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## **Foreword**

### ***ANZRSAI 49<sup>th</sup> Annual Conference 2026***

The 2026 ANZRSAI Conference (i.e. Our 49th annual conference) is planned to be held jointly with the 29<sup>th</sup> Pacific Conference of the RSAI (PRSCO 2026) in 1-3 December at the RMIT University, Melbourne, Australia. It will be an in-person conference, although opportunities for on-line presentation and streaming may be available for some limited presentations. The conference this year will go back to the general theme of development with a particular focus of *prosperous futures – contested knowledge for sustainable regions*. The theme hopes to cover a wide range of topics from the understanding of sustainable development, various indicators such as economic activity, income and wealth, the fulfilment of housing, transport, infrastructure, the role of technology and artificial intelligence and various other factors such as government and governance. In trying to capture the contested knowledge for sustainable regions within and between people, space and place and development, the conference will also look at topic such as Urban-Rural Divide, Cultural, Community and Intergenerational issues. Proposals for contributed papers, for themed panels, or for special sessions, will be welcomed on any topic related to regional dimensions of prosperous futures.

Further information about the conference is available at:

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

### ***Voters consider alternatives to major political parties***

Regional Queensland voters say they are considering abandoning major political parties in future federal elections. Pauline Hanson's right-wing populist party One Nation has surged ahead of Labor in an opinion poll for the first time. A political scientist says it is too early to know whether the popularity surge will affect future federal elections.

For the first time, the right-wing populist political party One Nation leads against both major political parties in an opinion poll.

A survey of about 1,000 people by RedBridge Group and Accent Research, published this week by the Australian Financial Review, revealed the party outpolled Labor at 30 per cent compared to 28 per cent.

Eighteen-year-old Jake Tanti is one of many regional Queenslanders considering whether the party will pick up his vote in future elections.

In the state's north, the Mackay resident was not old enough to vote in the 2025 federal election, but said his desire to own a home one day was top of mind.

He said he was not aware of any party's housing policies for first home owners, but One Nation had captured his attention.

"I've seen clips of the Senate from Pauline Hanson the most out of any politician on social media entirely,"

he said.

"It has mainly been One Nation, on my social media anyway, appearing."

Voters captivated by party leader

It is not just new media influencing voter sentiment in the region.

Noel Flor typically voted for the Coalition, but said the party was not keeping the general public in view, and he believed Labor had "gone to the pots".

He said that in the next federal election, One Nation could pick up his vote.

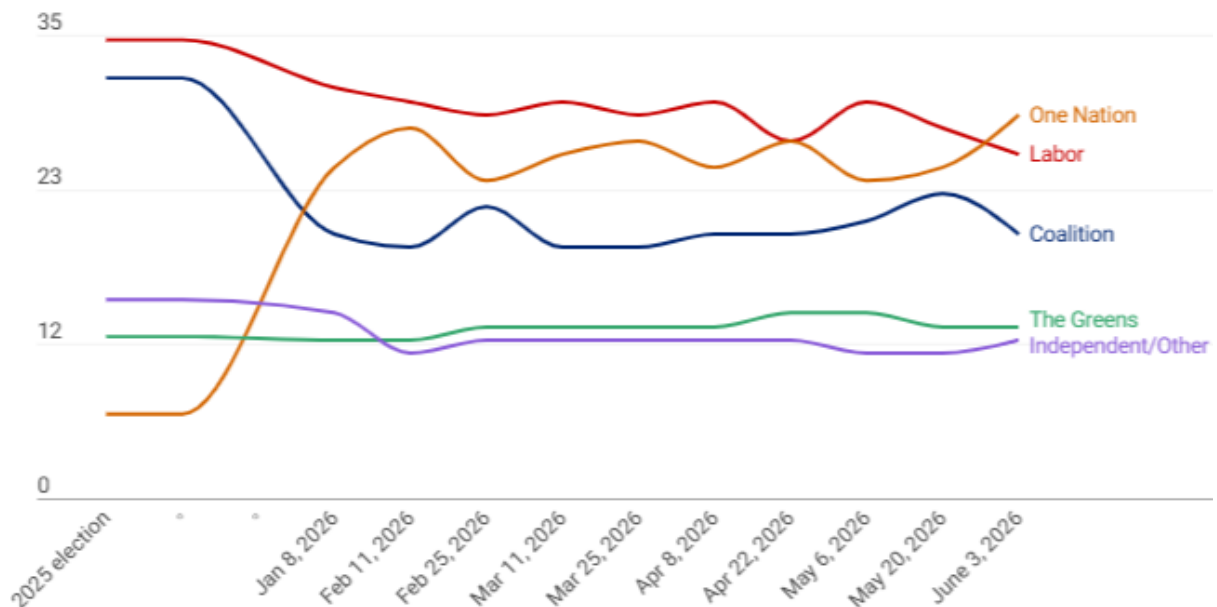
"I think Pauline Hanson is doing a good job ... what she says makes sense,"

he said.

Peter Comino lives in Rockhampton in central Queensland in the federal seat of Capricornia, which has been held by the National Party's Michelle Landry since 2013.

## Primary voting intention

Since May 3, 2025 federal election



Source: Sky News Pulse / YouGov (2025 - 2026)

[Source: <https://www.skynews.com.au/>]

Mr Comino said he was "not happy" with Australian politics and would reconsider who to vote for in the next election.

"People have realised that these major parties haven't been listening for decades and we're getting sick of it," he said.

Holidaying in nearby Yeppoon, Victorian couple Colleen and Jim Bunny typically voted Labor, a move they said they would not repeat come the federal election in 2028.

"Labor and Liberal are so far behind the eight ball with what the people want," Ms Bunny said.

"I'm not a fan of [Pauline Hanson], but she's saying what people want ... I think she's doing well."

Mr Bunny agreed and said he believed Senator Hanson had become more eloquent over her years in politics.

"She's not shooting so much from the hip now like she used to ... she's listening to the people and what needs to be done," he said.

Off the back of the poll results, Senator Hanson told ABC Radio Brisbane she had the ability to be prime minister "if that's what people want".

Chalmers accepts voters 'legitimate concerns' as One Nation overtakes Labor



Millennials say they would rather vote for One Nation than Labor or the Greens, according to a new Redbridge poll.

"At the moment, I'm head of the party. I'm leader of the party. Would I be able to do the job? I believe that I could," she said on Monday.

"I do believe I have the ability, but it's another year and a half outside of an election," she said.

Senator Hanson said she had not ruled out vying for a lower house seat ahead of the next election.

#### *Rise of minor party decades in the making*

In last year's federal election, One Nation received about 6 per cent of the national vote.

Yet in the year to date, the party has passed the Coalition and now Labor in the polls, collected more primary votes than the Liberals in the recent South Australian election and won its first seat in the Farrer by-election.

Griffith University political scientist Sarah Cameron said the conditions that have led to the rise of the party had been brewing for decades.

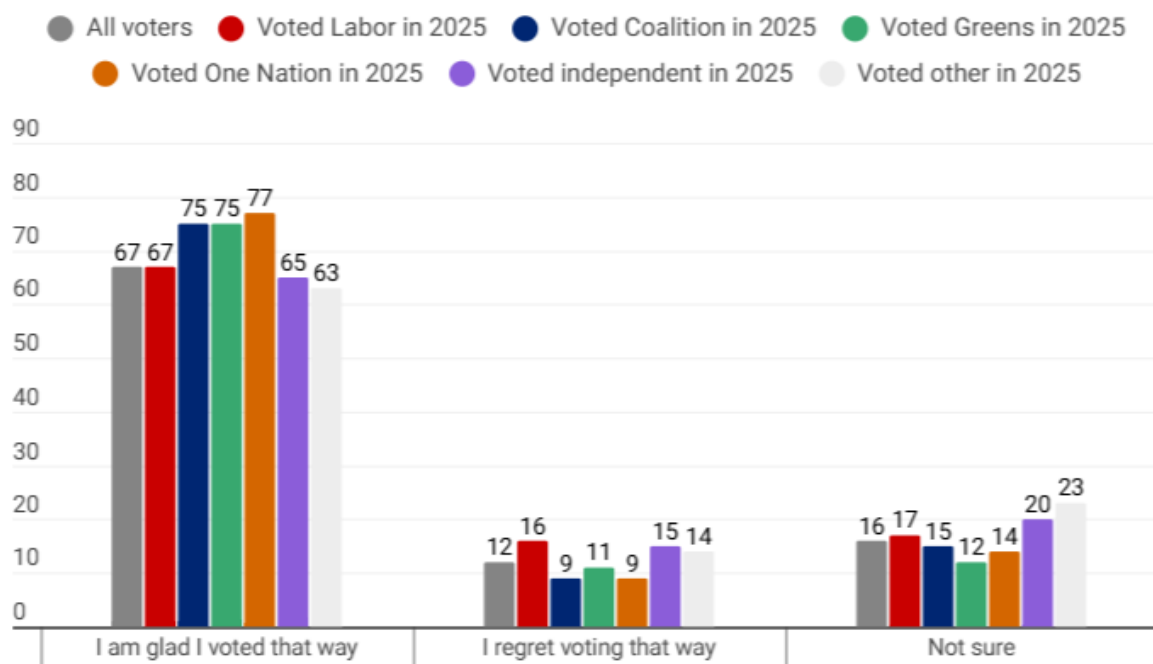
"Political partisanship for the major parties has reached record lows in recent elections ... people are feeling increasingly detached," Dr Cameron said.

"Another long-term trend is growing voter volatility. It used to be that Australians would consistently vote the same way every election. That has gradually declined.

"We have a situation where people aren't feeling close to the major parties. They're open to switching their vote from election to election."

Dr Cameron said short-term factors in election campaigns, including issues and party leaders, were now more important.

## Voters' regrets since 2025 election



[Source: <https://www.skynews.com.au/>]

"It's no longer the case people have determined their vote far in advance," she said.

"This creates a lot of unpredictability to determine what might happen at the next election."

But declining trust and sentiment toward the two major parties alone aren't enough to return a significant result for minor parties or independents, Dr Cameron said.

"It does create an opportunity for alternative actors to mount campaigns that tap into voter frustration,"

she said.

"This isn't something that has just been seen in Australia ... it's been observed around the world."

