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#### **Foreword**

#### ANZRSAI 45th Annual Conference 2021

The ANZRSAI 45<sup>th</sup> Annual Conference will take place from Monday 6 December to Tuesday 7 December 2021 in Melbourne. The theme is 'Risk! The challenge of managing risks to regional futures.' Our conference sponsors are now called the Department of Infrastructure, Transport, Regional Development and Communications (previously BITRE) and they will provide a contribution to our Awards for Best Papers. The two-day conference reduces the conference fees to

Standard fee	\$350
Early bird fee	\$300
Student/Emeritus	\$150
Conference dinner	\$120

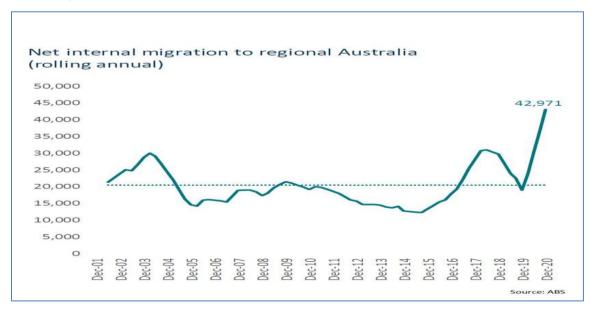
More details will follow.

#### COVID-19 motivates to regional migration: A tree change more alluring

Traditionally, Australia is a highly urbanised country where most households have been living in the eight major cities. However, the explosion and opportunity of working from home during the COVID-19 pandemic and the ongoing threat of snap lockdowns in big cities, including Sydney and Melbourne, have made a tree change more feasible for city folk.

Recent reports of soaring property prices in regional lifestyle towns favoured by urban movers are now commonplace. So too are the headlines about a city exodus during COVID-19. Given the current wave of COVID-19 across the regional NSW and the government's plan to open Australia, it seems the dream of zero COVID-19 in Australia already went outside the home window. The disease will be with us regardless of where we live. However, regional cities may be a good choice for many people! For example, some people feel that "There's no traffic lights to get to work, and it sounds silly, but I've been able to go out to a farm and chop up some wood, which is not what you do in the city."

A report published on ABC News on 25 June 2021 reveals that the latest ABS data showed regional Australia experienced a net inflow of 43,000 people from the capital cities in 2020. That was the highest number since reporting began two decades ago. This is pretty interesting statistics since it would impact regional Australia in many ways, such as changes in the housing industry, services availability, and workers' demand.



#### For more look here:

• <a href="https://www.abc.net.au/news/2021-06-25/covid-regional-australia-population-housing-services/100235562">https://www.abc.net.au/news/2021-06-25/covid-regional-australia-population-housing-services/100235562</a>

#### Tokyo Olympic Games - What Australia achieved?

The Australian newspaper (Jacquelin Magnay, 26<sup>th</sup> August) reports on Brisbane hosting the 2032 Olympic Games and states that Brisbane will be the 24<sup>th</sup> Global city to host the games, the third Australian capital after Melbourne in 1956, and Sydney in 2000, and fifty years since the 1982 Commonwealth Games. It reports that six years earlier, several mayors from South-East Queensland regions submitted a supportive feasibility study. Whilst an upgrade of road and rail infrastructure to link the Gold Coast, Sunshine Coast, Brisbane and satellite cities has been proposed and will benefit these regions, past historical studies on the economic impact of Olympic Games and similar sporting events presents mixed findings as discussed below.

Using input-output models, Bergan and Mules (1992) found such events transmitting their main economic impact via event-associated direct expenditures. That is the expenditure that would not have occurred in the absence of the event. This meant avoiding expenditure by tourists who would have visited regardless, but who timed their visit to coincide with the event. Significant economic benefits stemming from the remaining expenditure were identified. In contrast, Giesecke and Madden (2011) used a multiregional dynamic CGE model and avoided sources of overestimation such as: elastic factor supply assumptions, failure to treat public input as costs, and overestimation of foreign tourism demand impacts. Their historical simulation results driven by observed values for economic variables, including tourism statistics, did not support the presence of induced tourism expenditures. In addition, their no-Sydney Olympic game simulation yielded an actual consumption loss of \$2.1 Billion. Whilst some economic winners were identified, they considered the possibility of non-use benefits offsetting real consumption losses. However, Firgo (2021) found that a Summer Olympics boosted GRP and a nation's GDP per capita by 3 to 4 percentage points relative to the yearly national level in the year before and of the games. Positive long-run effects were identified but were not found statistically robust. He also found that past winter Olympics had no positive impact on host regions but caused temporal GRP and GDP per capita declines in the years before and of the event. His paper was described as the first to study the long and short-term regional economic impacts of hosting the Olympic Games beyond population dynamics. As results are also inconclusive and depend very much on method and modelling assumptions, the debate continues.

Moreover, a piece of interesting news relates that Australian business mogul Harry Triguboff has committed to donating a total of \$645,000 to Australia's Olympic medallists, which is a very good way to celebrate the success. Australian Olympic Committee president John Coates thanked Mr Triguboff for his unsolicited donation. He states, "Harry is hugely proud of what our Team achieved in Tokyo, and for him to say thank you in this way is hugely generous and most unexpected".

#### For more look here:

- Bergan, B., Mules. T, (1992) Economic Impacts of Sporting Events, *Annals of Tourism Research*, V19, I4, 1992, pp.700-710.
- Giesecke J.A. and Madden J.R (2011) Modelling the Economic Impacts of the Sydney Olympics in Retrospect – game over for the Bonaza Story? *Economic Papers*, V30, I2, June 2011, pp. 218-232.

- Firgo, M., (2019) The casual economic effects of Olympic Games on host regions, *Regional Science and Urban Economics*, V88, May 2021, 103673.
- <a href="https://www.news.com.au/sport/olympics/billionaire-harry-triguboff-pledges-645k-to-australias-olympic-medallists/news-story/62f2ea0a899354970cd777677c920953">https://www.news.com.au/sport/olympics/billionaire-harry-triguboff-pledges-645k-to-australias-olympic-medallists/news-story/62f2ea0a899354970cd777677c920953</a>

#### Afghanistan - People and the world face uncertainty

As the Taliban seizes control of Afghanistan, experts warn many issues, including the humanitarian crisis. A significantly high proportion of Afghans are facing acute food insecurity caused by prolonged drought. A recent report demonstrated that 14 million people, around 35% of Afghanistan's population, were already facing acute food insecurity before the Taliban takeover, according to the World Food Programme (WFP). Half of all Afghan children under the age of five suffer from malnutrition. This could be a human catastrophe for generations to come.

Also, following the scramble to evacuate vulnerable Afghans, thousands of people, some with no documentation or pending U.S. visa applications, others in families with mixed immigration statuses, are now waiting in "transit hubs" in third countries. The hubs include U.S. military bases in Qatar, Germany, and Italy where Afghans must overcome bureaucratic immigration hurdles to eventually enter the United States. This creates uncertainties to not only those Afghans but also the world. For example, an evacuated individual at the U.S. military base in Qatar said that "people line up for hours for food, fearful that there won't be enough to go around, and they are only with their wore clothes, which quickly became sweat-drenched in the 100-degree Fahrenheit (38-degree Celsius) heat.

In addition to the Afghans at U.S. military installations abroad, thousands of Afghans were evacuated in a flurry of improvised private efforts organized by non-profit groups, companies, and veterans' associations. According to a diplomat familiar with the situation, around 3,500 Afghans were brought to the United Arab Emirates on charter flights by a U.S. non-profit organisation. Where would these people go – it a BIG question now?



[A young Afghan girl carries her younger brother in southern Afghanistan (Source: <a href="https://www.climatechangenews.com/">https://www.climatechangenews.com/</a>; photo Kenny Holston/Flickr)]

#### For more look here:

- <a href="https://www.usnews.com/news/world/articles/2021-09-02/evacuated-afghans-hoping-to-resettle-in-us-face-extended-limbo-in-third-countries">https://www.usnews.com/news/world/articles/2021-09-02/evacuated-afghans-hoping-to-resettle-in-us-face-extended-limbo-in-third-countries</a>
- <a href="https://www.climatechangenews.com/2021/08/24/afghanistan-risk-famine-amid-drought-taliban-takeover/">https://www.climatechangenews.com/2021/08/24/afghanistan-risk-famine-amid-drought-taliban-takeover/</a>
- https://www.wfp.org/countries/afghanistan
- <a href="https://www.reuters.com/world/us/informal-us-refugee-network-turns-text-messages-gofundme-rescue-afghans-2021-08-20">https://www.reuters.com/world/us/informal-us-refugee-network-turns-text-messages-gofundme-rescue-afghans-2021-08-20</a>

#### **Commentary**

#### From the Conversation 1 Jun 2021

Australians are used to living in a land of extremes. This month it was New South Wales' turn when colossal rains inundated the state. But as Earth hurtles towards a temperature rise of 3°C this century, how much worse will it get?

