

## **THE DEVELOPMENT PLAYERS: REGIONAL ECONOMIC CHANGE AND A PRELIMINARY THEORY OF DEVELOPMENT RELATIONS**

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**ABSTRACT:** Prior work with local-level development projects has led me to propose some components of a 'theory of development relations': namely, a consideration of the power, motivations, legitimacy and perceived trustworthiness of those involved in the development process. This paper further develops the concept of development relations, focusing on regional economic development, specifically the establishment of a new regional industry. The paper draws upon historical data on the development of mineral sands mining in the Capel area, south-western Australia, and current negotiations around the establishment of a new mineral sands industry in Western Victoria. It identifies key 'development players' – those directly involved in negotiating the development process – and describes the relationships among them. 'Development players' in these cases include: individual entrepreneurs; local and state government and private company representatives; vocal citizens, citizen leaders and the community groups they represent; outside regulatory and judicial bodies; technical experts; and the press – all of whom influence the process of establishing a new industry and thus determine, along with contextual factors, the kind of 'regional economic development' that actually takes place.

### **1. INTRODUCTION: WHY DEVELOPMENT RELATIONS?**

Discussions of regional development generally start from one key assumption: that regional development itself is generally good and universally desirable. Doesn't everyone want their region to develop? Most people are happy to say that *regional development* is exactly what they are looking for. The only problem, it seems, is how to achieve it.

*Achieving* regional development, it seems, is the difficult part, and thus the focus of the efforts of regional development practitioners. Like most professionals around the world who specialise in economic or social development, regional development practitioners tend to ask technical questions, and seek technical answers. What best-practice programmes, what policy guidelines, what supports, what markets, what technologies – what, in short, are the ingredients in a successful Regional Development Recipe?

We who seek after regional development discover bits and pieces of answers: things that have worked well elsewhere, common principles that seem to hold true. The discouraging part is that the usefulness of these answers is limited. Whatever the suggestion: whether it is industry clusters or IT infrastructure, learning regions or micro-enterprise development, it necessarily comes with caveats. Given the right conditions, assuming cooperation from the various sectors, subject to making necessary adaptations...it *might* work.

In the end, it becomes painfully obvious that we have no real theories of regional development. Rather, we have catchwords: things like *partnerships*, *good governance*, and *social capital*, which try to capture that elusive sense of everyone all pulling together to make Regional Development actually happen. We also have a few shining lights in the form of regions that have apparently 'made it'. Yet many regions have not; and even the shining lights may be subject to critique, as to whether their regional development has actually made local people better off (see eg Phillips and Campbell 1993). Meanwhile, poverty, inequity, poor services in the regions, unemployment – all those things that regional development ostensibly tries to fix – persist.

A student of regional economic development can thus find herself in rather discouraging terrain, believing that Regional Development is very difficult to achieve. She is less likely, however, to question the initial assumption behind the problem: the consensus that Regional Development is, in fact, good and desirable. Yet is there such a consensus? Is there a consensus, even, on what regional development really is? Such questions may seem very theoretical for the practical minds among us. Yet it is here that we unearth the secret workings of why regional development is difficult – and sometimes impossible – to achieve.

Regional development is a catch-all term, a large receptacle in which we put our thoughts about positive change in societies and their economies. *Good and desirable* Regional Development is essentially a tautology, as the term itself has come to mean simply that which is good and desirable for a region. Who can escape this circular argument to assert that regional development is not good? Yet the components of *good and desirable* vary greatly. Regional development may mean *health services on par with those in metropolitan areas*. It may mean, *jobs for our youth*. It may mean, more shops, or more factories, or more nature reserves. It may mean being known as a prosperous region, or an educated region, or an ecologically sustainable region. Most people can agree that they want some kind of positive regional change: *regional development*. But what that positive change is to look like exactly – here, indeed, are contradictions.

Before we can achieve Regional Development, we need to understand what regional development – or any kind of development – actually is. It is a process of change, negotiated change, with different actual and desired outcomes for different people and groups. Some people participate actively in this process: they make decisions, take actions, speak their opinions. Individuals and organizations thus influence the direction of change. These are the 'development players' referred to in the title of this paper. Other people may stand to gain or lose from proposed developments, and yet remain either passive or unheard. All are 'stakeholders' in the popular terminology, but not all have the ability, opportunity, or desire to influence the development process.

