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Welcome from the Minister

I am pleased to launch this special edition of *Sustaining Regions* devoted to Local Government. Local Government’s involvement in local and regional development has grown in recent years. The Federal Government’s 2001 election commitment set out in ‘Building Stronger Local Government 2001’ includes the commitment to ‘continue to recognise and assist Local Government to foster regional economic development and to continue to work with councils to reduce business costs and sponsor regional economic development initiatives’.

I announced a study on the Role of Local Government in Economic Development on 2 November 2002. The results of the study are beginning to provide the Commonwealth with a better understanding of Local Government’s capacity to address economic development issues, of existing approaches by local government, and the participation of Local Government in Commonwealth Programmes. I am pleased to see some of the results being presented in this issue.

The research indicates that some Councils do not fully understand the Area Consultative Committees’ (ACCs) role in regional development. The ACC charter now emphasises the ACCs’ role in ‘fostering whole-of-government initiatives’ which should include strong links between Councils and their ACCs. This will assist Councils to better understand the ACCs role and Councils’ relationship to the work of the ACCs.

ACCs are able to assist local bodies access Commonwealth funding to support economic development initiatives. Under the Regional Partnerships Programme announced in this year’s budget, ACCs will refer applicants to local councils whenever the project proposal either requires Council planning approval or may result in an ongoing commitment from Council for maintenance or resourcing.

The articles in this special edition present a variety of perspectives on local government and regional development and provide a useful contribution to the policy debate in this area. Of course the views expressed in each of the article are those of the authors and do not necessarily reflect the views of the Commonwealth.

I congratulate *Sustaining Regions* and ANZRAI for their initiative in producing this special edition on local government.

Wilson Tuckey
Minister for Regional Services, Territories and Local Government
Local Government and the Regions

Welcome to this special issue of Sustaining Regions. This issue has been produced in partnership with the National Office of Local Government within the Department of Transport and Regional Services. The articles presented in this issue arise from research, consultancy activities and other initiatives sponsored by NOLG. All of us should be aware that the views expressed in these articles are those of the authors, not the Federal Government. The next issue of Sustaining Regions will also be a theme issue, this time looking at skills shortages in non-metropolitan regions.

A focus on local government is entirely appropriate for a publication concerned with Australia's regions. As one of the submissions to the Cost Shifting Inquiry noted, in many parts of Australia local government is the last man standing, following the withdrawal of the Commonwealth Government, State Governments and many private sector institutions. Even within the capitals, local governments play a fundamental role in promoting community well being - through the provision of basic infrastructure and services, the promotion of economic development, regulation of the built environment and acting as an advocate.

The first of our papers from a team of researchers from the CSIRO examines the changing face of regional governance in Australia. It considers the shifts in State and Commonwealth Government engagement with the regions, and the role local governments can and do play at the regional level. The paper includes a useful state by state breakdown of current administrative arrangements.

Our second paper considers capital flows into and out of non-metropolitan or regional Australia. This paper by Marcus Spiller and Sasha Lennon considers how regional Australia can become a more attractive destination for capital. Access to capital is a critical issue in regional Australia as many fast growing industries based outside the capitals have struggled for investment. The authors suggest there are a range of strategies that can be adopted, and that local government can play a pivotal role in their implementation.

Ian Manning is the author of our third paper on a national regional benchmarking system. This paper extends work originally undertaken as part of the State of the Regions series and maps out a range of variables that can be helpful in assessing the performance of any one region or group of regions.

Our final paper comes from Sasha Lennon, William O'Neill and Marcus Spiller and reports the findings of a survey undertaken in 2002 into the economic development efforts of local governments across Australia. In common with other research (Beer and Maude 1997; Beer and Maude 2002; Beer, Maude and Haughton forthcoming), it finds that local governments play an important role in local and regional economic development, though confronted by a number of challenges.

Local governments play an important role in the management of the national economy and in ensuring the well being of capital city regions, country regions and remote regions. The papers presented in this issue canvas some of the important issues confronting local and other governments and I would hope that this debate will trigger an on-going debate between those whose principal concern is with the well being of regions as a whole.
"joined up" solutions are needed to address current policy and market challenges, and local government is one of the key stakeholders in finding these answers.

As a practice-oriented journal, *Sustaining Regions* looks for opportunities to work with other organisations in order to disseminate best practice and highlight current policy issues. Many aspects of regional development are troubled by the need to secure information from a wide array of sources. Federal, State and local governments all produce important studies, as do community groups, academics and private individuals. Practitioners, academics and policy makers alike often complain about the difficulty of keeping up with developments in their particular field. Theme issues present us with an opportunity to bring this diverse material together in one place and make our readership aware of other information sources. Those involved with issues that would potentially interest the readership of *Sustaining Regions* – for example, the environment, social development, models of service delivery etc – and who are interested in organising a special issue of the journal should contact me on andrew.beer@flinders.edu.au

Andrew Beer
Editor
*Sustaining Regions*
April 2003

References


The Changing Face of Regional Governance for Economic Development: Implications for Local Government

Jenny Bellamy, Tony Meppem, Russell Gorddard and Steve Dawson

Governments and community alike are increasingly advocating regional approaches to public policy problems. Since the early 1990s, a wide range of reports, inquiries and initiatives by parliamentary committees, federal and state government agencies and private agencies, focusing on the advancement of regions have been produced and implemented as policies, strategies and programs. More recently, a new regional policy framework has been widely advocated in Australia at the federal level. This approach aims to deal with global pressures, rapid technological advances, increasing productivity growth from commodity sectors, and the need to ensure sustainable development (e.g. Regional Australia Summit, October 1999; AFFA 1999; Parliament of Australia 2000a; DOTARS 2001). The increasing focus by governments on regions is a result of:

- globalisation and the re-emergence of the local and regional economy as an important unit of innovation;
- increasing recognition of the broad spatial and regional nature of many key social, economic and environmental issues; and
- increased community demand for more targeted economic strategies, responsive public policy and greater accountability.

Regionalism and Devolution

Governments in Australia have fostered both regionalisation and regionalism over a considerable period of time. In the process of regionalisation, government forms regions essentially to improve management efficiency. In contrast, regionalism is a more 'bottom-up' phenomenon in which communities demand more direct roles in decision-making whether through partnership development with industry and government or new regional institutions (e.g. Dore and Woodhill 1999; Jennings and Moore 2000). In this context, the nature of economic development policies in Australia is changing. Increasingly they have a regional scale focus and involve a wide range of issues and sectors of society. Driving these changes are the two key issues of globalisation and sustainable development. The recent State of the Regions 2001 report (ALGA 2001a), for example, found that globalisation has enhanced the significance of local and regional economies due to, amongst other factors:

- the growing importance of industry clusters and networks that are globally competitive;
- greater regional specialisation with a focus on their 'competitive edge';
- global corporations seeking to incorporate themselves into regional production systems and to utilise local 'tacit' knowledge as a means of sustaining their competitiveness; and
- social and economic disparities based on differences in global connectedness (e.g. access to information technology - the 'digital divide'); creating the need for regions to proactively promote flexibility and adaptation when confronted with uncertainty.

The most recent resurgence of direct Commonwealth intervention that preceded the
The importance of regional approaches to economic development commenced in the mid 1990s with a series of reports including The Working Nation White Paper which focused on boosting economic growth and employment through a specific regional development program. This program created Commonwealth-approved Regional Economic Development Organisations or REDOs and also established Area Consultative Committees or ACCs (Commonwealth of Australia 1994). The Stronger Regions, A Stronger Australia policy framework (DOTARS 2001) recognised the critical importance of a strong and resilient regional Australia and the need for governments and regional communities to work together in partnerships and foster the development of self-reliant regions.

Current regional approaches differ from previous approaches due to the additional issues related to complexity of sustainability (Dale and Bellamy 1998). For example, the need for 'regional development' is overlaid with the need for preservation of regional biodiversity and the requirement to consider intra- and inter-generational equity.

In the 1990s, the interpretation of sustainable development expanded to encompass economic vitality, social cohesion and environmental integrity. This has been accompanied by a global trend in government of devolving specific decision-making closer to its source or context and an emphasis on developing partnerships, strategic alliances and broader consultation with those who are likely to experience impacts from decisions.

While we do not have formalised structures of government at the regional scale, it has become clear that many of our tasks of governance need to occur at this scale. Importantly, local government has a clear interest in regional initiatives and could play a pivotal role in the delivery of such programs and strategies on the ground. However local government's performance to date has been highly variable and some major challenges must be addressed before there is widespread effective local government involvement at the regional level (Thorman 1999; ALGA 1997).

For the purposes of this paper, regional governance refers to the institutions, processes and relationships that are currently shaping our responses to sustainable development issues and decision-making at the regional level.

Current Regional Economic Governance Arrangements in Australia

In Australia, all three tiers of government (local, state and federal) have a significant interest in regional economic development initiatives. Commonwealth and state governments through a multitude of diverse government agencies have generally promoted regional development policies targeted at reducing regional disparities and balancing the development of rural and regional Australia through the decentralisation of economic activity away from metropolitan areas (Parliament of Australia 2000b). Table 1 identifies the diversity across and within different states in institutional arrangements for regional economic development and the linkages to local government and integrated planning processes. The key federal body is the Department of Transport and Regional Services (DOTARS). As well as regional development, it is responsible for coordinating local and federal government relationships, distributing financial assistance grants to local governments, and federal transport infrastructure investment.

As a consequence of these state and federal initiatives, a plethora of regional organisations has been established over the past decade (Parliament of Australia 2000b). Table 1 identifies the diversity across and within different states in institutional arrangements for regional economic development and the linkages to local government and integrated planning processes. The key federal body is the Department of Transport and Regional Services (DOTARS). As well as regional development, it is responsible for coordinating local and federal government relationships, distributing financial assistance grants to local governments, and federal transport infrastructure investment.

The 1996 Productivity Commission report on government assistance to industry highlighted the need for a change in the role of government in economic development (Productivity Commission, 1996). The report found that:

- while governments have a legitimate role in economic development there are limited ways in which Government can effectively go about encouraging it;

- a multiplicity of state and federal cash transfer based assistance schemes exist, and there is a perception that they contribute little net gain to the economy; and

- selective industry assistance is rarely justifiable. It results in a shift of costs on to other industries, distorts the location of industries, and diverts business effort.
The 1996 Productivity Commission report also identified the positive benefits of regional development initiatives to include regional leadership, ameliorating the pace and scale of regional adjustment, using local knowledge, learning across regions and cooperation within regions. Nevertheless a later investigation (Productivity Commission 1999) found a lack of success and high costs associated with many regional development policies. The 1999 report also noted that in many cases government involvement in regional development has now 'taken the form of statements which focus on objectives such as enhancing the overall quality of life in the region, attracting skilled jobs, strategic leadership and community empowerment without any clear policies as to how such objectives are to be achieved'. This has led to claims that federal and state governments have adopted an ad hoc rather than an integrated approach. As a consequence, there have been widespread calls for a rationalisation of this situation through a coherent government policy that could lead to sustainable regional development (ALGA 1997; Parliament of Australia 2000b). In particular, the need for alignment of policies and programs across three tiers of government based on joint cooperative agreements and the development of public/private partnerships to address regional needs identified by communities has emerged as a common theme.

Challenges to Sustainable Regional Development

The allocation of roles and responsibilities both between the different spheres of government and between government and community organisations is often unclear, leading to tension and conflict, which undermine cooperation (Dore and Woodhill 1999). Institutional impediments to effective regional governance arrangements for sustainable development include (Dore and Woodhill 1999; Bellamy et al. 2002; Jennings and Moore 2000b):
- lack of coordination within government;
- absence of statutory and institutional bases;
- lack of cost-sharing mechanisms to accompany the transfer of resource management and economic development responsibilities to regional organisations.

Other problems relate to the development roles, increasing responsibilities not matched to power and resources and ineffective community engagement.

Moreover, some of the challenges facing whole of government strategy for sustainable development are (Bellamy and Dale 2000):
- a service provider focus within government;
- ‘silo’ based management arrangements; and
- research and development exclusively focused on improving resource productivity.

Moon (1999) notes that ‘in transitional periods governments often seem more reluctant to let go of the oars than the new governance paradigm would lead us to expect’. Devolving power and accountability is not always consistent with agency culture; this can lead people to interpret collaboration as coordination.

How a regional initiative fits/embeds itself into its institutional environment is fundamental to its effectiveness (Bellamy and Dale 2000). Regional approaches have often attracted criticism for the inability to foster ‘whole of government’ philosophies. Complex legislative and bureaucratic structures of governments divide and fragment responsibilities. Ideally whole-of-government is instituted as a response to the need to manage complex systems in a manner that recognises rather than assumes away this complexity. However, entrenched disciplinary orientations, bounded jurisdictions and ‘turf rivalry’ are major impediments to genuine cross-departmental collaboration and better outcomes between government, industry and community. Most economic development agencies operate within vertical networks of control (e.g. transport infrastructure, communication networks, water infrastructure) that ‘run in parallel but have very limited interaction’.

Regional development also poses challenges of dealing with conflict.

• lack of effective capacity, and mechanisms for dealing with conflict.

Moon (1999) notes that ‘in transitional periods governments often seem more reluctant to let go of the oars than the new governance paradigm would lead us to expect’. Devolving power and accountability is not always consistent with agency culture; this can lead people to interpret collaboration as coordination.
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<th>Coordination with local government, land use planning</th>
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<td></td>
<td>Chief Minister's Department</td>
<td>The self-governing territories, Local Government and Natural Disaster Management Branch of DOTARS has a primary focus of assessing and providing policy advice on, the effectiveness of Commonwealth policies, programs and practices in supporting the economic development of the Australian Capital Territory. The Office of Business and Tourism develops business policy and programs.</td>
<td>The ACT Office of Sustainability has been established to ensure the consistent implementation of sustainability policies.</td>
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<td>Office of Business and Tourism</td>
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<tr>
<td>New South Wales</td>
<td>Department of State and Regional Development (DSRD) Planning NSW</td>
<td>DSRD aims to attract and retain investment, boost exports, foster industry skills and innovation and stimulate employment generating activity by delivering services through a regional office network which provides entry to a range of programs offered to businesses in New South Wales.</td>
<td>The Premier's Department supports a Regional Coordinators Office. The Premier's Department representative acts in a coordination role to bring together other state government departments. The Premier's Department also supports an Office of Regional Communities that provides Rural Communities Impact Statements. Planning NSW is responsible for sustainable land use planning in NSW.</td>
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<td>Northern Territory</td>
<td>Department of Industries, Business and Resource Development (DIBRD)</td>
<td>DCDSCA is committed to develop and support strong, creative communities in the Northern Territory. The agency works with communities to help them build their governance structures, assist in providing appropriate infrastructure, and encourage and support cultural and sporting activity. DIBRD works with government agencies and the regional community to develop business and service opportunities.</td>
<td>The DCDSCA Local Government program aims for continued development of viable and sustainable local governing bodies that effectively and efficiently deliver services.</td>
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<tr>
<td>Queensland</td>
<td>Department of State Development (DSD) Department of Local Government and Planning (DLGP) Department of Premier and Cabinet (DPC) Department of Primary Industries - Office of Rural Communities (ORC)</td>
<td>DSD is Queensland's lead agency in relation to economic development, it is the focal point in the state government for raising and negotiating matters impacting on the state's development. DSD operates through 18 State Development Centres (SDCs) supported by a network of Regional Development Organisations (RDOs) to influence the strategic economic development of the state's regions.</td>
<td>DLGP administers planning scheme activities for local government that provide regional development advice and guidance. The DPC Office of Regional Communities oversees quarterly Ministerial regional forums for community participation in state-led regional decision-making on economic development and natural resource management. The ORC provides a link to rural communities, provides advice on rural issues, and potential impacts of government decisions on rural communities.</td>
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<td>South Australia</td>
<td>Department of Business, Manufacturing and Trade, The Office of Regional Development (ORD), Primary Industries and Resources SA (Office of Regional Development)</td>
<td>ORD was established to encourage a whole-of-government approach to the development and implementation of policy and services affecting rural and regional communities of South Australia. The Department of Business, Manufacturing and Trade ensures the continuing growth of the State's industry and regional development as a key component of overall economic development.</td>
<td>The State/Local Government Partnership Program proposes a development strategy to improve the relationship between the Local Government and the State. The Steering Group will include representatives from the Department of Premier and Cabinet, the Office of Regional Development (ORD), State Treasury, Office of Local Government, Attorney-General's Department and four local government representatives.</td>
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<tr>
<td>Tasmania</td>
<td>Department of Economic Development (DED)</td>
<td>DED provides companies with the efficiencies of dealing with a single agency acting as a conduit to other state departments, commonwealth agencies, local government and private business. It also provides support services to companies including general information on the Tasmanian business environment, specific industry strategies, assistance in accessing export markets and advice on developing innovative concepts into commercial realities.</td>
<td>The Premier's Local Government Council is a high-level forum for discussions between the state and local government on issues of statewide significance. Statewide Partnership Agreements are developed under the Premier's Local Government Council.</td>
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<tr>
<td>Victoria</td>
<td>Department of Innovation, Industry and Regional Development (DIIRD)</td>
<td>DIIRD is responsible for encouraging business growth, investment, exports and employment in Victoria. As part of its regional development work, several networks of offices have been established throughout the State including: The Victorian Business Centre (VBC) network; The Regional Industries Group; The Office of Rural Communities; Regional Industries; The Regional Infrastructure Development Fund.</td>
<td>The Local Government &amp; Regional Services Division of the Department for Victorian Communities works cooperatively with 79 local councils. It is responsible for administering the Local Government Act 1989 (as amended). The Division also liaises with peak local government bodies, and other agencies, both state and Commonwealth, which have policy, funding or legislative interest in councils.</td>
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<td>Western Australia</td>
<td>Department of Local Government and Regional Development (DLGRD), Office of Aboriginal Economic Development</td>
<td>DLGRD acts as a local point to unite the resources of other agencies, local governments, Regional Development Commissions, businesses and community groups.</td>
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Evolving Role of Local Government in Regional Governance

Local government's role has significantly changed over time from dealing with and managing traditional roles of waste collecting for their region (i.e. the 'roads, rates and rubbish') to include a primary role in land use planning, regulation and approval of development (Binning et al. 1999).

