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## Decentralisation - Could it help our fast growing cities?

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*For the*

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## ACRONYMS

ABS	Australian Bureau of Statistics
ACC	Area Consultative Committee
AIUS	Australian Institute of Urban Studies
ANU	Australian National University
COAG	Council of Australian Governments
COGB	City of Greater Bendigo
CSU	Charles Sturt University
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DELWP	Department of Environment, Land, Water and Planning (Victoria)
DSDDT	Department of State Development, Decentralisation and Tourism (Vic.)
GBCC	Greater Bendigo City Council
GSC	Greater Sydney Commission
HHT	Henry Halloran Trust
LCRPA	Loddon Campaspe Regional Planning Authority
LCRSP	Loddon Campaspe Regional Strategy Plan
LGA	Local Government Authority
MDA	Murray Darling Association
MVDL	Murray Valley Development League
NGO	Non-Government Organisation
PIA	Planning Institute of Australia
RAC	Regional Advisory Council
RAI	Regional Australia Institute
RCA	Regional Capitals Australia
RCV	Regional Cities Victoria
RDA	Regional Development Australia
RDO	Regional Development Organisation
RDV	Regional Development Victoria
RIME	Regional Internal Migration Estimates
RRAC	Riverina Regional Advisory Council
RRDB	Riverina Regional Development Board
SD	Statistical District
SGS	SGS Economics and Planning Consultancy
WWC	Wagga Wagga City

## **EXECUTIVE SUMMARY**

### **Could decentralisation help our fast-growing cities?**

A search for an answer to the above question lies behind the present work. The question implies that amongst Australia's big cities there are some whose rate of growth has somehow reached a point where they need 'help' – presumably because that growth rate has become unacceptable for whatever reasons. The paper addresses that question in the context of a detailed examination of the concept of 'decentralisation' which in this country at least has traditionally been seen as a panacea for unwanted urban growth. An underlying assumption is that whilst stopping capital city growth must be seen as a political impossibility, there might just be a mechanism – through decentralisation – for slowing down the growth rate. If so, what does that mechanism entail? What are the options? Are there any prospects for helping country towns to grow whilst putting a dampener on capital city growth?

### **Methodology**

The work involved a selective review of an extensive literature archive going back to World War 2 and earlier. This desk work was supported by two field trips to the large regional cities of Wagga Wagga in New South Wales, and Greater Bendigo in Victoria. From the outset, progress was monitored and critically reviewed by Dr Michael Bounds, Project Manager Research Grants for the Henry Halloran Trust.

### **1 – Introduction and Overview**

In Australia in recent times, the word 'decentralisation' has come to denote the process by which the growth of a big city can somehow be curtailed by shifting some of the growth to other smaller urban settlements – thereby relieving the pressure on the parent city. Governments have embraced the concept with varying degrees of enthusiasm. Results on the ground are difficult to identify and policy successes even more so. Three key questions are explored: -



- Can decentralisation really help to alleviate the growth of our capital cities?
- What is the potential for achieving significant regional growth through decentralisation?
- What infrastructure (hard and soft) is essential for supporting sustained growth in regional centres?

Other related questions are discussed. For example: is decentralisation a matter for governmental intervention? Is it the business of government to help struggling country towns? What are the respective roles of the private sector, NGOs and local government? What does history tell us about past efforts to curtail city growth? What can we say today about Sydney and Wagga Wagga – or Melbourne and Bendigo? The paper notes the recent political and media interest in international migration – seen by some as the cause of big city congestion, pollution, urban crime, waste management, environmental degradation and the like. Some country towns and regions are in decline, is this decline related to globalization? Across six chapters the paper canvasses these matters and notes past suggestions for action including reducing migrant intakes into Sydney and Melbourne; boosting regional centres through planned migration; re-locating government agencies to the bush; doing more to encourage private investment and job creation; and strengthening regional planning. Today, inquiries are telling government that the time has come to take decentralisation seriously. The paper notes the recent up-surge of interest in the notion of a national urban strategy, first promoted during WW2 and later developed as a federal policy instrument in the 1970s.

## 2 Literature Review

Decentralisation is not new to the literature, having been on the table for at least a century. The paper navigates selectively through an extensive archive, with major contributions from Australian scholars, governments and NGOs especially during the 3 decades after WW2. Case studies of successful decentralisation projects are rare: more common are contributions to the debate through parliamentary inquiries, discussion papers and the like. A small cohort of academics has specialised in the topic with findings tending to be descriptive rather than analytical. Signal events which triggered research and official study included the 1971 National Development Conference in Canberra and the Albury-Wodonga Growth Centre project of 1973-2003. Federal Labor's ascent to power in 1972 was a stimulus for a plethora of official and academic papers on decentralisation which followed through to the end of the century and beyond.

That spate of interest coincided with the end of the 30-year post-war 'long boom' which had seen a doubling of the populations of Sydney and Melbourne. But, as the literature clearly illustrates, successive state governments were lethargic: the dream of a decentralisation program linking all

three levels of government and the private and NGO sectors proved elusive and the record over the following few decades shows that progress was slow, sporadic, almost immeasurable. At the federal level, decentralisation suffered a similar fate, becoming a political football as governments came and went. The era saw the notion of subsidiarity gain strong adherents at local government and regional levels, with some evidence of support at state and federal levels. Overall, the literature is virtually bereft of evidence of real on-the-ground achievements which demonstrated that decentralisation was a workable concept. Money flowed to councils from commonwealth and state coffers but as the literature shows, the extent to which the bush enjoyed a consequential growth in population at the expense of the big cities remained problematical. The big cities continued to grow regardless. A number of commentators took the view that decentralisation as an arm of government policy was a non-starter.

Indeed, throughout the period under survey, academic opinion appeared to lean heavily towards scepticism – perhaps based on the perceived dearth of hard statistical evidence to show that decentralisation could actually work, given the right circumstances. Some authorities were trenchant in their rejection of the whole notion. For them, city growth is inevitable – even desirable. Jane Jacobs (1992) - for example - condemned the ‘decentrists’. For her, decentralisation would be the kiss of death for the great city whose very health and vitality relied on constant growth and change, land use mix, the rough and the smooth. In Australia, academic and urbanist Hugh Stretton (1970) was also less than enthusiastic about decentralisation – more inclined to support the Jacobs thesis. Clive Forster (1995) claimed that in the absence of what he termed ‘Draconian controls’ on further metropolitan growth, the magnetism of the major cities would continue unabated. More recently, Paul Collits (ex-RMIT) was quoted as saying that ‘decentralisation is not the answer, not for migrants, not for anyone. It doesn’t work and won’t shift the needle.’<sup>1</sup>

In short, the literature swings from the work of the nay-sayers to those in the middle ground to those in officialdom whose reports and policy statements invariably carried a touch of optimism. The hope was always there: given the right circumstances – given support from the grass roots – given strong leadership – given all these things (and more) – *yes: decentralisation can work*. And whilst the bureaucrats were writing their reports, independent writers were exploring such concepts as third tier cities, creative cities, migration, the lessons of Albury-Wodonga, optimum city size, sponge cities, selective decentralisation, regional resource management, and bottom-up (as against top down) regional decision-making. The evidence strongly suggests that in the early years of the debate there seemed to be a prevailing view that decentralisation would only

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<sup>1</sup> Quoted by Creighton, A, The Australian, September 18, 2018 - *Things are cooking in the big smoke*

work if *government* took the lead role. Later came the shift, government certainly has a role - but the real work was a matter for leaders at regional and local levels.

Metropolitan primacy is clearly a prevailing theme throughout the period under survey. Sydney and Melbourne were the drivers. The literature repeatedly returns to the observation that these two cities are absorbing the bulk of the nation's population growth. The statistics are compelling, and for some there is a worrying lack of 'balance' in the pattern of urbanization in Australia. If metro growth could be slowed or curtailed, and more people could be directed to the regions, this imbalance could be addressed. In this context it is notable that the literature reveals Melbourne as a capital whose planning policy dictates that it must necessarily involve a consideration of its links to the regions outside. Not so Sydney: the latest plan for Greater Sydney is effectively (surprisingly?) silent on regional issues.

The literature review sought answers to the three questions which underpinned the present research. In summary, and for this reviewer, three primary conclusions can be bluntly stated. First: decentralisation under any name will not alleviate metropolitan growth. Second: there is clear potential for enhancing regional growth but only if officialdom is involved at every level, working hand in hand with local leaders. And third: sustained regional growth demands the provision of hard and soft infrastructure as an absolute pre-requisite. Two secondary conclusions are offered. The literature is almost completely silent when it comes to coverage of successful decentralisation activity; and our understanding of how and why certain towns grow whilst others do not would be enhanced through the provision of more place-specific demographic data.

### **3 Urbanisation in contemporary Australia.**

Australia stands as a highly urbanized country in which more than half the national population will be found in a small handful of capital cities. With that fact as a given, the chapter explores a number of related topics which provide a broad context for the discussion of decentralisation as the unifying thread of the entire work. The work of the Australian Bureau of Statistics is briefly reviewed, the focus being on its various efforts to study the demographics of small towns, inter-regional migration patterns, employment figures and the like. Country of birth, educational levels, and housing are sectors which are covered in detail. For the student of decentralisation, however, it appears that the ABS cannot yet provide data which can throw light on the fundamental questions. As a result of a given decentralisation program, how many people moved from Sydney or Melbourne to a specific country town or region? To what extent did the metro populations see a decrease consistent with an increase in the regions? The chapter goes on to discuss internal migration as a component of decentralisation, with particular attention to the movement of young

people between the capitals and the bush. The involvement of country towns in local and regional planning is covered, along with references to some recent successes in attracting new enterprises and exploiting local resources. Current urban and regional policy commitments at federal government level are discussed in the context of an impending general election.

#### **4 Case study of the City of Wagga Wagga in the Riverina region of New South Wales**

The chapter covers the City's role as the de-facto capital of the Riverina region in south-western New South Wales. Its steady growth is examined within the framework of a long-standing debate about decentralisation and regionalism extending back to WW2 and the birth of the Murray Valley Development League – predecessor of the modern Murray Darling Association. During the 1970s the City was an enthusiastic proponent of decentralisation, at one point seeing itself as a logical place for a federally-supported growth centre as an alternative to Albury-Wodonga. More recently the City has been promoting regionalism through its membership of the Riverina Committee of the Commonwealth-funded Regional Development Australia organization. Present research efforts found that the answer to the question as to whether or not Wagga Wagga and the Riverina Region can properly be identified as direct beneficiaries of past decentralisation programs remains a topic for further demographic study. In terms of jobs and people, results (on the ground) of official state or federal decentralisation projects have yet to be quantified. However, there is no doubt that the modern city is thriving – decentralisation or no – and that its relative remoteness from the state capital has not hindered its growth. Indeed, there might even be a tinge of relief in that fact in some of the documents reviewed for this paper.

#### **5 Case study of the City of Greater Bendigo in Victoria**

South of the border, Bendigo stands as Victoria's counterpart to Wagga Wagga. As the administrative hub of the Loddon-Campaspe Region the city serves a population in the order of 195,000. Unlike Wagga Wagga, Bendigo's growth and development over many years has been closely influenced by its proximity to the state capital; indeed, research shows that the latest plan for metropolitan Melbourne makes specific reference to the capital's important links to Bendigo and regional Victoria. Bendigo's record in regional planning and promotion is salutary, with recent research results pointing to a commitment to its cultural strengths which is unusual amongst Australian regional centres. The present study shows that today in Victoria, notions of decentralisation and balanced development have largely disappeared from the state government's agenda, to be replaced by a stronger emphasis on regionalism and the subsidiarity governance model. Dampening Melbourne's growth no longer seems to be a priority; rather is there a clearly-stated intention for governments to help the regions to help themselves.

## 6 Conclusions and findings

Key baseline factors included the following: -;

- The three levels of government are all potentially involved but under current laws, none have the legal power to enforce a decentralisation project.
- There is no governmental entity at the regional level. Regionalism is largely a voluntary business.
- Private Individuals and families generally make relocation decisions on the basis of personal preferences and values. Their decisions will generally be voluntary.
- Businesses generally make relocation moves having regard to financial realities, feasibility, labour availability, profit expectations, Decisions will generally be voluntary
- Government agencies move because they are told to do so by their political masters
- Immigrants will almost certainly choose to locate in a capital city.
- Incoming businesses will typically choose to locate where there is a good supply of labour. both skilled and unskilled.

In looking at capital city growth, today we are facing an annual total of some 178,000 people arriving in our two biggest cities over the life of their respective metropolitan plans. The conclusion is inevitable: a program of new urban developments – new cities in the regions – to cope with this growth is unrealistic in the real world of contemporary Australia. Unpalatable though it may be to some, the assumption must be that come what may, Sydney and Melbourne will continue to experience strong growth, supported by State governments which have seemingly decided that curtailing metro growth to any significant degree is out of the question.

However, in the regions, another scenario appears to be emerging. It may offer some hope for indirectly moderating the rate of capital city growth; but perhaps more importantly it has the potential to strengthen regional economies and stimulate regional population growth, seen as legitimate aims in their right. Key components of this fresh scenario are sketched out below.

### Subsidiarity<sup>2</sup>

The call for more local control over local matters is growing. Cumbersome top-down management models involving centralised decision-making by a remote bureaucracy are being replaced by stronger and more accountable organisations on the ground in the regions. Regionalism appears to be alive and well in today's Australia. Endogenous growth is seen by many as the way ahead.

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<sup>2</sup> Subsidiarity is a process involving a devolution of decision-making down to the governance level most impacted by the decisions.

### Creative cities

Bendigo City is explicitly committed to the 'creative city' promoted by American sociologist Richard Florida in his books *The Rise of the Creative Class* (2002) and *The Flight of the Creative Class* (2005). Wagga Wagga is a possible candidate. Research and observations in the field lead this reviewer to a tentative conclusion that whilst the economic success of a country centre is certainly not dependant on its adoption of the Florida model there is a strong probability that its success will be enhanced if it does so.

### The residential property market

Today the price differential between the cost of housing in the capital city and the bush is not marginal. Rather does it have the potential to become a key determinant of a decision which a young couple might make in deciding where to live and raise a family.

### A national urban strategy

It is almost half a century since a national government committed itself to a reformist policy framework which was based firmly on the notion that the future of our towns and cities was a matter demanding the direct involvement of Canberra. Today, research shows that change is again in the air. A conservative federal government under a Minister for cities has commissioned various inquiries and a discussion paper on decentralisation, cities and infrastructure. Regional organisations are active. Two large regional cities have argued for greater government involvement in the provision of regional infrastructure. A major regional university (Charles Sturt) has made a powerful case for a regional development framework linked to a national inter-governmental partnership. A national coalition of regional cities has been established, along with NGOs devoted to research and promotion at the regional level. Authorities seem to agree that the growth of Sydney and Melbourne is beyond control. Big city growth cannot be curtailed; but much more can be done to build regional strengths for their own sakes. There is a consensus emerging that helping the country towns and regions to survive and prosper *is the right thing to do* - *within* the context of a national plan or strategy of some kind. Local economies deserve to be strengthened for their own selfish reasons...not for the purpose of relieving capital city growth.

### The digital revolution

Changes and reforms in the workplace have implications for city form and function, and may well offer exciting prospects for new regional business start-ups.

### Sustainability

Sustainability is starting to emerge as a potent influence on people's choice of domicile. As green politics evolve and as sustainability becomes an acceptable mantra, a return to Schumacher (1973) and his 'Small is Beautiful' thesis is a possibility

### High-speed rail

This present work has elicited a number of mentions about the suggested introduction of a high-speed inland rail link between Brisbane and Melbourne, with consequential benefits to regional economies and towns along the track. Wagga Wagga is one such city. Perhaps there is also room to dream about the long-term potential for building a new town designed as a service centre for a new high-speed system.

### Where are the knowledge gaps?

Throughout the present work, gaps in data availability have been noted.- especially when it comes to trying to find out whether Sydney and Melbourne have lost people to particular country locations. Has population growth in these cities declined as a result of decentralisation programs?. Quantifying the demographic benefits of such projects seems to remain a statistical impossibility using existing data sources.

## **THE THREE QUESTIONS : A SIMPLE RESPONSE**

*Can decentralisation really help to alleviate the growth of our metropolitan capitals?*

The short answer is 'no'. Decentralisation as a government-led policy and as practiced in Australia under any name has never been instrumental in retarding metropolitan growth.

*What is the potential for achieving significant decentralisation movement and population growth / resettlement in regional centres?*

The potential is there but it is limited. It will depend to a significant degree on the 'new regionalism' involving the adoption of subsidiarity principles, bottom-up planning models, and government support for those places which display a determination to help themselves in the first instance. People are likely to exploit a house market in which prices are strongly skewed in favour of the bush; and for some, small town life might come to be seen as a 'greener' preference to life in the big city. Overall, numbers will be small with negligible impact on metropolitan growth. The Commonwealth could require incoming migrants to spend time in the bush or could stimulate regional growth by investment in a major labour-intensive infrastructure (eg a large wind-farm or solar energy project or rail link) but the post-construction benefits may be few.

*What infrastructure (hard and soft) can be seen as an essential pre-requisite for sustained growth in regional centres?*

Top of the list of hard infrastructure items would be roads, water storages, communications in every form. A fully equipped base hospital with medical research facilities – possibly linked to a regional university and aged-care centres - would also be on the top of the list. Soft infrastructure items would include well-equipped facilities for music and the performing arts in all genres; a cinema; a modern library with on-line study facilities; one or more heritage conservation precincts; and at least one comprehensive high school. Good architecture, quality urban design, and attractive landscaping are all valued amenity factors. Likewise, a development control policy which encouraged housing choice and variety instead of wall-to-wall low density suburbia would also help to strengthen the town's image as a good place in which to live, work and relax. These items are not luxuries. A city without them will suffer in comparison. Bendigo and Wagga Wagga stand witness to these observations as they pursue their separate growth paths into what appears to be a healthy, sustainable, creative and well-resourced future.

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Post -script: As this report goes to press the Australian Institute of Architects has just released the January-February edition of *Architecture Australia.*, the national journal of the architectural profession. The issue is devoted entirely to the theme of architecture in regional, rural and remote Australia. A detailed assessment is beyond the scope of this present report. However, the writer wishes to record his personal opinion that this special issue of AA sits as a timely record of the projects, ideas and achievements of that special group of practitioners who are working in the bush. The members of that small group are committed to the notion that good design can make a notable contribution to quality in the public domain in the small town and regional centre, and in so doing the image and identity of the place is enhanced – with significant flow-ons for the town's economy and its ability to attract and retain people and jobs. There is a clear if coincidental link with the Richard Florida 'creative city' thesis which is explored in the literature review which follows.

The NSW Division of the Planning Institute of Australia has just released the March 2019 edition of its journal "New Planner". Coincidentally, it too is devoted to rural and regional planning.



## 1 INTRODUCTION AND OVERVIEW

The word 'decentralisation' is broadly defined by the Oxford English Dictionary as 'the principle that a central authority should have a subsidiary function, performing only those tasks which cannot be performed at a more local level'. In Australia in recent times, urban geographers, demographers, planners and policy makers have used the word in a more specific way to denote the process by which the growth of a big city can somehow be curtailed by shifting some of the growth to other smaller urban settlements – thereby relieving the pressure on the parent city whilst simultaneously bringing economic and social benefits to the recipient centre. In this country, and especially since WW2, governments at federal and state levels have embraced the concept with varying degrees of enthusiasm. Results on the ground are difficult to identify and policy successes even more so.

This short research paper examines the topic from a contemporary Australian perspective. It has been stimulated by recent political interest in the decentralisation debate and by vigorous discussion within civil society and the Non-Government Organisation (NGO) sector about Australia's demographic future and settlement pattern – linked directly to our migration program. The work sought answers to three questions.

- Can decentralisation really help to alleviate the growth of our metropolitan capitals?
- What is the potential for achieving significant decentralisation movement and population growth/resettlement in regional centres?
- What infrastructure (hard and soft) can be seen as an essential pre-requisite for sustained growth in regional centres?

Discussion is centred on the underlying '*problematique*': what is this thing called 'decentralisation' and is it worthy of official attention and action? Should governments intervene to curtail metropolitan growth whilst helping struggling country towns and regional centres to survive? Under what circumstances should such intervention be attempted and pursued? What are the respective roles of the private sector, NGOs, local government? Is it sensible to suggest that each major urban settlement has an optimum population level, beyond which further growth should go

elsewhere through an officially-sanctioned decentralisation program? Is there such a thing as 'environmental capacity' when it comes to determining whether or not a city has reached its limits to sustainable growth? How is society to decide the right path when the metropolitan property market says growth is good whilst long-suffering city commuters say growth is bad. "Our cities are full" they are saying. What does history tell us about past efforts to curtail city growth? What can we say today about Sydney and Wagga Wagga (for example) – or Melbourne and Bendigo?

If the daily press is any guide<sup>3</sup> there are several topics which today are regularly capturing headlines – and at first glance they appear to be interlinked. For example: we are told by some of our leaders that we are bringing too many migrants to our shores. We know from first-hand experience that our biggest capital cities are bulging at the seams – with congestion, pollution, urban crime, waste management, environmental degradation and inadequate infrastructure as related conditions. Many country towns are suffering economic stagnation or population decline or both. Regional economies are likewise being impacted – directly or indirectly – by unexpected changes due in part at least to the globalization effect. The solution? Suggestions include reducing migrant intakes into Sydney and Melbourne; boosting regional centres by a program of planned migration; re-locating government agencies to those centres; doing more to encourage private investment and job creation in the bush; and strengthening regional planning and management arrangements.

In other words, the message from many quarters is that the time has come to take decentralisation seriously. And quite coincidentally - as this is being written - the Planning Institute of Australia is urging us to go further by designing an 'integrated national urban policy...to alleviate pressures now being felt in Sydney and elsewhere whilst ensuring that those regions which actually want more immigrants were not left behind'.<sup>i</sup> The same message is coming from the federal government itself with its 2016 Smart Cities Plan, its City Deals program, and the Planning Liveable Cities paper (2018).<sup>ii</sup>

A quick if selective glance at the literature on decentralisation tells us that with the possible exceptions of globalization and the push for a reduced migrant intake, most of these issues have been on the table since the WW2 era. In 1942, the Curtin government envisioned a national plan for post-war reconstruction covering city size, infrastructure, urban life. In 1944 the Commonwealth Housing Commission advised government on housing, urban planning and

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<sup>3</sup> See, for example, Sydney Morning Herald 24 September 2018, p.1. *Sydney backs curb on migrants*; and SMH 13 December 2018, *Morrison signals population cut after state warning*.

regional development. In 1957, in his book *Sydney's Great Experiment*<sup>iii</sup> Professor Denis Winston<sup>4</sup> warned

that implementation of Sydney's Cumberland County Plan would be at risk 'unless it was assisted and supplemented by an active decentralisation policy'. In their seminal text on urban planning in Australia, A J Brown and H.M.Sherrard (1959, p.343) discussed decentralisation, listing community advantages alongside disadvantages to employers in language which would sit comfortably in a modern treatise.<sup>iv</sup> In 1961, Gottman's monumental study of massive urbanization in the north-eastern seaboard of the USA discussed congestion, pollution, environmental degradation and social ills in the big cities as warranting programs of dispersal and decentralisation,<sup>vi</sup>

Ten years later (August 1971) these same problems were debated at a historic conference in Canberra presented by the Australian Council for Balanced Development and attended by some 160 delegates including Gough Whitlam, the then Leader of the Federal Opposition and soon-to-be Prime Minister<sup>5</sup>. This event was almost certainly the first of its kind in the post-war era, presented as 'an action conference to ease the pressures on capital cities and to accelerate development in country areas'. Significantly, the Conference passed the following motion – one which was surely a trigger for the reformist urban and regional programs of the incoming Whitlam Labor government of the 1972-75 era.

- 'The National Development Conference calls upon the National Parliament and National Government to recognize and act upon a duty to give leadership and substantially to finance decentralisation and the better balance of population and employment so as to ease the pressures on capital cities and to accelerate development of country areas.
- Further: Conference requests that the Commonwealth Government proceed forthwith to promote the creation of a first major non-metropolitan growth centre.
- It is recommended that a unit be set up within an appropriate Commonwealth Department to implement these proposals and to co-operate with the States.<sup>vii</sup>

The 1971 Canberra Conference was an event attended by an army of true believers. Delegates were fired up by committed speakers whose message was clear: it was time for a great national adventure in settlement planning to curb the evils of uncontrolled capital city growth, to stimulate

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<sup>4</sup> Winston was the first academic to hold a full chair in town planning at the University of Sydney. The 'great experiment' was the creation by the NSW government of the Cumberland County Plan-the first plan for metropolitan Sydney.

<sup>5</sup> Many of the themes debated at the Canberra conference were shortly taken up by the reformist Labor Government under Gough Whitlam in 1972 and after.

non-metropolitan growth, to save the small country towns from having to face a slow death. It was a Utopian message – inspirational, yet supported by a set of well-articulated proposals for action which included planning for growth centres and the creation of a national decentralisation agency. A year later a victorious Labor Party took government after almost a quarter century of conservative rule and immediately embarked on a program of far-sighted reforms which included the preparation of a comprehensive national urban and regional policy framework. Decentralisation was part of the mix; and before long Australia was to see Albury-Wodonga declared as the nation's first 'growth centre'.<sup>6</sup>

It was hoped that the lessons learned from the Albury-Wodonga project would stimulate and fertilise other such ventures around the country. It was time: the 30-year post-war 'long boom' had seen a doubling of the populations of Sydney and Melbourne, and by 1971, almost 60% of the national population lived in the major cities.<sup>7</sup> But despite (or because of) the comfortable boom years, successive governments were notably lethargic when it came to pursuing the dream of a decentralisation program linking all three levels of government and the private and NGO sectors in breathing new life into non-metropolitan towns and regions. The record over the following few decades shows that progress was slow, sporadic, almost immeasurable.

