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Foreword



“The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2019 (commonly known as the Nobel Prize for Economics) has been awarded to Abhijit Banerjee, Esther Duflo and Michael Kremer “for their experimental approach to alleviating global poverty”. Through the award, the Nobel committee recognised both the significance of development economics in the world today and the innovative approaches developed by these three economists.”

“The fundamental contribution of Banerjee, Duflo and Kremer was to develop an experimental approach to development economics. They built a scientific framework and used hard data to identify causes of poverty, estimate the effects of different policies and then evaluate their cost effectiveness. Specifically, they developed randomised control trials (RCTs) in economics to do this. They used these to study different policies in action and to promote those that were most effective.

“Starting in the mid-1990s, Kremer and co-authors started a series of RCTs on schooling in Kenya, designing field experiments to evaluate the impact of specific policies on improving outcomes. This approach was revolutionary. The experiments showed that neither more textbooks nor free school meals made any real difference to learning outcomes. Instead, it was the way that teaching was carried out that was the biggest factor.” Banerjee and Duflo then extended the ideas at further levels by founding the Abdul Latif Jameel Poverty Action Lab (J-PAL) at MIT, and conducting a range of special social experiments to fight global poverty in association with a network of 194 affiliated professors from 56 universities around the world.

Full statement can be accessed here:

<https://theconversation.com/economics-nobel-2019-why-banerjee-duflo-and-kremer-won-125276>

The dynamic evolution of the Australian urban hierarchy

Professor Christine Smith, Professor of Economics, Griffith Business School

Abstract: The purpose of this paper is to analyse the evolution of the Australian city size distribution over the 60 year period from 1954 to 2016. Prior research has been conducted focused on such distributions for many different countries, with a number of authors pointing to Australia as having an abnormal city size distribution. No one has, however, studied this in detail to document and provide insights into why this abnormality has arisen and persisted over an extended period. This paper seeks to address this gap using Markov chain analysis and spatial econometric tools. In doing so the mobility of individual cities within the distribution is examined, identifying to what extent cities are moving up and down the hierarchy and how this movement (by fast, slow and stagnant growth cities) is influenced by the economic base of these cities and changes in transport and communication technologies.

Please register online at: www.bit.ly/christine-smith-lecture by Monday 4 November.

We look forward to welcoming you on the night.

Date: Tuesday 12 November 2019

Time: 5.30 pm—registration and networking

6.30 – 7.30 pm—lecture

Venue: QCA Lecture Theatre and Gallery (S05), Griffith University South Bank campus

Members of ANZRSAL may recall that Christine Smith is a former editor of the Australasian Journal of Regional Studies (AJRS) and a recipient of the Distinguished Service Award of ANZRSAL.

2019 Don Aitkin Lecture - Presented by Bradley Moggridge

Australia is the driest inhabited continent on Earth yet has been home to thousands of generations. Traditional knowledge of finding and re-finding water sites has always been integral to Australia's First Peoples for survival in an arid landscape and protecting water remains a cultural obligation. The challenge for First Peoples is to ensure their relationship with water is celebrated by all Australians, not diminished by modern water planning or excluded from environmental flow management.

Bradley Moggridge explores historical challenges and institutional responses in integrating First Peoples' cultural values into water planning and management, coupled with on-the-ground applications of cultural value water for two Western NSW Rivers. Finally, Bradley investigates how integrating First People's perspectives into water management has worked in New Zealand. Bradley Moggridge is currently a PhD Candidate and IAE Advisor at the University of Canberra.

Please register online at: <https://www.canberra.edu.au/events/Home/Event/100384> by Monday 4 November. We look forward to welcoming you on the night.

Time: 5.30 pm—registration and networking

6.00 – 8.00 pm—lecture

Venue: Ann Harding Conference Centre, University of Canberra, ACT 2601

ANZRSAL 43rd annual Conference 2019

ANZRSAL is pleased to announce that its second call for papers has been published for its annual conference later this year. The CQUniversity School of Business and Law is hosting the conference at the CQUniversity Cairns Campus, 4-6 December 2019.

The theme of the conference is **Working Together to Grow: Innovations and Disruptions in Regional Development**.

The second call for papers includes details of the keynote speakers for the conference and invites proposals for contributed papers, for themed panels, or for special sessions, on any topic related to regions.

To download the second call for papers, please go to the dedicated website at:

<https://www.anzrsai.org/conference/conference-2019/>

There will be two Best Paper Awards presented at the conference, sponsored by the Bureau of Infrastructure, Transport and Regional Economics. The first award is for the Best Paper presented at the conference. The second award is for the Best Paper presented by a Student. There is a small cash grant given to the winners. Further details can be downloaded from the ANZRSai homepage, or by following the following links: Best Conference Paper and Best Conference Paper by a Student.

Fees for this year's conference in Australian dollars are:

Early Bird Standard Registration (paid before 31 October)	\$600.00
Standard Registration for full conference (paid after 31 October)	\$700.00
Student or Emeritus Registration for full conference	\$325.00
Registration for one day of the conference	\$325.00
President's Reception (Wednesday 4 December, 6.00pm)	\$30.00
ANZRSai Awards Dinner (Thursday 5 December, 7.00pm)	\$120.00

Commentary

Transgrid EnergyConnect deemed critical infrastructure in NSW

29 August 2019

<https://www.transgrid.com.au/news-views/news/2019/Pages/Project-EnergyConnect-deemed-critical-infrastructure-in-NSW.aspx>

TransGrid welcomes the New South Wales Government declaration of Project EnergyConnect (PEC) as Critical State Significant Infrastructure (CSSI).

The proposed interconnector will run approximately 900km from Robertstown in South Australia to Wagga Wagga in NSW. PEC will provide energy security to South Australia (SA) and unlock new renewables generation in south-west NSW.

TransGrid's Chief Executive Paul Italiano says the CSSI classification means the planning approval process in NSW can be expedited to meet delivery deadlines.

