

THE HOWARD GOVERNMENT AND REGIONAL DEVELOPMENT¹

Paul Collits

Research Fellow, School of Global Studies, Social Science and Planning, RMIT University, PO Box 572, Hamilton VIC 3300.

ABSTRACT: The demise of the Howard Coalition Government in Australia in late 2007 and the coming to power of a new Labor Government provides a timely opportunity to consider the fate of regional development under Howard and its prospects under the current administration. Much of the focus of debates over regional policy under Howard has been on the highly controversial Regional Partnerships Program, which was said by many to have (further) politicised regional policy. There is a need for a much broader and more comprehensive analysis of the period in question. The paper seeks to provide – or at least to commence – such an analysis, and to uncover both the key policy trends and the reasons for them. It argues that the principal development in regional policy was to further embed “localism” as the preferred approach, and that this was broadly in line with developments in the States and Territories and overseas. The Howard Government’s approach begs the questions whether this reliance on “local solutions to local problems” is the best way of doing regional policy, and what it means for regional development. The paper makes some tentative suggestions for better regional governance in the light of the experience of the Howard Government.

1. INTRODUCTION

The Howard (Liberal National Coalition) Government elected in 1996 was defeated at the national election of November 2007. Following the Government’s defeat, it is timely to examine its key actions, intentions and achievements in regional policy.

Assessments of the Howard Government’s efforts at regional policy will, necessarily, be dominated by the alleged abuses of its Regional Partnerships Program (RPP). The RPP was designed to assist communities in non-metropolitan Australia to undertake a broad range of projects related to economic development outcomes. It was variously criticised for politicising regional development funding – for favouring Coalition electorates, for excessive Ministerial intervention in decision-making on which projects to fund, and for a lack of rigour in the selection of projects to fund.

The more or less exclusive focus on the RPP is misplaced, for two reasons. First, there was more to the Howard Government’s regional policies than the RPP. And second, the important and interesting questions about the RPP relate, not to its alleged abuses, but rather to whether this model of regional policy best serves the interests of regional Australia.

The discussion below will hopefully serve to throw light on these more important policy questions and move the debate away from the success or

¹ This paper was presented at the 32nd ANZRSI Conference held in Adelaide from 30th Nov – 3rd Dec 2008.

otherwise of specific programs.

“Regional policy” (defined below) is notoriously open to multiple and confused objectives and to claimed ownership by many and varied players who include Ministers, mayors, practitioners and “communities”. Regional policy by its very nature lends itself to politically selective largesse. Moreover, any form of regional policy intervention will necessarily be controversial, since:

- There is disagreement over what ultimately drives regional performance, hence there will also be disagreement about the efficacy of any intervention;
- There is disagreement about which regions/projects should be assisted by government;
- It is difficult to know whether (and to what extent) any intervention has “worked”;
- As governments know, and most have admitted, there is no “silver bullet” solution to regional growth and decline;
- It will always be hard to separate “regional policy” from “policies that benefit regions”;
- There is disagreement over regional policy objectives.

Moreover, in Australia, it is not clear, nor is there agreement in either theory or practice, which level of government is actually responsible for regional development. Yet there has been a strong history of regional policy interventions of various kinds in Australia, led by all levels of government with varying levels of commitment and intensity over time. The States and Territories have long undertaken investment attraction activities, often with a spatial focus. The Commonwealth’s involvement has been more sporadic, and, until the advent of the Howard Government, largely confined to Labor administrations. The most activist periods of Commonwealth involvement have been the immediate post World War Two period, the 1970s and the early 1990s (Collits 2002a; Beer et al 2003).

There is also a strong history of regionalism in Australia, often linked to decentralisation and even separatist objectives (Collits 2002a; Brown in Eversole and Martin 2005) and myriad activities undertaken by many actors at various spatial scales (from the local upwards) for a range of economic, social and environmental purposes (Sorensen 2000; Beer et al 2003; Collits 2004a; Brown in Eversole and Martin 2005). Ownership of regional development is highly contested among many groups within and outside government, and governance arrangements at the regional scale remain unsettled.

Yet governments persist in trying to help regions to improve themselves economically. They want to be seen to be responding to problems that often manifest spatially. They want to make a difference. They recognise that “space” and “place” matter, and that much of economic policy proceeds as if there were no spatial dimension.

For the best part of twenty years, central governments in Australia have decided that they should “act locally” in terms of regional policy. There has been a consensus among all recent Australian governments that strategies to support regional development should be locally owned and developed, with

government to provide overall national or state goals and funding support. This is the so-called “partnership” approach, and it aims to ensure “sustainability” of outcomes (Collits 2004a; Collits 2006).

One writer has termed this approach “do it yourself regional development” (Sorensen 2000). It has been criticised as being a cop-out by national governments and an extension of neo-liberalism. It lends itself to the kind of scattergun approaches to regional development – a small dollop of money for just about every community – that were repudiated half a century ago during the debates over selective versus non-selective decentralisation as being ineffective in achieving changed outcomes (Collits 2002a).

Governments may be correct in believing that local action can make a difference to regional outcomes, and that central governments, consequently, should not be interfering with local strategies, but these views are highly contested in the theoretical literature (Dawkins 2003; Collits 2004b). The paper argues that a new form of regionalism may be needed in Australia.

Overall, the Government’s regional policy may best be remembered for its highly controversial, though vigorously defended, RPP, or for its 1999 Regional Australia Summit, which considerably raised expectations about regional policy. However, the Howard Government’s major contribution to regional policy over eleven years was to further embed localism as the ruling regional development philosophy.

The Howard Government shared the “bottom up” philosophy, which effectively abandoned previously favoured “top down” approaches to policy, with its contemporary State and Territory Governments, and indeed with many governments internationally (Hugonnier 1999; Australian Government 2007). While support for local actions is a common goal of regional policy now in most Western countries, there remain wide differences in the extent to which governments are prepared to intervene (Collits 2004a).

The European Union (EU) remains committed to heavily interventionist approaches, with substantial funds made available for regional support and a strong belief in reducing the disparities within and across regions (SGS Economics and Planning 2003; Australian Government 2007: 1-2). Subsidiarity, the belief that decisions about policy should be taken at the most local level possible, is a strong component of the EU approach.

The Organisation for Economic Cooperation and Development (OECD) has recently referred to a “new rural paradigm” in regional policy (OECD 2006). The landscape has changed considerably for regional policy, and governments generally have moved toward more region-specific approaches and a shift from sectoral to place-based policies (OECD 2006). The OECD report recognises this shift to supporting “the local” as a core component of policy change (OECD 2006: 15-16). The Howard Government’s adoption of approaches that emphasised local and regional scale action with central government support largely reflected international policy shifts and thinking, though with a very different take to some other countries on the preferred level of intervention.

The Howard Government’s adherence to the localism approach has pushed other, perhaps more ambitious and interventionist, philosophies to one side.

Whether the faith shown in localism as a guiding principle of regional policy is justified is an important question that might well be investigated by the current Labor Government.

