

THE GEOGRAPHICAL POLITICAL ECONOMY OF REGIONAL TRANSFORMATION IN THE LATROBE VALLEY

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ABSTRACT: This paper explains the Latrobe Valley's challenges from a geographical political economy perspective sensitive to the path dependent nature of regional change processes, to the influence of extra-local forces, to the socially constructed nature of regions, and to the inherently political nature of transformative change. The paper argues that the recent application of 'new regional' policies in the Valley—policies which aim to revitalize regions by promoting leadership, vision and local coalitions of elite stakeholders—have, in reality, replaced elected representatives with selected stakeholders and reframed the issue by stretching the spatial and temporal scales of action in a way that diminishes the apparent severity of the area's problems. This paper contends that because these interventions sidestep local political contestation, they deepen the disempowerment and disenfranchisement of the people of the industrial Latrobe Valley. Moreover, the process has enabled business elites in Gippsland to capture and redirect redistributive funding to sectors and locations that were never affected by the closure of coal fired power stations.

KEY WORDS: economic geography, regional development, transition, Latrobe Valley.

1. INTRODUCTION: WHAT IS THE PROBLEM?

The industrial hub of the Latrobe Valley was created by the Victorian Government to generate the electricity that fuelled Victoria's development throughout the twentieth century. The Valley has been a policy problem for more than twenty years, since the mid-1990s, when the poorly managed process of privatising the electricity industry left a significant proportion of the local population without work and without the prospect of finding work locally. Despite a series of government task-forces and reports, the industrial Valley has never managed to rebound from this crisis.

Awareness of the area's long-standing challenges has been reignited by the recent policy-led objective of 'transitioning' the Valley from coal dependence.

The industrial Valley's multifaceted contemporary problems include: a continuing over-reliance on a single industry (electricity production), a lack of alternative employment options, a lack of new private sector investment, entrenched social disadvantage, declining population, stagnant property values, political volatility, a perceived lack of local leadership, a reputation for industrial unrest, physical isolation, a lingering local resentment of Melbourne's dominance, and now also notoriety as a flashpoint for climate change adaptation. The impending closure of the area's coal fired power stations will exacerbate these pre-existing challenges (Weller, 2012). In short, the Valley says 'problem' in multiple forms.

This paper's critical geographical perspective advances the argument that the underlying problem of the Valley is political, arising from local disillusionment with repeated failed policy interventions, but aggravated by the misguided application of contemporary 'new regional' policy interventions. The account focuses on the years 2008-2014, when the imperatives of emissions reduction policies increased the perceived urgency of 'transitioning' the Valley. This paper will argue that, in this latest intervention, Melbourne-based policymakers have not addressed the problem of the industrial Valley but have instead reframed it, both spatially and temporally, by creating a new territorial construct, the Greater Valley, and by focusing on its future rather than on the immediate challenges facing households in the industrial Valley. This strategy has enabled redistributive funding to be directed to other places in Gippsland that are at best peripherally related to the industrial Valley's issues.

The paper builds its argument in four parts. The next section explains critical economic and political geographies. Section 3 then examines the government's transition policy strategies for the area. The penultimate section critiques these policies and discusses their anti-political dimensions. The conclusion contends that acknowledging the Valley's history and addressing the resulting political problems are necessary precursors to effective change.

2. CRITICAL GEOGRAPHIES OF REGIONAL CHANGE

Critical geographers recognise that places and regions are shifting and temporary social constructs (Allen *et al.*, 1998). Regional economies are

not ‘containers’ of action but rather nodes in intersecting global flows of money, commodities, ideas and people (Amin and Thrift, 1992). What happens in places is a product of both their history and their geography, with geography understood relationally as a place’s ‘positionality’ in power-laden regional, national and global dynamics (Sheppard, 2002). From this perspective, patterns of change and continuity arise from the tension between path-dependent place-based processes, which are the product of local histories, and the disruptive effects of external forces like changes in national policy or shifting climatic conditions.

Critical economic geographies begin with a spatialized understanding of the workings of globalized contemporary capitalism. Firms seeking to maximize returns on investment invest in one regional area rather than another because they see something—natural resources, skilled labour, willing consumers or complementary businesses—that can be exploited there more profitably than in other places. The key insight here is that capitalism’s propulsive force (profit-making) depends on the exploitation by firms of location-based differences in the relative costs (Harvey, 2001). Firms monitor continually the relative risks and benefits of doing business in different locations; as a consequence they are relatively more mobile than workers, whose responsibilities to households and communities makes them more place-bound.