Two relevant bodies of literature inform the discussion at this point. The first is the literature on stakeholders; the second is the literature on participatory development. A few typologies of stakeholders have been developed in the literature on corporate social responsibility (see e.g. Jawahar and McLaughlin 2001; Wheeler et. al.; Mitchell et al 1997); while these are broadly helpful, they

are flawed in their tendency to look at development stakeholders only in relation to a corporation (or other organization), with the latter seen as the development protagonist. The protagonist role of other development players – their own ability to initiate and actively direct development – is ignored.

The international development field has an extensive literature on participatory development, in which the participation of (variously) ‘project beneficiaries’, ‘the poor’, ‘local communities’ and ‘all stakeholders’ in development projects is strongly encouraged. Participatory development attempts to recognise local, insider knowledge and viewpoints and to privilege these vis-a-vis more powerful outside developers (Mohan and Stokke 2000:253). A range of methodologies has consequently been developed to encourage and facilitate participatory project planning (see eg Chambers 1994, Mohan and Stokke 2000, Holland 1998, Greenwood et. al 1993). Yet again, the protagonism of the ‘locals’ to create development is usually only considered in relation to the outside developer (e.g. an NGO, a government department, or an international agency). Like corporations, these developers have a tendency to assume that without them, development simply would not happen.

In short, there are deep biases in the regional development field against understanding development – the process of planned social and economic change – as an open process which anyone can instigate. We still have a deeply ingrained tendency to view development as the actions proposed by powerful organizations (often coming from outside), with stakeholder consultations or participatory development strategies as a bit of a corrective: a way to ensure that other people have some say in what is happening to them. Nowhere is this more clear than in the literature on social impact assessment (see eg Howitt 2000): economic actions are taken (usually by a large outside organisation) and their social impact is gauged. The community development field, on the other hand, does assign proactive development agency to ordinary people (see for instance Ife 2002 and Kenyon and Black 2001 in Australia), yet its tendency to focus on the local, and on the self-conscious and instrumental ‘building’ of communities, has meant that this contribution tends to be overlooked. The literature on entrepreneurship also recognises the proactive agency of individuals, and their role in development is implied; yet it offers little insight into the social negotiations entrepreneurs must enter to make development happen.

In practice, ‘development’ actions come from many quarters, and are negotiated in many different ways. It is here that our knowledge and understanding of the regional development process is lacking. We need to understand the process of negotiating regional development: that is, defining what good development is, for a particular case, and then achieving it. How do ‘development’ proposals – formal or informal – move from idea to reality? Who defines what development will look like? How do the relationships among various stakeholders influence the outcome? What, ultimately are the human and institutional relationships that create regional development?

In an earlier article based on field research about small-scale community development projects in Western Australia, I suggested four components of a

‘theory of development relations’: namely, the power, motivations, legitimacy and perceived trustworthiness of various ‘players’ in the development process:

*“People working for equitable, participative social change need to understand the human actors in the change process: who’s who, how do they relate to one another, and what influences their relationships? Within these relationships, who has power, who is trusted, and what are people’s real and perceived motivations?...A new slant is needed (on development work), one which acknowledges the complex social landscapes in which change is conceived, implemented, and resisted.” (2003:793).*

This article is an attempt to further develop this theory, taking these four key components and applying them to a very different development scenario: the process of new regional industry development. I focus on two cases of new regional industry development focusing on the mineral sands industry: specifically, the historical case of the Capel area in Western Australia, and the contemporary case of Western Victoria. A consideration of these two cases, though necessarily brief, indicates how a diversity of the development players, and specifically the relationships among them, influence the kind of regional development which takes place.

## **2. REGIONAL INDUSTRY DEVELOPMENT: MINERAL SANDS IN CAPEL, WESTERN AUSTRALIA**

The town of Capel, Western Australia, and its surrounding area are a seat of significant mineral sands mining and processing activities. This industry is part of a diversified local economy which also includes farming and dairying, viticulture, and blue gums (Capel Shire, 2003). Mineral sands mining in the area has half a century of history, while non-Aboriginal settlement in the area dates from over a century previous to that, beginning in the 1830s (Capel Shire 2003). From the late 1950s to the present, the Capel area has produced mineral sands, principally ilmenite, as well as other titanium and zircon products. This is a globally important industry – Western Australia produces approximately 20% of world ilmenite production (WA Chamber of Minerals and Energy 2003) – which is located in and around a small regional town.