This paper outlines the Howard Government's record, analyses the key developments in policies and programs against the background of shifting regional problems, unpacks the Government's core approach, and suggests areas of potential further policy development. All this is placed in the context of the evolution of both regional problems and policy responses in Australia over time, with reference to Australia's federal form of government and the lack of clear Constitutional responsibility for regional development residing with any particular level of government.

Two preliminary questions first need to be addressed – what does “regional” mean in the Australian context, and how can “regional policy” best be defined?

1.1 What Does “Regional” Mean in Australia?

There is often confusion over the meanings of the term “regional” in policy debates in Australia. Generally, “regional” in the Australian context means non-metropolitan, though the real meaning of regional relates to some particular area on the map, whether located in a city or not. In this sense, regional generally means an area larger than a local government area but smaller than a State. (In policy and program terms, there may well be a blurring between what is “local” and what is “regional”, and so-called “regional” policies may well be largely about “local” initiatives. The paper uses these both of these terms to refer to the different spatial scales).

Typically, the Coalition likes to think of regional as a non-metropolitan notion. This is clearly one outcome of the National Party's long term influence on policy within the Coalition. The Australian Labor Party (ALP) typically sees regions as being both rural and metropolitan and all areas in between. Labor has, for example, in the past introduced programs such as the Better Cities Program in the 1990s with a focus on urban infrastructure improvement, and is likely to go down this path again (Collits 2002a: 118).

Hence one area of immediate policy concern for the both parties is to determine what is meant by “regional”. Is it to be the traditional Coalition approach of favouring rural regions because of their particular challenges, or should it commit more to “regionalism”, that is a focus on a specific spatial scale?

The Nationals are concerned about non-metropolitan regions and their thinking about regional development is couched in these terms. Should regional development organisations and initiatives be only in non-metropolitan areas or cover the cities as well?

Moreover, organisations like Area Consultative Committees (ACCs) in the cities suffer from a lack of clear regional boundary definition. How does one differentiate across the suburbs? And what of the issue of people living in one suburb and working in another? Regions in cities are highly problematic concepts and are bound to be artificial constructs without clear meaning or relevance for most residents. Cities like London have regional development

agencies for the whole city (the result of the Blair Government's regionalisation initiatives), but this is also problematic. A city of London's complexity and its sheer economic power begs the question as to what a Government agency can actually achieve in an economy the size of a global city.

Hence, if "regional" should mean non-metropolitan, what then should be the delineation of boundaries for "regions"? How big should regions be? There is increasing recognition in the United States of the benefits of "regionalism", that is, of small areas combining to work with other areas in larger regions to achieve better development outcomes. Local councils working together in regional organisations of councils have long recognised these benefits, and some have been effective in securing benefits from a more regional approach. Regions might best determine their boundaries themselves, and this approach is developed further in the funding model outlined below.

1.2 What is Regional Policy?

Any government will implement policies and programs that will have profound regional consequences. The infrastructure that governments build (or don't build), the way governments spend money, the location of government offices, the impact of interest rates, the privatisation of government bodies, levels of industry assistance, and so on, can all have the effect of benefiting or harming different regions. But they are not "regional policies".

Regional policies are those government actions specifically designed to help a particular place or places in some way. Regional policy, or spatial policy as it is sometimes called, might be defined as:

The deliberate attempt by government (at any level) and/or regional actors to influence regional outcomes, either in relation to the economy, the community or the environment, or all three, with varying objectives that generally relate to some notion of "regional well being".

A key issue here is the extent to which regional policies should become national spatial "blueprints". Many critics of the Howard Government's approach suggested that it had no regional policy, in the sense of a national spatial "plan" (Collits 2002b). Clearly one can have regional policies without committing to a national "plan". There is a continuum of regional policy interventions, with national spatial plans being at one end. It is wrong to suggest the Howard Government had no regional policy. On the other hand, a regional policy is more than a set of regional programs, indeed, a set of programs that may have a positive impact on regions.

2. THE CHALLENGES OF REGIONAL POLICY

The starting point for regional policy development is due recognition of its possibilities and its limitations. And its limitations are severe, to say the least, for a number of reasons:

First, governments only have indirect influence on the many drivers of regional development. It is businesses that employ people, relocate to regional areas, invest in new product development, search out new markets, and so on. It is leaders, not government programs, that drive regional development. It is local

community drive and determination that make things happen in small towns. The most that governments can do is provide support and funding for businesses and communities to drive development.

Second, other government policies and factors beyond the control of governments have a greater influence on regional outcomes. Sorensen noted many years ago that a five per cent change in the value of the Australian dollar was likely to have more impact on the fortunes of regional Australia than all the government programs of the previous decade. This he aptly termed “the tyranny of the macro” (Sorensen in Sorensen and Epps 1992: 225).

Third, other areas of policy are more important to government than regional development (Collits 2004a). This generally means that regional development is combined with other portfolios and departments or allocated to a junior minister, or both. Regional policy is often an afterthought. It is the first policy area to go when a bigger crisis strikes a government. Political interest in it is notoriously fickle, and it comes into and out of fashion. Regional policy is sometimes regarded by Treasuries as being merely “political” ephemera.

Fourth, we don’t know what ultimately drives regional development (Collits 2004b; Dawkins 2003). There are many theories about why some regions grow while others decline, and while there is a measure of agreement about what ingredients make successful places, there is no agreement as to their relative weightings. Classical location theory explains why firms locate in certain places and why cities grow, yet these themselves have internal points of disagreement and, in any case, have been challenged by more recent explanations of regional growth. Many of the theories are mutually contradictory, and this has practical consequences for communities developing strategies to grow their regions. Practitioners also have their own ideas about what works in regional development, and some of these ideas challenge the theories as well. There are at least two dozen theories about what drives regional growth. If anything, regional processes are becoming more complex over time, and the capacity of governments to control outcomes directly is, arguably, waning considerably with the march of globalisation.

Fifth, many players are involved in regional development – governments at all levels, regional development bodies, the private sector, community groups, and professional economic development practitioners – and it is not clear who ultimately is responsible. Obviously, there are policy partnerships, but these reflect shifting alliances and differing understandings of who really is in charge.

Sixth, there is no consensus over objectives. Regional stakeholders have long lists of desired outcomes, including economic, social and environmental objectives and increasingly notions of sustainability are at the centre of regional development goal setting. Yet there is little agreement over what this means, let alone how it might best be achieved. Typically, governments are not clear about objectives – the latter look too much like setting oneself up for failure.

Seventh, we cannot be sure whether policy has been successful or not, in view of the myriad drivers of development. This is the challenge of evaluation. Evaluation is critical, yet notoriously difficult, in regional policy.

Eighth, governments and regional leaders face difficult strategic choices.

Policy options are considerable yet the theories upon which practical actions depend are not conclusive, resources are finite and the expectations of voters are high.

Finally, there are disputes over the very meaning of “regional” (Stilwell 1992: 45-8; Beer et al 2003: 38-56). For some, regional means rural, or more loosely non-metropolitan. For others, a region is simply an area on the map and regions include the suburbs of our capital cities, which should be the subject of specific spatial policies just like rural communities.