Project at a glance:

The Environmental Impact Statement (EIS) to be displayed in the second half of 2020

- Major construction to start by mid 2021
- Robertstown in SA to Buronga in NSW delivered by the end of 2022
- Remaining section from Buronga to Wagga Wagga to be delivered by mid 2023.

TransGrid has engaged with the market to identify potential contracting partners to deliver the project. We are launching a formal process in the coming weeks and will receive tenders by early December 2019.

From Regional Australia Institute

Regional Cities or Outer Suburbs – THE SECRET IS OUT!

Media releases Inquiry Program, Regional Cities, regional development, regional growth, Regional Population Growth, release August 7 2019

The Regional Australia Institute (RAI) has called for a new national awareness campaign to promote the opportunities of living in regional Australia, and help drive a population shift in coming decades.

The recommendation is part of its new report launched in Melbourne, *Regional Population Growth: Are We Ready?* – that looks at the economic consequences of alternative population scenarios that could alleviate Australia's megacity future and supercharge regions.

The report was launched by Minister for Regional Development, The Hon. Jaclyn Symes, as part of the RAI's national roadshow, Regions Rising.

RAI co-CEO, Dr Kim Houghton says this new body of work raises serious questions about the type of future Australia has if predicted population growth continues as projected in the outer suburbs of Sydney, Melbourne, Brisbane and Perth.

"The new research has shown that many workers living in our outer city suburbs could be financially better off if they moved to regional Australia," Dr Houghton said.

"Many home owners in our state capitals are paying double the mortgage of their regional city counterparts, but have a similar average wage.

"Australia's population is set to grow by up to 19 million by 2056, with the Sydney and Melbourne to hit megacity status in the next few decades. Brisbane and Perth will grow to the size of Sydney and Melbourne today," Dr Houghton said.

"But if we continue with our current geographic patterns of settlement, most of that population will end up in the outer suburbs," Dr Houghton said.

In Sydney, Melbourne and Perth, the outer suburban population is forecast to more than double. In Brisbane, the outer suburbs population level will nearly triple.

RAI co-CEO, Liz Ritchie, says rapid urban population growth creates challenges already clear to residents in our outer suburbs, with high house prices paid by average wages and rising commute distances already emerging as key points in our big Australia debate.

"The average outer suburban Sydney worker earns \$80,088, whereas their regional city counterpart has a wage of slightly less at \$71,281. Across the country, the differences between the two groups are small and generally less than 10 percent," Liz Ritchie said.

"However, the stark contrast emerges when house prices are compared. In Melbourne, the average home in the suburbs costs \$776,276, while in Victoria's regional centres, the figure is less than half, at \$344,365," Ms Ritchie said.

Detailed in the new report, scenario modelling found that under the business as usual base case, commute distances in outer Sydney and Melbourne will increase by around 60 percent and close to 25 percent in outer Brisbane and Perth.

“Under the alternative distributed population scenario, where population growth is shared more evenly between outer suburbs and regional centres, commute distances for Sydney would rise by just 15 percent, and Melbourne 40 percent,” Liz Ritchie said.

Speaking at today’s event in Melbourne, David Matthews, Director at Bendigo and Adelaide Bank, said with job opportunities growing in regional Australia, there is more reason than ever for those living in cities to consider a change in lifestyle.

“Regional Australia has so much to offer, be it more affordable housing, a quicker commute to work and a safe welcoming environment to share with your family. With an intelligent and sustainable population strategy, Australians, no matter where they live, can continue to enjoy the lifestyle that we’re most famous for around the world,” Mr Matthews said.

Today, the RAI has also unveiled its latest tool, MOVE, which allows potential home owners to find out which areas in Australia give them the best chance of paying off their mortgage faster.

By combining the average wage of a particular wage Local Government Area (LGA) with the average house price, people can quickly find out where they could pay off their mortgage the fastest.

“This new research really poses a significant question to families in the future – will you be financially better off setting up a life in regional Australia? We know the answer could be yes,” Liz Ritchie concluded.

A copy of the new research paper *Regional Population Growth – Are we ready?* [can be found here](#) . The new tool, MOVE, is [available here](#).

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The report ‘*Future Urban and Regional Settlement Patterns: Scenario Analysis*’ is available here:

http://www.regionalaustralia.org.au/home/wp-content/uploads/2019/08/190520_FutureUrbanAndRegionalSettlementPatterns_ScenarioAnalysis_Final.pdf

Steps to Settlement Success – a toolkit for regional and rural communities

Blogs: Migration, Policy, regional development, regional jobs, Regions Rising, Rural Migration Initiative July 18 2019 <http://www.regionalaustralia.org.au/home/tag/migration/>

Steps to Settlement Success was launched in Adelaide by Minister for Regional Services, the Hon. Tim Whetstone, at the RAI’s Regions Rising event in July, 2019.

The new national toolkit is designed to help regional communities welcome migrant workers to fill job vacancies and grow regional population.

The new toolkit is based on interviews conducted by co-developer, Emmanuel Musoni, with community champions of regional settlement.

Most of these people had little guidance on how to make it happen and developed their own locally-led regional migration strategies – some dating back 10 years. These included towns such as Nhill, Pyramid Hill, Mingoola, Toowoomba, Mt Gambier, Bendigo, Dalwallinu, Orange, and Rupanyup.

Steps to Settlement Success was made possible through the generosity of the Scanlon Foundation.

To obtain a copy of the toolkit, please click here. http://www.regionalaustralia.org.au/home/wp-content/uploads/2019/07/MigrationToolkit_v6.pdf.

From the Productivity Commission

Remote Area Tax Concessions and Payments –Draft Report August 2019

<https://www.pc.gov.au/inquiries/current/remote-tax#report>

<https://www.pc.gov.au/inquiries/current/remote-tax/draft/remote-tax-draft-infographic.pdf>

“The Australian Government provides assistance to Australians who reside in specified geographic areas through the zone tax offset, the fringe benefits tax (FBT) remote area concessions and the Remote Area Allowance.