Across Australia, local governments are variously involved in regional development organisations, state administered environment and planning structures, federally funded programs (e.g. Roads to Recovery) and numerous social revitalisation arrangements (e.g. Place Management initiatives).

Importantly, local government has an increasing role in ensuring that local development is sustainable (socially, economically and environmentally). Local government has the capacity to affect private development by attaching conditions that protect the environment and the public interest while having regard for productive development. Whilst other levels of government may develop strategic policies, it is local government that must make detailed decisions that balance ongoing development with the need to protect natural resources (Hullick et al. 2001).

In this context, local government is facing many new challenges and pressures, including (Planning SA 2000):

- changes to state and federal government funding allocations;
- additional responsibilities being transferred to local government;
- increasing expectations and requirements from the community;
- providing strong leadership and community accountability for achieving desired outcomes; and
- the need for increased consistency and transparency in operations and decision-making processes.

Although local government traditionally has not had a significant role in regional development, it is increasingly finding itself in a pivotal role in the delivery of state and federal programs and initiatives (e.g. National Heritage Trust, NHT, Networking the Nation, National Competition Fund, Tackling the Nation's Children's Health, Tackling the Nation’s Children’s Health, and projects to improve education and infrastructure in Indigenous communities (ALGA 1997; Neumann 1999). Moreover, Beer and Maude (2002) have highlighted the significance of local government in initiating and supporting regional economic development agencies. For example, local governments are increasingly using Voluntary Regional Organisations of Councils (VROCs) for regional governance arrangements. This has become necessary as local governments are increasingly being required to actively engage as partners in emergent regional governance arrangements for sustainable regional development (e.g. National Action Plan for Salinity and Water Quality, Regional Forest Agreements; and regional growth/diversification strategies).

More than 50 per cent of councils in Australia participate in Voluntary Regional Organisations of Councils or VROCs (ALGA 1997). VROCs have developed as cooperative ventures with a consensus approach to common problems at a local level. They provide a mechanism in which the local community has ownership and can link its members into national priorities and agendas in a coordinated way on issues that extend across council boundaries (ALGA 1997). Marshall and Witherby (2002) identified a number of core activities of VROCs:

- advocacy of the needs of the region to state and federal levels of government, and to the broader community;
- lobbying of state and federal governments for financial assistance and other benefits for the region;
- improved relationships with inter-governmental actors;
- fostering cooperation between member councils of the ROC in relation to common problems and issues; and
- advancing the interests of the region.

Importantly, VROCs often provide an informal institutional basis for local government engagement in regional planning (Dale and Bellamy 1998). However, May (2002) notes that the record of VROCs in regional planning and problem solving is poor, and that protection of local interest and the requirement for consensus limits progress.

The growing significance of regional level issues in economic development and resource management contexts has led to increasingly complex structures of regional governance in most states. Local government is...
emerging as a key player in these emerging regional arrangements because it is perceived as:
(a) the level of government closest to the community;
(b) the level of government where "the buck stops," where accountability to constituents is most acute; and
(c) the practical, functional arm of government that needs to take a key role for effective sustainable development planning outcomes to materialise.

Emerging regional governance arrangements however are challenging the conventional operating environment and capacity of local government, and some concern has been expressed at local government's capacity to take a greater role in sustainable regional development initiatives (Parliament of Australia 2000b). Significantly, the emerging regional governance agenda challenges local governments to move beyond the perception of their role as town planner, regulator and administrator to facilitator, contributor and enabler of diverse stakeholder engagement for sustainable development (Binning et al. 1999).

Duplication of regional bodies is also a major concern of local government (ALGA 2001b) and can be attributed to the fact that the governance structures are new and evolving, paths forward are not clear and a variety of approaches need to be tried. In regional development, however, duplication appears endemic, with federal, state and local governments often running parallel and similarly specified programs. Duplicated objective setting exercises, to some extent, permit alternative sectors of communities to become engaged. However, in some regions at least, numerous organisations comprise the same representatives. Enhanced vertical and horizontal integration of initiatives is required to make the governance process more effective.

We explore these issues further through a case study in the Central Highlands of Queensland to investigate local government perspectives on the issues facing them due to the emerging regional level governance initiatives.
• the five local governments are involved in the Central Highlands Regional Resource Use Planning Cooperative (CHRRUP), which is a multi-sector group setting up a more integrated, regionally driven approach to the sustainable use of the region’s natural resources.

• the five local governments have a twenty-year history of collaboration on road infrastructure in the region, which has evolved into the current Central Highlands Regional Road Use Planning Committee. This committee involves industry representatives and the State Government through the Department of Main Roads and is supported by the Commonwealth ‘Roads to Recovery’ Program.

• regional growth management frameworks, administered by the Queensland Department of Local Government and Planning (DLGP), have a focus on expanding opportunities for growth and sustainable development (bringing in capital and funding to regions) through a broad based planning process. In Central Queensland the arrangement is known as CQ A New Millennium (including the shires of Emerald, Peak Downs, Jericho and Bauhinia) and Whitsunday Mackay & Hinterland 2013 (including the shire of Belyando).

Local governments in the region expressed strong support and willingness of local government to engage in regional governance arrangements. They identify significant potential benefits to their constituents of participating in broader regional endeavours. However there were some clear concerns regarding local government resourcing and capacity to meet the additional workloads and challenges posed by this engagement. This is an issue of concern particularly as much of this activity is undertaken on a voluntary basis and the goodwill of people to act as community leaders in local government is being severely tested. Nevertheless, local government participants have also developed significant network arrangements that have enabled them to enhance their capacity to identify and implement regional priorities.

Importantly, emerging regional governance arrangements are creating the need for local government to address new contexts and priorities for engagement. While there is a common recognition of this need by the shires, there is not yet the confidence in the priority setting processes that their local interests will be adequately represented. This is creating the need for individual shire representatives to attend numerous regional forums to represent their own interests.

Local governments additionally have concerns regarding the wider representative process for engagement in emerging regional governance arrangements. These issues of decision processes and representation concern not only their own level of representation but also the legitimacy of other groups that claim a mandate for participation in the emerging regional governance arrangements.

Regional governance involves local government working with groups in ways that are novel and often challenging. While local government has an acute understanding of diversity in community, the engagement of diverse groups that do not have processes for regional priority setting are a focus of concern for local government.

This is essentially a capacity building issue regarding the ability for diverse sectoral participation in emerging regional governance arrangements. Particular concerns were raised regarding the role and relationship with state government in these processes. State government is challenged to devolve and empower the emergence of priorities to the regional governance arrangements. This is essential for the maintenance of local government commitment and to engender community confidence in these arrangements. Moreover, local governments have concerns about the structure of ACCs as providing inadequate processes for representation of federal perspectives in emerging regional governance arrangements.

Local government has also identified the lack of avenues for support of community based Aboriginal coalitions to engage in emerging regional governance arrangements.

Local government questions whether amalgamation, as a governance strategy, has the potential to realise the perceived benefits of more coordinated policy and resource efficiencies. Indeed, linking amalgamation with regional governance may undermine local government commitment to regional governance arrangements.

The importance of local identity and locally specific needs is paramount to local communities. There are the pragmatics of distance in regional Australia and the importance of the perception of robust local representation in wider regional forums. Partnerships, such as VROCs, were seen to offer...
Local government is a far less bureaucratic means of seeking to be more effective than amalgamation, while maintaining the valued character of local identity and representation and, in some cases, autonomy of decision-making.

Current arrangements, however, are placing local government bureaucrats and politicians under significant pressure to be able to attend meetings, and develop and respond to communications. This is currently being done predominantly through VROCs and at the individual shire level. Resources from local rate payers are now being used to finance time and travel to attend an expanding array of regional meetings and to research and respond to communications. Indeed, this tension is so acute that one shire in the case study region has significantly rationalised its involvement in wider regional governance due to resource constraints. This has implications regarding the ability to represent these constituents, from a local government perspective, in forums that make decisions that will affect their communities.

Implications of Emerging Regional Governance Structures

For effective local government involvement in regional governance it is essential to focus equally on both the structural and the process aspects of regional governance arrangements. Structures can vary and indeed do in most Australian states. As such, in engaging in these arrangements, local governments are being increasingly involved with processes such as developing relationships and partnerships and providing positive incentives and process for appropriate knowledge use arrangements. It can be argued that local government in the quest for improved outcomes from regional governance must develop regional priorities to encourage strong community ownership and commitment. The Central Highlands of Queensland case study identifies the need to balance the interests of business and industry with critical social and environmental issues.

All three spheres of government (local, state and federal) have a significant interest in regional initiatives. In effect, while regional priorities need to be decided at the community/industry level, the role of local, state and federal government becomes one of providing integrated support. This constitutes a significant challenge for local government to work with other levels of government in a way that empowers and enhances the decision-making of local and regional communities.

Ways Forward for Local Government: Negotiating the Transition in Regional Governance

Significant challenges remain in our collective ability to meet the complex emerging regional governance agendas of rural, economic, environmental and growth/decline management policy. Each state in Australia has a different historical background and is evolving in different ways, for different reasons in varying contexts. There can be no ‘blueprint’ for regional governance for sustainable development since practices need to suit the systems they sit in. The diversity of approaches currently practiced allows participants to learn from one another in shaping the continual evolution of regional governance arrangements.

The three core principles of effective regional governance arrangements

In suggesting ways forward for local government to better engage in regional governance arrangements it is vital to remember that regional governance is a multi-dimensional change response system. The legislative responsibilities, and varied planning arrangements guiding the social provisioning and economic development initiatives need to combine in a way which enables effective and adaptive regional governance arrangements. Drawing on the findings of a study of healthy regional planning systems (Bellamy and Dale 2000) and the case study research in this paper, it can be argued this requires strategic long-term investment in three core elements.

1. Appropriate institutional arrangements

These are essential for effective negotiation to address tradeoffs in regional governance decision making. These institutional arrangements need to:

- allow for a multidimensional approach with a range of options and instruments;
- ensure effective representation of all stakeholders; and
- have clear lines of accountability and responsibility.

These arrangements will need to be flexible and adaptive to accommodate the dynamic nature of regional communities.
• focus fundamentally on communication and developing relationships, both horizontal and vertical; and
• foster clarification of roles, responsibilities and accountabilities to enable devolution of power.

2. Capacity building
Capacity building aims to enhance the functioning of nested relationships in regional governance by focusing simultaneously on individual sector capacity and collective inter-sectoral capacity. Within sectors capacity building is necessary because:
• it is essential that sectors have processes to frame problems from their own perspective;
• these interactions represent mostly new ground for sectors as regional consideration alters scale and complexity of problem view; and
• avenues are needed for groups to gauge the impact of globalisation and their consequent response to the sustainable development agenda.

Capacity building is essential for enabling collective inter-sectoral capacity decisionmakings on transitions:
• to enable negotiations on regional perspective to wider networks (e.g. from the region to the Commonwealth);
• to ensure equity of participation to facilitate moving from planning to effective implementation; and
• to facilitate effective forums with the capacity and sectoral mandate to engage in negotiating regional priorities.

3. Resourcing the transition
This core principle is concerned with navigating the community-policy knowledge nexus to support the emergence of effective regional governance. Resources (i.e., skills, finances and information) for advancing partnering capacity include:
• knowledge for learning through supporting collective interpretations of issues for regional priority setting;
• working with diversity of knowledge to negotiate conflicts.

In conclusion, significant challenges remain for local government to effectively engage and benefit from the complex emergent regional governance arrangements being experienced throughout Australia. There can be no "blueprint" for local government in these arrangements, as practices need to suit the contexts in which they sit. Importantly, the diversity of approaches currently practiced allows local governments to learn from others in shaping the continual evolution of regional governance structures. However, attention to all three essential elements relating to the nature of regional institutional arrangements, building individual and collective capacity to negotiate and effective resourcing (skills, finances and knowledge) is essential for addressing these challenges.

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Boosting Capital Flows into Regional Australia – What Local Government Can Do

Marcus Spiller and Sasha Lennon*

Regional Australia has been prosperous ... but ...

Regional Australia has been outpaced by metropolitan areas in terms of business formation. This reflects a failure to attract private business investment, despite the attention given by Governments in recent years to infrastructure issues in regional Australia.

Non-metropolitan Australia had around 23 per cent of the national population in 1996 but by 2001 this had fallen to less than 19 per cent. Over the five years to 2001, population in non-metropolitan Australia fell on average by about 2 per cent per annum (Australian Bureau of Statistics 1996, 2001). This occurred even though non-metro Australia enjoyed relatively fast jobs growth over this period.

The base industries of regional areas have again demonstrated their great competitiveness and capacity to innovate. But, to a large extent, the spin off jobs in the production process - downstream processing, sourcing of services, etc., and the spin off jobs arising from expanded household consumption have not been trapped locally. A large proportion of these jobs have flowed to the big cities.

The Fundamentals of Investment Attraction

In considering how regional Australia can become a more attractive destination for private investment, it pays to remind ourselves of some fundamentals. Capital will flow to opportunities where risk adjusted returns are sound. In fact in a globalised capital market, the potential pool of investment funds accessible to regional Australia is much larger.

It is also worth remembering that, ultimately, enterprises in the physical economy create return on capital. The value of financial assets is derived from the performance of the physical economy.

How can an enterprise create and maintain a sound return on capital? This can be achieved either by providing a standard good or service more efficiently than your competitors (cost based competition typical in commodity markets) and/or by creating additional value for your customers by differentiating your product or service offer from those of your competitors (Figure 1). Increasingly, both strategies have to be employed for businesses to survive.

Competitiveness in efficiency or value creation terms does not just happen. It is now as much dependent on the external infrastructure of the host economy as it is on the leadership and skill shown by the management of the enterprise itself. In this sense, we need to let go of romantic notions of the rugged and independent Australian inventor who creates world beating business ideas off their own bat.

Innovation and, by implication, the ability to attract...
investment is increasingly a team effort. No matter how well run an enterprise is it will need to be backed up by smart infrastructure. We call it 'smart infrastructure', not because it's all about information and communication technology. We call it 'smart' because it is about the diffusion of ideas on how things can be done better.

Places that have a strong pull on capital are distinguished by their access to a good stock of specialist thinkers (engineers, financial brokers, management and marketing experts, strategic planners, business lawyers, etc.). These are the so-called 'knowledge workers'. These places also feature a level of trust and co-operation between related enterprises in the host economy. This speeds up the cross flow of useful information about new contracts, new techniques and new business opportunities. It reduces risks premiums in enterprise formation.

Another important characteristic of regions which are investment magnets is their access to institutions which are dedicated to the creation and development of new ideas - both in targetted enterprise areas and in new thinking generally (universities, R&D institutions, cultural institutions, training institutions, research partnerships, etc.).

Finally, these regions enjoy a critical mass of information flows - creating an ambient 'soup of ideas and business leads'.

Smart Infrastructure Elements

Various recent studies regarding the competitiveness of Australian regions have pointed to nine key elements of 'smart infrastructure' (Figure 2), including:

1. Factors that reduce investment and operating uncertainty such as transparency in government processes, leadership directions and economic management;
2. Infrastructure to support basic production processes such as transport, labour, communications, power, etc.
3. Workforce skills and accessibility to quality education institutions for ongoing skills development;
4. Infrastructures/programs that underpin the development and commercialisation of new ideas (i.e. innovations);
5. Business cultures that promote competition, collaboration, entrepreneurship, risk taking, and openness to new ideas;
6. Connectedness to other members of the value chain, including relevant research institutions and brokers of market intelligence, capital, etc., a characteristic which can be summed up by the term 'clustering' (see below);
7. Quality living environments that offer the necessary services for attracting and retaining knowledge workers;
8. A strong cultural economy which helps to power the industrial economy with new ideas and keeps knowledge workers engaged with their local community, and
9. Social cohesion among the various economic and other agents in the community and a willingness among these agents to support each other's ultimate competitiveness.
The ‘Tyranny of Distance’ is Back

Regional Australia is at a disadvantage in respect of many of these factors. Like most things now, smart infrastructure requires scale to develop and grow. The ‘Tyranny of Distance’ is back with a vengeance.

Much of the debate in regional Australia has been about investing in old economy infrastructure (roads, rail, ports and indeed - telecommunications, etc). These remain important. But too little thought has gone into how the soft infrastructures for business innovation can be created in regional areas.

The way forward requires both a fresh approach to ‘top down’ policy making, and renewed efforts to develop the infrastructure for innovation at the grass roots level. Importantly, the nature of the relationship between city and region in Australia needs to be rethought.

At present, there is an implied position that Australia’s rural and regional economies should somehow develop greater self-sufficiency or independence from the cities. However, recent social, cultural and economic trends and implications serve to challenge this argument. The direction of dependency between city and country has reversed in the last two decades. Australia’s economy is now more dependent on the many small regional incomes, whereas in the cities than it is on nation’s resource base. Policy needs to focus on how the value chains which originate in the regions are ‘laced through’ the cities and look for opportunities to make this process more efficient.

So, What Can Local Government Do?