Political realities mean that the “tyranny of the announcable” is a factor in regional policy setting (Collits 2003). In other words, governments are important stakeholders themselves who have interests in being seen to be solving regional problems, and policy often gives way to the stage management of events and announcements. All governments play this game, and it affects policy formulation and outcomes. All governments want to be seen to be addressing the concerns of regions. This is because their own policies have differential (sometimes harmful) effects on regions.

Despite the difficulties, regional policy is necessary, both politically and economically, and is justifiable despite the valid criticisms that it is an imperfect policy science. Place matters to people, the economy ignores space, regional problems (especially in rural areas) can be severe due to lack of scale and the impact of sudden national and international shocks and government policies (Beer et al 2003; Pritchard 2005).

The challenge is to recognise the limitations of regional policy but to embrace its possibilities and always to base policy development on grounded thinking, a proper understanding of theory, clear objectives, a practical sense of what works, solid evidence and research.

3. REGIONAL POLICY IN AUSTRALIA

Regional policy in Australia has evolved in a number of ways since the 1960s, and for a number of reasons (Beer in McManus and Pritchard 2000; Sorensen 2000; Beer et al 2003; Collits 2002a; Collits 2003; Collits 2004a). Several elements of former policies have been discarded, and other elements have been taken on board as new and more complex regional problems emerged and new ways of dealing with old problems have been discovered. There is something of a consensus in regional policy across the major political parties and across the States. Most jurisdictions now accept a number of key principles – the “bottom up” approach; self-help for regions and communities; a partnership approach; facilitation rather than central direction; a focus on delivering services and managing change; a region-specific approach (local solutions to local problems); a focus on regional leadership; and strategies based on regional competitive advantage (Collits 2003).

Decentralisation, a focus on big city primacy and on “balanced development” has gone out of fashion and has been quietly dumped, even though “regional” mostly still means non-metropolitan for policy-makers (Collits 2002a).

Despite broadly shared views across governments, no such consensus exists among the broader regional policy community (which includes both critical

academics and country interest groups). There are many critics of government policy, mostly believing that governments don't do enough; that governments have been overtaken by "economic rationalism" or "neo-liberalism"; that this both has helped cause (or exacerbate) regional problems and will not fix them; that more public funding would improve regional outcomes; that more "national" regional policy coordination is required (Beer et al 2003).

3.1 Evolving Problems Facing Regional Australia

The Howard Government addressed an evolving range of problems confronting regional areas in addition to the structural regional issues of a narrow economic base and lack of scale. Generally speaking, government policy is constrained by certain realities facing regional Australia. These include the following:

- Places with scale, a diverse economic base and global connectedness will do best;
- Most people prefer to live on the coast in Australia;
- The natural environment can be a huge constraint;
- Globalisation favours big cities and city regions;
- Young people move out and move on;
- Not every region is a winner from restructuring – national gains generate regional losers; and
- Some of the things that drive regional success are beyond the capacity of regions and governments to influence. On top of these longstanding disadvantages faced by non-metropolitan regions, in the mid 1990s Australia was emerging from a serious recession which had highly uneven spatial impacts, with areas of persistent high unemployment and sluggish economic growth, while other regions had recovered. It was this uneven pattern of regional opportunity that had driven the Keating ALP Government's flurry of investigations and new programs in 1994 (Beer in McManus and Pritchard 2000; Beer et al 2003).

Increasingly, academic observers saw a pattern of increasing regional inequality, the classic pre-condition for regional policy interventions, while regional interest groups demanded a greater political focus on the losers and a turnaround in the policies of economic rationalism that, they argued, had caused most of the regional problems (Collits 2002a).

While many of these reactions amounted to no more than (perhaps understandable) nostalgic protectionism, and many of the problems such as small town decline were long term realities which had little to do with neo-liberal policies (such as competition policy, a favourite rural *bete noir*) only introduced a few years earlier, the suffering in the bush that resulted from poor services was real and played a part in fomenting the rural disquiet and anger that helped forge new regional political forces such as the country independents and, of course, the One Nation Party (Collits 2002a).

Following the Coalition's coming to power, new issues emerged that pressed the Government into further regional policy actions. The two principal problems were the rapid decline in services for rural communities, whose full implications became clear in the period 1996-1999, and, in the new century, a prolonged

period of drought that affected many rural regions and forced long-term changes to Australian agriculture. The problem of declining services caused the Deputy Prime Minister to famously assert in 1999 that the nation was in danger of becoming “two Australias” (Anderson 1999). Minister Anderson, in the later part of his tenure which ended in 2005, was increasingly focused on addressing chronic water shortage problems and related environmental concerns.

More recently, the earlier problem of apparently widening regional disparities gave way to an entirely new and different problem in regions experiencing quite low levels of unemployment and sustained economic growth – skills shortages. These were national problems made worse in regions because of a declining interest in agricultural careers, the higher rate of ageing of the rural population, the increasing trend of young people to leave rural areas to access higher education and the generally narrow base of regional economies.

3.2 Brief History of Regional Development under the Howard Government

The Howard Government’s efforts at regional policy can be divided into three distinct periods.

The first, from 1996 to 1998, consisted of the Government’s attempts to distance itself from the Keating Government’s regional interventionism and its desire to curtail government spending, including in areas like regional development, which it then saw as largely the responsibility of the States and Territories and where it found significant overlap (National Committee of Audit 1996: 78).

The second period, from 1998 to around 2001, saw a marked reversal of the hands off approach of the earlier period and a clear re-engagement with regional policy, driven by John Anderson’s accession to the leadership of the National Party, his reaction to the dramatic loss of services in many parts of rural Australia (particularly in small towns), and the rise of Pauline Hanson and One Nation. (The latter has been perceived, perhaps inaccurately, as a movement rooted in rural Australia). The focal point of this period was the 1999 Regional Australia Summit, an ambitious event convened by the Government and held in Canberra, which featured many of the nation’s leading policy professionals, thinkers and practitioners.

The third period, from 2001 until 2007, consisted of the implementation of Anderson’s policy vision, through a raft of programs and through an attempt at closer cooperation with the States and Territories via the Regional Development Council (RDC). During this period (2003), the Government also commissioned a major review of regional issues through the Regional Business Development Analysis (RBDA 2003).

3.3 Key Howard Government Policy and Program Initiatives

Statements

The Government introduced annual budget statements on regional Australia. These outlined broad funding allocations from all areas of government, not just regional policy, so were difficult to analyse from a regional policy perspective. Nor did they approach the radical (1970s) Whitlam Government initiative of

regional budgets, so feared by the Treasury.

The Government's most substantial statement on regional development was its *Stronger Regions, A Stronger Australia* statement in 2001. This gathered together all the principal initiatives of the Government to date, along with a long dossier of nearly \$30 billion in government expenditures that had been either targeted at regional areas or clearly beneficial to them (Anderson 2001).

Events

The Regional Australia Summit in October 1999 was the principal set piece event. It was organised by Minister Anderson following his earlier stated fears about the future of regional Australia. While the Government had "recovered" from its early abandonment of regional policy, its suite of programs was still relatively small, and it was alarmed (at least the Nationals were) by the drift of services and people from rural areas. The Summit was attended by over 200 participants, many of whom were experts in fields such as the environment, natural resource management, social capital and regional economics. The Summit was a circuit breaker and an opportunity for "inclusive policy making", as one observer noted. It also raised expectations and these were managed through a communiqué which, by and large, did not challenge broad government policy settings.