In the era of globalisation, transnational firms have little obligation to the places in which they conduct their business activities, so the capacity for local actors to influence firm strategies is highly circumscribed. Increasingly, places compete for the attention of investment funds. Some places are left out. Regional abandonment is often the product of market forces working in conjunction with volatile politics and adverse policy settings (Hudson, 1989). Recent theoretical work has injected a greater appreciation of the path dependent nature of economic change processes. It stresses the role of local and extra-local agency and institutional arrangements in shaping development trajectories (Martin and Sunley, 1998; Pike *et al.*, 2010; MacKinnon, 2012).

The fate of places subject to disinvestment, and the political tensions that emerge once the promise of capitalist development loses plausibility, are a key interest for political geographers. Mainstream planning approaches to regional policy view the problems facing such places as too complex and intractable to solve (Rittel and Webber, 1973; Head, 2011). They therefore recommend forms of governance that engage with stakeholders to ‘move the problem along’ in a constant process of refinement and redefinition. One of the principal means of managing complex problems is to reframe them with a view to revealing new ‘ways of seeing’. In regional policy,

pivotal problem-management strategies are the territorial reframing of regions to produce ‘new state spaces’ (Brenner, 1997) and the construction of visioning exercises that search for, and build consensus around, new ‘ways of seeing’ (McCann, 2003).

Critical geographers question these approaches, which they see as assuming and normalising the expectation of an impotent state operating in a market-based economy. They see stakeholder-based forms of governance as technocratic and ‘anti-political’; seeking to mollify rather than engage with local political contestations (Clarke, 2012). Perceiving the realms of government, rule-making and governance to have become divorced from the politics of locally lived experience (Rancière, 1999), political geographies seek to reveal the technologies—including policy actions, discursive statements and physical manifestations such as the partitioning of space—that create and reproduce order. In more radical readings, technocratic policies are understood to operate as ordering regimes that actively produce disenfranchised communities (Dikeç, 2005; 2011).

3. TRANSITIONING THE LATROBE VALLEY

This section applies a geographical political economy of evolution approach (Mackinnon, 2012) and the insights of radical political geography (Clarke, 2012) to policy interventions in the years 2010–14 designed to ‘transition’ the Latrobe Valley from coal. The empirical material in this section is drawn from the transcripts of some 35 semi-structured depth interviews conducted with local informants, state and national policy makers, and politicians in 2014. After providing an account of the context and the regional problem, discussion focuses on three areas of interest: redefining the region, generating a shared vision of the future, and capturing redistributive funds.

Identifying the Regional Policy Problem

The Latrobe Valley is an industrial enclave specialised in the production of electricity from the abundant local resource of brown coal (see Weller, 2018). It is located in the imagined region of Gippsland, which is a predominately agricultural region to the east of Victoria’s dominant capital city, and political and administrative centre, Melbourne. As already outlined, the industrial towns of the Latrobe Valley have experienced social and economic decline since privatisation. The many policy

initiatives over the years—aiming sometimes to attract new businesses and sometimes to reduce social disadvantage—have had minimal success in attracting new private investment. As a result, there is a strong perception in the Valley that the wrongs of privatisation have never been properly put to rest (Rainnie and Paulet, 2003; Weller *et al.*, 2009; 2011; Weller, 2012).

Policy initiatives to ‘transition’ the Valley were instigated by the (then) Labor Victorian government in 2009 as a part of its social justice and climate change agendas. When the federal Labor governments of Rudd and Gillard committed to introducing emissions-reduction climate change policies in the years 2009-2013, transitioning the Latrobe Valley became a pressing federal policy objective. However, since regional change is primarily a state rather than federal jurisdictional responsibility, a multilevel committee called the Latrobe Valley Transition Committee was created to facilitate change. The Victorian government, by then a conservative coalition, continued to take the lead role (Weller and Tierney, 2017).

According to Regional Development Victoria (Beckley *et al.*, 2011), regional policy interventions in the Latrobe Valley have followed planning policy’s ‘new regional’ script. New regional policy focuses attention on local innovation with a view to emulating the endogenous growth processes that stimulated local development in the celebrated cases of Northern Italy and Silicon Valley (Martin and Sunley, 1998). These policies seek to build local capacities to unleash growth-generating creativity and innovation. Working with rather than against market forces, policy endeavours to harness the energy of local actors, to build local leadership capacities, to nurture the soft infrastructure of collaborative relationships, to develop a united place-based vision for the future, and to cultivate an investment-attracting regional identity (see Rainnie and Grobbelaar, 2005). These policies encourage local agents to take responsibility for local problems, to ‘empower’ communities, and to promote local ‘resilience’. In the Latrobe Valley context, policymakers have also aimed to educate regional leadership groups about government’s (federal, Victorian and local) limited capacity to resist or influence the workings of market forces (Beckley *et al.*, 2011). From this perspective, government interventions endeavour to support markets in non-distortionary ways (e.g. by improving physical and virtual connections).