A group of eminent Australian scientists has examined that question. And the answer, quite frankly, is terrifying.

Global sea levels would increase by up to 80 centimetres, drowning much of our coastline. Yields of key crops would fall by between 5% and 50%. Heatwaves in Queensland would happen up to seven times a year, lasting an average 16 days. In addition, the Great Barrier Reef would probably no longer exist in its current form.

As Ove Hoegh-Guldberg and Lesley Hughes wrote, this is not an imaginary future dystopia. It's a scientific projection based on our current emissions trajectory – a vision of Australia we must strenuously try to avoid as well as prepare for.

Other important research reveals the climate change toll and other threats are already wreaking havoc on our precious wild places. As Albert Van Dijk and his colleagues write, Australia's environmental health last year scored an appalling 3 out of 10, based on a suite of indicators such as river flows, soil health and tree cover. Check out the interactive graphic to see how your region fared.

Amid the depressing news, there's reason to hope. As our experts remind us, with urgent action and some luck, there is still much we can salvage.

Nicole Hasham (The Conversation): Section Editor: Energy + Environment

#### If the world heats by 3°C this century; Australia will have serious floods

Authors: Ove Hoegh-Guldberg: Professor, The University of Queensland
Lesley Hughes: Professor, Department of Biological Sciences, Macquarie University

(March 31, 2021)

#### Disclosure statements:

• Ove Hoegh-Guldberg receives research funding from the Australian Research Council, the UNEP and WWF. His salary is paid for by the University of Queensland.

- Lesley Hughes has received funding from the Australian Research Council. She is a Councillor with the Climate Council of Australia, a Director of WWF-Australia, a member of the Wentworth Group of Concerned Scientists, and a member of the Climate Targets Panel.
- Partners: Macquarie University and University of Queensland
- Macquarie University and University of Queensland provide funding as members of The Conversation AU.

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#### How Australia Might Look?

Imagine, for a moment, a different kind of Australia; one where bushfires on the catastrophic scale of Black Summer happen almost every year. Where 50°C days in Sydney and Melbourne are common, and storms and flooding have violently reshaped our coastlines and unique ecosystems have been damaged beyond recognition – including the Great Barrier Reef, which no longer exists in its present form.

Frighteningly, this is not an imaginary future dystopia. It's a scientific projection of Australia under 3°C of global warming – a future we must both strenuously try to avoid, and also prepare for.

The sum of current commitments under the Paris climate accord puts Earth on track for 3°C of warming this century. Research released by the Australian Academy of Science explores this scenario in detail.

The report, which we co-authored with colleagues, lays out the potential damage to Australia's ecosystems, food production, urban centres, and human health. Unless the world changes course and dramatically curbs greenhouse gas emissions, this is how bad it could get.

#### A spotlight on the damage

The nations signed up to the Paris Agreement collectively aim to limit global warming to well below 2°C this century and to pursue efforts to limit temperature increase to 1.5°C. But on current emissions-reduction pledges, global temperatures are expected to far exceed these goals, reaching 2.9°C by 2100.

Australia is the driest inhabited continent, and already has a highly variable climate of "droughts and flooding rains". This is why of all developed nations, including Australia has been identified as one of the most vulnerable to climate change.

The damage is already evident. Since records began in 1910, Australia's average surface temperature has warmed by 1.4°C, and its open ocean areas have warmed by 1°C. Extreme events – such as storms, droughts, bushfires, heatwayes, and floods – are becoming more frequent and severe.

Today's report brings together multiple lines of evidence such as computer modelling, observed changes and historical paleoclimate studies. It gives a picture of the damage that's already occurred, and what Australia should expect next. It shines a spotlight on four categories being: ecosystems, food production, cities and towns, and health and well-being.

In all these areas, we found the impacts of climate change are profound and accelerating rapidly.

Read more: Yes, Australia is a land of flooding rains. But climate change could be making it worse. Rember the Perth residents at an evacuation centre during a bushfire in February this year. Such events will become more frequent under climate change. *Richard Wainwright/AAP* 

#### 1. Ecosystems

Australia's natural resources are directly linked to our well-being, culture and economic prosperity. Global warming and changes in climate have already eroded the services ecosystems provide and affected thousands of species.

The problems extend to the ocean, which is steadily warming. Heat stress is bleaching and killing corals, and severely damaging crucial habitats such as kelp forests and seagrass meadows. As oceans absorb carbon dioxide (CO<sub>2</sub>) from the atmosphere, seawater is reaching record acidity levels which harm marine food webs, fisheries, and aquaculture.

At 3°C of global warming by 2100, oceans are projected to absorb five times more heat than the observed amount accumulated since 1970. As they become increasingly more acidic than today, the ocean oxygen levels will decline at ever-shallower depths, affecting the distribution and abundance of marine life everywhere. At 1.5-2°C warming, the complete loss of coral reefs is very likely.

Heat stress is killing corals and marine animal habitats. (Shutterstock.com)

Under 3°C warming, global sea levels are projected to rise 40-80 centimetres, and by many more metres over coming centuries. Rising sea levels are already inundating low-lying coastal areas, and saltwater is intruding into freshwater wetlands. This leads to coastal erosion that amplifies storm impacts and affects both ecosystems and people.

Land and freshwater environments have been damaged by drought, fire, extreme heatwaves, invasive species, and disease. An estimated 3 billion vertebrate animals were killed or displaced in the recent Black Summer bushfires. Some 24 million hectares were burned, including 80% of the Blue Mountains World Heritage Area and 50% of Gondwana rainforests. At 3°C of warming, the number of extreme fire days could double. (Gondwana definition: a vast continental area believed to have existed in the southern hemisphere and to have resulted from the break-up of Pangaea in Mesozoic times. It comprised present-day Arabia, Africa, South America, Antarctica, Australia, and the peninsula of India-).

Some species are shifting to cooler latitudes or higher elevations. But most will struggle to keep up with the unprecedented rate of warming. Critical thresholds in many natural systems are likely to be exceeded as global warming reaches 1.5°C. At 2°C and beyond, we're likely to see the complete loss of coral reefs, and inundation of iconic ecosystems such as the World Heritage-listed Kakadu National Park.

At 3°C of global warming, Australia's present-day ecological systems would be unrecognisable. The first documented climate-related global extinction of a mammal, the Bramble Cay melomys from the Torres Strait, is highly unlikely to be the last. Climate change is predicted to increase extinction rates by several orders of magnitude.

Degradation of Australia's unique ecosystems will harm the tourism and recreation industries, as well as our food security, health and culture.

However, there are ways to reduce the climate risk for ecosystems – many of which also benefit humans. For example, preserving and restoring mangroves protects our coasts from storms, increases carbon storage, and retains fisheries habitat.

There are tragic stories of 119 species still struggling after the recent Black Summer bushfires such as the orange-bellied-parrot. Climate change will accelerate species extinctions.

#### 2. Food production

Australian agriculture and food security already face significant risks from droughts, heatwaves, fires, floods, and invasive species. At 2°C or more of global warming, rainfall will decline and droughts in areas such as south-eastern and south-western Australia will intensify. This will reduce water availability for irrigated agriculture and increase water prices.

Heat stress affects livestock welfare, reproduction, and production. Projected temperature and humidity changes suggest livestock will experience many more heat stress days each year. More frequent storms and heavy rainfall are likely to worsen erosion on grazing land and may lead to livestock loss from flooding.

Heat stress and reduced water availability will also make farms less profitable. A 3°C global temperature increase would reduce yields of key crops by between 5% and 50%. Significant reductions are expected in oil seeds (35%), wheat (18%) and fruits and vegetables (14%).

Climate change also threatens forestry in hotter, drier regions such as south-western Australia. There, the industry faces increased fire risks, changed rainfall patterns and growing pest populations. In cooler regions such as Tasmania and Gippsland, forestry production may increase as the climate warms. With 3°C warming, existing plantations would change substantially.