We propose a three pronged approach to improving a regional economy’s capacity to attract investment:

• Make a smart infrastructure audit of your region;
• Identify and foster your key business clusters; and
• Develop joint strategies with your local capital city.

Smart Infrastructure Audit

In conducting smart infrastructure audits, local governments need to be aware of the regional dimension of much of the infrastructure in question. Rarely will a local government area be large enough to encompass all the smart infrastructure ingredients.

There is considerable published data to support Councils in the auditing process, but some of the ‘softer’ infrastructure elements will require a customised approach to measurement. The

\[ F_{\text{Figure 2 Smart Infrastructure Elements}} \]
exhaustive list of indicators that may be applied to assess how well placed a community is to attract further investment.

**Re: Skills**
- Percentage of workforce with multiple tertiary degrees
- Percentage of workforce with graduate degrees
- Percentage of workforce with trade certificates
- Per capita availability of local university places
- Per capita availability of local university places in science, technology and commerce
- Percentage of workers proficient in a language other than English
- Percentage of workers currently engaged in training and education
- Ranking of local universities (e.g. in ‘Good Universities Guide’)
- Ranking of local TAFE

**Re: Innovation**
- Number of patents secured per capita
- Annual $ turnover of local university commercialisation companies divided by student population
- Number of technology incubators per capita
- Local R&D spending (public and private) as a proportion of gross regional product
- Number of registered ‘business angels’ per capita

**Re: Entrepreneurship**
- New business start ups per capita recorded over the past 5 years
- Survival rate for new business start ups
- Per cent of local firms involved in international exporting

**Re: Clusters**
- Proportion of local businesses involved in two or more formal business networks
- Proportion of local businesses with research links to local universities and other research institutions
- Per cent of gross regional product accounted for by advanced business services

**Re: Environment**
- Per cent of the resident population within a 15 minute drive of a national park or equivalent environmental resource
- Length of dedicated cycling track, the rating and quality of facilities to support bike commuting
- Public open space per capita within urban areas
- Ranking of local government schools (e.g. by average TER score)
- Private school places per head of school age population

**Re: Cohesion**
- Days lost in industrial disputation
- Philanthropic spending per capita
- Gay (Florida) index
- Number of overseas students per capita

**Re: Culture**
- Aggregate number of art shows x gallery size per capita
- Restaurants and cafes per capita
- Business sponsorship of the arts per capita
- Percentage of workforce employed as professional artists, musicians, etc. and earning median or higher incomes

**Re: Governance**
- Approval time for advertised planning applications
- Customer satisfaction with planning approval processes
- Levels/timing of responsiveness to investment enquiries (with information, advice, contacts, etc.)
- Scope and age of Council policies and strategies
- Proportion of chief executives of local export firms who hold positions in Council committees.

**Re: Production Infrastructure**
- Per cent availability of broadband in business and businesses
- Value of exports shipped x TEU to Osaka
Working with Industry Clusters

The second major thing that local governments can do is to identify, support and help develop the key industry clusters in their region. There is some confusion within professional economic development and policy making circles about what exactly a 'cluster is'. It is not a bunch of co-located businesses. And it is not a business park or technology precinct.

Going back to the originator of the term (Harvard Prof. Michael Porter), a cluster is a group of linked enterprises and institutions which directly or indirectly share a common purpose in gaining, holding and expanding export income for a nation, state or region (Porter 1990).

As Porter (1990) explained, governments at any jurisdictional level are unlikely to create effective industry clusters. Clusters must be industry-led if they are to have any real chance of survival. However, local government can provide the forums through which cluster groups might crystallise.

Porter further stated that government efforts to support or encourage industry growth are most successful when they start from an established
base of firms instead of with attempts to stimulate new business in fields where local expertise is lacking (Porter 1996). Once clusters begin to emerge, local government can help keep the momentum going, especially through its infrastructure planning and economic lobbying and investment recruitment efforts.

Many good role models for cluster development are now appearing on the Australian non-metropolitan landscape. A shining example is the Birchip Cropping Group.

The Birchip Cropping Group (BCG) is a farmer-driven agricultural organisation that conducts agronomic research on cereal, pulse and oilseed crops grown in the Wimmera-Mallee region, north-west of Melbourne.

As explained in its website (www.bcg.org.au) ‘the Group operates on the premise that if rural communities are to survive, they need to attract industry, government and educational institutions to their region. Its success is far exceeding initial expectations.

In 1993, about 10 local farmers established a group to conduct farmer-driven agronomic research specific to the area. The result has been a rapid growth in membership to 500 across four states. The Group employs seven staff and has an annual turnover of almost $700,000. The Group has taken the lead in conducting its own research, with farmer ownership of results as the key benefit. This has attracted collaboration from government and industry that has expanded the work being done locally. The value of agronomic research conducted across the region by the Group and its various collaborators exceeds $2.2 million annually, up from only $50,000 in 1992.’

New Partnerships with the Big Cities

As we have noted, it will be rare if not impossible for regional communities to host all of the ‘smart infrastructure’ they need to support internationally competitive industry clusters. This is particularly so in a small nation like Australia.

For economy of scale reasons many elements of the cluster map - regardless of which Australian industry you choose - will reside in a major metropolitan area. Even in the case of the Birchip Cropping Group, where important local research is being undertaken to help with product differentiation and establishing market penetration in major respects of the cluster including research on marketing and grain transportation, much of this activity has to be carried out elsewhere, most probably in a capital city.

Similarly, the capital city is likely to supply most of the advanced business services required by the cluster - specialist engineers, lawyers, managers and finance brokers. Moreover, a good deal of the advanced training required in the cropping industry of the future will have to be carried out in the bigger urban centres.

It is very much in the interests of regional areas to fully understand how their clusters are ‘laced through the city’ and find ways of striking partnerships with city institutions to strengthen their local economies. These measures could include:

- Partnering with the capital city Council to secure key national research institutes relevant to regional clusters;
- Brokering student placements into the region via capital city institutions;
- Undertaking joint research/economic development strategies for particular industries/cluster with the capital city council;
- Lobbying jointly with the capital city council for mutually supportive pieces of infrastructure - for example more international flights into the capital city’s airport to support, amongst other things, expanded fresh food exports;
- Undertaking joint trade missions and investment recruitment campaigns with the capital city council;
- Establishing a bureau within the capital city council to promote mutually beneficial regional investment; and
- Exchanging staff to promote capacity building.

Concluding Comments

In recent years, regional Australia has been the focus of government efforts to boost the competitiveness of industry, enhance investment prospects and secure more jobs for local populations. Despite these efforts, and the capacity of the private sector to improve its competitiveness, regional Australia has failed to secure new business investment at similar levels to those enjoyed by the capital cities.

It is very much in the interests of governments
to fully understand how regional Australia can become a more attractive destination for private investment. In short, this requires an appreciation of the fundamentals of investment attraction - that capital will flow to enterprises which are innovative, either in cost terms or product development terms. Further, it requires knowledge about the broader infrastructure required to support business innovation so that regional Australia is ready and able to accommodate new capital inflows.

As described in this paper, there are a range of activities that local government can and should engage in to improve a regional economy’s capacity to attract investment. In short, local government must take action to:

• Improve its understanding of the key clusters driving the economy;
• Plug the gaps in the ‘smart infrastructure’ required to support these clusters; and
• Forge new partnerships with the capital cities.

By addressing these strategic directions, local government will help to overcome the new ‘tyranny of distance’ and boost capital flows into regional Australia.

References


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Towards a National Regional Benchmarking System

Ian Manning*

A wide range of people and institutions are interested in information on regional economic performance. Within each region, local governments, local businesses and local people wish to compare their performance against that of other regions, and seek to identify opportunities and to remedy lapses. From outside each region, investors seek to identify and assess opportunities, and governments need comparative information for purposes ranging from the provision of welfare services to the planning of infrastructure investment. The primary purpose of a National Regional Benchmarking System would be to provide information to this wide range of users.

None of these needs are new, and indicators of regional wealth and progress have been compiled in Australia for more than a century. However, the indicators are in need of updating due to rapid changes in user requirements (for example, the increasing interest in skill requirements and environmental costs), to take advantage of advances in indicator specification and collection techniques, and to adjust to the non-availability of indicators which, for whatever reason, are no longer collected or have lost their relevance. To this end, the Australian Local Government Association and the Commonwealth Department of Transport and Regional Services commissioned the National Institute of Economic and Industry Research (NIEIR) to contribute to the development of a National Regional Benchmarking System which allows accurate comparisons of regional trends in economic development. The review of indicators would build on the experience gained in the development of the Your Place data base, which was originally designed by NIEIR as a service to economic development officers at the local government level.

The project revealed that the state of the art in regional indicators is changing rapidly, so rapidly that any National Regional Benchmarking System proposed at this time would rapidly become out of date. Accordingly the project concluded with an assessment of the usefulness of existing indicators and priority in indicator development, by officers of the Commonwealth's Area Consultative Committees.

Methodology

Many potential indicators had already been identified at the national level, most recently by the ABS in *Measuring Australia's Progress*, others were developed after comment and discussion by State local government associations and academics working in the field. Potential indicators were grouped in concept areas, and were assessed according to a standard template. The template included:

- **concept**: what is the aspect of development covered?
- **data availability**: how does the process of data collection limit the indicators which could be developed?

* Ian Manning is Deputy Executive Director at the National Institute of Economic and Industry Research.
• proposed measures: what existing indicators are available? Have others been suggested?
• capacity to summarise: are the indicators headline or subordinate?
• moral status: where targets are to be set, does the indicator have an unambiguously good/bad direction?
• robustness: is each indicator an accurate quantification of the underlying concept? Is it liable to administrative manipulation?
• suitability for identification of distressed regions;
• suitability as an economic development target: can targets usefully be set in terms of the indicator? This includes whether the indicator would make a useful contribution to a benchmarking approach; and
• treatment in the State of the Regions reports presented at the ALGA’s annual conferences.

The potential indicators were grouped under the categories of population and households, economic dynamics, labour market and skills, education and community infrastructure.

Population and Household Incomes

Population is a basic attribute of a region, so basic that it is often used as the denominator of more complex indicators. The two main measures of population are the head count and the number of households. The resident population is often used as the major indicator of regional human resources, while the number of households is used for decisions to be made on a household basis. Population has a two-way relationship to economic growth: economic growth attracts migrants, and also increases demand for housing and infrastructure. There are sometimes discussions of ‘optimal’ populations for regions, but it is more likely that targets, if any, will be set in terms of population growth rates. Regions may wish to set targets, but may alternatively wish to allow other targets to set the population growth rate.

Population size affects policy responses. For example, a minimum population may be required to support an outlet for a particular service or to constitute a planning region. The identification of minimum population for service provision raises difficult questions of accessibility, service standards and costs, while the question of populations required for planning regions raises the argument that required populations should be much less, where population densities are low.

The demands and the economic contributions of any population are influenced by population structure. This can be described by age groups: people of less than workforce age, people of workforce age, and people above workforce age. In consultations other classifications were suggested, including a concentration on young adults rather than a broader definition of workforce age. The concern here came from rural regions which feared that they were failing to retain or attract people in this age group, with a consequent lack of flexibility in their labour force. Since young adults are the most mobile age group, trends in the young adult population can prefigure trends in population growth as a whole.

A related concern was ethnic mix. Though regions of high immigration risk the development of tensions between ethnic groups, in the Australian experience immigrants have contributed strongly to economic growth. Thus the capacity to attract immigrants is seen as an indicator of economic success. A low immigrant population may reflect policy failure, such as misinformation among immigrants as to the locations of economic opportunity.

The proposed indicators of population structure were the proportions of population of working age, above and below working age; the proportion and growth rate of young adults in the population, the proportion of overseas born and the proportion of indigenous people. These indicators are not suitable for identifying distressed regions or for economic development targets, and should be interpreted in the context of other indicators of the general economic position. For instance, a high proportion of young adults may be due to rapid natural increase (usually associated with prosperity) or to emigration of adults as soon as they reach workforce age (usually associated with depression - hence the suggestion to concentrate on the young adult population). A high proportion of old people may be due to emigration of younger people (usually associated with depression) or immigration of retirees (associated with prosperity of a sort, though retirees are not attracted to regions where population growth has raised house prices). A high proportion of people of working age is likely to be associated with prosperity, both as cause and effect.
Though normative status may perhaps be claimed for population structures which approach the national average, population age groups have no moral status. There is a danger that regions will adopt incompatible targets; e.g. if all regions want their populations to become more youthful than the national average, they are setting themselves up for non-achievement. Similarly, the indigenous proportion has no normative status. It tends to reflect indigenous peoples' attachment to their land relative to the economic resources of that land, so that regions lacking in resources useful for Western-style economic development have high proportion of indigenous people. Normative status may, however, be claimed for at least a minimum level of ethnic mix.

Household income is a major determinant of consumption, and an indicator of standard of living. It therefore summarises a wide range of more detailed indicators. It determines household command over marketed goods and services, and is therefore an indicator of a major aspect of standard of living and a major determinant of activity in dwelling construction and the retail sector. Insight into the regional economy is provided by the composition of household income, measured as the proportion from each of wages and salaries, interest, dividends and rents, self-employment business income and social benefits and the proportional deductions from income due to income taxes and (perhaps) GST.

The proposed indicators of household income are as follows.

- In *Measuring Australia's Progress* the ABS proposed real net national disposable income per capita as a major headline indicator.
- A tighter definition of disposable income may be called household flow of funds, that is, wages + benefits + business income + interest + dividends + property income - income tax paid - interest paid (and some versions would now also subtract GST paid).
- The rate of growth of household disposable income (total and/or per capita).

These measures are at the interface between population and household dynamics and indicator group 2, economic dynamics. Derivative indicators include:

- household income per capita;
- household income per household;

The general interpretation of these measures is that the better, the faster the better. However, Simple may become the expense of unrecorded environmental and social costs. At the conceptual level, economic well-being is an enough to suffice as an indicator of the 'good things of life'. Making it a target can have an effect on income growth that the expense of unrecorded social costs.

Despite these deficiencies, household income is eminently suitable as an economic development target. Internationally, low incomes per capita have been used for the identification of distressed regions. For accurate comparison between regions it may be desirable to adjust for price levels, especially housing costs; this tends to reduce the differential between prosperous and depressed areas.

Indicators of the composition of household income also assist in the identification of prosperous and depressed regions. In particular, they allow identification of regions where growth is based on social security and the inflow of retirees who have cashed in on capital gains in metropolitan housing. In the USA poverty count indicators are important identifiers of distressed regions. By contrast, Australian governments have never been willing to use the concept of poverty, even though they have been anxious to target assistance to needy families and regions. Given this sensitivity, the proportion of low-income households (and especially the proportion after adjustment for household size) can be used in Australia where the Americans would use the proportion of poor households. A reduction in the proportion of low-income households makes eminent sense as an economic development target if the proportion is above national average; otherwise the indicator may be the subject of a watching brief, with alarm if it increases. Conversely, an increase in the proportion of low-income households may be required.

Indicators of household wealth and benefit to the distribution of income, allowing an examination between income and wealth distributions with high income incomes and lower benevolence holdings; these indicate when household wealth is contributing to or detracting from household income. A program, e.g. interest rate conversions, designed to move towards a desired wealth-income distribution should involve Net wealth, for the reasons outlined above.
which is collected at the Census, wealth indicators all require a great deal of estimation and may not be highly reliable. Apart from home ownership and housing prices there are probably too many measurement difficulties to use these indicators in the identification of distressed regions. While some regions may still wish to set targets for home ownership, the other wealth (as distinct from income) indicators are probably best treated as an alarm basis rather than targets in themselves.

**Economic Dynamics**

Gross value added (GVA - formerly known as gross regional product) is a conventional headline indicator summarising the level of economic activity. It measures the total value of market output plus government and organized non-profit services in a year, less the cost of goods and services used up in their production. A target to increase incomes implies a target to increase GVA. The proposed measures are GVA, the rate of growth of GVA, GVA plus the estimated value of household production, GVA per person employed, and GVA (excluding mining) per person employed. Mining is sometimes excluded as it tends to affect GVA disproportionately to its effect on regional income. These indicators are currently estimated indirectly at the regional level which means that they are somewhat uncertain - estimates based on GST returns would be more reliable, but are not available. In Australia the estimates are probably not robust enough to be useful in the identification of lagging regions except in concert with other indicators. In addition to these uncertainties, there have been criticisms that targeting GVA growth leads to neglect of environmental and income-distribution consequences, with governments manipulating programs to yield high GVA growth at relatively low real-income benefit. However, GVA has its merits as a target for overall regional business performance, though, from an ethical point of view it is subsidiary to income generation and should be adjusted for environmental costs.

To relate economic dynamics to other areas like population and household dynamics, or to the labour market and skills, link indicators may be used. For example, a region may set itself an income capture target in conjunction with a GVA target. This could be expressed as the household disposable income as a percentage of GVA. Other indicators in this general area include business income/net household disposable income, regional employment/GVA, and regional employment growth/GVA growth. While not suitable for identifying distressed regions, these indicators supplement those previously discussed. They derive their moral status, robustness and data availability from the indicators that they link.

Indicators of activity in various industries can be calculated from a decomposition of GVA into the outputs of each industry. GVA can be subdivided to calculate indicators such as high value added industry output/GVA, manufacturing output/GVA, agricultural output/GVA and tourism output/GVA. Combined with views as to the likely growth of particular industries, these indicators underlie the assessment of regional specialisation as an opportunity for, or hindrance to, economic development. They have no moral status, save that it is preferable to specialise in industries that have growth potential, and it is preferable to be diversified rather than mono-industrial. Regional strategies may involve targeting changes in industry structure, but these can only be determined at the regional level, and are likely to be subsidiary to broader targets.