The news with some significant data can be explored here at the following links:

<https://www.abc.net.au/news/2026-06-02/qld-regional-voters-reaction-to-one-nation-popularity/106744716>

<https://www.skynews.com.au/australia-news/politics/one-nation-surge-shatters-labor-as-albanese-support-sinks-according-to-exclusive-new-polling/news-story/0fe9ddf8797b5e529436557d7ce63897>  
<https://www.skynews.com.au/australia-news/politics/one-nation-branded-official-opposition-following-massive-poll-surge-as-liberals-remain-in-denial/news-story/76ce1352318c9fe3298177a2312a3b99>

*Australians have become housing hostages: will the budget set them free?*

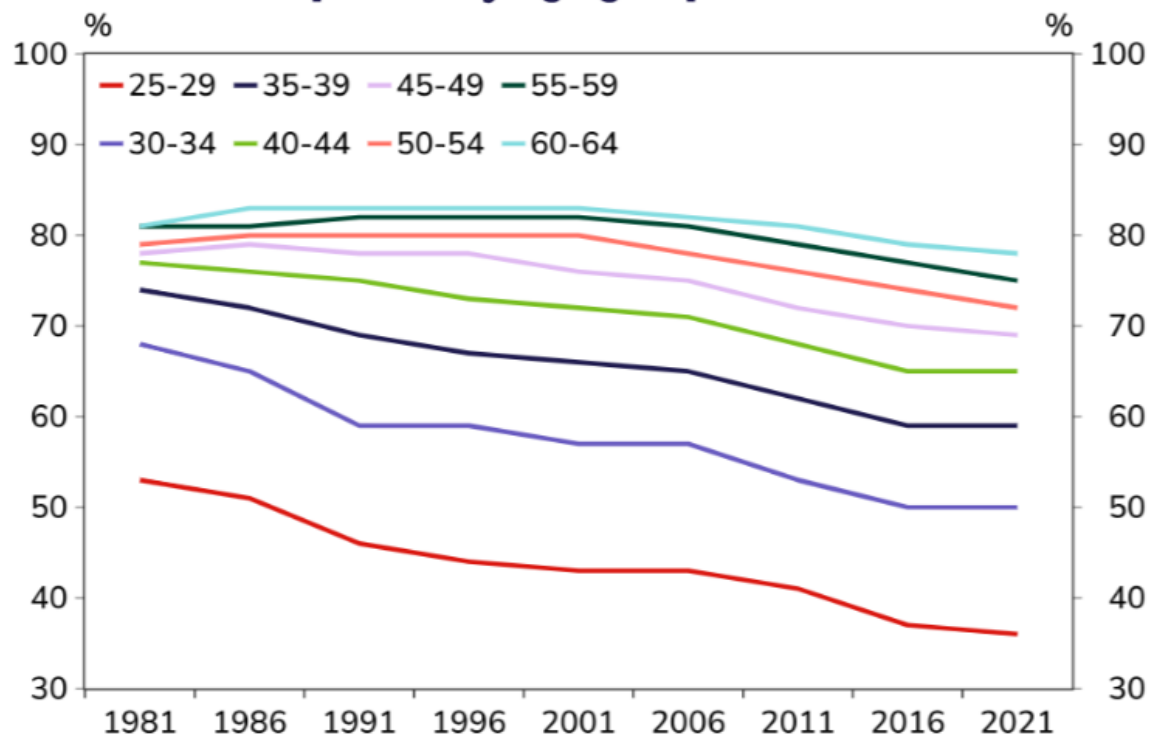
Australians have been held hostage to the housing market for the better part of this century.

The cost of buying a typical home has jumped from about four times the typical annual income across most capital cities in the year 2000 to more than eight now.

Things are even worse in the most expensive city, Sydney, which was even less affordable to start with and where a median home will now set you back at least 10 times the typical annual income.

No wonder then that home ownership rates for under-35s have dropped by 7 percentage points since 2001.

**Home ownership rates by age group**



Source: ABS, Macrobond, Westpac Economics

Already, it takes prospective buyers in most capitals more than a decade to save for a 20 per cent deposit if they're on a fairly average income.

The federal government's recently expanded 5 per cent deposit scheme has lowered this hurdle for some, but many can't afford the repayments on a 95 per cent loan anyway.

So family help is essential for a large and growing cohort of first home buyers, meaning if you don't have parental wealth you're effectively locked out.

Even for those who can break in, a 30-year mortgage is now the norm, and, if you're not buying until your late 30s or 40s, then that means you're in debt until retirement and potentially beyond.

It's not just individuals who've become trapped. Australia's big banks have around two-thirds of their assets tied up in residential property.

On some estimates, the construction and real estate sectors account for more than 10 per cent of Australian economic output and around 1.5 million jobs.

That's why we titled the series I did with News Daily last year Housing Hostages, because the whole nation has become prisoner to the property market.

As with most hostage situations, breaking free will not be painless and without risk, as the Albanese government is quickly learning.

*Housing's 30-year 'super cycle' over?*

While the government has framed its tax changes as modest tweaks to help even the playing field between owner-occupiers and investors, make no mistake that these are significant changes.

If they weren't, the property sector would not be screaming blue murder.

After many years of lamenting worsening affordability, there is something approaching panic that national home prices flatlined in May.

No matter that they were still up 8.8 per cent over the past 12 months.

AMP chief economist Shane Oliver has one of the higher predictions for home price falls, and even he believes that will be about 5 per cent in total, spread over this year and next.

But it's this comment from him, and similar views from other leading analysts, that has the property sector spooked:

"The 30-year super cycle upswing in prices may be close to over."

A lot of people and companies have made a lot of money from that "super cycle".

Macquarie economists Ric Deverell, Anita Chao and Dan Fabbro are tipping an extended period where home prices grow no faster than general inflation.

"If implemented, the recently proposed tax changes would add to our conviction that there will be little to no real price growth over the coming decade (or two), with the risk now that we are on the cusp of another significant fall," they said.

Unlike many economists, they are far more comfortable fingering the introduction of the 50 per cent capital gains tax discount by then-treasurer Peter Costello under the Howard government as one of the key factors that ignited the multi-decade boom.

"While there are always multiple factors influencing the housing market, the large jump in real house prices between 2000 and 2003 suggests that introduction of the capital gains tax discount was a significant factor pushing prices higher," they argued.

"We therefore expect its reversal (along with the abolition of negative gearing) to add to the downward pressure already in play."

The last quote is significant because it would be demonstrably wrong to say Treasurer Jim Chalmers's proposed tax changes have precipitated the current property downturn.

As Cotality's research director Tim Lawless noted when releasing his firm's latest price data, the housing market had been declining under the weight of previous price increases even before the Reserve Bank shifted direction, and well before the speculation about tax changes ramped up.

"This loss of momentum had been building for some time, well before interest rates started to rise, conflict escalated in Iran, and taxation changes were announced in the Federal Budget," he wrote.

"Most cities recorded a peak in value growth through spring last year as affordability and serviceability constraints increasingly weighed on housing demand."

In simple terms, the housing market was already starting to choke on its own excesses.

#### *Winners and losers*

No doubt there will be losers from a fall or long-term stagnation in property prices, but perhaps not as many as we fear.

A comprehensive analysis from Westpac's economics team, including former RBA assistant governor Luci Ellis, hints at some of those who stand to lose most.

They are forecasting a 34 per cent fall in new property investor activity.

That will lead to total investor credit growth rates slowing from 9.5 per cent per year right now to around 4 per cent by the end of 2027.

The big loser there? Banks. And we have already seen a substantial sell-off in most Australian bank shares.

Westpac's boffins also expect a 20 per cent slide in real estate transaction volumes, as fewer investors buy and grandfathered investors hold onto their negatively geared investment properties longer.

The biggest losers from this? Real estate agents, whose income is determined mostly by the amount of turnover in the market, and state governments, whose stamp duty revenues also rely heavily on property transaction volumes.

Obviously, another key loser is property investors, especially prospective investors who don't already have grandfathered properties.

These tax changes largely remove the tax minimisation benefit from property investment.

In fact, Westpac thinks they might end up encouraging more "portfolio investors", both individual and corporate, as losses from one property in a portfolio can be offset against profits from another, but no longer against wage and salary income.

Renters could be both winners and losers.

In the short term, it is possible that rents may edge higher, although Treasury estimates by a median of just \$2 a week.

But the changes to capital gains tax encourage longer holding periods and less churn, meaning tenants may enjoy longer tenures.

Unfortunately, recent home buyers could be a short-term loser.

If prices do fall, then their home could be worth less than they paid for it and, if forecasts of 5 per cent-plus falls are accurate, then some who have purchased with low deposits could be left in negative equity — owing more to the bank than their home is worth.

Clearly, the key beneficiary is prospective owner-occupiers.

The tax changes significantly reduce the current financial advantage investors have when competing against owner-occupiers, who are also unlikely to face competition from that sector because of the expected investor pull back.

If any investors did decide to sell up because of the tax changes, then those properties don't disappear. They will be sold to other investors or owner-occupiers.

That's what's happened in Victoria where at least 20,000 property investors exited the market, and first home buyer rates have been among the highest in the nation.

As for the residential construction sector, the picture isn't clear.

Treasury forecast the tax changes would likely result in 35,000 fewer homes being built over the next decade than otherwise, but Westpac isn't so sure.

"It is unclear how well this modelling captures the 'carve out' for newly built dwellings," they wrote.

"With essentially no information available on the elasticity of substitution between existing and new dwellings for investors, this may simply have been too hard to model at all."

Westpac expects the proportion of investor borrowing going to new builds to more than double from around 18 per cent to 40 or even 50 per cent.

*Daring escape plan or recipe for disaster?*

So what's the verdict overall?

Most economists seem to agree that the proposed tax changes will largely do what they are meant to: take some heat and froth out of the housing market.

Westpac notes that investors tend to drive housing booms and busts more than owner-occupiers, so the changes mean "demand for housing more broadly could be less cyclical, and price cycles smaller".

That would be positive for financial stability.

If Australia doesn't break free from its housing shackles, then our economy risks withering away, strangled by the cash flowing to unproductive assets.

Or global forces may take the decision to break free out of our hands, if the current trend towards rising interest rates continues, making Australians' eye-watering household debts increasingly unsustainable.

Further information can be found at:

<https://www.abc.net.au/news/2026-06-03/will-budget-tax-changes-free-housing-hostages/106751078>

### ***US and Iran launch new strikes as ceasefire negotiations stalled***

The US military says it has launched "self-defense" strikes on Iran and shot down ballistic missiles and drones fired at ships and Gulf countries.

The strikes on Qeshm Island, in the Strait of Hormuz, were "in response to attempted attacks by Iran across the Middle East", US Central Command (Centcom) said.

Iran said it had attacked US bases and helicopters in a "regional country" using missiles and drones in retaliation. Centcom said Tehran had fired two missiles at Kuwait and three at Bahrain, all of which broke apart or were intercepted.

The latest attacks come amid stalled ceasefire negotiations, after talks on a deal to end the months-long war failed to advance over the weekend.

Centcom added the strike on Qeshm Island had targeted an Iranian military ground control station, and that the US military also shot down three attack drones that had been launched by Iran toward "civilian mariners that were rightfully transiting regional waters".

The IRGC said "disrupting the security of the Strait of Hormuz will carry a heavy price for the aggressive US military".

Centcom also said that Iran had launched "several" ballistic missiles towards countries in the region. "Two Iranian missiles fired at Kuwait fell short or broke apart enroute, and three missiles launched at Bahrain were immediately intercepted by US and Bahrain air defense forces."

Iran has repeatedly attacked targets in Bahrain and Kuwait, where US military bases are located.

Earlier, Centcom said it has struck and disabled an unladen oil tanker that was sailing towards Iran, as part of Washington's naval blockade on the Strait of Hormuz, which began on 13 April.

A US aircraft fired a Hellfire missile into the engine room of the Botswana-flagged M/T vessel, after its crew "ignored repeated warnings", it said.

Centcom also released a footage purportedly showing the moment the tanker was hit on Tuesday.

The escalation comes after US President Donald Trump this week told his critics to "sit back and relax", saying that Iran "really wants to make a deal, and it will be a good one for the USA".

US media earlier reported that Trump had requested edits to the terms of a potential peace deal, after meeting with senior aides to discuss extending the framework of a ceasefire.

The changes related to the Strait of Hormuz, the removal of highly enriched uranium from Iran, the BBC's US news partner CBS News reported - as well as a framework to reopen negotiations on Iran's nuclear programme.