“The eligible zones for the zone tax offset were originally established in 1945 and were based on exposure to uncongenial climatic conditions, isolation or a relatively high cost of living. The zones still largely reflect the original design in 1945, notwithstanding the demographic and infrastructure changes that have occurred in regional Australia in recent decades. The areas eligible for FBT remote area concessions are partly determined by reference to the zone tax offset boundaries, and the Remote Area Allowance is available to recipients of Australian Government income support payments who live in specified zone tax offset areas.

“There have been concerns that the design of these mechanisms has not evolved to adequately reflect varying degrees of demographic, infrastructure and cost-of-living change occurring in Australia.”

Key points

- Remote area tax concessions and payments are outdated, inequitable and poorly designed. They should be rationalised and reconfigured to reflect contemporary Australia.
- Remote Australia has changed considerably since 1945. Many areas once considered isolated are no longer remote, and improvements in technology have helped reduce the hardships of life in remote Australia, although expectations have risen.
- Today, close to half a million Australians live in remote places. The tyranny of distance can make living and doing business challenging. Some things that most Australians take for granted are not readily on hand. Yet many of those in remote Australia hold a strong personal or cultural connection to a place and their community as well as the way of life it offers. Others are attracted by job opportunities.
- The zone tax offset (ZTO), the remote area allowance (RAA), and the fringe benefits tax (FBT) remote area concessions are broadly designed to mitigate some of the inherent challenges, and facilitate development in regional and remote Australia.
- The ZTO is an ineffective and blunt instrument. There is no evidence to suggest that the ZTO currently affects where people choose to live or work. Some areas are no longer isolated, but remain eligible. Were it to be retained, the ZTO would need to be overhauled.
- Reforms to eligibility would still leave the ZTO without a compelling rationale. There is no general role for Government to compensate taxpayers for the disadvantages of life in

particular areas. Higher wages in the zones across a wide skill spectrum suggests that the market compensates workers, at least to some extent, for the disadvantages of remote living. For those looking to settle in remote communities, issues of liveability and lifestyle also play an important part, with remote living largely a matter of choice. The ZTO should therefore be abolished.

- The RAA is a supplementary payment directed to people on income support in remote areas. It is a means of partially compensating for higher living costs. The majority of recipients are from areas with socio-economic disadvantage and face barriers to mobility. Being out of the labour market, RAA recipients do not benefit from the wage premiums that apply to ZTO recipients.

FBT concessions for remote areas have dual objectives: equitable tax treatment where employers have operational reasons to provide goods and services to employees, and regional development.

- The most compelling argument for these concessions is the former. But current concessions are poorly targeted for this purpose. They are overly generous and complex, thereby creating other inequities.
- FBT remote area concessions should be redesigned to be consistent with the fundamental principle of equitable tax treatment while reducing the cost burden on taxpayers.
- Most significantly, concessions on employer-provided housing should change. The current exemption should be reverted to a 50 per cent concession (as it was prior to 2000), and provisions allowing employers to claim housing exemptions solely because it is ‘customary’ to do so should be removed.

Economic Regulation of Airports

The full report is available here: <https://www.pc.gov.au/inquiries/completed/airports-2019/report/airports-2019-overview.pdf>

Key points:

The four airports monitored by the Australian Competition and Consumer Commission (ACCC) — Sydney, Melbourne, Brisbane and Perth — have not systematically exercised their market power in commercial negotiations, aeronautical services or car parking.

- However, some airport performance indicators could present cause for concern if considered in isolation. High international charges at Sydney and Brisbane airports, Sydney Airport’s profitability, and high operating costs at Perth Airport show that there is reason to remain vigilant.
- On balance, most indicators of operational efficiency (including costs and service quality), aeronautical revenue and charges, and profitability are within reasonable bounds. Each airport has generated returns sufficient to enable investment while not earning excessive profits, and passengers consider airports to have good service quality.
- Airport car park prices are consistent with the costs of service provision (including the opportunity cost of land) and the need to manage congestion. Competition from off-airport car parks and alternative modes of transport are the best constraints on the exercise of market power at on-airport car parking, but effective competition requires landside operators to have access to the terminal on reasonable terms.

The current approach to airport regulation benefits passengers and the community and remains fit for purpose at this time. But the monitoring regime should be strengthened to enhance transparency over airports’ operations and to more readily detect the exercise of market power.

- Monitored airports should be required to report to the ACCC their revenues and costs from providing domestic and international aeronautical services to airlines. Separate reporting is needed to determine whether aeronautical charges are the result of an airport exercising its market power, or the higher costs of providing international services.
- Airport operators should be required to provide more information to the ACCC on the terms of landside access to enable greater scrutiny of the airports' performance.
- Some agreements between airports and airlines contain anticompetitive clauses. These clauses should be removed from all agreements between airport operators and airport users.

The Commission would not hesitate to recommend regulatory changes, including price regulation, if airports were found to have systematically exercised their market power.

- An airport-specific negotiate-arbitrate regime that bypasses the safeguards in the National Access Regime would have few benefits and substantial risks. It should not be implemented.

Regulatory arrangements for airlines to access Sydney Airport should be improved.

- Airlines should be able to use any peak-period slot for flights servicing regional New South Wales.
- Measuring the number of actual aircraft movements once (rather than four times) an hour would help to achieve the intended 80 movements an hour, and benefit airlines and their passengers.
- Alternative types of freight aircraft should be allowed to operate during the curfew, provided aircraft noise and the number of movements are not increased above current levels.

The structure of the markets to supply jet fuel at the monitored airports has likely led to higher prices to access infrastructure services and higher jet fuel prices. Conditions for competition are improving with some airports and fuel suppliers agreeing on lease arrangements for on-airport infrastructure that include access for third party fuel suppliers.

