



Reports from the Regions



Commonwealth



Establishment of Bureau of Transport and Regional Economics

The Commonwealth Government has recently moved to give regional research a new focus within its activities with the establishment of a regional research unit within the Department of Transport and Regional Services.

The Bureau of Transport Economics, already well established as a leader in transport research in Australia, has been extended to incorporate regional research, under a new name, the Bureau of Transport and Regional Economics (BTRE). From mid 2002 the Regional Research group has been in operation, headed by Dr Judith Winternitz.

This article provides an overview of the role and planned regional research programme of the BTRE, and an invitation to all those in the research community to collaborate in research towards better informed public policy and debate on regional issues.

The BTRE

The Bureau (as the BTE) was originally established in 1971, and is a research specific unit within the Department of Transport and Regional Services. The essence of the Bureau's mission is to undertake applied economic and social research on current and

emerging policy issues relevant to Commonwealth interests in transport and regional services.

The Bureau's principal client is the portfolio Minister – presently the Hon John Anderson, MP and Deputy Prime Minister.

Each year, after wide internal and external consultation, the Bureau develops a research programme that is submitted for the Minister's approval. The annual programme aims to support and inform public policy development in all areas of the portfolio: regional development and transport policy. The 2002-03 BTRE research programme can be viewed online at <http://www.btre.gov.au>

Regional Research and Statistics

Consistent with the Bureau's well established transport economic research, the expanded BTRE will be undertaking a range of research projects and data analysis to improve understanding of the economic and social factors affecting Australia's regions and address major longer-term regional development issues.

In its first year of regional research activity, the Bureau will be working in a number of areas:

1. Undertaking a range of research projects involving case studies, data analysis and theoretical enquiry into a variety of current and emerging regional economic and development issues. Some of the research questions that will be examined over 2002-03 include:
 - What is the experience of Governments internationally in attempting to assess the effect of their regional programmes and policy interventions?

- How do economic and social impacts of natural resource management requirements play out in communities? What are the short-term and long-term effects, and what is the best way to support communities in adjusting to the ongoing impacts?
 - What will future demand be for inter-regional public transport services? What are the objectives and character of current government interventions?
 - What is the economic contribution of individual regional centres? What changes are discernable over time?
2. Producing a number of information sheets with regional snapshots of demographics, education, employment, income and other key profile information.
 3. Undertaking a series of consultations to develop linkages with key regional economic and policy agencies. A register of national regional research projects and capabilities is also being developed.

Further details on our planned research projects can be viewed at the BTRE website under 'Research Program'.

Working in Partnership

In working towards better informed public policy and debate on Australian regional issues, the BTRE welcomes the collaboration of policy officers and the research community.

Interested parties are invited to register their contact details and research interests with the Regional Research contact officer (details below). This will lay the foundation for ongoing exchange of research progress and collaboration on regional economic and development issues of mutual interest.

Contact officer: Kerry Laughton, tel: 02 6274 6979, email: Kerry.Laughton@dotars.gov.au

The Regional Business Development Analysis

The Commonwealth Government announced a Regional Business Development Analysis (RBDA) as part of its 2001 *Stronger Regions, A Stronger Australia* statement.

The purpose of the analysis, due to be completed by early 2003, is to help build a stronger regional

business environment. An independent panel, chaired by John Keniry and appointed by the Hon John Anderson MP, Deputy Prime Minister, will deliver an Action Plan to the Commonwealth, focusing on possible actions by all the players in regional development, not just government. The Panel will visit regional communities and businesses to garner innovative ideas for regional business and investment growth. A reference group made up of key government agencies, the States, local government and industry groups is advising the Panel in its deliberations.

As part of the Analysis, a regional development literature review has been undertaken by SGS Economics and Planning. As well, case studies are being prepared on the Eden and Newcastle regions in New South Wales, and further research is to be commissioned relating to options for attracting investment and finance to regional areas; business location decisions; concerns about running a business in regional areas; skills shortages and gaps in industry sectors and regions; and the role of banks in regional communities. A Questions Paper was recently released outlining the Panel's key areas of interest.

Further information on the RBDA may be obtained from the web site, <http://www.rbda.gov.au>.