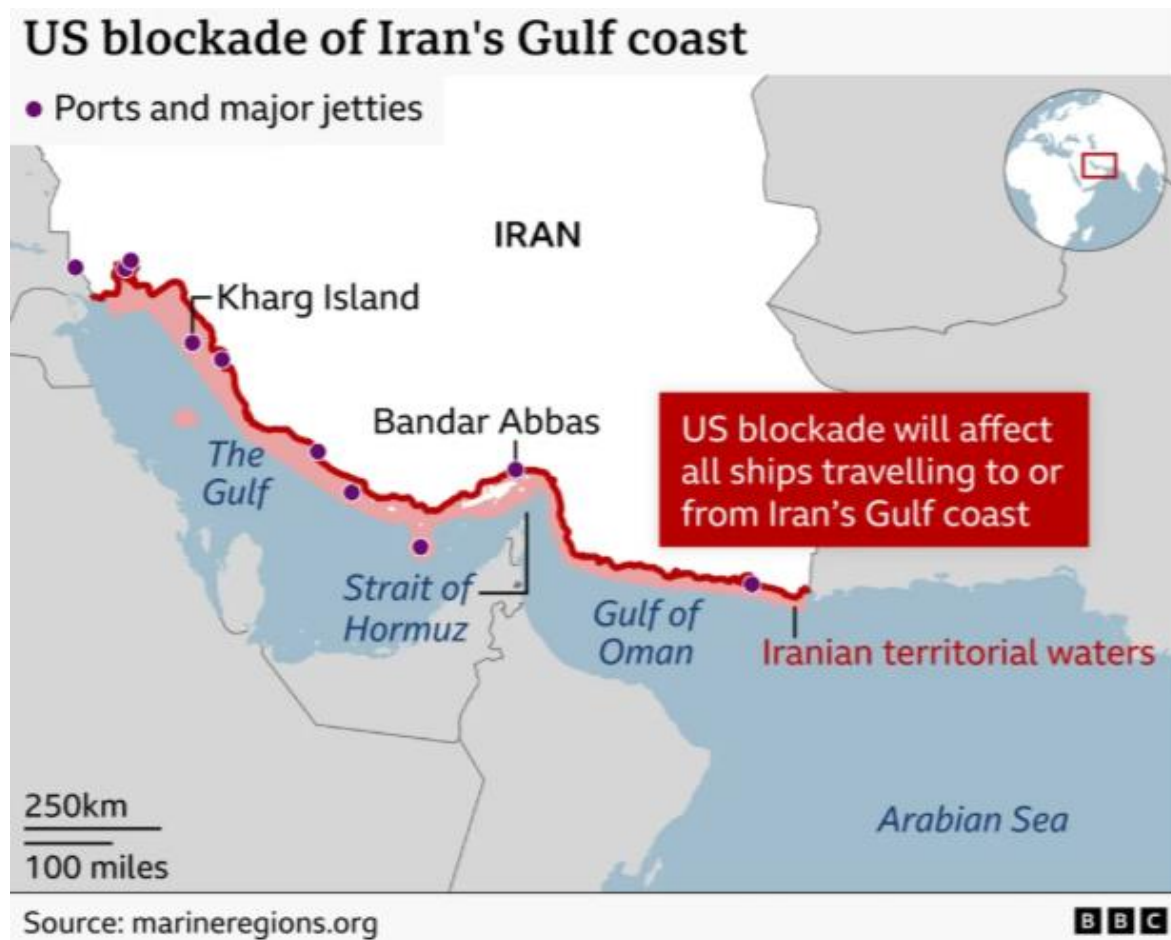
On Monday, Iran's foreign ministry spokesman Esmail Baghaei denied this had been on the table, adding that Washington was "constantly changing its views and putting forward new or contradictory demands".

In its recent statement, Centcom said US forces "enforced blockade measures against Botswana-flagged M/T Lexie as it transited international waters toward Kharg Island".

It said the ship's crew had failed "to comply with directions from US forces multiple times over a 24-hour period".

Overall, six commercial vessels have been disabled and another 122 redirected since the blockade went into force, Centcom said.

The BBC has contacted Botswana's government for comment.



The latest skirmish comes as US Secretary of State Marco Rubio appeared publicly before Congress for the first time since the start of the war.

The top diplomat testified that US negotiators had not offered Iran sanctions relief in exchange for re-opening the strait.

Further information interesting reports can be found at the following link:

<https://www.bbc.com/news/articles/c5yx135yg53o>

## **Commentary**

### **From the Regional Australia Institute**

#### ***Regional Migration Experiences***

Migration plays a significant role in the story of regional Australia, shaping our social, cultural and economic landscapes.

Migration has played a vital role in shaping regional Australia's communities and economies. While regional populations continue to grow through internal movement, only a small share of international migrants currently settle outside major cities. At the same time, many regions face ongoing labour and skills shortages, placing pressure on businesses and essential services.

Regional Migration Experiences examines what supports successful migration and settlement in regional Australia, within the context of recent reforms to Australia's migration system. Drawing on recent research and case studies from Katanning, Coffs Harbour, Dalby and Bundaberg, the report explores the experiences of migrants, employers and service providers, and assesses how effectively current visa settings support regional communities

The research highlights the strong appeal of regional living, including community connection, liveability and meaningful work, alongside persistent challenges such as housing access, limited services and visa complexity. The report concludes that improving regional migration outcomes requires both targeted settlement support and broader investment in the infrastructure, services and policies that enable regions and their residents to thrive.

There are eight key findings from the research report that follow.

- *Migrants come to Australia for a better life.* Australia's contemporary regional migration system is largely designed to address labour shortages, support population growth and drive regional development. However, migrants' aspirations often extend beyond employment to include safety, liveability, education and employment opportunities, pathways to citizenship, and a sense of belonging. Creating the right conditions for individuals and families to thrive is central to successful regional migration.
- *Regional Australia offers many benefits that attract migrants.* Research participants described many benefits related to living in regional Australia. Regions were described as peaceful and safe, with strong community connections. Many participants also valued the natural environment, lifestyle opportunities, perceived amenity and, in some regions, lower cost of living. Local organisations, community groups and volunteers helped to build welcoming environments in the case study regions.
- *Strong infrastructure and accessible services are essential for attracting and retaining migrants.* Social infrastructure and affordable services, such as housing, transport, childcare, health and education facilities, are critical to sustained settlement. Schools, libraries, museums,

community centres, places of faith, arts and cultural venues, sporting clubs and volunteer groups all contribute to successful settlement outcomes.

- *Access to meaningful employment is a key driver of migrant relocation decisions.* While migrants move to regional areas for a range of reasons, access to employment opportunities is a key driving factor.
- *Despite workforce shortages, some migrants experience barriers to employment in regional areas.* Although many regional areas face chronic workforce shortages, there are often barriers to migrant employment in the regions. Key barriers include the cost and complexity of visa and overseas skills recognition processes, with almost half of all migrants in Australia working below their skill level.
- *The regional visa system would benefit from a more tailored approach.* Australia currently applies a concessional, uniform model for regional migration, which does not fully reflect the varied needs of regional communities. A more bespoke system, including occupation and skills lists that align with specific regional workforce needs and regionally-based wage thresholds, would provide more effective outcomes for employers and communities.
- *A holistic approach to migration is essential for long-term settlement success.* Reform of labour market and visa settings must be supported by targeted settlement services. Migration and settlement considerations should be integrated across regional development policy including jobs and skills, education, and social and cultural initiatives to help build vibrant, sustainable communities.
- *A place-based approach is fundamental to an effective migration system.* The success of regional migration depends on the quality of local experiences. This research highlights the importance of local people and organisations in shaping welcoming communities. A place-based approach requires federal and state governments to prioritise meaningful engagement with local government and community actors when planning and delivering migration-related policies and programs.

The four key policy recommendations made in this research report are:

- 1) Coordinate planning across all levels of government to support the regional migration system.
  - Establish a national regional migration steering committee to advise the Minister for Immigration and Citizenship on regional migration priorities and support the delivery of placebased solutions. Regionally-based advisory groups could collect and share local insights for consideration by the national committee.
- 2) Continue to reform the visa and skills systems to meet regional needs.
  - Implement strategic reforms to the regional visa system that address the specific needs of regional locations. This could include establishing regional market-based wage thresholds and bespoke skills and occupation eligibility lists for regions.
  - Make overseas skills recognition faster, fairer and more affordable by establishing a single national governance system in line with the recommendations of the Activate Australia's Skills campaign.

- 3) Strengthen integrated planning and funding for settlement services.
  - Embed migration and settlement considerations across social, economic, cultural and workforce planning at all levels of government.
  - Provide funding for regional settlement services that support all migrants, regardless of visa type. Where services are limited, invest in building the capacity of community organisations to deliver settlement support.
  - Extend the duration of program funding for community organisations to enable capacity building and the delivery of high quality, consistent settlement services.
  
- 4) Support regional communities to deliver welcoming practices and build vibrant, diverse and inclusive communities.
  - Support regional communities to implement the RAI's Steps to Settlement Success: A Toolkit for Rural and Regional Australia. This toolkit identifies leading practice for regional settlement and provides guidance for communities to welcome new arrivals.
  - Develop local policies and programs that promote inclusion, cultural diversity and welcoming practices. Local governments may use the framework provided in Welcoming Australia's Welcoming Cities Standard to benchmark current processes and assess progress over time.
  - Apply the principles of connection, identity and belonging, and inclusion, as set out in the Australian Government Department of Home Affairs' Multicultural Framework Review, to regional settlement policy, planning and service delivery.
  - Facilitate multicultural representation and participation in local governance and decision-making, local events, and institutions such as schools, libraries, art galleries, public art, museums and community hubs, in line with the pillars of the Australian Government's National Cultural Policy, Revive.

Detailed information, including a copy of the full research report can be found at:

[https://regionalaustralia.org.au/Web/Web/Research-Policy/Research-Paper/Regional\\_Migration\\_Experiences.aspx](https://regionalaustralia.org.au/Web/Web/Research-Policy/Research-Paper/Regional_Migration_Experiences.aspx)

### ***Productivity in Regional Australia***

Productivity growth is the primary driver of long-term improvements in living standards, real wages and national economic prosperity. However, Australia's productivity performance has slowed significantly over the past two decades, raising concerns about the sustainability of future economic growth.

Regional Australia is central to both the productivity challenge and opportunity facing the nation. Regional economies generate approximately 40 per cent of Australia's national economic output, supported by globally competitive industries including agriculture, mining, energy production, logistics and tourism.

Regional Australia's importance to the national economy is likely to grow further in the coming decade. Current projections indicate that regional Australia could account for around 38 per cent of the national population by 2032. This demographic shift will have significant implications for labour markets, infrastructure planning, housing supply and economic development.

Despite this growing economic and demographic importance, regional economies face persistent structural constraints that limit productivity growth. These include workforce shortages, infrastructure gaps, housing supply constraints and limited access to innovation ecosystems. Addressing these barriers presents a significant opportunity to strengthen both regional and national productivity outcomes.

Improving productivity across regional Australia will therefore require coordinated action across several fronts, including workforce development, infrastructure investment, housing supply, migration pathways and innovation systems. It will also require stronger regional representation in national economic decision-making and a more deliberate approach to population distribution.

Australia cannot solve its productivity challenge without addressing how population, investment and opportunity are distributed across the nation.

The policy submission focuses on the role that regional development, population distribution and placebased policy approaches can play in lifting productivity across Australia.

History of Productivity Growth in Australia Australia experienced strong productivity growth during the 1990s and early 2000s, driven by major economic reforms including trade liberalisation, competition policy reforms and labour market changes.

However, productivity growth has slowed significantly since the mid-2000s. Multifactor productivity growth has remained weak, and labour productivity improvements have increasingly been driven by capital deepening rather than improvements in efficiency.

Several structural factors have contributed to this slowdown, including:

- declining business dynamism
- slower diffusion of new technologies
- reduced labour mobility
- regulatory complexity
- demographic changes.

These factors can have a greater impact in regional economies where labour markets are smaller and geographic distance increases costs for businesses.

#### *Regional Australia's Role in National Productivity*

Regional Australia underpins many of Australia's most productive and globally competitive industries. Key sectors operating predominantly in regional areas include:

- agriculture and food production
- mining and resources
- energy production and renewable energy
- logistics and freight industries
- tourism and the visitor economy.