At the federal level, decentralisation suffered a similar fate to that experienced by other reforms, becoming a political football to be kicked in and out of play as governments came and went. At state level there was always some action, ranging from the creation of dedicated agencies and regional consultative bodies to programs of grants, interest-free loans and other forms of assistance to mendicant local councils. The notion of subsidiarity was beginning to gain adherents as local councils and regional advisory bodies began to tentatively flex their muscles. But evidence of real on-the-ground achievements is difficult to find. Certainly the era saw substantial flows of money from commonwealth and state to local coffers through grant-in-aid programs and one-off funding exercises for local infrastructure projects. However, the extent to which the bush enjoyed a consequential growth in population at the expense of the big cities remains highly problematical.<sup>viii</sup> Conversely, big city growth seemed to remain at the expense of the bush. These realities alone continue to provide support for the cynic's view that decentralisation *as an arm of government policy* is and always will be a non-starter.

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<sup>6</sup> For a thorough and meticulously researched personal coverage of the Albury-Wodonga project, see Pennay, 2005.

<sup>7</sup> The 'long boom' was a period of rapid population growth, urban expansion and economic development which lasted until the early 1970s. See Forster (1995). Daly, M, 1982, provides comprehensive coverage of the development scene in Sydney in his *Sydney Boom – Sydney Bust*.

There have always been sceptics on the sidelines of the decentralisation debate. As will be mentioned in the following literature review, numerous writers have not been afraid to reveal their frustration at the knowledge gaps and dearth of hard statistical evidence to show that decentralisation can actually work, given the right circumstances. Some authorities have been trenchant in their rejection of the whole notion, arguing that it is like swimming against the tide. City growth is inevitable, unavoidable – even desirable. It cannot be stopped; nor should it be. In her immensely influential work on the modern American city, Jane Jacobs (1992)<sup>ix</sup> - for example - condemned the ‘decentrists’ and their campaigns to cleanse the ‘bad old cities’ by curtailing their growth, removing the ills so clearly described by Lewis Mumford (1958) in his classic *The Culture of Cities*- a work which was scathingly described by Jacobs as largely ‘a morbid and biased catalogue of ills’. For Jacobs, decentralisation would be the kiss of death for the great city whose very health and vitality relied on constant growth and change, land use mix, social complexity, the rough and the smooth. How could it be, she asks, ‘that people who sincerely wanted to strengthen great cities should adopt recipes frankly devised for undermining their economies and killing them’. (Jacobs, 1992,p.21)

Here in Australia, academic and keen city observer Hugh Stretton (1970) was also less than enthusiastic about decentralisation – more inclined to support the Jacobs thesis whilst admitting that thriving non-metropolitan cities deserve all the help they can muster if they are ever to act as counter-magnets to the state capitals in terms of what are today called life-style qualities.<sup>x</sup> Clive Forster (1995) claimed that it has proved very difficult, in the absence of Draconian controls on further metropolitan growth, to counter the magnetism of the major cities’.<sup>xi</sup> And decentralisation authority Paul Collits (2002) from RMIT was recently quoted as saying that ‘decentralisation is not the answer, not for migrants, not for anyone. It doesn’t work and won’t shift the needle.’<sup>xii</sup>

So where do we go from here? How do we resolve the dichotomy ?

If you were to ask the mayor of any country town or shire for a list of his or her priority needs, jobs and employment opportunities through investment would be close to the top. Jobs will bring people. With more people will come fresh blood, fresh ideas, fresh investment, fresh social capital. Next on the list would be money to help pay for hard infrastructure such as roads, bridges, welfare housing, hydraulic services, streetscape improvements, libraries - to be followed by investments in ‘soft’ infrastructure such as community development programs, meals on wheels, and the like. Underpinning these desires will be the unstated belief that the place in question is already a good place to live but it can be made better by attracting more people - from some other place. That other place is typically seen as the big city, the ‘big smoke’, the metropolis. In *Otherplace* there are too many people whilst we here in *Smalltown* don’t have enough. Decentralisation will bring

benefits to both. In very simple terms that seems to be the justification for decentralisation as seen through the eyes of country folk.

If the tables are turned and the same question was to be asked of our leaders in the big city the answer would be entirely different. We would hear statements to the effect that existing infrastructure cannot cope with unrestricted urban growth. We are running out of land for housing, industry. Our open spaces are suffering from ever-increasing demands from the organized sporting lobby, from the events industry, from the disposal of 'unwanted' Crown lands to developers. Roads are congested; peak hours on busses and trains are intolerably crowded. Air quality is unpredictable and erstwhile fresh-water streams are polluted beyond repair. Mountains of waste await disposal. And so on .... The priority for these decision-makers is to find some way of relieving the pressure on city growth: and certainly not to bring more people !

Finding a way to reconcile these two sets of concerns lies at the core of the contemporary debate about decentralisation. This study seeks to throw some new light on an old topic - and perhaps offer suggestions for an escape route out of the current policy impasse.

## 2 DECENTRALISATION – A LITERATURE REVIEW

### 2.1 Introduction

While Australian capital cities get bigger and bigger on a growth trajectory, hundreds of small towns struggle to survive and even the larger ones are lucky to enjoy even moderate growth rates. Taken in its broadest sense, *decentralisation* is defined by the Oxford English Dictionary as 'the principle that a central authority should have a subsidiary function, performing only those tasks which cannot be performed at a more local level'. Wikipedia offers more: 'decentralisation is the process by which the activities of an organization (particularly those regarding planning and decision-making) – are distributed or delegated away from a central, authoritative location or group.'

In Australia, the word as commonly used has come to denote the organized and purposeful movement of people, businesses and government agencies away from large cities to smaller regional centres to achieve the twin goals of relieving the 'pressure' on the big cities and encouraging the growth of the smaller. **Forster** (1995) offers a more limited definition: decentralisation is a process 'which seeks to encourage the growth of smaller cities or even to create totally new cities of limited size'.<sup>xiii</sup> It is a topic which has generated a wealth of references on every aspect of the subject and from academic, political, and official sources in many countries. Journal references and official reports predominate.

Whilst the subject has been a favourite amongst political scientists, urban geographers, planners and demographers, there is a dearth of case studies which demonstrate that decentralisation programs can work in such a way as to bring measurable benefits to 'parent' and 'recipient' cities. Academic work tends to be descriptive rather than analytical. Researchers tend to approach the topic from their own particular discipline, eschewing a holistic treatment. Political slogans, ministerial pronouncements and light-weight journalistic pieces frequently feed into the literature, seeking to push a particular angle or story line.<sup>8</sup> Successful projects are hard to find. Identifying root causes of success or failure is made difficult by the many variables in the mix, and by the

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<sup>8</sup> See, for example, *The Age*, 20 December 2018: *NSW residents race south to Victoria*

self-evident political nature of many incentive payments and fiscal stimuli to mendicant non-metropolitan centres (otherwise known as ‘pork-barreling’).

## 2.2 Early contributions to the literature : a selective overview

### 2.2.1 United Kingdom, Europe, USA

Overt political interest in what were seen as unacceptable social, environmental and economic aspects of uncontrolled growth in the big city can be traced back to the late 1800s in the UK and northern Europe. Governments started to respond to urban overcrowding, substandard housing, and widespread threats to human health. In the rapidly growing industrial cities, sanitation and hygiene standards were low, typifying the negative consequences of massive unplanned and unexpected rural-urban migration which was driven in large part by industrialization. According to **Lewis Mumford** (1961)<sup>xiv</sup> industrialism, ‘the main creative force of the nineteenth century, produced the most degraded urban environment the world had yet seen; for even the quarters of the ruling classes were befouled and overcrowded.’ Inevitably, governments responded with legislative reforms addressing health, hygiene and building standards. Tighter controls over building and property development followed. In the UK, new industrial villages such as Cadbury’s at Bourneville and Lever’s at Port Sunlight were built by philanthropic industrialists –outside the ‘parent’ city – offering healthier and more congenial accommodation for workers and their families. Later, in his extraordinarily influential book ‘Garden Cities of Tomorrow’, **Ebenezer Howard** (1902) addressed the same question which underpins the present research work: ‘it is deeply to be deplored that the people should continue to stream into the already over-crowded cities, and should thus further deplete the country districts.’<sup>xv</sup>

Howard’s seminal work was the precursor to the formation of the Town and Country Planning Association in the UK, and his famous diagram of ‘central city’ surrounded by satellite ‘garden cities’ generated some of the early debates about decentralisation as a discrete topic for serious political debate. The UK Town and Country Planning Act (1944) was a legislative landmark, described by **Osborn** (1963) as ‘the formal acceptance by the government of the principles of decongestion of congested cities, of the dispersal of their ‘overspill’ to new centres of life and



work.<sup>9</sup> **Mumford's** definition was somewhat more comprehensive: 'the principle of controlled growth by limitation, colonization, redistribution, and integration within a larger spatial and functional unit...<sup>xvi</sup> **Osborn** (p.7) took the notion further with his reference to regional benefits: 'A complementary motive (for the creation of new towns) was that new towns based on modern industry in impoverished agricultural regions, with declining population owing to mechanization and other technical changes in farming, *would bring fresh vitality and better services to such regions*'.<sup>10</sup> (emph. added.)<sup>xvii</sup>

**Sitte** (1889)<sup>11</sup> was primarily interested in what is today referred to as urban design, but he pursued the link between hygiene and city form, seeing the urban parklands (such as Howard's green belts) as places of 'sanitary green' – vital to the health of any city. **Christaller** (1933) postulated his 'central place' theory which explained his understanding of the settlement pattern in southern Germany. Small central places serve small areas within a small radius; larger centres serve larger areas; circles of influence overlap. **Kropotkin** (1899) was ahead of his time with his understanding of the influence which electric power, the telephone, and intensive agriculture would have on urban form and on the prospect for a 'more decentralised pattern of urban development – enjoying both urban and rural advantages'. **Stein** (1958) was a strong advocate of decentralisation as an integral part of his thinking about his 'greenbelt' towns in the USA.<sup>xviii</sup> **Merlin** (1969)<sup>xix</sup> offered a comprehensive coverage of post WW 2 new towns on Britain, UK, Scandinavia, the Netherlands and France. He found that in the majority of countries studied, the new towns built over the previous few decades were intended either to aid the industrialization of underdeveloped areas, to relieve the congestion of large built-up areas, or to direct their growth (i.e. of the built-up areas).. He described the world - famous post-war program of new town building in the UK as 'one of the most remarkable achievements in town planning in the last 20 years', although he acknowledged that the further growth of London (the original stimulus for the program) had once again exceeded the forecasts.<sup>12</sup> He concluded that the 'solution' (provided by the new towns program) had 'proved inadequate in the face of changing circumstances', these being the forces behind the continuing growth of the metropolis.

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<sup>9</sup> F. J. Osborn was an influential protégé of Howard's who played a leading role in the planning and development of the first 'garden cities' at Letchworth and Welwyn, in the UK. He edited and prefaced the 1944 edition of Howard's book.

<sup>11</sup> Camillo Sitte, Austrian architectural critic and historian, published his *Der StadteBau* in 1889. It was a revolutionary work which went through several editions and was influential in the birth of modern city planning.

<sup>12</sup> According to Osborn (op.cit; p.342) some 18 new towns were planned and constructed in the United Kingdom between 1947 and the mid-60s – total planned population in excess of 1 million.

### 2.2.2 Australia: early studies

**Winston** (1957)<sup>xx</sup> warned that 'it will be impossible to implement the provisions (of the Cumberland County Planning Scheme for metropolitan Sydney) unless it is assisted and supplemented by an active decentralisation policy which would need the help of the Commonwealth as well as the State Government....In the long run, only the growth and development of Orange and Bathurst, Tamworth, and Wagga Wagga and similar country centres can save the County (of Cumberland)...from becoming another Manchester or Chicago. Practical encouragement of decentralisation is the declared policy of every political party - but very little has yet been done about it'. (Winston,p.82)

In 1966, the **Australian Institute of Political Science** hosted a Summer School on the topic of urban planning and urban growth in Australia. In an opening paper, Winston devoted 2 pages to 'decentralisation and today's urban revolution'. He referred favorably to earlier official studies at the Commonwealth level which advocated official support for growth in a limited number of non-metropolitan centres instead of a scatter of small projects across numerous small towns.

In 1969 the **Development Corporation of New South Wales** released a report on Selective Decentralisation<sup>xxi</sup> The report argued strongly and persuasively for selective decentralisation as being based on a demonstrably 'unassailable' principle. Instead of pushing population growth *per se*, the aim was to enhance the growth centres by ensuring that higher order services would become available for regional populations as one means of countering the drift to the cities. In the Corporation's view, dispersed decentralisation was unlikely to achieve significant non-metropolitan growth: selective growth was 'the only possible alternative to economic and political stagnation' in the regions.

In 1971, **The Murray Valley Development League, the Royal Australian Planning Institute and the National Council for Balanced Development** sponsored a National Development Conference in Canberra on 19-20 August.<sup>13</sup> It was presented as 'an action conference' whose aim was 'to ease the pressures on capital cities through intensively promoted provincial growth centres; and to accelerate development in all country areas by continuation and expansion of the aids currently available from the States 'decentralisation and development departments'. Significantly, the conference sought 'to secure a major Commonwealth Government commitment to and financial participation in decentralisation and to the task of achieving a better balance of population and

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<sup>13</sup> This landmark event was presented by the Australian Council for Balanced Development, co-sponsored by the Murray Valley Development League and the Royal Australian Planning Institute. The proceedings carry a major speech by Gough Whitlam on the Labor Party's urban policies, many of which were implemented when Labor took power in the 1972 general election.

employment'. Gough Whitlam, Federal Labor Party leader and aspiring Prime Minister, gave the after-dinner address on the topic of 'A New Decentralisation'. He took advantage of a captive and sympathetic audience to present his party's policy on the linked topics of rural depopulation, what he called 'urban deterioration' and the crisis in our cities, the opportunity to develop new cities and growth centres such as Albury-Wodonga, decentralisation, and Commonwealth-States fiscal and administrative relationships,

One year later, a task force set up by AIUS (**Australian Institute of Urban Studies**)<sup>xxii</sup> steered clear of recommending action to decentralise; rather did it choose to go down what it termed a path to 'multi-centralisation'. It proposed three kinds of new cities:-

- 'System cities' – substantially self-contained, planned and developed for populations of not less than 150,000 people – built on broad-acre land within the influence of the existing metropolis- perhaps in a transport corridor – in time, creating a 'multi-centred megalopolis'
- Regional cities – largely self-contained cities outside the close influence of the existing metropolis – serving their own regions – probably close to an existing town.
- A renewed metropolis – the existing primate city 're-organised and revived'.

AIUS called for a major Commonwealth involvement in 'a large-scale and urgent new-cities program...a program for efficient and humane alternatives to over-concentrated growth.' The NSW Division of the Institute called for a 'positive policy of Federal involvement in the decentralisation program and the establishment of selected growth centres.'

**Kilmartin, L.** (1973)<sup>xxiii</sup> offered in this short paper a less-than-enthusiastic position on decentralisation. He queried its sociological feasibility and the sociological implications and went on to briefly examine the Whitlam government's proposal for the Albury-Wodonga growth centre. He calculated that if it were to reach the planned population of 300,000 by the year 2000 it would require an annual growth of around 10,600 persons – most of whom would be coming from elsewhere. 'Such a program would require an immense investment in promotion, planning, and management'.

In his now-classic paper, **Neutze**, (1974) followed earlier work at ANU when he addressed the question of new cities for Australia.<sup>xxiv</sup> 'Given that people and firms choose quite freely to locate in the large cities, is there any reason for governments to influence them to locate elsewhere?' At the time, Sydney and New South Wales had populations of 2.725 and 4.6 million respectively, and Melbourne and Victoria had 2.39 and 3.5 million. He rejected the concept that there is a single optimal size for cities – but went on to consider questions about the advantages of city

growth at a particular time whilst recognizing that there are many variables at stake. He noted the relationship between function and size when considering country towns, and referred to the 'selective decentralisation' model as one which reflected the reality that some rural centres are too small to perform certain functions which are increasingly becoming concentrated 'in a few larger regional centres'.

His paper goes on to consider the 'advantages of large cities' and the 'advantages of decentralisation'. He cites the use of financial subsidies to stimulate growth but notes that often they 'have been so thinly spread that they have achieved very little.' He makes the case for 'planned growth' and comments on the alternative models of 'corridors' and 'satellite cities'. The advantages of 'new cities' are presented with the heavy qualification that initially their growth will depend on how successfully they can persuade people and firms to locate; government involvement will be paramount. But 'it is very difficult for a democratic government to radically change the geographic pattern of development'. He contemplates the challenge of 'significantly reducing' the growth of Sydney and Melbourne which at that time were growing at about 50,000 persons per year.

His conclusion was that 'It would require a massive investment in building a number of new cities...even without making a dent in city growth generally'. His preference was clearly for effort to be placed on a 'very small number of new cities' – suggesting four in Victoria and NSW at start-up. Rapid growth until the 100,000 population threshold would be the aim. And he opts for Albury-Wodonga for the first such project. Overall, Neutze's paper foreshadows much of the later work on the decentralisation debate but its value in today's neo-liberal climate must be seen as interesting but peripheral.

**Troy** (1978) edited a series of essays on urban governance in Australia in which contributors dealt with a wide range of topics including decentralisation.<sup>xxv</sup> The work provides a comprehensive 'history of federal intervention' in urban affairs, with decentralisation being covered in some depth. The topic 'had long been an issue in Australian politics' but after the Chifley era, such interest lapsed 'despite an accelerated drift of population from the country to the city. Active promotion of decentralisation policy reverted to state governments which in the main directed policy to dispersed decentralisation...by offering dribblets of assistance for new industries to a number of provincial cities and towns'. Troy noted that the early focus on 'dispersed' decentralisation later gave way to a 'selective' model which was briefly favored by the McMahon government before it was taken up with enthusiasm by Whitlam after Labor's election victory in 1972.

### 2.3 Contributions by independent researchers post 1973

**Florida** (2002, 2005) is an American urbanist whose controversial writings on social and economic theory have earned him bouquets as well as brick-bats. In his 2002 work<sup>xxvi</sup> he explains that his central theory is that 'regional economic growth is driven by the location choices of creative people – the holders of creative capital – who prefer places that are diverse, tolerant and open to new ideas.' For Florida, creative and attractive cities do not have to be big but they have to be cosmopolitan – places in which people can easily find peer groups, Such places are valued equally for their 'authenticity and uniqueness' which in turn evoke consideration of urban resources such as heritage precincts, long-established neighbourhoods, and programs of events such as music and theatre festivals. Florida is convinced that regional economic growth is powered -in part at least- by creative people whose needs are for places (like Wagga Wagga perhaps and certainly Bendigo) where soft infrastructure is in good supply and where creativity is encouraged, either directly or indirectly.

Florida argues that 'place' - meaning particular and distinctive urban settlements of whatever size – 'is becoming the central organizing unit of (our) economy and society, taking on a role that used to be played by a large corporation.' He ponders why some places are better than others at maintaining economic growth, and concludes that such places are exceptional in that they understand and exploit modern technology, they go out of their way to attract talented people, and they open their doors to all comers in a genuine spirit of tolerance. The places most likely to mobilise the creative talents of their people are those that don't just tolerate differences but are proactively inclusive. Courting divergent ideas and inputs isn't about political correctness; it's an economic growth imperative. In his later work (2005) he argues that 'tolerant places' gain an economic advantage in both harnessing the creative capabilities of a broader range of their own people and in capturing a disproportionate share' of any migrant flow. <sup>xxvii</sup> His work elicited accusations of elitism, of his unstated yet implicit support for gentrification, and of his reliance on questionable methodologies in deriving his conclusions.

In 2010, **Collits** offered what he calls a fresh examination of the arguments about metropolitan primacy and decentralisation.<sup>xxviii</sup> Australia lacks medium sized cities, with a settlement pattern which is dominated by a few large coastal cities. Metropolitan primacy is clearly reflected in ABS figures which show (for example) that at June 2009, more than 14 million people lived in a capital city Statistical Division (SD). In 2008-9, there was a 2.3% growth rate in the capital city SDs – faster than the 1.9% rate throughout the rest of the country. He concludes that 'metropolitan primacy has strengthened over historical time' with ABS projections under a 'middle scenario' showing that the percentage of people living outside the capital cities will drop from 36.4% in

2006 to 32.9% in 2056. For many, such growth in the capitals is problematic, generating the hope that governments will be seeking to make and to honour commitments to regional development outside the major cities.

Collits (2010) pointed to recent idealistic suggestions directed at encouraging a more dispersed population.

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- Intensive promotion of decentralisation;
  - Creation of 15-25 regions to replace the existing states;
  - Shifting state capitals to regional locations (as is the case in several states in the USA);
  - Exploiting the tax system to encourage people to live outside the big cities;
  - Creating a national infrastructure strategy coupled to tax zones to reduce inequities and to encourage investment in the regions.

His overview of past efforts by government is far from encouraging. He cites the work of writers such as Carter (1978), Woolmington (1971), Scott (1978), Searle (1981) Hurley (1989) et al as having produced little in the way of hard evidence of successful intervention. According to Collits, 'many observers have seriously questioned both the genuineness of the commitment of governments to decentralisation ...increasing metropolitan primacy is testimony either to their lack of genuineness or to their ineffectiveness, or both'. He quotes Neutze (1965): 'Decentralisation of population has been a policy of most political parties since WW2. It has, so to speak, been everyone's policy but no-one's program.'<sup>14</sup>

The 1970s growth centres program under Labor was structured around the proposition that the optimum return on a decentralisation investment would be achieved through funding a selection of such centres instead of providing generalised assistance across one or more regions. The debate as to whether policy support should favour 'selective' or 'non-selective' intervention continues to the present day: as Collits puts it, it informs one of the ever-present policy questions: what kinds of urban centres deserve support? In his analysis of post-1970s thinking on this

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<sup>14</sup> Within 7 years of Neutze's now-famous aphorism, a federal Labor government was to introduce a battery of ambitious programs aimed in part at achieving 'balanced development' through the creation of non-metropolitan growth centres such as Bathurst-Orange and Albury-Wodonga.

question he postulates that contemporary regional policy might have become more attuned to providing 'services that underpin lifestyle and well-being to non-metropolitan regions' instead of attempting to divert growth through the selective growth centres model.

Collits goes on to discuss the continuing dominance of the capital cities. He notes that governments have always been aware of the key economic role played by the big cities: to disturb or interfere with that role would be politically unacceptable. This may well be one of the reasons why decentralisation strategies have seemingly remained unattractive despite 'the negative externalities and costs associated with city growth'. In the same vein, Collits sums up his review of post-1970 decentralisation policies in Australia with the view that 'governments generally have given up...because they simply haven't been able to figure out how to do it. It is seen as a classic 'wicked problem' '. He lists constraints on governmental capacity to influence regional development as including

- the lack of consensus on policy objectives;
- the past failure of policy instruments;
- other policies (including non-regional) may be more influential;
- the complexities of drivers of regional growth and decline; and
- political realities.

These constraints make regional policy 'highly problematic' His nomination of decentralisation as a 'wicked problem' suggests that he saw it as a difficult, even unattainable goal.

Collits concludes that decentralisation policy in Australia must accept the near-certainty that metropolitan primacy will continue to be the norm. A devolution of power from the centre to the regions (congruent with the European notion of 'subsidiarity') could offer some potential for encouraging development at a regional level. This could be done (for example) by strengthening and augmenting the powers of bodies such as regional development committees - seen as a shift from the existing top-down arrangements to a form of 'real' regionalism. He sees a process of devolution as having the potential 'to break the cycle of short-termism, blame-shifting and politicised regional development funding that has dogged the system for decades.'

In a later work,<sup>xxix</sup> Collits (2017) examines regional economies and urges the encouragement of 'startups' and local entrepreneurship. Connected 'ecosystems', vital to startup activity, are more numerous and more accessible in the city than in the bush: thus the challenge for government policy is to redress the balance and make it easier for regional centres to participate 'in the startup revolution'. Collits (P1) urges policy action to strengthen the many elements of virtual ecosystems, and to encourage young entrepreneurs by way of summer schools, short courses, mentorships,

co-working spaces. He cites successful precedents in New Zealand, and goes on to argue that 'in a connected and distributed world with changing business models, there is an opportunity for canny regional leaders to create their own ecosystems and compete with other regions on the basis that their business cultures support startups and entrepreneurship...*a fundamentally new source of competitive advantage (which) must be pursued by regions , with government enablement*'. [emph. added].

In a recent populist piece on the regional city of Toowoomba, columnist and demographer **Simon Kuestenmacher** (2018) <sup>xxx</sup>offers comment on the current demographic imbalance between the small town and the big city across Australia. Citing recent ABS figures he notes disparities in educational levels and income, with the smaller settlements being clearly disadvantaged. The changing nature of work is a partial driver of rural – urban migration: more people are leaving small towns to attend university and subsequently make a smooth transition into 'big-city jobs', leaving the towns with only a small population in the 20-40 age group. The trend to more flexible working arrangements (especially in the corporate sector) could see more people keeping their city jobs whilst living in a regional centre.

For the elderly and the retiree cohort, many small towns lack relevant medical services and facilities. These towns cannot attract 'knowledge sector' jobs; schools may suffer as teachers choose (or are posted to) bigger centres. Middle-sized towns could do more 'to position themselves as locations for young workers and families'. Kuestenmacher advocates a more energetic approach to self-promotion (of the benefits of small town life) by local government. 'Regional centres from Hobart to Toowoomba (can) tell wonderful stories about the blissful and affordable family lifestyle they have to offer'. His piece concludes with the optimistic prediction that 'more millennial workers...fed up with high housing costs...will leave the big capital cities in favour of middle-sized towns' once their children reach high-school age.

In 2007, **Budge** and **Butt** offered a somewhat inconclusive and discursive research paper on small cities.<sup>xxxi</sup> Their findings can be summarized:

- In Australia since the 1960s the number of urban centres with populations in the range 20,000-100,000 has almost doubled. Over the same period, the total population of towns below the 20,000 threshold has declined.
- In the literature covering small cities there is little discussion and no accepted definition of 'third tier' cities.<sup>15</sup> For these two authors, this is a gap waiting to be filled.