As ocean waters warm, distributions and stock levels of commercial fish species are continuing to change. This will curb profitability. Hence, many aquaculture fisheries may fundamentally change, relocate or cease to exist.

These changes may cause fisheries workers to suffer unemployment, mental health issues (potentially leading to suicides) and other problems. Strategic planning to create new business opportunities in these regions may reduce these risks.

Read more: Australia's farmers want more climate action – and they're starting in their own (huge) backyards. Under climate change, drought will badly hurt farm profitability. *Shutterstock* 

#### 3. Cities and towns

Almost 90% of Australians live in cities and towns and will experience climate change in urban environments.

Under a sea level rise of 1 metre by the end of the century – a level considered plausible by federal officials – between 160,000 and 250,000 Australian properties and infrastructure are at risk of coastal flooding.

Strategies to manage the risk include less construction in high-risk areas, and protecting coastal land with sea walls, sand dunes and mangroves. But some coastal areas may have to be abandoned.

Extreme heat, bushfires and storms put strain on power stations and infrastructure. At the same time, more energy is needed for increased air conditioning use. Much of Australia's electricity generation relies on ageing and unreliable coal-fired power stations. Extreme weather can also disrupt and damage the oil and gas industries. Diversifying energy sources and improving infrastructure will be important to ensure reliable energy supplies.

The insurance and financial sector are becoming increasingly aware of climate risk and exposure. Insurance firms face increased claims due to climate-related disasters including floods, cyclones, and mega-fires. Under some scenarios, one in every 19 property owners face unaffordable insurance

premiums by 2030. A 3°C-world temperature increase would render many more properties and businesses uninsurable.

Cities and towns, however, can be part of the climate solution. High-density urban living leads to a lower per capita greenhouse gas emission "footprint". Also, innovative solutions are easier to implement in urban environments.

Passive cooling techniques, such as incorporating more plants and street trees during planning, can reduce city temperatures. But these strategies may require changes to stormwater management and can take time to work.

Read more: When climate change and other emergencies threaten where we live, how will we manage our retreat? Extreme storms will continue to violently reshape our coastlines. *David Moir/AAP* 

#### 4. Human health and well-being

A 3°C world threatens human health, livelihoods, and communities. The elderly, young, unwell, and those from disadvantaged socioeconomic backgrounds are at most risk.

Heatwaves on land and sea are becoming longer, more frequent, and severe. For example, at 3°C of global warming, heatwaves in Queensland would happen as often as seven times a year, lasting 16 days on average. These cause physiological heat stress and worsen existing medical conditions.

Bushfire-related health impacts are increasing, causing deaths, and exacerbating pre-existing conditions such as heart and lung disease. Tragically, we saw this unfold during the recent Black Summer bushfires. These extreme conditions will increase at 2°C and further at 3°C, causing direct and indirect physical and mental health issues.

Under 3°C warming, climate damage to businesses will probably lead to increased unemployment and possibly higher suicide rates, mental health issues and health issues relating to heat stress.

At 3°C global warming, many locations in Australia would be very difficult to inhabit due to the projected water shortages.

As weather patterns change, transmission of some infectious diseases, such as Ross River virus, will become more intense. "Tropical" diseases may spread to more temperate areas across Australia.

Strategies exist to help mitigate these effects. They include improving early warning systems for extreme weather events and boosting the climate resilience of health services. Nature-based solutions, such as increasing green spaces in urban areas, will also help.

Read more: Air quality in Canberra was the worst in the world after the Black Summer bushfires. Lukas Coch/AAP

#### 5. How to avoid catastrophe

The report acknowledges that limiting global temperatures to 1.5°C this century is now extremely difficult. Achieving net-zero global emissions by 2050 is the absolute minimum required to avoid the worst climate impacts.

Australia is well positioned to contribute to this global challenge. We have a well-developed industrial base, skilled workforce, and vast sources of renewable energy.

But Australia must also pursue far more substantial emissions reductions. Under the Paris deal, we've pledged to reduce emissions by 26-28% between 2005 and 2030. Given the multiple and accelerating climate threats Australia faces, we must scale up this pledge. We must also display the international leadership and collaboration required to set Earth on a safer climate trajectory.

Our report recommends Australia immediately do the following:

- join global leaders in increasing actions to urgently tackle and solve climate change
- develop strategies to meet the challenges of extreme events that are increasing in intensity, frequency and scale
- improve our understanding of climate impacts, including tipping points and the compounding effects of multiple stressors at global warming of 2°C or more
- systematically explore how food production and supply systems should prepare for climate change
- better understand the impacts and risks of climate change for the health of Australians
- introduce policies to deliver deep and rapid cuts in emissions across the economy
- scale up the development and implementation of low- to zero-emissions technologies
- review Australia's capacity and flexibility to take up innovations and technology breakthroughs for transitioning to a low-emissions future
- develop a better understanding of climate solutions through dialogue with Aboriginal and Torres Strait Islander peoples particularly strategies that helped people manage Australian ecosystems for tens of thousands of years, and
- continue to build adaptation strategies and greater commitment for meeting the challenges of change already in the climate system.

We don't have much time to avert catastrophe. This decade must be transformational, and one where we choose a safer future.

The report upon which this article is based, *The Risks to Australia of a 3°C Warmer World*, was authored and reviewed by 21 experts.

 Read more: Climate crisis: keeping hope of 1.5°C limit alive is vital to spurring global action. <a href="https://theconversation.com/seriously-ugly-heres-how-australia-will-look-if-the-world-heats-by-3-c-this-century-">https://theconversation.com/seriously-ugly-heres-how-australia-will-look-if-the-world-heats-by-3-c-this-century-</a>

157875#:~:text=Seriously%20ugly%3A%20here%E2%80%99s%20how%20Australia%20will%20look%20if,towns.%20...%204%20Human%20health%20and%20well-being.%20

#### **Productivity Commission News**

#### Closing the Gap Dashboard – data release (2021)

*Comment*: This report is both important and very late. (Steering Committee for the Review of Government Service Provision)

*Report:* The Overcoming Indigenous Disadvantage report measures the wellbeing of Aboriginal and Torres Strait Islander people, and covers early child development, health, housing, education, economic participation, safe communities and governance, leadership as well as culture. The report includes case studies on governance, with a specific focus on identifying arrangements that support shared decision-making between Aboriginal and Torres Strait Islander people and Australian governments.

This report was produced in consultation with all Australian governments, the Coalition of Aboriginal and Torres Strait Islander Peak Organisations and other Aboriginal and Torres Strait Islander people and organisations.

Watch the video – with Romlie Mokak, Djugun/Yawuru, Commissioner and Michael Brennan, Chair Productivity Commission Watch the video (Ctrl+Click to follow link)

#### Key points

This report measures the wellbeing of Aboriginal and Torres Strait Islander people. It provides comprehensive data across a range of outcome areas, along with supporting material on the strengths of Aboriginal and Torres Strait Islander people, and the structural and systemic barriers that need to be addressed if outcomes are to further improve.

In many areas' outcomes have improved for Aboriginal and Torres Strait Islander people:

- Mortality rates for children improved between 1998 and 2018, particularly for 0<1 year olds whose mortality rates more than halved (from 13 to 5 deaths per 1000 live births).
- Education improvements included increases in the proportion of 20–24 year olds completing year 12 or above (from 2008 to 2018--19) and the proportion of 20–64 year olds with or working towards post school qualifications (almost doubling from 2002 to 2018–19).
- From 2014 to 2018, more people in the general community felt it was important to know about Aboriginal and Torres Strait Islander histories and cultures and more people rated their level of knowledge of both as high.

But in some areas, outcomes have not improved for Aboriginal and Torres Strait Islander people.

- Rates of children in out-of-home care have almost tripled in the past 15 years (60 per 1000 children in 2018-19).
- The proportion of adults reporting high levels of psychological distress increased from 27 per cent in 2004-05 to 31 per cent in 2018-19, and the rate of deaths from suicide and self-harm increased by 40 per cent over the decade to 2018.
- The adult imprisonment rate increased 72 per cent between 2000 and 2019, and whilst the youth detention rate has decreased it is still 22 times the rate for non-Indigenous youth.

When outcomes have not improved, they need to be understood with reference to the personal challenges and systemic and structural barriers that many Aboriginal and Torres Strait Islander people have experienced and continue to face.