Redefining the Region

Traditionally, the place called the Latrobe Valley has been understood as the industrial district adjacent to the coal resource and the disadvantaged coal towns of Morwell, Moe and Newborough; an area where electricity production and coal mining dominate the visual landscape. This relatively small area (the population is less than 80 000) has a distinctively working-class character and, in contrast to the surrounding rural area, faces concentrated impacts as emissions-reduction policies force the closure of coal-fired power stations. The industrially-defined Valley is a socially-produced place, built in the last century by the Victorian government, and contained within the Latrobe City Council local government jurisdiction.

In 2011, in conjunction with the establishment of the Latrobe Valley Transition Committee, the State and Federal governments created a new territorial construct—hereafter called the Greater Latrobe. This new ‘Latrobe Valley’ region broadly aligned to the physical Moe River valley and included the three local adjacent government areas of Latrobe City, Wellington and Baw Baw. The expanded Greater Valley merges the coal economy into the rural hinterland and some peri-urban locations on Melbourne’s eastern perimeter.

This new place did not exist socially, culturally or in the popular imagination. It had no basis in any legal or constitutional sense: it is not a jurisdiction. It is not a functional economic region; nor is it a region in the sense the word is used in the European regional development literature. The nearest equivalent to a European region—a regulatory jurisdiction with a semi-autonomous and statistically identifiable economy—is the entire state of Victoria.

From the outset, this creation jarred with local understandings of the Valley as an industrial enclave:

“I think that this [reveals a] lack of understanding of place ... people imagine by creating a new name that they can shake off any negative connotations that existed in the past. I think that's a fiction.” (Interview 140729.1).

By simply redrawing the lines on a map, this reterritorialization conjures a new place with a diversified range of industries and occupations and significantly less unemployment and disadvantage than the industrial

Valley. But locals objected, as this takes the focus from the original problem locations:

“It creates a sense of a lack of focus on the areas most in need of economic transition. So, in any objective analysis if you look at the region, there's clearly more need, economic and social need, within that [old Latrobe Valley] region than the much more prosperous Wellington Shire area and Baw Baw Shire area.” (Interview 140729.1)

Discursively, the new place broke the Latrobe Valley's association with coal, replacing it with a rural flavour. Politically, the new place can be understood as promising to unleash the transformative potentials of 'new state spaces'. It stifled the political voice of established groups, including the elected Latrobe City councillors, located in the coal Valley townships. It radically disrupted the institutional lock-in of the coal economy (see Grabher and Stark, 1997). But it had no local legitimacy and, in 2012, local people questioned its purpose in a federal Senate committee.

Creating a Regional Vision

The preferred policy approach to managing intractable problems involves working through communicative platforms such as stakeholder committees to develop a common understanding of problems and their dimensions. Incremental progress can be achieved, it is proposed, as local understandings evolve and converge. The intergovernmental Latrobe Valley Transition Committee followed this logic. It was designed to promote a conversation about the future transition, but had no mandate and no resources with which to take action. Focusing on the Greater Valley territory enabled the State and Federal governments to invite the participation of selected regional 'stakeholders' from areas beyond the industrial Valley. This appeared to activists in the industrial Valley as deliberately avoiding people who knew about the industrial Valley's history and circumstances:

“When they started to set up the transition apparatus, the last persons who were going to be on it were community representatives with a bit of knowledge about whole issue.” (Interview 140703.1)

Valley locals expected a 'transition' committee to operate like a task force managing the crisis of power station closures. But in fact the

committee focused its efforts on conducting a consultation about the Greater Valley's future. This was consistent with the new regional policy aspiration of developing a shared longer-term vision as a means to building regional cohesion in the present. As Urry (2016, p. 11) observes, the capacity to own an imagined future is "central to how power works." Optimistically, since imaginings of the future express different understandings of the context, they provide a relatively safe forum for airing existing political differences. In market-based capitalism's version of planning, visioning replaces authoritative regional blueprints.