The second set piece event related to regional development specifically was the Growing Regions Conference in 2006. The conference had a cast of international speakers, with no definitive policy outcomes. It did, however, underline the fact that regional Australia is not in terminal decline, that many economic opportunities exist, that the local approach is best, that regional Australia's problems are not unique to Australia, and that (as ever) small communities are struggling the hardest (Australian Government 2007).

Programs

Howard Government programs in regional development developed over time in response to both emerging regional needs, political pressures such as One Nation and internal government policy development and review. The number of programs slowly built up from around 1998, and programs were consolidated in 2003. There were also a number of (fairly critical) reviews of government programs, by the Senate Committee on Public Administration and by the Audit Office (Finance and Public Administration References Committee 2005; Australian National Audit Office 2007).

The Regional Solutions Program and the Regional Assistance Program were the forerunners of the RPP. They provided mechanisms for local communities and economic development bodies to finance local projects to strengthen economies and communities. These programs were the core elements of the Government's "partnership approach", with local leaders and stakeholders coming up with ideas for funding support from the Commonwealth.

The Sustainable Regions Program was introduced in 2001 to support regions undergoing significant economic and social change to develop local solutions. A number of further programs assisted regions and industries (like dairying) facing

structural adjustment pressures. The Rural Transactions Centres were introduced to provide services to smaller and more remote places that had lost services such as banking and postal services in the 1990s. Of course, it needs to be reiterated that a whole array of other programs, some industry related and others related to telecommunications, exports, innovation, natural resource management and the environment, and families and communities, were strongly regional in flavour.

The RPP (July 2003) consolidated a number of earlier programs into one single source for supporting local development projects nominated by regions through the Area Consultative Committees (ACCs; see below).

The RPP was clearly the most controversial of the Government's programs, and as noted elsewhere, subject to strenuous and at times politically motivated review. The core issues were the role of Ministers and Parliamentary Secretaries in selecting projects to be funded and the political status of the regions chosen to be funded. The Program has been vigorously defended by the Nationals, and indeed the New South Wales State Opposition parties proposed a similar program to the voters of New South Wales in 2007. Whatever the political wisdom of this replication, future consideration of similar programs by the Nationals (or, indeed, by any party) needs to take place in a broader context of assessing the whole range of regional policy interventions, and this matter is discussed at length below.

Prior to the 2007 election, the Government announced a Growing Regions Program, along the lines of the Sustainable Regions and in response to the fears in (mainly) coastal communities over population growth pressures and infrastructure blockages. The new Rudd ALP Government is not proceeding with this program.

Regional Governance Arrangements

The Howard Government faced two sets of regional institutions when it came to office, ACCs which the previous government had introduced with a labour market focus, and Regional Development Organisations (RDOs), which were more concerned with regional economic development. It chose to stop further funding of the RDOs, which were, in many ways, the showpiece organisations of the Keating Government. The ACCs therefore over time assumed the former tasks of RDOs, and eventually became sources for funding applications under the RPP. Their chairs were selected by the Government and they then chose other ACC representatives.

They were generally funded with fairly low budgets, and had similar tasks to the regional development bodies in some States, eg developing economic strategies and grant seeking. The Western Australian Regional Development Commissions differed in that they are responsible as well for delivering government programs in areas such as business assistance.

Research, Ideas and Policy Development

The previous ALP Government had commissioned a vast amount of research on regional development in the early 1990s, through high profile inquiries by the Industry (now Productivity) Commission, McKinsey and Company and the

Kelty Taskforce (Industry Commission 1993; McKinsey 1994; Kelty 1993). In normal government fashion, the findings of these inquiries (which contained very different approaches and solutions) were distilled into a few core new funding programs and structures.

Research on regional development also flourished under the Howard Government. Through the work of the Bureau of Transport and Regional Economics (now Bureau of Infrastructure, Transport and Regional Economics), substantial research was undertaken into a range of issues, such as social capital, regional industry structure, taxable income in regions and government interventions. The BTRE's Working Paper No 55, *Government Interventions in Pursuit of Regional Development*, broadly found sympathy for the Government's relatively non-interventionist regional policy approach (BTRE 2003).

The RBDA process also involved research commissioned by the Department, and many of the ACCs also commissioned their own research. Evidence of publicly accessible program evaluations was limited, however.

Commonwealth State Relations

In regional policy as in so many other areas of policy, the Howard Government was disadvantaged by the blame shifting that accompanied co-existence with hostile State ALP Governments, each with its own set of well established regional development programs and its own strong desires not to be crimped by Canberra.

As indicated above, following the 2001 election, the Government established the RDC, a formal body established under the Council of Australian Governments (COAG) umbrella. The RDC grew out of an earlier "Framework for Cooperation" that had been signed following the Regional Australia Summit. This brought together Ministers for Regional Development in the States and Territories, as well as the Australian Local Government Association. Ministers (including Nationals Ministers) had varying degrees of enthusiasm for, and commitment to, the RDC.

Most observers would conclude that the RDC achieved little by way of major new initiatives or reformed governance, and it failed to formulate a satisfactory response to the RBDA. (The then Minister offered the RDC the opportunity to formulate a joint response but the States and Territories probably saw it as Canberra's responsibility to make a response as it had commissioned the work). On the other hand, the meetings of Ministers and bureaucrats (through the Standing Committee on Regional Development or SCORD) yielded good working relations and some valuable joint work on issues such as skills shortages. The States' interests also differed as a result of their varying economic bases, stages of development and regional problems. This diminished opportunities for meaningful cooperation.

A number of potential real reforms in regional governance are suggested below. These were never touched by the RDC partners or by SCORD, despite the RBDA's insistence that complex regional governance was a hindrance to better business and investment outcomes in the regions. State government policies relating to regional development differed little in tone or content from

that of the Commonwealth but, arguably, remarkably little of substance or lasting significance was achieved through cooperation.

Commonwealth State relations suffered for two main reasons. First, both the States (and Territories) and the Commonwealth “do” regional development, and the Constitution (were governments minded to heed it) is fairly unclear in relation to who should have ultimate responsibility for this area of policy. Second, regional development as policy is inherently open to good news story ownership by politicians, hence there is little desire among governments to hand over any of the responsibilities to another tier of government. This leaves a fairly small area to argue over/discuss/cooperate on, so the blame game of criticising other governments for not doing enough tends to fill the vacant space. At one level, all the States do similar things in regional development, while in other ways their interests differ dramatically. Hence there is little potential for the States to engage with one another in ways other than low level information sharing.

4. ANALYSIS OF THE HOWARD GOVERNMENT’S APPROACH TO REGIONAL DEVELOPMENT

Three are a number of defining characteristics of the Howard Government’s approach to regional policy. Generally speaking, the Government continued the Coalition tradition of making rural places the focus of its regional policies. This is unsurprising, as it has been well-established Coalition practice when in government.