Government funding for infrastructure at regional airports should be independently assessed to improve decision making. Governments should also improve capability at council-operated regional airports to enable operators to better manage airport assets.

Regional Engagement Activities

Saving a tiny frog in regional NSW

Nearly 90 high and primary school students from the Corowa area took part in a wetland replanting activity on July 2 as part of activities associated with a grant that the Corowa District Landcare group and Dr Alexandra Knight have from the NSW Environment Trust to help save the now nationally endangered Sloane's froglet. As well as being used to rehabilitate wetlands around Corowa, the grant is funding a cohesive wetland and Sloane's froglet education program.

The school students were joined by the NSW Member for Albury, The Hon. Justin Clancy and representatives from Federation Council. "The habitat for the Sloane's froglet has steadily disappeared over the past 200 years, and we believe community commitment and collaboration between universities, landholders, Landcare and local councils is the key to successful environmental protection," says Alex whose research focused on the Sloane's froglet communities at Albury and Corowa.

“This project is all about educating school children and future planning to protect wetlands and nature. The day was a lot of fun. And it was so wonderful to see the community really engaged in frogs and wetlands after several years of working with them.” As said by Dr Alexandra Knight.

The full report is available here: <https://www.csu.edu.au/research/ilws/news/connections-newsletter/2019/Connections-55.pdf>

Clustering from the National Vegetable Extension Network



The ‘East Gippsland Food Cluster’ Incorporated (now amalgamated with ‘Agribusiness Gippsland’ Incorporated to form ‘Food & Fibre Gippsland’ Incorporated) is one of Australia’s oldest clusters. Operating since 2011, this cluster has been used as a model for other agrifood clusters nationally. Its membership includes many vegetable production and processing businesses throughout Gippsland, Victoria.

What is a “cluster”?

A cluster is a group of businesses, government agencies, research and associated organisations, supported by a community, in a defined geographic area that are interconnected and share a common purpose or interest.

Each contributes to enhance the innovation, growth and competitiveness of one another and in particular, the region and the businesses.

The group is characterised by members from a ‘quadruple helix’ – Industry, Education, Government, Community.

Over the last decade cluster development has become a mainstream framework for innovation and regional development, especially in Europe.

In East Gippsland, the fertile Mitchell River valley outside Bairnsdale is a well-known vegetable growing area supplying wholesale domestic markets along the Eastern seaboard, national processors, retail supermarkets, and direct sales. Some lines make their way to export markets. Several of these businesses were instrumental in establishing the East Gippsland Food Cluster.

Though clusters are a natural occurrence, they can be conceived and developed as place-based ecosystems focused on smart specialisation. The nexus is often formed around answering the question – What do we do better in this region than any other region?

What benefits does clustering afford?

There are many examples around the world to show how innovative clusters rapidly progress:

- New knowledge and capabilities
- Productivity improvements
- New product development
- New business start-ups
- Public and private investment
- Increased competitiveness
- Export growth
- Regional development

Being clear on the purpose/s of a cluster contributes to its success and the sustainable development of the member organisations.

The East Gippsland Food Cluster has always been intent on:

- Sustainably growing the Gippsland food sector
- Exploring opportunities to improve productivity through innovation and supply chain synergies amongst members and other regional enterprises
- Developing workforce capability to support the sector and promote industry excellence

Operating on a project basis, this cluster has delivered the following benefits to members:

- Knowledge sharing
- Networking
- Joint procurement opportunities
- Professional development
- New business opportunities
- Access to new relevant information
- Advocacy
- Collectively supporting the region through good business citizenship
- Marketing

What is not a “cluster”?

A cluster is more than a group of businesses operating in the same sector and region like a growers’ group. Nor is it a value chain, although value chains may be a component within a cluster. A cluster missing representation from one element of the quadruple helix may struggle to fully realise the benefits of clustering and face slow returns for effort or even failure.

How can I learn more?

The following information will provide a good foundation for establishing a cluster. The East Gippsland Food Cluster has been a member of The TCI Network (formerly known as the Total Competitiveness Institute Network). It is a global network of organisations and practitioners with expertise in clusters and there are chapters including TCI Oceania (<http://www.tci-network.org/>)

1. Clustering is a major priority of the Australian Government’s Growth Centre, Food Innovation Australia Limited (<https://www.fial.com.au/>)
2. Rodin Genoff is an internationally-recognised Australian cluster specialist (<http://www.rodingenoff.com/>)

3. Ifor Ffowcs-Williams is a New Zealand based cluster expert who has worked across more than 55 countries and 1000 clusters (<https://www.clusternavigators.com/>)
4. The European Commission is investing heavily in SMART Specialisation (https://ec.europa.eu/regional_policy/sources/docgener/guides/smart_spec/strength_innov_regions_en.pdf)
5. The Latrobe Valley Authority subscribes to a SMART Specialisation strategy (<https://lva.vic.gov.au/gippslandsmart-specialisation-strategy/>)
6. Other agrifood clusters in Australia include Central Coast Industry Connect in NSW (<https://centralcoastindustryconnect.com.au/>) Food and Agribusiness Network in QLD (<https://foodagribusiness.org.au/>) and FermenTasmania in Tasmania (<http://www.fermentasmania.com>)
7. Dr Nicola Watts has been the Facilitator of the East Gippsland Food Cluster since it began (nicola.watts@foodandfibregippsland.com.au)

From the Cockatoo Network

By courtesy of Rod Brown, Cockatoo Network, Canberra ACT Australia

WE CONNECT THE DOTS, 02 – 62317261 or 0412 922559, apdcockatoo@iprimus.com.au

Mike Lester has a radio show on Sydney's north shore and last week he interviewed Ifor Ffowcs-Williams. Some fascinating insights on clusters around the world – such as northern Sweden the home of a mining technology cluster. Ifor also highlights the Torquay surfwear and Scone equine clusters here (presumably due to the material we've forwarded!). As Ifor says, clusters are about leveraging and developing the competitive advantages of communities.