These industries form the backbone of Australia's export economy and natural resource advantage.

Regional economies contribute around 40 per cent of national GDP, highlighting the importance of improving productivity performance across regional industries and labour markets.

However, structural barriers such as workforce shortages, infrastructure constraints and limited access to capital and innovation networks continue to limit productivity growth in many regional communities.

Improving productivity in regional Australia therefore represents a major opportunity to strengthen national economic performance.

After analysing the policy context, the submission made a range of actions recommendation to strengthen productivity growth across regional Australia and the national economy, including the following five:

- Develop a National Population Settlement Strategy to support a more balanced distribution of population between metropolitan and regional Australia.
- Prioritise investment in productivity-enabling regional infrastructure, including freight networks, digital connectivity and energy systems.
- Expand regional migration pathways to help address persistent workforce shortages in regional labour markets.
- Support increased housing supply in regional growth centres to improve labour mobility and enable sustainable population growth.
- Strengthen regional representation in national economic decision-making, including productivity reform processes and infrastructure planning.

Further information can be found at the links:

<https://regionalaustralia.org.au/common/Uploaded%20files/Files/2026/Submissions/Submission%20to%20the%20Senate%20Select%20Committee%20on%20Productivity%20in%20Australia.pdf>

***From Brookings***

***Indo-Pacific perspectives on the prospect of a US-China G2***

With Presidents Donald Trump and Xi Jinping set to meet multiple times in 2026—and with Trump embracing the language of a U.S.-China “G2”—governments across the Indo-Pacific are watching developments closely. Does this rhetorical shift in Washington signal a strategic thaw or merely a tactical pause in competitive dynamics? How might a more transactional relationship between Washington and Beijing reshape the strategic calculations of states whose prosperity and security remain deeply intertwined with both powers?

This compilation brings together leading scholars and policy experts from across Asia to assess how U.S.-China relations may evolve over the coming year—and what that trajectory means for their respective countries. While perspectives vary, a common thread emerges expectations of short-term stabilization are tempered by skepticism about any fundamental reset. Most contributors foresee not a grand bargain but continued U.S.-China strategic rivalry—albeit managed through leader-level engagement and transactional dealmaking alongside enduring technological, economic, and security competition.

For states across the Indo-Pacific, a loosely defined “G2” presents both opportunity and risk. A tactical easing of U.S.-China tensions may lower the near-term danger of escalation. Yet an international order increasingly centered around great powers could marginalize smaller states, reduce their agency to influence regional outcomes, entrench spheres of influence, and weaken multilateral norms. The region is not standing still. Governments are hedging, diversifying partnerships, strengthening their own defense capabilities, and investing in areas critical to their national resilience.

The essays that follow show how regional actors are navigating the evolving U.S.-China relationship—not as bystanders, but as strategic agents actively maneuvering amid uncertainty and shaping the strategic environment around them.

*Trump's G2 and Australia's dilemma*

In the past, framing the United States and China's bilateral relationship as a G2 generated considerable anxiety within other countries, especially American allies, because it implied that the United States and China, together and exclusively, would reshape global order and institutions with minimal external input. For Australia, the alliance with the United States enhances Australia's role and relevance in the region, in addition to offering it some level of protection against coercion by a great power such as China. Were there to be a G2, this long-standing benefit of the alliance would be significantly curtailed.

The meaning or significance of Trump's description of his meeting with Xi as a G2 is not yet fully clear. However, it does not seem that Trump is seeking to create a G2 world in the above sense of the term. Instead, Trump's use of the term "G2" merely reflects his view that the United States and China are the two most materially powerful countries in the system. The implication is that what these two countries do has unique consequences for the rest of the world.

How will U.S.-China relations evolve over the coming year? In his second term, Trump does not seem to act with the assumption that the United States and China are engaged in an ideological rivalry driven by diametrically opposed values. However, Trump seeks to achieve U.S. material (i.e., economic, military, and technological) primacy—even if he places less importance on the institutional and normative aspects of U.S. leadership and power—and sees China as the only country able to challenge the United States in this material sense.

Therefore, and on the basis that the U.S.-China relationship is a competitive if not geopolitically rivalrous one, elements of coordination and cooperation will be tactical or pragmatic rather than strategic. The United States will still seek deals and arrangements to secure relative gains vis-à-vis China, even if many aspects of the relationship will not be overtly hostile. Militarily, the United States is committed to a strategy of denial up to the first island chain, which includes Taiwan, Japan, and the Philippines. While this is not the same as containing China, it still means the United States will demand that allies accept a greater burden in contributing to this collective denial strategy and deterring China from using force against Taiwan or preventing the South China Sea from becoming a militarized "Chinese lake."

What does this mean for Australia? The current government in Australia is comfortable with Trump's less overtly confrontational approach to China, particularly as it compares to the more confrontational approach Trump took in his first term. While Australia has deep concerns about many Chinese policies and behaviors, the current government is wary of smaller powers being pressured to assume a more significant role in any great power rivalry.

Even so, Trump's self-styled G2 approach to China is very much about Trump and a small group of trusted advisers negotiating a bilateral arrangement with Beijing. For this reason, Canberra is concerned with the minimal visibility and input given to regional allies, such as Australia, when it comes to how the United States conducts its relationship with China.

This explains Australian enthusiasm for Canadian Prime Minister Mark Carney's speech at Davos, which offered a clarion call for middle powers to band together and create new and better rules and institutions that suit their interests, rather than those of great powers. Although one can argue that Carney's speech was more intended as a narrower criticism of Trump than a reimagining of global politics, it is aligned with Australia's response in Asia, which is to work with countries like Japan to advance preferred regional rules and institutions. While doing so does not exclude the United States, it is a deliberate attempt to proactively make it difficult for the United States to impose new rules and institutions in Australia.

However, China remains Australia's primary challenge. When it comes to constraining Beijing, there is no alternative to the United States. Therefore, the nature of any bilateral deal between the United States and China remains a great source of anxiety for Australia.

*Taiwan amid uncertainty in US-China relations*

How should Taiwan interpret recent U.S. policy toward China? Trump's invocation of a "G2" framing for U.S.-China relations, coupled with planned summit meetings with Xi in 2026, has raised questions about whether Washington's China strategy may be shifting. Some observers warn that accommodation—even appeasement—could follow. Others openly call for a "new normalization" in U.S.-China relations. In Taiwan, such speculation has revived a familiar concern: that Taiwan might once again be treated as a bargaining chip in Washington's broader dealings with Beijing.

While a change of course in Trump's China policy cannot be entirely dismissed, rhetorical fluctuations should not be mistaken for structural change. Tensions in U.S.-China relations have indeed eased somewhat in recent months, as each side recognizes vulnerabilities the other could exploit during escalation, but the underlying structure of strategic competition is still intact. As Ryan Hass argues, the more plausible trajectory is for both sides to "buy time and build insulation" rather than to fundamentally reverse course.

For Taiwan, indicators of continued U.S. support remain significant. Evidence includes the Trump administration's record-breaking \$11 billion arms package announced in December 2025, and the 2026 U.S. National Defense Strategy's emphasis on denial defense along the first island chain, as well as joint efforts aimed at reducing exposure to Chinese economic coercion and a reciprocal tariff arrangement designed to strengthen economic and supply-chain cooperation. At the same time, the Taiwan government has been actively aligning concrete, sustained interests with those of the United States—from trade and investment cooperation and technological leadership to defense preparedness—to deepen a mutually beneficial partnership and ensure its durability regardless of how U.S.-China relations evolve.

However, many in Taiwan are deeply unsettled by the possibility that great-power politics could unfold at the expense of Taiwan's interests. What strategy should Taiwan pursue in this uncertain environment?

A sensible response for Taiwan is to adopt a layered strategy: reinforcing its multifaceted partnership with the United States while expanding ties with other countries across a wider range of domains. This approach is already implicit in many aspects of Taiwan's current policy, though it has not always been clearly articulated. It reflects the reality that Taiwan's international relationships operate at different levels and serve different purposes. The United States remains Taiwan's core security partner, while regional actors, like-minded democracies, and broader economic and technological networks constitute additional layers of engagement. Taken together, these layers provide Taiwan with a framework for strengthening security, expanding diplomatic space, and enhancing economic and technological cooperation despite the uncertainties surrounding U.S.-China relations.

At the core of this approach is Taiwan's security relationship with the United States. Washington remains central to Taiwan's security, and realistically, meaningful security cooperation with other countries is implausible without U.S. involvement. That said, there are still steps Taiwan can take proactively. Like Japan and other U.S. allies, President Lai Ching-te has raised Taiwan's defense budget, aiming to exceed 3% of GDP in 2026 and reach 5% by 2030. A Taiwan capable of defending itself advances not only its own security but also that of the United States and its regional partners seeking to deter Chinese coercion.

Building on this shared interest in regional deterrence, Taiwan should continue exploring opportunities for regional security coordination. Such efforts have long been constrained by the region's general reluctance to engage Taiwan, but the strategic environment is changing as Beijing continues its military build-up. Uncertainty surrounding U.S. policy also prompts regional actors to seek greater policy autonomy and resilience. Taiwan should signal its determination to assume greater responsibility for regional security while exploring avenues of cooperation that were previously difficult to pursue.

While Taiwan's policy direction of strengthening self-defence capabilities—and thereby maintaining its strategic relevance—is clear, its implementation faces domestic obstacles rooted in political division. At the time of writing, it remains uncertain whether the government's proposed \$40 billion special defence budget—widely regarded as vital to Taiwan's deterrence posture—will pass, given continuing opposition and efforts by the legislative majority formed by the Kuomintang and the smaller Taiwan People's Party to cut funding. This resistance has raised serious concerns in Washington about Taiwan's resolve to defend itself. Persistent internal division is no longer merely a domestic political issue; it risks eroding Taiwan's credibility and becoming a self-inflicted vulnerability. A minimum degree of consensus on China policy is therefore essential to sustaining Taiwan's security. Forging such a consensus is daunting, but difficulty does not negate necessity. Whether Taiwan's democratic politics can generate this minimum consensus will be a litmus test of its political system.

Beyond security, Taiwan should broaden its network of partnerships across diplomatic, economic, and technological domains. For decades, Taiwan has sought to overcome diplomatic isolation, which has been a central obstacle to its international engagement. In recent years, Taiwan has made progress in countering China's sovereign claim over the island. Legislatures in many countries—including several like-minded democracies in Europe—have clarified the meaning of United Nations General Assembly Resolution 2758, rejecting Beijing's claim that the resolution embodies its "One China" principle. These developments are significant, but given China's influence across international organizations, Taiwan's participation will require a much broader base of international support and is likely to remain limited in the near future. In the meantime, Taiwan should continue developing innovative bilateral and multilateral platforms. One example is the Global Cooperation and Training Framework, originally a U.S.-Taiwan bilateral initiative that has evolved into a multilateral platform, enabling Taiwan to engage with cross-regional partners on global governance issues outside the formal international system.

Taiwan is also pursuing economic diversification to reduce dependence on the Chinese market. One of its most important international economic objectives is accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Accession would not only support Taiwan's growth but also deepen its supply-chain integration with member economies and enhance its economic resilience. Taiwan's application has effectively been stalled, as accession requires unanimous consent among CPTPP members and political considerations—including pressure from China—complicate that process. Near-term progress appears unlikely, but Taipei should continue making the case for accession by positioning itself as an indispensable and trusted economic and technological partner to CPTPP economies.