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<sup>15</sup> Third tier cities are those with populations in the range 50,000-100,000



- The authors nominate Albury-Wodonga, Ballarat, Bendigo, Cairns, Darwin, Launceston, Mackay, Rockhampton, Toowoomba, Townsville and Wagga Wagga as third tier Australian cities. It is notable that they see Ballarat, Bendigo and Toowoomba as being within extended metropolitan areas – a factor which may help to explain their sustained population growth.
- There is little consistency in the economic and social ‘burdens’ carried by these centres, with population change being driven by one or more factors including tourism, industrial restructuring, changes in the regional agricultural economy, response to globalization, and the process of creating a distinctive city identity linked (in part) to urban planning processes. Citing Maude (2004) they note that between 1990 and 2002 there is scant evidence of successful regional development in Australia in the face of strong market forces favouring agglomeration and centralisation. Australian regional policy seems to have served the needs of ‘lagging’ regions and their urban centres – signalling a simple focus on ‘development’ at a local level.
- There has been an apparent reluctance at state and federal government levels to engage in regional planning as exemplified by European experience. ‘Some would argue that Australia has never fully embraced the concept of a full-scale regional development policy that sought to grow the population and economy of regions.’
- Third tier cities are realizing that future growth will not be found through reliance on the old economy: Cairns (for example) has successfully exploited the service sector whilst Albury-Wodonga has seen trade and defense as growth platforms. The authors cite American research by Bell and Jayne (2006) which suggests that growth in small US cities could be characterized by higher workforce participation rates by young women, by higher educational levels and by high incomes. Relevance to Australia is not discussed.
- Third tier cities may well lie within (and would enjoy) the cultural and economic influence of a larger metropolitan centre but this need not preclude their having an independent social and economic life – although the sense of local identity ‘is identifiably parochial’.
- Where high rates of growth have occurred in regional centres, such growth may be partly because they are offering high amenity and ‘lifestyle’ attributes – consistent with Richard Florida’s 2002 thesis that population growth and economic development can be correlated with the arrival of the ‘creative classes’ whose tastes tend towards the arts, cultural events, galleries and gourmet food. The authors note that third tier cities tend to reflect these qualities and they conclude by calling for more research into Australia’s growing third tier cities such as those cited above. Why are they growing – especially in areas where the reasons for such growth are not obvious? More attention should be paid

'to their emerging roles in the urban hierarchy and to the study of their planning agendas' in the light of the demographic evidence which points to their increasing popularity.

This reviewer would agree with Budge and Butt in their assertion that the literature covering Australian small cities is thin, with no 'accepted definition' of these places. But their suggested typology is loosely framed. Their list of 'third tier' cities is a convenient basis for the further research which they advocate, but it excludes a number of important centres which may not fit the requisite population level but which nevertheless deserve attention because of their functional or cultural or economic attributes. Armidale, Goulburn, Maitland and Bathurst-Orange in NSW are examples.

In 2003, a study by **Woolcott Research**<sup>xxxii</sup> found that metropolitan communities have a limited understanding of what life is like at a regional level. 'Metropolitan images of rural Australia were predominantly of small towns rather than large regional cities'. There have been few in-depth studies of small cities, a reflection of a preoccupation with big city issues at the policy level at the expense of the smaller centres. Urban planning priorities in Australia's third tier cities points to a strong focus on city centre problems and opportunities leading to initiatives in urban design, retail development, and related fields. 'Every aspect of economic development – from tourism, industrial sites and incentives, telecommunications, education, health and international links are on display'.

**Forster** (1995) looks at urbanization in Australia during the 1960s - 70s 'long boom'.<sup>xxxiii</sup> Brief reference is made to efforts by the NSW and Victorian governments during this period to establish departments of decentralisation 'in attempts to woo industry away from the capital cities to country towns.' He concludes that these efforts had 'little effect'. The 1945 County of Cumberland Plan for metro Sydney incorporated provisions aimed at encouraging strong suburban centres and the creation of one or two 'new towns' beyond a green belt to relieve pressure on the centre. As later events proved, the green belt was abandoned in the face of pressure from developers and disgruntled land owners; new towns failed to materialize; and Sydney's central business district continued on an exponential growth trajectory with no tangible evidence of relief by way of bigger and stronger centres in outlying suburbs.

At p.67, Forster returns to the topic of decentralisation and repeats his earlier view that state efforts 'had no real impact on the growth of Melbourne and Sydney'. The Labor government's growth centres program in the mid-1970s left the legacy of Albury-Wodonga (see Pennay below), but overall 'It has proved very difficult, in the absence of Draconian controls on further metropolitan growth, to counter the attractions of the major cities.' It would also require an

unprecedented amount of growth in established smaller centres and new cities to have a significant impact on the growth of the capitals. The combined populations of Sydney and Melbourne increased by 1.25 million between 1971 and 1991 – the equivalent of between four and five Canberras (1995 ABS statistics). As for the policy themes of ‘multi-centralisation’ and ‘urban consolidation’ and their impact on city spread, his comment is that they have had ‘scant impact’ on capital city growth and structure.

In January 1973, Prime Minister Whitlam, NSW Premier Askin, and Victorian Premier Hamer met on the Lincoln Causeway between Albury in NSW and Wodonga in Victoria. The occasion was the signing of an initial agreement to jointly create a new city designed as a trial to demonstrate how selective decentralisation could relieve some of the growth pressure on the respective capital cities. In October of the same year, 1973, the Commonwealth and the states of New South Wales and Victoria signed the formal agreement which saw work commence on what became known as the Albury-Wodonga Growth Centre. Pennay<sup>xxxiv</sup> has provided a thoroughly researched coverage of this first-ever intergovernmental attempt to develop a major urban centre outside the direct influence of Melbourne and Sydney. The work deals in detail with the economic, physical and social development of this pioneering exercise in ‘selective decentralisation’ project over a 30 - year period – from its birth as an ‘ambitious dream’ to its realisation as a ‘modest experiment’ and its eventual carefully planned demise.

Pennay’s interest lies primarily in the creation and operation of the Albury-Wodonga Development Corporation which was the vehicle responsible for this new approach to city building. He notes the sometimes fractious relationships between officials working at commonwealth, state and local government levels. He discusses the involvement of the private sector, of commercial and industrial interests, of the participating NGOs. He lays particular stress on the fact that the fortunes of the project were subject to many shifts in the complex three-level political context over its life. Within these shifting sands of politics and officialdom he identifies numerous key influences, ideas, concepts which sit within the scope of this present study.

- During the 1960s, both the NSW and Victorian Governments had shown serious interest in decentralisation. South of the border, Ballarat, Bendigo, the Latrobe Valley and Wodonga had been nominated for further study, whilst in NSW there was interest in the Riverina, North Coast, Central West and Southern Tablelands In NSW a 1969 study argued the advantages of populations in the range 100,000 – 250,000 as a planning target. A little later came interest in Bathurst-Orange, Casino-Grafton and other locations

- There was a notable influence by leading Wodonga industrialist Dr Henry Nowik who in 1971 urged the provision of higher-order social, educational and cultural facilities if quality managerial talent was to be attracted and retained.
- During the 1988-1994 period the language of officialdom shifted somewhat: 'regional development' was replacing 'decentralisation' whilst the role of government was to encourage local and regional leadership, with a closer focus on 'bottom up' decision-making.
- The same period saw all levels of government move towards a preference for market-led development and away from the earlier focus on trying to attract and persuade manufacturers to relocate in the bush.

Pennay concluded that by the end of the 1980s, most observers of urban policy were being 'less than kind' to Canberra-based growth centre notions. Some critics argued that the Albury-Wodonga project was based on overly optimistic population projections. Its timing had been wrong. Costs were unsustainable. As for metropolitan growth, its control was more a matter for the capital cities themselves, and less a matter for State or Commonwealth intervention. Guarded support for the project came from respected authorities such as Peter Self <sup>16</sup>and Lionel Orchard (Flinders University). Pennay cites some opinions of un-named political observers during the project's post-mortem to the effect that the project failed to relieve capital city growth and that it was a scheme prematurely initiated by an inexperienced and overly ambitious federal government.

But for Pennay himself, his work seems to offer quiet confirmation of his 2005 view that Albury-Wodonga had a future as a growth centre; population growth had been steady; the city serves a wide regional catchment; it has been creative in its approach to problems of governance. He is sanguine about the many changes in governmental commitments to regional development and decentralisation which took place during the 30 -year life of the project - changes which finally led to the formally-orchestrated winding down of the project in the mid-1990s. Overall, his position seems to be that on balance the effort was worthwhile. For this reviewer, the Albury-Wodonga Growth Centre Project sits in the history books as a one-off: a unique set of geographical and political circumstances generated a unique outcome which could not reasonably be regarded as a model for other experiments in planned decentralisation. But for all that, the model was worth testing, with some valuable lessons for future adventurers in the tricky field of growth centre planning.

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<sup>16</sup> Peter Self was a highly-regarded UK academic who spent several terms with the Urban Research Unit at ANU during the post-Albury Wodonga era.

## 2.4 Recent official and institutional reports and papers.

In 2008 the NSW Economic Development Chapter of the Planning Institute of Australia (PIA) briefed **SGS Economics and Planning** to prepare a paper as background to the Institute's intended submission to the NSW government in support of regional economic development. This wide-ranging contribution to discourse on regional development included an overview of decentralisation initiatives at both federal and state levels. The report<sup>xxxv</sup> noted that until the late 1970s at both levels of government, decentralisation was the main driver of regional development policy, its justification (on the one hand) being the hope of achieving a degree of inter-regional equity and on the other, the need to curb increasing metropolitan primacy. Despite sporadic efforts (including the optimistic federal Growth Centres program of the Whitlam era), 'the decentralisation effort had diminished significantly' by the end of the 1970s.

SGS cites Collits (2002)<sup>xxxvi</sup> who saw the following as reasons for the abandonment of decentralisation:-

- serious difficulties with the idea itself;
- the emergence of new regional problems associated with globalisation;
- the advent of new regional policy ideas more relevant to the newly emerging problems;
- the ineffectiveness of interest groups supporting decentralisation;
- the changing ideologies within government, and the changing policy priorities of governments that were in conflict with balanced development; and
- institutions and processes within government that were unsympathetic to decentralization.

After Collits, SGS identified a key difference between the climate of the 1970s and the current (2008) approach. During the former era, a 'top-down interventionist approach (prevailed)...when government had faith in centralist solutions. By 2008, this was being replaced by a 'bottom-up' approach where solutions are developed locally and then assisted by government. Typically, this fresh policy line involved such concepts as focusing more on assisting existing businesses to grow instead of attracting new, and the formulation of region-specific policies and 'local solutions to local problems'. This move towards a subsidiarity model included encouraging the emergence of regional organisations and region-based support structures.

SGS offered the results of its analysis of contemporary ABS demographic data to highlight some of its findings. Between 1961 and 2001, metro Sydney grew by 1.8 million people – 'more than 5 times the total population of 9 major regional centres'. At the same time, large inland centres have prospered in comparison to smaller rural towns – with evidence that folk from such small centres

are tending to relocate to larger centres nearby. Wagga Wagga is cited as exemplifying the so-called 'sponge city' effect. But overall, '*a clear spatial framework to guide future investment and planning is lacking.*' [emph. added].

In 2009, **CSIRO** published research by **Lane et al** which offered a critical analysis of governance arrangements covering sustainable development policies and programs in Australia.<sup>xxxvii</sup> Their focus was on how such arrangements are becoming more decentralised as central government agencies move to divest themselves of administrative or management responsibilities to organisations at lower levels. Their research in this particular field suggests that actors in civil society – and even in the market – are participating more directly in policy formulation, and working more closely with officialdom. For its part, the state (i.e, the relevant bureaucratic organs) is becoming increasingly aware of its inability to resolve contentious environmental problems on its own. Amongst such problems the authors cited the difficulty of deciding who is included and who is excluded from the debate about decentralised environmental governance. A parallel question is dealing with the potential for a decentralised governance model to give priority (perhaps inadvertently) to parochial concerns over strategic visions and broad-brush planning.

In their introduction, Lane et al offer 'what they believe to be the first comprehensive effort to review critically the regionalized model of natural resource management in Australia ... (seeking to) learn what worked, identify flaws, and reflect on decentralised governance' They note that the literature of political and economic geography in this country provides evidence of a dovetailing of efforts to decentralise (or 'deconcentrate') regional governance with efforts to provide economic and demographic support at a regional scale. But the news is not all good. 'The move to regionalized natural resource planning has been encumbered with a number of difficulties facing the regional bodies... tensions for these groups to remain accountable and legitimate... (how to) enable the effective participation of Indigenous communities... (how to manage) the heavy bureaucratic burdens associated with program requirements... which have had a stifling influence on adaptive governance.'

#### NSW Decentralisation Taskforce (2013)

In 2012 the NSW Government appointed a Taskforce to review the government's "Decade of Decentralisation' strategy. Terms of reference required advice on the Regional Relocation Grant program; on the regional components of the Jobs Action Plan and Restart NSW; on resources for the regions; and on government agency re-locations. Recommendations on these matters were tabled in the Taskforce's final report<sup>xxxviii</sup> in the broad context of the objectives of the Decade of Decentralisation strategy, these being to support the development and sustainability of regional

economies and communities; to attract investment and skills from metro Sydney to the regions; and to increase the opportunities for regional communities to participate in Government decision-making.

Given that the review covered a full 10-year period of government action, one might have expected an in-depth critique of the decentralisation program: was it working – and if not, why not? In the event, recommendations went to peripheral rather than core issues. The Regional Relocation Grant needed to be marketed more aggressively and increased to a suggested \$10,000 to become ‘a more meaningful incentive’ whilst at the same time the criteria for grants for ‘minor moves’ should be revised and tied to moves which involve secure employment. The cumbersome Jobs Action Plan was to be ‘streamlined’. The Government ‘should consider’ revising the Restart NSW and Resources for Regions programs. The Government should also ‘plan and implement a clear strategy to relocate appropriate public sector functions and jobs to regional NSW’ in the face of evidence that ‘agency relocations to date have had mixed success.’ A new position to be known as ‘Coordinator General’ should be established.

As this is being written the extent to which any of these recommendations has been acted on is uncertain. What is certain, however, is that the report did not contain any hard statistical evidence showing that growth in the regions was in any way linked to population change in metro Sydney.

### NSW Business Chamber, 2013

The Chamber’s report<sup>xxxix</sup> was critical of the NSW government’s regional support schemes, noting deficiencies in the design and delivery of the Regional Relocation Grant, the Jobs Action Plan, and the Resources for Regions plan. Recommendations to government covered high speed rail links, the creation of Special Economic Zones, a greater level of collaboration between councils in particular regions, government support for certain industry clusters (as exemplified in HunterNet); more incentives and encouragement for young people to remain in ‘the bush’; and greater transparency of public service staffing and location data. This latter was based on the Chamber’s view that regional stakeholders would be in a far better position to lobby for government jobs if they had access to official data on agency staffing, office locations, skill requirements, and the like.

Citing earlier research by the Urban Development Institute of Australia, the Chamber offered three ‘steps’ which could lead to effective decentralisation: well-planned and executed proposals (for grant aid, for example) are most likely to succeed; the benefits must clearly outweigh the costs;

and decentralisation can act as an effective catalyst for regional growth. These self-evident conclusions from a major lobby group add nothing to the debate about the pros and cons of decentralisation as an arm of government policy.

#### Greater Sydney Commission (2018)

The GSC plan – *Greater Sydney Region Plan – A Metropolis of Three Cities* - is unashamedly Sydney focused, offering nothing of relevance or value to the decentralisation debate. In her introduction, NSW Premier Berejiklian describes the plan as one which will see a sharing of the benefits of metropolitan growth across all parts of Greater Sydney. GSC Chair Turnbull takes a similar line with her claim that the plan presents a ‘vision and innovative actions for managing Greater Sydney’s growth and enhancing its status as one of the most liveable global cities.’ A preliminary scan of the 192 -page document suggests that the Commission was not required to acknowledge connections between metropolitan growth and the future of regional centres outside its study area. One is tempted to ask why this was the case. <sup>17</sup>

#### Parliament of the Commonwealth of Australia, 2017,<sup>xi</sup>

In June 2017 the House of Representatives established a Select Committee on Regional Development and Decentralisation. The Committee’s terms of reference required it to report (inter alia) on ‘best practice’ approaches to these topics, to examine how the growth capacity of rural and regional centres could be enhanced, and how latent potential could be unlocked. The strategy put forward by the Committee consisted of six elements:

- build the enabling infrastructure for regional development;
- identify national regional development priorities;
- establish a Regional City Deals program;
- strengthen the Regional Development Australia network;
- establish a public sector decentralisation policy; and
- strengthen the role of regional universities.

The Committee also called for a Regional White Paper, the establishment of a Joint Standing Committee on Regional Development and Decentralisation; and the preparation of a consolidated government policy on regional Australia. The extent to which these calls have been acted on is

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<sup>17</sup> On this issue, the 2018 metro plan stands in sharp contrast to the first strategic plan for metropolitan Sydney. The 1968 *Sydney Region Outline Plan* was inclusive of the adjoining Hunter and Illawarra Regions; the GSC plan gives barely a mention to these two burgeoning areas.



unknown at the time of writing, although there have certainly been statements at ministerial level about a possible national settlement strategy.

Regional Australia Institute, 2017.

RAI is a think tank, founded in 2012 and funded through a mix of government and corporate support. Its research activities are devoted to issues of concern to regional Australia.<sup>18</sup> In its submission to the Commonwealth's Select Committee<sup>xii</sup> (see above) it noted that 'a lot of money is wasted ... (there is) limited progress in developing the capacity and population of our rural and remote areas because government investments are not fit for purpose for small communities, and do not adequately support local jobs... traditional regional policy effort in Australia has been overwhelmingly focused on infrastructure provision; a much wider scope of government policy and investment spanning economic development and jobs, health, education and communities is needed. If regional policy is to be genuinely influential at the national level it must have the scope and capability to play a stronger role across the silos of government ...'

The RAI went on to claim that metropolitan sprawl, coupled with high population growth, is fuelled by current migration policies. Earlier work by the Institute found that Australia 'has some of the most inflexible policy settings in the OECD', with most policies being designed by central government, ill-informed about regional differences, and strongly influenced by big city conditions. This inflexibility applies to the competitive grants system. RAI recommended (inter alia) that

- in principle and in the spirit of equity, growth should be supported in ALL regions;
- dedicated regional deal -making be utilized to facilitate regional growth; and
- decentralisation policy be 'embedded' in all government entities.

Charles Sturt University, 2017.<sup>19</sup>

In a 2017 submission to government, CSU drew on a comprehensive literature review and detailed support documentation to identify 7 positive outcomes for regional, rural and remote communities. Growth should be stimulated to ensure improved quality of life, better standard of living, ensure internationally competitive relevance. Access to economic, social and environmental resources should be equitably accessed and shared between metro and rural Australia. Populations in regional areas should be able to enjoy knowledge transfer and access to

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<sup>18</sup> RAI provided input to *Architecture Australia's* special edition (Jan.- Feb.19) on architectural practice in regional Australia. The Institute has adopted 4 classifications for Australia's regions: regional cities, connected lifestyle regions, industry and service hubs, and heartland regions. (See AA, Jan-Feb 19, pp14-15)

<sup>19</sup> CSU is the Riverina's leading tertiary education body, Campuses in Wagga Wagga, Bathurst, Albury-Wodonga, Dubbo and Orange are supported by specialist campuses and study centres in Sydney, Melbourne, and other regional locations.

world class experience, skills, and global information. Regional economies will benefit from diversification which will in turn benefit workforce participation and productivity. Foreign and local investment in industry and infrastructure should be encouraged. The vibrancy, cohesiveness and environmental assets of regional cities and small towns should be enhanced. Regional cities should be 'badged' – not just as local service centres but as distinct and unique places in their own right.

To achieve these outcomes, CSU made a strong case for the establishment of an Australian Regional Development Commission, reporting to COAG (Council of Australian Governments) and funded by the Commonwealth and States.<sup>xiii</sup>

#### Planning Institute of Australia, 2018

The PIA's campaign for a national settlement strategy is presented in its 2018 report *Through the lens: the Tipping Point*.<sup>20</sup>In a press release dated 16 October, the Institute claimed that the report offers 'the evidential basis for the PIA's call for ...a strategic planning framework stressing collaboration and cooperation and underpinned by an agreed national vision...' The Institute's research identified 57 regional strategic plans across the nation; (but) although the states, territories and local councils are planning effectively, their strategies use different time horizons for population and jobs growth ...inconsistency on key inputs...' <sup>21</sup>PIA is not pushing the decentralisation barrow with this initiative. The relevance of the Institute's initiative in the present context is that the nation's peak body of urban professionals is actively campaigning for the cities at the federal level. By implication, a 'national urban strategy' must surely involve a consideration of regional and country centres as well as the metropolitan capitals. That in turn takes the Institute into decentralisation territory.

#### Plan Melbourne - a State of Cities, 2017

The report<sup>xliii</sup> notes that between 2011 and 2031, the three largest local government areas in Victoria (Greater Geelong, Greater Bendigo and Ballarat) are projected to accommodate half of all population growth outside Melbourne. At the same time, and subject to a continuation of

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<sup>20</sup> See PIA press release, 19 Sep.2018. The Institute claimed that its call for a national settlement strategy had been 'endorsed by a federal parliamentary committee of inquiry into the Australian Government's role in the development of cities.'

<sup>21</sup> See also House of Reps. Standing Committee on Infrastructure, Transport and Cities 2018 report *Building Up and Building Out*

current trends, the proportion of people living in some towns and regions will decline. The response of the Victorian government as set out in this report is reflected in the following policies:-

- working with nine Regional Partnerships and local councils to support growth in housing and jobs in regional cities and towns;
- provision of improved transport and digital connectivity to support regional competitiveness;
- strengthen national transport links for commodity hauls;
- increased housing diversity targeting young professionals and encouraging them to work, study and live in regional centres.

## 2.5 Overview of Commonwealth Government actions and initiatives 1960s to date

Since the 1960s, successive federal governments have addressed the possibility of shifting elements of the public service from Canberra to regional centres outside the Australian Capital Territory. Support for the notion has wavered from party to party and from administration to administration, although the literature seems to point to a general recognition that on efficiency grounds alone it makes sense to reduce the growing concentration of public sector jobs in Canberra. <sup>22</sup>To the extent that there has been an active commitment to decentralisation, the record suggests that this has been largely in response to sporadic nationwide concerns about population concentration in the capital cities (especially Sydney and Melbourne) and the concomitant opportunity to encourage growth in the non-metropolitan regions.

At the Commonwealth level, policy responses have been ad hoc. Decentralisation of government services has been a low priority. Where there have been definite moves they have tended to be towards the provision of targeted programs and on-the-ground regional development projects – not the shifting of public service jobs to the bush. The first concerted inter-governmental move was the 1964 creation of a Commonwealth/State Officials Committee on Decentralisation with representatives from fifteen departments. The Committee reported in 1972 with its primary conclusion being that

‘the evidence ...did not allow it to establish the existence of either a decisive net advantage or net disadvantage to the nation from an economic viewpoint arising from

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<sup>22</sup> As at December 2016, 38% of a total of 153,421 Commonwealth public servants were based in Canberra. See Commonwealth Parliament, 2017, Issues Paper, op.cit. p.11

continuing centralisation. ...a properly conceived and executed program of selective decentralisation could be undertaken without necessarily inhibiting economic growth.<sup>xliii</sup>

One year later, the Whitlam Labor government partnered with the Victorian and NSW governments to create the Albury-Wodonga Growth Centre project which was seen as a possible model for similar efforts in other regional centres. The experiment survived until 1995 when it was formally terminated by agreement of the parties. A different tack was taken by the Hawke - Keating Labor governments in the 1990s with their Better Cities Program and (more particularly) with the establishment of Regional Development Organisations (RDOs) and Area Consultative Committees (ACCs).<sup>23</sup> In hindsight, these latter can be seen as definite moves toward subsidiarity<sup>24</sup> and a distinct shift, within regional economies, towards 'bottom-up' rather than 'top-down' decision-making and leadership arrangements designed to find local solutions for local problems. In 2000, a Regional Partnerships Program was launched, to be followed in 2001 by the Howard Government's Sustainable Regions Program and the 2012 Regional Development Australia committees of the Gillard Labor Government.

More recently (2016), under Prime Minister Turnbull, the Commonwealth launched its City Deals and Smart Cities Plan. Through *City Deals*, the government seeks to promote economic growth, job creation, affordable housing and environmental sustainability in participating cities across urban Australia. Decentralisation as such is not on the list although it may be an implicit target of the yet-to-be-delivered program. As for relocation of government agencies to regional centres, the record shows that only a 'small number' of Commonwealth agencies have moved in support of decentralisation. The same applies at the state level.<sup>xliii</sup> Overall, it is difficult to avoid the conclusion that during the period under review, promotion and support for decentralisation at the Commonwealth level have rarely been high priorities. As for assessing the level of success of decentralisation efforts – whether official or corporate – the 2017 House of Representative Select Committee offers a blunt conclusion:

'To date, measuring the success of public sector decentralisation has been subjective. There is very little domestic or international research that has quantified the economic and social reality of relocation (i.e. of public servants). Most accounts have focussed on the number of jobs that moved with the agency, rather than the benefits that have flowed from the relocation.'

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<sup>23</sup> The RDOs and ACCs of the Keating era were replaced by 55 Regional Development Australia committees (RDAs) by the Gillard Labor Government in 2012.

<sup>24</sup> Subsidiarity: a principle of social organisation that holds that social and political issues should be dealt with at the most immediate (or local) level that is consistent with their resolution. [Wikipedia, 12/2018]

And again – on the topic of corporate relocation:

‘...it may be difficult to measure the outcomes of any relocation or determine if it has contributed to the improved growth and prosperity of a region...e.g the expansion plans of a large hardware chain may, or may not, contribute to regional development...a new store opening in a regional centre ...may simply be the case that the company is purchasing existing stores from a competitor...with no net gain or growth...’