Places where Ifor could really give the locals some ideas on coping with drought-ravaged economies include:

- Cobar in central west NSW – opportunities in clean energy
- Tamworth, Guyra NSW and surrounds – meat value adding
- East Gippsland – youth leadership training

And in less drought-affected areas, nascent clusters are in the frame e.g.

- Peel region WA – equine in broader sense i.e. dressage, Standardbreds, thoroughbreds.
- Coffs Harbour NSW – cartoons
- Victor Harbor SA – aged care

Ifor's email address is e4@clusternavigators.com – so contact him and discuss how he might run a workshop in your area.

And another great cluster presenter is David 'Preacher' Dodd in the USA – he really revs up an audience. He's great on manufacturing, tropical economies and disaster relief to name a few niches. He's recently had surgery but is bouncing back, and we'd love to get him here. Contact him at dodddavid@gmail.com

And in 2008 Ifor pointed the importance of connecting universities with clusters.

THE CONVERSATION

Just because both sides support drought relief, doesn't mean it's right

October 3, 2019 6.03am AEST

Lin Crase: Professor of Economics and Head of School, University of South Australia

Read the whole story here:

<https://theconversation.com/just-because-both-sides-support-drought-relief-doesnt-mean-its-right-121744>

“The bipartisan parliamentary vote to transform the A\$3.9 billion Building Australia Fund into a pot of cash to drought-proof Australia, the Future Drought Fund, should not be taken as universal endorsement.”

Drought is inevitable, Mr Joyce

Updated August 28, 2018 6.55am AEST



Author: John Freebairn; Professor, Department of Economics, University of Melbourne

Disclosure statement: John Freebairn does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.

Read the article here: <https://theconversation.com/drought-is-inevitable-mr-joyce-101444>

“Barnaby Joyce, Australia’s new special envoy for drought assistance and recovery will have to be careful he doesn’t do more harm than good.

Government funding of agriculture during a drought typically falls into three categories:

- subsidies for farm businesses
- income supplements for low-income farm families
- support for better decision-making.

Unfortunately, none of these government outlays induces the much-needed rainfall. But, as this article will explain, income supplements and help with decision-making are better ways of supporting sustainable farming. Subsidies are much more problematic.”

CONFERENCES and STUDY OPPORTUNITIES

ANZRSI 2019 Conference

The 2019 ANZRSI Conference will be held in Cairns, December 4th-6th. Further details will be available in early 2019. There will be two Best Paper Awards at the conference, sponsored by the Bureau of Infrastructure, Transport and Regional Economics. The first award is for the Best Paper presented at the conference. The second award is for the Best Paper presented by a Student. There is a small cash grant given to the winners. Further details can be downloaded from the ANZRSI homepage, or by following the following links: [Best Conference Paper](#) and [Best Conference Paper by a Student](#).

Applied statistics and policy analysis conference (ASPAC2019) in regional Australia

An international standing conference “ASPAC2019” has been held in a regional city Wagga Wagga on September 5 to 6, 2019. Conference organiser Azizur Rahman said the conference aimed to promote research collaborations and the exchange of ideas at regional footprints with national and international focus. The theme of this year’s conference was ‘Effective policy through the use of big data, accurate estimates and modern computing tools and statistical modelling.’ This conference was supported by a number of key organisations such as the Australian Government’s Department of Infrastructure, Regional Development and Cities, the Australian Research Council (ARC) Centre of Excellence for Mathematical and Statistical Frontiers (ACEMS), Statistical Society of Australia (SSA), Brock University, University of Canberra, and Charles Sturt University.



(A part of the participants on day one in the ASPAC2019, photo supplied by the organiser)

The keynote sessions involved increasing access to government microdata for research purposes to micro-geospatial targeting for precision public policy. The conference also had a range of invited sessions which are specially focusing on industry's research issues and modelling opportunities. It illustrates at "how we can use the different modelling tools and statistics techniques to inform policy decision making processes in a better way." Panel discussions during the conference have provided a great, relaxing and enjoyable atmosphere in which participants can share their scholarly achievements in their academic field as well as communicate with others. Around 55 researchers from 16 countries and some local researchers took part in the conference which created an excellent discussion in the parallel sessions and provided great stimulus for future research. At the conference banquet ceremony, five PhD students and early career researchers received ASPAC2019 Travel Awards for their excellent papers. A number of other papers' authors received some partial travel support for presenting their good quality research papers at the conference. Finally, the solid academic atmosphere and beautiful environment of the Charles Sturt also made the conference successful, comfortable and enjoyable.

The detailed information is available here: <http://csusap.csu.edu.au/~azrahman/ASPAC2019/>

Regional Studies Blog

Professor Paul Dalziel, Executive Officer, ANZRSAl 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 <http://blog.regionalstudies.org/>

Here are some current topics:

<https://blog.regionalstudies.org/understanding-regional-branching-using-inventor-collaboration-networks/>

<https://blog.regionalstudies.org/superstar-cities-and-left-behind-places-investigating-the-causes-of-interregional-income-inequality/>

<https://blog.regionalstudies.org/a-stabilisation-and-convergence-budget-in-the-european-economic-and-monetary-union-part-four/>

Sustainable Regions Network - Shared Online Space

26th Pacific Regional Science Conference (PRSCO)

The Western Regional Science Association (WRSA), Pacific Regional Science Conference Organization (PRSCO), and the Regional Science Association International (RSI) are pleased to invite you to 59th Annual Meeting of the WRSI, held jointly with the 26th Pacific Conference of the RSI.

The joint conference will be held March 18–21, 2020, at the Hilton Hawaiian Village in Waikiki, Hawaii.