Indicators of business growth can provide detail and point to areas which should be covered in regional strategy. These indicators include net business start ups, regional exports/GVA, patent applications/employment, R&D expenditure per region, business sales, and vulnerability to greenhouse gas abatement policies. Based on the desire for income growth and employment generation, and with the exception of greenhouse gas emissions, it is desirable for these indicators to increase. These indicators are mainly experimental, and some may be subject to manipulation if they are used as targets. The indicators proposed so far have been defined to make use of existing data, and it may be possible to define better indicators which require data collection.

These indicators are not suitable for identifying distressed regions, but are useful as subsidiary targets, directing regional attention to policies required to foster the knowledge economy at a regional level.

At consultations it was pointed out that business will only be attracted to regions if infrastructure is available. This applies directly to business infrastructure, and also to residential infrastructure in that businesses are attracted to regions which provide a good life for employees. Data sources include...
this area tend to be administrative. In the days when most infrastructure was provided by public agencies, data was readily available but corporatisation and privatisation have resulted in much data becoming confidential. A minimum set of physical infrastructure indicators would cover freight transport services, roads and other infrastructure for private passenger vehicles, public transport, walking, cycling, air transport, water supply, electricity, gas and telecommunications. Much work remains to be done to convert crude indices of (eg) kilometres of sealed road to valid indices of infrastructure quality comparable between regions. For the purposes of identifying distressed regions, simple indices like kilometres of sealed road per property lend themselves to the setting of standards, but are unsuited to expressing cost/benefit trade offs. Infrastructure indicators are likely to be suitable as targets for the performance of particular authorities within regions rather than targets for regional performance as a whole.

Indicators of remoteness have potential to identify remote areas subject to high costs of living and/or a limited range of locally available services. Remoteness cannot be fully assessed by distance from the nearest small town, large town and city, as town size is not necessarily a good proxy for availability of services. The barrier of distance also varies with income, as those who can afford to fly are effectively much closer to services than those who can only afford to drive. Griffith (1997) proposes a series of service-specific, income-specific accessibility indices which would be much more difficult to calculate than a simple index based on distance to the nearest towns of specified size. A modification of his approach would include the accessibility not only of the nearest, but of several alternative service locations, in deference to the importance of consumer choice.

Labour Market and Skills

Employment

Employment is important both for the income it yields and for the contribution which employed persons make to economic activity.

In Measuring Australia’s Progress, the ABS does not include any indicators of employment, concentrating instead on unemployment. However, employment is likely to be a central focus of economic development strategies. When data are prepared on a regional basis, the following employment data are collected:

- Employment (no. of jobs located in the region).
- Employment (no. of residents employed).
- Rate of growth of employment (by location of job).
- Rate of growth of employment (on a residential basis).
- Employment (no. of hours worked) (by location of job).
- Employment (no. of hours worked) (on a residential basis).
- Rate of growth of hours worked (by location of job).
- Rate of growth of hours worked (on a residential basis).
- Number of ‘ordinary’ jobs (i.e. permanent jobs working 35-40 hours a week) total employment.
- Employment rate (no. of persons with jobs, total of workforce age) (this has to be residence-based).
- Labour utilisation (no. of hours worked/available hours).
- Employment self-containment (no of resident jobs/resident employed persons).

Against the current Australian background of widespread unemployment, employment generation is fairly unambiguously good. However, the same need not be said about all types of jobs. There is a demand for part-time work but at the moment in most regions part-time work is in excess supply compared to full-time. Similarly there are workers who wish to have long hours jobs for the sake of the extra money, but some of these jobs involve undesired over-working, with the extra hours for fear of losing their jobs.

There has been considerable work done on this area and the indicators have proved and in general unambiguously good. However, it proves harder to identify particular needs arising from this framework, these indicators rather than the others. The need for this type of remuneration is more fully fulfilled by generating part-time jobs, which most people prefer.
The most useful indicators in this set are likely to be the employment rate and labour utilisation rate, since they highlight the existence of under-utilised resources. A regional economic development strategy would almost certainly include at least one target in terms of these indicators, but the priority order may depend on regional circumstances and views as to how income generation and income distribution are related to employment generation.

Unemployment

Unemployed people are those who do not have paid work but want it at going wage rates and employment conditions. The problem in measuring unemployment lies in the term 'want'. There is a conventional survey instrument which assesses this in terms of job-search effort, but the resulting estimates have been criticised for not including the 'hidden' unemployed; i.e. those who want work but, due to a realistic assessment of their local labour market, are not currently searching for it. The unemployment measure also reflects the definition of employment: the broader this definition (e.g. by including small amounts of part-time work) the lower the estimate of unemployment. Recorded unemployment rates may also be reduced by stretching the time period of assessment. The long-term unemployment rate is less than the single-week unemployment rate.

Unlike employment measures, all proposed measures are on a residential basis, since unemployed people have no job location.

- The standard ABS unemployment rate is available on a regional basis, but only for regions large enough to attain statistical significance in the Labour Force Survey.
- In the process of calculating the ABS unemployment rate it is necessary to measure the workforce (i.e. people in work plus the unemployed on ABS definition). The workforce so calculated can be expressed as a percentage of the total population of workforce age. This measure provides indirect evidence on the extent of hidden unemployment.
- The ABS also provides estimates of labour force under-utilisation using a broader definition of unemployment.
- The 'social security' unemployment rate can be defined as persons receiving government benefits who would be likely to be at work were full employment attained in their region. Data for this measure is available on a postcode basis.
- A second estimate of the workforce can be obtained by adding unemployment as calculated from social security sources to the total number employed.
- Youth transition: young persons not in full-time education and/or work as a percentage of total young persons.
- Other supplementary indicators put forward by the ABS in *Measuring Australia's Progress* are the retrenchment rate, the proportion of the workforce in casual and/or part-time employment, the proportion of jobs requiring work for more than 50 hours a week and average hours per week of full-time workers.

Unemployment is bad at the personal level, in that it reduces income and self-esteem. It is bad in that it wastes resources. However, among employers there are many who support a slack labour market since it limits wage demands, and ensures employee flexibility. A certain amount of unemployment may also be tolerable from a worker point of view in that it permits changes of job. Full employment is accordingly defined as a rate of unemployment, generally estimated in the 2-5 per cent range by the ABS measure. Unemployment above this rate can be considered unambiguously bad, which means that a target for unemployment reduction to the 'full employment' rate is eminently sensible. However, past experience with finessing the rate should be borne in mind. It is not desirable to set unemployment targets which are met by data manipulation.

The Quality of the Labour Force

Recent contributions to the theory of regional economic development have highlighted a number of workforce characteristics important for generating development in most regions. At consultations skill availability was reported as an important factor in employer location decisions. In rural areas availability was a compound of the people currently resident (through change of job and absorption of the unemployed) and the capacity to attract people from elsewhere. To the extent that a region relies on immigration to meet its labour needs, the attractiveness of its workforce cannot be assessed solely from the quality of the current resident workforce, but requires assessment of the attractiveness of the region.
Proposed measures include:

- Resident workers with skills and/or occupations with a high knowledge content as a proportion of the total workforce.
- Advanced business service workers.
- Workers engaged in routine tasks as a proportion of the total workforce; and
- The rate at which new workers are added to the workforce (as an indicator of the probability that new skills can be attracted).

The moral status of these indicators is subsidiary to the general aim of increasing incomes and employment. From this point of view, high proportions of the first two, a low proportion of the third, and a high rate of addition are desirable.

**Education and Other Community Infrastructure**

Economic development depends on the local availability and quality of services. These services have many aspects which may differ in importance from region to region, and, as with physical infrastructure, it has proved very difficult to develop satisfactory summary indices.

**Education**

Education is closely linked to the quality of the labour force, but has a value in its own right. There are numerous candidate indicators:

- Adult literacy: residents aged 15 and over assessed as literate in relation to the total population aged 15 and over.
- The number of households which own a computer and/or have internet access in relation to total households.
- The number of year 10-12 students who have undertaken structured workplace learning in relation to total year 10-12 students.
- The year 11/12 apparent retention rate.
- The year 12 completion rate (number of students who started year 11 completing year 12).
- The number of residents aged 15 and over engaged in education and training initiatives in relation to total residents aged 15 and over.
- Residents with tertiary qualifications as a proportion of total regional population aged 15 and over.
- University enrolments in relation to population aged 15 and over.
- An alternative indicator of investment in education is the number of square metres of tertiary teaching space (or number of tertiary teachers, perhaps weighted by qualification) per resident aged 15 and over.
- Persons enrolled as apprentices and trainees in relation to population aged 15-25.

The qualification data is probably the most general summary indicator. Other measures are more detailed in nature, and some measure particular concerns and programs which may be of no more than passing interest. More education is generally preferable to less, but there is considerable dispute as to the desirable content of education. The indicators are not particularly robust, in that they are different partial measures of an underlying concept - the education of the population, especially in relation to economic development, on which there is a divergence of views. An important view is that education in this sense is not wholly quantifiable, hence the profusion of partial indicators. It may be that even more indicators are needed to round off the picture.

These indicators are not generally suitable for the identification of disadvantaged regions save for programs with a high educational content. Indicators may be required for the implementation of the educational part of a regional development strategy, but the precise indicators required may be regionally distinctive.

**Health**

Good health is fundamental both to enjoyment of life and to the ability to contribute to society and to production. If a general health status measure could be developed at regional level, it may be expected to summarise a considerable range of data on health status, and be closely related to economic measures of well-being. Good health is unambiguously good. Health services are generally considered desirable, though there can be arguments over optimal service configuration and effectiveness which may affect the interpretation of summary health status data. An important indicator of health status would be the 'preventable' potential. Which health problems are preventable?
Other community services

In some areas of life private wealth is no substitute for community wealth, and in others community wealth considerably supplements private wealth. Many types of activity are impossible without community assets, networks and trust. The education system is considered above, but various other types of community wealth are important both for the goods and services they yield and more indirectly for the social capital they foster. In a negative sense, time may also be taken as an indicator of social ill-being. The most negative of all indicators of well-being is the suicide rate. The following are among the conventional indicators.

- Community welfare services: health, education and community welfare sector workers per thousand residents.
- "Under-cover" lifestyle options: square metres of entertainment, educational and cultural facilities per resident.
- "Open air" lifestyle options, such as participation in organised sports and availability of non-organised recreation.
- The capacity to plan was also mentioned as an area in which indicators might be developed. A proxy indicator might be government expenditure on regional planning.
- It was suggested that the 'liveability' indices which chart the competition between world cities might be extended to cover regions.

These are measures in which balance is desirable. An increase is desirable up to a point, but there can also be over-provision, especially in relation to other targets. They are not really suitable for identifying distressed regions, but may be used as targets.

Environment

It was noted above that changes in GVA are misleading if not corrected for environmental costs. By implication, income requires similar correction, and measures of wealth and infrastructure are incomplete without allowance for environmental wealth and its degradation. In Measuring Australia’s Progress the ABS nominated headline environmental indicators significant at the national level, but a great deal of work remains to be done. This includes the development of indicators which enable comparison with economic indicators. An environment index is that of generalisation: Different environmental problems tend to be prominent in different regions, soil salinity in some, air pollution in others, falling biodiversity in most. A substantial literature is developing, including work supported by the ALGA (Alexandra et al., 1998). We still look forward to the development of environmental indicators sufficiently robust and general to take their place in the assessment of regional economic performance.

An Overall Assessment

The assessment of regional economic performance is a rapidly developing art. A very wide range of practitioners and interest groups is involved. Because of both of these factors, it is difficult to propose a set of indicators for inter-regional comparison of economic performance, let alone set benchmark values to which regions should aspire. Accordingly, an assessment of priority in indicator development was sought from the Area Consultative Committees. Though the response rate was low, the ACCs’ responses provide a beginning in prioritising indicator development. The areas which ranked highly with the ACCs were infrastructure quality, unemployment, employment, population (particularly population growth) and household income. Further detail may be gleaned from the following table.

Endnote

I would like to acknowledge Mr T. Martin for the research assistance given in writing this paper.

References


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<tr>
<th>Indicator</th>
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<th>Indicates successful policy</th>
<th>Indicates distressed regions</th>
<th>Useful for regional target</th>
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<td>3</td>
<td>-</td>
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<tr>
<td>3.1e above indices in hours, not jobs</td>
<td>6</td>
<td>5</td>
<td>5</td>
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<td>4</td>
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<tr>
<td>3.1f above indices counting only full time jobs (excluding long hours jobs)</td>
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<td>4</td>
<td>5</td>
<td>4</td>
<td>3</td>
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<tr>
<td>3.1g labour utilisation (hours worked) available hours)</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>5</td>
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<td>3.1h regional employment self-containment</td>
<td>6</td>
<td>4</td>
<td>5</td>
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<tr>
<td><strong>Unemployment</strong></td>
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<td></td>
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<tr>
<td>5.1a unemployment rate - ABS</td>
<td>7</td>
<td>3</td>
<td>8</td>
<td>1</td>
<td>1</td>
<td>3</td>
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<tr>
<td>Indicator usefulness</td>
<td>Indicator status</td>
<td>Of respondents</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>----------------------</td>
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<tr>
<td>3.1. Labour force under-utilisation: ABS definition</td>
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<td>3</td>
<td>6</td>
<td>1</td>
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<td>3.2. Excess take-up of social security from full employment standard</td>
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<td>4</td>
<td>2</td>
<td>6</td>
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<td>3.3. Long term unemployment</td>
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<td>6</td>
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<tr>
<td>3.2e. Youth transition rate from education to employment</td>
<td>8</td>
<td>6</td>
<td>8</td>
<td>6</td>
<td>5</td>
<td>7</td>
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<tr>
<td>3.3 Regional labour force quality</td>
<td>3</td>
<td>3a. Per cent workforce in occupations with high knowledge content</td>
<td>5</td>
<td>4</td>
<td>4</td>
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<td>3.3b. Per cent advanced business service workers</td>
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<td>4</td>
<td>3</td>
<td>5</td>
<td>1</td>
<td>4</td>
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<td>3.3c. Per cent routine task workers</td>
<td>4</td>
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<td>3</td>
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<td>4.1 Education and training</td>
<td>4</td>
<td>4.1a. Persons with a vocational or higher education qualification/persons of workforce age</td>
<td>7</td>
<td>5</td>
<td>6</td>
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<td>4.1b. Education participation rate, persons aged 15-19</td>
<td>7</td>
<td>7</td>
<td>6</td>
<td>8</td>
<td>2</td>
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<td>4.1c. Apparent retention rate, year 7/8 to year 12</td>
<td>8</td>
<td>7</td>
<td>6</td>
<td>8</td>
<td>3</td>
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<tr>
<td>4.1d. Index of accessibility to education services yet to be developed</td>
<td>7</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>2</td>
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<td>4.2 Health (indices yet to be developed)</td>
<td>4</td>
<td>4.2a. Regional health status</td>
<td>7</td>
<td>4</td>
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<td>4.2b. Accessibility to health services</td>
<td>7</td>
<td>5</td>
<td>5</td>
<td>6</td>
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<tr>
<td>4.3 Other community services and social capital</td>
<td>4</td>
<td>4.3a. Health, education and community welfare sector workers/thousand pop'n</td>
<td>6</td>
<td>5</td>
<td>6</td>
<td>4</td>
<td>1</td>
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<tr>
<td>4.3b. Square metres of under-cover entertainment, cultural and recreational facilities/population</td>
<td>6</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>7</td>
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<td>2</td>
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<td>4.3c. Index of sports and recreation participation yet to be developed</td>
<td>7</td>
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<td>3</td>
<td>2</td>
<td>2</td>
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<td></td>
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<tr>
<td>4.3d. Index of indices of social capital yet to be developed</td>
<td>8</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>2</td>
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<td>4.3e. Index or indices of public administrative and planning capacity yet to be developed</td>
<td>7</td>
<td>4</td>
<td>4</td>
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<td>4.4 Environment</td>
<td>4</td>
<td>4.4a. Vegetation coverage</td>
<td>6</td>
<td>3</td>
<td>3</td>
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<td>4.4b. Land clearing activity</td>
<td>6</td>
<td>3</td>
<td>3</td>
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<td></td>
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<tr>
<td>4.4c. Index of water quality yet to be developed</td>
<td>6</td>
<td>3</td>
<td>3</td>
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<td></td>
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<td>4.4d. Index of bio-diversity yet to be developed</td>
<td>6</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>1</td>
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</tbody>
</table>

Note: Table 1 (continued) gives the number of ACCs indicating that the indicator is regarded as useful.

Table 2: Candidate indicators - responses from the ACC survey.
The Role of Local Government in Economic Development

Findings of a National Survey of Australian Local Government Authorities

Sasha Lennon, William O'Neil and Marcus Spiller *

Study Background

In June 2002 the National Office of Local Government (NOLG) of the Department of Transport and Regional Services (DoTARS) commissioned a consultancy comprising SGS Economics and Planning and O'Neil Pollock & Associates to undertake a research and consultation based study to review the changing role and approaches of local government to economic development facilitation in Australia. A primary objective of the study was to identify and report on the views of Local Government Authorities concerning their roles and capacity to facilitate and promote regional economic development, and their relationships with other regional organisations and agencies in this field.

A survey was administered to over 350 Councils, and a total of 163 completed questionnaires were returned, representing just under a quarter of all Councils in Australia. Importantly, the survey acknowledged that ‘Local Government’ is not a homogenous entity and the issues faced, opportunities presented and approaches taken to facilitate and promote economic development differ between Councils according to local circumstances. For this reason, a representative sample of survey responses was sought for each of the following classifications of Local Government:

• Metropolitan Councils;
• Urban Fringe Councils;
• Regional Councils;
• Rural Councils; and
• Remote Councils.