The Issues Paper already referred to was released to support the Terms of Reference for the Select Committee on Regional Development and Decentralisation established by the House of Representatives in 2017. Its purposes were to provide an information base for the ToR, and to offer an overview of recent research and inquiries related to the topics under review. The paper noted that the theory and practice of regional development at both national and international levels are well documented in the literature. Despite this, there is no consensus as to how ‘regions’ should be defined or on how they could or should be developed.

Nor is there consensus on the relationships which might exist between ‘regional cities’, ‘regional areas’, ‘rural areas’, and ‘remote areas’, or as to whether these localities can or should be subsumed under the umbrella term of ‘regional development’. The paper referred to research by the RAI which found that government (in Australia) ‘has diminishing control over the factors that shape Australia’s regions. However, governments do play a role in providing appropriate policy settings to encourage growth in the regions’.

According to the paper, there have been few independent and objective research projects aimed at identifying successful and unsuccessful examples of regional development. ‘In the absence of controlled studies, it is difficult to determine what outcomes would have occurred in an area had the program not been put in place.’ The literature is largely empty of research which sought to quantify ‘the economic and social reality of relocation. Most accounts have focused on the number of jobs ...rather than on the benefits which followed.’

The paper went on to cite the RAI finding that in Australia, regions are typically facing globalization effects carrying both risks and opportunities, creating a challenge to identify their comparative and competitive advantages in a global context and leading in turn to the design of strategies which engage with such external pressures. Management of regional development – undertaken as a ‘bottom-up’ process - is likely to be more effective than more traditional models which are based on ‘top-down’ centrist operations. The latter seeks to attract investment from outside, whereas the former ‘promotes community empowerment ...development of local industries...closely tied to the local community’. Subsidiarity is supported: ‘good practice ...is

accepted as focusing upon endogenous growth – that is, growth that takes place because of the assets, abilities and talents of the region and the people within it.’ Regional demographic change, policy options in the migration sectors, and the design of incentives and attractions to encourage migrants to move to (and remain in) regional centres are amongst topics covered in the Issues Paper.

In June 2018 the Select Committee on Regional Development and Decentralisation responded to the Issues Paper discussed above in its report to the Parliament.<sup>xvi</sup> In the opening paragraph of his Foreword, Chair Damian Drum MP referred to Australia’s ‘centralised population’...40% living in the 2 biggest cities...the ‘stark realization that we have to take a different approach to growing our regions if we want to achieve a different outcome.’ He urges ‘a fundamental shift in spending priorities away from the congested capital cities and sharing of infrastructure spending with regional Australia’ and claims that ‘the regions...have never been in a better position to take advantage of a population that is looking to the regions for a better all-round life.’ On the matter of relocating government jobs to the regions, he confirmed the finding that it is the private sector, not government, which has the potential to ‘dwarf’ the benefits of officialdom; but the decisions of government will often be the determining factors in setting the environment for private investment.

The Select Committee’s Terms of Reference covered three research sectors: best practice approaches to regional development; decentralisation of Commonwealth entities; and avenues by which the government could encourage corporate decentralisation. Thirteen recommendations were tabled covering (inter alia)

- the work of Regional Development Australia Committees;
- the development of ‘regional strategic plans’ which could help identify potential City Deals;
- extension of the City Deals program into the regions;
- the need for a White Paper setting out the Federal Government’s policy for regional development; and
- that a Joint Standing Committee on Regional Development and Decentralisation be established.

Time will tell whether substantive action at grass-roots level will come from this initiative. At the time of writing, uncertainty is compounded by an imminent general election. But notwithstanding, it seems that 2017-2018 saw a tentative return of regional development (linked occasionally to decentralisation) to the political agenda.

Under the Turnbull government, and in addition to the report just referred to, the most recent Commonwealth initiative (2018) has been the *Building Up Moving Out* report of the inquiry by the House of Representatives Standing Committee on Infrastructure, Transport and Cities into the role of the federal government in city development. In a report of 400 pages plus, the Committee responded to two terms of reference of which the second is of direct relevance to the present study. It was required to report (inter alia) on *growing new (emph. added) and transitioning existing sustainable regional cities and towns*, a topic which led it into a consideration of such matters as the planning and development of regional centres, and finding ways and means of achieving balanced regional development. 'Sustainable regional cities and towns' were not defined.

For the present study, a matter of particular interest was the requirement that the Committee turn its attention to a topic which has effectively been ignored by successive governments since the Whitlam era, this being the prospect of the government embarking on a new town project. Specifically, the Committee was to engage in '*identifying the infrastructure requirements ...in a new settlement of reasonable size, located away from existing infrastructure*'. The Report's extensive list of findings and recommendations included many which touch on the related topics of decentralisation, regional development and governance, and population growth in the major cities.

It remains to be seen whether the work which went into the *Building Up Moving Out* report will lead to a substantive shift in the Commonwealth's role in the development of the nation's cities and regions. If history is any guide, the prospects for such a shift are far from encouraging.

2.6 Some recurrent themes in the literature: summary, conclusions, observations

2.6.1 Generally

A few fundamental realities can be identified as being common to all the literature contributions discussed above. Private researchers, institutional authors and government agencies all accept the statistical realities and uncertainties underpinning any discussion about decentralisation. It is agreed that the rate of capital city population growth is beyond expectations and generally in excess of official projections. It is agreed that a handful of regional cities are enjoying healthy population growth whilst many smaller centres are suffering population decline. It is agreed that after half a century of explicit official concern about population imbalance between the capitals and the regions, programs to mitigate the imbalance have failed to deliver. It is agreed that since decentralisation entered the policy lists back in the 1950s and 60s, and with the possible exception of the Albury-Wodonga growth centre project, no government at whatever level or

persuasion has been able to demonstrate that it has been able to counter the demographic realities with substantive on-the-ground actions in the regions. Back in 2002, at least one well-informed commentator was confident enough to claim that decentralisation was a failed concept. (Collits, 2002)<sup>xlvii</sup>

### 2.6.2 Balanced development

The phrase has been in use since the earliest days of the decentralisation movement. According to the Migration Commission which moved towards the establishment of 'balanced development programs' in the regions.<sup>xlviii</sup> In 1966, the Director of the NSW Department of Decentralisation and Development argued the case for balanced development as a means of attracting industry to the regions.<sup>xlix</sup> Numerous other official publications followed. Early commentators such as Winston (1957) argued strongly for a 'balance' between city and the bush, without ever explaining precisely what they meant by the term. A new NGO entitled The National Council for Balanced Development was inaugurated at the landmark conference on national development in Canberra in 1971. The proceedings of that conference contain multiple references by numerous speakers to the need for 'balance' in the development of cities and regions: perhaps a definition is implicit in the chairman's opening address when he stated that the main purpose of the event was to 'inspire greater interest ...in decentralisation...and to press strongly for determined effort towards directing the flow of resources and an increasing population away from the capital cities and towards the country towns and country areas generally,'<sup>l</sup>

Most recently the topic frequently appears in the 2018 Commonwealth's *Building Up-Moving Out* Report as discussed above. One might reasonably conclude that 'balanced development' remains today as an empty term - a vaguely defined concept which is largely free of ideological overtones and which is therefore likely to continue in use whilst ever the subject of decentralisation remains current.

### 2.6.3 Migration: population movements: where will the people come from? How big is big ?

How to determine a population level sufficient to secure a town or city's economic survival is a question which has fascinated many students of cities over many decades, if not centuries. But if this particular question has no answer it is clear from abundant official and academic sources that today, each of Australia's five largest cities has produced a metropolitan plan providing for their continuing long-term growth.<sup>li</sup> These planning exercises have been undertaken in response to the recognition that each city has reached a turning point in its history which demands a thorough assessment of all the dimensions of city growth (social, environmental, economic), as a basis for determining future needs. Projected population increase is the driver of these plans.



There is no question of going back – of getting smaller. On the contrary, the question is about making careful projections of future population growth and planning accordingly. So far as the existing capitals are concerned, it is idle thinking to contemplate some Utopian vision of an ideal-sized city. It is too late: the horse has bolted.

Away from the capitals, in our large regional cities and towns, it is a different story. None of them have reached that comfortable point at which efforts towards further growth could perhaps be eased somewhat. On the contrary, all are encouraging growth, inviting investment, seeking government support and encouragement, persuading outsiders to come and settle. And as for new cities, planned and developed from scratch, the record in Australia is very thin. As a nation we have had very little experience in building new ‘general purpose’ towns. The national capital Canberra<sup>25</sup> has taken about a century to reach its present level of 390,000 – including the 1970s neighbourhood of Tuggeranong (for example) which was planned to accommodate around 100,000. Elizabeth (hailed as a small state-of-the-art new town in the 1950s) is now a suburb of Adelaide. Campbelltown - a partially self-contained ‘new town’ – is now part of metro Sydney. Albury-Wodonga sits as a special case. Three small towns were built to service the post-WW 2 Snowy Mountains Hydro-Electric Scheme. It is in this context of inexperience and uncertainty that debate takes place about the optimum size for an Australian city, whether it be new or grafted onto an existing major centre.

In 1974, Neutze<sup>lii</sup> grappled with this concept of ‘optimum’ city size.<sup>26</sup> He rejected it on logical grounds whilst arguing that questions should still be asked regarding the advantages and disadvantages of further growth in a particular city at a particular time. He discussed the relationship between city size and city function in his consideration of selective decentralisation, which he favoured. He went on to talk about a hypothetical half dozen east-coast cities of between 100,000 and 1 million, and their capacity to absorb some of the growth of Sydney and Melbourne. A passing assumption was ‘new cities will be a good deal smaller than the present metropolitan areas.’ He postulated a program of four new cities in Victoria and NSW, with ‘rapid growth’ being pursued until population reaches at least 100,000. ‘It would probably be desirable that some of the new cities should be at least as large as half a million, and others less than a quarter of a million.’ He hinted at a take-off figure of 150,000, but went no further in his analysis.

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<sup>25</sup> Whilst not strictly free-standing and self-sufficient ‘new towns’, the Canberra neighbourhoods of Tuggeranong, Belconnen and Gungahlin were each planned and developed to serve populations in the 80,000-100,000 range. See NCDC, 1984, *Metropolitan Canberra – Policy Plan, Development Plan*.

<sup>26</sup> Neutze side-stepped the matter of viability and the ability of a city to provide higher order services. It might be postulated that today he would have been intrigued by the on-line availability of some of these services and its influence on city size.

Other writers have addressed the topic of ideal city size. Kilmartin (1974)<sup>iii</sup>, for example, referred to Albury-Wodonga's early population target of 300,000 by the turn of the century. He followed this with a brief glance at a purely notional program of 10 to 12 new towns of 100,000 each as part of a large-scale decentralisation project which he effectively dismissed as being unrealistic on logistical and administrative grounds. Budge and Butt (2007) discussed 'third tier' cities<sup>27</sup>— those with populations in the range of 80,000-to 130,000— as having the characteristics which point to their having reached a critical mass in terms of function and role in their respective regions 'If such cities can attract growth away from the congested metropolitan areas perhaps they can play an enhanced and wider role in Australia's urban hierarchy'. Overall, it appears that the topic of ideal city size (in Australia) is yet to receive serious attention from contemporary researchers, although the slender evidence which is available from the sources referred to here points to a minimum size of about 100,000 before natural take-off occurs.

None of the writers cited here deal with migration as a specific stimulant to new city growth. The assumption seems to have been that the people will come from somewhere...anywhere...but they will come, or they will be directed by government to come.<sup>28</sup> It is noteworthy that around 70,000 overseas migrants from some 30 different countries came to Australia to help construct the Snowy Mountains Hydro-Electric Scheme after WW2. This huge infrastructure project clearly demonstrated that the nation was capable of building new towns – if only small and for a highly specific purpose. Cabramurra, Khancoban and New Jindabyne are three such centres – all surviving and thriving. Perhaps a pre-requisite for the creation of new towns in Australia is that they must be based on a major national project in a green-fields location and planned from the outset to employ labour sourced from outside. For this writer, a new town to accommodate the HQ of an inland high-speed rail service suggests itself as a possibility.

Today, international migration is a 'hot' topic. In the decentralisation context, it is being suggested by political leaders that incoming migrants be sent to the regions to boost local populations instead of adding further burdens to the capital cities. The fact is that 'rather than being an unsettling force, international migrants are helping to provide stability to the regional Australian communities they settle in...the number of international migrants living and working in non-metropolitan Australia has increased (187,000 between 2006 and 2011).<sup>iv</sup> State and federal leaders are receiving almost daily media coverage as they offer their views on migration levels,

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<sup>27</sup> Budge and Butt identified 'third tier' cities as having a population in the range 20-100,000:

Launceston, Ballarat, Townsville, Toowoomba, Bendigo, Cairns, Albury-Wodonga, Mackay, Rockhampton, Darwin. See Budge, T, and Butt, A, 2007, op.cit

<sup>28</sup> According to Wikipedia, 2/3 of the total workforce of 100,000 on the post-war Snowy Mountains hydro-electric scheme were migrants.

on strategies for settling new arrivals, and on such matters as the supposed (and unproven) correlation between congestion in the big cities and the number of migrants settling in those cities.

The present literature review suggests that early concerns about migration (especially in the UK and the late 1800s) related to domestic population movements from the rural farms to the urban factories. But from the WW1 era onwards, concerns in Australia were increasingly related to the demographic reality that as the big cities grew, small cities and towns risked decline in the face of the economic magnetism of the metropolis ; and that one of the causes of this 'imbalance' was the influx of overseas migrants whose preferences were for the city rather than the bush. From the 1950s onwards, literature sources on the decentralisation theme return time and again to the question as to whether migrants from overseas can be directed or induced to settle in the regions. As noted above , such was indeed the case with contracted migrants who were employed on the post WW2 Snowy Mountains Scheme; but anecdotal evidence suggests that apart from that special case, efforts by individual employers to attract workers to regional jobs have been sporadic and unpredictable, This current research has been unable to identify specific instances of significant internal migration movements (numbers of persons, families, jobs)) from city to country arising from official decentralisation initiatives; and quantifying migration levels from Sydney to particular regional centres appears to remain undocumented in statistical terms. Within the current census model it appears that there is no way of measuring a demographic benefit to Sydney which might flow from a population increase in the regions.

This is not to say that it is impossible to find answers to a number of key demographic questions. The assertion is simply that at present it appears that the necessary demographic tools – to be applied through the census or special surveys - have yet to be designed. Short of running special surveys for the purpose we cannot tell how many jobs moved from Sydney to Wagga Wagga during a particular period. For the period 2011-2016 (for example) we can tell how many people moved to Wagga Wagga or Bendigo from elsewhere in Australia but we cannot tell if they came from suburban Sydney or Melbourne or some other specific location. Likewise, for the same period, we can tell how many residents of Wagga Wagga or Bendigo moved house within their respective city but we cannot tell whether they changed jobs or filled newly-created jobs. We cannot tell how many people moved from Western Sydney to Bathurst or Tamworth or Dubbo during a particular census period. We cannot tell how many residents of Wagga Wagga moved from Coolamon to Wagga Wagga or Albury or Canberra or perhaps back to Sydney. And even if we had answers to these questions we have no means of finding out why they moved, whether they filled an existing job vacancy or created a new one, or whether their moves were temporary or permanent.

The upshot is that we are therefore in no position to measure decentralisation in quantitative demographic terms. Behind these uncertainties, and underlining the harsh realities of the decentralisation debate, is the undeniable fact that the growth of both Sydney and Melbourne (as accurately measured at census time) has continued unabated. For the present reviewer, the knowledge gap is simply stated. We have precise figures for metropolitan growth; but we have no means of knowing if the rate of metropolitan growth might have been higher due to growth in the regions. This knowledge gap stands as a critically significant impediment to answering the first of the nominated research questions: *can decentralisation really help to alleviate the growth of our metropolitan capitals ?*

#### 2.6.4 Selective decentralisation

The literature on this topic is extensive. Amongst the plethora of material there is one document which for this reviewer stands out as being of seminal importance. This is the 1969 Report on Selective Decentralisation by the NSW Development Corporation which influenced state government policy for at least a decade, and which later influenced numerous official reports at both Commonwealth and State levels. Despite the attention given to this topic over more than six decades, we await incontestable evidence that selective decentralisation will deliver on its promises . Pessimism prevails. To take one example among many, Maxwell (1978) argued that as a major objective of government policy, ‘the future of selective decentralisation seems uncertain.’<sup>lv</sup> Collits (2010) takes a similarly inconclusive position on the topic which he describes as ‘one of the great ongoing debates in regional policy – what sort of places should governments intervene to support?’.<sup>lvi</sup> In a wide-ranging commentary he argues that governments are constrained in their capacity to influence regional development; regional policy is ‘highly problematic’; the goal of significant decentralization is ‘difficult to attain.’ In simple terms his conclusion is that governments have tended to abandon the decentralisation challenge because solutions are ‘wickedly’ difficult to find. Other writers cited by Collits including Searle (1981), Hurley (1989), and Woolmington (1971)) would agree.

#### 2.6.5 Subsidiarity

Contemporary sources share common ground in their support for the European concept of subsidiarity, of local control over local matters, of so-called ‘place-based’ management of resources. Earlier top-down models which involved instructions and directions from the centre (i.e Canberra or Spring Street or Macquarie Street) need to be replaced by bottom-up processes which are driven by local community effort and are based on a thorough understanding of regional strengths and assets. Infrastructure Australia has effectively endorsed this principle in its recent

*Planning Liveable Cities* report.<sup>4vii</sup> Governments need to re-establish trust with communities...towards a more collaborative and inclusive approach...shift to focus community engagement at the earlier strategic planning stage,' The notion goes further in that it embraces the concept of endogenous growth, being growth which occurs more or less spontaneously through an assembly of local and regional talents and abilities instead of through some kind of externally based force-feeding.

Coupling a place-based approach with the subsidiarity model involves a number of principles and strategic intentions (inter alia). There must be local leadership and agreement on objectives. Local and regional institutions should be involved from the outset as active stakeholders, given that they are often better able to identify, assess and develop local economic resources than those at the centre which are pre-occupied with national policy matters. Regions differ from one another, and the one-size-fits-all approach will generally be inappropriate. Old top-down models sought to pull jobs, industry, capital from external sources whereas the bottom-up place-based alternative will be promoting and encouraging community involvement, the development of local industries, and the application of local dollars. Within centralized bureaucracies, devolution of power from the top must be seen as an opportunity, not a cost: project implementation will be aided and will benefit from strong local involvement and support (people power). Finally, initiatives taken by groups or individuals at the local level should be given maximum support when it comes to solving local problems – even if the leadership is from the centre

#### 2.6.6 The creative city

Simple observation in the field suggests that the ability of a regional centre or small town to survive economic downturns may depend on its ability to offer not only the hard infrastructure of pipes and wires and roads but also 'soft' infrastructure such as cultural facilities, well designed civic spaces, imaginative event programs – seemingly consistent with Richard Florida's 'creative class/creative cities' theory (Florida,2002). As the case study herein confirms, the City of Greater Bendigo is unashamedly presenting itself as a Florida model at the city scale. At the other end of the scale, a good example is the small town of Coolamon, 25 minutes' drive north of Wagga Wagga, which has pulled out of a steady decline in the 1960s and 70s and is now in good shape due to imaginative and creative management, good urban design in the main street, and its exploitation of proximity to a major regional centre which offers a full range of cultural, recreational, educational and business resources. Budge and Butt (2007) cite recent American research which suggests that 'it is now very much on the agenda for third tier cities to invest in the arts, cultural events, museums, live entertainment, up-market accommodation, food and

wine'.<sup>Nviii</sup> Observation confirms that this message is already resonating in several Australian regional centres.

#### 2.6.7 Sponge cities

In 2007, Alexander and Mercer<sup>lix</sup> described the 'sponge city' concept as one which might be applied to a number of large regional centres which appear to be growing by absorbing or 'soaking up' residents and workers from smaller nearby towns and their rural hinterland. They cite Salt (2003)<sup>lx</sup> who sees Dubbo, Mildura, Horsham and Narrogin as good examples of 'sponge cities.' For the present reviewer, Wagga Wagga could surely be offered as another candidate. The suggestion is that these places are instrumental in generating a type of localised domestic (internal) migration - a field of knowledge which they argue has to date been marked either by fragmented academic research or commentary in the popular press and accordingly deserves more serious attention.

Queensland and NSW have been the focus of most of this work which has covered (inter alia) such themes as small town population decline, migration of particular demographic cohorts (retirees, youth), and coastal growth as against rural decline. In discussing reasons for youth internal migration, Alexander and Mercer refer to 'push' factors such as shortage of jobs or housing in the centre of origin, and 'pull' factors in the destination (such as tertiary education opportunities, 'bright lights', and better work opportunities. Referencing Salt again, they quote his list of the attributes which he sees as being characteristic of a 'sponge city'. These include a substantial population base, a record of steady growth over at least a couple of decades, a diverse economic base, a role as a de facto regional capital, location in a productive agricultural region, availability of jobs and training opportunities, and proximity to smaller towns which are in decline. In their paper, Alexander and Mercer concentrate on the Victorian city of Horsham which they see as fitting the sponge city model. They find that whilst Horsham meets the sponge city criteria, 'a closer look at the demographic processes casts some doubt on its sponge city status'. For Victoria, the sponge city model 'is too simplistic' to afford a thorough understanding of all the factors influencing internal migration. Their conclusion is that Salt's sponge city concept, intriguing though it may be, 'does not stand up to the rigors of more detailed demographic analysis'. This reviewer accepts that finding. It follows that the concept is peripheral to the task of answering the three questions which underpin the current research project.

#### 2.7 Final comment

As stated at the outset, this literature review was selective. The topic has been taken up with varying degrees of enthusiasm and with greatly varying depths of coverage by numerous

observers over a period dating from WW2 to the present day. The archive is extensive: complete and thorough coverage was outside the scope of the present work. However, within the resources available it is felt that the topic has been explored at least to a point wherein a few key conclusions can be confidently drawn from the works which were reviewed. It is possible that key works have been missed. Nevertheless, the overall impression gained from the readings referred to above is that within the more recent of the contributions there is a general consensus on the points set out below. Accordingly, it is the writer's view that the likelihood of locating a work whose findings are at odds with those presented herein is remote.

- In Australia prior to WW2, decentralisation would most probably have been studied as a topic peripheral to the mainstream of literature on urbanism - especially in the UK and Western Europe. Typically, writers saw industrialisation as a primary cause of city growth. Big cities were dirty, unhealthy, their growth out of control, whilst the green and healthy countryside was losing population. Ebenezer Howard (1902) and others promoted the 'garden cities' alternative. Like the post-WW2 new towns in Britain, such new settlements were successful on their own terms, but were unable stop big city growth.
- WW2 in Australia saw the beginnings of political interest in the planning and management of towns and cities. Terms like 'decentralisation' and 'balanced development' entered the policy field at both federal and state levels. The prevailing message during the 1950s and through to the 1980s was that 'something had to be done' to curtail population decline in country towns and regions as variously defined. The way to do this was to slow down the growth of the capital cities – especially Sydney and Melbourne, and somehow re-direct part of that growth to the smaller centres. The literature of the period suggests there were few successes. As Neutze (1974) famously said, decentralisation was everyone's policy but no-one's program. The Whitlam Labor government of 1972-5 introduced the concept of growth centres, with Albury-Wodonga as a pilot. Numerous writers took note: here was a fresh idea, worthy of study. In the event, the pilot project survived for 3 decades before it was wound down, with no successors.
- Overall, the literature of this 1960s-70s era reflects two distinct trends. On the one hand there was the continuing dream that powerful government intervention might be able to stimulate non-metropolitan growth and strengthen the regions. There seemed to have been a quiet if un-announced recognition that curtailing capital city growth was gaining support. Many writers and policy-makers saw regionalism becoming a discrete element

in both state and federal policy. On the other hand the era saw numerous commentators beginning to question the whole notion of decentralisation. 'Selective decentralisation' had been promoted but where were the success stories? The idea was sound enough – but how do you make it work in our 3-level system of government?

- With the growth of interest in regionalism in the 1990s and into the present century came several related matters. Does regional government make sense? What kinds of regional planning and management entities can work in the Australian context? Several official papers and inquiries explored these and related questions. Embedded in these sources was the notion of subsidiarity, a topic which was to receive increasing attention through to the present day as the 'top-down' planning and management model – especially at a regional level – came to be seriously questioned. A preference for the 'bottom-up' alternative was emerging.
- An interesting policy threshold appears have been reached as this is being written. The relevant literature consists almost entirely of official papers. Federal programs such as the Regional Partnerships (2000) and the Gillard Government's Regional Development Australia committees have been followed by the current Coalition Government's Smart Cities Plan and City Deals. A Select Committee of the House of Representatives is looking at Regional Development and Decentralisation. and a new Standing Committee of the House of Representatives is being proposed. Creating 'sustainable regional cities' is an official aspiration. There are hints of a possible 'new town' project at the federal level. There is also renewed interest in a national urban settlement policy; but as with decentralisation itself, progress on the ground in 'bricks and mortar' terms is awaited.
- 'Sponge cities' have received scant interest. More attractive to several commentators and policy-makers has been Richard Florida's 2002 'creative city' concept and its relevance to regionalism. Migration has received considerable coverage within on-going demographic studies but to date there has been no convincing evidence to show that growth in the regions has been at the expense of growth in the big cities. At the same time, international migration is back in the political headlines as a federal election approaches and both major parties refine their policies: more, less, or status quo ?

This present work opened with three questions. Answers to those questions have yet to be finally framed. However, the literature review has provided a partial if guarded response.