Parliamentary Inquiries

There are currently two Commonwealth parliamentary inquiries directly relevant to regional Australia.

The Parliamentary Joint Committee on Corporations and Financial Services is conducting an inquiry into the level of banking services in rural, regional and remote areas of Australia. The inquiry will focus on options for making additional banking services available to regional communities; options for expanding banking facilities through new technologies; the level of service currently available to regional residents; and international experiences and policies designed to enhance and improve the quality of regional banking services.

The House of Representatives Transport and Regional Services is examining the adequacy of regional air services in Australia. The Committee will investigate policies and measures to assist the development of regional air services, including the role of all three levels of government.



New South Wales

In late 2001 the NSW Government released a regional development statement, *Meeting the Challenges*. The Statement (available at <http://www.regionalcommunities.nsw.gov.au>) outlined a number of new initiatives and reported on the outcomes of existing programs.

Community Partnerships Program

A new initiative is the Community Partnerships Program, which seeks to emulate the success of North American partnerships between regional universities and communities in driving local economic development. The Program will be piloted in Central Western New South Wales with Charles Sturt University, and it is hoped that the initiative will suggest new ways for all regional universities to engage with their regions in the area of economic development.

The university's role will focus on a facilitator who will be an expert in local economic development while also having academic credentials. The facilitator will work with towns experiencing economic development challenges and assist communities to focus on new opportunities for investment and employment.

The Program complements existing community economic development programs such as the Main Street/Small Towns Program and the Townlife Development Program.

The Program's announcement by Minister Harry Woods MP coincides with the visit to Australia in September 2002 of Dr Bob Tosterud of the University of South Dakota. Dr Tosterud is well known for his community and family enterprises (CAFÉ) approach to community economic development. He is also an example of an academic working closely with communities in economic development, and his work helped inspire the development of the Community Partnerships Program, a first in Australia. Dr Tosterud's speech to the NSW Community Economic Development Conference may be found at <http://www.regionalcommunities.nsw.gov.au>.

2002-03 Budget Initiatives

The June 2002 State Budget contained a number of initiatives for regional New South Wales. There was a major ramping up of regional infrastructure and

capital works projects, with the Premier's Department's Infrastructure Coordination Unit working with State agencies to prioritise developments that will provide the most benefits for economic development.

The Premier's Department continues to play an active role in developing sustainable regional communities across the State. Recent initiatives of the Regional Coordination Program include the Central Coast Moving Forward Initiative, the River Towns Project in the State's West, and the Goulburn Youth Project. Place management projects, including Moree and Wentworth, continue under the *Staying in Town* initiative announced in 2000. Community renewal and crime prevention strategies are central to the Government's initiatives.

In regional economic development, the Budget highlighted ongoing support for programs such as the Regional Business Investment Tours, the New Market Expansion Program, the Meat Processing Industry Restructuring Program, and the pilot Regional Film Tour.

Regional Express Airlines

The NSW Government was closely involved in the efforts to achieve a new regional airline, Regional Express, following the collapse of Ansett in September 2001. The Government provided a loan facility that helped the former Kendell and Hazelton Airlines to continue operations following the Ansett collapse. In addition, assistance was provided to the new airline. Adequate air links to the capital city remain a critical part of the capacity of regional communities to attract businesses, especially in a climate of increasing costs for small airline operators; the sale of Sydney Airport with concomitant increases in a range of charges; pressure on peak hour 'slots' for regional airlines; and fears that regional air services will be directed away from Kingsford Smith Airport.

Regional Migration Initiative

Premier Bob Carr recently announced a package of initiatives designed to encourage overseas migrants to settle in regional areas of New South Wales, in order to help relieve pressures on continuing growth in the Sydney Basin and to enhance the vitality of regional centres. The proposal involves the Commonwealth and the State:

- taking a planned approach to attracting migrants including setting up a database on skills shortages in rural and regional areas;
- better marketing of rural and regional New South Wales to prospective migrants;
- providing incentives to migrants to settle in targeted rural and regional areas, eg increased eligibility points, tax breaks for home purchases and rental assistance;
- improving settlement services, infrastructure and local community support; and
- working with the Commonwealth to improve existing specific migration programs better to suit the needs of New South Wales.

