Pages 168-190

Catherine Burns, Anne Cullen, Hayley Briggs

The business and politics of farmers' markets: Consumer perspectives from Byron Bay, Australia.

Abstract: Very few studies have examined the reasons consumers attend Australian Farmers' Markets. This empirical study uses four benefits, articulated in the Australian Farmer's Market Association Strategic Plan (2017-2019), to organise and identify consumer motivations at the Byron Bay Farmers' Market. Consumers are the focus of this paper, which draws on the concepts of alterity and embeddedness to reveal a range of motivations and consumer

engagement. The findings reveal a surprising mix of reflexivity and re-embedding shaped by both regional culture and individual motivations. Common across all participants was a sincere commitment to the local community and their attachment to ethical consumption.

Pages 191-212

Vince Mangioni

Land value taxation: Opportunity and challenges for funding regional Australia and New Zealand.

Abstract: Australia and New Zealand have highly centralised tax systems and are low taxing countries, they are both in the bottom quartile of Organisation for Economic Co-operation and Development (OECD) countries in tax collection effort as a percentage of Gross Domestic Product (GDP). A common fiscal reform stemming from national tax reviews in Australia and New Zealand recommend improving tax effort from recurrent land value taxation. This paper examines the status of the administration of recurrent land and property taxation, how it has evolved and how it might be reformed in achieving additional revenue that would benefit regional New Zealand and Australia.

A simulation approach is used to examine how land value is determined and define the factors that have resulted in the transition to alternate bases of value, used by local government in parts of Australia and New Zealand, to assess council rates. The paper finds that while challenges exist in the determination of value in highly urbanised locations, a codified approach can be used to create a uniform basis of value on which land may be taxed. The paper concludes that challenges confronting the determination of land value should not deter an impost on land and that land is a base among other forms of

taxation that may be equalised to assist funding in regional Australia and New Zealand.

Pages 213-236

Sean Pasco, Andrew Beer, Charmaine Threadgold, Michael Young and Steve Whetton

Establishing a social and economic baseline prior to the development of an offshore oil industry: An example from the Great Australian Bight.

Abstract: The potential development of an oil industry in the Great Australian Bight provides a number of opportunities and challenges. Potentially, the development may affect local communities, regional economies and the environment. Developing a baseline, before any development takes place, enables changes due to the development being better identified and understood. The aim of this study was to develop a comprehensive baseline for the social and economic environment of the region most likely to be impacted by the development of an oil industry in the Great Australian Bight. The baseline study identified that the region is characterised by a small and sparsely distributed population, highly dependent on primary industries for the most part. The study also identified that there is a strong attachment to place in the region, with the current pristine coastal and marine environment a key factor underlying this attachment.

Pages 237-255

Gurmeet Singh, Moureen Chand, Neelesh Gounder and Justin Paul

Regional trade agreements and their impact on export firms

Abstract: The purpose of this study is to examine important dimensions related to regional trade cooperation that range from facilitation measures to trade barriers and the implications

of these in Regional Trade Agreements (RTAs). In particular, the study explores some of the implications of RTAs on the business community in Fiji, with a special focus on exporters. This paper has adopted a triangulation method that incorporates the use of survey research, interviews and descriptive statistics. The findings of the research highlight that the vast majority of firms also do not utilise the free trade provisions laid out in RTAs and very few felt the relevance of these RTAs in terms their exports. The results reveal that the utilisation of RTAs depends on the support of state institutions related to exporting. Nevertheless, the firms have revealed that they have seen increased competition (post RTA) in the market place.

ABOUT ANZRS AI

Conference

The 42nd Annual Conference of ANZRS AI will open at 9am on Wednesday 5th December at Australian National University, followed by three days of plenary addresses, panels of expert speakers and parallel sessions of submitted papers.

ANZRS AI members and others will share experiences and learn the latest developments in regional research and planning.

The complete program of plenary speakers will be published on the conference website at <http://www.anzrsai.org>.

Registration for the conference includes morning tea, lunches and afternoon tea, plenary and parallel sessions. It also includes complimentary membership of ANZRS AI for 2019.

There are two social events: a reception hosted by the President of ANZRS AI at the conclusion of the first day on the evening of Wednesday 5 December; and the ANZRS AI Awards Dinner on Thursday 6 December.

Fees

Early Bird Standard Registration (paid before 31 October) \$600.00

Standard Registration for full conference (paid after 31 October) \$700.00

Student or Emeritus Registration for full conference \$325.00

Registration for one day of the conference \$325.00

President's Reception (Wednesday 5 December, 6pm) \$30.00

ANZRS AI Awards Dinner (Thursday 6 December, 7pm) \$120.00

To register for the conference, please go to:

<https://www.anzrsai.org/conference/conference-2018/>

The Second Call for Papers for this year's conference has been published, and submissions and registrations are now being accepted.

ANZRS AI Council notes

Council thanked Yogi Vidyattama for his excellent work on arrangements for the 2018 Conference.

Editors of AJRS

At its meeting on 17 October 2018, Council noted that Bruce Wilson and Mike Hefferan are retiring as editors of AJRS, and accepted the proposal lodged by Associate Professor Grant, Professor Gerritsen, Associate Professor Alam, and Associate Professor Mangioni. The incoming editors propose to appoint Associate Professor Grant as Executive Editor with authority to act on behalf of the group. The new team is able to commence in early 2019.

Megan Woods suggested developing job descriptions and a succession plan for the editor-in-chief and co-editors, and appointing an editor-in-training, in order to help to develop younger academics into a future editor-in-chief.

Future of ANZRSAI

The annual conference and AJRS are the foundations of ANZRSAI. The small conference attracts new members to ANZRSAI because our senior members generously offer support, encouragement, relevant experience and information, and AJRS offers an opportunity for early publication.

Council noted an informal Regional Research and Policy Roundtable held in a Melbourne café. 6 or 7 members buy their own coffee and met three times in 2018. Try it in your town.

Council noted that the conference is our principal source of funds and that the organization returned a small profit in 2018.

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