The second characteristic of the Government’s approach was its political pragmatism, in particular its willingness to not only revive regional policy after having initially discarded it, but to make it core business. No doubt this was in large measure due to the rise of One Nation and the latter’s perceived connect with rural Australia. The seriousness of the Government’s commitment is underlined by the considerable fanfare given to the 1999 Summit and to the very large number of interventions in regional Australia, outlined in the *Stronger Regions* documents of 2001.

The third characteristic of the Coalition’s approach was its emphasis on services in regional Australia. This was largely a response to the perceived crisis in rural areas that emerged in the late 1990s as a result of the “gutting” of services in both the private and public sectors, for example in areas such as banking. The Government’s response centred on the creation of rural transaction centres, and the approach sought to address service delivery gaps. This effort was replicated at State level in many states. It reflected both the Government’s emphasis on dealing with the regional consequences of national and global processes rather than seeking to reverse them – its conviction that “managing change” was the key rural development issue – and its belief that rural places needed good services to be competitive in the new economy.

The fourth characteristic of the Government was the absence of a top-down “national blueprint” approach, and a commitment to limited intervention in regional development. The suggestion of neo-liberalism (see below) is somewhat exaggerated despite Government decisions to support free trade and

reduced industry protection. In fact, many of the decisions in relation to trade and protection were made by the previous ALP Government, and the Howard Government made many substantial interventions. However, it did favour limited intervention in regional policy and saw the objective of policy as supporting the capacity of regions to adjust to structural economic change rather than to lay out a preferred future for regional Australia.

The fifth characteristic was the Government's adoption of the bottom up approach ("localism"). In many respects the Government, echoing the approach adopted by all States and Territories, outsourced regional policy to local communities, while nevertheless retaining central control over spending on projects.

There were a number of paradoxes in the Coalition's approach to regional policy. First, the Nationals drove multiple interventions to support regional Australia, while supporting a regional policy that eschewed large-scale intervention. Hence the approach was simultaneously interventionist and non-interventionist.

Second, the Government supported the localist approach to regional development, while retaining tight control over the operations of its appointed regional bodies, the ACCs.

Third, while largely favouring rural regions, the Government did establish some Sustainable Regions programs in or near metropolitan regions.

Fourth, the Government supported research in the area of regional development (through the Bureau of Transport and Regional Economics) yet had no discernible mechanism for considering and acting on the findings of the research. It similarly failed to respond properly to the findings of the RBDA's recommendations.

Fifth, the Government set up elaborate intergovernmental arrangements to drive policy development, but failed to steer this process in a way that delivered more than very modest outcomes, for example in relation to more rational regional governance structures.

Sixth, the Regional Australia Summit predictably raised expectations enormously, without ever attempting seriously to meet them.

Seventh, there was very little policy development or published evaluations of policy after around 2003. It was as though the RPP was thought to be the be-all and end-all of policy.

Eighth, there was the ultimate paradox of the Government's initial denial of the role of regional policy at Commonwealth level which was later followed by multiple and substantial regional policy and program initiatives. At the same time, over the life of the Government there was no real resolution of the conundrum of which levels of government are ultimately responsible for which regional policies and programs. This is an ongoing major design fault in the Australian federal structure.

Overall, the Government's greatest weakness, perhaps to some a strength, was that it had no real idea of regional policy when it came into government, other than to eliminate (or limit) the Keating Government's programs. Hence its thinking about the core questions of regional development was largely absent. In

this, the Howard Government was no different from most other Australian governments, and, it should be noted, the last government to think seriously about regional development prior to coming to power was the Whitlam Government, whose interventions in regional development are thought by many to have failed.

5. CRITICS OF THE HOWARD GOVERNMENT'S REGIONAL POLICY

The Government had a range of critics. Generally, critics of regional policy fall into two camps – those who argue that governments are doing too much to help regions, and those who argue they are doing too little (Collits 2002b).

Early on, criticism focused on the Government's decisions to cut the previous Government's regional development programs and its position that regional development was largely a responsibility of the States. The Government's decision not to continue funding of RDOs was actually no different to the previous Government's declared intention of funding RDOs for one term and for them to be self-funding in the future.

The critics included lobby groups, country independent members of Parliament and some academics who generally favoured a much more comprehensive, European style regional policy, and characterised the Government's approach as neo-liberal or economically rationalist (Beer 1998; Beer et al 2003; Beer et al 2005; Pritchard 2005; Collits 2002b). At the end of its tenure and looking back on its overall record, arguing that the Howard Government was economically rationalist in regional policy offers only a partial interpretation.

Certainly, like most other contemporary governments, the Howard Government favoured private sector and locally driven regional development over government-imposed solutions, and rejected the big spending European-style blueprints often promoted by the Government's critics. Yet the sheer extent of the Nationals' influence in garnering funding for regional Australian projects outweighed the impact of the Government's early spending decisions and public sector cuts.

On the specific question of the RPP, there is no doubt that the program was open to the charge that there was too much Ministerial involvement in funding decisions, though this changed over the life of the program in response to criticisms by the Senate and the Audit Office. Focusing on the transparency issue, however, misses the more important weaknesses in the Program and overall policy approach.

Some of the RPP projects no doubt were poorly conceived and hastily assessed (as is the case with any regional development program which entails discretionary funding), while others may well have provided substantial benefits to the communities who received the grants.

6. THE ALP AND REGIONAL DEVELOPMENT

The ALP's 2007 election policy document, *Regional Development for a Sustainable Future*, combined the localism language of the 1990s. The document also included a range of initiatives that are not so much regional policies but policies that broadly benefit regions, for example in health, aged care, education, infrastructure and natural resource management (ALP 2007).

Its statements were short on policy intent, with elements of nostalgia for the earlier achievements of the Whitlam, Hawke and Keating Governments, criticisms of the Howard Government and the RPP, some undertakings to retain successful programs, and references to new initiatives such as the Better Regions Program (possibly a non-metropolitan version of the 1990s Better Cities Program) and a commitment to establish a new body called "Regional Development Australia" (ALP 2007).

The document did not define the proper role of regional policy, or define regional policy. There was little reference to the Howard years beyond criticism of the RPP and of the oft-quoted statement by the former Government in 1996 about the limited constitutional role of the Commonwealth in regional development, a statement which belied the Government's later much more substantial involvement in regional development. The statement did not provide detail about the specific regional policy commitments.

The Labor Government has kept on for the time being some of the previous Government's regional programs. It has also retained (broadly) the former Department of Transport and Regional Services (DOTARS), now called the Department of Infrastructure, Transport, Regional Development and Local Government.

In March 2008 the new Government made its first positive announcement relating to regional policy – it had already announced its scrapping of the Coalition's promised Growing Regions Program – in establishing arrangements for the creation of Regional Development Australia (RDA). There is currently a review under way of the roles and directions of ACCs. It is not clear exactly how RDA Committees will differ in practice from ACCs. Hence this paper is not in a position to comment properly on the ALP's likely future regional policy directions.

7. UNRESOLVED ISSUES IN AUSTRALIAN REGIONAL POLICY AND SOME MODEST PROPOSALS FOR REFORM

There are a number of areas of regional policy that merit further investigation following the passing of the Howard Government. The key unresolved issues relate to the role of different levels of government, how much, and in what ways, central governments support local action, whether centrally mandated national plans are appropriate in the twenty-first century, how regions are to be defined, and what forms of regional governance are optimal in a market economy and where many players are involved.