How did mineral sands mining start in Capel, and what can that tell us about the process of new regional industry development? Obviously, the key mineral resources, chiefly ilmenite, had to be available. But who discovered the mineral, who developed the technology, the markets, negotiated access to the land, made the necessary investments? What was the role of local farmers, local youth, outside entrepreneurs, local businesspeople, international corporations? Many development players were involved. Not all of them can be known, but some parts of the story can be pieced together through the oral histories collected by Leigh Edmonds between 1996-1998 as part of a company history project, as well as through newspaper articles, company websites, and reports.<sup>1</sup> This section

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<sup>1</sup> The oral histories were collected for a history of Westralian Sands that was never completed; they were made available to me through the Iluka archives. Newspaper articles used were those in the Iluka archives, all from the 1980s;

presents the necessarily incomplete, but nonetheless illuminating, overview of the early development of mineral sands mining in the Capel area.

Western Australian's first mineral sands mining, at small scale, was done at Cheynes Bay on the south coast in 1949 (Liswa 2001). By the mid to late fifties, Capel was developing as a significant sand-mining centre. One of the most notable early players in the development of the industry in Capel was an earthmover named Stan Perron; he was the first to mine mineral sands in the Capel area. In the mid-1950s Perron established a company, called Ilmenite Pty Limited, which mined, processed, and sold ilmenite to a Tasmanian firm that produced white paint pigment (Edmonds 1996a). Once it became obvious that there was a market for the sand, other companies soon started up in the Capel area (Edmonds 1996a:5), and this small farming town became the seat of a thriving new industry.

A closer look at Ilmenite Pty Limited's start up demonstrates some of the interesting relationships which informed this industry's beginnings. The town of Capel had been there for some time, and so had the sand. A local man, Herbert Thorley of Australind, recognised the presence of black mineral sands and pegged leases in the area (Edmonds 1996a). Nevertheless, he made no investments in developing the new industry. Rather, an outsider, Stan Perron, took on this role, taking up one of Thorley's leases in the Capel area. Perron himself was not a miner by profession; however, he had previously become involved in tantalite mining in the Pilbarra region of Western Australia. Why? Because "people came to me and said this was an earthmoving proposition" (Edmonds 1996a:1); earthmoving equipment was needed for the early mining to take place. At that stage, sand mining was a simple process of scraping up sand and doing some basic processing (Edmonds 1996a).

Thorley had identified the sand, while Perron had the earthmoving equipment, the experience of mining in the Pilbarra, and the ability to recognise a good business opportunity. The Tasmanian firm, which became the company's major client, was at that time importing their ilmenite from India, and were very interested in the ilmenite samples Perron send them from Western Australia (Edmonds 1996a: 1,3). Meanwhile, two local men, Len Brennan and Jim Boddington, also played a key role: they had the technical ability and interest to design and build a magnetic separator to extract the ilmenite (Edmonds 1996a: 2). Their interest in working with Perron; Perron's initiative in contacting Thorley and the Tasmanian client; and their willingness to do business with him: all were necessary for Ilmenite Pty Limited's successful beginnings.

Thus, at this most basic, entrepreneurial level of new industry start up, we see a range of development players on the scene: Locals with knowledge of and rights in the land, locals with technical expertise, outside entrepreneurs, client companies. The engineer down the road and the Tasmanian paint-producing company both had a role to play in the development of this new regional industry in Capel. And soon, there were other sand-mining companies as well. Perron

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unfortunately, time limitations prevented a fuller search of local newspaper archives in Western Australia.

sold his first mining operation to a company called Cable Sands in 1956, and went on to develop other sand mines in the area (Edmonds 1996a; Cable Sands 2000). Cable Sands in turn went on to become an important player in mineral sands mining in Capel, where it still operates, now a subsidiary of Nissho Iwai Mineral Sands (Australia) Pty Ltd.

Another key player in the start-up and development of the new mineral sands mining industry in Capel was a company called Westralian Oil (later Westralian Sands). This Perth-based company, begun by a group of businessmen, began mining at Yoganup, near Capel, in 1959. In 1955, they bought a small farmhouse in Yoganup and began explorations, drilling in a pasture that belonged to a local farmer (Edmonds 1996b: 1-3). In the mid-1970s the company took over competitor Western Mineral Sands, and the head office moved from the capital city Perth to the town of Capel (Edmonds 1998). In 1998, Westralian Sands bought out the larger company RGC (formerly Western Titanium) to create the major West-Australian based mining company Iluka (Iluka nd). Iluka is now an international player in mineral sands mining; its history, however, is closely tied to the development of the mineral sands industry in the regional town of Capel.