Drought Relief for Businesses: The Business Drought Assistance Program

Over the past 18 months many regional areas across NSW experienced good growing conditions and good commodity prices. Businesses dependent on providing products and services to farmers, therefore, have not yet been subject to financial hardship as a result of worsening drought conditions. These businesses, however, are likely to experience financial hardship if the drought conditions worsen.

Direct jobs in mechanical engineering and other high skill disciplines could be lost from farm machinery and other regional industries, if the drought becomes protracted.

The Department of State and Regional Development (DSRD) has developed a two-part Business Drought Assistance package to assist regional firms that have suffered a loss of income due to the drought, and as a result would be forced to cut high skilled jobs.

Part One - Payroll Tax Relief:

The payroll tax relief package will be delivered jointly with the Office of State Revenue (OSR), and is modelled on the successful payroll tax rebate package offered to businesses affected by the floods in 2001. Eligible businesses will be granted a deferment of payroll tax, with the possibility of some payroll tax exemptions should the circumstances arise.

Under the previous flood relief package, 6 companies were considered for assistance, and 3 were deemed eligible for support.

Part Two - Assistance for Business and Credit Management Strategies:

Small businesses will also be able to apply for funding to engage expertise to develop credit or business management strategies required to help sustain operations, both during and beyond the drought. In severe cases this assistance will be directed to help business manage closure on the best possible terms. Assistance of up to \$3,000 will be available to engage expertise to look at:

- improved credit management;
- financial restructuring;
- voluntary mediation with creditors; and
- product/service market diversification (new domestic or international markets).

Skilled jobs are vital to regional communities and these initiatives will focus on retaining these jobs and minimising the potential affect of the drought on healthy regional businesses.



Victoria

Building Tomorrow's Businesses Today Statement

A \$26 million package of initiatives aimed at boosting businesses opportunities in rural and regional Victoria was released as part of the Bracks Government's *Building Tomorrow's Businesses Today* statement on 22 April 2002.

The package builds on the achievements of the Bracks Government in rebuilding rural and regional Victoria. It will make rural and regional communities even stronger, more resilient and better prepared to take on new opportunities. It will also stimulate jobs and investment, improve infrastructure and services and encourage stronger community leadership.

Building Tomorrow's Businesses Today includes:

- \$8 million over two years to extend the successful *FarmBis* program;
- \$3 million over 4 years to extend the *Agribusiness Forums*;
- An exemption from land tax to agricultural shows and field days;

- \$10 million to develop tourism infrastructure in regional Victoria;
- Establishment of the *Next-Generation Food Strategy* to work with other States, the Commonwealth and New Zealand to position Australasia as one of the world's major food industry regions;
- \$150,000 in 2002 to develop an *Integrated Mineral Sands Action Plan* to grow this new Victorian industry; and
- \$5 million for *Regional Connections* to increase and support investment in rural and regional communications infrastructure and help break the infrastructure bottleneck over the 'last mile'. (outlined below)

Regional Connections

The objective of *Regional Connections* is to improve the environment for investment in regional and rural communications infrastructure. *Regional Connections* comprises an integrated package of measures – seven streams of activity – that together will promote communications investment across the State.

The Victorian Government will improve the environment for investment in regional and rural communications infrastructure by:

1. *Promoting a more competitive wholesale carrier market.*
Increasing competition in wholesale communications markets across regional and rural Victoria will increase choice and reduce costs for all retail communications providers, efficiencies that will result in benefits for all end users.
2. *Supporting investment in competitive customer access networks.*
The customer access network (CAN) is the key communications bottleneck in regional and rural Victoria. The Victorian Government will support a number of CAN projects to demonstrate the technical and commercial feasibility of investments in competitive CAN infrastructure across Victoria.
3. *Reducing the costs of information discovery to potential investors.*
The Government holds a wide range of information and can be a neutral provider of information, particularly on regional markets, that can assist carriers with their investment decisions.