The paper concludes by offering a number of modest proposals in relation to

these issues.

7.1 Better Regional Governance

Should governments fund the operations of regional bodies? Which ones? Should they “own” these bodies? One area of concern revealed in the 2003 RBDA related to regional governance. Clearly, businesses are disconcerted by the large number of organisations doing regional development, often with cross-cutting areas of responsibility and answering to different levels of government. Perhaps the previous Government simply found the idea of working cooperatively with the States and Territories on this issue too difficult.

Each level of government having its own regional development bodies might well be considered a luxury. One solution might be for regions to self-select in terms of boundaries and approach all levels of government for a composite funding package which the new body would then be responsible for administering. It would be up to the new body, perhaps called a Regional Development Commission, with statutory powers and substantial authority, to make all spending decisions about projects, and up to the Commission to develop a regional strategy.

This would keep central governments at arms length, while signing memoranda of understanding with all levels of government would give the Commission legitimacy in the eyes of its region. Ministers should not be getting caught up in funding miniscule projects and being accused, rightly or wrongly, of favouring particular regions (electorates). This is not the proper role of government and only wastes valuable time in Canberra and encourages pork barrelling or worse.

Empowering regional bodies, giving them resources and decision making responsibility over funding, would also achieve more genuine subsidiarity (decision making at the lowest, best level). This is an area of regional policy practice where the European Union excels. Regional commissions with real power are more likely to attract the best local leaders who would see they were not simply siphons for politicking central governments.

Regional commissions operating at arms length from government would also give businesses and investors greater choice about where they located, with greater mechanisms for competition among regions. Local governments within the region might even consider vesting taxing (rating) powers in the regional body to achieve this end.

The three levels of government could select one representative each for the new body, and these could select a chairperson, and the three selected representatives could then jointly choose the rest of the commission’s board. Substantial funding would need to be made available to all regions, based on an agreed negotiated formula. These regional bodies could be made responsible for all assistance to businesses, thus making each region responsible for its own regional development outcomes, ending once and for all the myriad regional programs indulged in by State and Commonwealth Governments which so often are simply vessels for making the government look good. Central governments then could be responsible, say through the Commonwealth Audit Office, for

evaluating each regional commission's performance on a three yearly basis, prior to new funding agreements being negotiated.

Thoroughgoing reform of funding regional bodies would be a serious start in more properly delineating government responsibilities and in providing regions with real power. Regional bodies (like the Regional Boards in NSW) that are beholden to the Minister for their appointment and to a Department for funding will not feel empowered to act boldly and independently. In fact, they are prohibited from doing this. While the ACC Chairs could select their own members, they were still creatures of Canberra through their funding arrangements, in particular through Ministerial or Departmental selection of which projects to fund. Again, regional policy should not be mainly about making central governments look good.

A new funding system might lead to things like local MPs lobbying the Regional Commission for a particular project, rather than the reverse. Powerful regional bodies would also have a greater chance of securing private sector investment in the region.

Handing decisions to regional bodies about what kinds of projects to assist - community halls versus more economically linked infrastructure, for example - would save central governments from having to assess the relative merits of different proposals. A case can certainly be made for funding non-economic projects, in order to improve community social capital, for example, since people might be attracted to a region for its community events rather than simply for its economy. It would be up to the regional body to make the case at the end of its funding cycle as to the economic and community impacts of its funding regime.

Discussions about regional government have long persisted in Australia. The Howard Government had a substantial shift in power to the central government as one of its less endearing legacies for those who favour subsidiarity. Yet under this Howard federalism model, taking powers away from States did not necessarily benefit regions. Moreover, a number of people such as the eminent Australian historian Geoffrey Blainey have argued eloquently for regional States (Blainey 2001). What is being proposed here need not lead to regional government, however, but simply to better regional development outcomes with clearer lines of financial accountability for regional programs and without the need for the kind of regional assemblies introduced with very mixed results by the Blair Government in Britain.

In any case, reforming regional governance bears further investigation by the Coalition in Opposition and consideration by the Government and the RDC. The move to a new funding regime like that suggested here could be oversighted by the RDC or by an independent statutory body with State, Territory, local government and Commonwealth representation.

7.2 Which Regions Should Governments Assist?

This is a vexed question, indeed one of the threshold questions of regional development. Should assistance go to all regions equally, or to growing regions, or to declining regions, or to regions that suffer sudden economic shocks? The answer depends on one's philosophy and what the objective of policy is. Too

much regional policy is based on an understandable but ultimately unrealistic desire to make all regions equal. A related question, of course, is whether assistance should be given to firms or to regional bodies, or to projects (such as infrastructure) which indirectly benefit regional economies by encouraging further investment. This is discussed separately below.

There is no easy answer. The kinds of policies that go beyond supporting regional competitive advantage and that tend towards spatial welfare may only encourage a mendicant mentality in regions, while not necessarily solving the region's problems (Collits 2001). Identifying "problem" regions to assist, like all regional policies do to some extent, raises conceptual difficulties and may give substance to the charges of those who claim regional programs are merely slush funds ("pork" in US terminology).

One way to put these criticisms finally to rest is to make funding arms-length, as advocated above through the creation of independent commissions that make funding decisions in the regions. Another is to make the same amount of funding available to each region. This will not mean equality of spatial outcomes, but neither does the current unwieldy mix of programs. Regional development is simply far too complex ever to achieve spatial equality, and would require massive government largesse to declining regions in order to maintain their competitiveness.

There are always boundary issues with discretionary spending programs. Someone will always miss out. What is a declining region? Which measures are used? In the 1990s at the height of the recession, assistance preference was given to places with high unemployment levels. Yet many rural regions struggling to survive have low unemployment rates. How decline is measured is important, yet controversial. Simply selecting places to assist that have highly visible problems is the last refuge of the politician who wants to be seen to be doing something, but is often a poor basis for regional policy.

The combined effect of these suggested reforms would be to diminish the role of central governments in regional development. Yet the current complex mix of funding streams and programs may not have been to the ultimate benefit of regions. In any event, diminishing the powers of central governments should be close to the hearts of the Liberal and National Parties.

7.3 A National Spatial Plan?

As indicated above, one of the great criticisms of the Howard Government in the area of regional development was its lack of support for a national plan (Gleeson 2001; Collits 2003). While many have advocated national plans, few have specified what the content of such plans would be. This is because it is very difficult to agree on what would be in the plan.

Generally, those advocating national plans favour far greater levels of intervention in economic affairs. The proper reach of regional policy is a key issue, and the sheer complexity of the drivers of regional development suggests that governments should be cautious in intervening (Collits 2006).

What of the traditional Australian championing of large scale decentralisation projects? Governments have walked away from decentralisation policies since

the failed attempts in this area by various governments in the 1970s. Arguably, the form of decentralisation in regional governance advocated above might turn out to be a real driver of economic and demographic decentralisation. On the other hand, the reasons why we have large capital cities and a huge concentration of population in them are largely beyond the capacity of governments to remedy easily, and attempts by Governments to spell out decentralisation population targets are noble but highly problematic. There are simply too many factors beyond the effective control, or even influence, of governments in relation to decentralisation to make population targets feasible (Sorensen 2000).