Over the years, there have been many development players who have influenced the direction of this regional industry. The various mining companies and their many employees, board members, and contractors (some of whom were interviewed in Edmonds' oral history project) were obviously key players. New local businesses like trucking and earthmoving (Edmonds 1997a; 1997b) have started up as a result of the presence of the sands companies; they have supported this industry while creating new economic opportunities locally. Government regulations in areas such as the environment and occupational health and safety have significantly affected how business is done, while attempting to minimise negative impacts of the industry. The government has also funded relevant infrastructure developments, including the dual carriageway that links Capel with the larger population centres of Bunbury and Busselton. Meanwhile, the industry has been affected by various occurrences in international markets; as well as by the work of technical innovators, such as Dr Robert Becher, who designed Western Australia's first synthetic rutile plant. Finally, landowners and other area residents have also influenced this regional industry's development from its early beginnings.

Farmers have taken a particularly important role, in that they have often been the ones to control access to land to be mined. When the mineral sands industry was first being established in the 1950s, Capel was a small farming community (Edmonds 1996c: 6-7). Some mine sites were in secluded areas of untouched bush, but access to other sites had to be negotiated with farmers who were already using the land for other purposes (Edmonds 1996c:33-34). Farmers' attitudes toward, and roles in, the development of this new industry varied. Some local farmers allowed exploration and hoped minerals might be discovered on their land, aware of the income which mining could provide; while others were strongly against mining, because of noise or impacts such as on water supplies (Edmonds 1997a; Edmonds 1996b: 3). Thus, there was clearly no

uniform ‘farmers’ view’ of the new industry; different farmers played different roles. Some farmers – particularly young ones – also came to work in the mineral sands industry, often using these jobs as a cash-flow supplement (Edmonds 1997a; 1996d: 9-10).

The roles of other local residents also varied. At the start up of mining in the area, local people were described by one then-resident as, in general, “non-committal” about the change; they felt that it would not affect them (Edmonds 1996e:11). Mining and processing did provide some jobs, however, and as time passed, some of the locals worked their way up into key positions in companies like Westralian Sands (see e.g. Edmonds 1997c; 1996). This logically meant greater commitment to the industry on the part of at least some locals. When this new industry began in the Capel area, there was no practice of mine site rehabilitation; nor was there any real awareness from local people of the devastation that mining without rehabilitation would cause (Edmonds 1997c: 2). Locals tended to simply adapt to the changed landscape: running beach buggies on piles of sand tailings, or using them for fill in various local construction projects (Edmonds 1997c). When those tailings were later found to contain radiation, however, there was “*quite a scandal*”; yet it is reported that the locals who had grown up with mining were “*all pretty tolerant*” (Edmonds 1997c:21-22); “*it was more so the new comers were the ones that were jumping up and down and screaming (about radiation)...the older generation said what can we do about it....*” (Edmonds 1997d: 37).

People’s experiences and access to information affects the roles they play in negotiating development. When the mineral sands industry was starting in Capel, there were few external controls on the industry, and little public understanding of what sorts of problems and issues (such as radiation) might emerge. Many of the general public apparently felt that the sands industry had little to do with them. By the mid-1980s, however, conditions were different. The nearby town of Boyanup was, like Capel, a small farming town when a new mining operation began there in 1987. There, however, Westralian Sands encountered strong opposition to mining from at least some local people: some machinery was sabotaged, and people expressed concern about safety, noise and dust issues with trucks going through town (Edmonds 1997b; SW Times 1987). The local press was one vehicle through which these concerns were articulated and discussed. In the end, the influence of these sectors did not stop the mining, but it did lead to the negotiation of road upgrades, footbridge construction, and limitations on truck operations (SW Times 1987, 1988): altering some aspects of the change process.

### **3. REGIONAL INDUSTRY DEVELOPMENT: MINERAL SANDS IN WESTERN VICTORIA**

Currently, a new mineral sands industry is under development in Victoria’s Western Districts. Whereas the mineral sands industry began in Capel a half century ago – and has, of course, been continuously changing since then – mineral sands in Western Victoria is a new industry, on the verge of start-up. As in the Capel case, mineral sands in Western Victoria represents a significant new

development in a traditionally agricultural/pastoral region. This section draws on archival research in local newspapers, project documents, and baseline key informant interviews and surveys carried out in July and August 2003, to highlight some of the key development players in this new regional industry start-up process and the relationships among them.