- Aboriginal and Torres Strait Islander people have a higher prevalence of the personal risk factors associated with poorer outcomes and are more likely to have multiple risk factors.
- Aboriginal and Torres Strait Islander people are often disproportionally affected by structural barriers due to their particular circumstances or the disadvantage they experience.
- Connection to culture is a key to many Aboriginal and Torres Strait Islander people's identity and strength. These cultures are a foundation on which wellbeing can continue to be built.

Common characteristics of approaches that appear to be successful in improving outcomes for Aboriginal and Torres Strait Islander people include:

- Enabling Aboriginal and Torres Strait Islander people to share in decision making on things that affect them.
- Addressing laws, policies, and practices that operate to the detriment of Aboriginal and Torres Strait Islander people.

- Ongoing government investment, collaboration, and coordination.
- Ensuring access to effective culturally safe services, at the right time and suited to the local context.
- Addressing racism and discrimination in the Australian community, through structural changes, and building knowledge and education.

You can view the overview, report and video at: pc.gov.au/oid2020

Have your say! If you wish to provide comments this publication, follow this link to have your say! Media, Publications and Web | Productivity Commission | 03 9653 2244 | mpw@pc.gov.au | www.pc.gov.au

#### Service sector key to future wages growth

Australia's economy, like that of almost all other rich countries, is increasingly dominated by its service sector. If Australians are to experience ongoing wage and productivity growth, it will have to come largely from service industries, which account for 90 per cent of Australian employment and 80 per cent of output.

This report sheds light on the evolution of the services sector in Australia, busts some common misconceptions about services, and highlights the challenges associated with services productivity measurement and growth.

For further information, please visit the project's webpage: <a href="https://www.pc.gov.au/productivity-insights-services">https://www.pc.gov.au/productivity-insights-services</a>

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From the Productivity Commission

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#### National Water initiative

Australian governments need to modernise and strengthen the National Water Initiative

Water is critical to the economy, the environment and the wellbeing of Australian communities. But highly variable rainfall patterns, with frequent droughts and floods, make it a challenging resource to manage. Since the mid-1990s, governments have implemented a program of national water reform, with the most recent agreement — the National Water Initiative (NWI) — signed in 2004. This national water policy has served Australia well, but it is 17 years old. It has reached its use-by date and it will struggle in the face of the challenges ahead — increased population, increased community demands and the likely effects of climate change.

It is time for Governments to once again lead the way on developing a new national water policy and agree a pathway to meet these challenges. The NWI needs to be modernised and strengthened to create an agreement that will provide clear and sensible guidance to governments, communities, industries and environmental managers over the next 10 to 15 years. Read more in our draft report.

For further information, please visit the inquiry page: www.pc.gov.au/inquiries/current/water-reform-2020

Have your say! You are invited to examine the draft report and to make submissions or brief comment by Wednesday 24 March 2021.

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#### From the Regional Australia Institute

#### Regional Job Opportunities Hit Record Levels Around the Country

Media releases Housing, Job Vacancies, regional jobs April 30 2021

The demand for workers in regional Australia has hit an all-time high, with more than 66,200 jobs available in regional towns and cities across the country, according to the Regional Australia Institute (RAI).

RAI CEO Liz Ritchie says this is the largest number since records began, surpassing the demand during the mining construction boom a decade ago.

"Regional job vacancies now account for nearly one third of all vacancies across the country. The last time the labour market was this strong was during the mining construction boom in 2011-2012," Ms Ritchie said.

"Back then, the overall economic situation was defined by the country's two-speed economy, with job ads narrowly based in the resource-rich states and industries.

"By contrast, the current strength in the regional labour market is broadly based across all states and territories and occupations, with the greatest demand being for professionals and skilled tradespeople," Liz Richie said.

In March 2021, a record number of jobs were advertised in regional areas of New South Wales, Victoria, South Australia, Tasmania and the Australian Capital Territory. In Queensland and Western Australia, regional job vacancies were not far below previous records, while in the Northern Territory, regional job ads have been trending higher over the past eight months.

RAI Chief Economist Dr Kim Houghton says the Dubbo and Western NSW Region recorded the strongest annual growth, with job ads up by 117% in the year to March 2021.

"Each and every one of the thirty-two regions outside of the mainland state capitals had more vacancies in March 2021 than in the previous month and also more vacancies than a year earlier," Dr Houghton said.

The stand-out sector driving labour demand in regional areas is Health Care and Social Assistance, followed by Public Administration and Safety, then the Professional, Scientific and Technical Services sectors. To find more details, please go to the RAI's Regional Jobs Vacancy Report.

"There are so many opportunities across regional Australia, which is why RAI has launched its national multi-million dollar Move to More campaign," Ms Ritchie said.

The campaign's television, radio and digital ads will begin rolling out from the end of May.

"Our research in December 2020 found that one in five people living in Perth, Brisbane, Sydney and Melbourne are considering a move to regional Australia within the next three years – half of them, within 12 months," Liz Ritchie said.

"We need to embrace this regional renaissance and rebalance the nation's population away from our congested capitals if we are to have a sustainable and productive future," Liz Ritchie said.

"Of course, there will be growing pains with regionalisation, but we should not shy away from the challenges ahead – and housing is one of those.

"While regional communities have long faced housing challenges, these have been amplified by the increased interest in regional living sparked by the coronavirus pandemic and the working-from-home phenomenon.

#### For all media enquiries, please contact:

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#### From Brookings

#### The Covid boom we could do without

Adam Triggs (August 19, 2021)

Adam Triggs is a Director within Accenture Strategy, a visiting fellow at the Crawford School at the Australian National University, and a non-resident fellow at the Brookings Institution.

"Before Covid-19, the value of mergers and acquisitions in Australia hit its peak during the global financial crisis. More than \$348 billion of deals were made in a single year as struggling companies were snapped up by their rivals.

The trend has shown no signs of declining since the pandemic set in, with the 2020 figure topping \$372 billion. Correcting for inflation, the annual value of mergers and acquisitions each year in Australia is a whopping eight times bigger than it was back in 1990.

Should we be worried? Mergers and acquisitions have benefits and costs, and if the former are greater than the latter then they should be welcomed. But a growing body of research shows that their benefits, while large in theory, are not so big in practice. The costs, on the other hand, appear to be bigger and more persistent than ever.

Mergers and acquisitions have two main benefits. Bigger businesses benefit from economies of scale: their size and improved efficiencies mean they can produce more goods and services at a lower cost, boosting productivity. And bigger businesses can generate greater economies of scope, saving on costs a bit like a petrol station that also sells milk.

Mergers are an easy way for a business to gain these benefits by expanding into new markets, new locations and even new countries. They allow a business to expand from retail into wholesale, from wholesale into manufacturing, and from manufacturing into distribution and logistics. They can also be a way to save a failing business.

But mergers can create problems, and many of them relate to competition. When competing firms merge, we lose a competitor. This is not necessarily a problem if lots of other competitors exist or if

new ones can enter the market quickly. But when a merger reduces competition, it causes all the things we are struggling with in Australia: high mark-ups, low wages growth, low investment and low innovation, all contributing to greater inequality.

Problems can arise even when a merger doesn't involve competing firms. When mergers result in a business becoming vertically integrated, new competitors find it hard to compete with an incumbent that has its own manufacturing, wholesale, retail and distribution networks. When mergers allow businesses to sell bundled products or services, it becomes harder for customers to change from one supplier to another, reducing competition.

The most common argument in favour of mergers and acquisitions is a fallacious one: that Australia needs big businesses to compete internationally. Most of Australia's economy isn't "trade exposed," and even the parts that are exposed to international competition don't benefit from being allowed to become dominant — and often inefficient — in the Australian market."

For the full article search here:

#### https://insidestory.org.au/the-covid-boom-we-could-do-without/

Covid-19 will have many long-term consequences for Australia. Weakened competition shouldn't be one of them. Mergers and acquisitions are booming, but their benefits are often overstated and their costs greater than ever. (Ed)

#### From CEDA

#### How business can boost job opportunities for First Nations people

News articles on Indigenous Affairs (July 01, 2021)

Businesses need to engage Indigenous workers early and support them throughout their careers, a panel of Indigenous employment experts told a CEDA livestream audience.

Minderoo Foundation Generation One Chief Executive, Shelley Cable, said employers that do a good job on this front are those who "aren't just trying to get numbers".

"Often, it's employers who invest in the work-readiness of individuals, and organisations who are ready to support those Indigenous staff into different roles and up the ranks into managerial positions," Ms Cable said.