**First:** metropolitan growth is a function of a complex array of forces and will continue unabated. However, to the extent that population can be diverted to other centres there may be some small consequential reduction in the number of people settling in the capitals. This will happen by persuasion and by individual decision – not by government mandate. Governments can assist and support the process: they could take what Forster called ‘Draconian measures’ but they won’t. The conclusion is that decentralisation under any name will not alleviate metropolitan growth to any significant extent.

**Second:** There certainly is potential for enhancing population growth in regional centres through an array of fiscal devices, incentives, propaganda, education and persuasion. The literature (through numerous official publications) is replete with suggestions and ideas. The missing link is sustained official action at all levels of government to turn recommendations into action.

**Third:** The provision of hard and soft infrastructure is an absolutely non-negotiable pre-requisite for sustained regional growth.

Overall, it must be concluded that the literature is almost completely silent when it comes to detailed coverage of decentralisation success stories. If there are any, they have yet to be revealed. At the same time, the literature is replete with claims for more research on the topic – especially on demographic aspects such as internal migration levels and movement patterns. Those claims are strongly supported by the present writer.

### 3 URBANISATION IN AUSTRALIA TODAY

#### 3.1 Introduction

A very simple proposition lies at the core of any discussion about demographic aspects of decentralisation in the sense by which that term is used in this report. That proposition says that at a certain point in its growth it is probable that a big city will start to suffer an unacceptable downturn in its environmental quality, its efficiency, its management arrangements, its overall amenity. Meanwhile, smaller towns in its shadow might be languishing - crying out for help. For the big city, the downturn is directly attributable to unexpected population growth, and the demands made by the additional population on the city's hard and soft infrastructure. The city has reached its optimum environmental capacity and fresh growth must be slowed, restrained, curtailed. In popular terms, the city is 'full', and if further deterioration is to be avoided, arrangements must be put in hand to divert part of the next wave of population growth to one or more other smaller centres which have not yet reached their full capacity. In a single stroke, benefits will flow to all parties. The smaller places will welcome new faces, new infrastructure, new facilities and resources. The parent city will be able to 'take a breather' and give serious thought as to how best to repair the environmental decay, upgrade its tired infrastructure, and generally equip itself for another stage in its future growth. The urbanization process will continue, but in a more 'balanced' fashion due to the decentralisation intervention.

The decentralisation model described above has a simple arithmetical framework. For example: City A has a current population of (x) million and is expected to reach (y) million in 10 years. Small Town B has a current population of (a) thousand which on current indications is expected to decline to (b) thousand in 10 years. If part of (y) can be diverted to Small Town B, the pressure on City A will be eased and B's decline will be avoided. It looks simple: but applying this simple demographic formula to a real world situation requires strong and sustained government action supported by the communities in both places. At the planning level, it will also require some detailed knowledge about historic population movements and conditions in both the parent city and the recipient small town.

Questions abound. Has the growth of City A been steady over a reasonable period of time, or has it suddenly moved into overdrive? Are there any new influences on the horizon (e.g. the likely arrival of international migrants, refugees, and possible changes to migration policy)? What has

been the average annual growth rate? Is it likely to be the same in the future? In an ideal world, what percentage of the total population growth would desirably be passed to Town B? And what about Towns C, D and F which are also crying out for help? Are they all deserving: and how do we establish priorities? Over what period would population transfer take place? Is Town 'B' ready to accommodate the transfer (in terms of land and housing availability, jobs, infrastructure)? What costs will be associated with the transfer, and who will pay them? Is it a crisis situation in Town B which could be remedied by some quick restorative action such as a main street up-grade or transfer of a government office. In a worst case scenario, is it an example of urban senility with no immediate prospects of avoiding a 'slow death'. *And importantly (from a policy perspective) how will results be measured – whether successful or otherwise?*

## 3.2 Statistics

### 3.2.1 The Australian Bureau of Statistics and the small town and regional centre

The Australian Bureau of Statistics (ABS) is the primary source of demographic data, collected at various scales for various purposes. However, it appears that to date, the ABS has been unable to throw detailed light on the kinds of questions posed above and which lie at the heart of the decentralisation debate. ABS collects and holds an extensive archive of demographic data going back many decades but the records are such that it may not be possible to throw light on a highly specific and localized question. How many people in a specific age cohort migrated from City A to Town B in a particular census period? How many internal migrants moved from Sydney to Melbourne over 2 intercensal periods? How many international migrant workers were successfully absorbed into a particular town in a particular industrial sector during a particular intercensal period? Questions like these demand answers if the debate on decentralisation is to be properly served.

ABS small town data make it possible to create a theoretical but limited profile of a typical small Australian town. For the purposes of the decentralisation debate, such a profile has value in a contextual sense but it has little value when it comes to ascertaining whether or not a particular small town in a particular region is deserving of assistance (under a grants program, for instance). On this point, one does not have to be an expert statistician to address that issue. Simple common sense and on-the-ground observation can often provide an immediate answer. If a traverse of the main street reveals a string of vacant shops, or the closure of a branch bank, or a vacant lot awaiting a development application, the evidence is clear. This town needs help. It is at that point when recourse to statistical details will become useful in designing an appropriate rescue strategy.

### 3.2.2 Jobs

When a private enterprise or public agency moves from Sydney to a regional centre there is the potential for a transfer of jobs. ABS will be able to provide a total of new jobs by employment sector in a given collection area or LGA during an intercensal period *but will not be able to tell us precisely how many of those new jobs came from Sydney or another centre* as a result of a decentralisation decision. Nor will ABS be able to tell us which jobs were taken by locals or by workers in the nearby region, or whether the jobs were permanent or short-term. It is possible that other parties (e.g. a local council) might be able to capture such data. Private employers and agencies would obviously have the figures but they may not be on the public record. Without this data, measuring job transfer trends from a major city to a smaller centre is impossible. This disturbing reality must surely be faced head-on by those seeking to push the decentralisation line that job transfer is at least part of the answer.

### 3.2.3 People coming and going

As with employment, ABS will provide a useful selection of statistics covering changes in the structure and number of households in urban centres, LGAs and collector's districts. ABS can give us gross figures for population movements between capital cities and regional Australia<sup>lxii</sup> but the Bureau cannot tell us how many people (for example) migrated from Sydney to Wagga Wagga or from Melbourne to Bendigo in a given inter-censal period. Coarse data is available such that ABS can tell us that in the period 2009-14 (for example) only 13% of the State of Victoria's total population growth went to regional areas, with the rest (87%) going to Melbourne. In NSW, the regional figure was 25%, with the interesting additional finding that in 2013-14, people 'were leaving Sydney in significant numbers and moving to regional NSW, Melbourne and regional Victoria. ABS can provide annual growth figures for households and dwellings for particular centres but they cannot tell us how many former residents of one city relocated to another over a given period.

Some internal migration figures are available but they are of no help in identifying whether newcomers to a particular urban centre are permanent or temporary settlers. If measuring decentralisation is the aim, we need to know how many migrants into a particular centre will be permanent. Are they settlers or transients on the move? Do they have jobs, and are their jobs

permanent? A regional urban centre seeking to attract people and jobs from elsewhere would presumably find it useful to know, in advance if possible, whether those 'new' people were likely to become permanent residents or whether they were transients – whether they were bringing new jobs or relying on filling existing vacancies – and so on.

Since the post WW2 era, politicians, planners and demographers have been grappling with questions like these. They remain central to the decentralisation debate and stand as a constant reminder of the complexities of this debate and of the difficulties facing decision-makers in the search for answers.

#### 3.2.4 Enterprises and businesses: local economic realities

Consolidated data covering the transfer of jobs and corporate resources of large private businesses, commercial enterprises and corporations from a major city to a regional centre is not generally available on the public record. Figures relating to individual transfers may be covered (e.g. a branch of a government department moving from the city to a regional centre). Overall the researcher will probably find it impossible (from ABS sources) to find out how many individual firms, businesses, agencies migrated from a big city to a particular regional centre during a particular calendar period. In the particular case of a firm relocating from Sydney to a regional centre as part of a formalized decentralisation program involving grant aid (for example) there will probably be an authoritative data base covering all important aspects of the move.

The same does not apply to firms moving voluntarily, without any government assistance. Such firms may bring much-needed jobs and money to a small town but their data 'is not on the radar' until a request is made – and even then it may be refused as being 'commercial in confidence'. Perhaps the most reliable and easily accessed data source for those new enterprises seeking development approval through the town planning process will be the standard local government development control records. Development applications will typically include cost estimates, property details (location, size, etc), and environmental impact statements which should include descriptions of the enterprise, its trading hours, floor space, and workforce data (i.e. number of jobs) This data could assist in assessing the likely impact on the local economy and workforce.

### 3.2.5 Demographic profile of small towns

ABS has published 2016 census data on Australian small towns, defined as urban places with populations in the range 200 to 10,000<sup>lxii</sup>. In 2016 there were 1,700 small towns in Australia, with a total population of 2.3 million (nearly 10% of the national total). Well over half of these towns had populations of less than 1,000. Of the remainder, 88 had populations in the 5,000 -10,000 range, whilst the balance (526) had populations in the 1,000 - 5,000 range. For census purposes, towns are classified as being Major Cities, Large Towns, Medium Towns, and Small Towns. Between 2011 and 2016 the proportion of people living in small towns dropped from 10.4% to 9.7% whilst at the national level the number living in major cities increased from 14.9 million (69%) to 16.6 million (71%) in 2016.

### 3.2.6 Population structure 2016

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The median age of people in small towns was 43 years – higher than the national median of 36. More people over 50 years of age live in small towns than in the major cities, whilst more young people live in the latter

### 3.2.7 Diversity 2016

About 11% of people in small towns were born overseas – far less than the 32% figure for the major cities. England and New Zealand were the predominant countries of birth. ABS figures show that the proportion of overseas born arrivals in small towns has declined over the period 1946 to 2016.

### 3.2.8 Learning and earning 2016

About 45% of people in small towns had a non-school qualification (diploma through to post-grad level) compared to 53 % in the major cities. For more than half of those with qualifications, the Certificate level was their highest. Engagement in work, study or training was lower in small towns than in the larger centres, whilst the proportion of those not engaged in these activities was higher (37%) than in the major cities (28%). Young people in the 15-24 age bracket in small towns tended to be less engaged in study than their city peers. For those not engaged at all, the small town proportion (15%) exceeded the major city figure of 8.4%. It is significant that the proportion

of young people in employment in small towns at Census time (60%) was about the same as the figure for the major cities (62%).

For people generally, occupations which were most common in small towns were technicians, trades, professions and laboring – compared to the major cities where professions, clerical and administration, and technicians and trades were the most common. The most commonly reported industries of employment in small towns were health care and social assistance, followed by retail trade and construction. Median personal incomes were less in small towns than in larger towns, and for those earning more than \$1000 per week the national proportions were 26% for small towns compared with 36% for the larger towns.

### 3.2.9 Housing

At the 2016 Census in small towns across Australia there were about 1.1 million dwellings of which about 923,000 were occupied. Most were separate houses, with the figures reflecting what might be seen as a bias against medium and high density forms. Across the board, the proportion of rental dwellings in small towns was 25% compared to 31% in the major cities - and weekly rents were lower in the former. Median monthly mortgage payments were also lower in the small towns. Housing suitability data revealed that in the smaller town category there was a marginally higher proportion of dwellings with one or more spare bedrooms (78%) than in major cities (70%).

## 3.3 Migration

### 3.3.1 Generally

We know how many skilled migrants arrive from overseas, and we know that the majority settle in Sydney and Melbourne. But we have no means of knowing how many of them go to particular non-metropolitan centres. We know a great deal about the population, country of birth, educational levels, employment, and other characteristics of people in small towns, but we do not know the principle reason for their settling in a particular small town. Was it for work - or education – or family – or some other reason ?

### 3.3.2 Internal migration trends

A recent study (2017) by Charles-Edwards et al throws some fresh light on recent trends in internal migration in Australia.<sup>lxiii</sup> Findings of relevance to decentralisation are summarized below. There has been a decline in long-distance moves, possibly due to an ageing population, an increase in 2-income households, worsening housing affordability, or other causes.

- Internal migration reaches a peak among young adults.
- The likelihood of internal migration is affected by numerous factors such level of education, employment status, skills and an individual's social profile.
- The Census captures the characteristics of internal migrants as they were on Census night – not at the time of their move.
- There is a weak correlation between education and mobility, although mobility generally increases with level of education. The higher the education level the more likely it will be that the individual will be competing in the national rather than the local job market.
- Unemployed Australians are more likely to move than those who have jobs; and occupation seems to have little impact on migration intensities.
- There is a strong correlation between rental housing and high levels of internal migration.
- People born overseas are more likely to move than those born in Australia.
- Between 2011 and 2016, both NSW and Victoria experienced net losses of people moving to other states. NSW lost migrants to most other states. Within NSW there was significant movement from Greater Sydney to Greater Melbourne, Greater Brisbane, the Illawarra, Hunter and Southern Highlands. The NSW Riverina experienced a net gain.

For the period 2007 - 2015, the ABS has issued a product covering annual regional internal migration estimates.<sup>lxiv</sup> It was found that Melbourne had the highest net migration gains of all capitals, pulling 11,500 people from Sydney. Conversely, Sydney had the highest net loss across all age groups with the exception of the 15-24 cohort which gained 1,300. The ABS experimental dataset called RIME<sup>lxv</sup> (Regional Internal Migration Estimates) has provided additional information on the topic for the periods 2006-7 and 2013-14. For example: NSW and Queensland are home to the majority of Australians who live outside a capital city. There is a 'mis-match' between population levels and growth rates, with NSW accommodating 36.7% of the state's population outside Sydney but only 25.1 % of the state's growth occurring in the non-metro regions. Regional migration estimates for 2013-14 revealed a shift, with people leaving Sydney for regional NSW, Melbourne and regional Victoria in significant numbers. In a single year, Greater Sydney had a net migration loss of nearly 15,000 people. ABS notes that this loss was more than offset by the



large overseas migration intake. Regional NSW and regional Victoria relied on internal migration while Melbourne and Sydney relied on overseas migration.

In June 2013, Hugo et al at the Australian Population and Migration Research Centre at the University of Adelaide published a Policy Brief on internal migration and the regions.<sup>bvi</sup> It found that during the 5-year survey (2006-2011) 37.7% of Australians moved house – compared to 14.5% during the previous 5 years. The moves tended to be over short distances, presumably to avoid job changes and social re-adjustment. Between 2006 and 2011, 20.8% of all internal movement occurred at the same Statistical Area Level. The researchers found that internal migration had only a limited impact on the distribution of population at the national level. As has already been noted, Sydney has frequently suffered net migration loss by internal migration – significantly offset by migrants from overseas. ‘Sydney, and to a much lesser extent Melbourne, rather than being a magnet attracting large numbers from elsewhere in Australia, have been important sources of internal migrants (moving) to the rest of Australia while the fact that international migrants have disproportionately settled in Australia’s two largest cities has been the major migration driver of them both.

### 3.3.3 Young people on the move

In their work at the University of Adelaide, Hugo et al (2013) took a special interest in the movement of young people and the elderly or retiree cohort during the period 2006-2011. Regional Australia saw a net loss of young adults to the capital cities, balanced in part by a gain of young families and retirees. These gains tended to be localized in a number of regions and urban centres instead of being evenly spread. The researchers made the point that any regional development strategy should acknowledge the historical fact that in the past, migration has generally not been regarded as a necessary baseline input. Research at a regional level, already a complex task, has given little attention to those aspects of migration which would be of value at the strategic planning level. With regard to the exit of young people from the bush, the record shows that in the past there have been unrealistic policy proposals designed to stem the flow. Such policies ‘are doomed to fail’ because experience everywhere is that such moves from the ‘bush’ to the ‘big smoke’ are inevitable.<sup>29</sup> If youth migration to the big cities creates a vacuum, an

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<sup>29</sup> Anecdotal evidence collected during field trips to Wagga Wagga and Bendigo for the present study suggests that today there is a significant trend whereby young people are increasingly returning ‘home’ after completing their right of passage in the big city, partly because of housing affordability.

answer might be found by encouraging both migration and immigration – to bring in new skills, educated settlers, new human capital.

However, such an interventionist policy must be limited to those places having demonstrable economic potential and where the skills of newcomers can be readily exploited. The record shows the futility of trying to achieve ‘regional equity’. At the same time, areas showing as yet unrealised growth potential must not be ignored – with a particular caveat. Where new money and new infrastructure is on offer, such aid should be justified as being a subsidy on equity or social grounds rather than it’s being seen as capable of generating sustainable economic growth in itself. And in the case of areas having substantial potential, the vacuum created by the departure of the young and the clever must necessarily be filled by other interventions.

Hugo et al acknowledge that a net loss of young talent in small towns is a barrier to healthy growth which demands a consideration of suitable ‘interventions’ designed to fill the vacuum. Their research points in the first instance to a ‘*Bringing Them Back Home*’<sup>lxviii</sup> program which is based on their finding that the locational preferences of young people tend to change as they enter the family formation stage (30s and early 40s). During this stage, affection for the bright lights shifts to a recognition of the values associated with family, good schooling, housing choice, security, and environmental amenity. Research suggests that this shift can generate a counterflow – back to the small town - but more needs to be done to bring this message into the headlines. Young people need to be ‘presented with high quality education, health and recreation choices for their children, a relevant properly remunerated job, and appropriate housing.’ It appears that people without social connections to the place in question will be less likely to migrate than those who have such connections; but return will still depend on the availability of jobs, housing and services. Other elements in a ‘bringing them home’ strategy include

- involving parents in the home community in a program designed to track down potential returnees and present them with the benefits of a return;
- searching for, identifying, and persuading key individuals (such as those having particular skills needed by the town and region) to settle;
- tracking down former residents and reminding them that their return will be welcomed;

- giving special attention to the retiree cohort – the so-called ‘young aged’. The notion that this group simply consumes resources rather than contributing to the local economy is not supported by research. On the contrary, retiree migrants are often from high income groups with cash to spare and spend locally. They have skills and experience, energy and the potential to make valued contributions to the social and economic life of the recipient community at both the local and regional levels.

### 3.3.4 Overseas migrants

With regard to migrants from overseas, Townsend and Pascal (2012) have studied the experiences of migrants arriving in Bendigo from Asia<sup>lxviii</sup>. Their findings are of limited value when it comes to looking at the bigger picture and trying to measure the contribution which migration makes to the growth and economy of a particular small town which might have been struggling. In order to measure the success or otherwise of a specific decentralisation program or project, we need more fine grain data – in addition to the coarse data currently available.

### 3.4 Sustainability and the small town

As this paper is being written, dozens of small settlements across eastern Australia in particular are suffering from one of the most sustained droughts ever recorded. Small towns whose economy was already fragile are facing additional stress as water supplies dwindle, tourist visits decline, farm production falters and general liveability suffers – exacerbated by extreme heat-wave conditions during summer. Towns relying on a single economic resource (e.g. coal mining) are vulnerable. The future of some of these towns is bleak as their economic base faces continuing uncertainty. Those that are more than 45 minutes or so from a major centre are particularly vulnerable, and the prospect of an official White Knight riding into town with a bag of dollars is remote. These towns and their parent regions are literally on a survival cusp with no clear solutions in sight. If government aid does eventuate it will probably be short term and limited (in dollar terms) to those in real need.

There will be those who see these conditions as being inevitable. For them, the sensible scenario is probably one which sees a gradual re-ordering of the rural settlement pattern to take into account the probability of a more uncertain climate, with more droughts, more floods, more heat-waves. This scenario also sees globalisation and the digital revolution bringing new challenges in farm management. Farms get bigger. Jobs get fewer. Farmers’ sons and daughters are less likely

to go on the land than their fathers were a generation ago. Sad as it may be, it seem inevitable that many small towns will slowly die, hopefully with a commensurate strengthening of the larger regional centres.

This bleak scenario will never be remedied by sudden injections of cash alone. But local initiatives, supported by government and perhaps by the private sector, may be the answer in some circumstances. A recent example is the proposal for a large wind farm near Rokewood , northwest of Geelong. This small rural town, which for some time has been suffering economic decline with no clear escape in sight, may find its rescue if approval is granted for the Golden Plains Wind Farm, involving 228 wind turbines and associated infrastructure within adjoining farmland<sup>lxix</sup>. Jobs will be created; money will flow over a 4-year construction period; locals are promised a discount on their electricity bills; local businesses will benefit. Whilst controversial, the project apparently has broad community support and is the kind of development which might serve as a prototype for others in the growing renewable energy sector.

Another example, if much smaller, is the unique local Cheese Factory in the small Riverina town of Coolamon. An abandoned café in the main street has been successfully converted into a specialist gourmet cheese factory producing local cheeses, offering factory tours and tasting experiences in a stylish on-site licensed restaurant. The establishment has brought new life to Cowabbie Street in particular and to the town's economy in general. Local initiatives such as those cited here are not examples of decentralisation. They do not involve a transfer of jobs or people to help relieve the 'pressure' on a capital city. Rather do they spring from a combination of local creative thinking and enthusiasm; they involve a supportive local authority; and they are evidence of a willingness on the part of their proponents to exploit a local resource in an imaginative way. Anecdotal evidence collected from personal discussions and local media during this present research suggests that a combination of local initiatives, local resources and bottom-up management arrangements is more likely to bring positive economic results to small towns than will the traditional model involving complex bureaucratic processes, speculative grant applications, and the like.

### 3.5. General discussion

This paper is being written at a time when general elections both nationally and in New South Wales are looming. The pork barrel has started rolling with almost simultaneous announcements by both Prime Minister Morrison and Labor leader Shorten of a \$200 million plus aid program for Kakadu National Park. At the federal level, both the major parties espouse policy commitments to support the regions and to bring the capital cities into a national urban settlement framework. There is daily media coverage of the international migration question, not only in terms of the quantum of migrants but also involving a vigorous discussion about where they should be located after arrival. However, a quick assessment of media releases and leader statements suggests that 'decentralisation' and 'balanced development' are terms which are not in current use.

Much more likely will be references to regional development, regional infrastructure, consultation with regional communities, and the need for more local decision - making. Currently at the federal level, the Labor Opposition has announced a comprehensive raft of policy intentions covering all sectors including cities and regions whilst the Morrison government is pushing its program of City Deals, conceived as partnerships between the three levels of government (with community input) and designed to accelerate economic growth and reform, and stimulate urban renewal. City Deals serving Launceston, Townsville, Western Sydney and Darwin have already been announced. In parallel, the government has launched its Smart Cities Plan, designed to 'position Australia's cities to succeed in the 21<sup>st</sup> Century economy' by way of 'smart investment, smart policy, and smart technology'<sup>lx</sup>. The newly-created Department of Cities, Urban Infrastructure and Population is the responsible agency. It remains to be seen what might happen to these conservative-government initiatives should Labor take government at the next federal election.<sup>30</sup> At the state level, a similar question is evident. One thing seems certain. There is no overt political affection for the well-worn 'Growth Centres' and 'new cities for Australia' concepts of the 1960s - 90s era.

As the Wagga Wagga and Bendigo case studies herein have revealed, there is an energetic commitment to the preparation and implementation of local and regional plans and on-the-ground projects in the Riverina and the Loddon-Campaspe regions. Some of these enterprises involve higher levels of government; some do not. But all involve community input, evidence of the strong

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<sup>30</sup> Coincidentally, it is almost exactly 50 years ago when, in the run-up to the 1972 federal elections, a Coalition government under Prime Minister McMahon suddenly announced a package of urban policies in a bid to pre-empt Labor's plans in this policy field. In the event, McMahon's efforts were to no avail and a few months later, Labor took government.

swing to bottom-up planning which in recent years has tended to displace the earlier top-down model. This is the subsidiarity principle at work. The message here seems to be clear: old top-down planning models have not worked. Remote decision-making is viewed with suspicion at the grass-roots level. Local leadership is a crucially important resource if regional assets and resources are to be successfully promoted to an outside world. Such leadership has always been important when it comes to what today has almost become a full-time job: lobbying for funds from state and federal governments for big infrastructure projects and pitching alluring prospects of business opportunities to the private sector.

Evidence collected for this report has revealed a surprising array of lobby groups and coalitions of cities and regions, some operating at the national level whilst others are regionally based. Philosophically they all seem to share a strong belief that 'nothing will happen' unless the action button is pressed at the local and regional levels. Central bureaucracies be warned ! As for political pork - barrelling, it continues to occur but the evidence suggests that it is sporadic and typically coincides with elections – especially in marginal seats. On a final note: if discussion in this chapter has appeared discursive and somewhat inconclusive, it is a reflection of the complexities in the Australian system of governance when it comes to managing our cities and the movement of people between them. Regrettably there are no simple answers.

## 4 : CASE STUDY – CITY OF WAGGA WAGGA , NEW SOUTH WALES

### 4.1 Introduction

This chapter covers research and consultations undertaken during and after a short field trip to the regional city of Wagga Wagga and the Riverina region of New South Wales in December 2018. Meetings were held with senior staff of the Charles Sturt University (CSU) Regional Archives Centre and the Council of Wagga Wagga City (WWC). Assistance was also received by phone and electronically from the office of Regional Development Australia (RDA). The aim of the trip was to gain an understanding of the City's role as the de-facto capital of the Riverina Region and the extent to which the City and region might have been beneficiaries of past decentralisation programs. Amongst the matters discussed were the following:

- the feasibility of making a quantitative assessment of whether or not population growth in Wagga Wagga is directly related to population shifts in metro Sydney;
- benefits which might have flowed to the City and region in demographic and economic terms as a result of grants and other forms of assistance flowing from explicit decentralisation programs promoted by state and federal governments;
- whether or not there is a significant difference between dollars flowing from a formal decentralisation program and aid provided gratuitously through a so-called 'pork-barrel' grant; and
- the extent to which the Council keeps records designed to assist in measuring changes in the population and workforce which might be attributed to a decentralisation project.