Proposals to mine mineral sands in the Douglas/Kanagulk area near Balmoral, Victoria, part of the Murray Basin deposits, have been discussed for several years, as has the location of mineral sands processing facilities in the region. Mining company Basin Minerals was a key player in early discussions; later, in May/June of 2002, Basin Minerals was taken over by Iluka Resources. Formal government approval for the mining work plan has not yet been received as of this article's writing (September 2003), but nearly all the other preparatory work to gain government mining permits has been done, including approval of the Environmental Effects Statement. Meanwhile, in early September 2003, government planning approval was announced for a mineral sands processing plant to be located in Hamilton.

The increased complexity of government and industry institutions and protocols now as compared with the 1950s means that many more development players are directly involved in the process of industry start-up than was the case in the early days at Capel. As an example, the Environmental Effects Statement, which Basin Minerals was required to prepare as a condition of government planning approval to mine at Douglas, involved consultation with a wide range of regulatory bodies, organizations, and members of the public. These included relevant local, State and Commonwealth departments and agencies – local Shires, Catchment Management Authorities, the Department of Natural Resources and the Environment, Department of Infrastructure, Environmental Protection Authority and various others – as well as infrastructure service providers, community groups (including landcare groups), and individuals (McNulty 2001:38, 75).

Other players in the Environmental Effects Statement process included the consultants who prepared the report and those who carried out the various studies necessary (eg modelling the effects of tailings of groundwater; conducting a survey of native vegetation, archaeological survey, etc.); the libraries and post offices that exhibited and/or sold the Report; various relevant sections and individuals within the Basin Minerals company itself; the general public, who had the opportunity to comment during a six-week review period; and an independent government panel of three, which reviewed submissions and made recommendations to the State minister for Regional Development (McNulty 2001:14-15, 102, 106, 137; HIH 2001:13-15). All of these players have had some opportunity to influence, to greater or lesser extent, the exact direction that the mineral sands development will take.

It is clear that there are many, many development players. Land purchase or other compensation has had to be negotiated with local landowners. Mineral content has had to be tested, and a feasibility study for the mine had to be prepared; with this also completed by a consultant (HIH 2001). The press has also been involved, keeping the general public informed. A new company, Iluka,

took over the project, and its new staff had to develop their networks in the local area: becoming known, gaining trust. The list of players goes on. In future, company employees and contractors will be responsible for carrying out the various commitments contained in the Environmental Effects Statement. A local Environmental Review Committee is expected to take on the responsibility for monitoring compliance with these commitments; this committee already meets regularly with the mining company.

The Environmental Effects Statement is an example of the formal protocols and approvals now often required in the development process. Beyond such formal procedures, however, it is useful to take a closer look at how new industry development is actually being negotiated at the local level. Who is involved in decision making, who is not involved, and why? What are the relationships, the expectations, and the assumptions that inform the way local people think about regional development, and about the role of a proposed new industry? To shed some light on these complex relationships, it is useful to consider the negotiations around the establishment of a mineral sands processing plant in Hamilton.

The announcement in the local press of the company's choice of Hamilton for the proposed mineral separation plant was enthusiastic. The headline on the day of the planning approval read "*Green Light!*" in large letters; in the article, the mayor stated that he was "*absolutely thrilled*"; a local businessman was "*ecstatic*". The next issue, however, underlined another side to the local debate. The headline here was "*Denied Justice*". It referred to a local residents' group whose representatives felt "*disappointed and betrayed*" that the planning minister had approved the separation plant, rather than allowing it to go through the Victorian Civil Affairs Tribunal hearing process.

There is clearly no unified "community view" of this development proposal. A closer look at the processing plant case will bring this complexity into clearer focus. Unlike the mine, the proposal to establish a mineral separation plant on the town's outskirts did not require the preparation of an Environmental Effects Statement; it only required that planning approval be granted by the local council. The mining company submitted the planning permit application in December 2002; it was then put out for public comment. While the timing of the public comment was criticised by at least one local, in the end over 800 submissions were received. All but about 30 were in favour of the plant. The council approved the permit application unanimously, though not without local opposition.

Both local people and outsiders were involved in the regional development process in this case. The company's decision to locate the separation plant in Hamilton was made on the basis of geographic location, as well as what could be termed existing regional development advantages: the existence of good schools, local services, and an attractive central business district; good highways, and existing railway line, and blue gum plantations which could be used as landscaping. Thus, other, previous actions and decisions had paved the way for this regional development opportunity. Shire employees actively highlighted these advantages, and a grassroots group of local retail business people were

vocal in their support of the company and its proposal. Other local residents, however, expressed concerns about the lack of information available on the plant's potential impacts, and pressed for meetings with the Shire, the company, and the water authority to discuss various issues.