This paper provides an overview of the findings of the Local Government survey. For the purposes of this paper, only the survey results are reported on. While this paper does conclude with some key points for policy consideration, detailed analysis and interpretation of the survey findings are not presented here, but are contained in the full report. The report, which also contains an introduction to the concept of ‘economic development’, a recent historical perspective of Local Government’s role in economic development facilitation and national and global forces influencing that role, is planned for release by the National Office of Local Government in mid to late 2003.

Local Government’s Perceptions Regarding its Role in Local and Regional Economic Development

Local Government Authorities (LGAs) acknowledge that they have a ‘very important’ or ‘important’ role to play in both LOCAL and REGIONAL economic development facilitation.

* Sasha Lennon is an Associate Director SGS Economics and Planning Pty Ltd
William O’Neil is the Director O’Neil Pollock & Associates Pty Ltd
Marcus Spiller is a Director SGS Economics and Planning Pty Ltd

1 The Australian Classification of Local Governments is published by the National Office of Local Government. It provides a useful way to categorise Local Government Authorities across Australia. For ease and clarification of reporting, the classifications were broadened for the study of the evolving role of Local Government in economic development facilitation.
The 2003 survey findings indicate that local Councils generally rate the importance of their role as facilitators of economic development highly. Just over nine-tenths of Councils indicated that their LOCAL role was either 'very important' or 'important' while over three-quarters (79%) said that their REGIONAL role was either 'very important' or 'important'.

Figure 1. Councils' Role in Promoting and Facilitating Local and Regional Economic Development

Collectively, it is estimated that Local Government Authorities in Australia (excluding community councils) allocate approximately $130 million per annum to the promotion and facilitation of economic development.

Based on the findings of the 2003 Local Government Survey, it is estimated that the average financial outlay by Australian Local Government Authorities for the promotion and facilitation of economic development is approximately $207,000 per annum. This figure is inclusive of staff salaries and project implementation funds but excludes capital works and infrastructure provision. While this average figure is noted, it is important to highlight that approximately 25% of Councils surveyed indicated that they allocate less than $40,000 per year to this task while a further 25% said that they allocate in excess of $400,000 per annum.

Over a quarter of LGAs do not have a single dedicated staff position for economic development facilitation.

Approximately 70% of Councils surveyed do allocate resources to employ economic development officers and associated staff. On the whole, the resource allocation is limited to only one staff position. Over a quarter (29%) of Councils surveyed said that they had no staff position dedicated to economic development facilitation. The response was fairly consistent across all categories of Councils bar Remote, with an overwhelming majority (82%) stating that they had no economic development staff positions. Only 3% of Councils surveyed and of these had more than five economic development staff employed in their organisation (all of these Councils were Regional in nature).
Funding allocation by LG As for economic development activities has increased but remains a relatively small percentage of Councils' overall expenditure. Over half (59%) of Councils surveyed said that their allocation of funding to economic development has either increased marginally (32%) or increased substantially (27%) over the last three years. There was little variance in this response across classifications of Local Government. However, over three quarters of Councils (79%) said that they allocate less than 5% of their total annual outlays to the promotion and facilitation of economic development.

LGAs dedicate the majority of their financial and human resource allocation for economic development to LOCAL economic development initiatives. Approximately 85% of Councils surveyed allocate 75% or more of their economic development resources to local (as opposed to regional) initiatives. There was little variance in this response across classifications of Local Government.

While the majority of Councils said that they are not the lead agency for economic development in their region, the contribution that Local Government makes to regional economic development can be understated. Many Councils contribute some form of funding to other economic development agencies; over half (57%) of those surveyed allocate human and/or financial resources to a regional agency (focusing on more than one Local Government Area). Interestingly, around three-quarters of the Councils surveyed said they have either no or limited influence, or are unsure of their ability to influence, the work program and priorities of their nominated lead regional economic development organisation.

Approximately 90% of LGAs rely on their general rate revenue to fund their economic development facilitation effort. State and Commonwealth grants and programs (45%). Approximately 10% of Councils surveyed administer dedicated economic development levies to fund the promotion and facilitation of economic development.

Local Government's relationship with REGIONAL economic development activities and agencies

The majority of LGAs consider that an organisation other than themselves is the lead agent for the facilitation of REGIONAL economic development. Only 20% of Local Government Authorities surveyed believe that their own internal economic development unit represents the lead agency for the promotion and facilitation of regional economic development, although the response varied across classification of Local Government. However, almost half (44%) said that a State Government Agency or Department or a Regional Board/Organisation represented their lead agency for regional development.

The survey also revealed that 14% of Councils consider their Voluntary Regional Organisation of Councils (VROC) to be the lead agency for promoting and facilitating the economic development of their region. The importance of VROCs was most prominent amongst Rural and Remote Councils; 24% of Remote Councils and 17% of Rural Councils surveyed indicated that VROCs are their lead regional development agency.

Interestingly, VROCs were considered as lead regional development agency ahead of Area Consultative Committees (ACCs) in all Local Government classifications except Metropolitan Councils. The role of ACCs featured prominently amongst Metropolitan Councils. Based on the survey responses, it would appear that a significant percentage of Councils do not currently fully understand the regional economic development roles and functions of the ACCs and how they relate to the activities of Councils and other regional agencies. More information on the roles and functions of ACCs can be found on the Area Consultative Committees website at www.acc.gov.au

A significant majority of LGAs have increased their own REGIONAL economic development facilitation.
Over two thirds (67%) of Councils surveyed have increased their regional economic development roles in their own right over the past five years; a further 24% have maintained a constant level of activity. Only 4% said that their regional development role had decreased in the past five years.

Approximately 50% of Councils surveyed said that their involvement with the Commonwealth Government on matters relating to regional economic development had increased in the last 5 years. Approximately 70% of Councils indicated that their involvement with the State Government had increased over the same time period. Interestingly, almost half of the Councils surveyed (44%) stated that their relationship with universities and/or related working groups had increased over the past five years.

Local Government Authorities consider they have primary responsibility for a wide range of capacity building economic development activities, the majority of which are local in nature.

The Local Government Survey findings reveal that Councils consider themselves best placed to lead actions that are more locally focused and require fewer substantial human and financial resources. It is noted that Local Government appears to accept that it does have a wide range of responsibilities in the field of economic development and is also keen to partner other lead agents.

Local Government generally considers itself to hold lead responsibility for a number of capacity building activities that are geared to establishing and maintaining a conducive investment environment. They include:

- Facilitating local strategic planning and development investigations, such as an industrial land use strategy or similar (nominated by 88% of Councils as being a prime responsibility of Local Government);
- Identification of local economic development issues, strengths and priorities (nominated by 84% of Councils as being a prime responsibility of Local Government);
- Development and maintenance of an efficient streamlined local development approvals process and regulatory environment (nominated by 83% of Councils as being a prime responsibility of Local Government);
- Collating and providing information and advice to business and industry on the local economy (nominated by 56% of Councils as being a prime responsibility of Local Government).

Local Government considers that it has lead responsibility for a number of activities that are geared to managing a co-ordinated approach to economic development. They include:

- Facilitating, co-ordinating and prioritising local funding submissions to State and Federal Governments relating to local industry development and employment projects and initiatives (nominated by 70% of Councils as being a prime responsibility of Local Government); and
- Representation and lobbying of economic development issues and priorities to State and Commonwealth Government representatives (nominated by 48% of Councils as being a prime responsibility of Local Government).

Local Government considers that it has lead responsibility for a number of activities that are geared to facilitating new local investment from within. They include:

- Facilitation of business networks and clusters (nominated by 47% of Councils as being a prime responsibility of Local Government); and
- Working with existing businesses to assist their growth (nominated by 30% of Councils as being a prime responsibility of Local Government).

Local Government considers that it has lead responsibility for a number of activities that are geared to attracting external investment. They include:

- Promoting the area to new investors (nominated by 45% of Councils as being a prime responsibility of Local Government); and
- Representation and lobbying of economic development issues and priorities to State and Commonwealth Government representatives (nominated by 48% of Councils as being a prime responsibility of Local Government).
• Attraction of new business investment
  (nominated by 48% of Councils as being a prime
  responsibility of Local Government).

LGAs consider that the STATE GOVERNMENT is the
primary lead agent for a number of regionally
focused economic development activities.

According to the survey, Local Government believes
that the State Government is the primary lead agent
responsible for the following economic
development activities:

• Facilitating strategic regional infrastructure
developments and improvements (nominated by
53% of Councils as being the prime responsibility
of the State Government);

• Collating and providing information and advice to
business and industry on the regional economy,
key trends and regional features (nominated by
51% of Councils as being the prime responsibility
of the State Government);

• Facilitating regional strategic planning
investigations (nominated by 49% of Councils as
being the prime responsibility of the State
Government);

• Providing financial or in-kind assistance to new
business start-ups (nominated by 45% of
Councils as being the prime responsibility of the
State Government);

• Identification of regional economic development
issues, strengths and priorities (nominated by
39% of Councils as being the prime responsibility
of the State Government);

• Facilitating initiatives to address regional
inhibitors that are impacting on business and
industry development and growth (nominated by
34% of Councils as being the prime responsibility
of the State Government); and

• Encouraging existing businesses to train and
employ more staff (nominated by 24% of
Councils as being the prime responsibility of the
State Government).

A Future Role for Local
Government in Regional
Economic Development
Facilitation

Local Government expects its role as a facilitator of
REGIONAL economic development to increase
during the next three years.

The survey results highlight that Local Government
believes its role in regional economic development
facilitation will increase in the coming years. Over
two thirds (69%) said that they expect their
regional economic development activities to
increase; 19% expect their activities in this regard
to remain constant while only 3% expect a decline
in their regional development facilitation activities.
This observation is tempered with a commonly held
view amongst Councils surveyed that there are
many inhibitors that need to be addressed if Local
Government is to take on a greater responsibility
and become a more effective partner in the regional
development agenda.

The majority of Councils surveyed believe that a
lack of financial and human resources (83% of
Councils), poor inter-agency co-ordination (52%), a
lack of resources for professional development of
staff (43%), and a lack of understanding of regional
development within Council (councillors and staff)
(36%) are key inhibitors on their ability to take a
greater role in the facilitation of regional economic
development. These observations were generally
consistent across all classifications of Local
Government.

Local Government believes that the Commonwealth
has a leading role to play in advancing Australia's
regional development agenda.

Table 1. Councils' Perceptions of Inhibitors to Local Government
Taking a Greater Role in Regional Economic Development
Facilitation

<table>
<thead>
<tr>
<th>Inhibitor / Limiting Factor</th>
<th>No. Councils</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of Resources for Eco. Development</td>
<td>135</td>
<td>82.82</td>
</tr>
<tr>
<td>Poor Inter-agency Coordination</td>
<td>86</td>
<td>51.53</td>
</tr>
<tr>
<td>Lack of Resources for Prof. Development</td>
<td>70</td>
<td>42.94</td>
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<tr>
<td>Poor Knowledge of Eco. Development</td>
<td>59</td>
<td>36.20</td>
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<tr>
<td>Poorly Defined Roles</td>
<td>54</td>
<td>33.13</td>
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<tr>
<td>Insufficient Authority</td>
<td>26</td>
<td>17.18</td>
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<tr>
<td>Lack of Community Support</td>
<td>22</td>
<td>13.50</td>
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<td>Unsure / Not Specified</td>
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<td>0.61</td>
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<tr>
<td>Political differences</td>
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<tr>
<td>No Inhibitors</td>
<td>1</td>
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<tr>
<td>Lack of understanding of the needs of remote areas</td>
<td>1</td>
<td>0.61</td>
</tr>
<tr>
<td>Lack of infrastructure funding</td>
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<td>0.61</td>
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</table>


Councils consider that the Commonwealth
Government should undertake the following key
tasks to help improve the facilitation of economic
development in Australia's regions:

• Better direct program funding for economic
development to the particular needs of individual
regions (76% of Councils surveyed).
• Work to reduce the duplication of activities that exist between different agencies whose charter is to facilitate regional economic development (64%);
• Provide greater financial resources to Local Government to enable the employment of economic development officers/staff (64%);
• Increase the range of Commonwealth programs and funding support that individual non-exporting focused businesses can access (58%); and
• Facilitate better working relationships directly with Local Government regarding economic development facilitation (57% of Councils surveyed).

Table 2. Councils' Recommendations for the Commonwealth to Better Facilitate Regional Economic Development in Australia

<table>
<thead>
<tr>
<th>Recommended Action</th>
<th>No. Councils</th>
<th>%</th>
</tr>
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<tbody>
<tr>
<td>Better Direct Program Funding</td>
<td>122</td>
<td>74.85</td>
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<tr>
<td>Reduce Duplication of Activities</td>
<td>105</td>
<td>64.42</td>
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<tr>
<td>Resource LG to Employ Economic Development Officers</td>
<td>105</td>
<td>64.42</td>
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<tr>
<td>Funding for Non-export Businesses</td>
<td>95</td>
<td>58.28</td>
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<tr>
<td>Direct R'ships with Local Govt.</td>
<td>89</td>
<td>57.06</td>
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<tr>
<td>Stronger P'ships with Local &amp; State Agencies</td>
<td>83</td>
<td>50.92</td>
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<tr>
<td>Simplify Funding Applications</td>
<td>87</td>
<td>53.37</td>
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<tr>
<td>Resource LG for Professional Development</td>
<td>83</td>
<td>50.92</td>
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<tr>
<td>Local Govt. Representation on ACCs</td>
<td>49</td>
<td>30.66</td>
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<tr>
<td>Funding Assistance for VROCs</td>
<td>45</td>
<td>27.61</td>
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<tr>
<td>New Revenue Sharing Arrangements</td>
<td>25</td>
<td>15.34</td>
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<td>Tax zones to encourage growth</td>
<td>2</td>
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<tr>
<td>Unsure - Not Specified</td>
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<td>0.61</td>
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<tr>
<td>Reduce Political Interference</td>
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<tr>
<td>More Funding for Rural Transaction Centres</td>
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<td>0.61</td>
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<tr>
<td>Infrastructure funding for regional centres</td>
<td>1</td>
<td>0.61</td>
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<tr>
<td>Better Structure ACC Boundaries to reflect Natural Economic Regions</td>
<td>1</td>
<td>0.61</td>
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</table>


Policy Considerations for the Commonwealth Regarding Local Government's Future Role in Regional Economic Development

As stated at the beginning of this article, 'Local Government' is not a homogenous entity. The issues faced, opportunities presented and approaches taken to facilitate economic development differ according to local circumstances. Councils across Australia have divergent levels of capacity to effectively participate in the regional development agenda. Their relative level of capacity is influenced by a number of factors including, but not limited to: the geographic size and location of the Local Government Area; its rate base; competing pressures for Council resources; and community expectations. It is important that both State and Commonwealth policy on regional economic development acknowledge and embrace a need for flexibility so that local stakeholders, including Local Government Authorities, can be actively engaged to address local or regionally specific needs and priorities.

As highlighted by the survey findings, Local Councils, on the whole, consider that their role in the promotion and facilitation of economic development is one of capacity building. This includes activities that support a conducive business environment (and a conducive ‘people environment’) such as infrastructure provision, the maintenance of a responsive planning approval process and intelligence gathering and dissemination through the identification and presentation of key indicators on the socio-economic health of the local area. The Local Government survey respondents overwhelmingly indicated their desire and commitment to build on their current local and regional economic development activities, and in today's increasingly competitive global environment, they are under pressure to continue doing these things but to do them even better.

The survey findings also highlighted that in order for Local Government to move beyond its traditional range of activity towards more aggressive activities like targeted investment attraction, or to regionally focused projects, a greater resource allocation is necessary. This provides scope for the State and Commonwealth governments to revisit the means...
by which they allocate program funding to the regions, and to explore ways that funding allocations could be more responsive to local requirements. The approach to date has been one where the State and Commonwealth governments impose their own frameworks and representative agencies for program development and delivery. Perhaps they could also consider a greater utilisation of Councils to deliver these programs and initiatives, while acknowledging that such action would need to be accompanied by the provision of a flexible financial resource pool to assist Councils taking on the additional tasks and responsibilities.

Local Government too, has a commitment to make. It could be argued that Local Government is at the crossroads regarding its role in regional economic development facilitation. It is important then, that individual Councils resolve their own commitment to their economic development roles and functions. Collectively too, Local Government must consider where its future lies in the regional development landscape.

The draft study of the Evolving Role of Local Government in Economic Development Facilitation (SGS Economics and Planning and O'Neil Pollock & Associates, 2003) identified a number of activities where Local Government could effectively expand its functions in the regional economic development field. They include:

- Working with other stakeholders (including neighbouring Councils) to establish regional planning frameworks. This does not suggest an upheaval of existing Local, State and Commonwealth sponsored organisational frameworks for facilitating regional development. What it does suggest is that Councils should work with other agencies to establish agreed principles and objectives to facilitate the economic development of their regions to the mutual benefit of constituent communities. Councils and other agents of change should be encouraged to communicate their regional development charters and look for ways to make the optimal use of their combined efforts and resources within existing frameworks.

- Understanding the key clusters that drive the regional economy. Building on the previous point, clusters must be industry-led if they are to prosper. Local Government can provide the forums through which the clusters might grow. It can support cluster growth through its role as an infrastructure provider and in its role as an economic lobbyist for its region.

- Establishing and nurturing partnerships with the capital cities. For rural and remote regions, it is important to understand how local clusters are linked in to the capital cities, which are the engines of growth in the New Economy. A first step for Councils (and their partner agencies) is to establish partnerships with the capital city institutions to help strengthen their regions.