Taiwan should also leverage its technological leadership in semiconductors and advanced manufacturing to strengthen ties with countries investing heavily in AI development. TSMC has expanded investments in the United States, Japan, and Germany—moves regarded as both commercially and strategically sensible, and that also deepen supply-chain partnerships with key technology economies. At the same time, Taiwan continues to ensure that the most advanced semiconductor production remains anchored on the island, keeping it at the leading edge of global AI

development. Taiwan should therefore welcome international cooperation, presenting its technological strength as an asset for partners. Properly managed, such cooperation can mitigate concerns voiced by some in Washington that the United States has become dangerously reliant on Taiwan's semiconductor supply in the event of a crisis.

A final strategic dimension concerns whether Taiwan should recalibrate its stance toward China. Yet the structural conditions for cross-Strait stabilization are unfavorable, both militarily and politically. China continues its extensive military expansion, particularly to develop the capabilities required for a Taiwan contingency. Taiwan is facing mounting pressure from China's gray-zone operations and increasingly close-in military exercises encircling the island. Under international law, such conduct amounts to a prohibited "threat of force" in violation of the U.N. Charter, warranting resistance not only from Taiwan but also from the broader international community. Beijing has also refused communication with Taiwan's government unless it accepts the "1992 Consensus," which, from Beijing's perspective, embodies China's sovereign claim over Taiwan. Yet China's "one country, two systems" formula remains widely unpopular among the Taiwanese public. Any democratically elected leader would therefore find it extremely difficult to enter dialogue on such terms—a political reality that Beijing appears unwilling to acknowledge. Unless Beijing changes both its behavior and its demands, a cross-strait détente is unlikely.

Despite the uncertainties surrounding U.S.-China relations, Taiwan is not without strategic options. A layered approach—deepening cooperation with the United States while expanding partnerships across security, diplomatic, economic, and technological domains—offers a practical framework for managing risk while maintaining Taiwan's core security relationship. Such a strategy requires credible self-defense, domestic political cohesion in addressing China's challenge, and sustained, proactive, and creative efforts to broaden Taiwan's international engagement. Taiwan cannot control the trajectory of U.S.-China relations, but by strengthening these foundations, it can increase its resilience regardless of how that relationship evolves.

Read the whole article here at:

<https://www.brookings.edu/articles/indo-pacific-perspectives-on-the-prospect-of-a-us-china-g2/>

**From University of Sydney, the Warren Centre for Advanced Engineering**

***Homelessness could be four times higher in a decade due to impacts from climate change***

A study on the future of Australia's housing market, has revealed that even well-intended housing market interventions could significantly worsen housing affordability and homelessness in the country due to the impacts of climate change.

The research, by Peyman Habibi-Moshfegh and Associate Professor Nader Naderpajouh from the University of Sydney School of Project Management predicted that homelessness could be four times higher in a decade in a climate future with high levels of greenhouse gas emissions.

Home ownership affordability could be twice as expensive and rent would be less affordable, by up to 45 percent.

Even under a low-emissions future climate scenario, homelessness could still double in a decade compared to 2020 levels and rental affordability could still decline by 23 percent.

The researchers say the Government's recent budget commitment to invest in social housing for young people at risk of homelessness, improving housing access for First Nations Australians, and

support for renters is a step in the right direction in shifting the trajectory, as they address the increasing gap by climate change.

However, there is a need to drastically expand these programs in the face of climate change.

The key is to establish a strong infrastructure to make sure vulnerable people do not fall back into the cycle of homelessness.

Climate change is already reshaping the housing market. In 2021 insurance premiums increased by 5.9 percent as suggested by Global Data, and according to Climate Council by 2030 extreme weather events are expected to cause more than \$571 billion in economic losses in the Australian housing market alone.

For example, policies that focus on insurance premiums or mortgage rates could deepen inequality if not carefully designed. Climate change will force up the costs of insurance for weather events and natural disasters, with higher impact on vulnerable households. It also disrupts construction supply chains, and shifts investment behaviours – all of which influence housing supply and demand.

“The pressure is already on for Australians in the housing market and we see worsening social inequities in the future. We need to design fairer housing policies, or this is the trajectory we’re heading towards,” said Mr Habibi-Moshfegh who did the study as part of his PhD.

“Discussions on the housing crisis often neglect the impact of climate change. The numbers from our study show that future climate-shocks need to be factored in when developing new housing policies and plans.”

The study, published in the journal *Cities* shows that affordability pressures could escalate even under optimistic climate scenarios unless governments adopt targeted, context-specific policies.

Mr Habibi-Moshfegh said some housing policies could still backfire and deepen inequality, by shifting the financial pressure onto renters

“Housing policies are often generic, and priorities need to shift to tailored support for segments of the market, such as low-income households, renters and people at the risk of experiencing homelessness. They are impacted disproportionately by climate change,” said Associate Professor Naderpajouh, Head of School of Project Management in the Faculty of Engineering.

“Discussions on the housing crisis often neglect the impact of climate change. The numbers from our study show that future climate-shocks need to be factored in when developing new housing policies and plans.”

Said by the lead researcher, Peyman Habibi Moshfegh

*Climate risks push people out of housing affordability*

The researchers used nearly two decades of public data to run simulations on how Australia’s future housing market responded to different climate and socioeconomic scenarios, with high emissions or low emissions.

They used national housing, income and demographic data from the Australian Bureau of statistics, Household, Income and Labour Dynamics in Australia (HILDA) survey data on household income

and affordability and the property price index to run simulations on how climate-driven shocks and policies interact to shape affordability, homelessness and rental pressures.

Their simulation suggest that generic policies create widespread tipping points in the housing market and pushed households into stress.

Under a high-emissions future, even a modest 0.5 percent annual rise in ownership costs could increase homelessness by 16 percent and cut rental affordability by 15 percent compared to the 2020 baseline.

If ownership costs rise by 3 percent a year, homelessness could jump by 69 percent, while rental affordability could fall by 36 percent.

“Our findings show that any new housing policies need to undergo climate-change simulations to make sure they don’t deepen inequality,” Mr Habibi-Moshfegh said.

Further details are available at:

<https://www.sydney.edu.au/news-opinion/news/2026/05/15/homelessness-could-be-four-times-higher-in-a-decade-due-to-impac.html>

### **From the Gulbali Institute of Agriculture, Water and Environment (CSU)**

#### ***Hantavirus research explores spillover of diseases between wildlife, livestock and humans***

A Charles Sturt University researcher is at the forefront of research into exotic disease surveillance and mitigation in Australia and overseas including for the now controversial hantavirus.

Epidemiologist Dr Ariful (Arif) Islam (pictured top, at left) in the Charles Sturt Gulbali Institute for Agriculture, Water and Environment specialises in biosecurity and pandemic science.

Specifically, he is investigating how highly virulent diseases, such as hantavirus, Nipah virus and avian influenza, transmit between wildlife, livestock and humans.

These diseases are recognised by the World Health Organisation (WHO) as potential pandemic diseases.

Dr Islam is currently leading collaborative One Health surveillance of high-risk zoonotic viruses in Bangladesh in partnership with the Institute of Epidemiology, Disease Control and Research (IEDCR), Columbia University, CSIRO’s Australian Centre for Disease Preparedness (ACDP)

and the United States Department of Agriculture (USDA).

*The project investigates the ecological and behavioural drivers of emerging zoonotic viruses and spillover to humans at high-risk interfaces through integrated sampling of bats, rodents and humans.*

The research includes viral discovery and surveillance activities focused on the detection and characterization of high-risk zoonotic pathogens, including hantaviruses and henipaviruses.

Dr Islam said while people’s memories of the relatively recent COVID-19 pandemic have dimmed, it is not unrealistic to be mindful that the next pandemic could be just around the corner.

In a timely parallel, Dr Islam and his PhD student are currently investigating the epidemiology and ecology of hantavirus, mapping its genetic diversity and working to assess the spillover risk to humans.

He notes that recent events serve as a stark reminder of how quickly inter-species disease transmission can escalate into a public health emergency and illustrates precisely the kind of cross-species transmission risk that underpins his research.

*“The current news of passenger deaths aboard a cruise ship in the Atlantic Ocean and further cases due to hantavirus infection caused by rodents is an example of inter-species disease transmission, which has put health and government authorities on alert,” he said.*

Dr Islam investigates the ecological, virological and human behavioural drivers that facilitate the spillover of these diseases between species, and ways to prevent and control these threats locally, regionally and globally.

He said the Gulbali Institute’s strengths lie in field-based surveillance, disease ecology and the World Health Organisation’s (WHO) One Health biosecurity research, which are further strengthened through strong international collaborations and multidisciplinary partnerships.

*“In this way Charles Sturt University makes a huge contribution to food security, pandemic preparedness, sustainable agriculture, the environment, water security and regional health,” Dr Islam said.*

*“Our work is vitally important for the health, safety and prosperity of the nation and particularly regional Australia, as well as countries in the wider Indo-Pacific.”*

Dr Islam and colleagues use the globally-recognised One Health approach to assess transmission risks, implement mitigation measures and rapidly contain outbreaks of Nipah virus.

They use surveillance, genetics and risk-reduction strategies which are mainly based on detailed investigations of bats and their interaction with humans in South Asia.

Dr Islam also investigates the epidemiology and ecology of high pathogenicity avian influenza and its transmission between wild birds and commercial poultry.

He studied the role of vaccination and environmental factors on outbreaks of high pathogenicity avian influenza H5N1 in poultry farms, how failing biosecurity is affecting influenza epidemiology in poultry production and marketing systems, and investigated the role of migratory birds introducing and spreading the virus.

Further details are available at:

<https://news.csu.edu.au/latest-news/hantavirus-research-explores-spillover-of-diseases-between-wildlife,-livestock-and-humans>

**From CEDA**

***Is Indigenous talent Australia's next productivity reform?***

By Adam Davids (February 2026)

In Sydney, Indigenous students and graduates came together with business leaders, policymakers and investors to talk seriously about leadership, careers and Australia’s economic future. The conversation was deliberate and practical. It focused less on intent and more on outcomes, how Australia builds capability, how talent moves into influence, and how institutions prepare for a rapidly changing economy.

The economic context is clear. Productivity growth has slowed. Workforce shortages persist across critical industries. The economy is shifting toward roles that demand professional judgement, technical expertise, adaptability and leadership capability. Yet at the same time, Australia continues to underutilise one of its most important assets, Indigenous talent.

This is not a social issue sitting alongside economic policy. It is an economic issue in its own right.

Indigenous Australians are the youngest and fastest growing cohort in the population, yet remain significantly underrepresented in professional, managerial and leadership roles. Even among those who are employed, far fewer First Nations Australians work as professionals or managers compared with non-Indigenous Australians. At senior leadership and board level, representation is close to invisible.

That gap is not explained by aspiration or ability. It is explained by pathways.

Table 1:

<b>Indicator</b>	<b>First Nations</b>	<b>Non Indigenous</b>	<b>Source</b>
Labour force participation	54.1%	65.6%	ABS Census 2021
Not in the labour force	42.8%	32%	ABS Census 2021
Unemployment rate	12.3%	5.1%	ABS Census 2021

Table 2:

<b>Occupation group (of those employed)</b>	<b>First Nations</b>	<b>Non Indigenous</b>	<b>Source</b>
Managers	8%	14%	ABS Census 2021
Professionals	13%	25%	
Sales	9%	8%	
Technical & Trades	11%	13%	
Clerical / Admin	14%	13%	
Operators / Drivers	8%	6%	
Community Workers	20%	12%	

Table 3:

<b>Indicator</b>	<b>%</b>	<b>Source</b>
First Nations in most senior leadership roles	0.4%	Human Rights Commission, 2018
ASX200 Board Representation		
- First Nations	0.002% (4/1,400)	Public disclosures
- Anglo-Celtic backgrounds	91%	Watermark, 2025
First Nations ASX200 CEO or C-Suite member	0	Public disclosures

Where people work, and at what level, shapes everything that follows, income, wealth creation, decision making power and intergenerational security. When Indigenous Australians are excluded

from professional and leadership roles, the cost is borne not only by individuals and communities, but by the broader economy.