The original announcement of Basin Minerals' choice of Hamilton for their minerals processing facility was clearly phrased by the local press in terms of Regional Development. It was described as the outcome of many months of effort by the town's then economic development manager. Described as a "\$73 million sands processing plant" (later, a \$90 million plant), it was tagged as a project which would easily be "*the biggest in Hamilton's history*", could provide "*up to 500 permanent jobs*", booms in housing and schools, and a reverse in the shire's population decline of the past two decades. Meanwhile, the company's environmental director assured that there would be "*no pollution and noise problems.*" The planning permit application later claimed the plant would create 350 direct and indirect jobs, using an employment multiplier of 4.1 based on 84 full time employees, "*from the local area where possible...(as) most required skills are available locally*", and earn an estimate \$150 million a year in export revenue (Iluka 2002:2,19). Meanwhile, as a local businessman was quick to point out, "*Iluka has been great, they haven't asked us for anything*" in exchange for establishing the plant in Hamilton. It seemed a regional development dream-come-true.

Yet this was not the reading of the situation of all local residents. Early on, in 2001, some residents (particularly neighbours of the proposed plant) expressed concerns about such potential disbenefits as discharges to air, noise, odour, discharge/leakage to ground water, fallout affecting pasture animals, disturbance of lifestyle (auditory/visual irritation), and property values. These and other issues were later detailed in the Planning Permit application in the section on public consultation (Iluka 2002:20-22). When the local Council approved the planning permit application, a residents' group appealed the case to the Victorian Civil Affairs Tribunal. It seemed that development was set to be negotiated in the courts. However, the planning minister quickly called out the case from the tribunal, "because of its significance to Victoria". The regional development minister observed at that time that the mining company was concerned about losing overseas investors if the planning approval was subject to delays in the tribunal. Thus, the hearings process was overturned, due to what was explained to be the regional development significance of the project. After considering the information presented in a hearing, the minister approved the separation plant.

During the negotiations around the proposed mineral sands developments, which have been widely publicised in the local press, people living and working in the Hamilton/ Balmoral area have had the opportunity to form opinions about the new industry. Key informant surveys in July/August 2003 were conducted to take a baseline snapshot of local opinions toward this new regional industry. A 'key informant' (one or two well-networked and knowledgeable local individuals) was interviewed for each of the following sectors: training and employment, real estate, local government management, human services, agriculture, local business, community development, education, Shire

management, and Aboriginal Native Title claimants<sup>2</sup>. Local government, private sector, and non-governmental community organizations were represented in this group, and key informants were both male and female. The informants were asked to give a flavour of attitudes in their sector to the proposed mineral sands developments: reflecting on both the development process to date, and the industry's anticipated effects.

The results of these surveys clearly indicated that most local people are expecting the new industry to bring jobs, population growth, increased demand for housing, schools, and local businesses' services, and increased confidence and general prosperity to the region. There is also an expectation that the new industry will be a stabilizing force on the local economy, with diversification making it less vulnerable to fluctuations in other key local industries such as wool and trees. At the same time, there is also the recognition that the new industry may bring some inconveniences such as increased traffic and damage to the road infrastructure; that there are some environmental issues and concerns with mining (tree removal, soil damage) and the use of water by the mine; and that those living near the proposed plant may understandably not be happy with its presence there.

Finally, there is a concern that the benefits from the new industry be ongoing, that they stay in the local area, and that impacts on areas like air and water quality are closely monitored as the project progresses. As a key informant in the human services articulated it succinctly: *"People while excited, don't want something that destroys what we have."* These observations agree with the researcher's ethnographic observations as a resident over the period May-September 2003. The mineral sands industry is seldom a hot topic of conversation, but opinions tend to follow these general lines.

In addition to articulating local expectations of this new regional industry, the key informant surveys also suggest that many locals do not see themselves as active development players. Locals in certain sectors (eg local government, utilities, etc.) clearly have a role, and they exercise at least some influence in decisions; as do particularly vocal supporters or opponents. Local government, for instance, is understood as a *"conduit between industry, community, and state and federal governments"* playing a *"critical"* role in the development process. Yet many key groups interpret their role in the process of new regional industry development as simply being kept informed. Those surveyed generally praised Basin Minerals and Iluka for their openness and efforts to keep local people informed; this in turn made people feel involved in, and comfortable with, the development process:

*"(The company's community relations officer) goes out and talks to service clubs, schools; she makes herself available and I think because of this (local people)...see the process as more open."* (agriculture sector)

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<sup>2</sup> The latter was not local, but a Melbourne-based member of the group whom locals had recommended that the researcher speak with.