- Investing in local skills and knowledge (particularly within Local Government) of the meaning and importance of economic development.

It is postulated that these activities will only be widely embraced by Local Government once the Councils themselves are mandated to undertake such initiatives (via legislation or other means). This requires some serious thought on the part of the other two tiers of government as to how the role of Local Government as a facilitator of regional development might be formalised. And instead of developing policy and then seeking local partnerships, the Commonwealth and States should collaborate with Local Government in policy development from the outset.

These issues are further explored in the draft report on the Evolving Role of Local Government, and will be the subject of another article in a subsequent issue of Sustaining Regions.

References
Developing Australia's Regions: Theory and Practice

Andrew Beer
Alaric Maude
Bill Pritchard

DEVELOPING AUSTRALIA'S REGIONS: THEORY AND PRACTICE $49.95

Developing Australia's Regions: Theory and Practice delves behind the too-often negative media headlines and stereotypes about regional Australia, and considers the true state of Australia's regions, including metropolitan regions, and what can be done to improve their economic, social, and environmental well-being. The book draws on national and international experience as well as regional development theory to set out the principles and strategies that can be used to establish a stronger future for our regions.

Also Recently Released

AUSTRALIA'S CHOICES: OPTIONS FOR A PROSPEROUS AND FAIR SOCIETY $39.95
Edited by Ian Marsh
Harmonising and improving Australia's development assessment system is a long term focus for both the development industry and government. Reduced compliance burdens and more flexible regulatory regimes will improve business efficiency, stimulate growth and help business generate employment.

Following a meeting of key stakeholders in 1998, the Development Assessment Forum (DAF) was formed to bring together the relevant parties to reach agreement on ways to streamline the processes used for development approval and cut red tape, without sacrificing the quality of the decision making. The Forum includes the three spheres of government.

This paper reports on the development of a Practice Guideline to inform policy change to enable greater private sector involvement in the development assessment process.

1. Purpose of the Practice Guideline

The purpose of this Practice Guideline is to inform State, Territory and Local Governments (as well as other stakeholders) of the potential scope for extended private sector involvement in the development assessment process. This Guideline provides advice on the potential for appropriately qualified professionals to assist councils in their administrative and decision-making responsibilities, taking responsibility for elements of the process (or for some routine classes of development).


The Practice Guideline is structured as follows:
- elements of the development assessment process
- options for extending private sector involvement
- underlying principles
- the potential benefits of private sector involvement
- promoting private participation within current systems
- private certification: elements and routine classes of development
- towards a private certification model
- Government roles in private certification
- references and further information

2. Elements of the Development Assessment Process

What is the development assessment process (DA process)? Which steps have potential for private sector involvement? Figure 1 outlines the generic stages in the process, common to development assessment across Australia. The steps per stage that are relevant to extending private involvement are noted.
This snapshot view is the basis for the discussion in this Practice Guideline.

3. Options for extending private sector involvement

Environmental Planners and other development-related professionals in private practice already play a role in the DA process - up-front, preparing Consultants' Reports and DA submissions and, after determination, translating and acting upon conditions of approval.

Within existing legal frameworks and with Council (and State Government) support, it is possible to extend this role by encouraging private practitioners to "sign off" on administrative (and non-discretionary) elements of the DA process.

"Certification" takes this a step further, aiming to formalise such roles by enabling appropriately qualified certifiers to take legal responsibility for such actions. It is also possible for particular "classes" of development to be certified in their entirety, i.e., to be determined by private professionals, as being in accordance with pre-set rules and criteria. Formalising opportunities for private certification, as described here, requires relevant legislation.

Certification may take the form of self-certification, where a professionally qualified person certifies his/her own designs or work, or third-party certification, where a qualified person that is independent of the design or construction process certifies the design or that the work, or elements of it, have been properly carried out. In most jurisdictions, at present, third-party certification is allowed, or partially allowed, for non-discretionary building or construction matters.²

² Third party certification for technical/construction matters is presently permitted in NSW, ACT, NT, Queensland, South Australia and Victoria. In Tasmania, certification partially exists for building plumbing matters, but with councils retaining the decision-making responsibility. WA is yet to adopt legislation permitting third party certification. Many of these jurisdictions have recently reviewed the operation of their certification systems and have modified legislation to improve practice. A more comprehensive auditing of certified practice is now a fundamental component of these established systems.

Figure 1. Steps in the Development Assessment Process Relevant to Private Sector Involvement. Source: DAF model stages
For the purposes of its investigations, Urbis (2001) defined "private certification in development assessment systems and processes" as:

A legislative scheme or option whereby administrative or processing segments or decision making on planning applications/permits may be certified as having been undertaken or approved in terms of the legal/policy standards in place, by a [registered] person who is termed a private certifier and who holds prescribed qualifications and experience and acts in accord with legislation, standards and codes of conduct and ethics.

In summary, private involvement can be encouraged within legal limits or extended by amending legislation. As a result, the introduction of private certification can be viewed as a staged process - things we can do now and longer-term action, enabling formal certification.

4. Underlying Principles

There are three key principles underpinning the idea of increased private sector involvement in the DA process; that:

- choice is to be encouraged, as benefiting all parties - applicants, public agencies (in choosing the types of proposals and steps in the process warranting their attention) and private practitioners (by extending their realm). This is in the spirit of the National Competition Policy.
- decisions should be made at an appropriate level (State or Local planning authority, delegated or privately certified externally), depending on the level of environmental, economic and social impact - and based on a range of criteria including scale and size, sensitivity to local circumstances and the extent to which discretion is to be exercised. Substantive decisions on minor development and most, if not all administrative decisions, where there is minimal or no impact, little discretion to be exercised or where professional persons are most knowledgeable, should be made either by staff under delegation or external private certifiers; See Figure 2 (below).
- that private practitioners should be subject to the same transparency and accountability requirements as public officials - fair, open, accessible to all users and not prone to conflicts of interest or inappropriate intrusion by stakeholders. Disciplinary actions should apply.

<table>
<thead>
<tr>
<th>Development Assessment Component</th>
<th>Potential for Private Sector Involvement or Private Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DA Determination/Approval</strong></td>
<td></td>
</tr>
<tr>
<td>Proposals testing, overriding policy</td>
<td>No*</td>
</tr>
<tr>
<td>Major proposals</td>
<td>No*</td>
</tr>
<tr>
<td>Complex proposals</td>
<td>No*</td>
</tr>
<tr>
<td>Minor proposals</td>
<td>Yes</td>
</tr>
<tr>
<td>Compliance proposals (meet objective conditions and standards)</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Administrative/Technical Process Matters</strong></td>
<td></td>
</tr>
<tr>
<td>Pre-Application checks (adequacy and policy compliance)</td>
<td>Yes</td>
</tr>
<tr>
<td>Consultation/referrals processing</td>
<td>Yes</td>
</tr>
<tr>
<td>Compliance throughout the construction process</td>
<td>Yes</td>
</tr>
<tr>
<td>Compliance on completion</td>
<td>Yes</td>
</tr>
</tbody>
</table>

* This guideline recommends that the determination of major or complex Development Applications should be subject to appropriate criteria, although there is scope for private practitioners to assist councils with their decision-making. Every council should ensure that the assessment of complex applications is informed by a range of factors relevant to the planning process and the project's impact.
5. The potential benefits of private sector involvement

Why should extended private sector involvement in the DA process be encouraged? Evidence from jurisdictions where certification is practised and from other introductory trials suggests that a range of benefits is possible from extending (and formalising) private sector roles. These include:

- higher quality applications being submitted.
- better relations with site neighbours (due to pre-application meetings to explain proposals).
- reducing the need for additional information requests, a common delay in the process.
- improved information that assists councils with decision-making in relation to complex or major development proposals.
- reduced application decision times (and a reduction in holding and other costs).
- allowing Council staff to spend time on merit-based rather than technical issues/matters - allocating resources to larger, more significant developments and to strategic planning and policy development.
- potentially quicker assessment processes for minor, routine and low-impact development proposals.

It is in the interest of all parties for complete and higher quality applications to be submitted and for administrative actions and post-determination checks to be promptly and thoroughly undertaken. Private involvement in such tasks, subject to clear pre-set rules and procedures, does not threaten Councils' roles and responsibilities. On the contrary, if undertaken carefully, private action can free Council staff from non-discretionary duties, allowing more time for merit-based assessments.

6. Promoting private participation within current systems

As indicated, there are a number of steps in the DA process that could involve private practitioners, without legislative change. For example:

- pre-application checks on completeness and accuracy of applications submitted.
- notification and referral of DAs - as being in accordance with Councils' statutory requirements and policies. Typically, private practitioners would report and sign-off on processes associated, without making value judgments about the comments received.
- compliance of a DA with state regulation and/or local policies, either up front as part of the DA submission or as part of the Council assessment process (e.g. bushfire, flooding, and contamination or other agency requirements). Of course, private practitioners would be appropriately qualified to make such judgments.
- compliance upon completion, all elements of the development (e.g. landscaping, car parking areas, signage or on-site detention systems).
- arranging for dispersal of bonds upon satisfactory compliance with consent conditions.
- representing Councils in planning appeals.

Pre-lodgement Processes in the ACT

In the ACT a Design Response Report is required for most major development projects. The Report is required to be signed off by the ACT Planning & Land Management agency (PALM) prior to the DA being officially lodged. The Design Response Report is required to be submitted by the owner but is usually completed by the private design or planning consultant engaged by the owner to ensure that the application is prepared ready for lodgement.

Glen Eira and other Victorian Trials

Glen Eira Council (Victoria) recently trialed the appointment of private planning consultants to undertake pre-lodgement meetings with project neighbours and to assess the completeness of applications (as ready for advertising). Council's evaluation confirmed that the quality of applications and their assessment time frames improved as a result of the process, that residents appreciated being given the opportunity to consider proposals up-front and that certainty in the process outcomes was increased. The Victorian Department of Sustainability and Environment (DSE) and the Municipal Association of Victoria (MAV) have developed an information kit and promotional material based on the Glen Eira experience. Trials along similar lines (and including a private assessment option) are also under way at Greater Bendigo and Mornington Peninsula Shire (both Victoria). The Mornington Peninsula trial is particularly interesting as it allows certification or "full external processing" of applications (managed by Council staff and ultimately decided by the Council). The current Victorian jurisdiction is unique in allowing councils to select consultants or public servants to pre-lodgement. (Durham, W. G., and others, 1998, p. 70.)
Land Contamination Certification in NSW

The Contaminated Land Management Act 1997 requires NSW Councils to consider the potential for land contamination as part of their DA assessment duties. The Act also establishes an accredited site audit scheme. Accompanying Planning Guidelines recommend that DAs be supported by information that demonstrates a site's suitability for its proposed use. Councils can rely on their own in-house expertise and processes to satisfy themselves that land contamination has been adequately considered or can request a consultant's report or that a 'site audit' be undertaken. A site audit is an independent review of any or all stages of the site investigation process. Only accredited individuals can undertake a site audit. The system works to provide Council with detailed advice on technical matters that might otherwise slow the assessment process, whilst leaving the final decision of determination with the Council. Similar opportunities for private sector input into planning processes might be considered relevant for, say, vegetation impact assessments or bushfire policy compliance. Such systems could be introduced on the basis of demonstrated consultant qualifications, whilst still requiring Councils to check reports that are submitted and to make final decisions on applications.

It is noteworthy that allowing such actions to be undertaken by private sector professionals in the absence of a formalised certification system does not remove the legal requirement for Councils to cross-check such matters. Evidence suggests however, that the Council's administrative load and time frames taken for development assessment can be reduced with such practices in place. For instance, a check on application completeness is a promising way to reduce additional information requests - a very common reason for delays.

The success of this form of private sector involvement is dependent on Councils providing detailed policies and administrative systems/advice up-front in the process. This helps to ensure that private practitioners can come to the same conclusions as Council staff. Provision of detailed lodgement advice, for instance, in the form of "self assessment" checklists on Submission Requirements can render completeness checks as an administrative task. It is appropriate that this be the applicant's responsibility. The Victorian DOI kit provides a procedural framework for pre-lodgement involvement.

Similarly, clear advertising and notification policies, including careful instructions on who is to be notified (in standard situations), standard letters, and a reporting format can enable certifiers to objectively perform this task. Neighbours could be engaged and possible disputes ironed out as a pre-lodgement action.

Finally, clear conditions of consent, referring to preset policy standards, enables private "sign-offs" of most site requirements. Such systems are also discussed in Section 8 of this Guideline.

7. Private Certification: elements and routine classes of development

Private Certification (within the DA system) aims to formalise private sector involvement by enabling appropriately accredited certifiers to take legal responsibility and potential liability for steps in the assessment process or for particular classes of DAs.

a) Certifying certain elements or steps in the process.

Formalising compliance reporting, pre-lodgement notification and inspection functions would negate the need for council cross-checks. In addition, introducing private certification could further extend the role to include "certifying":

- that a specified aspect of development complies with accepted or regulated standards and requirements.
- that conditions of consent have been complied with.
- that a development is fit for occupation and has been inspected from a structural and operational point of view throughout the construction process.
- that a strata or other subdivision certificate may be issued in accordance with relevant consent conditions.

Use of Compliance Certificates in New South Wales

In the NSW system, formal "compliance certificates", issued by an accredited certifier (or a Council), can be used to certify compliance with nominated design, siting or construction standards at lodgement of a DA, as a prerequisite to the issue of a construction certificate or upon completion of work on site. Legislation guarantees that responsibility and liability pass with the issue of such certificates.
b) Certifying the entire process for routine classes of development

Subject to pre-determined, fixed and non-discretionary standards, an appropriately accredited certifier can take responsibility for the entire process - including technical assessment. It is also possible to provide for limited discretion in such assessments.

In Queensland, for example, local planning schemes establish the appropriate assessment levels for all forms of development. A considerable amount of small scale development is classified as “self-assessable” and does not require consent from Council. Where building work is involved, however, a separate development permit must still be issued - either by the Council or a private certifier. Prior to the issue of a development permit, the certifier must be satisfied that the development is consistent with relevant scheme provisions and codes relating to self-assessable development.

Queensland’s “self-assessable” category is not unlike “complying development” in New South Wales. Under the provisions of the Environmental Planning and Assessment Act certain types of “development” are specified as being capable of certification (e.g. single storey dwelling houses, swimming pools, certain changes of use). For each, a set of pre-determined standards is listed, with limited (if any) discretion. If a proposal satisfies these standards a “Complying Development Certificate” must be issued, with pre-set standard conditions attached, by Council or an accredited certifier. There is no discretion with the conditions. The standards and conditions are usually contained in the local council statutory plan/development control plan. Where Councils have not introduced such provisions a State Environmental Planning Policy acts as a default mechanism - containing the pre-set standards and conditions.

While (a) and (b) above provide an indication of the scope of private sector certification, it is important to note that, for the purposes of this paper, private certification is not intended to cover:

- policy preparation or reviews (even though private consultants are often engaged by authorities to do such work).
- rezoning applications.

8. Towards a private certification model

The following sections are recommending the prerequisites to the introduction and successful operation of a formalised private certification system. The actions amount to the findings of the Urbis study and also draw on experience from States and territories where private certification systems currently operate.

a) Clear objectives and principles underpinning the idea

The principles and objectives outlined in section 4 (above) need to be clearly articulated and acknowledged as underpinning the system. The role, duties and responsibilities of the certifier must be addressed up-front.

b) Community engagement

To promote community understanding about the scope of certification and encourage discussion, communities (at State/Territory and local levels) should be engaged in discussion on the concept, pros and cons, prerequisites and safeguards. A discussion paper could promote broader community discussion and, later in the process, local communities could meet to discuss the details.

c) A regulatory and policy framework

Legislative change and the development of detailed model policies are a basic prerequisite. Such a framework would have four major elements:

i) Legislative framework

Legislation would need to be introduced or amended to enable the operation of private certifiers. Amendments (or new legislation) would:

- provide a clear description of the limits of private certification.
- specify the role of the certifier.
- introduce classes of development and stages in the process appropriate for certification.
- establish a system for the accreditation of certifiers (see below).
- clarify responsibility and liability.
- provide for the auditing of private certifiers and appropriate enforcement procedures.

In States and Territories without a public sector watchdog, serious consideration should be given to establishment of such an operation.
an overarching safeguard on private entry into the public realm. A role could be provided for the State/Territory’s Fair Trading Authority and Trade Practices legislation could ensure that people are qualified for the roles, duties and responsibilities claimed.

ii) Accreditation system

Legislation (separate or as part of the planning legislation) would also be required to establish the accreditation system:

- defining the “accreditation body” - a statutory authority, an independent board or panel of professionals, through Professional Associations or in combination.
- setting criteria within “accreditation schemes” for eligibility to operate as a private certifier e.g. requisite education/training competencies and experience, and procedures for accreditation. An auditing and regular review system would also need to be introduced.
- safeguards such as mandatory insurance cover, conflict of interest provisions and requirements for “accreditation schemes” to have a code of ethics, a formal complaints mechanism and a system of sanctions.

It is recommended in the Urbis Report that accreditation be to individuals, not companies and other organisations. This would ensure clarity of responsibility and liability.

Accreditation systems in New South Wales and Victoria

In NSW, major amendments to the Environmental Planning and Assessment Act 1979 specified the role of accredited certifiers in the planning (building and subdivision) system. The amended Act also established accreditation bodies (professional associations), accreditation schemes, and details on proportionate liability, insurance requirements and conflict of interest provisions.

Recently, the system’s operation has been reviewed by a Parliamentary Inquiry, the “Quality of Buildings” Review. In response to the Inquiry’s recommendations the government has announced the establishment of a centralised Building Professionals Board as a single body for accreditation. The Board will accredit all private and council certifiers and undertake an increased auditing role.