Ms Cable was joined by Wirrpanda Foundation Director and Community Engagement General Manager, Troy Cook; BGIS Talent Acquisition Business Partner and Indigenous Engagement Specialist, Rikki Cooper; and CareerTrackers Learning and Innovation Director, Adam Davids for a discussion about developing work opportunities for First Nations people.

Mr Cook said businesses needed to make sure that workplaces were culturally safe, and that cultural awareness was embedded throughout the organisation.

"Cultural awareness is the key... but it is really important that it's led from the top down and making sure that the executives are serious about it," he said.

"If you are serious about it, try and quarantine some roles for Aboriginal and Torres Strait Islander people – that is showing that you are serious about it."

Mr Davids said businesses and organisations should be prepared to engage Indigenous university students as early as their first year of study.

While plenty of Indigenous students are starting tertiary education, Mr Davids said about four out of 10 Indigenous students were dropping out and ending their degrees early.

However, nearly nine out of 10 students who completed internships went on to finish their studies.

"One of the most vital ways for an employer to improve their brand in the Indigenous community as an employer of choice is to provide meaningful experiences and opportunities," he said.

"The more meaningful the experience, the better the taste that the student is going to have of the opportunity... and students talk to each other – they will talk about whether the experience was good or bad, and that will have an influence on the brand of the employer."

Ms Cooper said employers must make a genuine effort when attracting Indigenous employees.

"Indigenous people can see from a mile away whether a business is committed... and they can also see the organisations that are just ticking a box," she said.

"If you are going to do it, then do it genuinely from the heart."

At BGIS, Ms Cooper has focused on making sure the organisation knows who their Indigenous employees are and how that information is collected and collated.

She said that information has helped the organisation support workers through Indigenous employee mentorship programs.

Ms Cooper noted they had seen a 1600 per cent increase in engagement with their Indigenous communities and Indigenous employees since 2015.

Data is also front of mind for Ms Cable and the team at Generation One.

"Indigenous Australians are invisible in our labour force and the last time that we had a comprehensive picture of the Indigenous labour force was in 2016," Ms Cable said.

"We know as businesspeople that what gets measured gets managed.

"And if we want to manage the employment gap, we need better information, so we can make better decisions and make smarter investments to close the gap faster."

To tackle the data gap, Generation One is working with 50 of Australia's largest employers to create the country's first Indigenous labour index and establish a baseline of Indigenous employment.

Ms Cable said the index would be a critical evidence base for Australia to learn from and track our collective progress over time.

https://www.ceda.com.au/NewsAndResources/News/Indigenous-affairs/How-business-can-boost-job-opportunities-for-First

Businesses need to engage Indigenous workers early and support them throughout their careers. (Ed)

#### In Focus: Rural and Regional Communities

Opinion: Creating new places in tertiary education is not enough to attract and retain women in the skilled trades occupations

[By Dr Donna Bridges, is a gender and work theorist and a feminist, qualitative researcher at Charles Sturt University. Her work focuses on gender equality, gender norms in society, gender constructions, workplace inequality, discrimination and harassment.]

"The Women in Trades team at CSU is concerned by a NSW state government initiative that will support 3000 training places for women in construction, manufacturing, engineering, transport and logistics. The aim of the initiative is to increase the numbers of women in these heavily male dominated areas. Women make up a mere 1-3% of skilled trades occupations in Australia. Without question, the industries of construction and building have been resistant to the inclusion of women and a number of unsuccessful initiatives since the 1980s attest to this. Our research has found that the barriers women face in tertiary education and the workplace need to be resolved if women are to be retained in training places. Furthermore, our industry consultations indicate that employers don't feel adequately informed or supported in the hiring of women.

The NSW government is attempting to tackle the skills shortage in regional Australia as well as the problem of young women out migrating from regional and rural areas. 'The National Skills Needs List' identifies most skilled trades in regional Australia as experiencing a shortage, and currently, regional labour markets provide limited employment opportunities for women. The state government are also responding to extreme gender segregation in skilled trade occupations. An increase of women in the trades, in regional Australia would be a win win for all three issues. However, a 'lessons learnt' analysis clearly shows that policy change to support women is imperative. Simply providing places is likely to lead to women struggling to find an apprenticeship and resulting to high attrition as they find themselves unwanted at TAFE and on worksites. Whilst our consultations with the NSW Minister for Women and Regional Youth, Bronwyn Taylor recommended targeting mature aged women and unemployed women we also advised that a multipronged approach was needed to create change. We also provided information about issues in the tertiary system, on work sites and a detailed analysis about employer reservations.

Our research clearly showed that further support for women and employers was needed to strengthen the initiative. As well as policy change, we recommended programs that would provide much needed social capital and enculturation for women. These include but are not limited to inclusive initiatives such as formal and informal networking programs, seminars and conferences and mentoring opportunities. The unique initiatives of all women teams and buddy systems have shown early signs of success as has matching women with supportive supervisors. Encouraging women through formal career management, further education and training and self-employment courses are also reported by women to increase their motivation to stay in the trades. We suggested a multipronged approach to working with employers that includes information, resources and support. Indeed, issues of discrimination and harassment need to be addressed with formal policy but both tradeswomen and employers need more information about what laws exist to further gender inclusion and equity and how policy can successfully be implemented to maximize acceptance by employers, supervisors, colleagues and other stakeholders."

Read more articles on regional research issues from the "Connections – Research for a changing world" here at: <a href="https://cdn.csu.edu.au/\_data/assets/pdf\_file/0009/3851334/Connections-61-June-2021.pdf">https://cdn.csu.edu.au/\_data/assets/pdf\_file/0009/3851334/Connections-61-June-2021.pdf</a>.

#### **CONFERENCES and STUDY OPPORTUNITIES**

#### Australian Rural & Remote Mental Health Symposium

About the conference

Unite with a community committed to advancing rural & remote mental health care.

Living and working in rural Australia can be a rich and rewarding way of life. However, factors such as geographic location, social isolation, and limited facilities can make it difficult for many to receive adequate mental health care.

When rural and remote mental health services are needed, they are often few and far between.

Gain practical solutions to improve mental health services in Australia's rural and remote areas at the Australian Rural & Remote Mental Health Symposium.

Over 12 hours towards your CPD points Discounts:

Register before the 24th of September to receive an extra Early Bird discount

Use code PHNNC10 to receive 10% discount on in-person and virtual registrations

Important Dates:

Abstract Submissions Close: 4th June 2021 Notification to authors: Friday 18 June 2021

Program Release: 20th June 2021

Author acceptance and registration due: Friday 25 June 2021

Hybrid Conference: In-Person and Virtual from November 3-5, 2021.

#### National Convention Centre Canberra, Constitution Avenue, Canberra ACT, Australia

Discover

This year's symposium theme is Weathering the Storm: Reflecting On 2020 & Planning for What's Next.

By sharing insight from research studies, industry practice and real-life experiences, we hope to improve the way we plan for, prepare, and provide mental health treatment to Australian's living and working in rural and remote areas.

Apply to present and share your knowledge in areas including:

- o Building resilient and empowered communities
- Meaningful consumer & carer participation
- Delivering excellence differently
- Integrating and coordinating care

Book now: Australian Rural & Remote Mental Health Symposium (anzmh.asn.au).

#### Regional Studies Blog

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

The link is <a href="https://www.regionalstudies.org/category\_news/rsa-blog/">https://www.regionalstudies.org/category\_news/rsa-blog/</a>. A recent contribution that is relevant to ANZRSAI as affordable housing is also an issue in Australia through the following item: <a href="Community benefits from affordable housing as a human right">Community benefits from affordable housing as a human right</a>, by Tatianna Brierley. Franziska Dissibacher and Mathias Moser reported on income inequality within and between regions in the US in a contribution entitled "Beyond the Gini coefficient to understand income inequality within and between regions". A recent contribution is Indigenous regional thinking contributing to international

conservation by Dr Emma Lee (an Aboriginal and Torres Strait Islander Research Fellow, RegionxLink, Centre for Social Impact, Swinburne University of Technology) addresses the cultural and spiritual significance of nature and how nature marks out the guideline of conservation.

The following two items provide the report on "RSA and post-pandemic "new normal" for conferences" Part 1 and Part 2 that may be of interest to Australian regional science researchers:

- RSA and post-pandemic "new normal" for conferences (Part 1) RSA Main (regionalstudies.org)
- RSA and post-pandemic "new normal" for conferences (Part 2) RSA Main (regionalstudies.org)

#### **CURRENT RESEARCH ABSTRACTS**

#### ANZRSAI Abstract Alerts

To contribute to ANZRSAI Abstract Alerts email the editors a title, abstract, and citation.