What about national infrastructure planning? The Rudd Labor Government has elevated infrastructure planning in the national consciousness. Many business organisations agree that this has been a neglected area of national policy. In any event, the decline in infrastructure spending over several decades, whose fruits include regional projects foregone and crumbling transport infrastructure in the cities (Sydney), may be argued to be largely the result of increased government spending on welfare and to government's increasing desire to reduce public sector debt levels. There is clearly merit in national infrastructure prioritising (and in using Council of Australian Government structures better to eliminate blame shifting), yet such prioritising may end up being the subject of similar criticisms as those of the RPP. This agenda could be combined with the proposal above for regional commissions with carriage of local regional development spending. Commissions could be given a place at the national infrastructure planning table to help advance regional infrastructure agendas.

7.4 The Best Form of Regional Assistance

The funding model above outlining a new approach to regional governance would take many decisions about regional programs away from central governments, for regions themselves would be deciding what sort of assistance to provide, and to whom.

Putting the new regional governance model to one side, central governments face ongoing choices about the reach and forms of regional assistance. For example, should assistance be provided to firms or should broader assistance (eg regional leadership programs) be made available? What about providing assistance to existing firms in preference to attracting outside firms to a region? What sort of help should be provided to industry clusters? Should infant industries be nurtured in special ways? Should the focus be on attracting firms to regions, or people?

There are a plethora of regional programs at State and Commonwealth level. State Governments have literally dozens of regional programs, and some of these are replicated in Canberra. Indeed, a virtue is made of local and regional bodies putting in place cocktail funding arrangements of considerable complexity. It needs to be emphasised that there must be a major rethink on Commonwealth-State differentiation of regional program funding. There is no justification for the replication of programs that exists.

One of the goals of regional policy should be to clarify objectives and to

measure success. This is the virtuous circle of “evidence based policy” (Hill 2002). Having a great mix of different funding mechanisms makes evaluation of specific programs (an already problematic process) next to impossible. Typically, regional programs are evaluated in limited and limiting ways, focusing on process and outputs rather than on the program’s impact on regional development outcomes. The fact that evaluation is difficult should spur governments to doing it better rather than on doing it on the cheap.

Hence programs should always be simplified and reduced in number. The previous Government did this in 2003. The danger is that fewer programs may mean that just about anything is included. While applicant regions might like things this way, it doesn’t necessarily make for good policy. Good policy is that which can be readily evaluated. Evaluation is needed because the processes driving regional development are complex and resources are finite.

Assistance to firms has been favoured by State Governments, with programs like the Regional Business Development Scheme in NSW proving popular since the 1980s. These programs on the whole are evaluated poorly, whatever the rigour attached to the way assistance is disbursed. The targeting of firms for assistance has both merits and disadvantages in relation to older style blanket assistance measures such as tax breaks for all firms setting up in a region, irrespective of the firm’s contribution to the regional economy. The advantage of being selective is that assistance can be linked to the Government’s and the region’s goals. The disadvantage is that it leaves the decision maker (whether a bureaucrat or a Minister) with the problem of picking winners. General assistance through tax breaks or regulatory relief takes the onus away from the Government and leaves development to the market.

Either way, there are the twin problems of the deadweight effect and the displacement effect that plague so many regional assistance programs. The deadweight effect refers to the lost public funding to firms given assistance who would have moved to the new region (or expanded their production) without the assistance. The displacement effect refers to the fact that firms moving from one region to another may bring benefits to the new region while at the same time causing a loss to the region they have left (Collits 2001). These problems are well-known in the context of European Union regional policy, for example.

The Commonwealth has left it up to individual regions (ACCs) to formulate their own regional strategies. Central governments have no business setting out what regions should be doing in this area. However, providing grants to firms over and above the projects that flow from regionally determined strategies merely complicates regional development policy, and is at worst counter-productive. A study done some years ago of NSW assistance programs found very little relationship between the kind of firms assisted by the State Government and the strategies of Regional Development Boards (Epps 1999). This would be the norm in regional development. It is not helped at all by the general tendency (again, typically at State level) to simply keep adding on new regional programs rather than phasing out old programs when new ones are introduced.

This question is linked to the need to determine precisely the objectives of

policy before implementing specific programs. Typically, Australian governments get this precisely the wrong way around, introducing new programs to meet some (possibly passing) regional need without having first set out what the Government is trying to achieve overall. It also needs to be linked to questions of what kinds of regions should be helped.

In terms of forms of assistance, good policy generally should bias governments towards eliminating duplication (across and within levels of government), simplifying programs, giving programs a used-by date, rendering them easily open to evaluation, linking them to regionally devised strategies, open to all firms rather than relying on bureaucratic decision making, and reducing where possible the problems of deadweight and displacement effects.

Again, all these problems could be alleviated for central governments by handing over responsibility for program implementation to properly audited regional bodies which are already driving the economic development strategies for their regions.

8. CONCLUSIONS

The paper has reviewed the history and significance of regional policy under the Howard national Government which came to power in 1996 and left office in 2007.

It governed at a time of general economic prosperity but of varying regional fortunes and shifting regional problems, and largely focused its policy attention on non-metropolitan regions. Its general rationale for policy interventions in rural regions was to support these places in their efforts to deal with change, whether it be economic, social or environmental. The Government implemented a range of programs, and suffered considerable criticism for some of its program funding disbursement and the lack of funding transparency.

In many respects the Howard Government's record in regional policy reflected traditional Coalition positions and concerns – a general desire to leave regional policy to the States (initially), limited forms of intervention and a focus on “regional” interpreted as meaning “non-metropolitan”. The Government also moved with the times in relation to its favouring of “bottom up” policies and its interpretation of the desired role of government as supporting “local solutions to local problems”. Here its approach reflected the ways in which many OECD countries were moving away from top-down strategies over the period. Whether this approach can be best described as neo-liberal is unclear. While bottom-up strategies clearly favour the market and eschew big government solutions, the Howard Government nevertheless had the strong tendency to undertake multiple interventions of considerable magnitude in regional Australia, particularly in its later years.

Overall, the Howard Government's record in regional policy is mixed and its passing has left a number of unanswered questions in regional policy, related to governance, regionalism and the role of different levels of government. Many of the large questions of the notoriously difficult area of regional policy seem destined to remain in the “too hard” basket for the foreseeable future. These questions include the following:

- How much should government intervene to influence spatial outcomes?
- Which governments in a federation should be responsible?
- How much can local regions determine their futures?
- Which places should governments help?
- What are the best policy instruments?
- How do we know that government interventions make a difference?
- What, in any case, are we trying to achieve for regions – productivity, sustainability, liveability, or some combination of these?

In some respects, a new set of problems confront regions in the late years of the first decade of the twenty-first century, problems that look quite different from those facing the newly elected Howard Government in the mid 1990s. High regional unemployment has been succeeded in many places by skills shortages. Traditional regional industries such as mining have made a significant comeback as a generator of regional jobs in at least two States, on the back of the Chinese boom. Agriculture faces ever increasing uncertainties. Services in many rural places have improved since the late 1990s. Governments now focus great attention on climate change and environmental sustainability.