In Victoria, the Building Commission oversees the administration of building legislation and regulations. The Commission incorporates the Building Practitioners Board that operates to regulate, monitor and register building practitioners including building surveyors, building inspectors, quantity surveyors, engineers, draftspersons and builders.
Complying Development at Hastings Council (NSW)

At Hastings Council, on the NSW mid-north coast, a proactive approach by Council to establish its building approvals and inspection team as a business unit has seen more than 55% of new development categorised as "complying". The Council works closely with competing private certifiers operating in the locality, holding regular forums to ensure that assessment and inspection issues are appropriately considered. Council has also recently amended its Development Control Plan to extend opportunities for complying and exempt development (that which does not require Council approval).

Council's approach toward complying development has gained community support, reduced workloads for Council planners and created a philosophy within Council's business unit of working for their clients. Council has identified the need to remove ambiguity and scope for interpretation from its complying development planning instruments in order that certification is as clear and straightforward as possible.

9. Government roles in private certification

The nature of Australia's approach to environmental planning and management is such that there is a clear split in responsibilities. Each level of government has a role to play in the introduction of planning certification.

a) The role of State and Territory Governments

As "planning system controllers" many of the prerequisites and safeguards are clearly the responsibility of State (and Territory) Governments.

At present, actions and intentions are mixed - with NSW, Queensland and the Northern Territory the only regions where elements of a system such as that suggested above are in operation. The key responsibilities of State and Territory Governments are to:

• affirm objectives and principles.
• promote community engagement (together with Local Government).
• debate appropriate accreditation frameworks.
• consider the creation of a watchdog body, such as the NSW ICAC (and accompanying legislation).
• draft enabling legislation.
• draft fall-back policies to assist councils and to cover any lands outside council control.
• develop model Policy and Procedures document(s) on the operation of the system.

b) The role of Local Government

Local government will be responsible for the identified workes of the system (pre-consultation and community debate on the issues at hand, and State level at holistic forum). In particular local government's responsibilities are to:

• produce detailed "delegated legislation" and policy documents on classes of development and elements capable of certification.
• provide training for staff and education for the development industry and the general community (with assistance from Federal and State Governments).
• act as certifiers themselves (in fair competition with the private sector). This requires the establishment, operation and monitoring of appropriate management systems.
• adjust records (and other administrative) systems to handle certificates (and appropriate documentation) from private certificates.

Councils have an important role as the keeper of all records.
• monitor the operation of the system.

c) The role of the Federal Government

The Federal Government has a leadership role, in coordinating debate on the issue and informing State Planning Ministers (at relevant Ministerial Council meetings). In addition, there is an educative role, sponsoring research on the operation of such systems, producing legislative templates and convening seminars and workshops.

More information on the Development Assessment Forum can be obtained from its website http://www.daf.gov.au/cpi/

References


City of Glen Eira et al October 2002, Pre-lodgement certification for planning applications: the Pilot project experience.

Department of Sustainability and Environment Municipal Association of Victoria 2003, Pre-lodgement Information Kit.

NSW Department of Urban Affairs and Planning 1999, Guiding Development: Better Outcomes Sydney, DUAP (now Planning NSW).

New Publications from the Centre for Rural Social Research at Charles Sturt University

Two new publications will be of interest to many regional development practitioners:

**Community sustainability in rural Australia: a question of capital?**

What factors underpin the sustainability of our rural communities and how sustainable are they? This important new book presents six detailed case studies of community sustainability in rural Australia - Narrogin (WA), the Gilbert Valley (SA), ‘Tarra’ (Vic), Tumbarumba and Guyra (NSW) and Monto (Qld). Edited by Chris Cocklin and Margaret Alston - Academy of the Social Sciences, $32.

**Setting the Agenda for Rural Women: Research Directions**

A compilation of the keynote papers, recommendations and refereed workshop papers from the conference held in July 2002. The publication aims to inform government, policy makers, academics and community members of the ‘state of play’ for Australian rural women and the areas where crucial research information is lacking. Included are papers by Margaret Alston, Fiona McKenzie, Sally Shortall, Margaret Grace McGowan. $26.

Publications available by contacting the Centre for Rural Social Research on (02) 693 2778 or visiting our website at: http://www.csu.edu.au/research/crsr

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The only forum on regions with the long-term participation of academic, government and private sector networks is happening in the west this year. The association provides a blend of presenters and attendees unrivalled, not only in Australia and New Zealand, but among the 34 sections of the Regional Science Association International, around the world.

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The benefits are many, including the chance to increase your knowledge, listen to different perspectives, expand and develop your professional networks and enjoy a great location at the same time.

Keynote speakers will include Wayne Schell, President of the California Association for Regional Economic Development, whose organization has some 700 members, many of them municipal.
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- Regional governance - structure and effectiveness
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Enquiries: Diana Ryman: diryman@optusnet.com.au
Registration: Linda Pink: anzrsai@uq.net.au

Information Technology in Regional Areas (ITiRA) Conference
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The ITiRA 2003 Conference explores strategies that link ICT enhanced economic, social and cultural development efforts with emerging opportunities in such areas as electronic commerce, community and civic networks, telecentres, electronic democracy, online participation, self-help and virtual health communities, advocacy, cultural enhancement and others. We see ITiRA 2003 as being of interest to practitioners, and policy makers in both developed and developing countries, and are particularly interested to share ideas across practice, research and policy. Hence, ITiRA 2003 encourages submissions for double blind refereed papers as well as practitioner case studies and policy development. Tracks:

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- IT for Developing Countries
- IT Indigenous Voices on IT for Indigenous Peoples
- IT for Regional Culture, Media and the Arts
- IT for Regional Education and Training
- IT for e-Democracy ‘IT for Regional Health
- IT for Regional Industry and e-Commerce
- IT for Tourism in Regional Areas
- IT for Social Marketing in Regional Areas

Professor Stewart Marshall Conference Chair
Dean, Faculty of Informatics & Communication, CQU

Further details available at:
http://itira.cqu.edu.au/2003 or please email enquiries.itira2003@cqu.edu.au

Students of Sustainability Conference
7 - 12 July 2003
Flinders University, South Australia

‘Students of Sustainability’ is Australia’s peak student environment conference. It will be held at Flinders University in South Australia, from July 7th to 12th 2003. This will be the second time Adelaide has held the conference in its twelve year history.

Each year the conference gathers students from Universities, TAFE and high schools, as well as academics, government bodies, non-government organisations and the wider community. The aim is to share positive, inspiring and thought-provoking experiences, which encourage action and discussion about how to step lightly towards a sustainable future. We have much to learn from each other, this is why the conference is called ‘Students of Sustainability’. We are all students learning what it means to be sustainable.

In previous years, the conference has stimulated the formation of nation-wide campaigns and generated Australia-wide awareness of local issues. It provides attendees with the opportunity to participate in or initiate workshops, forums and field trips about a wide range of issues, whilst networking and sharing knowledge and skills.

Fundamental principles of a sustainable future revolve around groups working in unison to achieve a mutual objective. The conference is organised by students and members from the wider community, on a completely voluntary basis.

We invite you to be a part of this corroboration of local, national and global communities in their commitment to furthering education and taking steps toward an increasingly aware and sustainable society.

We also invite you to help us motivate the up and coming future leaders of sustainability, by attending the conference and sharing your organisation’s ethos and directions through the unique formula of open space.

If you are interested in participating in the conference, and would like to collaborate or initiate your workshop or forum, or simply require more information, please email openspace.2003@studentsofsustainability.org.au or visit: http://www.studentsofsustainability.org.au
The Third International Conference on Knowledge, Culture and Change in Organisations
11-14 August 2003
Bayview Beach Resort, Batu Ferringhi Beach, Penang, Malaysia
Conference theme: Knowledge Management

There is hardly an organisation in the world which does not find itself daily negotiating the forces of globalisation and technological and social change. These appear as opportunities as well as threats, and the key challenge for organisations is to find a way to navigate the threats and harness the opportunities. One of the key elements of organisation change today is encapsulated by the often nebulous concepts of ‘knowledge economy’ and its organisational response, ‘knowledge management’.

The conference is being hosted by the Faculty of Business with the Globalism Institute at RMIT Melbourne, Universiti Sains Malaysia Penang and the Singapore Institute of Management. It will include major keynote papers by internationally renowned speakers and numerous small-group workshop and paper presentation sessions. In all sessions we are encouraging people to bring an active sense of the dynamics of today’s organisations, as well as reflective and conceptual understandings.

Papers submitted for the conference proceedings will be fully peer-refereed and published in print and electronic formats. And if you are unable to attend the conference, virtual registrations are also available allowing access to the electronic versions of the conference proceedings, as well as virtual presentations which mean that your paper can be included in the refereeing process and published with the conference proceedings.

Full details of the conference, including an online call for papers form, are to be found at the conference website at:
http://www.ManagementConference.com

We hope you will be able to join us in Penang in August 2003.

“Export Oriented Regional Development” adding value for Sustainable Business Development
7.00pm - Thursday, 19 June
9.00am to 4.30pm - Friday, 20 June, 2003

Chardonnay lodge
Riddoch Hwy, Coonawarra, S.A

The workshop will be held in Penola, S.A located in the south-east of the state between Naracoorte and Mount Gambier. It is 400km. South east of Adelaide on the Keith to Mount Gambier Road. Penola is 130km from Horsham, and Hamilton 250km.

Penola, is the oldest town in the Limestone Coast area and the historical character of the town, along with it being the southern entrance to the Coonawarra vineyard stretch makes for a must do stop over.

Presentations include:
• Export Success: How to Encourage Small Firms to Play on the Global Stage
• Prospects for the Timber Industry within the Asia Pacific Region
• The Victorian Government’s Programs for Export Success in the Food and Fibre Industries
• Successful Exporting from the South East of South Australia
• Exports and the Upper Spencer Gulf Common Purpose Group
• The Exports of the Sunraysia Region: The Role of Economic Development Organisations

Cost of the Workshop is $110 for Members of ANZRSAI and $165 for Non-members of the Association.

If you wish to make further enquiries about the workshop please contact any of the following:
Co-ordinators: Andrew Beer
School of Geography, Population and Environmental Management
Flinders University of SA
G.P.O. Box 2100
Adelaide, SA 5001
Ph. +61-08-8201-3522
Email: Andrew.Beer@flinders.edu.au
The Third International Conference on The International Association of People – Environment Studies (IAPS), the European Network on Housing Research (ENHR) and The Royal Institute of Technology (KTH) in Stockholm, announces an International Conference
22-24 September 2003
Stockholm, Sweden

Methodologies in Housing Research

This conference will address methodological issues in housing research. We see a need to develop a common understanding of methods for empirical research on quality, meaning and other aspects of people's experience of and involvement with housing.

The content of the conference will primarily be discussions of papers in groups organised in different themes, with discussants assigned for each paper. There will also be plenary sessions with keynote speakers and poster sessions. The proceedings will be published on a CD.

We welcome papers that explicitly address methodological questions such as:

1. What can we learn from quantitative and what from qualitative methods? Can researchers combine quantitative and qualitative methods to improve our understanding of complex issues?
2. What are the strengths and limitations of case studies in housing research?
3. How can the temporal dimension be incorporated into data and analysis to overcome the static interpretation common to most empirical studies?

To present a paper at the conference you are requested to submit an abstract (minimum 1000 and maximum 1500 words) in English.

Abstracts should be submitted by the 1st of May 2003.
Approval of abstracts expected by the 1st of June 2003.
Full papers must be submitted by the 1st of August 2003.

The first page of the abstract should contain the following information:
• Title of paper
• Author
• Institutional affiliation
• Address
• Telephone
• Fax
• E-mail

Please send abstracts to email address: ingabrit@arch.kth.se or mail them to:
Methodologies in Housing Research Conference 2003
c/o Werner Urban Studies / BBA / KTH
SE-100 44 Stockholm, Sweden

For more information please visit http://www.iaps-association.org/
Community Capacity Building Initiative

The Community Capacity Building Initiative (CCBI) is a three-year pilot that strengthens the ability of small rural communities to take charge of their future. There are 11 pilot projects across Victoria reaching 55 small towns and settlements. Each community has a central coordination point for their pilot project.

The Initiative recognises that people play a critical role in building the capacity of their communities – through their motivation, vision, energy and commitment. The CCBI also recognises that building capacity needs plans, skills, resources, leadership, time and community support.

CCBI is a joint pilot project between Regional Development Victoria and the Department for Victorian Communities, supported by the Victorian Farmers Federation. The Premier recently announced the extension of the pilot for a further twelve months to June 2004.

Capacity building is a process of managing change by making training, resources and support available to people. In CCBI, this capacity building is complemented when people take opportunities to participate in committees overseeing their pilot project and in project teams implementing specific projects. In capacity building, the government plays the role of facilitator, catalyst, and supporter of community driven effort.

The CCBI is based on action, builds on people's shared views and common goals, to achieve a preferred community vision for the future. It's a chance to turn community dreams into reality.

THE PILOT PROJECTS

Eleven pilot projects were selected to be part of the CCBI pilot after a competitive advertising process seeking expressions of interest to join from small rural communities across the State.

Full details of the case studies can be found on the CCBI's web site.

The communities of Bruthen and Nowa Nowa, for example, have taken this approach to capacity building.

Bruthen and Nowa Nowa

Bruthen and Nowa Nowa are two small communities in far east Gippsland, with combined district populations of 1,550 people. Both communities are strongly committed to retaining the quality of their lifestyle, to working together more closely and to examining innovative ways of building on available natural resources and people skills to improve their economic prospects for a sustainable future. The involvement of the two towns in CCBI will, they believe, give opportunities to further diversify and build for the future. CCBI has enabled them to develop and implement new ideas and achieve further impetus to those already started.

Projects currently underway include the Heritage Sites and Adventure Tourism in Nowa Nowa; and the Skate Park, Public Recreation Space and Internet Access projects in Bruthen.

The Learning Program is delivering skills in the areas such as tourism development, project planning, conflict resolution and e-commerce.

PROGRAM MANAGEMENT OF CCBI

The CCBI has a tiered program management structure.

Statewide project management:

A State Steering Committee oversees the CCBI, comprising Ministerial representatives (of the Minister for State and Regional Development and the Minister for Victorian Communities), and community representatives, from the Victorian Farmers Federation, the Municipal Association of Victoria and the Victorian Local Governance Association. Senior departmental officers from the funding departments are in attendance at meetings and executive support is provided by a State Coordinator.

State Coordinator is responsible for day-to-day program management, including managing the team of 11 Facilitators employed on behalf of the project partners to deliver the pilot projects.

Local project management:

Local Steering Committee made up of committed community members in each pilot location provides strategic oversight and works with the Facilitator to develop the local project.
Community based Facilitator employed by the government works in partnership with the Local Steering Committee to deliver the pilot project.

Project Teams in each pilot project implement agreed community projects.

Designated regional staff from the funding departments provide additional support to the Local Steering Committee, Facilitators, and Project Teams.

Key Contact Person
Ms Vicki Evans
Statewide Coordinator CCBI
Regional Development Victoria
Ph 03 9651 8033
Vicki.evans@iird.vic.gov.au
Website:
http://www.communitybuilding.vic.gov.au
Tourism in northern South Australia

The tourism industry is one of the major economic drivers of northern South Australia, second only in importance to the mining industry.

The tourism industry in the Flinders Ranges sustains that part of the Region, with the majority of residents of the Flinders Ranges now involved in a substantial way with the industry.

In the past fifteen years many pastoralists in the Flinders Ranges have embraced the tourism industry to the extent that their grazing activities are secondary to their tourism activities.

Many Outback communities now rely heavily on the expenditure of visitors passing through the Region, along the Stuart and Eyre Highways or along the Oodnadatta, Birdsville and Strzelecki Tracks, for their prosperity. Without the tourism industry many Outback communities would cease to operate.

Recent information provided by the South Australian Tourism Commission (SATC) indicates that the Flinders Ranges and Outback South Australia’s tourism marketing region is a key visitor destination in South Australia, attracting more visitor nights (2.1 million per annum) than any other South Australian region except Adelaide.

Visitors to the Region stay 3-4 nights per average. Spending by domestic overnight visitors to the Flinders Ranges only was estimated to be $80 million in 1999. Statistics collected by the Bureau of Tourism Research (BTR) for the 2001 National Visitor Survey (NVS) reveal important differences in visitation to the Flinders Ranges and to Outback South Australia.

As with all sample surveys the NVS is subject to sampling variability.

Regional estimates may be affected by small sample size and can be subject to a high level of sampling error. Regional data from the NVS should be considered indicative only and used with caution.

Flinders Ranges

Half (50 per cent) of the holiday/vfr (visiting friends and relatives) visitors to the Flinders Ranges are Adelaide residents and 19 per cent are from other parts of South Australia.

Australian visitors to the Flinders Ranges who are not South Australian residents are likely to be:

- from Victoria (14 per cent) or New South Wales (11 per cent).
- aged 65 or older.
- in a lifestyle stage of older non-working married person or young mid-life couple with no children.
- on a trip of 8-14 days and staying at more than one place during their trip.
- participate in sightseeing, bushwalking and visiting national parks, heritage/historic buildings and places and visiting aboriginal places/communities.

Of the 48,000 international visitors that stayed in the Flinders Ranges in 1999/2000:
• 17 per cent came from the United Kingdom, 23 per cent from Germany, 32 per cent from other parts of Europe and 13 per cent from North America.
• 57 per cent were on their first visit to Australia.
• 91 per cent were visiting the Flinders Ranges for holiday/leisure.
• 68 per cent also visited Outback South Australia during their visit.