### 4.2 Wagga Wagga City: history, economy, current situation

Wagga Wagga is the largest inland city in New South Wales. It was originally gazetted by the colonial government as a 'village' in 1849 and was incorporated as a municipality in 1870. In 1946 it was proclaimed a City. Located on the banks of the Murrumbidgee River, it is now the largest retail, commercial, and administrative centre in the Riverina Region,<sup>31</sup> serving a retail catchment

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<sup>31</sup> The Riverina Region embraces the local government areas of Wagga Wagga, Coolamon, Cootamundra-Gundagai, Junee, Lockhart, Murrumbidgee, Snowy Valleys, Temora, Greater Hume, Griffith and Narrandera. The total population (est.) in 2016 was 170,000.

population of approximately 190,000 people. According to RDA the projected regional resident population (2036) is 187,072. The current population is 65,000 compared to Bendigo's which is 91,570

The city lies mid-way between Sydney and Melbourne and enjoys a high level of connectivity with those cities as well as with Adelaide and Canberra. It has long been regarded as a strategically located hub or centre for interstate trade and transport by road, rail and air, and if the proposed inland high speed rail link between Melbourne and Brisbane ever goes ahead, this relationship will be greatly enhanced. According to a recent Council publication,<sup>lxix</sup> 'a creative, innovative and ideas driven labour force' has resulted in the creation of new businesses, increased entrepreneurial activity, and allowed existing businesses to embrace new innovative technologies. Within the workforce, 65% of employees have tertiary qualifications up to bachelor's level and higher, a reflection in part of the fact that the city is a key educational hub within the wider Riverina Region. Charles Sturt University (CSU) is the major tertiary level facility, supported by TAFE NSW Riverina and colleges or units of other universities and training establishments.

Within the urban area of the city there are numerous higher-order cultural and community facilities covering the creative and performing arts, music, sport, health, and indoor and outdoor recreation. Migrants are welcome and the city boasts an international multiracial cultural mix. This includes a significant cohort of Indigenous Australians: at the Riverina regional level, the 2016 census revealed that there were 8,900 people who identified as Indigenous – an increase from 6,241 in 2006. Although it may not have yet laid claim to being able to qualify as a 'Creative Class location' as defined by Richard Florida<sup>lxxii</sup>, observation and research suggest that the city is well endowed with the attributes which Florida regards as vital if human capital and creativity are to flourish and economic prosperity is to grow. He cites his '3 Ts' of a creative place: technology, talent and tolerance – all three of which appear to be in good supply in Wagga Wagga.

The results of local research at CSU and in consultation with City Council officials are summarized below. The notes deal with each of the matters itemized in the Introduction above.

- On the basis of current procedures and available statistics it is not possible to identify a useful correlation between population and economic growth in Wagga Wagga City on the one hand, and population drift from Sydney to Wagga Wagga on the other. Migration from the metropolis to the City and the region generally has certainly been occurring for many years, but apart from anecdotal references and the occasional headline there is no cumulative data to quantify that movement or to connect it to some kind of formally-adopted officially directed decentralisation program. Nor is there



any readily-accessible data on the movement of persons out of Wagga Wagga to settle permanently in Sydney or other urban centres in south-eastern Australia. People come and go: their movements are never tracked unless and until they become involved in a survey of some kind, or a census question of relevance happens to be asked.

- On the matter of actual bricks-and-mortar projects which had the potential to enhance the city's economic growth, the Council's records cover (as per official practice) such matters as development approvals, estimated costs of individual proposals, type of enterprise, timing and completion dates (inter alia). In the case of projects which eventuated because of government grants there is limited data but the records generally do not help to quantify the number of new jobs generated or (in the case of 'migrant' enterprises being established in the City for the first time) the number of new permanent jobs which they have brought to the City and region. There is occasional anecdotal discussion about benefits which might have flowed to the City and region in social, demographic and economic terms as a result of grants and other forms of assistance derived from explicit decentralisation programs promoted by state and federal governments.<sup>32</sup> Consultation with the General Manager of Coolamon Shire Council<sup>33</sup> indicated that when it comes to job creation (and with the exception of a couple of large grants several years ago which generated about 10 new jobs) positive impacts on the local workforce are minimal. Acquittal of most small grants will typically involve the use of existing local labour: no new jobs are created. The data base overall is thin and inconclusive regarding job creation and boosts to the local economy.
- Anecdotal evidence arising from City Council consultations suggests that major projects arising from so-called 'pork-barreling' by politicians are rare. For obvious reasons, projects requiring big dollars and lengthy periods of gestation, planning and implementation do not normally fit the spontaneous off-the-cuff pork-barrel model. Politicians eager to capture votes will occasionally make throw-away promises of aid for small local projects (a new classroom or children's play equipment or a grant to a local library service) but these appear to be infrequent and are largely inconsequential in terms of their impact on the local economy. Big projects are typically born out of a

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<sup>32</sup> See, for example, the Wagga Wagga City News item of 22 November 2018 regarding the new levee up-grade and multi-purpose stadium.

<sup>33</sup> Meeting with Mr T Donoghue, GM Coolamon Shire Council 11 December 2018

real local need which has been on the books for some time: the proud announcement that they are now in the pipeline for implementation (especially if there is an election looming) might be seen as pork-barreling but the reality suggests otherwise. It therefore seems that in Wagga Wagga's case at least, there is no way of quantifying significant differences between dollars flowing from a formal decentralisation project and aid provided gratuitously through a so-called 'pork-barrel' grant.

- For the city and region there is a very substantial data base relating to population, employment, industry, infrastructure, health, education and other topics of relevance. This data is held at a number of sites including state government agencies, Wagga Wagga City, Regional Institute Australia (RAI), MDA (Murray Darling Association), RDA (Riverina), CSIRO, and the Australian Population and Migration Research Centre at the University of Adelaide. Primary sources include the ABS and the CSU Regional Archives Centre based in Wagga Wagga city. The academic and independent research literature is extensive. Notwithstanding these resources, there does not appear to be any authoritative data sources currently available which have been assembled for the prime purpose of measuring changes in the population and workforce which might be attributed to a decentralisation project. It can be asserted with some confidence that for the city and Riverina region, the results on the ground (in terms of jobs and people) of any programs originating at federal or state levels and officially labelled as being for the purposes of decentralisation or balanced development, have yet to be quantified.
- The City Council is one of the local government stakeholders in RDA Riverina. It has close links with many local and regional bodies as well as with government agencies. As the economic and social hub of the Riverina (and the self-styled regional capital of NSW) the city is the logical first port of call for potential investors in the city itself, and the Council's Economic Development Team provides advice and support in this regard.

## 4.3 The Riverina Region of New South Wales

### 4.3.1 Generally

The Murrumbidgee River is the life-blood of a region which links the foothills of the Snowy Mountains in the east to the wide open plains of Hay and Carrathool in the west. As it flows westward it nourishes towns and farmlands which in 2016 accounted for about 12.7% of the state's agricultural output.<sup>34</sup> Important regional centres such as Gundagai, Wagga Wagga, Narranderra, Hay and Balranald lie astride its banks whilst other towns such as Leeton and Griffith are close by within the catchment. A warm climate, productive soils and ample water have together helped to establish a strong local economy based on agriculture, food and beverage manufacturing, health care, tourism and wood processing. These in turn support other sectors, with a total regional work (2017) of 87,480 people. According to RDA, the unemployment rate in the region has been lower than the overall NSW rate during the period 2011-2017, whilst at the time of writing there is a 'significant need' for skilled workers in the rural and manufacturing sectors which are looking to fill this need through migration. The number of registered businesses is growing annually – contributing to a regional economy whose GSP (value added) in 2016 was 2.1% of the state's total. In the housing sector, around 30% of occupied dwellings are mortgage-free.

### 4.3.2 The evolution of regionalism as a driving force in the Riverina – World War 2 to the 1990s.

Whilst the river itself has existed for millennia, and human settlement has long been part of its heritage, it was not until the latter years of WW2 that communities along the Murray and Murrumbidgee Rivers made the first moves from parochialism to regionalism. That era saw the fruition of sporadic efforts which dated back to the turn of the century and which were searching for a clear definition of regional identity' to counteract what some saw as a continuing remoteness of officialdom and decision-makers when it came to the formulation of national policy relating to regional Australia in general, and to the Riverina in particular. In 1944, two conferences were held on the Murray River in the Victorian town of Yarrawonga, leading to the establishment of the Murray Valley Development League (MVDL) – the first truly regional body in the Riverina. As early as 1950, the League had noted at its annual general meeting that to date, government had failed to encourage decentralization. According to the League, the word itself was one which everybody says but which nobody wants.

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<sup>34</sup> This figure plus other statistics quoted here are sourced with thanks from RDA and WWCC.

In retrospect it is interesting to note that the organizational structure of the MVDL was based on the creation of six regions – one of which was the Riverina - spanning the entire river system and covering all riparian local government areas in NSW, Victoria and South Australian. Each region was empowered to establish its own Advisory Council . The new League was seen as having the potential to influence Commonwealth and State authorities to form a single cross-border co-ordinating body to promote further the development in the Murray Valley. The League later changed its name to the Murray Valley League and later still it became the Murray Darling Association.<sup>35</sup>

In 1954, the NSW Premier's Department released a report on the Murrumbidgee region prepared by a body known as the Murrumbidgee Regional Development Committee. This report noted (inter alia) that the Department of Education had established a regional directorship in the Murrumbidgee and it urged other government agencies to do likewise. The Committee urged the government to appoint regional directors and to encourage all agencies to adopt common regional boundaries for administrative purposes. Large scale immigration into the region was to be encouraged and the Commonwealth was to be urged 'to continue a controlled policy of immigration from overseas to meet the demand...'

In 1971 the League co-hosted the highly-influential Canberra Conference on National Development at which the then Federal Opposition leader Gough Whitlam presented the Labor Party's plans for revolutionizing the national government's role in matters involving urban development and the environment. Out of the 1971 Conference came the Australian Council for Balanced Development. The record suggests that this Council was the first ever Australian agency formed to promote decentralisation in rural and regional areas.

At the same time, in NSW, the State Government was creating the Riverina Regional Development Board (RRDB), one of many such bodies to be established across non-metropolitan NSW. The Board's first priority was to prepare a regional economic development strategy (funded by the state).The intention was that in due course a synthesis of strategies produced by all Boards would be used to form the NSW Economic Development Strategy'. In hindsight, this exercise might be seen as typifying the official affection for 'top-down' planning which prevailed until well into the present century. The 10-year regional strategy for the Riverina (eventually produced by the RRDB in 1991) contained five sub-strategies, and was released when the 14 constituent local government areas in the region had a total population of 143,680 (1988).

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<sup>35</sup> Today the Association serves a vastly-extended geographical area and population. Its focus has shifted from decentralisation matters to those related more closely to environmental and catchment management.

- Strategy 1: to diversify agricultural and pastoral activities;
- Strategy 2: to establish the Riverina as the major NSW centre for the processing of agricultural and pastoral products;
- Strategy 3: to help the plantation forestry sector to reach its full potential;
- Strategy 4: to develop an active tourist industry;
- Strategy 5: to strengthen the 3 principal urban centres (Griffith, Leeton and Naranderra) whilst enhancing Wagga Wagga's position as the premier inland city in the state.

The Wagga Wagga City Council embraced this concept with enthusiasm, taking it further with its commitment to the Whitlam Government's growth centres policy. In 1971 the Council made a major submission to the federal government in which it argued the case for the City to be nominated as one of the 'selective growth centres' in NSW.<sup>lxviii</sup> In the preamble, the Council offered its basic contention that the next 25 years should see a 'better distribution of population' through regional development; and that the Riverina was adequately resourced for such an outcome. The populations of Sydney and Melbourne should be retarded whilst growth in the other capitals should be carefully controlled. A more even distribution of population will be in the national interest; this can be achieved (in part) by exploiting the potential of the Riverina. Looking back today, it is of interest to note that despite the push for more growth, the tourism sector received a veiled warning with the Council's admonition that 'responsible resource management is necessary to preserve the environment for future generations.'

The Council's case for nomination as a growth centre was based on eight premises. The City's natural growth rate was healthy. Local plans demonstrated the City's potential to accommodate 100,000 people by the year 2000. The housing, infrastructure and construction sectors were equal to the task. Quality of life was excellent. The City could accommodate federal and state government agencies which served the region. Communications, accessibility and regional productivity were of a high standard. The industrial and employment base was strong – with the Council confidently claiming that 'Sydney and Melbourne will provide a major proportion of the future workforce requirements for industries' in the city. Particular emphasis was placed on the importance of the health and education sectors as having the potential of offer services equivalent to those offered in the capital city. The same arguments were recorded by the City Council in its 1973 submission to the Regional Advisory Council seeking the city's selection as the regional administrative centre for the Riverina.

In the same year (1973), the Riverina Regional Advisory Council (RRAC) made a presentation to the Commonwealth Grants Commission. Its opening message was bleak as it pointed to a drop of 8.6% in the state's rural population between 1966 and 1971 whilst the population of the NSW Central Coast was booming. Within the Riverina region itself, the forecast growth was from 131,000 to 145,000 between 1971 and the turn of the century – the 14,000 increase being seen as 'not even equal to the rate of natural increase' and indicative of 'a substantial amount of migration' from the region.<sup>lxxiv</sup> The Council offered three recommendations based on its view that 'decentralisation is the only way to achieve a balanced population distribution in NSW'.

- The region should encourage the growth of industries whose economy is not closely dependent on agriculture.
- Funds should be generated for investment in services needed to encourage further population growth in the larger regional towns.
- Funds should be provided to cover detailed research into regional demographics.<sup>lxxv</sup>

In framing these recommendations the Council noted with concern the official projections of population decline in many of the smaller centres. The figure for Coolamon (for example) was predicted to decline from 4713 (1971) to 3352 in 2006; Gundagai (from 4175 to 2090); and Narranderra (from 7666 to 4090). In sharp contrast, the population of Wagga Wagga City was expected to grow from 28,814 in 1971 to 50,660 in 2006 – a prospect which clearly highlighted the fact that at the time, the very future of the smaller centres was seen to be at risk. However, the Council acknowledged that many of these centres fell into the category of being dormitory and service industry towns, all of which played important roles in the economy of the city and region. This process could reasonably be described as rural-to-rural migration, with little or no impact on regional population levels. Nevertheless, these smaller centres would have been beneficiaries of a selective decentralisation program.

Again in 1973, the RRAC strongly pushed the decentralisation cause at its meeting in Leeton in September. In his opening address, Chairman T. Bull spoke of the 'rapid growth of the urban areas (Sydney and Melbourne)...social problems...congestion...economic problems ...the question of decentralisation is (now) of major concern...the pressure for decentralisation (coming) from the metro areas probably now more than equals that coming from the rural areas'. He argued for greater use of governmental incentive schemes to help attract industry.

Government departments should decentralise some of their functions. The tertiary sector in particular demanded close attention.<sup>36</sup>

In 1975 the Whitlam Labor government was replaced by Malcom Fraser's conservative coalition which immediately commenced dismantling (dismembering ?) many of the Whitlam reforms. The cause of decentralisation was threatened by what the MVDL saw as 'federal economies', a matter of concern to the President of the League in his 1976 report. <sup>lxxvi</sup>For several more years at least , decentralisation and balanced development remained as top priorities for the League, as did selected growth centres, 'to stop most of the metropolis-bound migration nearer to home and provide provincial areas with capital city type and range of facilities in industry, commerce, education, entertainment and the professions.'

Today (2019) the Murray Darling Association Inc. is the direct successor of the original Murray Valley Development League . The name change in 1993 reflected the organisation's growth in the four riparian states and the expansion of its charter to cover virtually all natural resource and policy issues affecting the Basin. From its foundation in 1944 the Association has contributed to debate on many issues which are still alive today, including decentralisation, tourism, water conservation, education and regional development generally. It serves the interests of 12 distinct regions, of which the Riverina is one.

#### 4.3.3. Regionalism today: the Riverina picture

Working alongside the NGO sector is the Commonwealth-funded Regional Development Australia organization (RDA). Currently this body is administered by the Federal Department of Infrastructure, Regional Development and Cities, and operates by way of a national network of 52 local committees of which one is Riverina NSW.. . These committees comprise government and business representative and community leaders whose common interest is the support and promotion of growth and development in their respective regions. The Riverina committee is supported by full-time staff and operates out of its Wagga Wagga and Griffith offices. It is regularly involved in community consultation and engagement work, the promotion of and participation in regional development programs, and the provision (to government) of information and advice on regional matters, The Committee is also a lead advocate for informed regional planning. Current projects include the following:-

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<sup>36</sup> Chairman Bull did not refer to the Whitlam government's hopes for the Bathurst-Orange Growth Centre in NSW, a project which was abandoned after 9 years and the expenditure of some \$49m. Ref: [www.warrendinecourt.com.au/bathturst-orange-development-corporation.html](http://www.warrendinecourt.com.au/bathturst-orange-development-corporation.html)

- Design and presentation of a 12-week *Tourism Business Accelerator* program for small-to-medium operators in the tourism sector who are seeking help to develop new markets and new products; the program is being delivered by RDA Riverina on contract to Destination Riverina Murray (one of 6 tourism destination networks funded through the NSW government's Destination NSW program);
- Provision of assistance to local organisations seeking advice and technical/writing support in their preparation of applications for grant funding;
- the *Country Change* campaign, designed to increase investment in the Riverina by attracting new businesses and residents. The campaign is jointly funded by RDA and the 10 regional councils, and includes special promotions in Sydney, Melbourne and Canberra which are clearly intended to persuade potential migrants from the big cities to make the move to the Riverina;
- assistance to government in implementing the *Skilled Migrants Program*;
- *Jobs Riverina* – a new free digital platform which allows job-seekers to find work opportunities in the region and make their applications on line; it also urges employers to expand their recruitment activities in the Riverina;
- *Grow our Own* – a pilot plan which aims to improve education levels, workforce participation and skills retention in the Western Riverina - especially targeting young people to persuade them to remain in (or return to) the region after finishing school, undertake higher education in local institutions, and find local jobs.<sup>37</sup>At the time of writing, this innovative pilot project had yet to be tested in the field.

The Regional Australia Institute (RAI) is a not-for-profit 'think tank' founded in 2012 with seed funding from the Commonwealth. Its resources are devoted to research, fact-finding and information-gathering about regional Australia, mostly at the national scale. Current or pending research is focusing on regional transition and change, on the effectiveness of place-based

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<sup>37</sup> Deakin University and Bendigo Bank are partners in the Grow Our Own project, along with local leaders from industry, commerce, government and the community sector.



transition packages for major projects, and on evaluating the effectiveness of current procurement packages to drive regional economic development. In 2017, RAI published a research paper on Richard Florida's 'creative city' concept as experienced to date in Australia. In the same year the Institute looked at migration and demographic shifts in regional towns; and in 2018 there was the release of work on new approaches to regional policy. It is beyond the scope of this present paper to evaluate these various projects in detail. However, a superficial assessment based on web data strongly suggests that the work of the RAI warrants further attention in the light of the current increased interest in a national urban policy, in the need to strengthen the economy of small country towns, in migration policy, and in regional development generally..

#### 4.4 Conclusion

In political circles at least, and for the better part of the last century, there was a generally held view that the capital cities were becoming uncomfortably large, the evidence being based on growing congestion levels, increasing air pollution, despoliation of bushland, amenity conflicts between industrial and residential development, and the continuing problems of the inner city 'slums'. There was a parallel perception – backed up by hard census figures - that many country towns were seeing their populations decline, their economic bases collapsing, and their survival as viable settlements being put under a worrying question-mark. In the search for a resolution of these problems, a simplistic notion emerged. Why not curb the growth of the cities, and direct part of their future growth to the bush? The twin concepts of 'decentralisation' and 'balanced development' were born, and during the 4 decades after the end of WW2 these words and the ideas behind them received intensive scrutiny by governments in the eastern states especially, by academic researchers, by local politicians and community leaders. 'Sydney or the Bush' became a popular catch-cry. For many it was the 'Clancy of the Overflow' syndrome<sup>38</sup>; and it had to be dealt with at a political level.

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<sup>38</sup> Australian bush poet A.B."Banjo" Paterson captured the differences between city and bush in his 1889 ballad *Clancy of the Overflow*- as seen by Clancy's un-named correspondent:-

*'...I am sitting in my dingy little office, where a stingy ray of sunlight struggles feebly down between the houses tall and the foetid air and gritty of the dusty, dirty city through the open window floating, spreads its foulness overall... And I somehow rather fancy that I'd like to change with Clancy Like to take a turn at droving where the seasons come and go While he faced the round eternal of the cashbook and the journal, But I doubt he'd suit the office, Clancy of the Overflow.'*

It was in the big river country<sup>39</sup> in particular that decentralisation came to be a headline during and immediately after World War 2, although it had received sporadic attention for decades before. The establishment of the Murray Valley Development League in the 1940s signaled the beginning of a vigorous campaign to achieve 'balanced development' and 'decentralisation' in New South Wales in particular – the two issues being seen as two sides of the same coin. However, this present research must conclude that the answer to the question as to whether or not Wagga Wagga City and the Riverina Region can be identified as direct beneficiaries of past assistance through balanced development and decentralisation programs remains a topic for further research and demographic analysis.

The introduction to this section listed four topics which underpinned the field work on the Wagga Wagga case study. These can now be re-stated with a response arising out of the consultations in that city and the desk work which followed.

*The feasibility of making a quantitative assessment of whether or not population growth in Wagga Wagga is directly related to population shifts in metro Sydney;*

Response:: The current data base- including ABS statistics and city council records – is inadequate for the purpose of such a feasibility study.

- *Benefits which might have flowed to the City and region in demographic and economic terms as a result of grants and other forms of assistance flowing from explicit decentralisation programs promoted by state and federal governments.*

Response: A carefully designed and well resourced research program, possibly going back several decades will probably provide an authoritative catalogue of past programs and projects and the benefits which they brought to city or region or both. Access to state and federal government sources will be necessary . Such research is outside the scope of the present paper.

- *Whether or not there is a significant difference between dollars flowing from a formal decentralisation program and aid provided gratuitously through a so-called 'pork-barrel' grant.*

Response: Pork-barrelling is a vaguely defined activity – intermittent and unpredictable. It is commonly related to political ambitions and party politics – especially as elections approach. A useful comparison of benefits flowing from pork-barrel events and legitimate decentralisation projects was not possible within the resources of the present study. Apart from the challenge of

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<sup>39</sup> Murray, Murrumbidgee, Darling Rivers and their numerous tributaries

tracking down relevant data, such a study would have required access to political files and would probably have had to run the gauntlet of Freedom of Information protocols.

- *The extent to which the Council keeps records designed to assist in measuring changes in the population and workforce which might be attributed to a decentralisation project ?*

Response: The Council does not currently keep records for such a purpose. However, a data base could conceivably be designed for future use.

On a final note it is worth observing that the word 'decentralisation' is being used less and less frequently by contemporary observers, critics and researchers. Does this signify that the concept no longer has a place in the wider debate about the future of Australia's cities and the people who inhabit them ? .

## 5 CASE STUDY – CITY OF GREATER BENDIGO, VICTORIA

### 5.1 Introduction

This section follows the same general format as section 5 on Wagga Wagga. It covers research and consultations undertaken during and after a short field trip to the regional city of Greater Bendigo in the state of Victoria. Meetings were held with senior staff of the City of Greater Bendigo Council and research personnel at the Bendigo City Library. The trip sought answers to the following questions:-

- Is there any evidence to show that growth in Greater Bendigo has been at the expense of metropolitan Melbourne ?
- Have the city's population and workforce benefitted from grants and other forms of assistance flowing from explicit decentralisation programs promoted by state and federal governments ?
- In the specific case of the Greater Bendigo Council, is it possible to distinguish between 'pork-barrel' aid and aid which flows from a genuine decentralisation program ?
- What demographic records does the Council keep to assist in measuring changes in the population and workforce which might be attributed to a decentralisation project ?

### 5.2 Bendigo – historical snapshot

In the 1830s and 40s, whilst early colonists were moving south-west from Sydney Town and beginning to settle in the Riverina, their colonial counterparts in Victoria were starting to establish sheep runs in the Mount Alexander area in central Victoria. For most of the early European arrivals it was the agricultural potential of these lands which was the main attraction, and settlement was largely spontaneous – initially unencumbered by officialdom. For those travelling from Sydney, the fertility of the Murray - Murrumbidgee region stimulated urban settlement along the rivers. Wagga

Wagga was gazetted as a 'village' in 1849 and growth was slow but steady until 1870 when the town achieved municipal status.

South of the Murray (which became the border between the two colonies of Victoria and New South Wales), things took a different turn when gold was discovered in 1851 in the Castlemaine-Bendigo district and tens of thousands of diggers arrived from Europe, China and North America to seek their fortune. In 1855, Sandhurst (the original name for Bendigo) was proclaimed a Municipal District. The railway arrived in 1862 and intensive urbanization followed. In the early years of the twentieth century there was a temporary economic downturn and population growth stalled. Wool remained a mainstay of the local economy but in the mining sector the shift from alluvial to underground quartz reef gold involved the establishment of large mining companies and numerous support businesses which laid the ground for the later development of the city's industrial and manufacturing sectors.

In 1871, Bendigo was proclaimed a city and for the next couple of decades a buoyant local economy saw the city landscape embellished with an extraordinarily rich array of grand Victorian-era civic buildings, places of worship, churches, a cathedral and numerous private residences. A significant Chinese community brought Oriental influences to the local architectural and cultural scene. Within half a century the country of the first peoples – the Dja Dja Wurrung and Tuangurung – was transformed into a quasi-European landscape, and with the invasion came the consequential near-obliteration of many centuries-old cultural traditions and customs.

Today, Bendigo is the fourth largest inland city in Australia with an urban population of 95,587 (2016), making it also the fourth most populous city in the state of Victoria. The local government area of the City of Greater Bendigo incorporates an area of around 3,000 square kilometres and is home to some 110,000 people who live in the city, the outlying towns and rural hinterland. It is the administrative hub of the Loddon / Campaspe Region .