*"The processes have been really good.... People are aware" of what is going on; "(the Native Title claimants) who have wanted to have input, have." (Aboriginal native title claimants)*

*"As a community we're well informed." (resident of a small town).*

*"The process has been very well publicised...we have been well informed as to what to expect." (real estate sector).*

Other locals, however, highlighted the importance of not only being informed, but also of "having a voice" in the development process. For instance, a small group of local businesspeople have actively supported the proposal for the mineral separation plant in Hamilton. As a key informant in this sector noted, this group: *"didn't want to see another opportunity like this slip through our fingers, because of a small group of people who were against it."* They thus encouraged other local businesses to support the proposal and to make submissions to the Council in favour of the proposed mineral separation plant. "Having a voice", while more proactive than "being informed", nevertheless remains an essentially reactive position vis-à-vis the mineral sands company. As this informant articulated the process, the outside company first makes a decision (eg to locate in the area), then "The community issue is to get behind it or be against it".

What influences the decision to 'get behind' a project or not? One was the feeling that 'due process has been observed' – for instance, that all appropriate regulatory authorities had been consulted, or that there has been "a lot of discussion" – opportunities for people to exercise voice. Another was the sense that there may be some benefits to the new industry: whether these are perceived as benefits for the area as a whole, or personal benefit in terms of potential employment or business opportunities. Finally, the decision to grant or withhold support depends on the absence of serious perceived drawbacks. As the retailer quoted above indicated, if the project had been something very dangerous, such as uranium, *"it wouldn't matter how many jobs"*, local people would be against it. Yet small sacrifices may be acceptable; for some farmers, for instance, to *"not oppose development near their farms"*.

People's perceptions about due process, benefits and costs, in turn, depend on the amount of information they receive and the level of trust in this information. Early on in the proposal for the separation plant, it was stated in the local press that residents were particularly concerned about lack of information, as the only visits they had received were from a company representative who is *"obviously trying to sell us the project"*. Access to unbiased information about the plant's likely impact was therefore a key issue. Later, ongoing contact with the mining company and its willingness to dialogue and publicise its activities has led to increased trust.

Despite the availability of information and the sense, on the part of some local residents, that it is possible to "have a voice" in development decisions, a more active role in negotiating and shaping development seems to still be largely outside the scope of how local people see their role. For instance, while there is

a recognition from the education sector for instance that *“Links between education and employment are critical to ensuring the best outcomes for both”*, a key informant was *“not aware of any specific education involvement”* in the planning process so far – noting only that the company was present at a local TAFE meeting. Training organisations in turn *“hope that the training (needed by the new industry) would come through them”* and employment organisations are *interested in whether the mineral sand company can offer apprenticeships that become “a stepping-stone for...people in the community.”* Yet there is uncertainty about what the company’s actual training and employment commitments will be: will training be built into employment contracts? Will there be opportunities for students in the schools to learn about the industry? A key informant in the human services raised a similar point: would the company offer good jobs to local people? The scope of the industry commitment to training and local employment was unclear, as was the idea that locals could actively negotiate these outcomes as part of the development process.

There is little or no felt power to influence these kinds of outcomes as part of a participatory development process. Many local people do sense that the company may be an ally and that the kind of regional development it proposes is a good thing, but they still tend to cast themselves in a largely passive role: either assuming that the new industry’s activities will be inherently positive, or hoping that the company will feel a sense of responsibility to maximise positive impacts and minimise negative ones. Active collaboration and negotiation about how best to ensure that this happens is, however, still largely out of reach for many locals.

#### **4. CONCLUSION: TOWARD A TYPOLOGY OF REGIONAL DEVELOPMENT PLAYERS AND THEIR RELATIONSHIPS**

The two cases presented above underline the great diversity of development players. They highlight the fact that new regional development is a negotiated process among diverse individuals and groups, both inside and outside the geographic areas where the new development takes place. These individuals and groups play a diverse range of roles and relate with each other in a variety of ways. This concluding section will reflect briefly on these development players and their relationships, with the goal of illuminating the central importance of development relations to the regional development process.