Outback South Australia
22 per cent of the holiday/vfr visitors to Outback South Australia were Adelaide residents and 21 per cent were from other parts of South Australia.

Australian visitors to Outback South Australia who are not South Australian residents are likely to be:
• from New South Wales (17 per cent), Queensland (15 per cent), Victoria (12 per cent) and the Northern Territory (11 per cent).
• aged 65 or older.
• in lifestyle stage of older non-working married person.
• on a trip of eight nights or more and staying at more than one place in their trip.
• participate in sightseeing, taking guided tours/excursions and visiting heritage/historic buildings and places and visiting aboriginal places/communities.

Of the 54,000 International visitors that stayed in Outback South Australia in 1999/2000:
• 22 per cent came from the United Kingdom, 20 per cent from Germany, 30 per cent from other parts of Europe and 16 per cent from North America.
• 62 per cent were on their first visit to Australia.
• 97 per cent were visiting Outback South Australia for holiday/leisure.

• 44 per cent also visited the Flinders Ranges during their visit.

The Northern Regional Development Board is currently undertaking a number of projects with others to assist the development of the tourism region including:

Flinders Ranges Tourism Cluster
Pichi Richi Railways Preservation Society - Marketing Officer
Steamtown Peterborough
Woomera Heritage Centre
Developing the Tourism Industry in Quorn
Barrier Highway Tourism Group
Stuart Highway Tourism Group

The Northern Regional Development Board’s ENewsletter is published bi-monthly to provide the residents of Northern South Australia with accurate up to date information about the Board, the Board’s activities in facilitating the development of the Region and information of general interest about Northern South Australia.

The Northern Regional Development Board’s ENewsletter is distributed mainly to the Region’s business community. Please pass the ENewsletter to other residents, not in business, and invite them to subscribe.

Distribution of the ENewsletter to interested people living outside the Region is also encouraged.

Our contact details are as follows:
Northern Regional Development Board
Highway 1
PO Box 1762
Port Augusta SA 5700
Phone: 08 8641 1444
FAX: 08 8642 6951
Email: reception@nrdb.com.au
The Impact of Immigration on Australia

I. H. Burnley, Oxford University Press, South Melbourne.

For the past thirty years Ian Burnley has been one of Australia’s leading authors on the geography of immigration to Australia. The Impact of Immigration on Australia represents the distillation of his substantial scholarship over this period. The first sentence of the first chapter sets out his goal of charting the impact of waves of immigration to Australia, especially the period since the Second World War. This is an ambitious objective because Australia has been the recipient of many migration streams, fuelled by diverse processes and with complex outcomes. A lesser scholar would have failed in attempting this objective but Ian Burnley is successful because of the depth of his knowledge and the substantial body of material he is able to draw upon.

Immigration has been a highly contentious - and often politicized - issue in Australia for the last two decades. The Impact of Immigration on Australia acknowledges these policy and academic debates and contributes to them by enhancing our understanding of the various waves of immigration to Australia; the social, cultural, political and economic impacts of settler arrival; and, Australia’s position within the world as a recipient of migrants. It does so by closely documenting the reality rather than the rhetoric of immigration. Ian Burnley draws upon a range of techniques and disciplines to achieve this end. Borrowing from conventional quantitative analysis of immigration, detailed fieldwork, as well as cultural geography perspectives, The Impact of Immigration on Australia is able to show how diverse migrant groups have adapted to life in Australia. The book is rich in detail. It not only covers settlement patterns in Sydney and Melbourne, the largest recipients of immigrants, but also immigration to the smaller capital cities, provincial cities and rural areas. In many places the book traces the impact of language, religion and culture in determining how and where immigrants settled, as well as their impact on the local social and economic landscape. The major birthplace groups such as the Greeks, Italians, Vietnamese and Chinese are discussed, but the analysis is extended to smaller groups of arrivals. There is, for example, a detailed discussion of the settlement of Assyrians, Armenians and Kurds.

The Impact of Immigration on Australia is a well written and well produced book. It is full of detail on the history of immigration to Australia, the policies and economic processes that encouraged immigration, and the impact of immigrants on Australian society. The text is well supported by a wealth of information within tables and figures, all produced to a high standard.

I have no hesitation in recommending The Impact of Immigration on Australia to a broad readership. Within Australia it will remain an authoritative text for many years to come, and will be essential reading for post-graduate students, academics and policy makers. The book should be read also by those from outside Australia with an interest in immigration. It provides a solid foundation for understanding the immigration experience in Australia and will allow the informed reader to draw out those features that are common with other nations as well as those that are distinctive.

Andrew Beer
Flinders University, Adelaide
At the Crossroads: A Future for Local Government

At the Crossroads is the discussion paper of the Inquiry into Local Government and Cost Shifting being undertaken by the House of Representatives Standing Committee on Economics, Finance and Public Administration. This Inquiry commenced in May 2002 at the behest of the Hon Wilson Tuckey, Minister for Regional Services, Territories and Local Government. At the Crossroads is the first major product of the Cost Shifting Inquiry (as it is commonly referred to) and presents some of the preliminary issues and options being considered by the Committee.

In many ways, At the Crossroads is a remarkable document. Sir Humphrey Appleby would consider it courageous because the inquiry has not shrunk away from discussing the difficult issues confronting local government in Australia today. It recognises that state governments have imposed additional costs on local government, and accepts that the Commonwealth too (but to a lesser degree) has often provided short term funding for initiatives, and then left local governments to fund programs for the foreseeable future. It acknowledges the important role of local government, especially in non metropolitan regions. It quotes the Shire of Yalgoo in WA:

"Quite frankly, local government in our region is the last man standing. The federal government is not represented there at all. Very few state government departments venture into our territory, so if anything is going to happen it will be through the local government. The community has to help itself."

Having recognised the problems confronting local government in infrastructure provision, inadequate funding mechanisms, regional co-ordination and the provision of human services, the Inquiry then examines the available options. Refreshingly, the Inquiry doesn't back away from challenging some of the unspoken rules by which local governments live and die in this country. Unlike the Commonwealth Grants Commission, the Cost Shifting Inquiry discusses seriously the possibility of abandoning the minimum per capita grant within Financial Assistance Grant (FAG) funding. It also examines changing the distribution of FAG monies between the states, with the prospect of moving away from a simple per capita formula to something more sensible, such as the financial equalisation formula applied to the distribution of GST income.

At the Crossroads doesn't represent a new blueprint for local government in Australia. It is, however, a genuine and welcome review of how local government operates, and how it can overcome some of its greatest threats. The discussion paper includes six major options for progress within the sector. Hopefully the forthcoming outputs of this Inquiry will begin to more explicitly map out future directions.

At the Crossroads is an important document. It should be read by everyone with an interest in cities, regions, the Australian public sector, environmental management or the provision of human services. The other two Australians can take the day off.

Andrew Beer
Flinders University, Adelaide
South Australia

**Australian Bureau of Statistics**

**National Centre for Rural and Regional Statistics (RRSNC)**

**Contact:** Ms Claire Conroy  
**Director**  
GPO Box 2272  
Adelaide SA 5001  
**Tel:** (08) 8237 7368  
**Fax:** (08) 8237 7393  
**Email:** claire.convoy@abs.gov.au  
**Website:** www.abs.gov.au

Based in the Adelaide Office of the ABS, the National Centre’s roles are to:

- develop and disseminate data that will assist policy analysts and researchers study the underlying causes of change across rural, regional and remote Australia, support the regional priorities of Commonwealth agencies by providing relevant statistical information to assist policy planning and assessment.

The Centre also incorporates the South Australian Regional Statistics Unit (RSU) specialising in the provision of sub-state data for SA. The RSU publishes Regional Statistics, South Australia (Cat. No. 1362.4) annually and provides consultancy services in regional profiling.

**Recent Key Projects:**

- RRSNC discussion paper *Use of Individual Income Tax Data for Regional Statistics: Experimental Estimates for Small Areas, 1995-96 and 1996-97* (Cat. No. 5673.0) was released on 26 November 2001. The paper summarises a joint ABS/ATO project using individual income tax data to provide new measures of regional labour market activity. Tables produced include profiles of wage and salary income, occupation, age and sex by statistical local areas (SLA) in Australia. Work is underway in building this time series through to 1999-2000.

- RR News: RRSNC Newsletter published quarterly. Contact the above to be added to the mailing list.

**SA Centre for Economic Studies**

**Contact:** Mr Michael O’Neil  
**Director**  
PO Box 125  
Rundle Mall  
Adelaide SA 5000  
**Tel:** (08) 8303 5555  
**Fax:** (08) 8232 5307  
**Email:** michael.oneil@adelaide.edu.au  
**Website:** www.adelaide.edu.au/saces

**Products and services:**

- Regional and Industry Development.
- Public Sector Economics.
- Economic Conditions and Outwork.
- Economic Impact of Gambling.
- Studies into Coastal Growth.
- Economic Evaluation of Water Reuse.
- Innovation.
- Program Evaluation.

**Recent Key Projects:**

- ‘Value of New Zealand Recreational Fishing’, New Zealand Ministry of Fisheries.
- ‘Unmet demand for Information Technology and telecommunications courses’, Department of
Education, Training and Youth Affairs.
'Education and Social Impact of Gaming on the Provincial Cities', Provincial Cities Assoc. of SA.

Review of Science, Technology and Innovation Program in Victoria.

Investigation into the Impact of Caps on Electronic Gaming Machines and Review of Self-exclusion Programs.

Labour Market Planning and Supply Side Response (NT Government).

Provincial Cities Update 2002 (Provincial Cities Association of SA).

A Series of Regional Economic Reviews, Forecasts and Planning. Extension of 'Keeping Pace: A Study of the South Coast Region' (Fleurieu Regional Development Commission).

Program and Project Evaluations: Cost and Models Analysis for Commonwealth and State Agencies.

Victoria

Peter Tesdorpf & Associates

Contact: Mr Peter Tesdorpf
Director
Unit 2 1386 Toorak Road
Camberwell VIC 3124
Tel: (03) 9889 6177
Fax: (03) 9889 6166
Email: tesdorphf@netspace.net.au

Products and services:
Regional and local economic development.
Regional cooperation and intergovernmental relations.
Planning and urban affairs.
Facilitation, consultation, advocacy, negotiations.
Strategy development and policy analysis.
Local government and community affairs.
Project management.

Recent Key Projects:
Our consultancy is small, innovative and flexible.
We can handle small single person assignments right through to large projects where we assemble multi-disciplinary teams. We have successfully completed over 100 assignments spanning a wide range of issues in several States for clients including regional development organisations, Local State and Commonwealth governments, large and small businesses, utility companies, ACCs, peak bodies and private clients.

The Principal, Peter Tesdorpf, has over 28 years experience including managing delivery of the Commonwealth's Regional Development Program, establishing regional bodies, as Executive Director of one of Australia's most successful regional organisations of councils and as a local government and consultant planner. He was Victorian President of the Planning Institute of Australia for 2000, 2001 and 2002 and is a past councillor of the Regional Science Association ANZRSAI.

Centre of Policy Studies

Contact: Professor Peter Dixon
Director
Room 1167, Menzies Building
Monash University
Clayton VIC 3800
Tel: (03) 9905 2398
Fax: (03) 9905 2426
Email: Peter.Dixon@buseco.monash.edu.au
Website: www.monash.edu.au/policy/

Products and services:
The Centre of Policy Studies (CoPS) is an acknowledged world leader in computable general equilibrium (CGE) modelling. These models are widely used by government, private and university sectors in Australia and overseas. The Centre has 14 research staff, including three professors, plus 4 support staff.

The Centre operates a number of large-scale multiregional CGE models which it applies to forecasting, policy analysis and historical analysis. CoPS produces forecasts of Australian regional economies at the statistical division level. It also conducts analysis of a wide range of economic questions at the regional level, including regional development, tourism, hallmark events, major projects, energy, the environment, natural resources, labour markets, transport, industry productivity, microeconomic reform and fiscal federalism. Detailed information on the Centre's products and services can be found at our website, or by phoning the CoPS' Director-Consulting, Dr Philip Adams, on (03) 9905 5094.

CoPS provides a post-graduate research programme and conducts a number of short training courses in economic modelling each year. Prospective students should contact Associate Professor John Madden on (03) 9905 9757. The Centre also produces a suite of general-purpose economic modelling (GEMPACK) software especially suitable for general and partial equilibrium models. It can handle a wide range of economic behaviour. GEMPACK is used in over 400 organisations in over 60 countries. Potential subscribers to...
GEMPACK should contact Professor Ken Pearson on (03) 9905 5112. Further information on the above services can also be found at the CoPS' website.

Recent Key Projects:
CoPS undertakes around 20 major commissioned studies each year. A few recent examples are:
- Economic Modelling for the Review of Commonwealth-State Funding.
- Tourism Scenarios and Australian Regional Economies.
- Economic Impacts of Townsville Power Station Proposal.
- Regional Effects of E-commerce.
- MMRF-Green Model for Transport Analysis.
- Impact of a New Nickel Mine and Refinery in NSW.
- Impact of an Outbreak of Foot and Mouth Disease.
- Geographical Information Systems for Better Water Pricing.
- Proposed Canberra-Sydney Fast Rail Link.

Research Planning Design Group (TBA Planners P/L)

Contact: Mr Trevor Budge
PO Box 2750
Bendigo VIC 3554
Tel: (03) 5441 6552
Fax: (03) 5441 6696
Email: rpdgroup@netcon.net.au
Website: wwwrpdgroup.com

Products and services:
- Strategic Planning.
- Regional Economic Development.
- Statutory Planning.
- Research - Demographics, Economic.
- Rural and Resource Based Research.
- Community Consultation.

Recent Key Projects:
- Enhancing the capacity of local government to contribute to the management of dryland salinity - land and water resources research development corporation.
- Regional growth centres study - Victorian Department of Infrastructure.
- Victorian rural living study - Department of Infrastructure.

Western Australia

Institute for Regional Development

Contact: Dr Neil Drew
Associate Professor
Director
35 Stirling Highway
Crawley WA 6009
Tel: (08) 9380 8029
Fax: (08) 9380 7995
Email: neildrew@ird.uwa.edu.au
Email: liaison@ird.uwa.edu.au
Website: www.ird.uwa.edu.au

Products and Services:
- Community facilitation and mediation.
- Develop and deliver the education, training and professional development initiative.
- Economic and social assessment.
- Infrastructure planning and evaluation.
- Natural resources and environment management.
- Policy formulation and analysis.
- Post Graduate Programme in Regional Development - national and international - occ@ird.uwa.edu.au
- Professional development and capacity building for regional development practitioners.
- Programme and project planning and evaluation.
- Regional advocacy.
- Strategic and statutory planning.
- Tourism planning: eco and wilderness tourism.

Recent Key Projects:
- An evaluation of the impacts and implications of environmental initiatives on the maritime transport sector for the Australian Maritime Group of the Australian Transport Council.
- Provision of field research and professional inputs for the environmental assessment of the Hydroacoustic Station (HA01) to be located offshore from Cape Leeuwin to monitor illegal nuclear tests.
- Specialist input into identification of high priority areas for dedication as no-take marine reserves in the World Heritage Area of the Great Barrier Reef Marine Park.
- Specialist input into the resources inventory for the coastal and marine planning strategy and management framework for the Batavia Coast.
- The preparation of the Coastal Environrs Report for the South West Catchment Council's regional strategic plan.
- The provision of specialist consultancy services for community consultation and for the preparation of the Warren Blackwood Development Plan for the South West Development Commission.
Contributing Authors

Jenny Bellamy is a Principal Research Scientist in the Resource Futures Program of CSIRO Sustainable Ecosystems. She has a background in participative approaches to natural resource management and the integration of science into decision-making on policy and planning. A particular area of current interest relates to regional resource governance systems.

Tony Meppem is a group leader in Resource Governance research at the CSIRO. He has co-authored a paper with Jenny Bellamy, Russell Golddard and Steve Dawson which focuses on the institutional and legislative management framework of regional economic development.

Marcus Spiller is a Director with SGS Economics and Planning Pty Ltd in Melbourne. He is an urban economist and planner with extensive experience in public policy analysis, economic evaluation, housing policy, market research and regional development studies. His experience in the economic development area extends to sectoral studies, with a particular emphasis on high technology and cultural tourism industries.

Sasha Lennon is an Associate Director with SGS Economics and Planning Pty Ltd in Brisbane. A trained economist, his consultancy experience includes local and regional economic development, public policy analysis, strategic land use planning, industry sectoral studies, cluster analysis and economic impact assessment. He has recently completed a national study looking at the role of Local Government in economic development facilitation on behalf of the National Office of Local Government within the Department of Transport & Regional Services.

Ian Manning is Deputy Executive Director of NIEIR, and is responsible for directing a wide range of projects. He has extensive knowledge of economic problems and analysis for a range of situations. Dr Manning is one of Australia's foremost general economists, and has worked in the local government, transport, environmental and social fields in Australia and overseas. His expertise covers work on the economics of local government service provision; knowledge of local government finance; specific familiarity with the process of distribution of general purpose grants to local government; general knowledge of federal financial relations; knowledge of welfare services; and assessment of possible sustainable economic bases for Aborigines in Central Australia.

William O'Neil is a Director of O’Neil Pollock & Associates Pty Ltd which is based in regional Victoria. He specialises in urban and regional economic development facilitation and provision of strategic town planning services. Key areas of expertise include the preparation of local and regional economic development strategies, regional economic development policy advice to the Tiers of Government and preparation of "how to manuals" for economic development practitioners. William is also a Sessional Member with Planning Panels Victoria, a member of the Planning Institute of Australia (PIA) and the Victorian Environmental Planning and Law Association (VEPLA).

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