Full paper submissions benefit from the traditional WRSI 45-minute per paper time slot, while submitted abstracts will be allocated shorter presentation times.

All submissions will be reviewed and will be assigned a discussant on the program. All presenters are expected to discuss a paper and/or chair a session.

Panel sessions are welcomed; please contact Rachel Franklin or Jaewon Lim for details.

Key Deadlines:

- November 15, 2019 – Deadline for submission of abstracts and papers
- January 20, 2020 – Preliminary Program announced
- January 31, 2020 – Final Paper Due for Full Paper submission
- February 21, 2020 – Deadline for hotel reservations and early-bird meeting registration

Submissions are invited from the full realm of regional science research, including from geography, economics, planning, and environmental and regional studies. Potential topics include:

- | | |
|---|---|
| • Regional development & smart specialization | • Urban and regional analysis and analytics |
| • Migration and demographic change | • Spatial statistics and analysis |
| | • Transportation |
| • Tourism and recreation | • Housing and real estate |
| • Regional modeling | • Energy and environment |
| • Local and regional public finance | • Innovation and entrepreneurship |

Full meeting details will be forthcoming.

CURRENT RESEARCH ABSTRACTS

ANZRS AI Abstract Alert

By courtesy of Joseph Drew
Joseph.Drew@uts.edu.au

Can Local Government By Lottery Increase Democratic Responsiveness?

ABSTRACT: In recent years, scholars have paid significant attention to the role of decentralisation in restraining government power and budgetary excess. Yet growth in taxation and debt in OECD countries suggests that such measures have often had a limited effect in taming ‘local Leviathans’. In response, this Research Provocation sets out a bold alternative vision, advocating the use of sortition – the deliberate introduction of randomness and chance into local policy decisions – in order to disrupt ingrained power imbalances and enhance democratic participation. It argues that sortition has the potential to provide for greater possibilities for citizens to exercise voice, choice and exit. This in turn, it is argued, can ensure that local government is more responsive to the preferences of ordinary citizens. In making this provocative argument, we offer an important contribution to debates regarding citizen disengagement, democratic malaise and the potential of more deliberative forms of democracy to address such challenges.

To Cite: Drew, J. (2019). Can Local Government By Lottery Increase Democratic Responsiveness? *Policy & Politics*, 47(4): 621-636.

To contribute to ANZRS AI Abstract Alerts email the sender of this correspondence (title, abstract, citation as set out above)

Regional Science Policy and Practice Volume 11, Issue 3 (August 2019)

Local entrepreneurship through a multistakeholders' tourism living lab in the post-violence/peripheral era in the Basque Country

Igor Calzada

First published: 14 June 2018

Abstract: This paper examines a transformative tourism case study driven by local entrepreneurship in the coastal and post-violence/peripheral village of Zumaia, in the Basque Country (Spain). This paper aims at addressing an innovative methodology called “Tourism Living Lab through Multistakeholders' Penta Helix framework” in response to a globalized trend of increasing visitors. The result shows democratic tourism policy-making practices at the local level, including: (i) a participatory strategic formulation process; (ii) by fostering a local entrepreneurial ecosystem to overcome “tourism-phobia”; (iii) while renewing local identity; and (iv) through bridging social capital for a new post-violence era in the Basque Country.

Cuban private entrepreneurship – from periphery to key sector of the economy in tourism-oriented market socialism

Ruxandra Ana, Oskar Lubiński

Pages: 467-477

First Published: 15 October 2018

Abstract: The aim of this article is to explore shifts in the role of Cuban private sector within the broader context of tourism economies. Based on ethnographic data collected on two types of private businesses offering their services to tourism—rooms for rent and dance schools—we explore how this formerly peripheral sector of the economy became key in the period of Cuba's transition to market socialism. We explore processes of its

internationalization and professionalization while it remains heavily informed by subsistence economies and navigates through shifting regulations of the ideologically socialist state.

International tourism entrepreneurs in Swedish peripheries: Compliance and collision with public tourism strategies

Marco Eimermann, Karin Tillberg Mattsson, Doris A. Carson

Pages: 479-492

First Published: 05 October 2018

This paper examines the entrepreneurial strategies and development aspirations of immigrant tourism entrepreneurs in rural Sweden, and how they support or conflict with local and regional public sector tourism strategies. Our conceptual framework contrasts the immigrant entrepreneurs' business and lifestyle priorities with public sector responsibilities and development interests. Findings from three case studies suggest that immigrants both collaborate and compete with public sector stakeholders in different tourism destination systems. We identify mismatches in terms of economic, lifestyle and public interest goals, as well as institutional and cultural differences between immigrant entrepreneurs and public sector stakeholders that hinder effective public-private collaboration.

The Etna macro-region between peripheralization and innovation: Towards a smart territorial system based on tourism

Arturo Di Bella Gianni Petino Luigi Scrofani

First published: 11 January 2019

<https://doi.org/10.1111/rsp3.12176>

Abstract: This article offers an initial exploratory analysis of some promising agents and innovative practices for a long-term strategy of sustainable, inclusive and smart territorial development for peripheral areas in

the Etna macro-region. It aims to scrutinize the potential role of tourism and local entrepreneurship with a view to implementing a territorial approach to a smart specialization strategy. Mostly based on statistical analysis and a critical review of literature, the paper gives an overview on strengths and weaknesses of some existing rural cluster initiatives of innovation, which are of interest to implementing a tourism-centred smart specialization that aims to combine tourism diversification and sustainable development. Both the promising and problematic side of the concept of smart specialization are discussed and some policy implications for realizing tourism innovation in accordance with the need to draw up an alternative policy agenda for the development of peripheral areas are suggested.