The process for developing the vision involved Melbourne-based policy practitioners scanning various expert reports to identify common ground and 'key' directions. After packaging the selected directions in a discussion paper, forums and community meetings were held across the Greater Valley to discuss and ratify them. The consultations were poorly attended and elicited lack-lustre responses:

"It's the same old, same old people who are consulted and talked to about the future of Latrobe Valley or Gippsland. ... There's no-one new ... no-one coming in behind the same old, same old to really give it a good shake." (Interview 141011.1)

This outcome is hardly surprising given that the process was designed to ratify Melbourne-designed policy options, not to elicit local ideas. The consultations culminated in a glossy report outlining, in very general terms, some aspirational directions for the Valley, such as 'more jobs', a more 'diversified' economy, and more 'liveable' towns (LVTC, 2012). A former local government Councillor summed up local disdain for a process he understood as imposing 'best practice' lessons from elsewhere on local circumstances:

"The Transition Committee license was 'Oh well...well I think we'll follow that, we'll follow what they're doing. They're doing nothing, so we'll just say put some nice words and put a document together and put a nice picture on the front of it'. And there you go, there's your Transition by the conservatives." (Interview 140703.1)

The Transition document recommendations listed preferred material outcomes, but avoided discussion about how to get to that future. A Melbourne policy practitioner explained local criticisms as follows:

“I think if I'd have been involved in the early onset of this committee I would have really challenged them to think about a different name rather than calling [it the] Latrobe Valley Transition Committee. ... it was a bit of ignorance in terms of ... I think it was probably driven by Melbourne in terms of what to call it rather than really listen to local people. So, I think that policy really led this strategy. The locals really struggled to embrace it and understand it and take ownership of it. So, I just think it was a lack of understanding of the local area.” (Interview 140825.1)

From the industrial Valley perspective, the visioning displaced discussion of the actually-existing tensions of the present (see also Zukin, 1996). As such, it worked to reinforce the local sense of disempowerment. As Klein, (2014) explains, visioning that shifts representations of reality too far from the lived experience of local people tends to produce a ‘dull fatalism’ that acts as form of disempowerment.

Capturing Re-Distributional Funds

Only in a practical register does the purpose of visioning become clear. Australia’s federal Regional Development Australia agency requires a unified regional vision, and accompanying priority projects, as a precondition for the allocation of re-distributional funding. In the European context, Bernt (2009) has identified visioning as an element in the building of grant-seeking coalitions in deindustrialising districts. In that context, however, funds flow to demonstrably disadvantaged regional locations.

In contrast, in Australia in 2012, regional development funding favoured places where market-led growth was already outstripping existing infrastructure (Crean, 2012). From the dominant market-oriented ‘new regional’ perspective, there would be little point wasting government money on places that are not able to demonstrate a capacity to attract private investment. The days of funding ‘cathedrals in the desert’ are long gone (Grabher, 1991). It follows that, to succeed in securing federal funding, a regional vision must provide an enthusiastically positive case for funding to support anticipated economic growth. Such a story could be constructed for the fabricated Greater Valley, but not for the problem industrial Valley. The new territorial construct enabled the Latrobe Valley Transition Committee to assemble evidence-based projections, via econometric modelling, to predict robust future growth driven by implausibly high population growth (Weller, 2017).

The accompanying priority projects, proposed to support Latrobe Valley Transition, bore little relation to the motivating problem or to the policy development process. Funded projects mostly supported population-based infrastructure or subsidised local medium-sized businesses in the Greater Valley (consistent with new regionalism, subsidies ostensibly support innovation). For local people, the allocations avoided the real problem of disadvantage and restricted opportunity in the industrial towns:

“They say to the Valley ‘What do you want?’ And what happens is that all of these little petty multimillionaires who just want to look after their bit, their little business interest, they dominate the answers that are put forward” (Interview 140703.1)

“We’re a large number of people in the community, we’re saying ‘No, no, no don’t give money to them, that’s what happened last time, and the time before that. Give the money to the community, so we can decide how it should transpire.’” (Interview 140704.6)

Transition funding allocations to November 2014 actively avoided the places and sectors associated with the industrial Valley. There were no funds to support the local government priority—a search for zero-emissions uses of coal. Funds avoided the township of Morwell, despite it being the most affected locality in the event of coal closures. This reflected a Melbourne-based decision to concentrate urban development in the neighbouring town of Traralgon; a decision that chose to ignore the intense rivalry between the two towns. The back story is that since the 1940s Morwell has been earmarked for relocation because it sits on an exploitable coal resource (Langmore, 2013), so a lack of investment in Morwell could also suggest that coal remains in Victoria’s long-term plan. Locals were angry that Transition funds were being allocated to places that were not in the Valley, as it was locally defined:

“I guess I don’t accept easily the idea that you address economic transition by making things better in another region. I don’t find that an easy thing to accept. So, if the idea is that you improve opportunities for the Latrobe Valley by making ... infrastructure better in Drouin and Warragul and in Longford and in Sale it seems to me to be a fairly weak logic.” (Interview 140729.1)

“Well I think people have had a poor sense of geography that’s for sure, to have imagined that by improving infrastructure in Sale and Maffra and elsewhere, that that’s going to be really great for people living in the Latrobe Valley. I mean I’m sure someone could produce some evidence that says there is some tenuous negligible benefit for someone in the Latrobe Valley from doing that. I’m sure of it. But so what? I think you have to ask yourself the question of opportunity cost here” (Interview 140729.1)

These informants have no doubt that the problems of the Valley have been used effectively by Gippsland elites to secure funding for places and sectors that have minimal association with the industrial Valley or with the effects of power station closures.

“You pour the water into the teacup and it spills into the saucer. You don’t pour it into the saucer and expect it to spill into the cup. ... Latrobe will miss out. They should listen to the community, not to business groups coming up with these plans” (VoV, 2016).

A Gippsland-based policy advisor intimated the reason:

“Other than the Latrobe Valley, there are no great issues in the region [Gippsland] that Canberra or Spring St [Melbourne] really want to open their doors to. I mean we don’t get any [funding]... we don’t seem to be able to get doors open to us. The only way we get doors open to us is through Latrobe Valley, around the transition.” (Interview 141101.1)

But for community advocates, who are excluded from the above definition of ‘us’, the Gippsland elite leveraging the plight of the Valley looks sinister:

“They [the power clique] try to cover all that up. They don’t like [us] to see their influence, their tentacles moving from one circle to another.” (Interview 140704.6)

The conclusion, from analysis of the very different perspectives of various informants, is that the transition policy exercise was a performance designed to deliver—to a national media audience as part of the wider energy policy debate—the appearance of progress towards a ‘just transition’ from coal-dependence in the Latrobe Valley. In reality, policy

fixes were imposed on the community in a way that deepened the local sense of disempowerment in the industrial Valley:

“You’ve got your nice democratic practice—and you can let the most evil bastard you like to get into Parliament and on to Council—but that’s all you’re allowed to do. Otherwise you will not be able to say anything about how the economy runs, how about the political economy runs, how about the structure of society. I mean no right, none at all. That’s a very pessimistic point of view, but it’s a realistic point of view because ... we’re not there, we don’t exist anymore.” (Interview 140704.6)

Among such less powerful constituencies, the perception is not that the industrial Valley lacks leadership, but rather that its leaders have been denied a voice in policy and politics. Consistent with Rancière’s (1999) idea that politics is not about what is spoken but about who is accorded the right to speak, there is a keen awareness in the industrial Valley that it was silenced by the Greater Valley construct and the energy-sapping transition consultation. Popular viewpoints were not allowed to enter the carefully managed policy process, although they later spilt out into the public arena in emotion-filled political events after the 2015 mine fires (see Duffy, this issue).

This evidence supports Rancière’s (1999) view that anti-political technologies work to exclude communities and to deny them the right to speak. The evidence resonates with Dikeç’s (2011) conclusion that in places facing abandonment by capital (for whatever reason), local populations are managed via ordering devices like the Transition policy effort.

4. POST-MORTEM

What were the factors contributing to these adverse outcomes? This analysis suggests that the central issues concern local autonomy, realistic expectations, and democratic processes.

The previous section conveys the local resentment that the future of the industrial Latrobe Valley was (again) being orchestrated from Melbourne and Canberra without proper engagement with local issues. The policies being imposed on the Valley followed what policymakers thought was international ‘best practice’ in regional adjustment, but did so without regard for local wishes, without the genuine involvement of local actors,

and without adequate consideration of the realities of local livelihoods. The creation of the reterritorialized Greater Valley insulted people in the industrial Latrobe Valley. The stakeholder-based governance of the transition effort, despite being couched in new regionalism's rhetoric of local empowerment, bypassed local institutions in a way that actively undermined local decision-making capacity. Its effect as an ordering device was to reinforce and reproduce the already existing local sense of disempowerment that was the principal legacy of privatisation.