From Yogi.Vidyattama Yogi.Vidyattama@canberra.edu.au

Collection of Azizur Rahman <u>azrahman@csu.edu.au</u>

#### **Regional Studies**

Vol. 55, Issue 3, 2021

Regional innovation systems: what can we learn from 25 years of scientific achievements?

Cristina Fernandes, Luís Farinha, João J. Ferreira, Björn Asheim & Roel Rutten

**Abstract:** The regional innovation systems (RIS) concept has become popular among academics, political decision-makers and regional stakeholders of innovation. Understanding the competitive dynamics of RIS and their impact on regional competitiveness today has thus become a priority. This paper provides researchers, academics, political decision-makers and other interested parties with a map of the different approaches to RIS, aiding in the definition of new territorial innovation policies. With a cocitation resource approach, an extensive search of the Web of Science database was carried out and it encountered four clusters in the literature on RIS: regional knowledge systems; regional institutional systems; regional research and development systems; and regional network systems. This correspondingly sets out new theoretical perspectives based on bibliometric analysis techniques and new paths for scientific reflection and research.

Smart Specialisation strategies on the periphery: a data-triangulation approach to governance issues and practices

Stefano Ghinoi, Bodo Steiner, Teemu Makkonen & Robert Hassink

Abstract: In spite of our current understanding of Smart Specialisation Strategy (S3) design and implementation, an understanding of interrelated governance practices aimed at addressing S3 governance issues is lacking. Applying a data-triangulation approach to a large peripheral Finnish region (Lapland), the analysis suggests that S3 implementation faces two key challenges: first, the development of stakeholder networks to support diversified specialization; and second, the lack of entrepreneurial discovery activity and associated differentiation of specialization. Policy solutions aimed at successful S3 implementation could focus on more targeted stakeholder engagement to mobilize resources for further diversified specialization.

Successful economic diversification in less developed regions: long-term trends in turbulent times

Korneliusz Pylak & Dieter F. Kogler

Abstract: The interplay between related and unrelated varieties and diversification processes as a driver of economic growth dominates contemporary discussions in the evolutionary economic geography (EEG) literature. This study provides further insights into these debates by exploring Poland, a nation of predominantly less developed regions, in the turbulent period between 1931 and 2000 which covers the Second World War and Communism. It is confirmed that in these specific settings only variety and diversification based on knowledge-intensiverelated industries were conducive to growth. Successful diversification occurred more frequently around the capital city and transport corridors, indicating implications for EEG.

[**Note**: more abstracts and paper are available: <a href="https://www.tandfonline.com/toc/cres20/55/3?">https://www.tandfonline.com/toc/cres20/55/3?</a> nav=tocList&]

#### The Review of Regional Studies

Vol. 51 Issue 2, 2021

## Place Prosperity and the Intergenerational Transmission of Poverty

Nebiyou Tilahun, Joseph Persky, Jaeyong Shin & Moira Zellner

Abstract: Much new work in urban and regional economics has emphasized the importance of place prosperity. This study focuses on the determinants of adult poverty and the contribution of place prosperity in damping the intergenerational transmission of poverty. Childhood poverty is a major predictor of adult poverty. We consider how such intergenerational transmission is affected by metropolitan and neighborhood (census tract) prosperity. To capture the temporal dynamics of this process, the model explored here is recursive in nature. We use longitudinal microdata from the Panel Study of Income Dynamics. Location variables at the census tract and metropolitan levels, family variables, and poverty status are observed for our

subjects over multiple years both in childhood and adulthood. Neighborhood and metropolitan prosperity are measured in terms of average incomes adjusted for purchasing power parity differences. The standardized neighborhood prosperity direct effect on adult poverty is strongly significant and its total effect is twice as large. On the other hand, the standardized direct effect of metropolitan prosperity and its total effect are small and insignificant. But even neighborhood effects are modest compared to standardized effects of childhood poverty, race, mother's education and own education. At least with respect to these data, the recent emphasis on place variables would seem to be overstated.

#### Information Interventions and Postsecondary Enrollment: Evidence from Appalachian Ohio

Cullen T. Wallace

Abstract: This paper examines a series of high school-level interventions designed to encourage college attendance in a historically underperforming region, Appalachian Ohio. High schools received competitive grants to combat information frictions regarding postsecondary enrollment—through campus visits, college fairs, financial aid seminars, etc. I estimate the effect of these competitive grants on postsecondary enrollment. Only Appalachian high schools were eligible for the program, and I exploit this policy-induced variation in treatment allocation to compare college attendance rates for high schools that received funding and similar, non-Appalachian high schools that were ineligible for the program using a difference-in-differences framework. Leveraging multiple datasets and treatment specifications, I document two findings: i) while college attendance generally rose during treatment, no evidence indicates that the grants increased attendance relative to similar yet untreated schools and ii) there is no evidence that attendance patterns shifted to higher-quality institutions.

### How Does the Age Structure Affect Local Economies in the US?

Xiaochen Zhang

Abstract: This study examines the impacts of population aging on a wide range of economic indicators from a regional perspective. Many countries, including the United States, are experiencing demographic aging. This may have a dramatic impact on both the national and sub-national economies. However, there is little consensus about its impact on local subnational economies. This study uses regional variation in age structure to explain economic outcomes at the metropolitan statistical areas (MSAs) level. In order to identify causal effects, Mahalanobis distances were calculated to identify the matched cities as instrumental variables. The study finds that regions with older age structures tend to have higher growth rates of GDP per capita and lower growth rates of unemployment, but such positive effects are likely to fade away in the long run. Additionally, there is no significant impact of age composition on income. The choice of variables is critical as it can lead to mixed results. The results are robust before, during and after the economic recession. Quantile regression is also used to explore potential heterogeneous effects among MSAs. The results show that MSAs, regardless of their size, are uniformly affected by the age structure.

[**Note**: more abstracts and paper are available: https://rrs.scholasticahq.com/issue/3579]

**Regional Science Policy and Practice**Volume 13, Issue 2 [Special Issue – abstracts]

Voting and the rise of populism: Spatial perspectives and applications across Europe

Eveline S. van Leeuwen, Solmaria H. Vega

Abstract: Populism has expanded over the past decade, especially far-right parties and their respective voter bases. Voting patterns are often unevenly distributed over space, which makes it very relevant to explore, along with other relevant factors, the spatial dimension.

This will increase our understanding of the rise of populist parties, and accordingly, policy implications.

First, an introduction to the rise of populism is given, especially in the context of Europe, followed by introducing a conceptualization of the spatial dimension of populism. Then, the contributions of the special issue are highlighted. A clear conclusion is that economic development is an important factor in explaining populist voting, but that regional factors such as local public spending on culture, broader welfare and local unemployment, play an equally important role. Instead of more policies, more attention to the context-specific regional needs are urgently required, resulting in a call for place-sensitive policies that take into account regional economic and socio-demographic differences. Finally, ideas on further research directions are proposed.

Places that don't matter or people that don't matter? A multilevel modelling approach to the analysis of the geographies of discontent

Luise Koeppen, Dimitris Ballas, Arjen Edzes, Sierdjan Koster

Abstract: The possible impacts of contextual effects on political behaviour have long been studied and analysed by political scientists and geographers. We review previous relevant literature and extend it by incorporating the recent rise of populism and developments of socio-economic determinants of the political economy of discontent and the geography of happiness and well-being across the European Union. In particular, the research presented in this paper is aimed at analysing the impact of individual and contextual variables on political behaviour across European regions. Additionally, this paper examines links between subjective well-being and political preferences, while at the same time considers contextual factors at the regional level across Europe. Methodologically, we adopt a

multilevel modelling approach to analyse voting behaviour and to also examine subjective happiness indicators in relation to factors of political geography. We employ data from the European Social Survey (ESS) to estimate the effects of economic and non-economic factors across Europe on the geography of subjective happiness and discontent using individual social values and cultural norms. We find that not only are individual level characteristics significant, but so too are regional characteristics.