Cultural tourism and rural entrepreneurship: A case study of a Scandinavian literary festival

David W. Marcouiller, Knut Ingar Westeren

Pages: 509-524

First Published: 05 April 2019

Abstract: Tourism demand within peripheral regions reflects visitor motivations to seek experiences constrained by attributes that involve the abilities of these visitors. Often, the basis of tourism supply is driven by accessible publicly-owned common-pool resources that exist as regional economic assets yet are unpriced in the marketplace. Free-riding prevails as rent-seeking firms utilize non-marketed natural and cultural assets in their production practices. The work reported here develops concepts that illustrate keys to successful cultural tourism entrepreneurship using a case study of a festival on the Norwegian coast that features the treasured literary works of Olav Duun. Results suggest that public-private partnerships can be used to stimulate entrepreneurial activity. Further, success is a function of managerial expertise in attaining

visitor experience that falls within the flow channel.

Other Articles

[Global and regional effects of the US tariffs on iron, steel and aluminium: A SMART combination of models with a focus on Spain](#)

Carlos Llano, Julián Pérez, Federico Steinberg, Geoffrey J.D. Hewings

Pages: 525-547

First Published: 28 March 2019

Abstract: On 8 March, US President Donald Trump approved new import tariffs on “iron and steel” and “aluminium” of 25% and 10%, respectively. The aim of this paper is to estimate the impact that this decision might have on the Spanish regions. Our empirical strategy combines three powerful models to address the trade effect both over the global economy, and more specifically, in each Spanish region. First, by means of the SMART simulation model, we estimate the trade effect for 131 countries; then, we compute the intersectoral effects of such shock using the World Input–Output Database (WIOD); finally, we estimate the interregional and intersectoral effects within Spain, using an interregional input–output table. This last step combines both, the immediate product shock over the metal sector in Spain, and the global effect computed by means of the WIOD. The results obtained shows how the US tariffs might induce a total job loss of 185,000 employees worldwide, while in Spain, it may cost 3,500 jobs.

[Do European Funds support the formation of firms? New evidence from Italy](#)

Andrea Ciffolilli, Eleonora Cutrini, Marco Pompili

Pages: 549-569

First Published: 26 April 2019

Abstract: During the Great Recession, European Cohesion Policy had an important countercyclical function. It contributed to resilience and supported economic development at the local level. This paper investigates spatial variation in new firm formation in Italy and studies the role of the European Regional Development Fund (ERDF) in the period 2007–2013. Our analysis confirms that per capita expenditure of EU funds is positively and significantly correlated with new firm formation in the aftermath of the international crisis. In line with the existing literature, the analysis confirms that formal education, unemployment, and the size of the regional economy are important drivers in new business formation. Our findings differ partially from the existing literature as regards the implications of firm size and industrial specialization. Service-oriented provinces and areas dominated by large and medium-sized firms are more likely to foster entrepreneurial capacity, presumably due to spin-offs and the effects on the network of suppliers.
<https://doi.org/10.1111/rsp3.12205>

[Using local public goods to attract and retain the creative class: A tale of two cities](#)

Amitrajeet A. Batabyal, Karima Kourtit, Peter Nijkamp

Pages: 571-581

First Published: 28 May 2019

Abstract: We study the impact that the provision of a local public good (LPG) by two cities has on their ability to attract and retain members of the creative class. This creative class consists of two types of members known as engineers and artists. Engineers are wealthier than artists and they also value the LPG more. We first focus on each city in isolation. We compute the marginal value and the marginal cost of the LPG and then determine the provision of this LPG when the provision is determined by uniform contributions and majority voting. Next, we allow the creative class members to migrate

between the two cities and analyse whether engineers or artists migrate, the equilibrium distribution of the creative class, and the efficiency of the LPG provision. Finally, we consider the situation in each city just before migration and study how much of the LPG is provided when proportional contributions and majority voting determine this provision. A related question we address is whether engineers or artists now have an incentive to migrate and, if yes, we identify who would like to migrate and to which city.

Development policy and regional economic convergence: The case of Tunisia

Mohamed Ali Labidi

First published: 03 May 2019

<https://doi.org/10.1111/rsp3.12206>

Abstract: Regional disparities continue to be a major concern for the regional policies and regional development of developing countries. Unfinished reforms and the growth of regional disparities imply the need of intervention for economic convergence. Prominent recent studies on economic convergence have mainly focused on the regions of developed countries. This article assesses the speed of economic convergence of the Tunisian economy during the period 1985–2016. The economic performance of a region is influenced by the activities of neighbouring regions. Regional interdependence is determined by a preliminary diagnosis of autocorrelation within the 24 Tunisian spatial units. Spatial autocorrelation is explicitly introduced in the convergence regression of observed growth. This makes it possible to correct the problems resulting from the inefficiency of the estimators and to quantify, according to the model of the correlation detected, the speed of regional economic convergence. Our results suggest that convergence does exist, but at a slow speed. Therefore, appropriate public policies can rapidly change the speed of convergence and enable the least developed territories to catch up economically.

The existence of economies of sequence: A theory of architecture in building an industry agglomeration

Akifumi Kuchiki

First published: 28 March 2019

<https://doi.org/10.1111/rsp3.12199>

Abstract: The segments of an industrial agglomeration consist of physical infrastructure, institutions, human resources and living conditions. The “economies of sequence” is defined as building segments in an efficient sequence. Prerequisite conditions on segments comprise those segments that contribute to a reduction in transport costs. The Granger causality test identified sequences such as the opening of the Tsukuba Express Railway followed by the development of residential towns, the renovation of Kyoto Station followed by implementation of new express schedules, and increasing airline routes between Naha Airport in Okinawa and other Asian cities preceded by the expansion of the airport.