### 5.3 Bendigo City

The modern city of Bendigo is a major regional service centre in Victoria with a 2016 population of 91,570. The city is located in the centre of the state in the corridor extending north from the Macedon Ranges Shire through Mount Alexander Shire to Campaspe Shire on the River Murray. The 2016 census revealed a regional population of 195,550 projected to increase to 295,000 by 2046.<sup>lxxvii</sup> A rural hinterland and forested country surround the city itself, whose economic base continues to include mining but which has been significantly augmented by a strong services and financial sector, education, health, arts-based tourism, and irrigation and dryland agriculture. The city is an important transport hub for road, rail and air services. The recently-completed Bendigo

Hospital is Victoria's largest regional health facility – designed to replace the older institution on the same site. This major investment in health infrastructure is already a landmark structure in the city and according to the Australian Institute of Architects it 'represents a new model of the hospital that embraces the holistic nature of health and the important role that the environment plays in the wellbeing of a whole community'<sup>lxxviii</sup>. Greater Bendigo City is the home and headquarters of the Bendigo and Adelaide Bank – Australia's fifth largest bank. Other leading businesses and organisations which have enjoyed strong links to the city have included Bendigo Health, Hazeldene's Chicken Farm, furniture maker Jimmy Possum, regional campuses of La Trobe and Monash universities, Hofmann Engineering, Keech Australia, Thales Australia, Fosterville and Mandalay Resources. Various Victorian government agencies are represented. The city is also home to the country's leading regional art gallery in terms of the number of persons attending exhibitions.

#### 5.4 City and region – today's regional policy framework

##### 5.4.1 General introduction

The latest census showed that about a quarter of Victoria's population lived in the non-metropolitan regions. The expectation is that by the year 2051 the total regional population will grow from about 1.5 million to 2.2 million. Melbourne will grow from 4.5 million to almost 8 million over the same period. About 50% of the regional growth between 2011 and 2031 will take place in Greater Geelong, Greater Bendigo and Ballarat.<sup>lxxix</sup> According to Plan Melbourne, the proportion of Victorians living outside of Melbourne will decline. In some towns and regions, communities are actively looking for opportunities to reverse this decline by identifying ways and means of keeping local businesses and services alive through local leadership and the 'bottom up' planning model. Sectors which stand to benefit from local initiatives include knowledge-based services, tourism, advanced food processing, international education and health care.

Plan Melbourne also cites the government's Regional Statement as a document which 'clearly articulates' the intention to ensure that decision-making reflects locally-identified strategic priorities through nine new Regional Partnerships which have been established state-wide, and through the existing Regional Growth Plans. The Loddon Campaspe Regional Partnership links Greater Bendigo City with the Shires of Campaspe, Central Goldfields, Loddon, Macedon Ranges and Mount Alexander. This newly created Partnership serves a population of around 228,500 people of which some 10% have been born overseas. It reports to the government's Rural and Regional Ministerial Committee.

In the planning field the City of Greater Bendigo (CoGB) has recently been active on several fronts. In 2016, under the title *Supporting a growing regional city*, the Council released a schedule of projects for which it is seeking federal government support. The year 2016 also saw the completion of the *Greater Bendigo Housing Strategy 2014-16*, to be followed in January 2018 with the release of *Plan Greater Bendigo*, the result of collaboration between the Council, the Victorian Planning Authority, and the regional office of the Department of Environment, Land, Water and Planning (DELWP).. As this is being written, the Council's new strategic plan for the arts and creative industries sector – *Greater, CREATIVE, Bendigo* - is in the press. Behind these initiatives is the usual array of statutory planning instruments and controls which are implemented through the Council's day-to-day development control processes. A brief description of the documents just referred to now follows.

#### 5.4.2 *Supporting a growing regional city - 2016-2020*

This is an unashamedly promotional document listing high priority projects for which Federal Government support is invited. The Council sees intergovernmental partnerships – possibly involving the private sector – as the key to the successful implementation of the projects listed. The underlying message is that all the projects listed are intended to serve both city and regional needs, with benefits flowing not only to the city but to the region as a whole. The list includes

- restoration and expansion of the Soldier's Memorial Hall ;
- Greater Bendigo Indoor Aquatic and Wellbeing Centre;
- up-grades to the Bendigo Airport;
- redevelopment of the Bendigo Tennis Centre to international tournament standard;
- extension and enhancement of the Bendigo Botanic Gardens and Visitor Centre;
- construction of the Great Stupa, a sacred Buddhist monument and meeting place;
- completion of the Bendigo Stadium expansion;
- various projects under the control of Bendigo Heritage;
- a new regional health care centre for ambulatory patients, adjoining the new hospital;
- major regional road upgrades;
- redesign of the railway station precinct – a key element of the Bendigo regional public transport hub; and
- the Dja Dja Wurrung Corporate and Community Centre project.

#### 5.4.3 *Greater Bendigo Housing Strategy 2014-2016*

On any reasonable count, this document must stand as an unusual example of a move by a major Australian local authority into the complex field of housing policy. Typically in Australia, local

government's role in housing is confined to determining land use zones in town plans, to managing development proposals, and to establishing and implementing design standards through development controls. In this particular case, the GBCC has gone much further in developing a strategic approach to housing, seen as a distinct planning sector demanding a distinct response. It builds on higher-level state and regional policy frameworks to produce a mandate for the Council to follow in its management of housing growth in the city to the year 2036 and beyond.

The plan incorporates an Urban Growth Boundary (UGB)<sup>40</sup> around the city as a tool to manage sprawl. It promotes the concept of '10-minute neighbourhoods' in which schools, shops and local services are a 10-minute walk or cycle trip from home. It identifies sites for higher density housing and introduces improved design standards for this sector. Its strength rests in part on a rigorous demographic analysis in which past and projected population cohorts and age statistics are used to project demand for various household and dwelling types over the period of the plan. Estimates of land supply and demand over the 20-year time frame are key outputs.

#### 5.4.4 *Plan Greater Bendigo 2017*

The Chair of the Victorian Planning Authority claimed in his introductory statement that 'Plan Greater Bendigo sets the benchmark for collaborative planning for a regional city'.<sup>lxxx</sup> The document outlines a shortlist of major infrastructure projects which are seen as being necessary to support the region's projected mid-century population of 200,000 people. The plan is 'deliberately bold and aspirational', designed to attract public and private investment into the city and region. Its preparation was funded and aided by the state government through the Victorian Planning Authority and the regional office of the DELWP. *Plan Greater Bendigo* is an important first stage in the implementation of the Loddon Mallee South (Loddon Campaspe) Regional Growth Plan – the official strategic land use plan covering the next 30 years of regional growth.

#### 5.4.5 *Greater CREATIVE Bendigo 2019*

The GCB document replaces an earlier Arts and Culture Strategy and builds on the discussion paper on creative industries released by Creative Victoria in 2015. Its purpose is to take the GBCC into a lead position in its approach to exploiting the potential of the 'cultural and creative industries which the city has identified and which are seen as being 'intrinsically valuable and integral to the health and well-being' of the Bendigo community and its surrounding region.<sup>lxxxi</sup> These industries have been categorized as follows:-

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<sup>40</sup> Portland, Oregon (USA) is famous for its UGB (Urban Growth Boundary), designed to halt urban sprawl. The concept has few counterparts in Australia. An early attempt was the ill-fated green belt in Sydney's first metropolitan plan which was abandoned due to pressure from landowners and developers.



- Aboriginal and Torres Strait Islander cultural and creative practices
- Broadcasting, film, digital and new media
- Design (e.g. fashion, app development, digital games, architecture, industrial design)
- Environmental and cultural heritage
- Galleries, libraries and museums
- Literature and print media
- Cultural goods manufacturing
- Visual arts and crafts
- Performing arts
- Support activities.

The strategy sees creativity as being 'integral to the new economy which values knowledge, flexibility and inventiveness and sees towns and cities around the world looking to their creative communities to lead change and development. Places that champion cultural and creative industries prosper...they attract and retain talented people who bring vibrancy and investment.'<sup>41</sup> At the regional level, the report asserts that municipal boundaries should not be a hindrance to pursuing 'creative city' ideals. There is a role for the Council in making creative pathways easier to find and navigate, to simplify bureaucratic processes, to cut red-tape, and to assist practitioners to exploit the creative opportunities of the digital age to the full.

#### 5.4.6 *One Planet Living 2017-18*

Bendigo City's annual environmental activities report was released last year under a new name and in a new format. Its significance in the present context is that it confirms the GBCC's commitment to planning for a sustainable future at the regional level through its 2017 decision to join Bioregional Australia's One Planet Living Program. The report is less of a strategic document, more of a detailed listing of the Council's achievements on a range of environmental targets which sit within a strategic policy framework having a strong regional focus. The ten activity sectors comprise health and happiness; equity and the local economy; culture and community; land and nature; sustainable water; local and sustainable food; travel and transport; materials and products; zero waste; and zero carbon energy. The report's introductory message notes the link between the Council's environmental agenda and other projects such as the Greater Bendigo Public Space Plan and the Environment Strategy Action Plan.

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<sup>41</sup> According to GBCC staff, Richard Florida's writings on urban creativity were influences in the preparation of the CREATIVE BENDIGO strategy, but in the city's case the strategy aims for a more inclusive version of 'creative culture' than the one advocated by Florida in 2002.

## 5.5 The evolution of regionalism in central Victoria 1960-1995

### 5.5.1 Overview

As was the case in NSW, the 1960s and '70s were periods in which regionalism was a frequent target of official activity in Victoria. Whilst the two states differed greatly in geography, patterns of settlement, and other metrics they shared in the era's upturn of public and political interest in decentralisation, balanced development and regionalism. Some 51 delegates from Victoria (out of a total of 160) attended the historic National Development Conference in Canberra in 1971 which was discussed earlier in the present report. Numerous official inquiries, committee reports and policy statements flowed out of government offices in partial response to grass-roots activism. Academics in the political and social sciences published learned papers. During the 1972-75 era when Gough Whitlam's Labor Government held the reins in Canberra there was a major flurry of activity, including the designation and development of the nation's first 'growth centre' on the banks of the Murray River at Albury-Wodonga. If for no other reason, this project was a landmark event in that for the first time it brought together the three levels of government in a joint urban planning venture which was to last for the next 3 decades or so. The Victorian Government was a major player in that exercise.

### 5.5.2 The 1960s

In 1964 the Victorian Parliament passed an Act which led to the establishment of the Decentralisation Advisory Committee whose report of 1967 was a milestone in policy development.<sup>lxxxii</sup> That report was explicit in its intention to discuss what it called 'the problems of decentralisation' as they related to Victoria in particular as well as to the nation as a whole. At that time, the six state capitals contained about 56% of the total national population. Only eight towns had populations exceeding 50,000; of those with populations exceeding 10,000, the majority were experiencing slow growth and some were declining. The Committee talked of the 'losing battle' which the country was experiencing as efforts to avoid 'population imbalance' were failing. In direct opposition to the push for decentralisation, young people were being pulled to the cities for better jobs, better education, a greater diversity of cultural activities. Decentralisation as an official policy was explicitly defined as a process which would see the creation of strategically located population centres throughout the State, with such centres being able to offer living

conditions which would 'approximate' those available in Melbourne. The policy was obviously not working.

In response to this reality and to its terms of reference, the Committee recommended to government that Ballarat, Bendigo, and the Latrobe Valley had the 'best potential ' for growth to a population target of 100,000. To help achieve this target (within an un-stated time frame) the Committee further recommended that the Minister establish development authorities for each of the three designated centres. In this regard the Committee acknowledged the success of the British New Towns program 'in bringing about a dispersal of population' in the UK. The City of Bendigo, as a designated regional centre, became the headquarters of the Loddon Campaspe Regional Planning Authority (LCRPA) whose establishment by Act of Parliament followed shortly after.

### 5.5.3 The 1970s

In 1977 the LCRPA released a regional study as a prelude to a definitive regional plan which it was obliged to prepare pursuant to its founding statute. The study offered recommendations for action on the pattern of urban settlement in the region including maintaining Bendigo as the primary urban centre. Employment, transport and communications, social infrastructure, water management, and environmental management were covered in detail, with corresponding recommendations to be picked up in the strategic plan which was yet to come. The Authority entered into a period of productive planning effort, with reports on its planning and administrative work (1978), regional water resource management (1977), and the draft and final Loddon Campaspe Regional Strategy Plan (1984-7). It is significant that as early as 1977 the Authority was complaining that its work was being hampered by a lack of resources. If it was to carry out its statutory duties, it was 'imperative that resources ...of finance and manpower' be provided.

### 5.5.4 The 1980s and after

In 1982 the LCRPA published a draft discussion document as part of its Towns Study.<sup>lxxxiii</sup> The paper laid particular emphasis on the fact that the 'planning problem' for the region was now facing three new hurdles: the migration of workers from farms to town jobs; structural changes in the agricultural sector; and increased personal mobility. For small towns, the adverse economic impacts of these new realities were severe. Services were being withdrawn. Job opportunities were declining. The aged and retiree cohorts were growing whilst necessary support services were becoming inadequate and the young adult cohort was migrating to the big city. Rental housing needs were increasing whilst supply was falling. Larger centres were soaking growth

from smaller ones, All these factors were disturbing the traditional roles of rural service centres and raising serious question about their economic and social survival.

The Committee noted in particular that Bendigo (along with Castlemaine and Maryborough) had undergone significant change from their origins as mining centres to their modern-day roles as centres of manufacturing and tertiary services. For Bendigo, that change had seen both limited decentralisation of public sector jobs and services (presumably from Melbourne) and a parallel centralisation of jobs from the smaller regional centres to the larger – a process which was later to be called the ‘sponge city’ effect. In the residential sector, the southern LGAs offered relative proximity to Melbourne and this had contributed to population growth associated with ‘lifestyle’ migration from Melbourne to Bendigo and Castlemaine in particular. The paper noted that the 10-point decentralisation program introduced by the Victorian Government in 1972 was being reviewed - presumably because of problems in its implementation. As an aid to determining future policy solutions to regional settlement challenges the Study adopted a 5-level classification: regional centres, sub-regional centres, district centres, service centres, and local community centres.<sup>42</sup>

The 1982 Towns Study by the LCRPA was followed in 1990 by the Land Use Strategy Plan for the Bendigo Sub-Region. This plan looked ahead to the year 2020 with a focus on three strategic themes: lifestyle, economic development and employment, and the environment. For the sub-region a population increase from an estimated 77,000 (1990) to 130,000 (2020) was forecast.<sup>43</sup> In spatial terms, growth would follow the preferred ‘Cluster and Connect Growth Plus Urban Consolidation’ option which provided for a range of urban centres of different sizes, with a major allocation of office floorspace to the Bendigo CBD. An outer Ring Road was proposed to link the various peripheral centres. Bendigo’s regional role as a centre for employment, investment, culture, natural beauty, and heritage would be enhanced. Housing choice would be improved through a congruent residential strategy covering staged development for the period through to 2020. A hierarchy of retail centres was defined, along with provisions for office and industrial expansion. Valued environmental and heritage assets would be protected. The plan’s implementation was to be managed through a purpose-designed organisation whose primary task would be to focus on regional and sub-regional matters, leaving day-to-day decisions to the relevant local authority.

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<sup>42</sup> It is not known whether this classification was ever formally adopted by government. It might be compared with the recent RAI typology of regions: *regional cities, connected lifestyle regions, industry and service hubs, and heartland regions*. See Architecture Australia, Jan/Feb 2019, pp.14-15.

<sup>43</sup> The forecast of 130,000 for 2020 is unlikely to be reached.

In June 1991 the Loddon Campaspe Regional Planning Authority and the Bendigo Regional Development Board released a joint submission to the State Government discussion paper on 'Urban Development Options for Victoria'. The paper came at a time when the government was assessing how best to accommodate an additional 1.8 million people by the year 2031. The submission was critical of the government's record in seeking 'balanced development' across the State. It noted, for example, that the previous 15 years had seen a considerable population increase in Bendigo city and nearby urban centres – an increase which was seen as predominantly due to migration from Melbourne. Yet this growth had occurred 'without encouragement from the State Government...the regional planning problem has essentially been created by the absence of a state strategy that encourages balanced development across the state'. The submission claimed that 'commitment (by the State Government) to regional centre growth would go a long way to addressing regional issues such as population and service decline, employment and access to services and opportunities.'<sup>44</sup> Such a commitment would necessarily require consultation with regional communities, as had been the case with the Bendigo 2020 strategy (see above).

A careful assessment of this document confirms that for its time it was a strong reminder from region to state that initiatives aimed at dealing with regional issues were not receiving an appropriate level of attention at the higher State Government level. The top-down approach was not working, whilst meanwhile there were vigorous efforts at local and regional levels to prepare visions, plans and strategies which clearly demonstrated that such efforts were making a significant contribution to the State's economy. The two proponents of the submission urged the government to stimulate regional growth by relocating to regional centres those agencies whose work lay mainly at a regional level, and by sharing with the Federal Government the costs of providing infrastructure to meet the planned population targets. 'The implementation of a State wide regionally based development strategy will require a philosophical and practical commitment to such a strategy from both the Federal and State Governments ...the regional centres growth option provides the opportunity to 'get it right'.

Two other documents can be briefly cited in this necessarily selective overview of milestone events in the regional Bendigo story. In 1990 the Victorian Department of Conservation and Environment (Bendigo Regional Office) released its 'Bendigo Urban Nature Conservation Study'. The document assessed all Crown lands within the urban sectors of the city. The study was

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<sup>44</sup> See LCRPA and Bendigo Regional Development Board, 1991, *Submission on urban development options for Victoria*, p.1 et seq. These critical comments were accompanied by a strong message to government that it should move to ensure that key regional growth centres were identified, partly to encourage what it called 'development impulses' further down the regional urban centres hierarchy.

prompted by the recognition that unlike many cities elsewhere, Bendigo is surrounded by forests and is also host to numerous smaller vegetation communities within the urban boundary. Conservation values associated with all sites on the inventory were mapped and management priorities were identified. The report concluded that forested Crown lands in the city comprised a major conservation asset for both city and region, and that their protection was a responsibility for both government and community. Three years later, the Bendigo Regional Development Board published a report on the economy of the city and region prepared by consulting firm Trevor Budge and Associates. The report dealt with regional infrastructure, demographics, and employment in a number of key sectors. The overall aim of the project was to analyse the key characteristics of the regional economy for the purpose of identifying the region's competitive advantages.

#### 5.6. Regional development and decentralisation: successive governmental arrangements in Victoria

A complete listing of statutes and departmental arrangements covering regional development and decentralization since the end of WW 2 is beyond the scope of the present work. A selection follows. The record shows that despite the various bureaucratic shifts and name changes, regional development and decentralisation (in their various guises) have been continuously on the state government's agenda for at least half a century.

- 1965 – a Division within the Premier's Department dealing with state development and decentralization was created; the goal was to achieve balanced economic, industrial and rural development throughout the state; the Division was supported by a Decentralisation Advisory Committee whose tasks included nominating those centres deserving of targeted economic stimulus.
- 1978 – DSDDT (Department of State Development, Decentralisation and Tourism) established – responsibilities included sponsoring and promoting 'the full and balanced development of the State', with particular emphasis on regional areas; the Department was also to provide financial and other support to approved decentralised industries.
- 1981 – Ministry for Economic Development took over the functions of the DSDDT
- 1992 – Department of Business and Employment established – responsible (inter alia) for regional development.

- 1996 – DBE absorbed into a new portfolio of Industry, Science and Technology
- 1999- establishment of the Department of State and Regional Development, a key Division within the new department was Regional Development Victoria.
- 2002 – DSRD abolished and renamed the Department of Innovation, Industry and Regional Development
- 2016 – creation of nine Regional Partnerships across Victoria
- 2019 -Department of Jobs, Precincts and Regions created on January 1.

City Council staff opinion is that the Regional Growth Plans recently mandated by the State Government have tended to be aspirational and descriptive rather than prescriptive – strong on data collection, but poor when it comes to policy and strategic intent. However, the newly – established Regional Partnerships and Regional Forums are working well within a bottom-up rather than top-down consultation model. Other bodies (lobby groups ?) in the field are Regional Development Australia, Regional Cities Victoria, and Regional Capitals Australia.

The reduction in the number of regions from the many (in the 1960s – 80s era) to the few (6-8) today is seen as being very beneficial to planning, management and regional coordination. As well, there was the reduction in the number of local government authorities as a result of the Kennett Government era of forced amalgamations (208 councils reduced to 78). In the case of the Bendigo region the joining of 6 councils into one greatly assisted local planning and coordination.

## 5.7 Bendigo and regionalism today: consultation comment

### 5.7.1 Bendigo and Wagga Wagga – Melbourne and Sydney : a comparison

Many of the matters covered in the forgoing text were discussed during an informal consultation session with senior officers of Greater Bendigo City Council on 8 January. The discussion covered key themes of the current research, embellished and augmented with material both factual and anecdotal. Conclusions can be summarized and roughly classified as set out below, having regard to the four questions or themes which are presented in the introduction above and which also

provided a framework for the consultations in Wagga Wagga as discussed in Chapter 5. At the outset, it can confidently be stated that on-the-ground observations, research and information-gathering have confirmed what is probably self-evident to any serious observer: Wagga Wagga and Bendigo are different – very different. They are both de-facto regional capitals, and both are enjoying steady growth from sizeable population bases. But on a detailed comparison, significant differences become clear – to the point where it might reasonably be claimed that they have little in common. For example:

- Bendigo is about 2 hours by road from its ‘parent’ city Melbourne, making two-way commuting possible. Wagga Wagga is 6 hours from Sydney: daily commuting is impossible.
- Wagga Wagga is a river city; Bendigo is not.
- Wagga Wagga cannot match Bendigo’s rich collection of Victorian architectural masterpieces.
- Bendigo’s heritage is gold. Wagga Wagga’s is wool and wheat.
- Bendigo consciously and proudly presents itself as a place of culture and creativity; not so, Wagga Wagga.
- Bendigo houses Australia’s most-attended regional art gallery.
- Bendigo is planning for a regional population of 295,000 by 2046; Wagga Wagga is aiming for 187,000 in 2036.

And so on...

At a regional planning level, and comparing Bendigo with Wagga Wagga, there is a highly significant difference in the approaches taken by the respective State Governments with regard to the relationships between each city and their parent State capital.<sup>45</sup> In Bendigo’s case, the latest metropolitan plan includes specific and detailed references to the links between Melbourne and regional Victoria. The comprehensive report ‘Plan Melbourne – A State of Cities’ devotes an entire section to Outcome 7: *Regional Victoria is productive, sustainable and supports jobs and economic growth*. Map 23 in the report illustrates Melbourne’s links with ‘connected cities’ in Victoria. Several explicit policies deal directly with matters involving the city and the regions.

In comparison, Sydney’s latest plan for the metropolitan region limits discussion of regional matters to a brief one-page coverage dealing with ‘connectivity’ to the adjoining Hunter/Newcastle and Illawarra/Wollongong regions – supported by a single highly simplified map (pp.98-99). No

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<sup>45</sup> The comparison is between the current metro plans for each city. See Victorian Dept. of Environment, Land, Water and Planning, 2017, *Plan Melbourne 2017-2050: A State of Cities*; and Greater Sydney Commission, 2018, *Greater Sydney Region Plan – A Metropolis of Three Cities – connecting people*.



other regions are mentioned. Goulburn and the Blue Mountains towns such as Katoomba get the occasional mention, and towns and villages within the metropolitan rural area are briefly covered; but there is no reference to large regional centres such as Wagga Wagga, Dubbo, Bathurst-Orange, Albury, Armidale, Maitland, Tamworth. Overall, one looks in vain for any serious discussion of Sydney's functional, economic and cultural relationships with the rest of the state. NSW Premier Berejiklian sets the tone of the report in her introduction which describes Sydney as 'Australia's economic powerhouse' – a city to be served by a plan which will deliver 'benefits of growth shared across all parts of Greater Sydney.'<sup>lxxxiv</sup> "What about the rest of the state ? " one might be tempted to ask. Elsewhere, there are no references to 'decentralisation' or 'balanced development' in a document which confidently talks of a population increase from today's figure of 4.7million to 7.9 million in 2056. There is a brief one-line mention of the intention to enhance transport links to regional centres (p.78). 'Internationally competitive precincts' are discussed (p.113). But again, the plan leaves open the matter of the city's connections to major business and investment centres outside metro Sydney. In this latter regard – and perhaps this is a minor point of criticism – there is the complete (and surprising) absence of a map of the state of New South Wales showing Sydney's geographical position relative to other major centres and the Australian Capital Territory. Overall, this determinedly Sydney-centric plan stands in sharp contrast to its Melbourne counterpart.

#### 5.7.2 Bendigo and Melbourne – push and pull

Within the private sector, it seems clear that companies which made the move from Melbourne to Bendigo did so on the basis of internal management decisions. Anecdotal evidence suggests what common sense might support: feasibility studies were largely indifferent to small if not tokenistic offers of financial help through such devices as pay-roll tax concessions or small one-off single purpose grants or loans. Of greater importance were such factors as the willingness of staff to move, the availability of local labour, proximity to markets, and land price and availability. Again (and on the basis of anecdotal comment) it is apparent that during the 1960s and 70s there were numerous cases of small firms being attracted to move to Bendigo under state decentralisation incentives but their subsequent commercial failure was common and their impact on the growth of the city was negligible. There is no serial data on the demographics of corporate relocations; and even if there was such data it is unlikely that it would throw light on a very complex set of variables.

In this regard it is likely that there was the occasional example of an incoming firm ‘cannibalising’ local enterprises with no net increase in jobs.<sup>46</sup> As was the case with Wagga Wagga, people and jobs come and go, seemingly uninfluenced to any significant extent by official policy or the prospect of official assistance. It is probable that the true success stories were those of the ‘home-grown’ entrepreneurs who had the advantage of familiarity with the local market, workforce, and the like. In Bendigo’s case, proximity to Melbourne offers the prospect of two-way commuting. Families can live at the midpoint, enjoying the benefits of both cities. As for the oft-cited reference to the exodus of young people to ‘the big smoke’ it was suggested that in Bendigo this is not the worry that it used to be because of the high cost of accommodation in Melbourne.