#### Voting with your feet or voting for Brexit: The tale of those stuck behind

Annie Tubadji, Thomas Colwill, Don Webber

Abstract: This paper promotes the idea of a culturally-sensitive Tiebout-Hirschman-Rothschild mechanism underpinning the UK's 2016 Brexit result. Our culture-based development (CBD) model asserts a trade-off between two rival types of voting: voting with one's feet or voting in a radical way due to being unable to vote with one's feet, akin to a protest vote. We explore the effects on the Brexit vote of shares of public spending on culture and a particular type of migration dynamic that triggers social closure. Our findings reveal that strong support for the Leave campaign was encountered in areas with lower local government expenditure on culture and in areas with higher outflows of UK residents. Previous literature had found that left-behind places and places with concentrations of highly educated commuters are the pro-Brexit nests. Our CBD mechanism of perceived relative deprivation offers a reconciling explanation of these seemingly controversial findings.

## Does population decline lead to a "populist voting mark-up"? A case study of the Netherlands

Eveline S. van Leeuwen, Solmaria Halleck Vega, Vera Hogenboom

Abstract: The main thesis of this paper is that people in areas of (expected) population

decline vote more populist to express their discontent about the current and future state of their place of residence. In many ways a "populist voting mark-up" could be expected, as declining areas often are associated with being forgotten, fomenting societal discontent and mistrust in established political parties ultimately expected to lead to more populist votes. Using the outcomes of the Dutch national elections in 2012 and 2017, we link shares of populist votes for the PVV (Party for Freedom) and SP (Socialist Party) to indicators of population decline, as well as other demographic ("compositional effects"), local and regional characteristics ("contextual effects") to appraise what causes higher rates of votes for populist parties in regions of decline. We do not find a "populist voting mark-up" for declining regions when controlling for contextual effects. However, we do find that both the compositional and the contextual circumstances in areas of population decline are in such a way that they provoke discontent expressed in voting. We also conclude that it is very important to distinguish between different parties when their party programs are as contrasting as in the case of the PVV and the SP. Their different focus on immigration (PVV) and jobs (SP) is clearly visible in the results.

## EU integration, regional development problems and the rise of the new radical right in Slovakia

Štefan Rehák, Oliver Rafaj, Tomáš Černěnko

Abstract: The rise of the radical right in Slovakia is associated with stronger attitudes against the European integration and globalization. In this paper, the authors examine the role of the regional factors associated with EU membership in the voter support of the traditional and the new radical right political parties in Slovakia. The main finding is that while the support for the traditional radical right is mostly based on cultural and nationalistic factors, the support for the new radical right is associated with the

regional economic factors such as the unemployment rate and wages. The electoral results of the radical right are more influenced by the unemployment rate just after joining the EU than by the situation during elections. Results also show that in the analysis of the impact of investments from the European Structural and Investment Funds (ESIF) on voter support of the radical right, it is useful to distinguish between investments from the ERDF and CF and from the ESF.

## Determinants of regional distribution of AKP votes: Analysis of post-2002 parliamentary elections

Pinar Deniz, Burhan Can Karahasan, Mehmet Pinar

Abstract: Electoral politics and regional variation in socio-economic conditions of individuals receive huge interest in countries with sizable political tension. Even though Turkey has undergone a combination of periods of economic success and a period of economic and political turmoil, it has been governed by a single political party during the last two decades—Adalet ve Kalkinma Partisi (AKP)— Justice and Development Party. This paper examines the determinants of the variation in regional vote shares of AKP between the 2002 and 2018 parliamentary elections using panel data estimation method-effects-which allows us to account for time invariant region-specific unobserved fixed effects. Our findings demonstrate that inflation, unemployment, per capita GDP growth, provision of healthcare, industrial sector growth rates, change in the ageing of the population and rate of absenteeism (voter turnout) are essential factors in voters' decisions. Our additional results reveal that the effects of socio-economic factors on the AKP vote shares were distinctly different for the AKP stronghold provinces and the eastern regions that are mostly populated with Kurdish, suggesting that ideological position of the voters also play an essential role in

voters' response to the changes in socioeconomic conditions.

#### The role of economic and cultural changes in the rise of far-right in Greece: A regional analysis

Panagiotis Artelaris, George Mavrommatis

Abstract: The recent strengthening of rightwing and far-right populism is one of the greatest political manifestations of our times and a dominant feature of the current European political landscape. In Greece, its rise coincided with a period of a prolonged financial aid programme ("bailouts") imposing harsh austerity measures and deep structural reforms. The objective of this study is to assess the extent to which the spatially differentiated gains of Golden Dawn, one of the most anti-establishment, anti-migrant and anti-EU political parties in Europe, were due to (socio-)economic or cultural changes (or both) that took place in the country in recent years. The findings provide evidence in favour of the combined role of (socio-)economic and cultural grievances; however, the former seem to be more important than the latter.

### Italian discontent and right-wing populism: determinants, geographies, patterns

Dante Di Matteo, Ilaria Mariotti

Abstract: The geographical patterns of the Italian electoral discontent have been strengthened by the European elections of 2019. The growing populist sentiments have been fuelled by the political programmes focusing on national-popular issues, which have pushed the escalation of the right-wing sovereign/nationalist political parties. While the literature has stressed that long-term socioeconomic structural decline is among the main reasons feeding the rise of the European distrust, little is yet known about the microscale populist voting patterns in Italy. Through a parametric approach with linear models, the main determinants of discontent, at municipal level, are revealed and, specifically, it results that (un)employment, long-term cultural

change and immigration are the main drivers of the right-wing populism intensity growth in the European elections of 2014 and 2019.

## One country, two populist parties: Voting patterns of the 2018 Italian elections and their determinants

Alessandra Faggian, Marco Modica, Félix Modrego, Giulia Urso

Abstract: The results of the elections have increasingly brought to the forefront the longstanding issue of lagging regions—also labelled as "places that don't matter"—since they had a great influence on the electoral outcomes. In this paper, we focus on the municipal results of the Italian senate elections, held in March 2018. Italy is a peculiar country where two non-traditional parties, namely "Lega" and "Movimento 5 Stelle" (M5S), ended up forming the government coalition running until August 2019 and competing for different shades of populism. Our aim is to investigate the regional characteristics which underlie the local preferences for the two non-mainstream parties. First, we find that the spatial distribution of their votes is associated with territorial socio-economic and institutional differences, and hence that Lega and M5S are characterized by a different electoral base (e.g., Lega capitalized its traditional support in the North, while M5S won especially in the South). Second, beyond these expected regional patterns, our evidence also highlights a sharp urban-rural contrast.

#### From Chianti to the Apennines: The fall of the left-wing parties' predominance in Tuscany

Francesco G. Truglia, Alessandro Zeli,

Abstract: We carried out an analysis of political and electoral changes of left-wing parties which occurred in the last general election in Tuscany. The social environment in Tuscany historically supported leftist values. This social tissue, deep-rooted in territory, represented the milieu in which grew up: on

the one hand a leftist political culture and, on the other, an economic culture based on cooperative firms. These two factors reinforced each other representing the basis of left electoral prevalence. The strong decrease of left is caused by different factors such as the erosion of old social values and the unresolved effects of economic crisis

**Papers in Regional Science**Volume 100, Issue 4

A spatial regression methodology for exploring the role of regional connectivity in knowledge production: Evidence from Chinese regions

Yuxue Sheng and James LeSage

Abstract: We explore the role of alternative types of connectivity between regions in knowledge production. Past literature has criticized exclusive focus on the role played by spatial proximity in knowledge production. We introduce a methodology that allows for simultaneous consideration of multiple dependence sets, based on a convex combination of multiple  $n \times n$  weight matrices. Each matrix represents a different set of connections between regions on which knowledge production exhibits dependence. We show how to estimate spatial panel regression models based on the convex combination of alternative dependence sets, and to draw inferences regarding the relative importance of each type of dependence. We illustrate our method using a model of knowledge production for 263 Chinese regions.

### Estimation of regional input coefficients and output multipliers for the regions of Chile

Cristian Mardones and Darling Silva

Abstract: The greatest limitation for carrying out intersectoral studies at the regional level is the lack of regional input—output tables. This study compares various indirect methods to estimate regional output multipliers in 15 regions of Chile through Monte Carlo

simulation. The augmented Flegg location quotient (AFLQ) method ( $\delta$  = 0.5) is chosen since it presents the best behaviour to estimate regional input coefficients and output multipliers. However, the value of  $\delta$  is sensitive to the number of regions and/or sectors and to the use of simulated or real sectoral gross domestic product (GDP) in each region. So, it is recommended that when it is possible, a simulation of Monte Carlo simulation be carried out to select this parameter in each country and not simply adopt values extracted from the literature.