4. *Better utilising Government infrastructure.*
There is significant Victorian Government-owned infrastructure that, if made more accessible on reasonable terms, will reduce the costs of investment in regional and rural infrastructure and enhance competition in communications markets.
5. *Supporting new regional/community telecommunications initiatives.*
The Victorian Government will foster the emerging regional telco sector, in particular by building on their skills and expertise and supporting networks.
6. *Providing regional access to Government communications spending.*
The Victorian Government's communications spending will be strategically utilised to promote competitive wholesale and retail markets, and the Government's communications purchasing panels will be opened to regional and community telcos.
7. *Being a strong advocate to the Commonwealth for all of regional and rural Victoria.*
The Victorian Government will continue to be a strong advocate to the Commonwealth on regulatory and policy matters for improved communications infrastructure outcomes for regional and rural Victorians.

2002-03 Victorian State Budget

The 2002-03 State Budget continues to deliver substantial economic, social and environmental benefits for rural and regional Victoria.

The centrepiece of a range of major initiatives was the decision to provide \$77 million in funding for the Wimmera-Mallee pipeline. The project is one of the most significant water infrastructure projects ever proposed for Victoria. It will create jobs, strengthen regional communities and protect the environment for generations to come.

Other key initiatives for regional Victoria include:

- \$12 million for a Centre for Energy and Greenhouse Technologies in the Latrobe Valley;
- \$10 million to upgrade the Royal Melbourne Showgrounds; and
- \$102.3 million to improve regional transport links including upgrades for the Calder Highway, Henty Highway, and the biggest boost to country bus services in more than 30 years.



Queensland

The Queensland Government puts Regional Communities high on the Agenda

The Immediate Response Plan (IRP) is an initiative of the Queensland Government's Department of State Development to mitigate the impact of significant business closures or cutbacks in regional communities.

The IRP outlines a process for whole-of-government action to assist workers and affected businesses deal with changes resulting from the closure of a dominant enterprise.

Minister for State Development Tom Barton said IRP recently provided a useful tool for the Queensland Government to deal with the consequence of job loss for 850 former employees of the Consolidated Meat Group (CMG) in Rockhampton in July 2002.

'The plan also addressed the impact on businesses disadvantaged by the CMG closure', Mr Barton said.

In relation to the CMG closure, Mr Barton said under the IRP the following steps had been taken to ensure the situation was carefully managed:

- an Immediate Response Co-ordinator was engaged;
- an Immediate Response Office was established, to assist affected employees and businesses and answer enquiries;
- an emergency hotline telephone number was established to take enquiries for assistance;
- a Worker Assistance Program was activated to assist displaced CMG workers with training and job preparation assistance;
- an Immediate Response Community Co-ordination Team was established to ensure the community has input to this process and to provide regular communication concerning the impact of this closure;
- alternative employment opportunities were identified and directly passed to displaced meat-workers as they registered for support; and
- State Government and Non-Government Emergency Care agencies also coordinated crisis care that needed to be provided to support families and those employees in need of specialised care.

For more information on the IRP, visit the Department of State Development's website at www.sd.qld.gov.au

Queensland Government pushes for new Zonal Tax Rebate Scheme in Regional and Remote Areas

The Queensland Government's Department of State Development has been a driving force behind the federal government's decision to reassess the Zonal Tax Rebate Scheme.

In October 2001, the Queensland Government, in partnership with the Western Australian and Northern Territory Governments, commissioned a consultancy to investigate the effectiveness of the Scheme.

The findings of this report were delivered in March this year.

The Federal Government introduced the Zonal Tax Rebate Scheme in 1945 to encourage settlement in regional and remote Australia.

However, Minister for State Development Tom Barton said that since then, the needs and requirements of regional and remote Queenslanders had changed and the Scheme was no longer effective in supporting Queensland's regional development.

'Reports from the research we commissioned showed that the Scheme no longer provides adequate compensation for the disabilities of remote location nor does it influence the location decisions of residents in remote Queensland communities', Mr Barton said.

'As a result of these findings, I'm pleased that the Deputy Prime Minister has established a Regional Business Development Analysis Panel to undertake further investigation of the issues following the work of the Queensland, West Australian and Northern Territory governments.'

Queensland residents of regional and remote communities can now inform the Federal Government of any issues associated with the application of the Zonal Tax Rebate Scheme and suggest more effective approaches to regional development.

More information on the Zonal Tax Rebate Scheme can be found at rbda.gov.au