The Transition effort emphasised building local leadership among the selected managerial stakeholders. This reflected policy dissatisfaction, at higher levels of government, with the fractured local political context. Building local leadership is a pre-condition to achieving the new regional objective of shifting responsibility for local outcomes to the local scale. Yet this objective misunderstands the position of local places in the structure of the Australian federation, which denies local areas decision making powers. Because there is effectively no local power base, political power operates in the Valley, as in other non-Metropolitan places, through extra-local networks that incorporate isolated places into (opposing) nodes of power in capital cities. In Gippsland, local political elites have strong-enough links into Melbourne- and Canberra-based corridors of power to have no need to bother engaging with localised exercises in deliberative policymaking (Weller, 2017). Unsurprisingly, therefore, a convergence of views around a single vision has not eventuated. On the contrary, the durability of extra-local links intensifies local debates. Regional policy's expectation of a local convergence of viewpoints relies on the paternalistic and implausible expectation that people in the industrial Valley can be educated into adopting the worldviews of Melbourne-based policy experts. In the Valley, a shared vision of the future could emerge only in the ascendancy of one or other political faction.

The third major problem was the (new regionalist) assumption that capital would flow into the area if it could convey a unified image and brand message. This proposition has very little traction in the Valley. In the years after privatisation, multiple attempts to attract new large-scale business ventures fell flat (see Weller *et al.*, 2011). The Valley's reputation for disadvantage and for polluting industry suggests that a policy-generated vision would be unlikely to have much effect on the position of this place in global capitalism's priorities. More generally, while new regionalism sees a regional brand as attracting investment, critical geographies reverse the causal chain to see investment—and the wealth it creates—as generating a positive brand (Peck, 2005).

Even if a unified local vision was possible, it would not make much difference to the likelihood of capital inflows. The economies of towns in Australia's non-metropolitan areas are dominated by branch plants, of firms from elsewhere, so the locally-driven agglomeration processes that are assumed by new regionalist thinking to drive growth are largely absent (Plummer and Taylor, 2001). This is a legacy of Australia's history of state-led development (Szelenyi, 1981). Because the wealth generated from the Valley's coal resources did not ever accrue in the Valley, its economy has not developed related industries. Somewhat paradoxically, the weak local inter-industry links of this branch-plant economy also limit the regional flow-on effects of anticipated coal-fired plant closures. The impacts of plant closures would concentrate in employee wages, local government revenues, and effects for a modest number of dependent supplier firms, each of which is quantifiable and potentially manageable (Weller *et al.*, 2011).

Because the Latrobe Valley has become emblematic in wider discussions about a 'just' transition, and at the same time a cautionary tale in the defensive strategies of coal interests, the media and policy community are incentivised to exaggerate the seriousness, complexity and intractability of the economic changes it faces. The focus on the local effects also works to conceal from the public an awareness of the magnitude of the economic impacts of coal closures for Melbourne and Victoria.

5. CONCLUSION: WHAT IS TO BE DONE?

A critical geographical approach makes sense of the Latrobe Valley's evolution by directing attention to the exclusionary spatial tactics of state policies, the dynamics of contestation, and the significance of crystallising events. It reveals that behind the smokescreen of community engagement, policy innovation has involved creative redefinitions of territory and community that work to divert attention from the problems of the industrial Valley and to redirect re-distributional transfers to less needy places and constituencies.

The way forward requires acknowledging, and making restitution for, the hurts suffered by Valley residents over the last twenty years. It also requires restoring genuine processes of democratic representation. Only then will positive expectations of the future be able to flourish. In the longer term, conditions in the industrial Valley will deteriorate unless new sources of wealth are identified. The best policy responses would slow the rate of change—not enflame it, as in 'transition' approaches—so that

people have longer to adjust. The appropriate time frame is over generations, to ensure that the grandchildren of the public servants who were retrenched in the 1990s are equipped with the skills and confidence to rebuild the Valley or to leave for greener pastures. As Harvey (2000) insists, what people want is hope.

Understanding the policy landscape in the Latrobe Valley requires thinking about the spatiality of social processes in the political/economy rather than the socio/technical register. It requires thinking about institutional arrangements, political groupings, and networks of power relations that extend globally to and from the Valley.

Contemporary advanced economies are riddled with former industrial locations that have been abandoned by capital. Reversing the fortunes of these places is unlikely without injections of public funding. This is especially true in Australia, where few non-metropolitan industrial locations are viable—economically or socially—in a market-driven world.

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