#### Home Sweet Home: the Effect of Sugar Protectionism on Emigration in Italy, 1876-1913

Carlo Ciccarelli, Alberto Dalmazzo and Daniela Vuri

Abstract: Protectionist policies have often relevant effects at the regional level. This paper analyzes the impact of sugar import duties on emigration in nineteenth century Italy. Both for climatic reasons and the nature of the soil, the cultivation and processing of sugar beets was geographically concentrated. Our theoretical model illustrates how a tariff that favours local producers may affect residents' incentives to migrate abroad. Using a new set historical data, the predictions of the model are tested through quasi-experimental methods which use the exogenous variation in sugar cultivation across areas to estimate the effect of interest. Results show that protectionism reduced the relative incentive to migrate away from sugar-producing areas.

[Note: more abstracts and paper are available: <a href="https://rsaiconnect.onlinelibrary.wiley.com/toc/14355957/current">https://rsaiconnect.onlinelibrary.wiley.com/toc/14355957/current</a>]

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## RURAL LOCAL GOVERNANCE AND HOUSING: LOCAL GOVERNMENT AS FACILITATOR

JOHN MARTIN, ANDREW BEER, ALAN MORRIS, CHRIS PARIS AND TREVOR BUDGE

Abstract: Housing affordability is an issue that affects all Australians, including those living in rural communities. Local governments in rural Australia are the most visible level of government for communities, and they are best placed to see first-hand the social and economic pressures that are impacting their communities. In this research, we consider the changing role of non-metropolitan local governments with respect to housing, and what it tells us about the state of Australia's federal system. We examine the findings of a national survey of local government before exploring the challenges of rural local governance and access to affordable housing. We then show how one rural council facilitates a range of activities to address housing challenges, and then compare its actions with those of its neighbours. Overall, we find it is not common for rural local governments to take a proactive approach to affordable housing, and we discuss the ways in which rural councils can take a leadership role in addressing local issues of housing affordability.

#### THE NEGATIVE EFFECTS OF URBAN AGGLOMERATION ON HOUSING AFFORDABILITY IN AUSTRALIA

AKSHAY VIJ, JEFFERY D. CONNOR AND ANDREW BEER

Abstract: This study assesses the impacts of continued population growth in the largest Australian cities on housing affordability. Using data from the Australian census and other complementary sources over the period 2001-16, we estimate a system of seemingly unrelated and spatially lagged regressions to identify the relationship between a city's population size on the one hand, and average wages and housing costs on the other, while

controlling for the confounding influence of other geographic, demographic and economic determinants. We find that annual home sales values have risen roughly thirty times faster with population than annual full-time wages across Australia. An increase in the population of an urban area by 100,000 would increase annual full-time wages by roughly \$150 and annual home sales values by roughly \$4,800. Our analysis also finds that real wages have not kept up with the high costs of living in large cities. For example, our model predicts that, ceteris paribus, price-to-income ratios (PIRs) in Greater Newcastle could rise from 7.0 to 8.4, if the city grows to the size of Sydney. And PIRs in Sydney themselves could rise from 13.6 to 14.8 by 2056, if the city grows to its expected size of 9.2 million. Relatedly, we find that there are no wage benefits to urban areas situated in close proximity to a large metropolitan centre, but these areas are more likely to have expensive local housing markets due to spatial spillover effects.

# AN EMPIRICAL EXAMINATION OF THE DETERMINANTS OF EXPENDITURE DISPERSION IN SOUTH AUSTRALIAN LOCAL GOVERNMENT

#### CAROLYN-THI THANH DUNG TRAN, GEMMA PEREZ-LOPEZ AND BRIAN DOLLERY

Abstract: The empirical analysis of the cost structure of local government has traditionally employed population as a proxy for municipal output, despite longstanding reservations as to its suitability, especially in terms of local service provision (Boyne, 1995). Based on alternative proxies for local government output, and employing data drawn from the South Australian local government system over 2015/16, the present paper examines per household expenditure dispersion by comparing estimates based on population size with estimates based on the number of households and businesses. We then consider

how exogenous variables affect the per household expenditure structure of local councils in South Australia. Policy recommendations are drawn for improvement in South Australian municipalities.

COVID-19, THE EFFECT OF LOCKDOWNS ON RETAIL EXPENDITURE AND DISPLACEMENT EFFECTS ON THE REGIONAL ECONOMY

### DAVID DYASON, PETER FIEGER AND RIAAN ROSSOUW

Abstract: The COVID-19 pandemic is exerting ongoing economic effects on communities locally and globally. Government responses to the ongoing crisis range from mere social distancing recommendations to lockdowns. In New Zealand, a strict lockdown regime was implemented for a 7-week period during which public activity was restricted and shopping limited to the nearest supermarket or pharmacy. During this period, overall retail spending declined substantially. This study employs a multi-region input-output (MRIO) model to investigate the impact of this reduced activity from an urban population on the wider-regional economy. The results reveal that the change in consumer spending and displacement has spilled over into the adjacent economies resulted in a shift in the regional economic landscape. Moreover, our results suggest that the effects of withheld spending during the lockdown propagate unevenly across retail sectors and beyond administrative boundaries once lockdown is lifted. Although millions of dollars remain unspent, the accelerated pace of consumer spending after lockdown reveals a shift from previous largescale global shocks.

GOVERNMENT FUNDED BUSINESS PROGRAMS: ADVISORY HELP OR HINDRANCE?

ALAN LABAS AND JERRY COURVISANOS

Abstract: This study seeks, through the perspective of Professional Business Advisors (PBAs), to understand how government business programs help and/or hinder the provision of small business advisory services in a regional (non-metropolitan) Australian setting. An emergent theme identifies such programs as significant conduits for regional business knowledge transmission. However, those programs are also perceived by PBAs, who deliver such programs, as imposing substantial constraints for the provision of such services. The identified constraining factors include issues of PBAs' financial viability, ineligibility of businesses to access such programs, capriciousness of programs, and a clash between technology utilisation and infrastructure reliability in some nonmetropolitan regional areas. Regional Australian PBAs service a heterogeneous collection of businesses across large geographic areas. Yet, the potential for PBAs to support the process of knowledge transmission is severely constrained by current government programs aimed at start-up businesses, but ignoring organisational growth. Such constraints raise concerns that have regional policy implications.

ON COMMUNITIES SIZE AND
REMOTENESS: THE ATTRACTIVENESS
OF SMALL AND REMOTE
COMMUNITIES IN ICELAND
COMPARED TO THE LARGER AND
MORE CENTRAL ONES

#### VIFILL KARLSSON

Abstract: There are quite a few examples in Iceland of people living in isolated and sparsely populated communities, both along the coastline and in inland valleys. Those who live elsewhere, particularly in larger and more successful communities, have sometimes maintained, or at least insinuated, that those people must be trapped in their traditional environment. But can we be sure of this? According to Roback (1982) people's migrations and choices of residence are

influenced by amenity value and quality of life. It is a well-known fact that we do not all have the same tastes, needs and wishes. Therefore, the municipalities or individual communities within each country should differ, as Tiebout (1956) argued. Such theories might, for example, indicate that a strong desire or need for close proximity to a varied, wild and untouched natural environment pulls people towards remote and sparsely populated communities and prevents them from moving away. In this article, we investigate the different wishes and priorities of people inhabiting different regions in Iceland, focusing on residential conditions with special emphasis on the difference between inhabitants of remote and sparsely populated regions and those who live on the fringe of the capital area. The analysis is based on data from a survey of more than 6,000 respondents conducted in 2016 and 2017.

#### **ABOUT ANZRSAI**

#### **ANZRSAI Council Notes**

Council is planning for a 2021 conference, possibly in Melbourne, and working to improve access to and ranking of AJRS and the website. Conference participants gain access to support, encouragement, and relevant experience. AJRS offers an opportunity for publication.

#### **Roles of Council Members**

Membership Secretary: Delwar Akbar Council Secretary: Rolf Gerritsen

Correspondence Secretary: Yogi Vidyattama Publications: Vince Mangioni or Lee Pugalis.

Conference Secretary: Paul Dalziel

Webmaster: Paul Dalziel

Conference Awards: Volunteer required. Convenor: Contributed Paper: Paul Dalziel

#### Editors:

**Conference Proceedings:** 

tba assisted by Rolf Gerritsen.

Australasian Journal of Regional Studies:

Mike Hefferan, Bruce Wilson.

Rolf Gerritsen, Khorshed Alam and Vincent Mangioni

Sustaining Regions - Tony O'Malley and Azizur Rahman

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Accounts – Greg Jones

#### **ANZRSAI Council 2021**

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