Yet the old Australian regional policy challenges remain – the lack of scale and critical mass in many rural communities, confused governance arrangements in the regions, many governments doing lots of little things for regions in a largely uncoordinated and under-evaluated way, and ever-growing, gridlocked cities with congestion, poor infrastructure and increasingly unaffordable housing.

And regional policy in Australia seems not to have moved beyond being something that governments need to be seen to be doing. There continues to be a substantial gap between regional development theory and regional policy practice (Beer in Rowe forthcoming). Regional policy seems destined to continue to be largely a means of serving essentially political purposes.

Regional policy was not a major election issue in 2007, and the current policy review by the new ALP Government has yet to run its course. However, there is little evidence that this review will resolve any of the key questions confronting regions in Australia as they face new global uncertainties and radical policy proposals at home that propose to shift the focus from regional competitiveness towards environmental sustainability.

ACKNOWLEDGEMENTS

This paper has been developed from a monograph originally published by the Page Research Centre in July 2008. I am grateful to the Page Centre and to its Executive Director Dr Troy Whitford for allowing me to develop the original into an academic paper.

REFERENCES

- Anderson J. (1999) *One Nation or Two? Securing a Future for Rural and Regional Australia*, Address to the National Press Club, Canberra, 17 February.
- Anderson, J. (2001) *Stronger Regions, A Stronger Australia*. Canberra.
- Armstrong, H. and Taylor J. (1993) *Regional Economics and Policy*. Hemel Hempstead.
- Australian Government (2007) *Growing Regions: Reports from an International Conference*, Department of Transport and Regional Services and Rural Industries Research and Development Corporation: Canberra.
- Australian Labor Party (2007) *Regional Development for a Sustainable Future*, Election Statement.
- Australian National Audit Office (2007) *Performance Audit of the Regional Partnerships Programme*, 3 volumes, Commonwealth of Australia: Canberra
- Beer, A. (1998) Economic Rationalism and the Decline of Local Economic Development in Australia. *Local Economy*, 13(2), pp. 52-64.
- Beer, A. (2009) In Rowe J.E. (ed) *Theories of Local Economic Development: Linking Theory to Practice*. Ashgate: Williston
- Beer A., Maude A. and Pritchard B. (2003) *Developing Australia's Regions: Theory and Practice*. UNSW Press: Sydney
- Beer, A., Clower, T., Haughton, G. and Maude, A. (2005) Neoliberalism and the Institutions for Regional Development in Australia. *Geographical Research*, 43(1), March.
- Blainey, G. (2001) *The Great Divide*. The Boyer Lectures, Australian Broadcasting Corporation.
- Brown, A.J. (2005) Regional Governance and Regionalism in Australia. In Eversole R. and Martin, J. (eds) *Participation and Governance in Regional Development: Global Trends in an Australian Context*. Ashgate: Aldershot
- Bureau of Transport and Regional Economics (2003) *Government Interventions in Pursuit of Regional Development: Learning from Experience*, Working Paper No 55.
- Collits, P. (2001) *What's Wrong With Enterprise Zones?* Paper presented at the Australian and New Zealand Regional Science Association Conference, Bendigo.
- Collits, P. (2002a) *A Question of Balance? The Fate of Balanced Development as a Regional Policy Objective in New South Wales*, unpublished PhD thesis, University of New England.
- Collits, P. (2002b) *Australian Regional Policy and its Critics*, Paper presented at the Australian and New Zealand Regional Science Association International Conference, Surfers Paradise, September.
- Collits, P. (2003) *The Tyranny of the Announcable and the Challenge of Regional Policy*, Paper presented at the Australian and New Zealand Regional Science Association International Conference, Fremantle, September.

- Collits, P (2004a) Policies for the Future of Regional Australia. *European Planning Studies*, 12(1), January.
- Collits P. (2004b) *Successful Cities and Regions: The Search for the Regional Development Holy Grail*, Paper presented at the 28th Annual Conference of the ANZRSAI, Wollongong, September.
- Collits, P. (2006) Great Expectations: What Regional Policy Can Realistically Achieve in Australia. *Australian Farm Policy Journal*, August, based on a paper delivered at the National Regional Research Colloquium, Bureau of Transport and Regional Economics, Canberra February 2004.
- Collits, P. (2008) *Regional Development: Future Policy Options*, Discussion Paper for the Page Research Centre.
- Dawkins, C.J. (2003) Regional Development Theory: Conceptual Foundations, Classic Works, and Recent Developments. *Journal of Planning Literature*, 18 (2), November.
- Epps, R. (1999) *Survival of the Fitter? New Firms and the Competitive Advantage Imperative: the Scenario of Two Inland NSW Regional Centres*, Unpublished PhD thesis, Armidale.
- Finance and Public Administration References Committee (2005) *Regional Partnerships and Sustainable Regions Programs*, Senate Committee Report.
- Gleeson, B. (2001) *Towards a National Spatial Planning Framework for Australia*. Urban Frontiers Program, University of Western Sydney, Issues Paper No 8.
- Gray I and Lawrence G. (2001) *A Future for Regional Australia: Escaping Global Misfortune*. Cambridge.
- Hill, S. (2002) In Search of the Bottom Line: Does the National Assembly Make Wales Better-Off? Inaugural Lecture, December.
- Hugonnier, B. (1999) *Regional Development Tendencies in OECD Countries*, Keynote Presentation at the Regional Australia Summit, October 1999.
- Industry Commission (1993) *Impediments to Regional Industry Adjustment*, Report No 35, Canberra.
- Kelty W. (1993) *Developing Australia: A Regional Perspective*, Report of the National Task Force on Regional Development, 3 volumes: Canberra.
- McKinsey and Company (1994) *Lead Local Compete Global: Unlocking the Growth Potential of Australia's Regions*. Final Report for the Department of Housing and Regional Development, July.
- McManus P. and Pritchard B. (eds) (2000) *Land of Discontent: The Dynamics of Change in Rural and Regional Australia*, UNSW Press: Sydney.
- McManus, P. and Pritchard, B. (2001) Regional Policy: Towards the Triple Bottom Line. *Australasian Journal of Regional Studies*, 7(3).
- National Committee of Audit (1996) *Report to the Commonwealth Government*, AGPS: Canberra
- OECD (2006) *The New Rural Paradigm: Policies and Governance*, OECD Publishing.
- Pritchard, B. (2005) Unpacking the Neoliberal Approach to Regional Policy: a close reading of John Freebairn's 'Economic Policy for Rural and Regional Australia'. *Geographical Research*, 43(1), March.

- Regional Business Development Analysis (2003) *Regional Business: A Plan for Action*, Department of Transport and Regional Services: Canberra.
- SGS Economics and Planning (2002) *Regional Business Development Literature Review*.
- Sorensen, A.D. (2000) *Regional Development: Some Issues for Policy Makers*, Australian Parliamentary Library Research Paper No 26.
- Sorensen, A.D. and Epps W.R. (eds) (1993) *Prospects and Policies for Rural Australia*, Melbourne.
- Stilwell, F. (1992) *Understanding Cities and Regions*, Pluto Press: Sydney.