At first glance, the key relationship in new industry development seems to be between the “community” and the outside corporation that is bringing a new project. State and Commonwealth governments and regulatory authorities, though playing key roles, are essentially mediating this central relationship between corporation and the citizens/ residents referred to broadly as the ‘local community’. Yet local communities are clearly complex; corporations are too (see eg Wheeler et al 2002 on a case of Shell and the Ogoni of Nigeria). In Capel, not all farmers had the same attitudes toward the new mining industry; nor did all locals react in the same way to the radiation issue. Similarly, in Hamilton, Balmoral and surrounding areas, attitudes toward the new developments, and their likely effects, have also varied. Some local people, such

as shire officers and businesspeople, strongly favour the new industry, while others do not. This complexity does not de-legitimize the importance of 'community views'; nor does it exempt corporations from acknowledging minority viewpoints. Rather, it queries the assumption of a simple binary community-corporation relationship, and highlights the need to acknowledge a range of legitimate development players, both actual and potential.

As development activities are negotiated in social contexts, decision must be made about what *good regional development* will be, and how it is to happen. The preliminary theory of development relations offered in Eversole (2003), suggests a way to understand the complexity of relationships involved in negotiating development. It suggests that the power, motivations, legitimacy and perceived trustworthiness of various players in the development process influence who is included in development decision-making, as well as the terms of their inclusion, and ultimately, what kinds of regional development take place.

*Power* has long been a key concept in some areas of development theory (for instance, dependency theory and gender and development), which have focused on how some development players (capitalists, 'First world countries', men) take advantage of, and profit from, others (workers, 'Third world countries', women). Such theories have been useful in drawing attention to power inequities in relationships. Thus, when outside industries come into a new area, there is often a concern that companies could use their powerful position to extract benefits at the expense of local residents. Processes such as Environmental Effects Statements and public comment periods for Planning Permits are institutionalised government attempts to address these concerns; companies may also develop their own processes. Providing information, and formally hearing and answering objections, are ways of creating relationships with less marked power inequities. Still, the question of who really has the power to influence change remains an open one: political and economic clout and the ability to sway public opinion are all factors here. Ultimately, local people may feel that the powerful players still call the shots.

When development is being negotiated, much seems to depend on the motivations – real and perceived – of each development player. Private corporations are often accustomed to having their motivations questioned. Their outreach efforts to local communities are flavoured by a general recognition that the company must look after its own interests – which may not, in the end, be the same as local community interests. Are outreach attempts by a company motivated by a desire to provide open information, build relationships and be good corporate citizens – or simply to influence public opinion in their favour? A mining company's "glossy brochures" as one resident put it, may be meant simply to sway public opinion in their favour; though other residents saw such brochures as an honest effort to keep local people informed. Nor are outside companies the only ones whose motivations are subject to question; for instance, the motivations of the grassroots group that has opposed the location of the mineral sands separation plant have also been interpreted in different ways.

These interpretations of the motivations of development players directly influence their legitimacy – the amount of weight which is given to their words

and actions – and, ultimately, whether or not other players trust them. In turn, a development player's existing level of legitimacy and trust, established by past actions and current cultural context, also influences how others perceive their current motivations. For the mining industry, and often for heavy industry in general, significant cultural currents generate distrust: stories of irresponsible practice elsewhere flavour how people perceive their motivations and trustworthiness. At the same time, a company with a good corporate image may be trusted, and their motivations interpreted in a favourable light. In a context like Capel, where mining has long been part of the local economy, mining companies have a certain legitimacy; in the Western Districts mining is new, and thus companies have had to work hard to establish legitimacy and trust. Meanwhile the press, the statements of government spokespeople, and even the written and publicly spoken opinions of local people, can influence the perceived legitimacy of different development players, and thus the extent to which they are trusted when development negotiations take place.

A final point is the question of how, in the development process, individuals and organizations perceive their own legitimacy as development players. It is clear that development proposals may emerge from many quarters: individual entrepreneurs (like Stan Perron), outside corporations (like Basin Minerals), and many others. Active support or opposition may also emerge from various quarters, as we have seen: grassroots groups, councils, landowners, inventors, clients, regulatory authorities, residents, etc. It is not too much to state that anyone may be a development player. Yet what emerges clearly from the key informant interviews and ethnographic observations is that most local people and groups perceive that they have some – but only limited – legitimacy in that role. They recognise that there are certain kinds of regional development that they would like to see, and certain development impacts that they do not want. They also feel that they may legitimately expect to be informed, and in some cases, to have a voice in assessing the development actions proposed by others. Thus, with time, they may take on even more active roles in the process of creating regional development.

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