Impact of policies vis-à-vis small and medium enterprises (SMEs) on economic development of the border city of Al Buraimi in Oman

Khalid Al Badi

Pages: 613-620

First Published: 19 June 2019

<https://doi.org/10.1111/rsp3.12217>

Abstract: Since the industrial revolutions in Europe and the USA, the small and medium enterprises (SMEs) have been considered as the backbone of the economies. Apart from being blessed with huge reserves of natural resources, Oman enjoys certain location-related advantages. Furthermore, it is also one of the key members of the Gulf Cooperation Council (GCC). All these factors open new doors and strongly pave the way for new ventures to be launched particularly in the small and medium enterprises sector of the economy. This study aims to highlight the role

of small and medium enterprises in the economic development of the Al-Buraimi Governorate in Oman. It also examines the effectiveness of economic policies vis-à-vis SMEs success stories. It also highlights the role of the investment environment for the SME sector in Al-Buraimi. A randomly selected sample of 57 SMEs stockholders is used to obtain an understanding of the impact of the economic policies for SME sector on the economy in the Al-Buraimi Governorate. The results show that the ownership structure can be a factor for survival in SMEs. As the manufacturing and household businesses make up the largest portion of the SME sector in Oman, the government policies may promulgate other businesses in the service sector like trade, tourism, logistics, etc. The stringent regulations and complicated administrative procedures being the major reported factors, the policy-makers may focus more upon such challenges for accelerating the development and contribution of SME sector in the regional economic development. This study enriches the literature and proves helpful for Omani policy-makers.

Papers in Regional Science

98(5) October 2019

Measuring spatial concentration: a transportation problem approach

Mauro Ferrante, Giovanni Luca Lo Magno, Stefano De Cantis, Geoffrey J.D. Hewings

First Published: 23 October 2019

<https://doi-org.access.library.unisa.edu.au/10.1111/pirs.12485>

Abstract: This paper will propose an index for measuring spatial concentration, which is based on the solution of a particular transportation problem. This approach extends a new index proposed for the measurement of seasonality to the spatial case, and it takes into account the level of the concentration of the

phenomenon of interest according to its spatial distribution. Various properties of the proposed index, which make it a desirable measure for spatial concentration, will also be described. An empirical application, using data from selected European countries, will be provided, and the results derived from the proposed index will be compared with those derived from currently used indices.

Economic Growth through Entrepreneurship: Determinants of Self-Employed Income across Regional Economies

David B. Willis, David W. Hughes, Kathryn A. Boys, Devin C. Swindall

First Published: 21 October 2019

Abstract: Knowledge of the determinants of self-employment income is critical to entrepreneurial development strategies if the development goal is to increase incomes not just employment. Using American Community Survey data, unconditional quantile regression is used to investigate differences in the relationship between entrepreneurial income and an array of individual, industry, and regional characteristics across the self-employment income distribution. Personal attributes, such as education, race, age, and gender, both explain differences in self-employment income and vary in importance across the income distribution. Regional agglomerative effects are significantly positive and stronger at the upper end of the self-employed income distribution.

Labor Market Effects of Urban Riots: an Experimental Assessment

Emmanuel Duguet, David Gray, Yannick L'Horty, Loïc du Parquet, Pascale Petit

First Published: 21 October 2019

Abstract: We measure the effects of urban riots on the labour market prospects of workers in the case of the French riots of 2007. The town of Villiers-le-Bel is our treatment

unit while two other towns serve control groups, Sarcelles and Enghien-les-Bains. Using the technique of correspondence testing, we are able to discern disparities in call-back rates for fictitious candidates who respond to actual job postings over four dimensions: gender, ethnic origin, locality of residence (advantaged vs. disadvantaged), and the degree of media exposure during the riots. We implement an empirical approach to measure discrimination across several dimensions that integrates a set of relevant parameters into one unified system of equations. We find statistically significant negative estimates of a media exposure effect. People residing in the area which received negative publicity were 3.2 percentage points less likely to receive a callback. The group of workers who tend to be the most associated with the riots, i.e. men of North African origin (at least in terms of perceptions), are the least affected by potential discrimination by region of residence, while women of French origin are the most affected.

Segregation and urban spatial structure in Barcelona

Miquel-Àngel Garcia-Lopez, Rosella Nicolini, José Luis Roig

First Published: 21 October 2019

Abstract: We propose an analysis to identify the degree of spatial segregation among different communities of residents in Barcelona. We elaborate a theoretical setting as an extension of the monocentric framework, yielding the creation of mixed spatial units. Our idea is to assess the extent to which spatial segregation is connected to the urban spatial structure, the neighborhood's status, and the spatial autocorrelation. As a novelty, we perform the empirical exercise by relying on an original database that gathers information for the period 1947–2011. Estimations emphasize that Barcelona increasingly shows a spatial segregation pattern that is based mostly on the gentrification of high-skill workers.

ABOUT ANZRS AI

ANZRS AI Council Notes

Council has been busy planning for the 2019 conference in Cairns, discussing ways to further improve the access to and ranking of our journal (AJRS), and improving the presentation of the website.

Megan Woods has an addition to her family. Council wishes Megan well and looks forward to welcoming Megan back to ANZRS AI and Council in future.

ANZRS AI Conferences

The annual conference and AJRS are the foundations of ANZRS AI.

The small conference attracts and enables new members to access our senior members who generously offer support, encouragement, relevant experience and information. AJRS offers an opportunity for early publication.

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

Roles of Council Members

Membership Secretary: Delwar Akbar

Council Secretary: Rolf Gerritsen

Correspondence Secretary: Yogi Vidyattama

Publications Secretary: Vince Mangioni or Lee Pugalís. (Within the UTS/editors group.)

Conference Secretary: Paul Dalziel

Webmaster: Paul Dalziel

Convenor: Conference Awards Committee. Volunteer required.

Convenor: Contributed Papers sessions: Paul Dalziel

Editors:

- **Conference Proceedings:** tba assisted by Rolf Gerritsen.
- **Australasian Journal of Regional Studies:** Bligh Grant (Executive Editor), Rolf Gerritsen, Khorshed Alam and Vincent Mangioni
- **Sustaining Regions** - Tony O'Malley and Azizur Rahman

Accounts – Greg Jones

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