During discussions with Bendigo council staff, examples were cited of local government staff living in one regional LGA and working in another, suggesting that internal migration is a factor to be considered. One possible deterrent to migrating from outside is the acute shortage of rental accommodation, suggesting that at any given time there is a sizeable cohort of mobile tenants who may be looking for jobs anywhere in the region. This is not decentralisation. At the same time, for house buyers, house price comparisons between Melbourne and the Bendigo region point to one of the region’s clear advantages over the metropolis. Advice was that one of the main reasons people move from Melbourne to the Bendigo region was the improved life-style opportunities – more congenial environment, cheaper housing, more leisure time, no congestion, fresh air, cultural attractions, and the like.<sup>47</sup>

On the topics of transport and communications, it is clear that in recent years there have been significant improvements within Bendigo city and region which have addressed what in earlier times were serious deterrents to in-bound migration. For some, the new direct air service between Bendigo and Sydney will be another ‘pull factor’ in Bendigo’s favour. In the related field of communications there is the growing impact of the digital revolution, with more and more jobs being undertaken at home – perhaps from a country home or office (or even from a local café or bar!). Over and above all these issues is the obvious fact that the geography of the region is a crucially important (if subtle) influence on decisions relating to housing, investment, business. The natural terrain is easily navigable. The climate is congenial for most of the year. Bendigo city and its surrounding towns and villages are connected with good roads and travel times are relatively short. Native forests surround the city. The settlement hierarchy<sup>48</sup> offers considerable choice for

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<sup>46</sup> The ‘Bunnings syndrome’ is often referred to anecdotally. Bunnings arrives in town, and the small local hardware stores go out of business with little or no net gain in local job numbers.

<sup>47</sup> A senior GBCC staff member reported that she and her husband migrated from Melbourne because of more affordable housing options, better environment for raising a family, etc; they will ‘never go back’.

<sup>48</sup> Including in particular Castlemaine, Heathcote, Enmore, Maldon.

those seeking to 'put down roots' and settle in the region. Water is clean and plentiful. In short, the environmental attractions of the region could perhaps be seen as its major asset when compared to other regions in the state.

Within the public sector there have been many examples of state agencies establishing offices in Bendigo but whether or not this involved shifting staff from Melbourne is uncertain. It may well be that these initiatives involved the creation of small branch or divisional offices with small staff needs which were satisfied by absorbing workers who were already living in the region. The exception to this was the 2006-2018 relocation of considerable numbers of staff from the State Trustee's office in Melbourne to Bendigo. This was so successful in terms of productivity and staff response that a second group followed.

Informal advice from senior City Council staff points to recent expenditure in the region in the order of \$3.1 billion from Commonwealth, State and local government sources, but apparently any consequential increase in the supply of local jobs was minor. So-called 'pork-barrelling' has certainly occurred, especially in marginal State and Federal seats within the wider region. In this context, unconfirmed advice was received to the effect that a recent report by Infrastructure Australia was clearly focused on metropolitan needs, with poor coverage of the regions. In the corporate sector, Bendigo Bank stands out as a highly unusual and exceptional example of a leading national financial institution locating its HQ in a regional city. Likewise, Hazeldene Chickens is a major national company closely linked to the city. In comparison, the tertiary education sector in Bendigo lacks a major campus: La Trobe and Monash Universities have important local branches but their overall impact on the economy of the region is probably moderate at best. Studies show that the La Trobe campus in Bendigo contributes about \$2million to the local economy each year.

## 5.8 Conclusion

Field work and research in Bendigo leads to a tentative conclusion that today in Victoria, the concepts of 'decentralisation' and 'balanced development' have largely disappeared from the State government's policy agenda, to be replaced by a determined emphasis on regionalism and planning via the 'bottom up' consultative model. Obvious influences here are the compact geographical context, the relative proximity of urban centres, ease of communications between centres and the emergence of three large regional cities in prime locations for servicing their hinterlands. Talk of dampening Melbourne's growth (and enhancing growth in the regions) by way of official edicts and incentives has largely been replaced by a recognition that the regions are now strong enough to look after themselves – subject always to the ever-present needs for

external funding from state and federal sources to pay for big-ticket items, and for constant effort to attract private investment.

This section of the present report opened with four questions and the following discussion sought answers. These can now be summarized.

- *Is there any evidence to show that growth in Greater Bendigo has been at the expense of metropolitan Melbourne ?*

Melbourne is growing at a faster rate than the rest of the State, largely due to migration. This will continue as long as that city remains a preferred destination for a majority of migrants. There is anecdotal evidence of movement from Melbourne to the Greater Bendigo region but hard numbers and reliable serial data were not available to this study. Further work may assist in this regard. The only safe conclusion is that the quantum of any drift from Melbourne to the regions will be small when measured against Melbourne's annual growth figures. However, for the receiving region, any growth no matter how small, will be a plus. In Victoria's urban settlement hierarchy, Melbourne's primacy will remain unchallenged.

- *Have the city's population and workforce benefitted from grants and other forms of assistance flowing from explicit decentralisation programs promoted by state and federal governments?*

Over the years, Greater Bendigo has certainly benefitted from government aid, grants, loans and other forms of assistance. However, evidence strongly suggests that people and corporate enterprises make decisions to move to Bendigo having regard to other criteria. If it is available, government assistance will be a short-term bonus but is unlikely to be a determining factor.

- *In the specific case of Greater Bendigo City, is it possible to distinguish between 'pork-barrel' aid and aid which flows from a genuine decentralisation program ?*

Yes: 'pork-barrelling' involving major projects and big money has apparently occurred, especially in election years. Access to ministerial and departmental files, budgets, and political party records would be necessary to quantify this answer.

- *What demographic records does the Council keep to assist in measuring changes in population and workforce which might be attributed to a decentralisation project ?*

Such records are not kept in any systematic way. Assumptions and / or precise measurements might occasionally be made but there are many variables which complicate such assessments. For example, an incoming enterprise may generate short term construction jobs using existing local labour, to be followed by new jobs filled by migrants at the operational stage. Cumulative

records of these workforce movements are not available, although figures might become available in specific cases.

## 6 CONCLUSIONS, FINDINGS, PROSPECTS

### 6.1 Generally

This paper sought to address a simple question about a complex subject. *Could decentralisation help our fast-growing cities?* The question links two separate topics in a highly specific way. The first topic is decentralisation – undefined at the outset. The second topic is cities. But the question went further by limiting discussion to those particular Australian cities which are fast-growing, with the further implication that such cities need help. Teasing out the question a little further we can conclude that behind it is the proposition that maybe the help which is being sought is to do with reducing the rate of population growth in those cities that are ‘fast-growing’ (i.e. the capitals) *and directing to slow-growing country centres some of those people who would otherwise have settled in ‘the big smoke’*. We are not talking about stopping big city growth: rather is it a matter of trying to re-direct some of that growth to centres beyond the shadow of the metropolis. And why would we want to reduce capital city population growth?

The main reason is that the capital cities (especially Sydney and Melbourne) are said to be overcrowded, congested, polluted, unsustainable. Their infrastructure cannot cope. The situation has reached a crisis point and things will get worse unless population growth is slowed. In popular terms, Sydney and Melbourne are ‘full’. There is therefore a popular expectation that governments must do something to address the crisis; and a long-standing response going back several decades has been to encourage growth in the regions in the hope – if not expectation – that the growth pressure on the capitals will somehow be eased. In other words, to take some of the growth away from the centre - that is, to *decentralise*. The key question discussed above was accompanied by two subordinate questions. What is the potential for achieving significant decentralisation movement and population growth in regional centres? What infrastructure (hard and soft) can be seen as an essential pre-requisite for sustained growth in regional centres?

The research response involved a selective review of an extensive literature archive going back to World War 2 and earlier. This desk work was supported by two field trips to the large regional cities of Wagga Wagga in New South Wales, and Greater Bendigo in Victoria. Those trips enabled meetings with research colleagues and local government officials for the purpose of eliciting a response to the research terms of reference from knowledgeable people at the regional level. A summary of findings now follows.

## 6.2 Underlying influences

Before that summary is presented, it is important to acknowledge that underlying the debate about decentralisation in Australia there are a few influences which in general terms are unlikely to change in the short term.

- *We have three levels of government: all are potentially involved but under current laws, none have the legal power to enforce a decentralisation project. The absence of a governmental entity at the regional level is a vacuum yet to be filled.*

A successful decentralisation project will almost certainly involve local government and possibly state. Federal involvement will be unusual. It will generally be a matter for local councils to take initiatives designed to attract new residents and new businesses. Such efforts require dedicated staff and money: large councils are more likely to be active than small. State governments will commonly assist with cash and other incentives, but if the local council is not receptive the project will suffer. The involvement of State and Commonwealth governments will typically involve money for infrastructure (roads, communications, health services, education).

Additionally, state governments have traditionally established special agencies to promote decentralisation; but success will almost certainly depend on local government support. Research suggests very strongly that those centres which have been successful in attracting new investments and new people are those in which there is a strong local council or regional body supported by an enthusiastic and receptive community enjoying a good range of services and infrastructure. Even if all three levels of government are locked into an agreement there is no guarantee of success unless there is a major private sector commitment as well. The Albury-Wodonga project is a case in point: success such as it was took 2-3 decades to arrive and the impact of the project on the growth of Sydney and Melbourne remains unknown.

- *Private Individuals and families generally make decisions to relocate from one domicile to another on the basis of personal preferences and values; the decision is voluntary.*

Amongst other factors, a successful decentralisation program will be one in which a significant number of individuals have made private decisions to relocate because for them, the benefits of a move to a regional centre outweigh the costs of staying in the city. Each case will be different; but for family groups in particular the priorities may include guaranteed employment, housing choice, access to good schools and health services, a range of retail and financial services, a congestion-free environment, fresh air and recreational opportunities. For most, a job will be at the top of the list. Housing will be next.

As this is being written a comparison of housing costs between city and the bush clearly favours the latter, with the price of a typical 3-bed room house in a country town being far below that of the city alternative. This reality seems likely to prevail for some time and may well turn out to be a key determinant for many families considering a move from city to country. Groups such as young singles and retirees may have different priorities; but for the recipient council the family remains the primary target. When it comes to financial assistance from government to families it seems clear that this has never been a high priority, although employers might occasionally assist with paying costs of moving and state governments might assist with small grants (eg to first home buyers).

- *Businesses large and small generally make moves to a country centre having regard to financial realities, feasibility, labour availability, profit expectations; as with individuals, the decision is voluntary*

Businesses will not move from the city to a regional centre unless they see a chance to improve their bottom line. If the cost -benefit analysis is positive, that will certainly be an incentive. Key factors to be considered will probably include suitable executive housing, proximity to an airport, labour availability, rail and road connections to market hubs, services, and much more. Possible cash incentives from government may influence the decision but such help will probably be by way of one-off or non-recurrent payments to assist at the inception stage. The move will be voluntary.

- *Government agencies move because they are told to do so by their political masters*

Research shows that at the federal level, agency moves have been few and typically involve branches or sections, with the HQ remaining in Canberra. At state level the record is more encouraging. Moves tend to be politically motivated – possibly falling into the pork-barrel model. The number of jobs will probably be small., with occasional exception such as the successful move of the Victorian State Trustee's Office from Melbourne to Bendigo. The record shows a high level of reluctance to move on the part of senior public servants. A conclusion must be that to date, agency moves have generally brought only minor economic benefits to regional centres. The convenience of having a branch of a major agency in town will be an indirect benefit but it is unlikely to generate jobs.

- *Immigrants will almost certainly choose to locate in a capital city.*

There is overwhelming evidence that migrants from overseas will almost certainly choose a capital city on first arrival, although some will move to regional centres at a later stage. Stronger efforts in their home countries to promote particular regions may pay off but the number of migrants who might be persuaded to go to a country town is likely to be small, with an infinitesimally small impact



on the capital city population. An exception would be where a large country employer (e.g. in food processing) arranges to bring a significant number of contract workers from a particular overseas country to service a regional business.

- *Incoming businesses will typically choose to locate where there is a good supply of labour, both skilled and unskilled.*

Unless the entire enterprise is moving house, firms moving from city to region will be looking for local labour. Some businesses will require skilled workers – often in short supply in the bush. If the incoming firm is simply replacing a competitor there may be no net gain in terms of new jobs. Some firms may attract labour from other nearby centres in the region, with no relief for the big city and no net increase in regional jobs. The availability of local tertiary education and training facilities may be seen as a plus by some employers who are in for the long term and who want to offer higher educational opportunities to their staff. There may also be significant economic links between firms and universities or TAFE centres, leading to economic growth and population increase over time. The question as to whether a university in a regional centre is a major stimulus to the local economy remains unresolved: each case will be different. However, there is clear agreement that a local university brings many other benefits to the region.

### 6.3 Capital city growth: a reality check

Currently in New South Wales and Victoria, capital city councils and their parent state governments are promoting long-term plans designed to direct and manage future metropolitan growth. The Greater Sydney Commission is planning for metropolitan Sydney to grow from 4.8 million today to 8 million in 2058. This represents an average annual growth of 82,500 people. In Melbourne the prospect is similar: growth from the 2015 figure of 4.48 million to 7.92 million by 2051, representing an annual growth of 95,500 people. In simple terms, we are facing an annual total of some 178,000 people arriving in our two biggest cities over the life of these plans.

Let us assume for a moment that 50% of this growth could be directed to the regions by decentralisation projects. For NSW the implication is that in 2020 and every year beyond, about 41,250 people will have to be directed to the regions, whilst in Victoria the figure will be 47,750. In theory (and assuming we had Forster's 'Draconian powers' as discussed in the literature review) these people could be directed away from the capitals to a small number of selected towns. Let us assume further that three such centres are ready to accept a third share of their capital's excess growth. In NSW, 3 regional centres will have to take an annual total of 13,750 each, whilst in Victoria the 3 centres will each take 15,900. These hypothetical figures illustrate the dilemma facing officialdom when it comes to quantifying the decentralisation challenge. In

both cases we are talking about a situation in which each of the selected centres will be required to build what is effectively the equivalent of a small new town each and every year over the relevant time frame.

The scale of an operation like this has never before been attempted in this country. In comparison, from a healthy base of 357,220 in 2011, Canberra saw an increase of only 8,760 in 2018 (for example). It is safe to assume that none of the un-named regional centres in the above hypothetical example have base populations in any way comparable to that of Canberra. None of them would have access to the resources available to the national capital. It is also clear from a reading of the two metropolitan plans that neither of them assumes that their growth rate will be reduced by decentralisation. Sydney sits in a vacuum, seemingly oblivious of its relationship to the rest of the state and nation. Melbourne certainly acknowledges that it is part of a state of cities, but its growth projections remain as quoted above. It must surely be concluded that the huge program of new urban developments contemplated above is unrealistic in the real world of contemporary Australia. The assumption seems to be that come what may, Sydney and Melbourne will continue to experience strong growth, supported by State governments which have seemingly decided that curtailing metro growth to any significant degree is out of the question. To paraphrase Collits (2010) decentralisation is just too hard: governments generally 'have given up'.

#### 6.4 What is happening in the regions ?

As outlined above, it is the view of this writer that the prospects for a vigorous decentralisation program in contemporary Australia are bleak if not unattainable. However, this research has shown that another scenario appears to be emerging which could offer some hope for moderating the rate of capital city growth. At first glance this new scenario might appear to be more of the same: strengthen the regional economies and stimulate regional population growth. But there are differences. Key components of this fresh scenario are sketched out below.

##### 6.4.1 Subsidiarity

The call for more local control over local matters is growing nationwide as well as internationally. Cumbersome top-down management models involving centralised decision-making by a remote bureaucracy are being replaced by stronger and more accountable organisations on the ground in the regions. Examples have been cited in earlier chapters in this report. Regionalism appears to be alive and well in today's Australia. Endogenous growth – planned or spontaneous – based on assembling local resources and local talent – is seen by many as the way ahead – with support from agencies such as Infrastructure Australia (2018) with its *Planning Liveable Cities* report.

However, a possible down-side to the subsidiarity paradigm is the risk that important strategic planning matters covering regions rather than localities might inadvertently be ignored or forgotten as the enthusiasm for local decision-making takes hold.

#### 6.4.2 Creative cities

Florida (2002) in his work on the 'creative class' and creative places talks about 'the economic imperative' of supporting and promoting creativity as an important component in contemporary city planning. In his view, places that can exploit modern technology, places which go out of their way to attract talented people, and places which open tolerant doors to newcomers, will be places of economic success. His position is controversial. Critics see it as unashamedly elitist. Yet his work has elicited strong interest and support worldwide. He has spent time in Australia, and the City of Greater Bendigo is energetic in its Greater CREATIVE Bendigo campaign which draws on Florida's ideas. The city of Wagga Wagga has not overtly declared itself as a Florida example, but there is considerable evidence on the ground that its investments in soft infrastructure (galleries, concert hall, libraries, music events, protection of heritage assets, a vibrant night life, and the like) have helped it to position itself as the cultural capital of the Riverina. Other smaller centres in both Victoria (Castlemaine, Beechworth) and NSW (Bowral, Bathurst) are following. The small town of Coolamon's outstanding heritage main street and enticing new Cheese Factory is another small example. One can reasonably conclude that whilst the economic success of a country centre is certainly not dependant on its adoption of the Florida model there is a strong probability that its success will be enhanced if it does so.<sup>49</sup> [As this is being written, a draft urban design manual specifically targeting regional councils and communities is being circulated for discussion and comment. The document is clearly consistent with the Florida thesis.]

#### 6.4.3 The residential property market

In Wagga Wagga one can buy a typical 3-bedroom house for about a third of the price of a Sydney equivalent. In Bendigo it is a similar story. The price differential is not marginal. Rather has it the potential to become a key determinant of a decision which a young couple might make in deciding where to live and raise a family. The price differential factor has been evident during the several decades of post WW2 debate and largely ineffective action on decentralisation, but the size of today's price differences is new. In the rental market a similar situation seems to have arisen. A decision which a young family might make to re-locate from the city to a regional centre will involve consideration of many factors, one of which will be the cost of housing. But in today's market, the

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<sup>49</sup> NSW Government Architect and the Department of Planning and Environment – 2018 draft guide *Urban Design for Regional NSW*.

prospect of selling high and buying low might well be a compelling factor in such a decision, with an obvious demographic benefit to the region involved.

#### 6.4.4 A national urban strategy

It is almost half a century since a national government committed itself to a policy framework which was based firmly on the notion that the future of our towns and cities was a matter demanding the direct involvement of Canberra – despite the fact that our Constitution was (and remains) silent on the matter. That early commitment saw intermittent support over the decades since, but overall the record shows that at the policy level, the states have carried the major load. Today, change seems to be in the air. A conservative federal government has commissioned various inquiries and a discussion paper on decentralisation, cities and infrastructure. Regional organisations and lobby groups have been busy promoting new approaches to regionalism, regional management, and regional planning. Two big regional cities have presented strong arguments for greater government involvement in the provision of regional infrastructure. A major regional university (Charles Sturt) has made a powerful case for a regional development framework linked to a national inter-governmental partnership. A national coalition of regional cities has been established, along with NGOs devoted to research and promotion at the regional level. The peak professional body representing urban planners is strongly advocating a national urban strategy. To cap this flurry of interest is a somewhat tantalizing statement in recent Commonwealth papers that a federal government will be examining the infrastructure requirements for a ‘new settlement of reasonable size, located away from existing infrastructure’.

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Driving this new-found interest and activity seems to be the common recognition that despite their noble plans, the growth of Sydney and Melbourne seems to be beyond control and that the health of the nation demands much more effort in the field of regional development, in support for country towns, in strengthening regional economies. In turn, this recognition is based not on attempting to forcibly curtail big city growth, but on building regional growth *for its own sake*. It might almost be seen as a moral issue: helping the country towns and regions to survive and prosper *is the right thing to do*, regardless of what happens in Sydney and Melbourne and the smaller capitals. Consistent with this view is the proposition that when aid is granted to a struggling country town it should not be seen as charity, as ‘helping the poor’. Rather should it be seen as a well-deserved

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<sup>50</sup> See Terms of Reference for Parliamentary Inquiry into the Australian Government’s role in the development of cities (House of Representatives standing committee on Infrastructure, Transport and Cities), Canberra, September 2018

injection of capital properly made in response to a robust and confidently argued submission whose prime purpose is to strengthen the local economy – not to help relieve Sydney's growth.

#### 6.4.5 The digital revolution

Today is it technically possible to run an international business from a garage in a small country town, provided that there is internet connection and an airport within commuting distance. Work places are becoming more and more mobile. As manufacturing slows, other sectors pick up. Tedious desk work is being replaced by automated digital systems. Students can read for a university degree remotely, on line. Robots have moved from science fiction to the real world, with machines replacing humans in the work-place. The week-end and the 9-5 working day seem to be disappearing as more people work from home or the local internet café. A 24-hour news cycle dominates the media. All these changes and reforms have implications for city form and function, and may well offer exciting prospects for new business start-ups in the regions.

#### 6.4.6 Sustainability

In the context of the decentralisation debate, our search for sustainability is starting to emerge as a potent driver for reform. This present work briefly referenced current efforts by environmental scientists to find more sustainable, more ethical ways of managing natural resources, in a regional context. Further work might reveal that when it comes to resilience and the ability to survive in the face of economic down-turns or trunk infrastructure collapse (for example) a small town with a communally-owned renewable energy supply, community food gardens, and carefully managed rainwater storage might be very well placed. As green politics evolve and as sustainability becomes an acceptable mantra, a return to Schumacher (1973) and his 'Small is Beautiful' thesis is a possibility. Schumacher's work on village-based economies might well have lessons for today as we start to re-think the future of our own small towns.

#### 6.4.7 High speed rail

This present work has elicited a number of mentions about the suggested introduction of a high-speed inland rail link between Brisbane and Melbourne, with consequential benefits to regional economies and towns along the track. It is understood that some 'back-room' planning is already under way. Until feasibility has been proven, benefits will be hard to quantify. However, experience in other countries is promising and it therefore seems reasonable to assume that any existing city on the network will see substantial investment and job creation. Wagga Wagga is one such city. Perhaps there is also room to dream about the long-term potential for building a new town designed as a service centre for a new high-speed system.

## 6.5 Where are the knowledge gaps ?

Throughout the present work, gaps in data availability have been noted. Further research (including study of the 'third tier' cities) will benefit as those gaps are filled. The key gaps emerge when it comes to trying to answer what appear at first glance to be simple questions. Have Sydney and Melbourne lost people to the bush ? Have the rates of population growth in these cities declined as a result of decentralisation programs? The Australian Bureau of Statistics has been busy designing numerous special surveys and has done valuable work analysing Census data, including figures on domestic migration. Yet at the time of writing it seems that we have no means of finding out how many people or households migrated permanently from Sydney to Wagga Wagga or from Melbourne to Bendigo during a particular inter-censal period. We have no simple means of finding out how many new jobs have been created in these cities as a result of a decentralisation project. Quantifying the demographic benefits of such projects seems to remain a statistical impossibility.

## 6.6 The three questions: a simple response

*Can decentralisation really help to alleviate the growth of our metropolitan capitals ?*

The short answer is 'no'. Decentralisation as a government-led policy and as practiced in Australia under any name has never been instrumental in retarding metropolitan growth. Hopes have been high. Policies have been adopted. But serious, sustained, and consistent implementation efforts over time have either been ignored or have failed to deliver. Since the post WW2 era, virtually all projections of population growth in Sydney and Melbourne have been understated. It seems that the only practical way to slow down the growth of these cities is to reduce migrant intakes. That is a controversial proposition awaiting further research and difficult political decision-making at another time.

*What is the potential for achieving significant decentralisation movement and population growth / resettlement in regional centres ?*

The potential is there but it is limited. Governments can nominate preferred centres for investments in hard and soft infrastructure and job creation. Internal migration will continue in a spontaneous and unpredictable way. More small towns outside the shadow of the regional centres will suffer decline unless and until they can 'rediscover' themselves, find new resources, new opportunities. Regional centres can expect to benefit from internal migration, from a continuation of existing programs of self-promotion, and possibly from the Florida *Creative places* model. More city people are likely to exploit a house market strongly skewed in favour of the bush. It is also possible that more people will show a preference for small town life and for a

'greener' lifestyle outside the metropolis. But overall, numbers will be small with negligible impact on metropolitan growth. The Commonwealth could introduce a requirement for incoming migrants to spend time in the bush. The Commonwealth in partnership with a State or a corporate entity could also stimulate regional growth by investment in a major labour-intensive infrastructure (eg a large wind-farm or solar energy project or rail link) but the post-construction benefits may be few. It is significant in this context that a 'new settlement' (Commonwealth-sponsored ?) was briefly foreshadowed in the Terms of Reference for the House of Representatives Standing Committee on Infrastructure, Transport and Cities *Building Up and Moving Out* 2018 Inquiry into the Australian Government's role in city development.

*What infrastructure (hard and soft) can be seen as an essential pre-requisite for sustained growth in regional centres ?*

Top of the list of hard infrastructure items would be roads, water storages, communications in every form. A fully equipped base hospital with medical research facilities – possibly linked to a regional university - would also be on the top of the list. Soft infrastructure items would include well-equipped facilities for music and the performing arts in all genres; a cinema; a modern library with on-line study facilities; one or more heritage conservation precincts; and at least one comprehensive high school. Good architecture, quality urban design and attractive landscaping (especially in the city centre and 'main street'), are all valued amenity factors. Likewise, a development control policy which encouraged housing choice and variety, and a vibrant downtown mix of entertainment and hospitality activities, would also help to strengthen the town's image as a good place in which to live, work and relax. These items will also enhance the reputation of the place as an enjoyable tourist destination. Some might see these items as being more appropriate for a big city, and as luxuries in the regional context. But as Florida has pointed out and as common sense will confirm, a city without them will suffer in comparison. Bendigo and Wagga Wagga stand witness to these observations as they pursue their separate growth paths into what appears to be a healthy, sustainable and well-resourced future.

## END NOTES

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