Table 4:

<b>Indicator</b>	<b>First Nations</b>	<b>Non Indigenous</b>	<b>Source</b>
Median weekly personal income	\$540	\$805	ABS Census 2021
Income ratio	67 cents to \$1	\$1	
Median household income	\$1,507	\$1,746	
Median household wealth (net worth)	Unknown	\$411,000 (All Aus)	UBS, 2025

This is why inclusion and equity are not peripheral concerns. They are a competitiveness agenda that demands strong governance and deliberate strategy. It is also why the conversation must move beyond procurement and philanthropy toward the deeper work of talent development, progression and leadership pipelines. CEDA's Progress 2050 focus on inclusion and equity goes to the heart of whether Australia treats diversity as a competitive advantage, and whether our institutions are designed to develop and deploy the full breadth of the talent pool.

Career Trackers works at this intersection of education, employment and economic participation. Through paid, structured internships aligned to university study, Indigenous students enter workplaces as emerging professionals, not as gestures. They gain experience, networks and confidence inside organisations that shape Australia's future, from finance and law to engineering, consulting and the public sector.

Since inception, Career Trackers has delivered over 9,000 internships and built an alumni network of more than 1,600 Indigenous professionals, many of whom now play a critical role in shaping industries as well as mentoring, training and inspiring the next generation.

More importantly, the outcomes demonstrate that when structural barriers are removed and expectations remain high, Indigenous students convert education into professional careers at scale. Career Trackers reports a university completion rate of 89 per cent, compared with a national Indigenous completion rate of around 47 per cent, and 95 per cent of graduates securing employment within three months of completing their degree.

These figures are not the story, they are the evidence. The story is that paid professional experience during university is one of the most effective mechanisms available to lift workforce participation, improve retention, build leadership capability and strengthen long term economic participation.

Last week's conversations were sharpened by the presence of Martin Luther King III, whose visit underscored a lesson often missed in discussions of civil rights. Equity is ultimately realised through economic participation. Around the world, progress has been sustained not through symbolism, but through institutions that open pathways into careers, leadership and influence.

Australia does not need a new idea. We need to apply what works, at scale, with seriousness.

For business leaders, this means strategic partnerships, treating Indigenous talent as core workforce strategy, measured, governed and reported as part of productivity and succession planning. For boards, it means asking harder questions about progression, sponsorship and leadership pipelines, not just entry level hiring or corporate foundation giving. For government and universities, it means ensuring education translates into employability, experience and careers.

This is not a charity conversation. It is a prosperity conversation.

A nation that cannot fully mobilise its youngest and fastest growing cohort is leaving economic value on the table.

Further details and the full article are available at the links follow:

<https://www.ceda.com.au/news-and-resources/opinion/indigenous-affairs/is-indigenous-talent-australias-next-productivity-reform>

## **From the Productivity Commission**

### *Improving health outcomes through hospital funding arrangements*

Productivity Commission (April 2026)

Government funding influences the capacity and incentives of hospitals and clinicians to deliver high-quality healthcare to Australian consumers. Australian governments largely fund public hospitals through activity-based funding (ABF), which reflects the number of people treated in hospitals and the complexity of their conditions. While ABF has incentivised higher volumes of care using limited resources, it does not provide direct financial incentives for better outcomes in care.

A number of countries are experimenting with supplementing activity-based funding with financial mechanisms aimed at improving the outcomes of care. The Australian Government developed a set of financial mechanisms nationally to improve safety outcomes. From mid-2018, new funding adjustments meant that hospitals would not be fully compensated for treatment costs incurred due to hospital acquired complications (HACs). HACs affect 3% of all episodes of care in public hospitals (IHACPA 2026; SCRGSP 2024). There was also an adjustment for avoidable readmissions in 2021, and an adjustment so that hospitals receive no payment for any treatment that resulted in a sentinel event (unforeseen death or injury).

The PC used public hospitals data to assess whether the HACs funding adjustment changed the likelihood of a complication occurring. The analysis compared the risk of HACs in those states and territories that passed on the funding adjustment to their relevant Local Hospital Networks, to those that absorbed the impacts within their health budgets from July 2018 to February 2020.

Australia has relied on activity-based funding (ABF) to fund its hospitals since the early 1990s, as do many OECD countries (OECD 2016, p. 47). Hospitals receive compensation for each procedure, in line with its average cost. ABF has proven effective at delivering hospital services in high volumes and at low cost, keeping public hospital cost escalation below health-related inflation in Australia (Huxtable 2023, pp. 1, 57). However, ABF does not necessarily promote quality and safety of care (OECD 2016, p. 42).

Countries have experimented with supplementary financial mechanisms in order to incentivise a greater focus on the quality and safety of care. These financial mechanisms have generally taken the form of a small penalty if certain negative outcomes take place (or a reward if positive outcomes occur). For example:

- the US Value-based Purchasing Program (VBPP) redistributes funding toward high-performing hospitals. Under the program, 2% of hospitals' Medicare funding is withheld and used to reward

high-performing hospitals. Performance is scored against a range of metrics including mortality and complications, consumer experience, efficiency and cost reduction (Centres for Medicare & Medicaid Services 2024)

- the UK's Best Practice Tariffs (BPTs): Hospitals were paid a BPT when they met a set of criteria for processes of care that align with best practice. The BPT reflected the average cost of providing that care; alternatively, they received a conventional or base price when they did not meet the criteria (OECD 2016). Recently these tariffs were combined with other elements to form part of the variable element of payment to hospitals (NHS England 2025).
- Norway's Quality-based Financing Scheme (QBF) is a supplementary payment that rewards hospitals for their reporting quality, minimum performance level, best performance and best relative performance across a range of indicators. Indicators range across several areas and the reward payment is weighted against their relative contribution. Indicators are based on outcome (weighted 50%), patient satisfaction (weighted 30%) and process of care (weighted 20%) (Huus and Baardseng 2019).

How successful different financial mechanisms are in influencing outcomes has been extensively evaluated, consistently finding mixed results (Milstein and Schreyoegg 2016; Scott et al. 2018; Scott and Ouakrim 2011; Slawomirski et al. 2024b). For example, one study identified a positive impact on about half of the outcomes being targeted, although the success rate was slightly less for those mechanisms looking only at hospital care (Scott et al. 2018). Studies of higher quality tend to find a lesser effect (Slawomirski et al. 2024b).

Australia has experimented less with financial mechanisms for quality and safety than some other OECD countries. From 2011 to 2014 there were rewards for meeting targets of timeliness in elective surgery and emergency departments, and some are still in place as part of state and territory hospital service agreements (box 1).

Recently Australia introduced a financial penalty for certain types of hospital-acquired complications. Funding adjustments were introduced gradually in Australia's public hospitals from 2017 to ensure that hospitals would not recover the full incremental costs incurred because of HACs and avoidable hospital readmissions (AHRs) and would not receive any payment for treatment in sentinel events. This research paper seeks to measure the impact of this financial penalty on rates of hospital-acquired complications. The introduction of the penalty seems to have had a significant impact on HAC rates. The report discusses the evidence and the implications.

Access the full report here:

<https://www.pc.gov.au/inquiries-and-research/hospital-funding/>

### **From the Business Insider Australia**

***AI is creating more work for Australia's workplace tribunal. It may also be the fix.***

By Roya Shahidi (May 2026)

Australia's workplace tribunal says it's getting overwhelmed by requests from people using AI when submitting cases. Its solution? More AI.

An increasing number of cases informed by AI-generated content are being brought to the tribunal, and it's on track to increase its workload by 70% over the last three years, the general manager of Australia's Fair Work Commission, Murray Furlong, said in a report published Friday.

Across the legal world, AI has lowered the barrier to filing a case. Institutions like Australia's Fair Work Commission are asking whether they can fight fire with fire and use AI to manage the rising workload.

Furlong said the rise of generative AI tools has been coupled with more people choosing to represent themselves in cases, as well as budget constraints and resourcing challenges.

"These impacts, taken together, are having a direct effect on the Commission's ability to provide timely, efficient and effective dispute resolution services to the community," Furlong added.

To improve efficiency and cut down costs, Australia's workplace tribunal, which resolves disputes like unfair dismissals, is turning to AI solutions.

These include using generative AI to automate case processing, developing an AI tool to assist with pre-approval checks for applications, and an AI voice agent to help triage helpline calls.

It's an issue that's playing out globally. The rising use of AI in US federal civil court cases is placing a greater burden on courts, according to a research paper published by Anand Shah of the Massachusetts Institute of Technology and Joshua Levy of the University of Southern California in May.

One solution Shah and Levy proposed in the paper was relaxing the rules that prohibit federal judges from using AI assistance to increase their productivity levels.

Further details are available at:

<https://www.businessinsider.com/ai-australia-workplace-tribunal-more-work-fix-legal-cases-2026-5>

### **From the RNZ New Zealand**

#### ***Here's where there are thousands of new jobs***

Susan Edmunds (May 2026)

More than 4000 new jobs were added to New Zealand's total between March and April, but there's a warning that momentum might not last.

Stats NZ data showed filled job numbers rose 0.2 percent, or 4333 when seasonally adjusted. It was the second consecutive month that filled jobs had risen.

The data counts the total number of paid and filled jobs, both full-time and part-time, across New Zealand businesses. One individual may have more than one job.

Compared to a year before, job numbers were up 0.5 percent, the fastest rate of annual increase in two years.

The largest increases were in healthcare, up 5527; transport, up 2386; and agriculture, up 2248. Manufacturing had the biggest fall, down 3238.

Employment in the primary sector rose by 411 jobs, or 0.4 percent, in April. Goods-producing sector jobs increased 0.1 percent, or 288. The service sector added 3650 jobs.

The bulk of job increases were in the South Island, while employment of young people continued to decline. The number of jobs filled by people aged 30 or under fell 1.5 percent in April compared to the same time a year earlier - the 33rd consecutive fall.

Infometrics principal consultant Rob Heyes said it looked like there was momentum building in the labour market before conflict broke out in the Middle East.

"The job gains we are seeing in March and April are probably based largely on hiring decisions made in January and February, perhaps even late last year," Heyes said.

"We don't like to forecast monthly figures because they do bobble around quite a lot, but I'll be very surprised if we continue to see job gains two or three months from now."

His colleague, principal economist Nick Brunson, said job turnover was down.

"The quarterly job turnover rate is at its lowest level [recorded in the data], with 12.8 percent of workers changing job each quarter, on average over the year to March 2025. Workers are generally more likely to stick with their job when the labour market is weak, and we see this in the worker turnover rates, with previous low points in 2009 - after the global financial crisis - and in early 2021 - from the initial hit of the Covid-19 pandemic."

He said the peak of turnover was 15.5 percent in the year to June 2023.

"In a stronger labour market, there are more jobs being advertised and fewer applicants applying, so workers have a higher chance of being successful. The effort of applying and interviewing is worth the reward of a potential pay increase. MBIE's Job Ad index shows that the number of job adverts nationally fell 54 percent between 2023 and 2025, and Seek data shows that the number of applicants rose by 2.5 times. Clearly, if you need a job then you'll still apply for jobs, but if you've already got a job and it's going okay, you might think twice about all the hassle when the labour market is weak.

"Having said all that, the changes in worker turnover rate aren't that dramatic between a strong and weak labour market, which goes to show that the majority of people stick with the same job regardless, on a quarterly basis at least."

Young people were more likely to change jobs. They had a turnover rate of about 25 percent even last year.

Further details are available at:

<https://www.rnz.co.nz/news/regional/596649/here-s-where-there-are-thousands-of-new-jobs>

## THE CONVERSATION

*Despite some wins, this budget won't transform regional Australia*

Andrew Beer, Adelaide University

Since at least the early 1990s, much of regional Australia has felt overlooked by the rest of the country.

Our regions have seen themselves as disadvantaged compared to other parts of the nation, ignored when new policies are being developed and unable to access services that match the quality available in the big cities.

That sense of neglect has helped drive the rise of One Nation specifically and populist politics more generally.

So, what has the 2026 federal budget delivered for the regional First Nations communities, industries and country towns that make up about a third of Australia's population?

How will the regions fare under this budget's headline initiatives? And what impact will new, regionally focused programs have over coming months and years?

#### *A place to call home*

Housing and tax are at the centre of this year's budget. The government has closed off access to negative gearing on established homes (for purchases made from budget night onwards) while also changing the way capital gains are calculated and taxed.

The government's intention is to make investing in rental property less attractive – and by reducing investor demand, lower house prices and help more first home buyers into the market.

But these changes will affect urban and regional parts of Australia differently. Prices may be less likely to fall in regional areas where there's upward pressure due to the high cost of building, rather than speculation.

Some investors may leave regional housing markets, reducing the supply of rental housing. However, this impact is unlikely to be large given that rental returns are frequently higher in the regions than in the metropolitan centres.

The budget has set aside A\$2 billion to help local governments cover the cost of the infrastructure needed to develop land for new housing. A quarter of this (\$500 million) has been earmarked for the regions – recognising the depth of the housing crisis in regional Australia.

But this may still fall short of what's needed, without a more systematic approach to ensure regions can continue to provide housing as they grow.

#### *Tax reform and a trust carve-out for farmers*

Other budget measures will deliver small-scale benefits for regional Australians. The new \$250 Working Australians Tax Offset will have a bigger impact in regional areas, which have a higher proportion of low-income households than Australia's capital cities.

And many farmers will be breathing a sigh of relief, after Tuesday's budget confirmed farming family trusts would be exempt from a new 30% minimum tax rate on discretionary trusts.

We often think of trusts as something only wealthy Australians have. But they play a vital role in many farming regions. Trusts can help farming families manage the good years and the bad, while also helping with succession and the sustainability of the farm.

But farming and environment groups have expressed disappointment about funding cuts for agriculture, fisheries and forestry, including from pest management and weed control programs.

*What's missing?*

The 2026 budget is almost silent on some key concerns for regional Australia.

Immigration is important for the regions, with many crops and large infrastructure projects depending on migrants for their workforce. Regional businesses will be concerned their growth will stall unless there is greater certainty around migration targets and projects – particularly regarding low-skilled work.

Significant regional health initiatives are largely absent from this budget. The government has invested \$11.4 billion with plans to extend bulk billing to more than 90% of GP visits by 2030.

But this is unlikely to help regions where there are no doctors, or so few that lengthy wait times are inevitable. Only six new GP clinics will be established – all in one New South Wales region.

*Infrastructure priorities*

Every budget includes funding announcements for new infrastructure projects. But relatively few initiatives have been included in the 2026 budget, and the most prominent new investments will not sit well with regional communities.

Last week's dumping of the northern half of the Inland Rail freight project was unwelcome news for many living in regional Australia.

This sense of not being a priority to Canberra was only heightened when, just days after that Inland Rail cancellation, the federal government announced it would spend another \$3.8 billion on Melbourne's controversial Suburban Rail Loop.

More on this story is available at:

<https://theconversation.com/despite-some-wins-this-budget-wont-transform-regional-australia-282715>

## **CONFERENCES and STUDY OPPORTUNITIES**

### **ANZRSAI 2026 Conference**

The ANZRSAI 49<sup>th</sup> Annual Conference will be held at the RMIT University in Melbourne, Australia. Further details are available at the ANZRSAI website.

### **2025 RSA Regional Futures Conference**

The RSA Regional Futures Conference 2026 presents an important opportunity to champion a positive agenda for regional change and development. The event will provide an important platform to discuss and debate regional futures, establish new connections, and assess options for practitioners and policymakers working towards brighter regional futures.

As global interdependence deepens, regions continue to face uneven development trajectories and widening socio-spatial divides. These realities demand new framings of regional futures that recognise both the vulnerabilities and the innovative capacities embedded within localities. This said,

understanding regional futures requires more than forward-looking imagination. Regional futures depend on a grounded awareness of the regional pasts and regional presents that shape the conditions from which future possibilities emerge. The historical trajectories of uneven development, socio-spatial divides, and local vulnerabilities form the backdrop against which new regional strategies must be conceived. Equally, present-day dynamics – ranging from technological change and demographic shifts to environmental pressures and evolving patterns of governance – constitute the lived realities that influence what kinds of futures are feasible or justifiable. Only by recognising how past legacies and current transformations intersect can researchers and practitioners more effectively imagine, design, and advocate for regional futures that are informed, equitable and resilient. This begins by understanding what we know, but equally what we should know that we have forgotten, and questions that we have all-too-often neglected to ask.

The *RSA Regional Futures Conference 2026* presents an important opportunity to champion a positive agenda for regional change and development based on a deep knowledge and understanding of what we can learn from knowing about regional pasts and regional presents. The event will provide an important platform to discuss and debate regional futures, establish new connections, and assess options for practitioners and policymakers working towards brighter regional futures.

The conference organisers are keen to attract papers and sessions which identify new connections, address broad research and policy agendas, and include contributions from any discipline offering insights at local and regional levels. Papers which are highly innovative, collaborative, international or multi-disciplinary are especially welcome.

Broad themes and key agendas the organisers are keen to facilitate discussion around that include, but are not limited to:

- Regional Theory and Thought.
- Regional Entrepreneurship.
- Regional Inequalities.
- Socioeconomic Change Across Regions.
- Regional Data and Analytics.

**Date & Location:** London, UK, 12-13 November 2026.

More details are at <https://www.regionalstudies.org/events/2026-regional-futures/>

### **Regional Studies Blog**

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

The link is [https://www.regionalstudies.org/category\\_news/rsa-blog/](https://www.regionalstudies.org/category_news/rsa-blog/). A recent contribution that is relevant to ANZRSAL as we plan for the new post-CoVID normal is the following item: [Moving towards a new conference model? The rocky road to virtual conferencing](#), by Daniela Carl and Alex Holmes. Ashleigh Weeden talks about the ‘right to be rural’ during the CoVID epidemic in a contribution entitled [COVID-19 and Cottage Country: Exploring place, power, and policy in the ‘right to be rural’](#).

## **CURRENT RESEARCH ABSTRACTS**

### **ANZRSAL Abstract Alerts**

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

Yogi.Vidyattama

[Yogi.Vidyattama@canberra.edu.au](mailto:Yogi.Vidyattama@canberra.edu.au)

We would like to draw your attention to the abstracts from Australasian Journal of Regional Studies and a YouTube Channel 'Professor Joseph Drew's World of Local Government'

For the latter it can be found in:

<https://www.youtube.com/channel/UCXn5CI2x5h1cgEsaT8nLK9g/videos>

The whole purpose of the channel is to help local government help other people. So, please consider subscribing and sending the link on to colleagues.

In a few weeks' time Prof. Joseph Drew will start uploading videos by some of his colleagues from around the world which will provide people with new global insights into what can be done to make LG even stronger.

### ***How contagious are health shocks on political outcomes? Evidence from the 1918 Spanish flu in Germany***

Mona Foertsch, Felix Roesel

Abstract: Do large health shocks spill over into politics, and can public infrastructure mitigate such contagion? We examine the long-term political effects of serious health emergencies and the moderating role of hospital infrastructure. During the 1918 Spanish flu pandemic, four out of every 1000 Germans died. We find that influenza mortality rates were lower and did not have political consequences in cities and in rural areas with adequate hospital infrastructure. In contrast, rural areas with low levels of hospital

infrastructure had higher influenza mortality rates, and voters punished the governing parties in the next elections. We conclude that adequate public infrastructure can help build resilience against large external shocks..

### ***Short and long-run effects of inter-governmental redistribution of property tax on housing supply***

Xieer Dai, Daniel Felsenstein

Abstract: This paper investigates the short and long-run effects of the inter-governmental redistribution of property tax on housing supply. For the short-run analysis, we leverage a property tax policy reform as an exogenous shock and use propensity score matching DID to establish the causal linkage between property tax redistribution and housing supply. We find that policy reform changes the behavior of local governments, internalizing fiscal competition between them and encouraging them to promote residential construction in order to increase revenues. For the long run analysis, we test for a dynamic spatial equilibrium where new construction is initiated to meet the demand of population growth and employment growth. We use cointegration analysis on spatial panel data. Our findings indicate that construction starts for residential buildings and commercial buildings are cointegrated with totally different variables. Residential construction is cointegration with property tax rates, resident income and population. Non-residential construction is cointegrated with a local authority's fiscal status and employment. We also simulate the property tax revenue redistribution effect of transfers from fiscally-independent cities to fiscally-weak and peripherally-located municipalities. Counterfactual exercises show that the redistribution effect promotes housing starts in peripheral localities and discourages non-residential building starts. The policy implications of these findings are discussed.

**Regional Studies**

Vol. 60, Issue 1, 2026

***Prioritising public health in mission-oriented industrial strategy***

Jack Newman, Sarah Ayres, Geoff Bates

Abstract: The aim of this article is to identify the opportunities to prioritise public health in industrial strategy. The resurgence of industrial policy has prompted calls for a sector-specific, people-focused, place-based and mission-oriented approach. Absent from the literature is its role in improving public health. We use the UK as a case study to explore policy opportunities and implementation considerations for a ‘healthy industrial strategy’. Through an analysis of policy documents and qualitative interviews, we identify key ingredients: health-informed sector selection; cross-sector policy initiatives such as ‘health and work’; locally led institutional join-up; and the embedding of health objectives within a mission’s framework.

***Failed futures? Unmaterialised visions and their ambivalence in regional development***

Maximilian Benner

Abstract: The role of ideational processes in regional development has drawn growing attention recently, including the construction of imagined futures which provide guidance and directionality to regional policies. However, the debate often suffers from success-story bias in favour of those visions that eventually materialised, although there is much to learn from failed futures in regional policymaking. However, the success or failure of regional futures is not straightforward but often ambivalent, not least because regional futures can combine diverse policy considerations. This article proposes a nuanced view on regional futures, drawing on the case of Be’er Sheva, Israel’s proclaimed ‘cybersecurity capital’.

***Same goal, different paths: regional transformative innovation policies and coal phase-out (down) in China***

Kejia Yang, Hao Tan, Wei Shen

Abstract: How can we explain divergent regional coal phase-down pathways within a large country? We develop a co-evolutionary conceptual framework that elucidates how regional policy change, regional capabilities and socio-technical regime transformation interact dynamically to shape distinct transition trajectories within national policy frameworks and regional structural conditions. We apply this framework to two Chinese provinces – Inner Mongolia and Guangdong – that exhibit markedly different coal phase-down pathways despite the same national decarbonisation agenda. The study contributes to research on place-based transformative innovation policy by showing that regional energy transitions emerge from co-evolutionary interactions among region-specific policy, capability and structural dynamics.

***By choice or by necessity? Spatial disparities of student mobility in the Italian higher education system***

Nicolò Avogadro, Alice Civera, Antonio Di Donato, Michele Meoli, Stefano Paleari

Abstract: This paper presents a spatial interaction model of aggregate student flows to 78 public and private Italian universities in the 2011–22 period, providing evidence of distinct determinants for two categories of mobility: mobility by choice and mobility by necessity. Mobility by necessity is strongly associated with the cost of education and economic prosperity in the destination area, while mobility by choice is tied to the perceived quality of education and overall living conditions in the destination area. Policymakers currently handle these two types uniformly, but tailored policies could be

considered in light of the amount of public funds devoted to student support. Income-based financial aid is especially relevant in the case of mobility by necessity, which is closely linked to economic constraints and territorial disparities. In contrast, merit-based instruments and greater institutional or regional autonomy in managing admissions could be explored as potential policy options for mobility by choice.

### **Regional Science Policy and Practice**

Volume 18, Issue 6 (June 2026)

#### ***One instrument, two goals: Using taxation to achieve efficiency and rent capture in fisheries management***

Nils-Arne Ekerhovd, Stein Ivar Steinshamn

Abstract: As an alternative to rights-based commons management, we illustrate how open access combined with taxes can be used to optimally structure a fishing fleet and efficiently allocate harvest across a portfolio of species between vessel groups within a static setting. Biological over-exploitation is prevented through externally imposed limits on total output. A case-study based on data from Norway's fisheries sector is used to illustrate our tax-based framework. Greater tax flexibility brings the solution closer to the first-best outcome. If implementing a flexible tax proves challenging for social or political reasons, even less flexible taxes can capture a significant portion of the resource rent and improve the composition of inputs as a second-best alternative. The taxes are easy to administer as they are collected on first-hand delivery.

#### ***Agricultural energy subsidy reform and provincial carbon leakage: A regional input-output analysis of Iran's energy-pollution nexus***

Mohammadreza Ramezani, Naser Shahnoushi, Tinoush Jaghdani, Arash Dourandish, Vahideh Ansari

Abstract: Heavy energy subsidies in Iran, amounting to nearly 36% of GDP, have long driven excessive fossil-fuel consumption and worsening air pollution. This study applies a province-level input-output model to assess energy subsidy reforms in Razavi Khorasan Province, Iran, using official government data. It derives sectoral CO<sub>2</sub> intensities and simulates both uniform and sector-specific energy price shocks to reflect the uneven distribution of existing subsidies. The results show that uniform energy price reforms across all sectors lead to nearly proportional CO<sub>2</sub> reductions while causing only modest declines in regional GDP. In contrast, steeper price increases in the agricultural sector result in limited additional abatement, due to low farm-gate tariffs, inelastic irrigation demand, and the reallocation of electricity during shortages. The electricity supply and related services sector emerge as the most influential leverage point, with its high emissions multiplier offering substantial decarbonisation potential across provinces. Notably, transport, storage, and postal services sector ranks as the third-largest emitter and exhibits considerable price responsiveness. These findings challenge the efficacy of irrigation-focused pricing for decarbonisation. We propose that combining price reforms with complementary measures such as modernising the electricity generation sector, improving irrigation efficiency, deploying solar pumps, and strengthening groundwater governance would yield more effective outcomes.

### **Papers in Regional Science**

Volume 105, Issue 2 (April 2026)

#### ***Evaluating the impact of targeted decentralization on household consumption: Evidence from marginalized and privileged regions in Kenya***

Frederick Kibon Changwony

Abstract: This paper evaluates the impact of Kenya's 2010 constitutional reform, which established 47 semi-autonomous counties and implemented a nationwide decentralization framework with redistributive fiscal transfers favoring 14 historically marginalized regions through a revenue-sharing formula and Equalization Fund. While decentralization is widely promoted as a tool for improving citizen welfare, evidence on its distributional consequences—particularly when exposure varies across regions—remains limited. Using household-level data from the 2009–2018 Kenya FinAccess Survey, this study exploits differential exposure to targeted fiscal transfers following the 2013 decentralization rollout to examine effects on six categories of household consumption: mobile airtime, education, household bills, medical expenses, rent, and family transfers. A difference-in-differences framework reveals significant post-reform increases in spending across several categories in more heavily exposed (marginalized) regions relative to less exposed counties (privileged). Quantile regressions show that these gains were unevenly distributed: poorer households experienced larger relative increases in total consumption, while richer households saw stronger growth in education and medical expenditures. Causal mediation analysis indicates that higher county-level budget allocations and household income partially explain these effects. A comprehensive set of robustness checks—including parallel trends verification, entropy balancing, falsification tests, alternative treatment definitions, and sensitivity to inference choices—supports the internal validity of the findings. Overall, the results suggest that targeted fiscal decentralization, when embedded within a nationwide reform, can reduce regional disparities while generating heterogeneous welfare gains across income groups.

***Raising cultural participation: Limits and pitfalls of cultural spending in cities***

Romain Lerouge, Michela Arnaboldi

Abstract: Cultural participation is a catalyst for urban vitality and transformation, characterising central-periphery dynamics. At the frontline of public endowment to the arts, cities' spending plays a major role in sustaining cultural vibrancy in a territory. People's cultural participation is, however, shaped by several socio-economic factors that can be a barrier to their engagement in the arts, intimately tied to the effectiveness of public spending in cities. This study draws on data from 1343 towns and cities in the Italian region of Lombardy and investigates the relationship between cultural spending and cultural participation. While the relationship is significant only for wealthy cities with lower economic deprivation, the study outlines the importance for local administrators to integrate cultural policies into a broader set of public policy actions.

***Does labour market area affect local unemployment rates? Evidence from mono-centric and polycentric Italies, 2006–2022***

Alessandro Muolo, Emma Bruno, Rosalia Castellano, Luca Salvati, Gennaro Punzo

Abstract: We reconnect the economic and geographical dimensions of labour market dynamics by examining whether settlement models affect local labour markets' performances in Italy. Results of spatial Durbin regressions outline a quadratic relationship between unemployment and market area, with lower rates in bigger and smaller districts. Tourism and 'Made-in-Italy' industries had a positive impact on local unemployment. Conversely, urban districts or those located in EU-Objective-2 regions exhibited higher unemployment rates. Local regressions demonstrate how diversified market areas consolidate spatial disparities in unemployment rates in mono-centric regions like Southern Italy. Economic downturns suggest the importance of polycentric development to achieve balanced job markets.

**Australasian Journal of Regional Studies**  
Vol. 30, No. 2

***OUTPUT DIVERGENCE AND CLUB CONVERGENCE: NEWFOUND EVIDENCE FROM A LOW-MIDDLE INCOME COUNTRY***

HOANG-ANH DUONG, XUAN-BINH (BENJAMIN) VU, TAM-HOA VU, NHU-QUYNH LE, THI-HANG TANG, TRUNG-HIEU LE

**Abstract:** This study examines output divergence and club convergence across 63 provinces in Vietnam during the period 2010–2023. The study found that the provincial level of real gross domestic product (GDP) per capita diverged over the study period. However, all 63 provinces could be grouped into six convergence clubs. This study also employs Geographic Information System (GIS) techniques to examine whether high-performing provinces are geographically concentrated around Vietnam’s economic centres. In further insights into the six convergence clubs using analytical techniques, we found that the convergence Club 1 includes 21 provinces with the highest per capita real GDP, total investment, and foreign direct investment (FDI), which contrasts with the provinces of the remaining Clubs 2–6. Based on our findings, three policies are recommended to reduce income inequality across the provinces of Vietnam.

***REGIONAL DIFFERENCES IN AUSTRALIAN EXPORT GRAIN SUPPLY CHAIN VELOCITIES AND THEIR IMPLICATIONS***

HEMALI KANTHILANKA, ROSS KINGWELL

**Abstract:** The size of grain harvests are increasing in most Australian states, enabling farmers to supply increasing volumes of grain to domestic and international customers. There is a market preference to supply international

customers in the months prior to the availability of the northern hemisphere grain harvest that commences from June. To expedite export sales of Australian grain, most owners and operators of regional export grain supply chains in Australia are increasing their investments in the velocity, reliability, and capacity of their export grain supply chains. Larger volumes of Australian grain are now more rapidly exported. But what are the ramifications of these investments? Drawing on historical datasets of regional grain production, domestic grain consumption, and grain exports in each Australian state, this paper explores the national and state impacts of the enhanced investments in Australia’s export grain supply chains. The implications for Australian farmers, domestic consumers of grains, and owners of grain supply chain infrastructure are discussed. Farmers benefit from the enhanced capacity and velocity of grain flows in Australia’s grain supply chains, but in some eastern states in particular years, food price inflation may be triggered whenever more grain more quickly leaves Australia’s shores prior to a severe emerging drought that constrains future local grain supplies and places upward pressure on local grain prices. In periods of prolonged drought, concerns about domestic food price inflation may lead to social and political pressure for changes to grain export and grain import policies and additional investments to facilitate interstate grain flows.

***RURAL URBANISATION AND RURAL INDUSTRIALISATION: STUDYING THE LINKAGES WITH AN INFRASTRUCTURE INDEX APPROACH***

SUBRATA DUTTA

**Abstract:** This paper explores the rural urbanisation process, infrastructure status (physical, social, and agricultural), and development of rural non-agricultural activities in West Bengal, India. The study examines how new urban growth relates to infrastructure deconcentration and how rural

infrastructure contributes to the expansion of non-farm activities. Key findings indicate a Kolkata metropolitan-centric urbanisation pattern, with neighbouring districts like Howrah, Hooghly, and North 24-Parganas showing high urban growth, while rural areas experience low urbanisation. The state has witnessed a surge in the number of census towns, accompanied by uneven infrastructure development across districts. Rural enterprises in West Bengal remain largely informal, with limited employment capacity. Districts with better infrastructure, such as Bardhaman, Howrah and Hooghly, have higher percentages of non-agricultural enterprises employing hired workers, reinforcing the link between infrastructure and non-agricultural activity growth. Policy recommendations include targeted investments in infrastructure to support rural non-farm activities and local employment creation, especially in districts with lagging infrastructure.

***THE IMPORTANCE OF PLACE-BASED REGIONAL DEVELOPMENT INITIATIVES IN DIVERSIFYING THE ECONOMY OF THE KATHERINE REGION OF AUSTRALIA'S NORTHERN TERRITORY***

SANDRA LEUTWILER

Abstract: Peripheral, staples-based regions around the world are often subjected to disempowering “development” processes by international, national, and subnational forces. The remote regions of northern Australia are some of the most marginalised regions in Australia, despite holding critical mineral and energy resources, major defence establishments and vital transport links. Using a mixed methodology of economic analysis, document review and semi-structured interviews, this paper examines economic development planning for the Katherine region of the Northern Territory of Australia from 2014 to 2021 and contrasts this with a place-based development approach. Ostensibly building on the region’s comparative

advantages, formal economic strategies developed at the Federal and Territory scale are focused primarily on industries and projects that increase revenue for higher levels of government and large corporations, rather than creating local employment. These plans are unlikely to diversify the economic structure of the Katherine region and lead to truly sustainable development.

**ABOUT ANZRSIAI**

**ANZRSIAI Council Notes**

Council has planned for the 2024 conference in Canberra at the Ann Harding Conference Centre in University Canberra and improving access to and ranking of AJRS and the website. Conference participants gain access to support, encouragement, and relevant experience. AJRS offers an opportunity for publication. Council acknowledges Rolf Gerritsen’s contributions to ANZRSIAI and proposes his name as a lifetime member of ANZRSIAI.

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Immediate Past President: Delwar Akbar  
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Council Secretary: Azizur Rahman  
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**Editors:**

**2026 Conference Proceedings:**  
Bruce Wilson, Yogi Vidyattama, Rolf Gerritsen, Azizur Rahman et al.

**Australasian Journal of Regional Studies:**  
Michael Cameron  
Azizur Rahman  
Rolf Gerritsen  
Bruce Wilson

**Sustaining Regions**  
Azizur Rahman  
Paul McPhee

**Accounts – Greg Jones**

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